

Competitors' analyses in the digital business environment

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Main components of competitive analysis in digital marketing were investigated, strategic preconditions for doing business in digital environment were determined, competitive analysis prerequisites of competitors' activities in digital dimension were identified, basic classification of competitive analysis in the Internet was proposed, main categories of expert competitive analysis were defined and analyzed in the article.

Keywords: competitive analysis, competitive intelligence, benchmarking, digital marketing, internet marketing.

Підгурська І.А., Легкий О.А. АНАЛІЗ КОНКУРЕНТІВ У ЦИФРОВОМУ СЕРЕДОВИЩІ БІЗНЕСУ

У статті досліджено основні складові конкурентного аналізу в цифровому маркетингу, визначено стратегічні передумови ведення бізнесу у цифровому середовищі, виокремлено передумови здійснення конкурентного аналізу активностей конкурентів у цифровому вимірі, запропоновано базову класифікацію конкурентного аналізу в мережі Інтернет, проаналізовано та визначено основні категорії експертного конкурентного аналізу.

Ключові слова: аналіз конкурентів, конкурентна розвідка, бенчмаркінг, цифровий маркетинг, Інтернет-маркетинг.

Підгурская И.А., Легкий О.А. АНАЛИЗ КОНКУРЕНТОВ В ЦИФРОВОЙ СРЕДЕ БИЗНЕСА

В статье исследованы основные составляющие конкурентного анализа в цифровом маркетинге, определены стратегические предпосылки ведения бизнеса в цифровой среде, выделены предпосылки осуществления конкурентного анализа активностей конкурентов в цифровом измерении, предложено базовую классификацию конкурентного анализа в сети Интернет, проанализированы и определены основные категории экспертного конкурентного анализа.

Ключевые слова: анализ конкурентов, конкурентная разведка, бенчмаркинг, цифровой маркетинг, Интернет-маркетинг.

The development of the digital economy and e-commerce has had a significant impact on shifting the emphasis of the competitive struggle of enterprises in the international business environment. Attendance company data online Web address has now become a prerequisite for successful functioning entities. A global, knowledge-based, information-based, and network-based organization has led to a competitive business environment that replaced household and industrial ones that existed several decades ago.

Enterprises today must have significant competitive advantage information that would maintain a high competitive position. And for this, companies need to be able to apply modern business tools in the digital environment – creation of a new analytical component in business valuation, use of marketing online policy, use of competitive analysis of the business entity information environment to identify potential tar-

get markets, a systematic study demand, study of threats and opportunities, interpretation of results and identifying prospects for the development of international business activities, etc.

Issues research of the competitive environment in the global economy had been done by such well-known scholars as M. Porter, F. Kotler, I. Ansoff, A. Thompson, A. Strickland, P. Drucker. However, with the advent of the digital economy, the spectrum of research on the competitive aspects of enterprises has shifted to the Internet-marketing marketplace, where the authors focus on the information component of the business environment. Among them are R. Langford, G. Simon, B. Scott, A. Sammer and G. Duncan, R. Fatkhutdinov, V. Aleksunin, I. Litovchenko.

Thus, Vadrak V. in his writings focuses on competitive intelligence as a component of competitive analysis, Kovalchuk S. focuses on the role of digital marketing in enhancing international business activities of enterprises.

However, the issue of modern digital tools and its main components usage in the company's competitive analysis of the Internet hasn't been investigated.

The purpose of the study is to identify the basic aspects of competitive analysis in the information business surrounding and its practical application as a digital marketing component of enterprises.

To achieve this goal, the following **objectives** were set on:

- to highlight the strategic preconditions for doing business in a digital environment ;
- to explore the main components of competitive analysis in digital marketing;
- to determine preconditions for the competitive analysis of competitors' activities in a digital dimension;
- to analyze main categories of expert competitive analysis ;
- to offer basic classification of competitive analysis on the Internet.

The integration of business into the global Internet environment has contributed to the emergence of new ways and sources of information and their analytical and processing in combination with traditional parameters of the analysis of a competitive market environment that characterizes business. The main parameters are popular site paths, information of sites searching, main visitors, regular target audience and its share, effectiveness of the advertising campaign (page visit frequency, viewing time, etc.), weak and strong sides of competitors.

