





5-Minute Guide to Competitive Intelligence



A crowded market
can be a very good
place to be.



Introduction

Business competition can be cutthroat. But when you have little or no competition, it usually means you've either defined the target market too narrowly or you have a product nobody wants. A crowded market can be a very good place to be.

Take, for example, laptops. When Panasonic created the Toughbook nearly 20 years ago, the market was already crowded. Apple, Dell, and HP had carved it up very nicely, thank you. But there was a small slice that wanted something none of those manufacturers offered — and had no clear interest in: a laptop that could take a beating.

Police, the military, business people who traveled constantly. Anyone who needed a laptop but couldn't baby it. The Panasonic Toughbook served that need. Very profitably.

So, be grateful you've got competitors. Now, let's look at how to stay ahead of them.

For anyone who wanted a laptop but couldn't baby it, the Panasonic Toughbook served that need very profitably.

Use competitive intelligence to learn where you stand and why

As philosopher John Donne famously mused, “No man is an island.” And, no brand is either. Brands must recognize their strengths and weaknesses in relation to the competition and the industry in which they operate. The voice of the consumer via social media is one of the best ways to do that.

Social media data offers an endless stream of details about how consumers feel — about your competition's branding, products, campaigns — and your own. With aggregated consumer insights from social listening, brands can develop a much clearer appreciation of the competitive forces that affect their business.

Millions of conversations create a constantly evolving focus group that adds real-time insight to the data provided by traditional methods of evaluating the competition. It's a massive data set that can help marketers:

- Learn how consumers feel about the strengths and weaknesses of competitive offerings
- Measure and understand share of voice across different audience groups compared to competitors
- See how audience affinities affect product choices
- Monitor new entrants into the market
- Keep track of competitive efforts to change branding and positioning

Competitive intelligence

The collection and analysis of information about any aspect of your organization's competitive environment, including products, customers, competitors, and industry.

“The public is the only critic whose opinion means anything at all.”

— Mark Twain

Brand, audience, product: the competitive intelligence trifecta

A [Sloan Review](#) article about the difference between image and reputation notes that image is “customer centric.” It’s about what a brand promises to its customers.

A brand is more than product features. Brands touch people where emotion and product functionality meet. So, the brand is good place to start using social competitive intelligence, which can tell marketers how consumers feel about their brand, the brands of competitors and why.

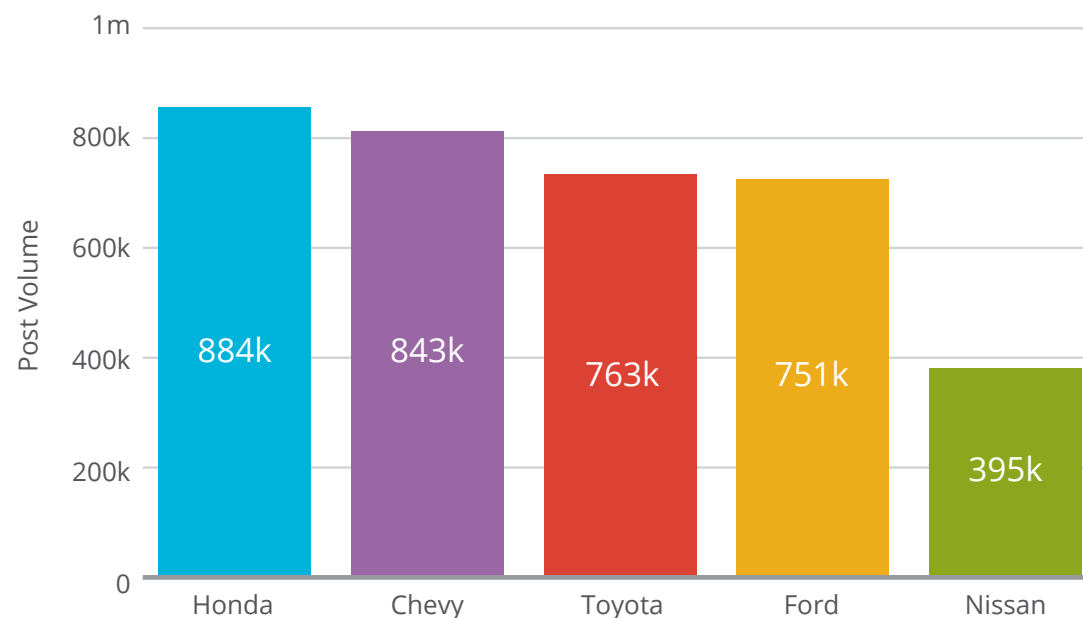
Everything in life is somewhere else, and you get there in a car

