

# DRS Pro Transfer

Market & Competition

# Our plan for this week

Agenda for DRS Pro Transfer

Monday	Tuesday	Wednesday	Thursday	Friday
9:30 - 11:00 Introduction	9:30 - 15:00 Business Model Generation	9:30 - 11:00 Market & Competition	9:30 - 11:00 Access resources from the ecosystem	9:30 - 15:00 Intellectual Property
11:30 - 15:00: Ideation & Value Creation		11:30 - 13:00: Am I riding a "dead horse"?	11:30 - 13:00 Pitch training	
		13:30 - 15:00 Experiment your venture (Lean Startup)	13:30 - 15:00 Meet Freie Postdocs & Academic Ventures	15:00 - 16:00 Final Pitches
<i>Time at co-working space</i>	<i>Time at co-working space</i>	<i>Time at co-working space</i>	<i>Time at co-working space</i>	<i>Networking</i>



# Aims for this section

Intro into business topics: competition and markets

After thinking about particular customers and business models for the day...



... let's deepen our understanding on "the market" and whom you "compete" with

**DIGITAL  
ENTREPRENEURSHIP  
HUB**

# What is (corporate) strategy?

Pillars of strategic planning

External perspective:  
Understanding the environment  
(chances and risks)

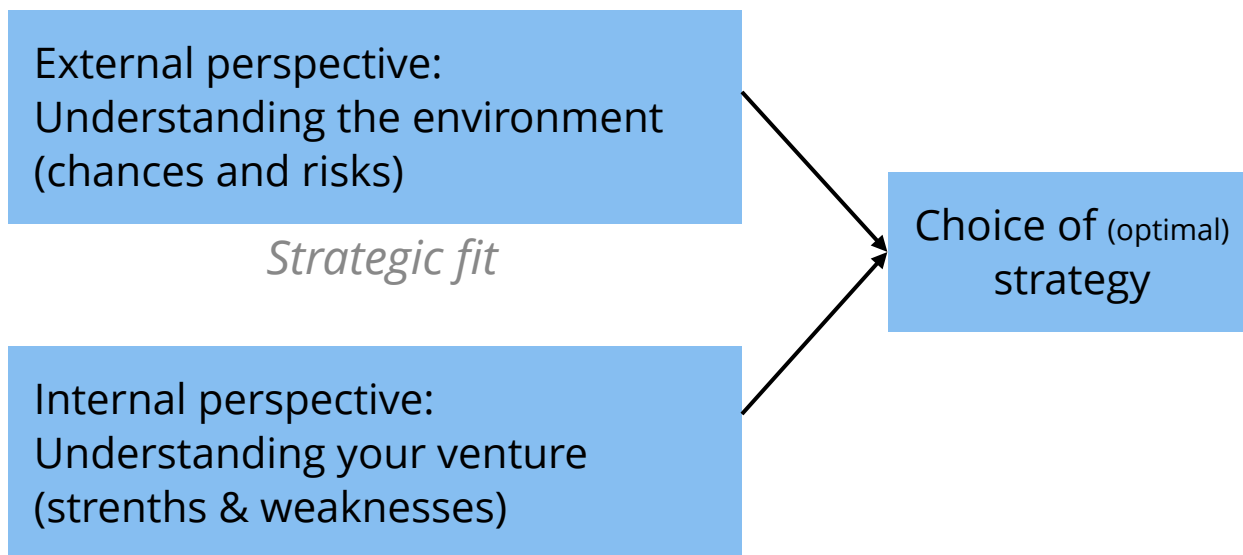
*Strategic fit*

Internal perspective:  
Understanding your venture  
(strengths & weaknesses)

Steinmann/Schreyögg 2000 (modified)

# What is (corporate) strategy?

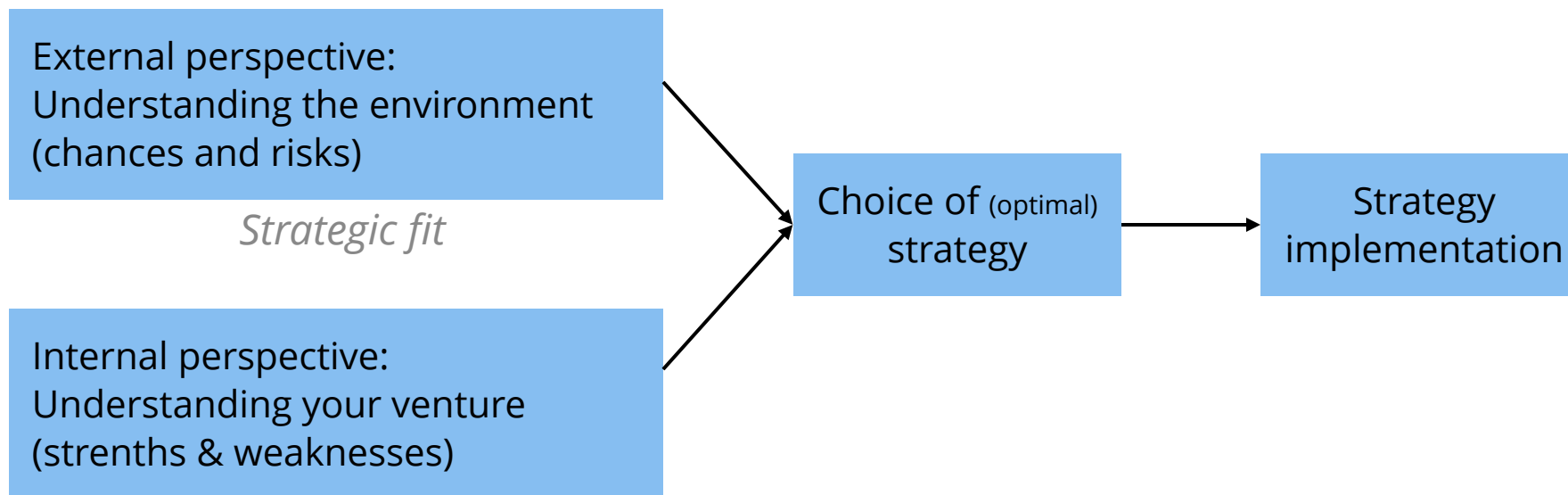
Pillars of strategic planning



Steinmann/Schreyögg 2000 (modified)

