The Role of Sentiment Analysis

in Competitive Intelligence

& Market Research

When it comes to customer experience, great products, enticing marketing campaigns, or services are not enough to improve satisfaction. Understanding customer sentiment should be central for businesses in today’s competitive market.

You must leverage customer data across various feedback channels to understand customers’ perceptions of your company, which will help you improve satisfaction.

In this regard, sentiment analysis can help you extract and quantify customers’ feedback and opinion. This can provide valuable insights into customer preferences and help you understand the drivers behind customer behavior.

In this article, let’s explore the role of sentiment analysis in competitive intelligence and market research.

## Understand customer sentiment with sentiment analysis

While quantitative data can offer insights into where your brand and the products stand against the competition. Gathering and analyzing qualitative data gives you the essential insights that tell how people “feel” about your brand.

Sentiment analysis is a [part of Text Analysis](https://www.voxco.com/blog/sentiment-analysis-definition-types-significance-and-examples/) that helps you extract meaningful insights from qualitative and unstructured data. A robust sentiment analysis tool helps you [identify the negative, positive, or neutral emotions](https://www.voxco.com/blog/how-is-sentiment-analysis-done-and-challenges-faced/)expressed by customers in their survey feedback. It enables you to understand how customers feel about their experience with your brand.

### Importance of understanding customer sentiment:

Customer sentiment analysis helps you learn the reason why customers feel the way they do. It also points out why they are satisfied or dissatisfied with your brand.

→ Performing sentiment analysis gives you deeper insights into how customers feel about your competitors’ products. You can use these insights to optimize your products and campaigns before launch to deliver better offers. This will result in higher ROI.

→ With customer sentiment analysis, you can identify the shortcomings in your products and services. This way, you can improve your products and services to [offer a better customer experience.](https://www.voxco.com/blog/sentiment-analysis-helps-improve-customer-experience/)

→ It helps you gain insights into market trends and expectations. Using these insights, you can determine which trends to focus on and when to upgrade your products or launch new ones.

Now that we have learned the [importance of analyzing customer sentiment](https://www.voxco.com/blog/why-is-sentiment-analysis-important/)let’s look at the role of sentiment analysis in competitive intelligence and market research.

## Role of sentiment analysis in competitive intelligence

In the field of competitive analysis, sentiment analysis can be used to gather and analyze customer feedback about a company’s competitors. You can use it to identify which of its competitors is most highly regarded by customers or to identify areas where it outperforms its competitors.

Using sentiment data analysis in competitive analysis helps you evaluate your metrics against your competitors. Gathering positive or negative customer sentiment on your product won’t give you a clear insight if you don’t have data to compare it with.

It helps you understand how the market perceives your competitors’ campaigns and actions, which helps you change or modify your trajectory.

### Identifying trends and patterns in consumer sentiment

In competitive intelligence, sentiment analysis can help you identify the trends and patterns in customer sentiment. This can help you understand customers’ sentiments towards competitors’ products and services, thus preventing you from replicating competitors’ campaigns blindly.

It can be helpful in identifying the right market trends for you by observing the patterns in customer sentiment. This way, you can make sound decisions, develop those strategies, capitalize on them, and gain a competitive edge.

### Evaluating and comparing customer sentiment

You can use it in competitive analysis to compare the sentiment extracted from customers’ feedback on your own product to those of your competitors.

Monitoring positive feedback on your product is not enough for business growth. It is important to evaluate what your target market thinks your competitors are doing better. By comparing customer feedback, you can identify where you are lagging behind and where you can outperform.

## Role of sentiment analysis in market research

In the field of market research, customer sentiment analysis can help you better understand how your customers perceive your brand and evaluate the effectiveness of your marketing campaigns. It can help you learn about your own customers and their preferences and opinions across various business aspects.

When used along a [market research tool](https://www.voxco.com/market-research-tools/), it gives you a detailed and accurate report of customers’ satisfaction and pain point. You can also track changes in sentiment over a time period to understand whether your actions have led to any improvement.

Moreover, changes in sentiment scores can help you identify where to focus if you want to improve products, create marketing campaigns, or improve customer service.

### Evaluating the effectiveness of marketing campaigns

Marketing campaigns are designed to attract prospects and influence existing customers to take specific actions. Analyze the effectiveness of marketing campaigns by gathering customer feedback to understand if it is targeting the right audience and delivering the intended message.

Gather customer feedback via online surveys on your marketing campaigns to identify what resonates with them and what’s not. Follow up and dig deep to find out why the campaigns may not be performing the way you want them to.

You can also evaluate competitors’ campaigns or your campaign concepts before launching any marketing campaigns. This way, you can gather customer sentiment and feedback on what concepts or messages will drive their behavior to engage more.

### Forecasting market trends and customer behavior

It can be used to forecast market trends and customer behavior by analyzing the sentiment of gathered customer feedback using [survey software](https://www.voxco.com/survey-software/). The insights can tell you want your customers to desire and expect from their brands. Thus, you can use this information to make informed decisions about their marketing and product development efforts.

For example, if you want to launch a new product, you can gather customer sentiment on similar products in the market.