This wry observation by E.B. White says something about the ubiquity of cars in our daily lives. And he said it in 1940! Long before there were as many cars on the road as there are today.

Of course, there’s Uber and Lyft, carsharing and public transportation, but a lot of people still buy cars — and have very strong feelings about them, which they don’t hesitate to share on social media.

In the U.S., the five top-selling car brands are Chevy, Ford, Honda, Nissan, and Toyota. And these brands are often talked about together on social media.

US Auto Brands Total Discussion Volume

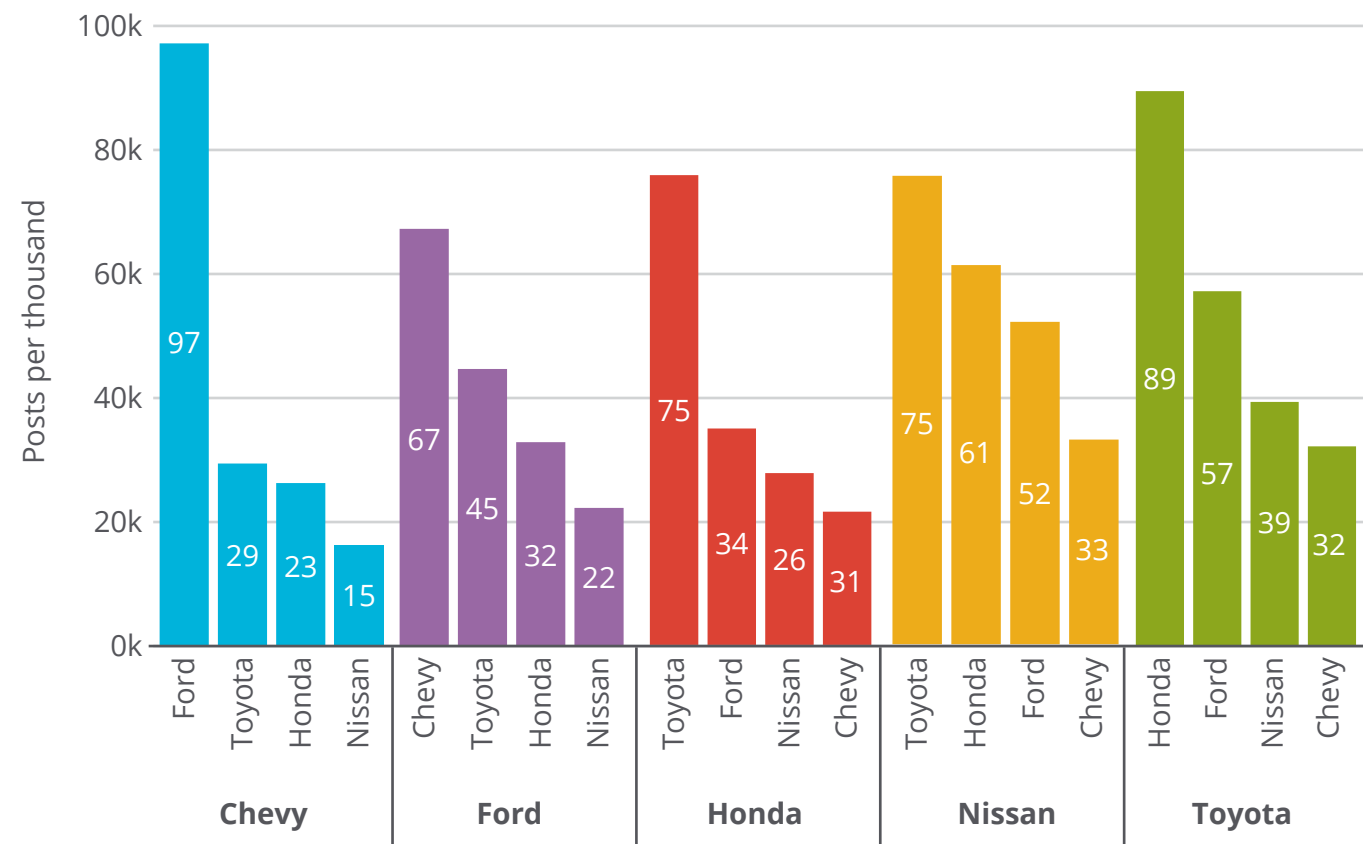


The auto industry is undergoing tremendous change. It's important for brands to keep up with consumer sentiment.

This makes sense. When consumers decide to buy a car, they usually consider several brands. Their conversations reveal a lot about their preferences and reservations. And, by comparing audience affinities, a clear picture begins to form of the consumer who is attracted to one brand and not another. Add demographic data like age and gender and the picture sharpens.

Unsolicited, online conversations are incredibly valuable for car manufacturers and the rest of the industry. The auto industry is undergoing tremendous and rapid change so it's important for brands to keep up with consumer sentiment. Grasping the relative importance of reliability, performance, eco-friendliness, styling, resale value, etc. gives competing brands opportunities to acquire new customers, strengthen existing relationships, and allocate resources to address product weaknesses.

US Auto Brand Competitor Discussion Volume



#Breaking2

“It was brilliant marketing... They found something new and elusive that tapped into everyone’s collective attention and then used social media ... to propel it even further.”

