

What is Competitive Advantage Analysis?

Worksheet

Competitive advantage analysis is the systematic study of what makes your business outperform competitors. It examines resources, capabilities, and market positioning to create sustainable value.

Questions

1. What is the primary purpose of competitive advantage analysis?

- A) Copying competitor tactics
- B) Identifying and sustaining unique strengths
- C) Lowering prices
- D) Expanding to all markets

2. Which is a sustainable competitive advantage?

- A) Lower prices (easily copied)
- B) A patented technology rivals can't replicate
- C) Temporary promotional offer
- D) Hiring more staff

3. Cost advantage typically works via

- A) Premium branding
- B) Economies of scale or process efficiency
- C) Product innovation
- D) Exclusive retail partnerships

4. Why do some companies lose competitive advantage?

- A) They grow too fast
- B) Imitation or changes in customer preferences
- C) Hiring too few employees
- D) Expanding internationally

5. Apple's competitive advantage: what is it?

6. Walmart's competitive advantage analysis.

7. Netflix vs. traditional cable: advantage shift?

8. Define: What is competitive advantage?

9. Define: Two main types of competitive advantage?

10. Define: What makes an advantage sustainable?

Answer Key

1. B) Identifying and sustaining unique strengths - Analysis reveals what sets you apart and how to keep that edge.
2. B) A patented technology rivals can't replicate - Patents create barriers - rivals can't easily imitate.
3. B) Economies of scale or process efficiency - Scale and efficiency reduce per-unit cost, enabling lower prices.
4. B) Imitation or changes in customer preferences - Competitors learn to replicate, or customer needs shift - advantage erodes without renewal.
5. Resource: brand equity, patent portfolio. Capability: design excellence, integrated ecosystem. Result: Premium pricing, customer loyalty, ecosystem lock-in.
6. Resource: scale, supply chain infrastructure. Capability: logistics optimization, vendor relationships. Result: Lowest-cost operator, market dominance.
7. Old: Cable had distribution infrastructure. New: Netflix has content investment, algorithm, global reach. Advantage: Switched from distribution to content & technology.
8. A unique strength that allows a business to outperform competitors and create superior customer value.
9. Cost advantage (lowest price) and differentiation (unique features/brand).
10. Difficulty to imitate - rare resources, complex capabilities, or strong brand moats.

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