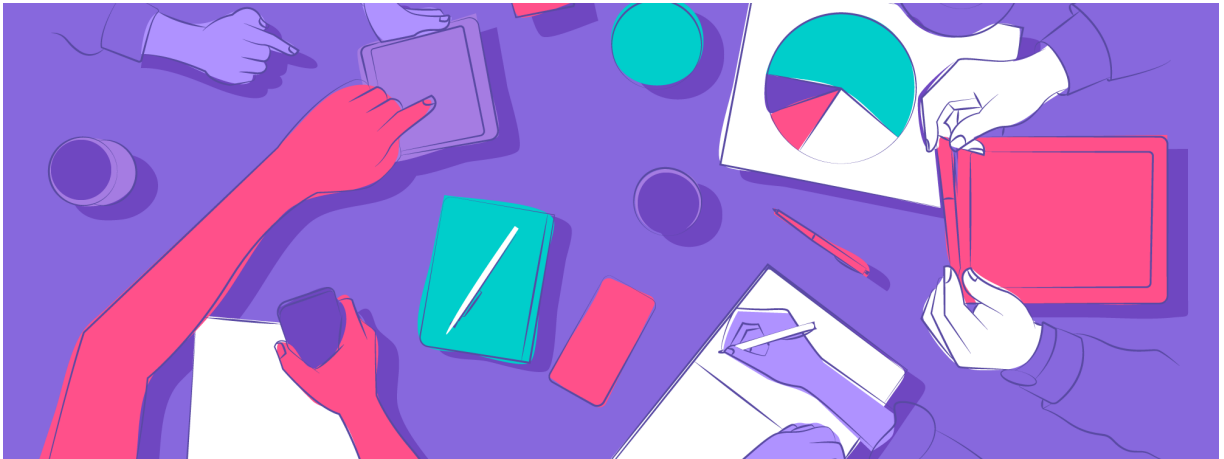


# How to Conduct a Competitive Analysis for Your Online Business [with Templates]



By analyzing your competition and then monitoring them on an ongoing basis, you'll get to know their behavior, enabling you to anticipate their actions and stay one step ahead.

This is known as competitive analysis.

You want to make sure shoppers have a reason to pick you over everyone else.



**Although performing a competitive analysis isn't rocket science, it does go beyond the few simple Google searches needed to identify and categorize your competitors.**

In this chapter, you'll learn how to dissect each competitor's website and understand their overall approach so that you can develop and sustain a competitive advantage.

---

Growing your high-volume or established business?

Start your [15-day free trial](#), schedule a [demo](#) or give us a call at 1-866-581-4549.



## RESPECT YOUR COMPETITION

*While growing up my father, who also was a small business owner, had a wall plaque in his office that essentially echoed the sentiments of the importance of embracing, appreciating and understanding your competition.*



*This personally stuck with me and is something I have continually practiced in the 14 years we have operated as an ecommerce company.*

*– Ken Sadowsky, Co-Owner, Ribbon Warehouse*

Growing your high-volume or established business?

Start your [15-day free trial](#), schedule a [demo](#) or give us a call at 1-866-581-4549.



## Why is it Important to Research Competitors?

The research you gather about your competitors is often referred to as: “Competitive Research.”

This kind of research is crucial to your success as a business because it arms you with the ability to quickly identify industry trends and adapt to competitor campaigns or strategies in order to maintain a foothold or out-compete them entirely.

DON'T START IN WHAT YOU DON'T KNOW

*Learn your  
industry and  
your  
competition  
before you  
start.*



*– Carl Koop, Owner, Bijou Basin Ranch*

---

Growing your high-volume or established business?

Start your [15-day free trial](#), schedule a [demo](#) or give us a call at 1-866-581-4549.



# How to Conduct Your Competitive Analysis

## 1. Categorize your competitors.

Whether you want to admit it or not, competitors are out there and they're likely just as hungry as you are.

This chapter details a simple, easy-to-use process that will help you conduct a competitor analysis that discovers and keep tabs on other retailers in your space.

Afterward, you'll be able to:

- Capitalize on their [weaknesses and strengths](#) to help start your business.
- Have a better understanding of the landscape, plus learn how to best position your business for success.
- Identify, understand and keep tabs on your competition so you never have to worry about them sneaking up behind you.