# What is (corporate) strategy?

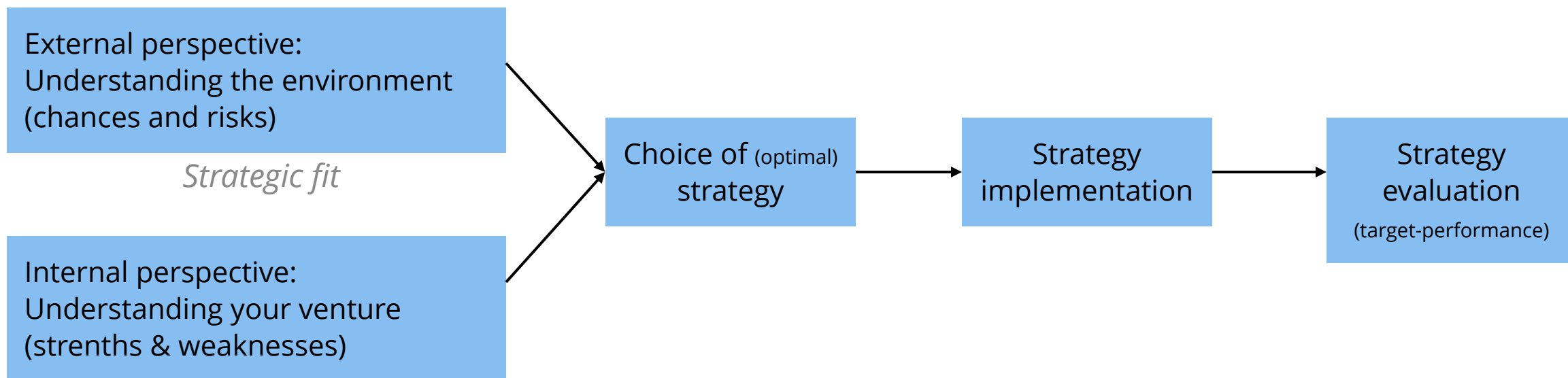
Pillars of strategic planning



Steinmann/Schreyögg 2000 (modified)

# What is (corporate) strategy?

## Pillars of strategic planning



Steinmann/Schreyögg 2000 (modified)

# External Perspective: Market

What is a relevant market (from a customer perspective)?

If you want to assess:  
market size & growth or  
market share  
you need to know your  
**relevant market**

Freiling, J.; Reckenfelderbäumer, M. (2010): Markt und Unternehmung, 3. Aufl., Springer-Gabler-Verlag, Wiesbaden, S. 95).



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Buyers / Customers

(assess the subjective willingness to substitute)

**relevant market**



Provider

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Buyers / Customers

(assess the subjective willingness to substitute)

**relevant market**

subjective market delimitation criteria

factual

which deliverables are offered?




Provider

Freiling, J.; Reckenfelderbäumer, M. (2010): Markt und Unternehmung, 3. Aufl., Springer-Gabler-Verlag, Wiesbaden, S. 95).

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(assess the subjective willingness to substitute)

**relevant market**

differentiation over time?  
(seasonal, per day)



which deliverables are  
offered?


 **Provider**

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 **Buyers / Customers**  
 (assess the subjective willingness to substitute)

## relevant market

which regions / places  
 does the market cover?

differentiation over time?  
 (seasonal, per day)



which deliverables are  
 offered?




**Provider**

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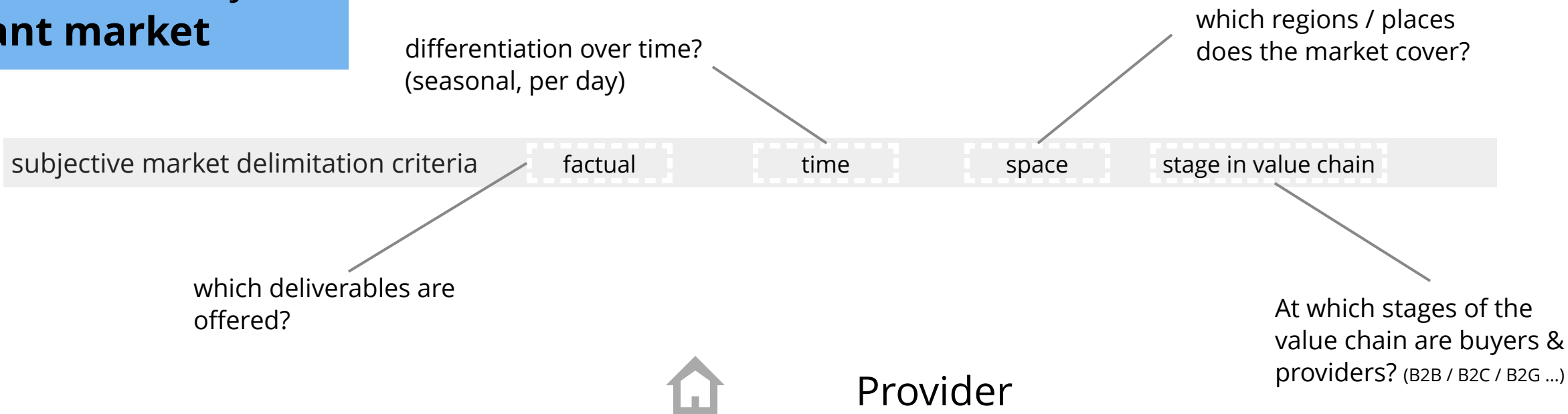
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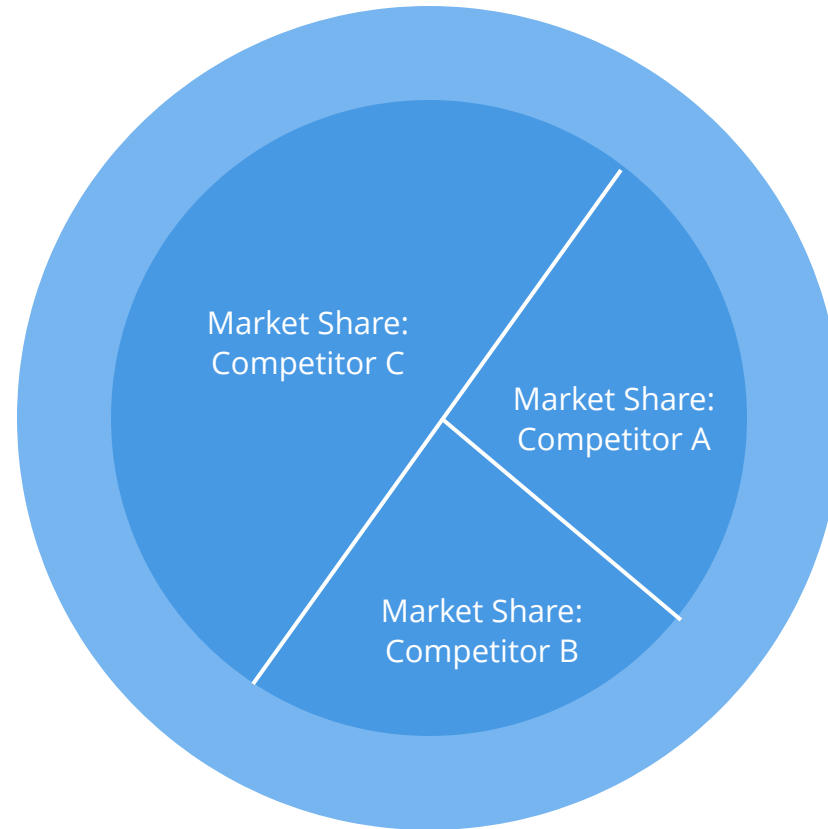
## relevant market



Freiling, J.; Reckenfelderbäumer, M. (2010): Markt und Unternehmung, 3. Aufl., Springer-Gabler-Verlag, Wiesbaden, S. 95).

