

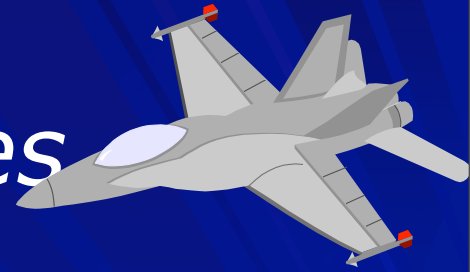
# Entrepreneurship

Lecture #8c

Competitive Strategy



# *Competitive Strategies*



Head-to-head

coke/pepsi

Feature war

mousetrap (Xbox)

Price war

priceline

Quality war

ibm or HP

New market war

whole foods

Automation war

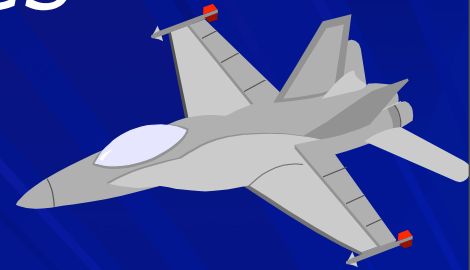
salesforce.com



# *Competitive Strategies*

Pick your battles  
Neutralized weaknesses  
Play to strengths  
Don't strike too soon  
Befriend competitors  
Move quickly

*All's fair in Love and*



# Competitive Strategy

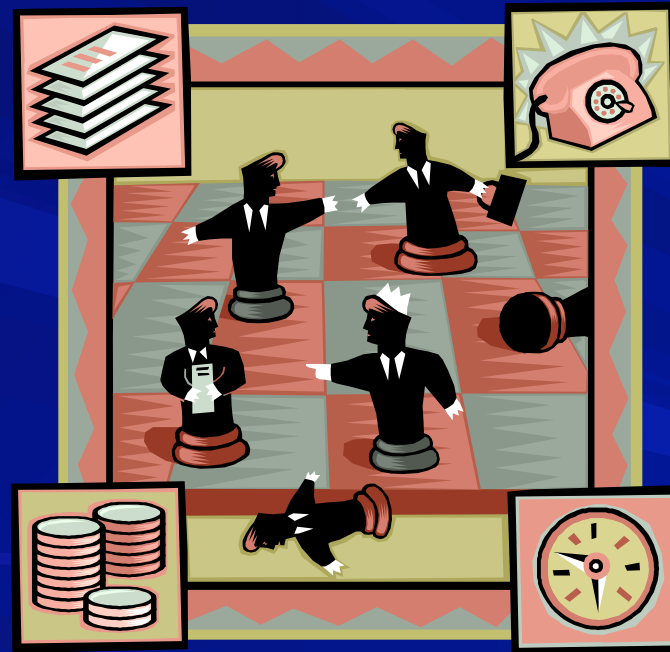
## AGAINST EACH COMPETITOR



- Analyze each competitor
- Determine the competitors' positioning
- Position against each competitor
- Determine competitive response
- Response to their strategy



# Common Strategies



# Competitive Strategies

## Direct



A

B



Coke – Pepsi  
Cingular – Verizon  
Nike – Adidas  
McDonalds – Burger King



# Competitive Strategies Change the Game



A

B



Dell – PC Manufacturers  
Salesforce.com  
E-commerce  
eBay  
Netflix - Blockbuster  
YouTube – Big Media

# Competitive Strategies

## Niche (Target)



Snapple - Coke  
Cricket - Cell companies  
Under Armor - Nike (& others)  
FORE - Cisco  
Apple - Microsoft (& PCs)

# Competitive Strategies

## Fast Follower



A

B



MCI – AT&T  
Nation Semiconductor – Intel

# Building Barriers to Entry

- Economies of scale
- Product differentiation
- Capital requirements
- Switching costs
- Cost advantages
- Government policies

