



MARKETING RESOURCE

**MARKETING RESEARCH &  
COMPETITIVE ANALYSIS**

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Market Research

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# INTRODUCTION

## DATA AND ANALYTICS

We live in an age of unprecedented information wealth. Never before has it been so easy for both B2B and B2C customers to research the solution to their problems, find the companies capable of delivering that solution, and comparison shop to find out which company serves their needs the best.

As a result, consumer research is at an all-time high. The vast majority of customers conduct significant research before making a purchase — [according to Lysa Miller](#), 89 percent of B2B customers start their buyer's journey with a generic keyword search, and the average B2B shopper conducts 12 searches before even reaching out to a vendor.

Market research will help you discover what **your prospective customers value most** and how to reach them.

Competitive analysis will help you weigh your competitors' strengths and weaknesses and find your niche to gain a competitive advantage.

## CHAPTER 1

### MARKET RESEARCH

The primary purpose of market research is to find customers. To set up marketing materials, you need to know who your customers are to tailor your marketing materials to meet their needs.

In a research-driven buying environment, you also need to gain insight into their decision-making process, discovering where your customers go to conduct research, what kind of terms they search for, which of your competitors come to mind when someone thinks about your industry, and what influences the purchase decision of a potential customer. If you can understand what your customers are looking for, you can place your brand front and center in their minds.

# COMPETITOR ANALYSIS



Identifying competitors



On-page analysis



Backlink and PR Analysis



Rankings of Competitors



Competitor Traffic Analysis



Benchmarking Competitor

## ***Primary vs. Secondary Research***

Market research falls into two major categories – primary and secondary research. Primary research is conducted firsthand, generally by examining your user data or asking your customers questions directly. It may be more time-consuming to gather primary data, but you can ask the exact questions you want to know the answers to, and you can count on the trustworthiness of the information.

Primary research can be either exploratory or specific. Exploratory research doesn't have a goal in mind – you're only looking for patterns or insights. For example, you might dig into the tracking information on your site and discover that your web visits spike in the morning, right after people generally arrive at work. Not every insight will be valuable, but it's worth looking for actionable trends among your customers.

Specific research seeks to find the answer to a particular question. Every business and industry will have different priorities for learning about their customers, so the exact questions you're investigating will vary. You might want to know your clients' typical company size, their location, or which other software they use. Specific research looks for an answer to those questions so you can act accordingly.

Secondary research is conducted by a third party, then published for anyone to access. On the one hand, secondary research is much easier to access since you don't have to expend the time and energy to conduct the research yourself. Instead, you'll simply pay a fee to access a database (or find publicly available data) and use it to inform your strategy. On the other hand, secondary research might not answer

the exact questions you're looking for since you didn't have a hand in directing it.

Secondary research sources include:

- Public sources: government statistics, census data, the Bureau of Labor Statistics, and public studies and surveys
- Commercial sources: market reports from the Pew Research Center, Forrester Research, Gartner, and similar competitors
- Internal sources: data from your existing customers, past marketing campaigns, sales performance, and other historical data

Secondary research can be beneficial, especially when it deals with a scope of research you'd have been unable to conduct yourself, but it's best used as a supplement to your primary and internal analysis, not a replacement.

When you're conducting exploratory research, there are four primary techniques for gathering information. Start with surveys — you can reach a much wider audience by sending out surveys through email, website popups, and social media than by conducting one-on-one interviews, and you'll still gain ample useful information.

## Surveys

Surveys should be a mix of qualitative and quantitative questions. Quantitative questions are generally expressed as, "On a scale from 1 to 10..." and are much easier to analyze since you can collect your responses in a spreadsheet and run analytics on them. Sample questions might include:

- How important is the price when choosing a product?
- How familiar are you with this product?
- How often do you use this product?

Qualitative questions are harder to analyze but can provide **deeper insights into your**

## questions than a simple number.

Questions like “What could we have done better?” or “Which features of our product did you find most useful?” are perfect examples. For rudimentary analysis, you can copy your customers’ responses into a word cloud to see which terms they use most often, but most of the investigation on qualitative data will have to be done manually by reading each answer.

### Interviews

Interviewing your customers one on one is the best way to gain insights, but it has drawbacks, too. The biggest problem is scale — once you have a list of questions, you’ll need someone to take the time to schedule interviews with willing customers, then sit and talk to them for at least 15 minutes. Even if you could conduct interviews all day long, you’d only be able to collect a few hundred responses. In general, interviewing is best saved for the late stages of the research process, when you’ve narrowed down what you’re trying to learn and can select a few important people to interview.