This process is known as competitive intelligence gathering.

## Find Your Competitors

There are many ways to identify key competitors in your industry, but Google and Amazon will likely be where you do most of your legwork.

Start with a simple search for your business name, product ideas and overarching business idea.

From there, check out different social media channels, organizations and online communities.

Other resources you can use to dig up information on your competitors include [Alexa](#), [Keyword Spy](#), [Hoovers](#), [Ahrefs](#) and [ReferenceUSA](#).

---

Growing your high-volume or established business?

Start your [15-day free trial](#), schedule a [demo](#) or give us a call at 1-866-581-4549.



Your ultimate goal at this stage should be to cast a wide net and get a comprehensive view of the competitive landscape.

## Categorize Your Competitors

As you find competitors, you'll want to categorize them into various levels, from direct competitors to businesses that don't currently compete with you, but could easily pivot.

Here is an easy way to categorize sellers in your industry:

- **Primary Competition:** These are your direct competitors, which means they're either targeting the same audience or have a similar product — or both.
- **Secondary Competition:** These competitors may offer a high- or low-end version of your product, or sell something similar to a completely different audience. If you're selling Timex watches, a secondary competitor might be a Rolex retailer.
- **Tertiary Competition:** This category includes businesses that are tangentially related to yours, and really comes in handy when you're looking to expand your product catalog. These could be related products and services that are trending, as well as businesses that may be beneficial to partner with further down the line. For instance, if you sell jewelry, a tertiary competitor may sell gems and stones.

As you conduct your research, keep things organized in a spreadsheet or database.

To start, track the basics; name of store, location, mission statement (if they have one), product offering, strengths and weaknesses of their business, and category of competition.

## 2. Examine your competitor's website & customer experience.

Once you've identified your competitors, you'll want to analyze their websites.

To start, take a close look at the following items:

- How solid is [their product photography](#)? How do they display their products and help communicate details?

---

Growing your high-volume or established business?

Start your [15-day free trial](#), schedule a [demo](#) or give us a call at 1-866-581-4549.



- How detailed are their product descriptions? What information do they include? What information is missing?
- Where are their calls to action throughout the online shopping experience? Are they obvious or do they get lost due to a poor color scheme or positioning?
- Are they trying to build an email list with a newsletter sign-up prompt? How prominent is it?
- Where are their social media icons positioned?
- Do they have a blog? How frequently do they post? What type of information do they tackle?
- Is their site optimized for mobile?
- What methods for contact do they offer? Do they have [limited hours for phone support](#)?
- How long does it take them to respond to email, live chat and contact form submissions?
- Do they have an [abandoned cart saver feature](#)? If so, at what cadence do they send the emails and what messaging is included?
- What information is included in their marketing banners and callouts? This may help you start uncovering their competitive positioning within the market.
- How frequently are they running promotions? What benefits do those promotions provide to their customers and potential shoppers, as well as their business?

Again, these are just to get you started.

Each website will be different depending on the market they are trying to reach and the products or services they are selling.

The goal here is to not only get a handle on their strengths and weaknesses (which can also be [done with a SWOT analysis](#)), but to help you start thinking as a dynamic business owner.

From there, you'll be able to identify your competitive advantage in the marketplace.

---

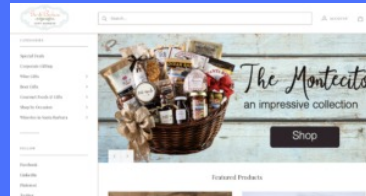
**Growing your high-volume or established business?**

Start your [15-day free trial](#), schedule a [demo](#) or give us a call at 1-866-581-4549.



## KEEP TABS BUT DON'T OBSESS

*Design, create and promote your product/service in an authentic manner.*



*Keep tabs on the competition but don't let it distract from your own vision and endeavors.*

*– Anne, Owner, Santa Barbara Gift Baskets*

### 3. Identify your competitor's market positioning.

By identifying your competitor's positioning strategy, you'll start to get a feel for your market's demands and expectations.

---

Growing your high-volume or established business?

Start your [15-day free trial](#), schedule a [demo](#) or give us a call at 1-866-581-4549.





