CHECKING OUT THE COMPETITION

Who else serves your customer, what they do well and badly, and how you'll stand out.

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AT A GLANCE

- Every business has competition, even if it's just **customers doing nothing** or **doing it themselves**.
- Study 5 to 10 competitors: their prices, customers, strengths and weak spots, and especially their **reviews**.
- Your goal is a clear answer to "Why would someone choose you?"

Why it matters

Saying "we have no competition" worries lenders and investors. It suggests you haven't looked, or there's no demand. Knowing your competitors helps you price well, find gaps, and explain why customers will switch to you.

Three kinds of competition

Kind	What it is	Example for a home-cleaning business
Direct	Businesses selling the same thing to the same people	Other local cleaning companies
Indirect	Different products that solve the same problem	Cleaning apps, gig marketplaces
Do-nothing / do-it-yourself	Customers handling it on their own	Families who clean their own homes

Step by step

1. **List 5 to 10 competitors** across all three kinds. Search online, check maps and ask customers who else they've used.
2. **Fill in a comparison table** like the one below.
3. **Read their reviews**, both 5-star and 1-star. Complaints are opportunities.

4. **Try them yourself** if you can. Book a service, buy a product, call their line.
5. **Find your gap**: a customer group, a feature, a level of service or a price point they're not covering well.
6. **Write your difference** in one sentence.

Example comparison: Rosa's Cleaning Co.

	Big cleaning franchise	Gig marketplace app	Rosa's Cleaning Co.
Price for a 2-bedroom	$180	$120 to $160	$150
Same cleaner each time	Sometimes	Rarely	Yes
Booking	Phone, website	App	Text or online
Languages	English	Varies	English and Spanish
Common complaints in reviews	Rushed, staff turnover	No-shows, uneven quality	(new)

> EXAMPLE
>
> Rosa's difference: **"The same trusted, bilingual cleaner every visit, booked by text."** Reviews for competitors kept mentioning different cleaners every time and no-shows. That became the center of her marketing.

Ways to stand out

- **Serve a group others ignore**, like a language community, a neighborhood or a type of business.
- **Better service**: faster, friendlier, more reliable.
- **Specialize** in one thing and do it best.
- **Convenience**: easier booking, delivery, flexible hours.
- **Price**, carefully. Being cheapest is a hard way to win. See **M-07 Pricing Your Product or Service**.

Common mistakes

- **Saying you have no competition.**
- **Copying a competitor's prices** without knowing their costs.
- **Trying to beat everyone at everything.** Pick one or two ways to stand out.
- **Bad-mouthing competitors.** Focus on what you do well.

Your checklist

- ☐ List 5 to 10 competitors, including indirect and do-it-yourself
- ☐ Build a comparison table
- ☐ Read 20 or more competitor reviews
- ☐ Write your one-sentence difference
- ☐ Check the difference with 5 customers

Key words, explained

Word	What it means
Direct competitor	Sells the same thing to the same customers.
Indirect competitor	Solves the same problem a different way.
Differentiation	What makes you different and better for your customer.

Where to go next

- **I-06 Testing Your Idea Before Spending Big**
- **M-07 Pricing Your Product or Service**
- **L-01 Building a Brand on a Small Budget**

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