### Focus Groups

Focus groups used to be a popular way to conduct market research, but they have some severe drawbacks. The first is cost — you’ll need to provide an incentive for people to participate, find a space to use, pay for someone’s time to run the focus group, and record the proceedings so you can go through and find significant points later.

The second issue is scale. A focus group can only contain about a dozen people at once, making it very difficult to find an accurate cross-section of your customer base. You can ameliorate this problem by conducting multiple focus groups for different customer personas, but doing so will further compound the cost problem.

The final problem is that [focus groups simply aren’t beneficial at generating actionable information](#). It’s too easy for the interviewer to tip

the scales with the way they ask questions or for one strong personality to dominate the conversation, drowning out more timid voices. If you only get to hear one person's opinion, you might as well have called them on the phone directly.

## **Observation**

The final method of gathering market research is direct observation of how your customers interact with your product. If your product is a physical object like a piece of machinery, this may not be feasible for you. In the software-as-a-service and web spaces, however, observation can be a powerful tool.

Detailed analytics can tell you which features your customers use, how often they use them, where they click on the page, which items they scroll past and which they linger on, which pages they visit in what order, and thousands of other small pieces of behavior that add up to a complete impression. Whether you're aggregating the behavior of thousands of web visitors or watching individual, anonymized session recordings, you can create a full picture of the way your customers use your product or service.

## ***How to Conduct Market Research***

Once you've given some thought to what you need to know and which methods will serve your company best, you can craft a plan for how best to execute your market research strategy.

## ***Buyer Personas***

Start with a buyer persona. Ideally, you'll already have a well-defined persona (or several) for your target audience. If you do have multiple buyer personas, research each persona individually. The insights that a bank gains on small business owners' behavior may not apply to their clients looking to invest a large inheritance, so they should research each set of clients independently.

Start with people who have recently interacted with your company, both those who have made a purchase and those who didn't. Social media is also a good source of survey respondents since anyone who follows your profile has already expressed an interest in your company. You have just as much to learn from the people who haven't purchased from you (or purchased from a competitor) as you do from your customers, so make sure to cast a wide net.

## ***Prepare Questions***

The questions you ask in your survey are vitally important — you need to ask questions that dig deep into useful insights, but you don't want to overwhelm your respondents with a survey that's too long or too personal. An abandoned or incomplete survey is hardly more useful than no survey at all.

If you chose to conduct a survey, create a mix of open-ended and quantitative questions dispersed throughout the survey so that your respondents don't have to answer too many of either type in a row. If you opted to interview your respondents instead, ask only open-ended questions. If the question can be answered in a "yes" or "no," rephrase it to prompt a more detailed response.

Questions should fill the following categories:

- **Background information:** it will be useful to know whether specific demographic or psychographic patterns affect how your customers answer questions. Start every survey by asking about relevant details like age, location, income, company size, and other relevant characteristics.
- **Awareness stage:** the purpose of these questions is to understand how your customers realized that they had a problem, but without mentioning your brand name. Ask about the challenges they faced, how they settled on a product category, and whether they were familiar with the various options before they started researching.
- **Consideration stage:** dig into how your customers generate a list of potential solutions to their problems. Ask them how they researched

solutions, which sources they found most useful, and where they went to find more detailed information.

- Don't be afraid to interject and ask for more details. Ask about which search engines they used, how they found specific sources, which search terms were most helpful, and whether they went directly to company websites or third-party reviewers for their insights. Finally, ask if they contacted any companies directly and what kind of experience they had with sales or marketing people from those companies.
- Decision stage: ask about how your respondents decided which option was best for them, whether they ended up buying from your company or not. Which factors were most important in their decision? Which criteria did they compare, and which were less relevant? Who else was involved in the final decision, and how does that process play out?

In closing, wrap up the survey and look for ways you could improve the purchasing process. Ask about hangups in the buying process, such as information they couldn't find or people they couldn't reach. At the end of the survey or interview, thank participants for their time and provide them with their incentive (if you offered one).

## HOW MARKET RESEARCH CAN HELP IN BUILDING PRODUCT STRATEGY



Understand  
Consumer Needs



Identify Market  
Entry Opportunities



Evaluate  
Competitors

## ***Summarize Your Findings***

Finally, write up what you learned. Spell out why you conducted the research in the first place, whether it was purely exploratory or searching for a specific answer. Categorize the people you talked to, broken into groups by demographic, whether they've made a purchase or not, their buying behavior, and any other meaningful categories.

Most importantly, summarize what you learned.

