

**Business competitors**

Businesses exist in a competitive environment. For example, supermarkets are in fierce [competition](#) with each other to provide the best possible value for money goods, and to offer the most suitable range of products for their customers. Businesses compete in many ways. One of the most obvious ways is over [price](#). For example, book sellers on the Internet compete to supply the same book at the cheapest price to customers. However, in addition there are many forms of non-price competition, e.g. location - being at the most convenient location for customers, customer service - giving the best personal attention to the needs of customers, customisation of products - providing additional features to products to cater for particular customer groups e.g. route finding satellite navigation on some models of cars, other forms of non-price competition.

**Direct competitor**

Within a [market](#) businesses are faced by direct competitors. These are firms that produce the same or very similar goods e.g. fruit and vegetable sellers on a Saturday market.

However, most products are differentiated in some way. For example, although soap powders may look highly similar each will offer some form of special ingredient that sets them apart. Indeed, in recent years differentiation in this market has been increasingly differentiated by the development of dissolvable sachets of liquid, solid tablets and other forms of detergent.

In addition to direct competition, businesses also face indirect competition.

For example, in the leisure industry cinemas are faced by indirect competition from other providers of leisure activities such as bowling alleys, and discotheques.

A direct competitor is a business that produces or sells a product or service that is identical or highly similar to another in the same market. Indirect competition occurs when firms compete for the same £ of expenditure, although they might be in different sectors of the same market, or in apparently different markets (see [methods of analysing marketing opportunities](#)).