— Susan Cantor, Red Peak Branding

Keep Your Audience Close and Your Competitors’ Closer

This contemporary variation on the well-known aphorism often attributed to Chinese military strategist Sun Tzu highlights an important factor to keep in mind about social media audience analysis.

While your audience is a suitable place to start with audience analysis, looking at a competitor’s audience and comparing it to yours can really help change the competitive balance.

And audience comparison need not be limited to brands. In fact, understanding a much broader audience through analysis can help improve products, product messaging, and product marketing. For example, if you sell running shoes, knowing what the entire running audience cares about can help improve your messaging, marketing, and products.

Nike’s highly-publicized attempt to crack the two-hour marathon barrier with elite distance runners Lelisa Desisa of Ethiopia, Zersenay Tadese of Eritrea, and Eliud Kipchoge of Kenya generated a lot social media buzz within the running community. Not all of it positive (running purists criticized the use of fresh pacesetters throughout the attempt) but revealing and valuable nevertheless.

Across Twitter, Facebook, and Instagram, the hashtag #Breaking2 generated hundreds of thousands of posts in the days leading up to the race. Part of Nike’s effort included designing and testing a new shoe, the Vaporfly, which all the runners wore. In Q3 2017, it was the best-selling men’s running shoe even at the steep price of \$250, though it did not appear among the top shoes for women.

Nike is undoubtedly still slicing and dicing the audience data it gleaned from the Breaking2 “moonshot.” What it learned will likely guide product marketing and brand-building efforts for quite a while to come.