# External Perspective: Market

What is a relevant market (from a customer perspective)?

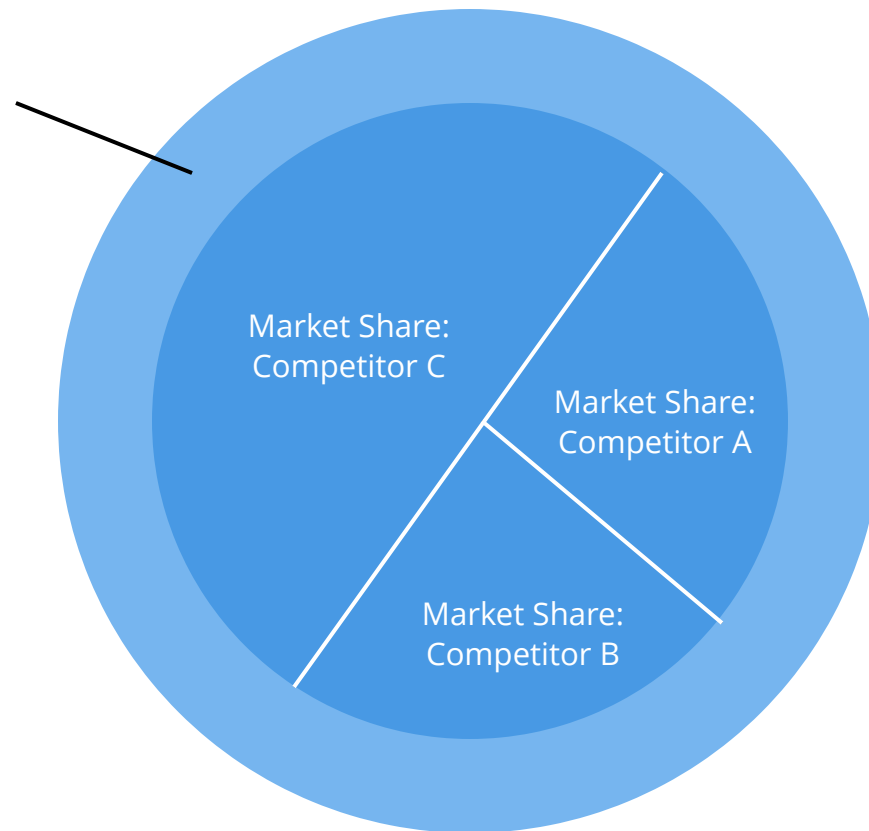


M. Kleinaltenkamp (2013): Marketing Einführung, 6. Aufl., Springer-Gabler Verlag, Wiesbaden.

# External Perspective: Market

What is a relevant market (from a customer perspective)?

**Market potential:**  
Maximum achievable revenue  
(if all potential customers fulfill their needs)



M. Kleinaltenkamp (2013): Marketing Einführung, 6. Aufl., Springer-Gabler Verlag, Wiesbaden.

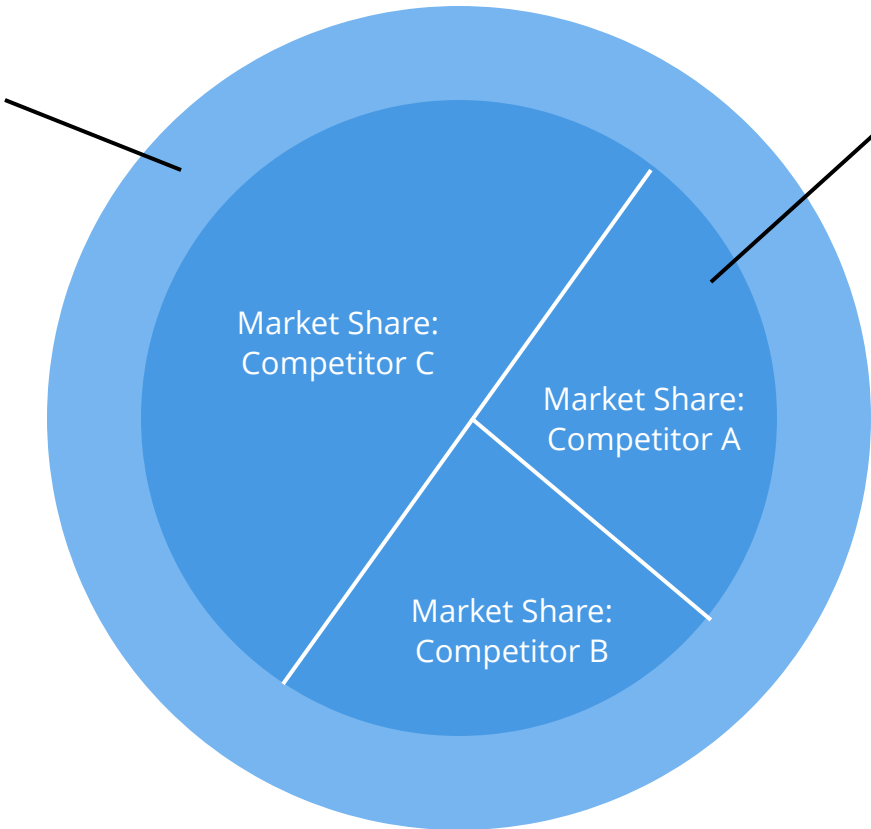


# External Perspective: Market

What is a relevant market (from a customer perspective)?

