**Competitor profile chart**

Profiling your competitors allows you to understand a range of key information about their business - including what [prices](https://www.business.qld.gov.au/running-business/marketing-sales/marketing-promotion/pricing) they charge for their products, where they [find their customers](https://www.business.qld.gov.au/running-business/growing-business/new-customers) and how they [advertise](https://www.business.qld.gov.au/running-business/marketing-sales/marketing-promotion/advertising).

Researching competing businesses to create a competitor profile will help you to see gaps in the market that your business can meet. For example, if your competitors do not have an online presence, you might be able to attract customers by offering your products and services [online](https://www.business.qld.gov.au/starting-business/internet-start-ups/online-basics).

Create a profile for each of the competitors to your business by reading the questions below and typing your answers into the competitor profile chart.

|  | **Competitor 1** | **Competitor 2** | **Competitor 3** |
| --- | --- | --- | --- |
| What is their business name? |  |  |  |
| Where is their business located? |  |  |  |
| How would you rank their location and why? (e.g. exposure, traffic flow, access, parking, other businesses) |  |  |  |
| How many customers do they have in a particular time period? (You could observe their office or store to determine this.) |  |  |  |
| How many employees do they have? |  |  |  |
| How effective are their employees at doing their job? |  |  |  |
| What do they charge for their products and services? |  |  |  |
| What is their refund policy? |  |  |  |
| Which customers are they targeting? (e.g. young male professionals, families with teenage children) |  |  |  |
| How do they advertise or market themselves? |  |  |  |
| Do they have an online presence (e.g. website, social media)? |  |  |  |
| What is their competitive advantage? |  |  |  |

**Your competitive advantage**

Your competitive advantage is what sets your business apart from your competition. It highlights the benefits a customer receives when they do business with you. It could be your products, service, reputation, or even your location. For example, do you offer home delivery, a money back guarantee, a 2-hour call-out service or childcare facilities?

**How to identify your competitive advantage**

To identify your competitive advantage, you need to understand your competitors and your customers. Ask yourself:

* Why do customers buy from us?
* Why do customers buy from our competitors and not us?
* Why do some potential customers not buy at all?
* What do we need to do to be successful in the future?

Market research will help you to answer these questions. Good market research will reveal how your business is different from your competitors, and what you have to offer that appeals to your customers. In-depth [customer research](https://www.business.qld.gov.au/starting-business/planning/market-customer-research/researching-customers) will help you identify your customers' needs and increase your competitive edge.

Use our [market research kit](https://www.business.qld.gov.au/starting-business/planning/market-customer-research/kit) to find key economic, demographic and statistical information about your industry.

**Customers buy benefits**

When customers buy your product or service, they are buying the benefit that it gives them. It may be that your product makes their life simpler, or your service helps them to feel better about themselves. Think about how your competitive advantage benefits your customers.

For example, the competitive advantage for a sandwich shop may be: *We use fresh, local ingredients to make-to-order the highest quality gourmet sandwiches in the local area*.

Different customers may see different benefits:

* customers with allergies or particular dislikes will enjoy the convenience of ordering a sandwich with their preferred ingredients
* customers who want to treat themselves will be attracted by the fresh, high-quality ingredients, and the fact that the sandwiches are gourmet
* customers who want to support local businesses will appreciate that you use only local ingredients.

Thinking about how your business can benefit your customers will help you to pinpoint your competitive advantage. A strong competitive advantage:

* reflects the competitive strength of your business (e.g. quality of service)
* is preferably, but not necessarily, unique
* is clear and simple
* may change over time as competitors try to cash in on your idea
* must be supported by honest and ongoing market research
* must highlight the benefits to customers rather than boast of your business itself.

After you have highlighted your competitive advantage, the best way to tell your customers about it is to create your [unique selling proposition](https://www.business.qld.gov.au/running-business/marketing-sales/marketing-promotion/advertising/unique-proposition).