**Unit 3 Assignment Part 2 Instructions:**

You are a marketing consultant to Tim’s Coffee Shoppe. A way for Tim’s Coffee Shoppe to determine the advantages (or weaknesses) Tim’s has as compared to their competitors’ is through doing a **Competitive Profile Matrix (CPM)**. When you identify Tim’s key success factors, you can weigh them according to the strength/weakness compared to the competitors.

**Checklist:**

Additional Resource: The U.S. Small Business Administration website.

**Unit 3 Assignment: Competitive Advantage**

* **Optional Step1**: Do a partial SWOT analysis by concentrating on the internal strengths and weaknesses at Tim’s (based on your practice in the Learning Activity in this unit) versus what would be Tim’s competition if Tim’s was located in your nearest town.
* **Step 2:** You are a marketing consultant to Tim’s Coffee Shoppe. A way for Tim’s Coffee Shoppe to determine the advantages (or weaknesses) Tim’s has as compared to their competitors is through doing a **Competitive Profile Matrix (CPM)**. When you identify Tim’s key success factors, you can weigh them according to the strength/weakness as compared to the competitors. You can set any weight you wish, but a simple one is provided.

*See the Competitive Profile Matrix below:*

1 – Major weakness

2 – Minor weakness

3 – Minor strength

4 – Major strength

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Factor |  | Tim’s Coffee Shoppe | | Competitor 1 (Enter Name) | | Competitor 2 (Enter Name) | |
|  |  | Score | Comments | Score | Comments | Score | Comments |
| Quality |  | 1 |  | 2 |  | 3 |  |
| Location |  |  |  |  |  |  |  |
| Brand Recognition |  |  |  |  |  |  |  |
| Profitability |  |  |  |  |  |  |  |
| Product |  |  |  |  |  |  |  |
| Staff |  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |  |

Now using competitors researched on the Internet or in your local area, create a CPM for Tim.

Other factors you may wish to consider include:

Price

Selection

Service

Reliability

Expertise

Company Reputation

Social Responsibility

Appearance

Credit Policies

Advertising

Key success factors can be identified for the business. They can include things such as the quality, location, brand recognition, profitability, product, the staff, etc. In the matrix, you will list these factors and rate the strength of each one in Tim’s business as well as his primary competitors. See the example below. Each coffee shop was ranked first, second or third in each of the factors that may or may not affect their competitive advantage.

You can examine the data in several ways. While the total score for Tim’s business maybe is higher than his major competitors, Tim’s may have a lower score in another area which means they are not as competitive in those areas. Some of these areas might allow their competitors to create advantages and their customers or potential customers may choose their competitor over Tim’s business. For example, if their products are closely rated but their competitor has a higher score on staff friendliness, might their customers start frequenting their competitor’s business? What would you recommend to increase Tim’s score in this area?

For this Assignment, spend some time looking around Tim’s Coffee Shoppe. Look either online or visit two competitors in your area that Tim may compete against and familiarize yourself with their business. You may even be a frequent customer of a coffee shop and already be aware of how you might rate their strengths against Tim’s. Additional Resource: The U.S. Small Business Administration website.

In addition to the completed Competitive Profile Matrix, summarize your findings and the implications and recommendations to Tim in a minimum of a one page summary. Additionally add a title page and a reference page.