Primary information can be obtained in the process of analysis of resource deviation statistics, user referrals to the e-mail address of the company, and user surveys. However, it is necessary to involve expert competitive analysis in combination with accurate statistical data of the qualitative analysis of competitors for effective representation of the resource in the Internet space and the implementation of the marketing complex online policy.

Thus first private intelligence service that was created by Florentine merchants-bankers for economic interests dates back to the XIV century. Currently, competitive intelligence is interpreted as a permanent process of collection, accumulation, analysis, data on the internal and external environment of the organization and providing top management information to predict timely response to changes in the external environment [1, 17].

Subsequently, M. Porter proposed a model of five forces of competition, including the per-

sistence among sellers within the industry, the possibility of emerging new competitors within the industry, the supply of substitute products, the availability of suppliers of raw materials; materials and components dictate their terms and the same alternative for the customers of the company's products. In addition, the possession of primary and secondary information about the main objects of competitive analysis: future goals, current strategy, potential capabilities form the rational behavior of market participants [2, 38].

However, in the conditions of world modern tendencies, new priorities and the fact of influence on business development, connected with new models of competition in the Internet space are formed due to the intensification of sectoral competition, the speed of the development of new technologies, under the influence of global changes in retail trade. Thus, the company gains competitive advantages by forming a constant activity among consumers.

Therefore, the new task of digital marketing in the international business of domestic enterprises has been the creation of an information and analytical system that will allow carrying out analytical research quickly and qualitatively, using information technologies in the analysis of business processes of domestic enterprises in international markets, to evaluate their marketing attractiveness on new sales markets.

The main components of the information and analytical system are: analysis of the marketing environment of foreign markets, assessment of the possibility of domestic enterprises to enter new international markets, development and implementation of a comprehensive program of marketing actions for the promotion of goods in international markets, assessment of the efficiency of international business activities of enterprises in certain markets [3, 60].

The obtained data will help in carrying out the classical analysis of the enterprise environment, where it is appropriate to use the PEST analysis method and the analysis of the "five forces" of competition (M. Porter), internal – on the basis of functional analysis and analysis of the "chain of value creation", matrix BKG, etc. The obtained data will show the KFU industry, the strengths and weaknesses of the enterprise, its capabilities and threats.

If you group the key issues of different levels and different areas, the processing of which is intended to outline the basis of the strategy of conducting business activities in the network, the result can be represented as a matrix (Table 1).

Table 1

A Matrix of Strategic Business Prerequisites in a Digital Environment

Categories	Analytics	Goal	Tools
Market (niche)	Determination of market capacity Study of competitors Trends	Conquering market share Laying consumers from another product Launching a new product	Field and desk research Benchmarking
Product	Identify the benefits of the product Analysis of the site as a communication channel (or the formation of a technical task)	Improve the product Modification of functions Additional Services Assortment management	Numerous methods for testing and analyzing product properties
Consumer (target audience)	Patterns of behavior, case studies, behavior of the audience on the site, in social media groups	Attracting and retaining consumers Increasing the loyalty of existing consumers	Systems of analysis and statistics Toolkit for engaging the audience

Source: formed on the basis of [4]

Taking into account the above table, we note that if there is an analysis in the market, the activities of competitors, their products, a number of other elements (experience in assortment management, including the launch of a new product, the reaction of consumers, their behavior patterns, etc.) can also be processed as a result of a thorough competitive analysis on the Internet.

The strategic result may be finding new channels for the promotion and attraction of buyers, even if there are diversified sources and attract the attraction of traffic. However, the analysis of competitors can find web resources, which has many representatives of the target audience, at the same time not with an oversaturated proposal. Also, customer reviews, their inquiries and initiatives have always been a valuable source of information, on the basis of which it is possible: a) to create a customer image (or to obtain significant data for the implementation of psychographic (depending on the purpose and motives of the purchase) of segmentation); b) to find out the advantages and problems in working with clients of a particular competitor or in the segment as a whole.

Objective is the fact that there are also valuable histories of failures in business. Thus, for example, it is advisable to determine which content is badly perceived by the audience, and you will steal such type of own content plan.

By analogy, it is worth examining what works in the plane of content from competitors, introducing this experience, but adapting it, rather than copying it. Examples vary: new topics (even sections) for the blog, types of posts in social

networks, ideas for engagement (contests, games, and quizzes), free webinars, e-books. As a result, competitive analysis will help to define more clearly the value of its own product for the target audience, and improve the way it reports and in the context of developing your own effective model or improving your existing one.