**Market potential:**

Maximum achievable revenue  
(if all potential customers fulfill their needs)



**Revenue of a company in a period:**

(by amount or "exchange value")

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# External Perspective: Market

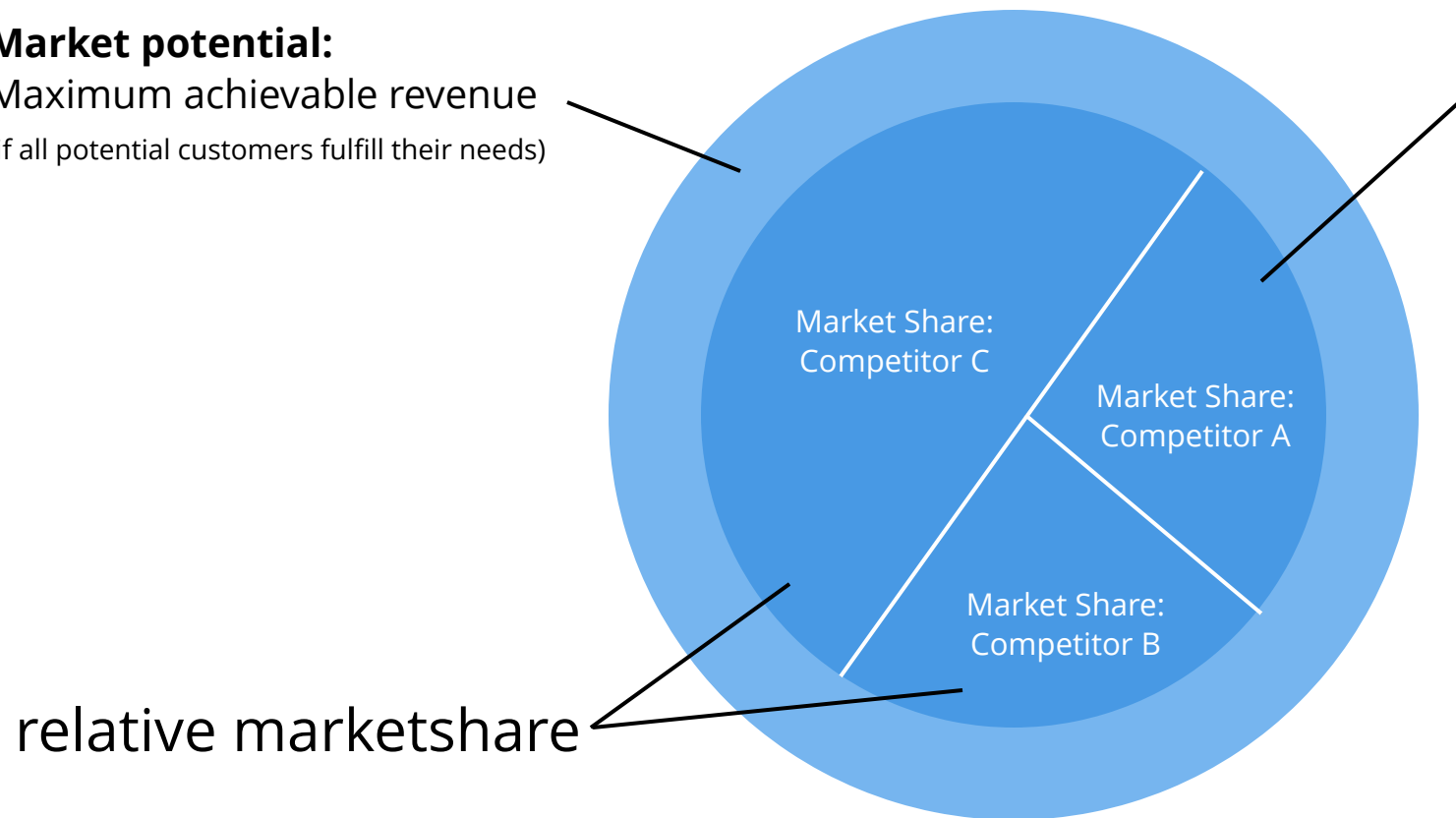
What is a relevant market (from a customer perspective)?

**Market potential:**

Maximum achievable revenue  
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**Revenue of a company in a period:**

(by amount or "exchange value")



relative marketshare

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# External Perspective: Market

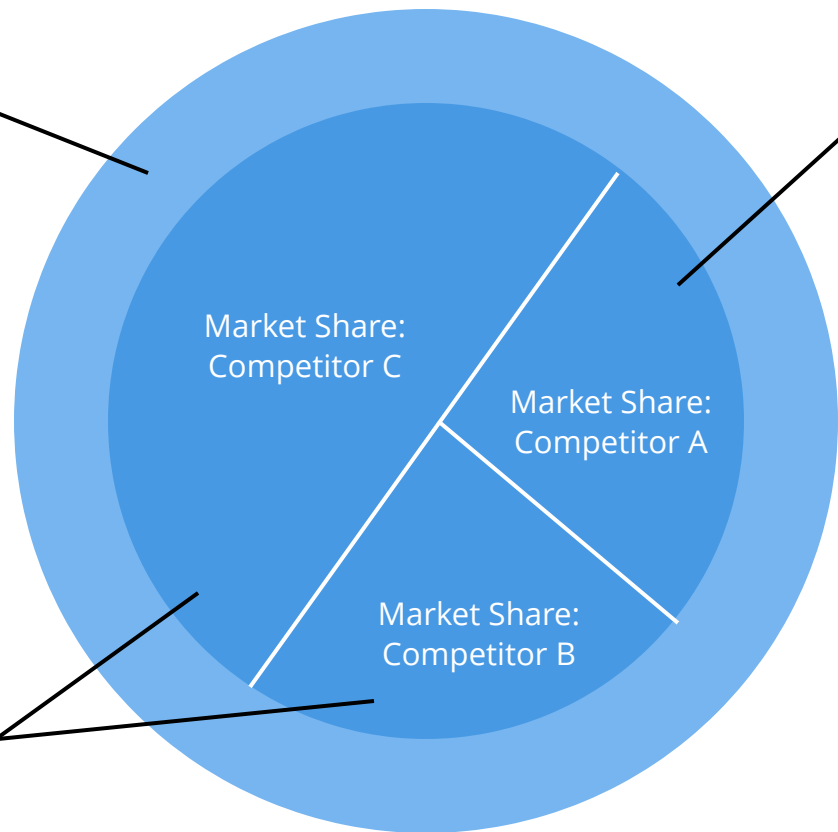
What is a relevant market (from a customer perspective)?

**Market potential:**

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(by amount or "exchange value")



$$\sum(\text{marketShare}_x)$$

relative marketshare

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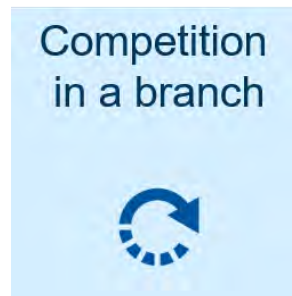
# External Perspective: Market

What is a relevant market (from a customer perspective)?

