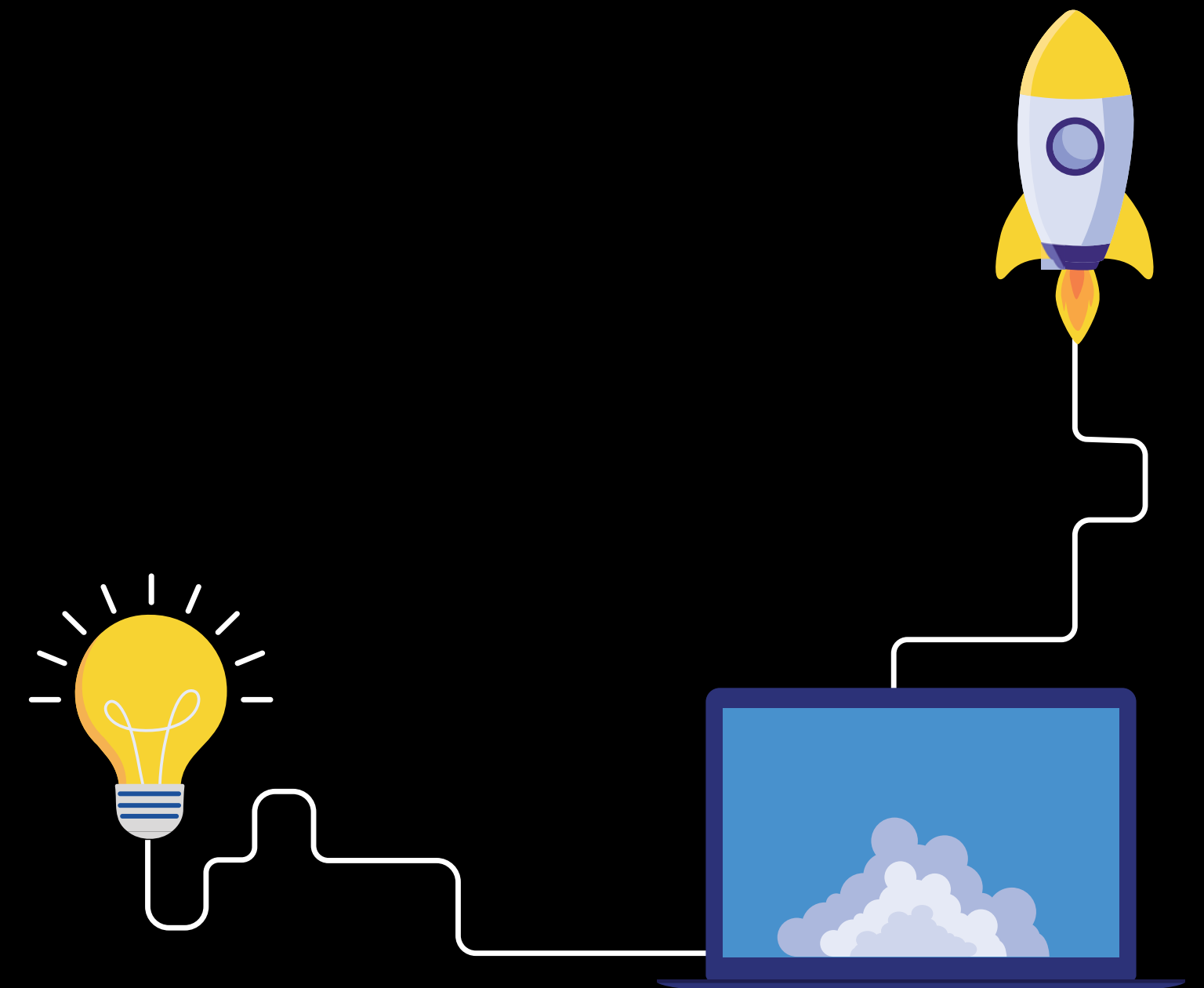<3

The Launch Path

1. Listen to the waves.

2. Build something people want.

→ 3. Draw the landscape.

4. Create an engine of growth.

5. Engineer an economic model.

6. Create a capital strategy.

7. Frame a Funnel.

8. Be a Master Storyteller.

All startups operate within a landscape of competitors and alternatives.

All startups operate within a landscape of competitors and alternatives.

The Juicero product launched in 2017, selling for $699.
"The only wi-fi connected juicer on the market today"

After raising $120 million in venture capital, they went bankrupt within 2 years.
Because there are a lot of alternative ways to make juice.

All startups operate within a landscape of competitors **and alternatives**.

