

## Shahid Islam 11/S1

### Competitor Analysis

The main competition for my game shop will be 'GAME'. This competitor is highly known in the high street and attracts a huge number of customers every week.

The aims and objectives for GAME are like most other successful businesses: To gain more profit and customers. But every year, they intend to expand their reputation in different ways for e.g. advertising, new consoles. One of the main factors in why the business has attracted huge interest is because of many stores across UK. However, as I am going to locate my particular business in Southgate it is important to compete with one of the GAME shops nearby. There are many reasons why GAME might of located their store in Southgate:

- Population in Southgate is higher than average compared to other areas.
- Low rate of crime
- Different types of market they can target
- High Street is usually busy during weekdays and Saturdays.
- Cost and availability of land/premises.
- Availability of labour
- Government incentives

GAME is highly respected due to its prices and quality of its products. So therefore it is important to target in that particular area so my business can compete well. GAME almost offers everything to do in terms of gaming entertainment. They sell all the latest consoles, games and gaming accessories. But most significantly, in terms of business, is that they deliver their goods for free, which can be a concern for my business as it's new to the market and therefore cannot afford to lose money on deliveries.

Every business, which aims to make profit, must attract customers in some sort of way. Promotion is publicising a product or service by the use of advertising, sales promotion and public relations. GAME uses the media i.e. TV and newspapers to advertise it's products; this is called '**Above-the-line promotion**'. This type of advertising is suitable for any gaming business because newspapers and TV's are likely to get the product across to the target market more easily.

Pricing policies in big and successful businesses are very important. This is because once customers are attracted to the business or service it is likely they will stay loyal and therefore the business can take risks by altering prices. In GAME's case, '**Competition Pricing**' is the most sensible and secure pricing technique. Competition Pricing is when the business is setting prices based on what competitors are charging. So therefore, GAME is sure to have an advantage as it is well recognized and with similar prices to its competitors it highly likely than consumers would buy their products. However, there is a downside to competition pricing, as businesses have to find other ways of attracting customers to their product, such as increasing their advertising. However, as I am starting a new business, this would not be

suitable for me because I wouldn't attract many customers. Therefore, it would be appropriate for me to use '**Penetration Pricing**'. This is when the business is setting a low price to introduce a new product to a market. This could then persuade customers to buy my products and can lead to customer loyalty, which will mean they will continue to buy my products.

GAME's *target market* is usually for all ages because their products differ in age and gender category. The GAME that is located in Southgate will target all of the population in the area from the age of toddlers to 50 as it has the products to satisfy all of them. They meet their target market by having a wide range of products including consoles, which can be for any age. However, as Southgate has quite a high number of people aged 65 and over, this could influence whether they get many customers that can fit into the category. But this isn't a big problem as Southgate has got a big population compared to other areas as earlier stated.

The opening of my shop will raise concerns for my competitor because it hasn't had any competition in the area since the day it opened. This could then lead to them changing the sales and altering their prices in order to keep their customers buying their products regularly. The location for my business would be in the high street where it is usually very busy. More will be needed in order for my business to stand out from the rest of the shops in the high street. Accessibility will be important because the business would like to attract customers that are keen on the products, so therefore people with disabilities should have easy access into the shop. Extra space will be required in order to park vehicles that deliver the products to people's homes.

Depending on the success of my business, different factors could have an effect like congestion, crime, council and residents. However, Southgate is a safe environment which has low crime rates and the residents are usually supportive to all businesses and do not cause any problems. Congestion isn't likely to be affected very much because the high street is usually very busy.

This competitive analysis will help me to develop my marketing plan-product, promotion, price and place.'