		Demand		
<b>Supply</b>		<b>C2C: Consumer-to-Consumer</b> (Shpock, Ebay)	<b>C2B: Consumer-to-Business</b> (Job marketplace)	<b>C2A: Consumer-to-Administration</b> (tax handling)
		<b>B2C: Business-to-Consumer</b> (Web shop)	<b>B2B: Business-to-Business</b> (selling machine parts)	<b>B2A: Business-to-Administration</b> (Supplier for public services)
		<b>A2C: Administration-to-Consumer</b> (Governance Services)	<b>A2B: Administration-to-Business</b> (Grants and subsidies)	<b>A2A: Administration-to-Administration</b> (Transaction between ministries)

# External perspective: Competition

Five Forces (a market-oriented view on companies)




Porter, M. E. (1980) Competitive Strategy: Techniques for analyzing industries and competitors : with a new introduction/Michael E. Porter; New York: Free Press

# External perspective: Competition

Five Forces (a market-oriented view on companies)

**Rivalry**  
Growth of branch,  
Product diversification, ...

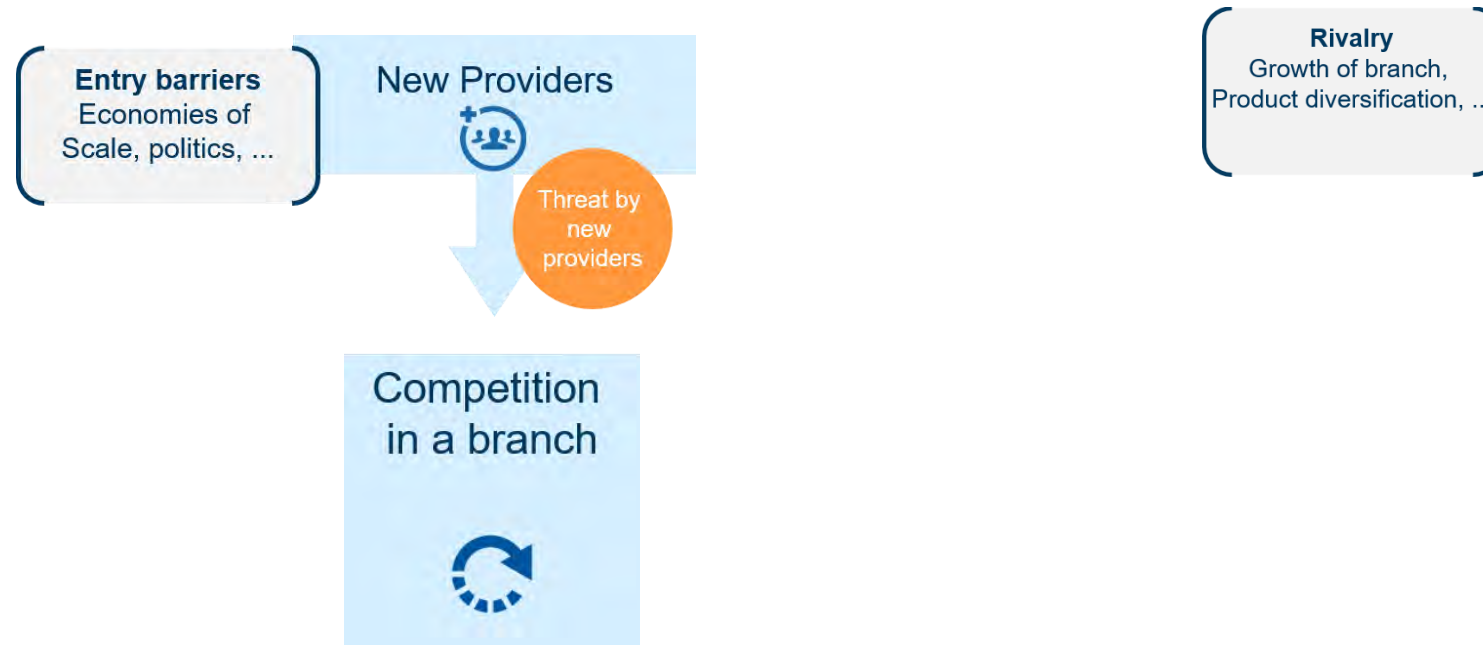
Competition  
in a branch



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# External perspective: Competition