In general, competitive analysis of competitors' activities in a digital dimension is appropriate to use:

- when launching a new product for proper positioning, including and from the position of pricing strategy;
- in developing a content strategy and / or a communicative strategy;
- in making plans and forecasting sales;
- to prevent the decrease of the average purchase receipt (effective organization of offers Up- sell and Cross- sell goods in electronic commerce);
- at the initial deduction of offline business online;
- when you start a new business or direct;
- for a general understanding of the market situation and a rapid response to new trends [5].

Even at the macro level, according to domestic scientists, the use of digital technologies enabled marketing research and the choice of international sales markets. Domestic enterprises are able to evaluate the economic, political, cultural business environment in each market, identify potential target markets, systematically study demand, study constraints and obstacles, interpret results and determine the prospects for the development of international business activities [3, 70].

Based on the classic postulates of competitive analysis, competitors are usually isolated within the niche, segment, industry, or related industries, focusing on the basis of goods or services. However, in the virtual environment from the standpoint of branding and taking into account the peculiarities of consumers' behavior in the network, it is customary to distinguish and a peculiar type of competitors – "competitors for attention". This category will include such market entities that will compete on certain thematic resources, have similar content, offer equivalent interactivity to the target audience in the information plane, but in a commercial one – they may have a product with no unrelated industry.

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After analyzing the above approaches, scientists and practitioners should make a basic classification of competitive analysis on the Internet (Figure 1).

Expert analysis allows you to navigate in the existing market situation, to form a qualitative

unique trading offer for a clearer positioning in the network. Usually, it takes place according to pre-written algorithms and peculiar checklists – a list of necessary elements / functions that need to verify in one or another category. The main categories of expert competitive analysis are presented in Table 2.

It is not necessary to exclude and subjective feelings when working with the sites of competitors: what features or stylistic solutions made the impression, but not liked. When analyzing at least 6-8 competitors, an Internet marketer will not only get market information, but will be able to use it to successfully distinguish a unique trading offer from competitors.

It is worth noting the check-note feature in the MS Excel environment – they are essentially semi-automated (the results can be derived by the formulas), but the data is entered manually, moreover, often used in such documents a ball assessment method that confirms the expert nature of the tool.

In turn, technical or digital competitive analysis involves the use of a number of services (paid and free) to assess the various depths and different spheres as well as its own web resource, as well as the resources of its competitors. The main services include:

- SEMrush (SEO data – general audit, position analysis and backlinks, recommendations for increasing organic traffic; studying keywords for advertising; analysis of contextual advertising of competitors; a list of the most popular posts in social networks; quantitative indicators of audience interaction with records; brand names; choices a better channel for promotion, the definition of trend topics);

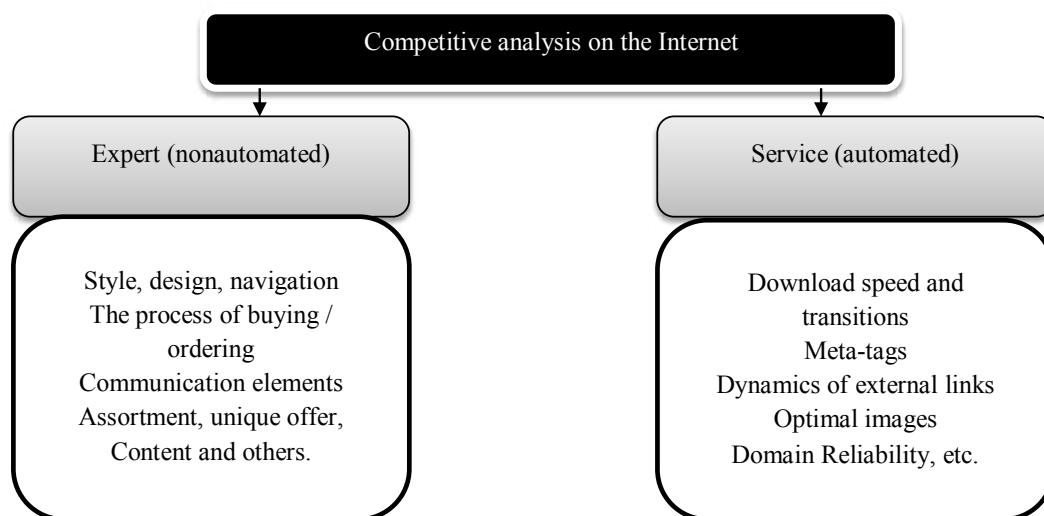


Fig. 1. Types of competitive analysis in the digital aspect [6, p. 44]