Take a look at their website and marketing messaging and ask the following:

- What are customers really buying from them? Are they going for price? Experience?
- How are they differentiating their product from their competition? What features and benefits do they highlight the most in their marketing copy?
- What makes their product or service unique (according to them)?

These questions will help you understand to whom your competitors are speaking and how they position themselves within the market, which will pay dividends as you work on how you'll position yourself against or alongside them.

To gather as much information as possible, be sure to:

- **Sign up for their newsletter:** Get an understanding of their business and examples of communication, which say a lot about the competitive environment.
- **Subscribe to and follow their blog:** See what types of content they are covering and at what cadence
- **Follow them on social media:** Get a feel for how they speak to and serve their customers
- **Purchase a product:** Check out the product itself, but also note the time it takes to ship and how their packaging looks
- **Put an item in your cart and abandon the checkout process:** Monitor whether or not they [send an abandoned cart email series](#) and note what language and structure they use for their emails

#### GET STARTED NOW

Here's a downloadable Competitive Analysis Template spreadsheet you can use to track your competitors and stay organized as you do your competitive research.

[GET THE TEMPLATE NOW.](#)

---

Growing your high-volume or established business?

Start your [15-day free trial](#), schedule a [demo](#) or give us a call at 1-866-581-4549.



## 4. Take a peek at pricing.

Your pricing strategy is going to be one of the most important aspects of your online business — and potentially a competitive advantage.

There are several factors to be considered when [setting prices for your products](#).

The best place to start is to look at how your competitors have priced their products. You'll learn what your target market is willing to pay and get an understanding of what prices might work well for your business.

Be sure to look at their prices across a variety of channels, first Google and Amazon, as well as eBay and [Alibaba](#) (for the B2B sector).



### Your prices don't necessarily have to be less than your competition.

Look at the information you gathered on market positioning and figure out what it is you're actually selling to your customers.

Your target market may be willing to pay more for peace of mind, expedited shipping or just overall website experience.

Remember to consider all the research you've been completing around general startup and business costs as we've walked through in previous posts.



### You must maintain profitable margins in order to run your business. You cannot compromise in this arena.

---

Growing your high-volume or established business?

Start your [15-day free trial](#), schedule a [demo](#) or give us a call at 1-866-581-4549.



## 5. Problem solve for shipping.

As with pricing, at this point in time, you'll just want to gather intel as to how your competition handles shipping, as well as how they communicate expectations.



Because **shipping is a top reason for cart abandonment**, having reasonable, competitive shipping costs is extremely important for your online store's success.

If you can't afford to set competitive shipping prices at the start, what little things can you offer or do differently to set yourself up for success, e.g, personalization, gift cards, etc.?

### STRATEGIES TO MAKE SHIP WORK FOR YOU

Free shipping isn't viable for every business. But that doesn't mean you can't be competitive with shipping offers to drive higher AOV and increased conversions.

This guide by shipping experts ShipperHQ will walk you through everything you need to know.

[GET YOUR GUIDE HERE](#)

## 6. Take a temperature check with reviews.

This is just a no-brainer.

---

Growing your high-volume or established business?

Start your [15-day free trial](#), schedule a [demo](#) or give us a call at 1-866-581-4549.



Take the time to find as many reviews of your competitors as possible, including everything from product reviews on their website to business reviews on social media to comments left on their blog.

Get a temperature check from their audience as to how healthy and client-centric their business is and decide if it's a strength or weakness you can capitalize on.



## **You may see an opportunity to let your customer service shine above the other players in your competitive environment.**

If you find a lot of reviews on a product similar to one you'll sell, it's a good sign that people are interested in buying it.

If the reviews are from customers who aren't happy with the service provided, the condition in which the product arrived, or the product quality, those could be ways to help differentiate your business.

---

**Growing your high-volume or established business?**

Start your [15-day free trial](#), schedule a [demo](#) or give us a call at 1-866-581-4549.



COMMUNITY BUILT. COMMUNITY PROUD

*Our Facebook page has almost 16,000 fans! Our email blasts go out to 7,000 regular customers.*



*We ship worldwide and offer above and beyond customer service.*

*Also our rewards program has driven sales to us from customers who normally purchase from our competitors.*

*Our community is our #1 most successful growth tactic.*

*– Jeffrey Silver – Managing Partner,  
Awesome Diecast*

Growing your high-volume or established business?