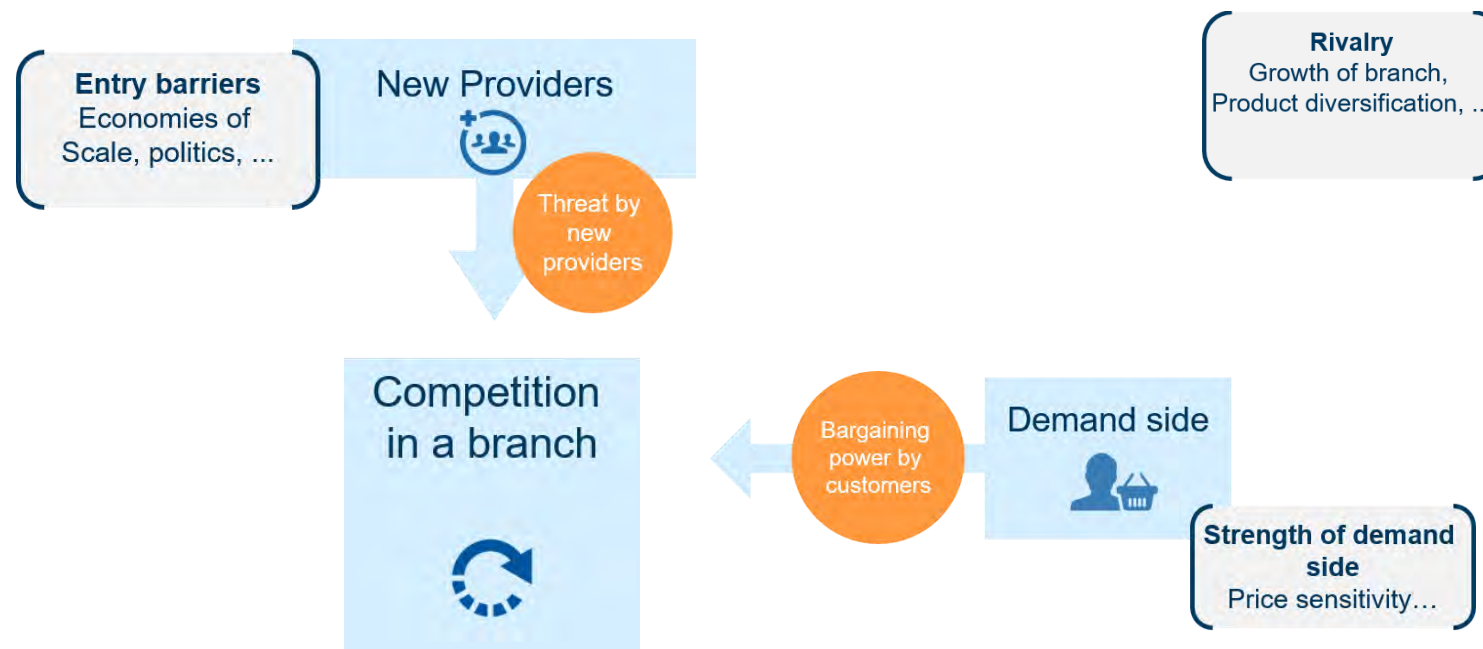
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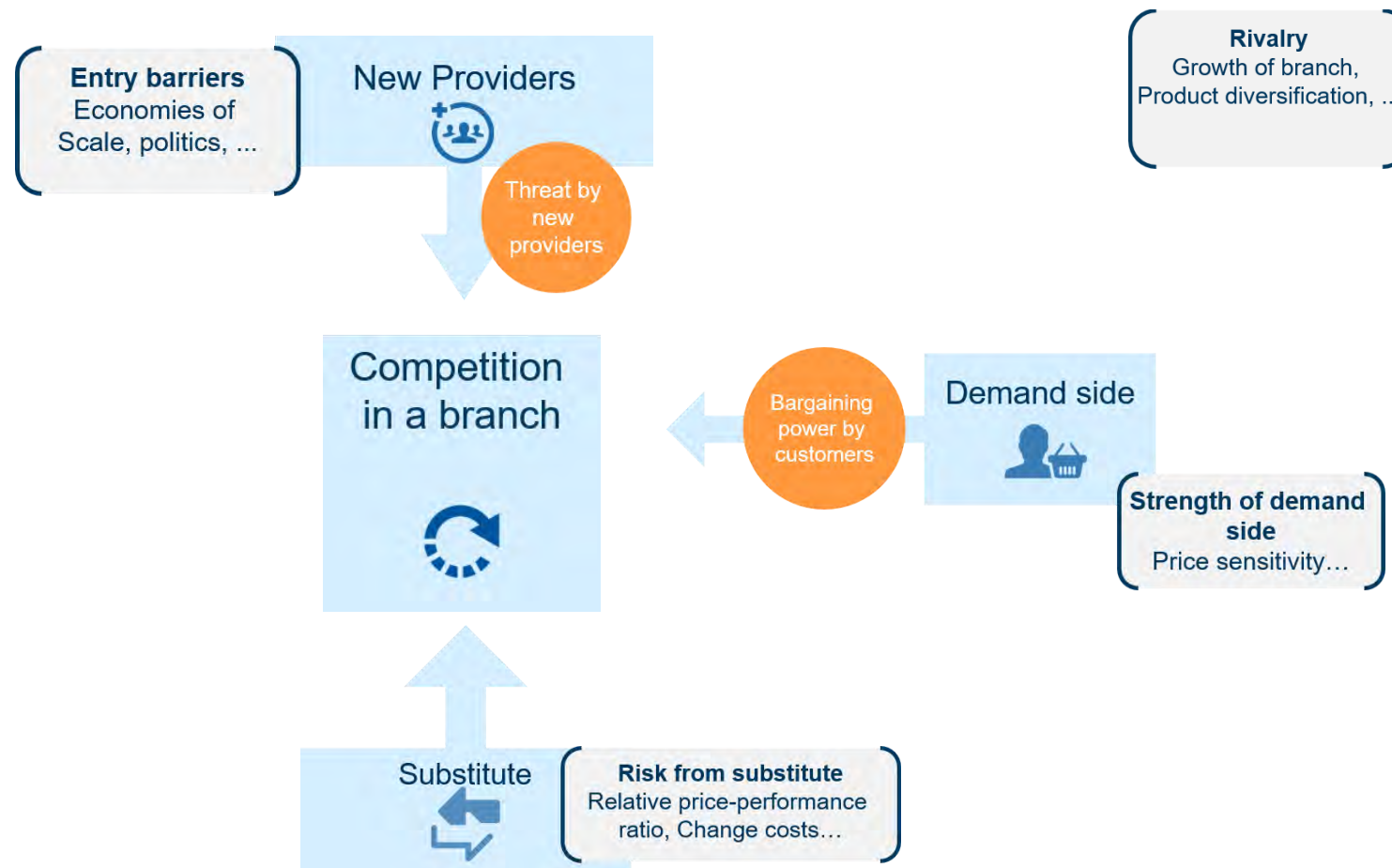


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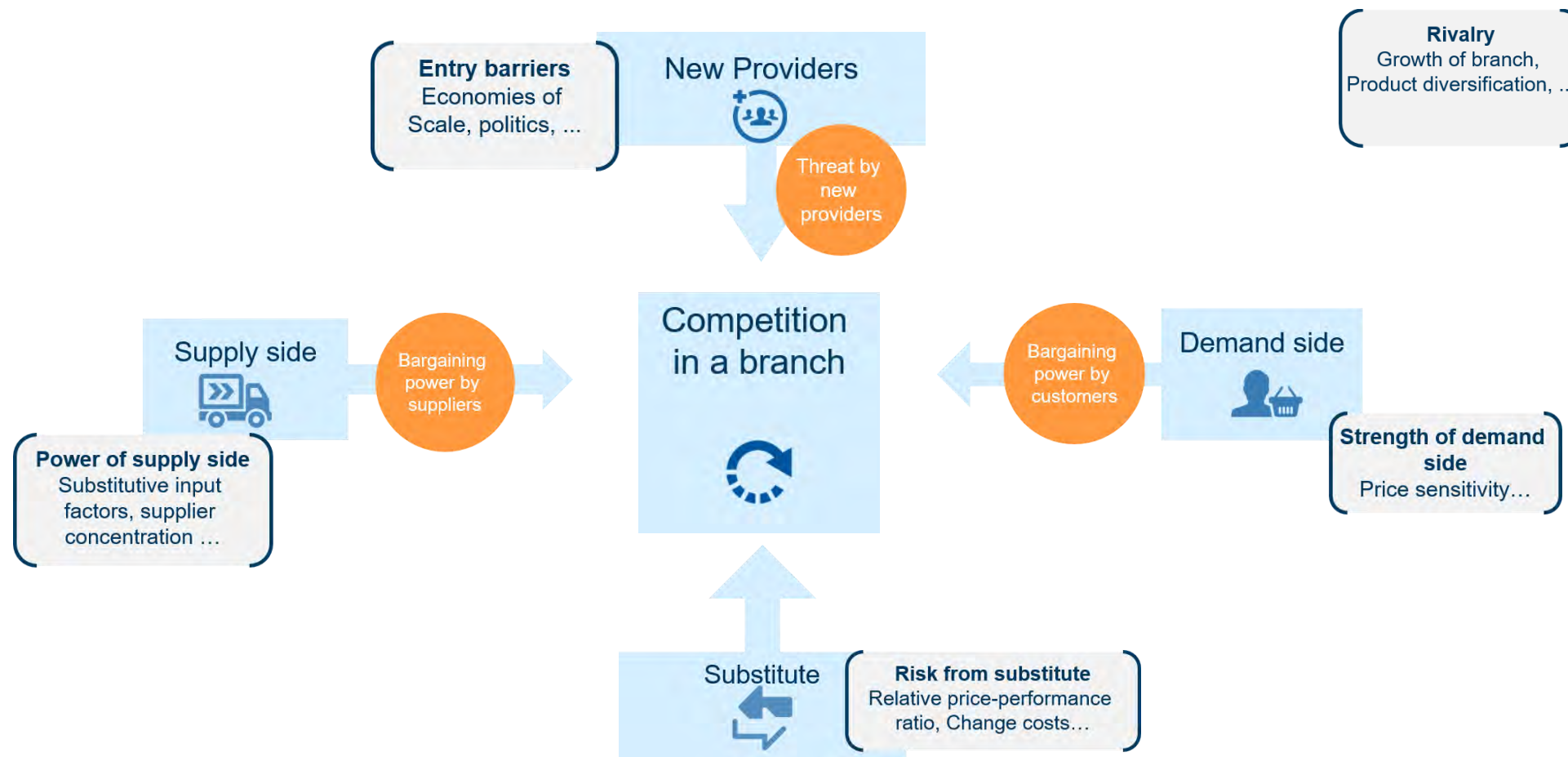
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# External perspective: Competition