Researching and understanding the competitive landscape is important as you develop your product or service.

But then don't obsess about competition - it's not the reason most startups die.

Paul Graham ✔
@paulg

In 99% of startups, failing to execute is a much bigger danger than being copied. So it's a mistake to risk the former in order to avoid the latter.

4:14 AM · Feb 7, 2021 ⓘ

♡ 2.8K ♡ 495 🔗 Copy link to Tweet

Startups rarely fail because of competition. They fail because their product doesn't meet market needs, they fail from bad financial management, they fail because the unit economics are upside down.

Most of them fail because the team doesn't execute. They don't usually fail because of competition.

As a startup founder, you need to embrace two important truths:

1. Researching and understanding the landscape of competitors and alternatives is very important.

2. But then spend your time obsessing about customers and building a great company, not obsessing about competitors.

"If you're competitor-focused, you are always reacting to what someone else is doing. Being customer-focused allows you to be more pioneering."

-Jeff Bezos

Common slide in a pitch deck:

Competition

	Our App	Brand X	Brand Y
User Friendly	✅	❌	❌
Encryption	✅	❌	✅
Keywords	✅	✅	❌
AI-Powered	✅	✅	❌
Cloud Bookmarks	✅	❌	❌
Social	✅	❌	✅
API's	✅	❌	✅

Worthless. Tells us nothing about positioning. Customers don't buy features.

Rolex   Frog watch

	Rolex		Frog watch
Tells time	✓		✓
Affordable	✗		✓
Frog	✗		✓

The original Airbnb pitch deck:

Some tools for competitive research:

- Google, Google, Google.

- Crunchbase and Pitchbook.

- Wayback Machine

- Captera and G2 for software reviews.

- Web traffic (SEMrush, etc).

- LinkedIn discussions.

- Troll FB groups and Reddit.

Most importantly, do Customer Development interviews and listen to the ways they currently solve the problem your startup addresses. Sometimes they may mention competitors, sometimes they may mention alternative ways to solve the problem.

Competitive Research Tools

Every successful startup founder needs to spend time researching the landscape of competitors and alternatives their startup will operate within. A generation ago, that would have meant hiring a market research firm. Today, there are incredibly powerful tools available, many of them free.

Here's my quick list of some resources you should be aware of:

Old-Fashioned Customer Interviews

Your best insights are always going to come from talking to prospective customers. Remember, you're trying to understand the alternative ways customers address the problem your startup will solve. If you're making a shopping list app, your competition isn't just other shopping list apps, it's spreadsheets, notes on scraps of paper, and all the other ways people create shopping lists. When you do customer development interviews, make sure you
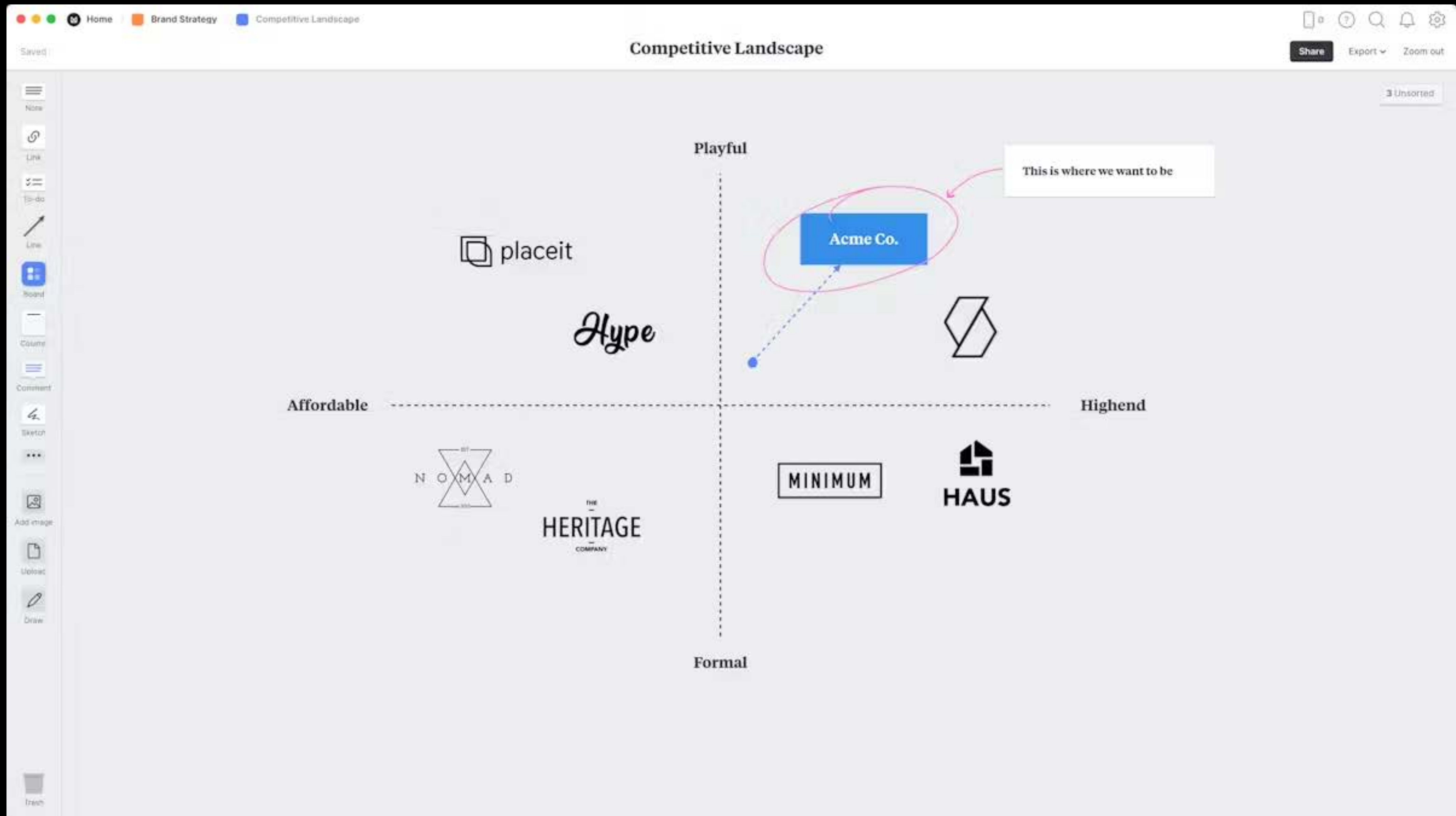
Use a spreadsheet as you collect information.