Start your [15-day free trial](#), schedule a [demo](#) or give us a call at 1-866-581-4549.



## 7. Review social media.

Looking at your competitors' social media accounts has multiple benefits.



**If they have many followers, and especially if they are actively engaged, it's a good sign that there is a market for your products.**

Plus you'll get a good idea of how customers feel about their business, and see what works well and what doesn't for engaging with your own client base.

Of course, if a competitor [does social really well](#), it also means that you'll need to step up your game and come up with a new way of engaging your market — or possibly choose a different mix of customers all together.

If your competitors don't have a decent following, it could indicate that the market is weak, your target market doesn't use social media, or simply that there is room for your business to take the lead at engaging with customers.

Take a look at all of the social media channels you can think of — including Pinterest, Facebook, Instagram, Snapchat, Reddit and Twitter — and ask:

- What is their social media presence like overall?
- Which social media channels do they use the most?
- How do they speak with their client base?
- How often do they interact with their following?
- How frequently do they post something new?
- Which social media channels are they missing? Is there opportunity for you there?

---

**Growing your high-volume or established business?**

Start your [15-day free trial](#), schedule a [demo](#) or give us a call at 1-866-581-4549.



- What are they posting?
- What percentage of posts are about their business?
- What percentage is solely meant to increase engagement or gain followers?

Last but not least, check out some alternative social channels as well.

This could include things like knitting groups, forums, meet up groups, blogs and beyond.

Also use tools like [Ahrefs](#) to gauge the amount of organic traffic your competitors are receiving.

It may show you opportunities to optimize your site for keywords that you're currently not targeting.

---

**Growing your high-volume or established business?**

Start your [15-day free trial](#), schedule a [demo](#) or give us a call at 1-866-581-4549.



THINK OUTSIDE THE BOX TO WIN BIG ONLINE

---

Growing your high-volume or established business?

Start your [15-day free trial](#), schedule a [demo](#) or give us a call at 1-866-581-4549.





*TreadBands growth has happened by word of mouth highlighted with social media, specifically Instagram, to help entice a new buyer.*



*Instead of traditional wholesale methods to bring our product to market -- like SEO, for instance -- we went the route of traveling to events to speak to our potential customers and educate them about the product.*

*From here people started buying the product, telling their friends and searching online for more info.*

*We put our efforts in social media to tell the story through pictures and creating a brand around idea of adventure because you can wear a TreadBand literally anywhere.*

Growing your high-volume or established business?

Start your [15-day free trial](#), schedule a [demo](#) or give us a call at 1-866-581-4549.



*That small difference and the time we took to get in front of people help us grow so much!*

*– Laura Maring, Founder and Creative Director, Treadband*

## 8. Use these bonus items and tools for competitive analysis.

- **Get the gritty details:** Want to know how long your competitors have been in business? How about the date they registered their domain, their contact information, server statistics and more? Check out [WHOis.net](#).
- **See if they're hiring:** Find out what positions they're hiring for, if any. This can indicate the health of the business, plus give you a feel for the company culture.
- **Find out about funding:** Are they seeking additional funding? This can tell you how well they're doing and give you ideas on how to position yourself. Be sure to look on [Crunchbase](#) for their investment portfolio. Also, Check out places like [Indiegogo](#) and [Kickstarter](#).
- **Stay updated:** [Google Alerts](#) will send you email updates based on keywords. Setting up alerts for your competitors in addition to your own business will help you keep up with any news you need to know. Also set up alerts for industry terms to monitor new market developments that could affect your business.

Remember, regularly performing a competitive analysis doesn't mean you need to watch your competitors like a hawk or let them keep you up at night, but you should keep tabs on how their businesses are changing and watch for new challengers in your space.

---

Growing your high-volume or established business?

Start your [15-day free trial](#), schedule a [demo](#) or give us a call at 1-866-581-4549.





**With all this information, you can put together a competitive strategy that highlights your strengths — which generally align with weaknesses from your competition.**

Now you're one step closer to claiming market share and growing sales.

Continue on to learn how to identify your target market and begin promoting your business to potential customers.

---

Growing your high-volume or established business?

Start your [15-day free trial](#), schedule a [demo](#) or give us a call at 1-866-581-4549.