**Spell out not only new information but answers that confirm what you already thought about your customers and your market.** You should be conducting market research regularly, and it's worth noting the things that haven't changed in addition to the things that have.

Summarize the most common answers to each of the questions you asked and collect them into a report that you can distribute. Lastly, note how you plan to address each of the most common answers — we'll go into more detail on that subject below.

## **C H A P T E R 2**

### **COMPETITOR INSIGHTS AND ANALYSIS**

Whereas market research intends to help you learn more about your customers, competitor analysis serves to help you gain insights into your industry's other players. You'll want to look into their strengths and weaknesses compared to your own, their unique value propositions, and what distinguishes them from you in the minds of your customers.

It's imperative that you be honest with your assessment. You can't be the best at everything — even the titans of their industry like Coca-Cola, Nike, and Apple lose business to competitors — so be honest about what you're good at and where your competitors have more to offer. You

should also be on the lookout for what's missing from your competitors' products. There's a chance you'll find a niche that you can occupy, fulfilling a need that other companies don't.

Finally, a competitive analysis will give you a benchmark for your own growth. If you conduct a detailed analysis of your industry every few years, you'll be able to tell whether you're gaining a more secure share of your market or slipping out of your customers' minds.

## ***Identify Your Competitors***

Start by generating a list of your competitors. If you know who some of them are off the top of your head, write them down. The order doesn't matter at first since you'll be diving into deeper analysis later, but it's worth noting which competitors spring to mind when you think about your industry — clearly, they're doing something right to be front and center in your mind.

Fill out the list by conducting research on your industry. Pretend you're an outsider who's never made a purchase in your industry before and search for your company name, your product ideas and your business idea as a whole. If Dropbox were doing competitive analysis, for example, they might search for terms like:

- Dropbox vs.
- Dropbox competitors
- Dropbox alternatives
- Best cloud storage
- Best way to send large files
- Best way to collaborate on files

Start with Google, but don't limit your search to search engines. Browse social media, news, support threads, and online forums like Reddit, which has sizeable communities dedicated to offering product recommendations to solve specific problems. Don't be afraid to join the conversation anonymously, asking commenters on Quora and Reddit to recommend a brand or product in your space to see which companies they think of first.

## ***Types of Competitor***

There's an important difference between two major types of competition, which we'll call industry competitors and content competitors. Industry competitors are the companies that are actually competing for your customers' business. Keep in mind that many companies might overlap with yours in some areas, but not others. If you're operating a full-service marketing agency, you'll be competing with website design firms for some customers and SEO optimization firms for others.

[G2 Crowd is an invaluable resource](#) for finding your industry competitors in the SaaS space, breaking down user ratings and social data to create "quadrants." Within those quadrants, G2 lists industry leaders, contenders, niche businesses, and high performers. G2 is primarily focused on digital content, IT services, e-commerce, and similar services, but comparable resources exist for other sectors.

Another powerful research is market reporting from research companies like Forrester and Gartner. These companies conduct their own detailed consumer research and created exhaustive reports, which you can then purchase to gain access to their robust research resources. If you need answers quickly, outsourcing the bulk of the initial research to a third party is an effective way to expedite the process.

The other type of competition you should look into is content competition.

Content competitors don't generally compete with you directly on sales, **but they do draw attention away from your website and other online resources.**

For example, Lowe's Hardware offers an exhaustive library of instructional videos for homeowners looking to do home repairs, but Lowe's doesn't come up on the first page of Google results for "DIY home improvement videos." The companies that do, including HGTV and Allura

USA, would be considered content competitors. They're taking away clicks from Lowe's website, but they're not actually selling a product that competes with a hardware store.

A simple web search is the best place to start. Start with Google and social media, searching for both broad and specific terms that relate to your business and your products. Take notes of the sites that consistently appear higher than yours when you search. SEO tools like SEMRush can give you a detailed breakdown of where your site ranks in Google search results for specific keywords compared to your competitors, but content competition is about more than just the hard numbers.

You should also investigate several of these sites yourself, looking at their content through the eyes of your buyer personas and judging how helpful and informative they are. Do they use features that your site doesn't, like videos or infographics? Do they have an index of educational materials? Any lessons you can take from your competitors are potentially useful in optimizing your content strategy.

Finally, check the search terms that have landed people on your site, which should be available in Google Analytics. You might be surprised at the terms that have directed people to you. Divide those terms into two categories. The first contains terms that are directly relevant to your business and that you'll want to focus on more. The second contains terms that are not relevant to your business, which you might want to de-emphasize. If you're accidentally attracting traffic from people who aren't interested in your product, they'll bounce immediately, and your website analytics will suffer.

