



What is competitive analysis? An explanation.

Description

Competitive analysis is very important. It helps you understand what your rivals are good at and what they're not, spot chances and dangers, and make your business plans better.

Competitive analysis means looking into and checking out what other companies in your business area or market are doing. You study their good and bad points, how much of the market they control, who they're selling to, and how they advertise.

The aim of competitive analysis is to find ways to be different from others and make plans that give your company an edge. It's an important part of planning for your business. It helps you know who you're up against and what the situation is like, so you can make smart choices for your own company.

Doing competitive analysis

To see how you stack up against others, do these things:

- Figure out who your main rivals are: Make a list of them and look them up online.
- Learn about what your rivals offer: Look into their products, services, prices, how they market, and what their customers say.
- Compare what you offer: See how your stuff is different from your rivals'. Think about quality, features, cost, and customer service.
- Check out how your rivals market: See how they promote their things and reach their customers.
- Look at what customers say about your rivals: See what they're saying and how it compares to what your customers say about you.
- Find what makes you special: Figure out what makes your business different and use that in how you sell it.
- Keep an eye on your rivals: For example, once a month or every three months, see what they're up to and how well they're doing. This keeps you in the game and ahead.

Big pro tip: It's best to do this with your whole management team, like a month before you have big meetings to make plans and strategy. It gets everyone thinking and makes you feel a bit uneasy, but that's good for coming up with new ideas. It also makes you feel that you need to hurry to make changes.

Look at annual reports for a deep look into the money side of things, to see how you measure up.

Still, it's more important to focus on your own business. Now you have an idea of where other companies might be going, which can really help you think about your own plans and what new things you could make.

This is called competitive benchmarking, a term from the '90s.

Porter

If you want to really understand competitive analysis, read this great book called Competitive Advantage by Michael E. Porter.

Use these words to search more and really get to know your competition and analyze them:

competitors, industry analysis, market share, SWOT analysis, market competition, competitor analysis tools, competitive intelligence, competitive advantage, target audience, unique value proposition, market trends.

Category

1. Business Concepts
2. Running a Business

Date

01/02/2025

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