Product Wars: Head-to-Head Competition

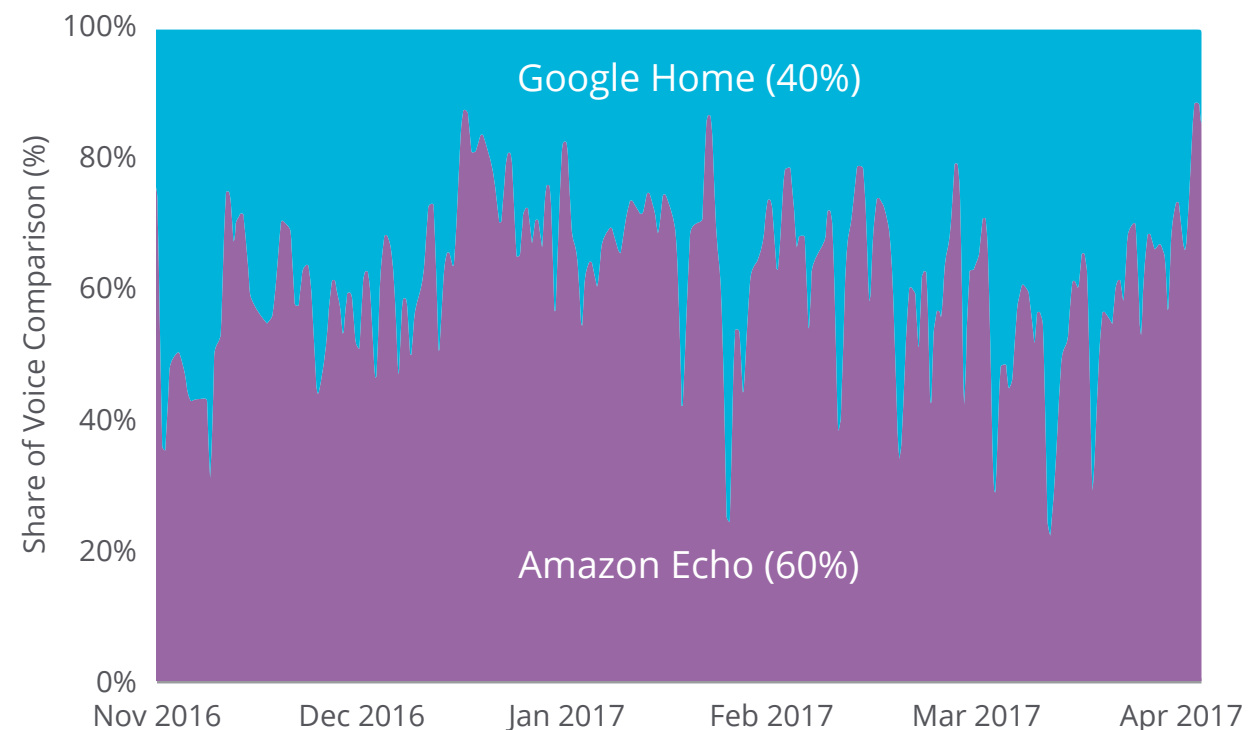
Monitoring the overall conversation around a product category can help your brand improve its products or reveal an opportunity for a new product. So, can learning what consumers love or hate about competitors' products. Listening to the voice of the consumer directly, in real time gives your business a decided competitive advantage.

Product Share of Voice

For huge brands with multiple products, comparing one brand to another only takes you so far. A more effective analysis would focus on competing products from each brand. For example, here we can see how Amazon Echo and Google Home compare in terms of social conversation volume.

For huge brands with multiple products comparing one brand to another only takes you so far.

Google Home vs Amazon Echo Share of Voice Comparison (2017)



Going deeper we can see what caused one product to dominate the share of voice at a given time. Conversation about the Echo peaked around the 2017 holiday season (specifically Christmas) with people talking about giving or receiving the Echo as a gift.