Five Forces (a market-oriented view on companies)



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# External perspective: Competition

Five Forces (example)



Porter, M. E. (1980) Competitive Strategy: Techniques for analyzing industries and competitors : with a new introduction/Michael E. Porter; New York: Free Press

# External perspective: Competition

Five Forces (example)

Let's do a market & competition analysis:



Porter, M. E. (1980) Competitive Strategy: Techniques for analyzing industries and competitors : with a new introduction/Michael E. Porter; New York: Free Press

# Internal perspective: Core Competences

a resource-based perspective of the company



Image: ArtistvanChew (2009) | Flickr (cc by)

Presentation by Prof. Dr. Hannes Rothe (@cpt\_ftr)

# Internal perspective: Core Competences

a resource-based perspective of the company



Final product  
(video / photo camera)

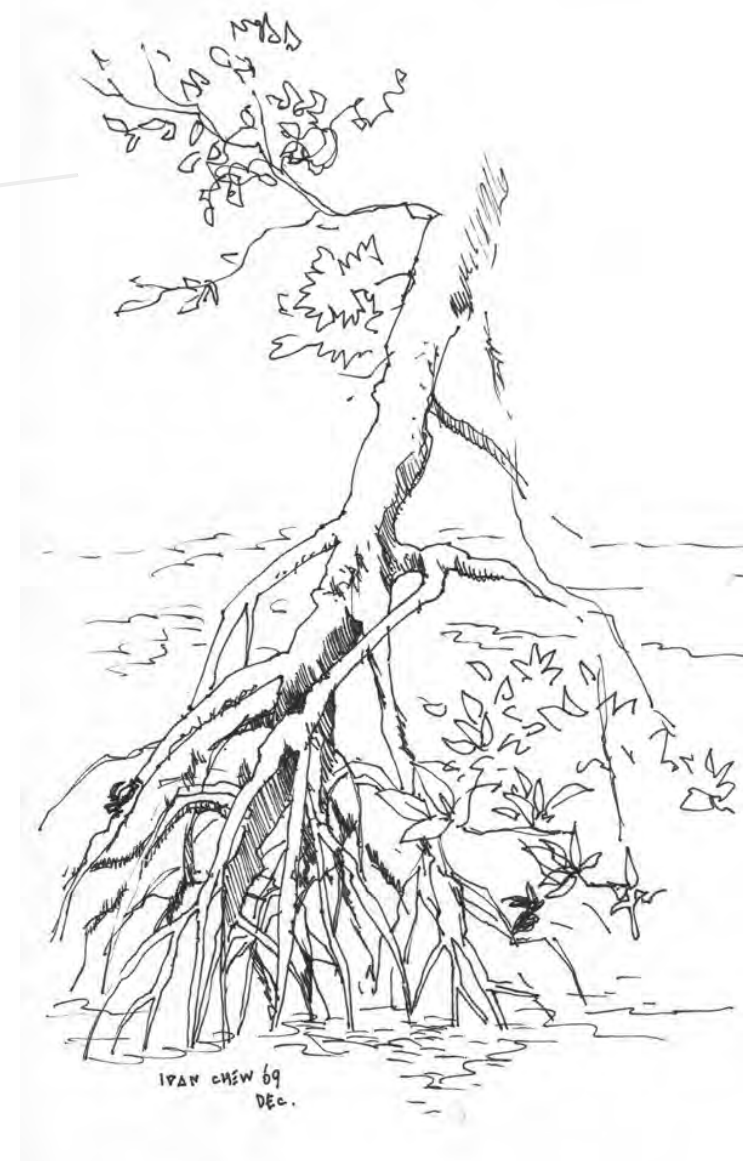
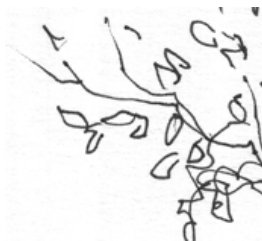


Image: ArtistvanChew (2009) | Flickr (cc by)

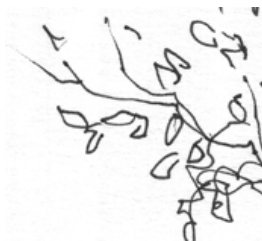
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# Internal perspective: Core Competences

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Final product  
(video / photo camera)



Core product  
(optical precision device  
/ lenses)



Image: ArtistvanChew (2009) | Flickr (cc by)

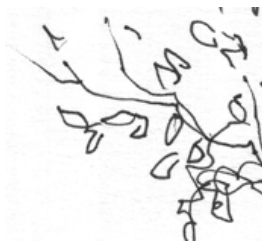
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# Internal perspective: Core Competences

a resource-based perspective of the company



Final product  
(video / photo camera)



Core product  
(optical precision device  
/ lenses)



Core competence  
(optical and image  
processing, fine  
mechanics)



Image: [ArtistvanChew \(2009\) | Flickr \(cc by\)](#)

Presentation by [Prof. Dr. Hannes Rothe \(@cpt\\_ftr\)](#)



# Internal perspective: Core Competences

a resource-based perspective of the company (close relationship to USP)



**V**aluable  
**R**are  
**I**nimitable  
**O**rganization

(sometimes **N**on-substitutable)

Ref. Barney, J. B. (2001). Is the resource-based "view" a useful perspective for strategic management research? Yes. *Academy of management review*, 26(1), 41-56.