COMPETITIVE ANALYSIS FRAMEWORK

		Competitor 1	Competitor 2	Competitor 3	Competitor 4
Company Specific	# of Employees	Type you text here	Type you text here	Type you text here	Type you text here
	Founded	Type you text here	Type you text here	Type you text here	Type you text here
	Funding	Type you text here	Type you text here	Type you text here	Type you text here
	Investors	Type you text here	Type you text here	Type you text here	Type you text here
	Acquisitions	Type you text here	Type you text here	Type you text here	Type you text here
	# of Customers	Type you text here	Type you text here	Type you text here	Type you text here
	Strengths and weaknesses	Type you text here	Type you text here	Type you text here	Type you text here
Target Customer / Message	Products	Type you text here	Type you text here	Type you text here	Type you text here
	Primary Buyer / Decision Maker	Type you text here	Type you text here	Type you text here	Type you text here
	Secondary Buyer	Type you text here	Type you text here	Type you text here	Type you text here
	Target customer	Type you text here	Type you text here	Type you text here	Type you text here
	Messaging	Type you text here	Type you text here	Type you text here	Type you text here
Product Specific	Product features	Type you text here	Type you text here	Type you text here	Type you text here
	Pricing	Type you text here	Type you text here	Type you text here	Type you text here
	Free experience before buying	Type you text here	Type you text here	Type you text here	Type you text here
	Customers	Type you text here	Type you text here	Type you text here	Type you text here
	Product strength	Type you text here	Type you text here	Type you text here	Type you text here
	Product weakness	Type you text here	Type you text here	Type you text here	Type you text here
	Customer reviews	Type you text here	Type you text here	Type you text here	Type you text here
Positioning	How to win?	Type you text here	Type you text here	Type you text here	Type you text here
	Why Customer should chose us	Type you text here	Type you text here	Type you text here	Type you text here

But then find a way to visualize the landscape.

And now a brief word about TAM, SAM, SOM.

Market Size: TAM, SAM, SOM

TAM

SAM

SOM

Total Addressable Market

This is the total existing market demand for your product or service. It's relatively meaningless because your applesauce startup is never going to get one hundred percent of the worldwide applesauce market.

Serviceable Available Market

This is the amount of the TAM you could potentially reach, given your geography and business model. Maybe our applesauce startup is targeting just the direct-to-consumer applesauce market in the United States. That's our SAM.

Serviceable Obtainable Market

Unless you're a monopoly, you're never going to get one hundred percent of the SAM. Given the benefits your applesauce offers customers, what percentage of the total available customers could potentially become yours, and how much would they buy?

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