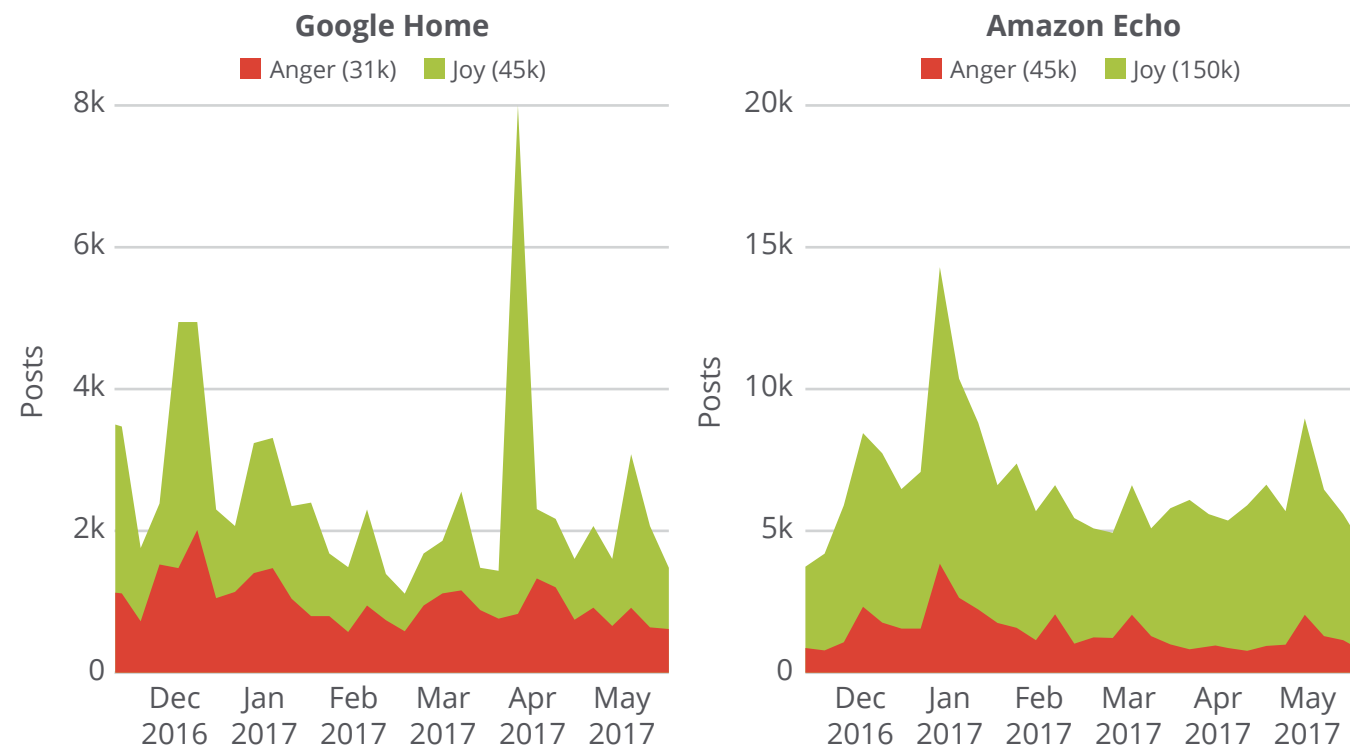
Greg McVey

@mcvey_greg

Welcome to the @family @amazon #Alexa! Thank you @Lizjohnson890 for making it easier to order #food from the #sofa this #Christmas 😊

The same kind of comparative analysis can be done with sentiment and topics.

Google Home vs Amazon Echo Emotion Volume of Posts Comparison (2017)



Always justify
assumptions with data.

