

Competitor analysis: why is it important?

You need to be aware of the current market situation to succeed in business. Observing competitors allows you to understand their strategies and take measures to improve the position of your product or enterprise.



Active analysis of the activities of competitors helps to identify the strengths and vulnerabilities of your business. It allows you to adapt work methods and introduce innovations to effectively compete in the market. Experts offering [software development services](#) to talk about its features.

Why is competitive analysis necessary?

Let's imagine, that you have great service, but customers are leaving. It may mean that your competitors offer something more attractive. You can get back customers by studying the

preferences of competitors and offering unique benefits.

Competitive analysis allows you to do the following things:

- identification of competitors – identify the main players in the market, their strategies and advantages;
- identification of potential threats – identify risks and opportunities for business development based on the actions of competing companies;
- assessing the effectiveness of strategies – compare your results with those of competitors and determine their success;
- planning marketing strategies – determine what advertising tactics competitors use, develop your own strategies based on analysis;
- making informed business development decisions based on facts and data about competitors.

Studying competing enterprises is necessary when introducing innovative products. Before you start, study how your opponents do it so you can avoid their mistakes and improve your strategy. It will allow you to be one step ahead and prevent possible problems, even for a thriving business.

What is included in competitor analysis?



Researching competitors in the market is a voluminous procedure that includes a number of aspects like the following ones:

1. Site capabilities – evaluation of image display, loading speed, search tools, etc.
2. UX (User Experience) – checking the ease of customer interaction with a web resource: navigation, ordering, technical support, and smartphones versions.
3. Content strategy – studying calls to action, descriptions of services provided and products sold, as well as blog activity.
4. Social networks – assessment of the percentage of engagement, selected platforms, and frequency of publications on social networks.
5. Reviews – a study of grateful responses, complaints on independent platforms.
6. Marketing tactics – analysis of promotions, discounts, and other marketing campaigns.
7. Electronic marketing – evaluation of informational email and SMS mailings.

8. SEO – an overview of the effectiveness of content in driving traffic and earning backlinks.
9. Traffic – identifying channels that bring more traffic.
10. Onboarding – studying the process of processing a potential client.
11. PR – checking publications of a brand or competitor's website in the media.
12. Google Ads – evaluation of competitors' search advertising campaigns, research of queries and advertisements.

Also important is the analysis of the number of completed orders, assessment of the competitor's approximate turnover and the popularity of its brand in the local, national, and international markets.

Conclusion

If your goal is to achieve industry leadership, competitive analysis is a necessary step in strategic planning. It allows you to understand the strengths and weaknesses of competitors, identify potential growth opportunities and develop effective strategies. Analyzing the actions of competitors in the industry helps you avoid mistakes, optimize your own processes, and build a unique offer that will set your business apart from other players in the market.