## ***Categorize Your Competitors***

Once you've gathered a comprehensive list of your competition, it's important to sort them by how direct a threat they pose to your business. There are three main categories:

- **Primary competition:** any company that makes the same products for the same target audience. These are the companies to which your customers might compare you directly. Nike and Adidas are primary

competitors.

- Secondary competition: any company that makes similar products for a different audience, often focusing upmarket or downmarket with their offerings. Nike and New Balance both make shoes, but for different audiences.
- Tertiary competition: any company that shares your target audience but doesn't make a product that competes with yours at all. Nike and Gatorade target the same people, but neither takes business away from the other. Companies on your list of tertiary competitors are potential partners to collaborate with, but they may end up competing with you directly if they expand their offerings.

## ***Pretend to Be a Customer***

Start visiting your competitors' websites and storefronts, pretending to be a prospective customer who's looking for a solution. Keep an open mind and go through the purchase process like anyone else would, looking out for the following characteristics:

- Website: is their website easy to use and navigate? Is it clear and obvious what the website is doing and how their product will solve your problem?
- Visuals: what visceral impression does their imagery make on you? Does it match the impression you have of the product or the brand?
- Descriptions: is their written tone consistent with the brand or your target audience? Is their writing clear and helpful or packed with jargon?
- CTAs: is the purpose of each CTA obvious? When you click on a CTA, does it take you where you thought it would? Are CTAs placed in prominent places that entice you to interact with them?
- Social media accounts: are their social accounts run professionally, updated frequently, and in keeping with the voice and tone displayed elsewhere on the company's web presence?

- Mobile optimization: repeat the entire exploratory process on your phone or tablet to ensure that no features are lost or broken on other devices.
- Contact information: if you want to contact this company, is their information easy to find? Do they have reasonable hours during which you can reach them? Reach out to them and make a note of how long it takes to respond.
- Customer service: if it's reasonable to do so, make a purchase. Keep track of which emails you get about your order, how long it takes to ship, how it's packaged, and when it arrives. If you're buying a software product, make a note of the onboarding and instructional materials you receive. Call customer service and ask them questions about the product to judge how helpful they are.

In every one of these endeavors, your goal is the same: to find out what your competitors are excelling at, where their weaknesses lie, and what you can do to improve your own company to improve your competitive standing in your industry.

## ***Identify Their Market Positioning***

Many companies that sell similar products to the same audiences have very different ways of going about their marketing. Axe and Old Spice both sell personal hygiene products to men, but their advertising takes two completely different approaches to the same goal. If you're going to stand out from your competition, you need to find the characteristics that make your brand stand out, and you need to demonstrate to your customers why those characteristics are important.

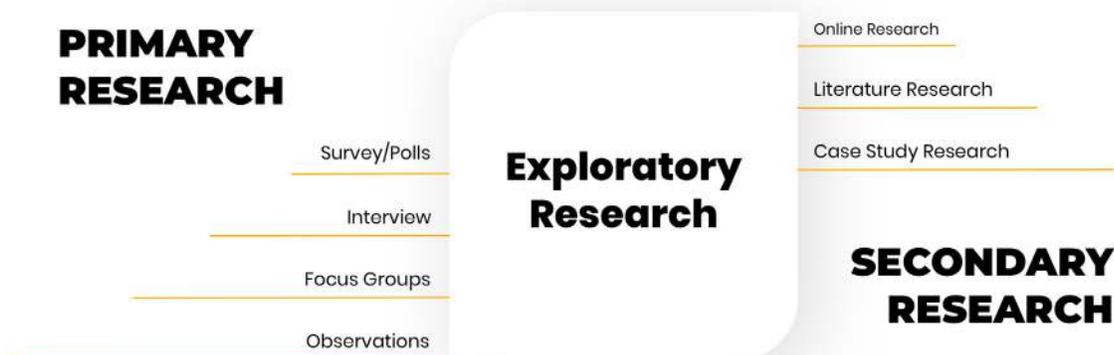
Follow your competitors on social media and sign up for their newsletters to get a sense of how they present themselves. Which value propositions — price, convenience, ease of use, features — do they talk about the most? What makes them unique from one another and from you?

## Check Pricing

Pricing is by no means the end-all, be-all of competition, but it's always relevant. The important thing is not necessarily to make sure that your company offers the lowest price on the market – though that's a viable strategy to pursue – but to understand why each company prices their products the way they do.