Basic information for expert analysis of competitors *

Element	Components	Description
Price of goods or services, "goods-locomotive"	Total price policy of the firm	"Goods-locomotive" does not have to bring the major share income, sometimes it can be the cause of entering to the website and further sales
Service packages	Installed purchase options, sometimes, the next includes the previous one	A popular approach that combines the convenience of a visitor's choice and facilitates customer support and the process of ordering. Despite the name, it is also suitable for goods
Promotions and special offers	In particular: price, general, time, beginners, etc.	There may be certain conditions, encouraging to take certain steps (filling out contact details or reviews) or, conversely, launching after a certain scenario (actuation of triggers)
Sales cycle	Most are described and / or visualized	Suitable for reference when ordering a project work or when buying process has specific stages of passage
Service	Technical support, callbacks, online time with the operator, after-sales service, technical and transaction letters, forum, blog, FAQ, etc.	Convenient and helpful interactive elements on the site for feedback, easy navigation, easy purchase / ordering of the service.
Presents	Bonuses (individual or within the accumulation system), loyalty programs	The financial feasibility of such steps, the relationship with price policy and the potential number of customers
Additional sales (Up-sell and Cross-sell products)	Thematic offers (special offers) based on the selected product / service, or even when their viewed	Sometimes, complementary goods. A popular tool for online stores. Can be displayed in the functionality of the site or use an e-mail channel, sometimes remarketing
Free step towards customer	To a certain extent, it is a component of a unique trading offer, increasing confidence and reducing the risk to the client	Beginning with free advice or free measurements and completing free shipping and full after-sales service

Source: developed by authors

– Serps (keeps track of keywords on major search engines in different languages);

– ChangeDetect (tracks changes on selected pages and sends e-mail messages – the best option for continuous automatic monitoring of competitors' web pages);

– SerpStat (multifunctional platform focused on analyzing SEO-policy of competitors – the dynamics of changes of external links with the detail of resources for income and losses; analysis of key words and anchor references);

– KeywordSpy (resource focused on detailed analysis of contextual banner ads by competitors);

– SocialBakers (SMM full audit of the selected web resource for all social networks) [5; 6, p. 45].

It is worth noting that this type of competitive analysis is by no means industrial espionage,

proceeding from the methods and basic features of industrial espionage [1, 19-21].

Separately, one should consider the methodology of analyzing the activities of competitors in social networks. For some types of businesses, the importance of a particular social network, as well as quantitative indicators of activity in it, will vary. Thus, the combination of an expert method with a service will be optimal: indicators are taken from the corresponding resource, and then they are substituted into a formula that takes into account the expert-defined weight of each indicator [6, 87-88].

Finally, it is worth emphasizing the need for regular service analysis and own site. In addition to the tips and recommendations issued by most of these platforms, this kind of procedure

also serves as a preventive measure against unfair competition by competitors in the context of so-called "negative SEO" [7].

With SEO-attacks, the "aggressor" creates the conditions under which search engines are beginning to actively apply sanctions to the victim's resource. Moreover, owners of target resources quite often cannot even suspect of this kind of action.

If we talk about the potential causes of SEO-attacks competitors, then usually do so small and medium resources, which by discrediting more successful sites promote their own. However, there are cases when the prohibited methods of this kind are used by market leaders to prevent them from being displaced from advanced positions in search engine rankings.

The rapid growth of competition in the Internet space, the dynamic development of IT technolo-

gies, consumer demand for product quality and delivery speed contribute to the development of new ways to monitor and explore the global digital environment of rival companies. Thus, the use of competitive analysis tools in digital marketing enables assessing the economic, political, and cultural business environment in each market, effectively identifying potential target markets, systematically investigating demand, identifying constraints and obstacles, interpreting results quickly and qualitatively, and outlining the prospects for the development of international business activities of the company.

Perspective directions of further researches are improvement of methodology of expert and service competitive analysis in the Internet and construction on this basis of the automated system of adaptation of strategic decisions and tactical tasks to the environment of the enterprise.

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