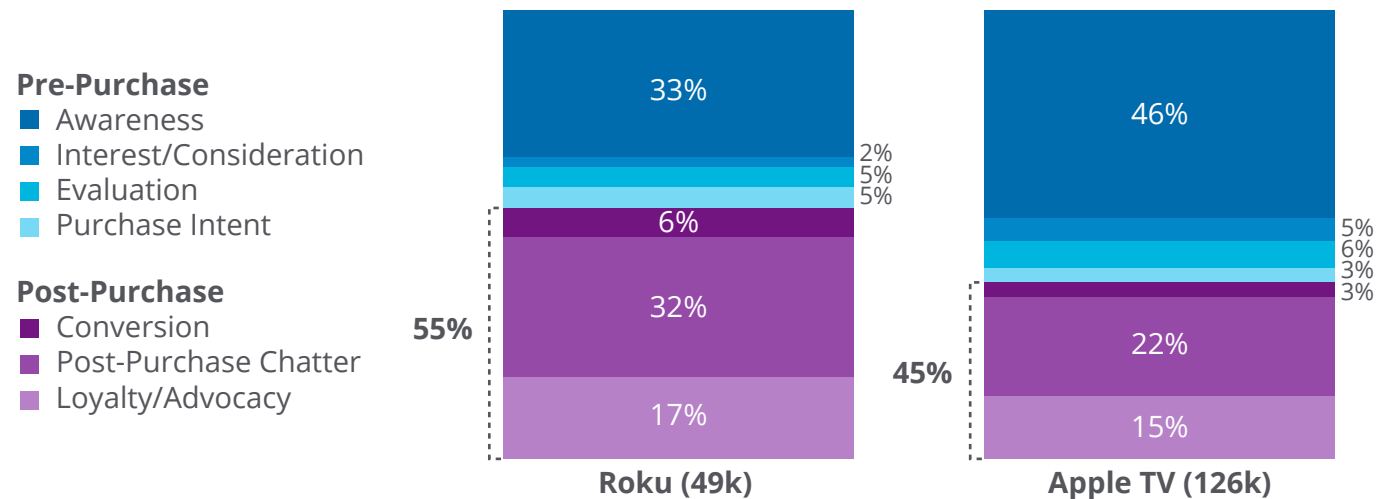


Compare Stages in the Buying Cycle

With social media analysis, you can track consumer intent to buy your products and a competitor's. With custom categories based on stages of the buying cycle, you can better interpret purchase signals and behavior. You'll not only learn the volume of consumers interested in buying your products vs. a competitor's but, even better, reveal what drives those purchase decisions.

For example, in this analysis of the customer lifecycle for Apple TV and Roku, we see that Apple is winning in terms pre-purchase awareness pre-purchase, but Roku converts more consumers to customers and keeps them talking more about the product post-purchase.

Apple TV vs Roku Purchase Behavior Breakdown



Drilling into those categories, we find that consumers that choose Apple TV do so for its ease of use within the Apple ecosystem and choose Roku for its affordable price.

rezongona

@rezongona_

the biggest reason I want the Apple TV is for the airplay option

Josh

@7steelersrings

@JRBBQ Roku is less expensive & has more channels. But if you have a lot of Apple/iTunes content I'd say Apple TV.

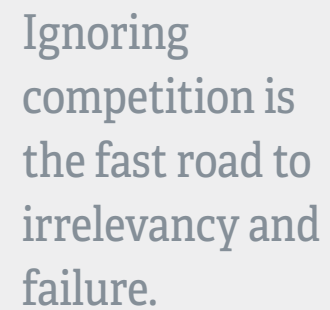


AI meets competitive intelligence analysis

A lot of what makes large-scale competitive intelligence analysis possible are advances in the commercial application of technologies from the discipline of AI. These technologies include:

- Text analytics and natural language processing (NLP) enable machines to understand the nuances of messy human communication
 - Natural language generation (NLG), a subset of NLP, turns data into human language, creating a logical narrative
- Machine learning accurately classifies attributes such as emotion, sentiment, and topic at scale. It can make sense of data that is “noisy,” when random deviations hide patterns.
 - Deep learning (an extension of machine learning) via neural networks can identify logos, scenes, actions, and objects in image-based content. Deep learning algorithms continue to learn as they’re fed more data.

AI technologies make it possible to analyze enormous data sets much faster and more accurately than humans. When applied to consumer conversations, AI-powered competitive analysis can uncover the “market white space” left by competitors while revealing potential threats to established products.



Ignoring
competition is
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irrelevancy and
failure.

Improvement stops when competition ends.

Most business people will tell you that competition makes their business better. And that ignoring competition is the fast road to irrelevancy and failure.

Former NFL quarterback Peyton Manning once remarked, “There are other players who were more talented, but there is no one who could out-prepare me.” It’s with that spirit that marketers should approach gathering and analyzing competitive intelligence. And digging into the huge data set of consumer conversations with social media analytics can play a vital role in developing an effective competitive intelligence strategy.

The Crimson Hexagon Platform employs proven AI technologies, image analytics, and the world’s largest data library to help customers analyze their competition and take informed actions that boost the bottom line and keep the competition at bay.



About Crimson Hexagon

Crimson Hexagon helps global brands better understand their consumers. With instant access to the world's largest volume of unstructured text and images across social, online public, and enterprise-held data sources, Crimson Hexagon's AI-powered consumer insights platform allows clients to analyze audiences, track brand perception and campaign performance, and even detect competitive and market trends. Our clients include Anheuser-Busch InBev, Adidas, General Mills, Paramount Pictures, Starbucks, and Twitter.



Crimson Hexagon

AI-Powered Consumer Insights

To learn more about AI-powered competitive analysis, schedule a personalized demo with Crimson Hexagon today.

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