## Audit Their Social Media

Approach your competition's social media accounts not as a customer, as you did before, but as a social media manager attempting to assess their web presence. What kind of content do they post? How often do they publish new content? Do people engage with their content, and do they engage in return by answering comments and tagging other accounts? How much time do they spend talking about their own business as compared to other topics?



Source: QuestionPro

## CHAPTER 3

# APPLYING WHAT YOU'VE LEARNED

**Market research and competitive analysis are costly and time-consuming to conduct**, so it's vitally important that you get the best possible return on your investment.

In the short term, the results of your research should inform your marketing strategy and the way you communicate with your prospects. In the long term, your research will drive the growth and planning of your entire company.

### ***Marketing***

The most immediate use of your market research should be to inform strategy changes in your marketing. If your research indicates that you've been doing everything right already, congratulations! However, it's more likely that you'll discover new insights into your audience and your industry that can steer you toward significant improvements in your marketing materials.

### ***Buyer Personas***

Start with buyer personas. If you're not already using buyer personas, we strongly recommend that you start doing so. A buyer persona is an idealized version of your target customer, including their location, job title, company size, income level, company revenue, and any other characteristics that seem important to your business. Every piece of marketing material you create should be crafted with your buyer persona in mind, but you can't create a persona without detailed insights into your customers.

Your market research should find gaps in your marketing that might

require a new buyer persona entirely. Your customer base is constantly evolving, and you might be able to identify a segment of the population who have expressed interest in your product but whom you haven't previously thought to target.

## ***Journey Mapping***

Apply the same principles to journey mapping. You should already have a journey map in mind – the series of steps that your potential customers take between finding out about your product and making a purchase – but you may be working with an incomplete or inaccurate picture of the way your customers interact with your product. Market research will provide valuable insights that allow you to adjust your marketing to fit a more realistic picture of your customers' buying journey.

## ***Messaging Hierarchy***

With few exceptions, companies tend to have more than one value proposition to offer to their clients and distinguish them from their competitors. What can be difficult is determining which value proposition to emphasize the most.

Your market research can assist you in establishing a hierarchy within your messaging from two different directions. First, you'll gain conclusive evidence of which characteristics are most valuable to your customers. You might have put emphasis on your low prices for years, only to learn that your customers value customer service above all else and are willing to pay a premium to get it.

Secondly, your competitive analysis will show you where your competitors are focusing their attention, which may reveal niches in the market that you can exploit. If your competitors have been in a figurative arms race over who can offer the richest feature set, but your market research indicates that those features aren't a high priority for your customers, you can make a significant impact by prioritizing other messaging in your marketing instead.

## ***Sales and Customer Success***

Internal alignment is crucial in any company – every department in your organization should be focused on the same goals and working with the same information, and your market research is no exception. By filling in your sales teams on the results of your market research and competitive analysis, you empower them to take the same approach as your marketing teams, focusing on the specific priorities of your customers and emphasizing the value propositions and differentiators that set you apart.

The same principle applies to your customer success teams after you make the sale. Now that you know which aspects of your product and company are most important to your customers, you can preempt any issues they might encounter, creating onboarding and educational materials that address their most common problems.

## ***Operations and Development***

Finally, look to the future of your company and your product. Your market research carries a wealth of information that can direct your emphasis, research, spending, and strategy for the next years and decades. Find gaps in the market that your competitors haven't address and expand your product's capabilities to fill those gaps. In other areas of the market, where you're struggling to differentiate or competition is too stiff, consider reducing your focus to emphasize your more profitable products instead.

## **Your Next Steps**

Market research and competitive analysis can be an eye-opening experience, illuminating aspects of your company, your product, and your industry that you never suspected. If you can embrace what you learn, you have the opportunity to change tacks or completely reinvent your company and emerge head and shoulders above your competitors.

Examples abound in the market today. For decades, Domino's Pizza

was focused on speed and convenience above all else, emphasizing their “30 minutes or less” promise in every print and TV ad. In 2016, [the company realized that its customers were willing to wait longer for a pizza that tasted better](#) – urgency wasn’t as important as Domino’s had thought. Domino’s undertook a massive rebranding effort, and today, [they command half of the market share in the pizza delivery market.](#)

Every market, company, and customer base is in a constant state of flux. In today’s digital world, that state of constant change is more apparent than ever, with new industries springing up and collapsing practically overnight. If your company is to survive in the long term, it needs to evolve along with the world around it, and that means gathering as much information as possible. Market research and competitive analysis are the perfect place to start.



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We are **innovative thinkers**  
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