Image: [Google Finance](#), [ArtistvanChew \(2009\)](#) | [Flickr \(cc by\)](#)

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# Internal perspective: Core Competences

a resource-based perspective of the company (close relationship to USP)



**V**aluable  
**R**are  
**I**nimitable  
**O**rganization

exploit an opportunity or tackle a threat with a resource

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# Internal perspective: Core Competences

a resource-based perspective of the company (close relationship to USP)



**V**aluable

exploit an opportunity or tackle a threat with a resource

**R**are

resource is controlled by a few actors

**I**nimitable

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# Internal perspective: Core Competences

a resource-based perspective of the company (close relationship to USP)



**V**aluable

exploit an opportunity or tackle a threat with a resource

**R**are

resource is controlled by a few actors

**I**nimitable

obtaining / duplicating the resource has severe cost disadvantages or is not possible

**O**rganization

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# Internal perspective: Core Competences

a resource-based perspective of the company (close relationship to USP)



**Valuable**

exploit an opportunity or tackle a threat with a resource

**Rare**

resource is controlled by a few actors

**Inimitable**

obtaining / duplicating the resource has severe cost disadvantages or is not possible

**Organization**

the firm's organization is ready to exploit the resource

(sometimes **Non-substitutable**)

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# Internal perspective: Core Competences

a resource-based perspective of the company (close relationship to USP)

## What may be Apple's core competences?



**Valuable**

exploit an opportunity or tackle a threat with a resource

**Rare**

resource is controlled by a few actors

**Inimitable**

obtaining / duplicating the resource has severe cost disadvantages or is not possible

**Organization**

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# Internal perspective: Core Competences

Example: Nespresso

Tripsas, M., & Gavetti, G. 2000. Capabilities, Cognition, and Inertia: Evidence from Digital Imaging. Strategic Management Journal, 21(10/11): 1147-1161;  
[www.ft.com/cms/s/0/fab6a180-aceb-11e2-b27f-00144feabdc0.html#axzz2UsYa61oC](http://www.ft.com/cms/s/0/fab6a180-aceb-11e2-b27f-00144feabdc0.html#axzz2UsYa61oC)

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# Internal perspective: Core Competences

Example: Nespresso

**FINANCIAL TIMES**  
ft.com > companies > retail&consumer >

## Food & Beverage

Home UK World Companies Markets Global Economy Lex Comment

Energy Financials Health Industrials Luxury 360 Media Retail & Consumer Tech

April 24, 2013 7:35 pm

### Dualit wins battle over Nespresso patent

By Louise Lucas in London



A small British manufacturer has struck at the heart of the \$10bn coffee capsule market after a UK court ruled that its pods do not infringe patents on the world's largest food company's Nespresso machines.

In a classic David versus Goliath case, the High Court of Justice ruled in favour of

Dualit, which sells capsules that fit [Nestlé's](#) Nespresso machines and typically cost about 12 per cent less than Nespresso's own brand.

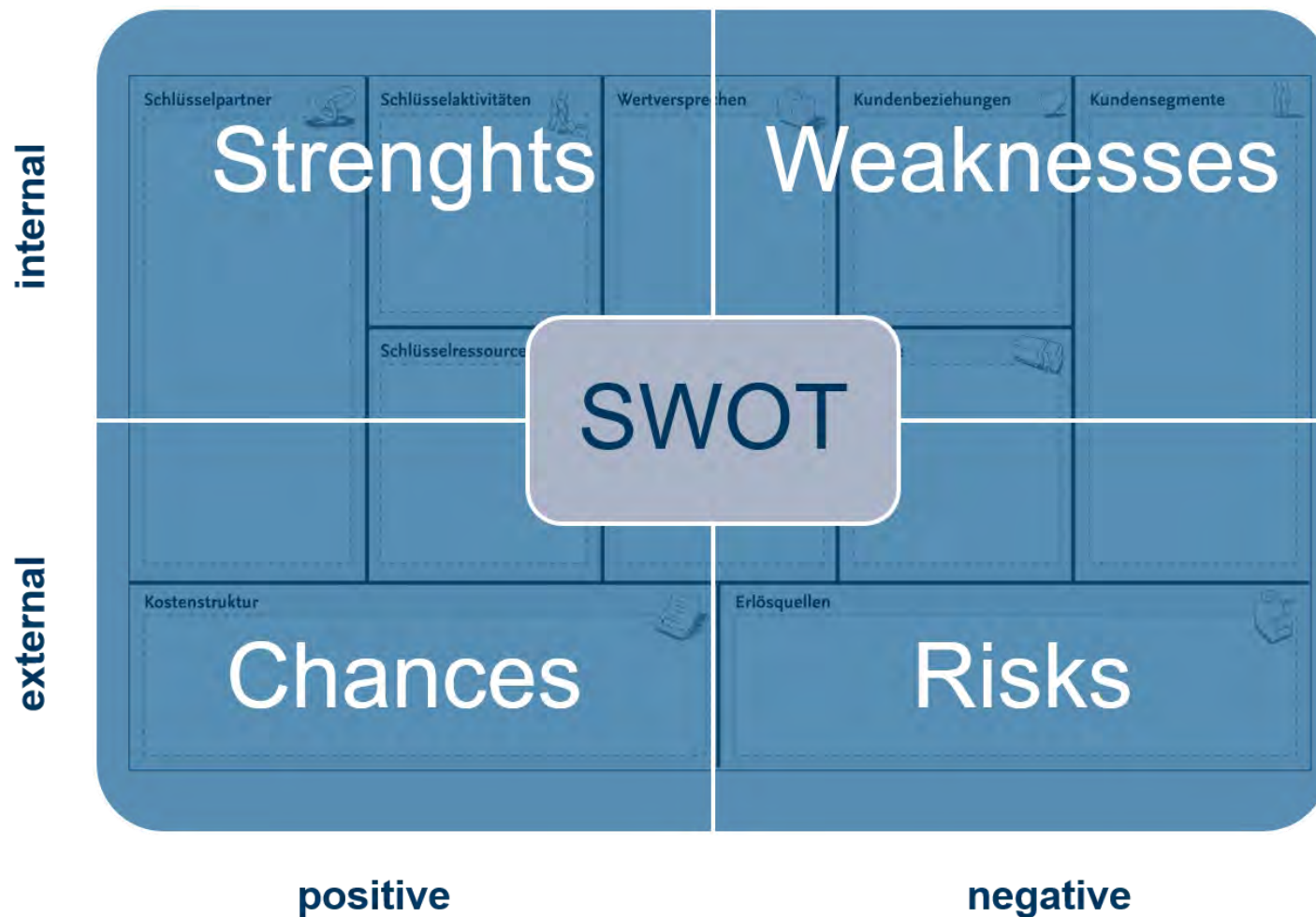
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[www.ft.com/cms/s/0/fab6a180-aceb-11e2-b27f-00144feabdc0.html#axzz2UsYa61oC](http://www.ft.com/cms/s/0/fab6a180-aceb-11e2-b27f-00144feabdc0.html#axzz2UsYa61oC)

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# SWOT Analysis

Finding strategic fit



# Before we leave for the sunset....

...let me just say this:  
**Thank you!**