Competitive Market Rese

Cost and outsourcing need not be issues for small-business owners who want to assess their competition. There is a wealth of information out there, and freely available online tools that will help them marshal that information into actionable insights.

By Daniel Kornitzer and Theresa Coffey

arch for Small Businesses

Knowing the competitive landscape should be part of doing business for all owners of a small business on the Net, whether it's in the planning, emerging, or mature stage of its existence. Investigation of what's out there helps you to better understand your industry, including the needs of your target market, and how to best position your company to set it apart from related businesses and create maximum exposure to potential customers.

A competitive review has another benefit that is often mistakenly overlooked: It provides an indirect mentoring opportunity for you to learn from your strongest competitors – borrowing or customizing good techniques and ideas, or perhaps seeing how to approach matters from a different angle.

So with this potential gold mine of information and guidance only mouse clicks away, why do most small-business owners keep bumping this task to the bottom of their to-do list?

It boils down to everyday reality: not enough time and money. Online entrepreneurs don't have the hours required to set up and implement a competitive review on their own (not knowing where to start is often enough cause for procrastination), nor do they have the money to outsource the task to professionals.

However, cost and the need to outsource do not have to be issues. There are a number of free tools that can be used to gather insights about your competitive landscape. To name a few, there are these:

TouchGraph www.touchgraph.com/TGGoogleBrowser.html
Quantcast www.quantcast.com
Compete siteanalytics.compete.com
Alexa www.alexa.com

These tools can be used to assess the websites of your competitors, provided that the sites receive enough traffic to enable the collection of sufficient data on measures of interest: ranking and reach; traffic momentum/trend; number of links into the site; visitor demographics (gender, age, education, geographical distribution, and so on); keywords for which the site is found; and sources of traffic.

Of course, if these sites don't receive enough traffic, that fact is a vital piece of information as well. You then know that your competitors aren't doing a good job at driving traffic to their sites.

Your goal should be to turn the data from these reviews into usable information for growing your small business and leveraging your efforts.

If you're not sure who your competition on the Net is, start with TouchGraph (TG). Enter your site's most important keyword and start the process. TG will bring up a visual representation of sites that are competitive for that keyword, as well as the connections between those sites. You'll see the domain name for each site and, with a single click on each site, the title of the home page.

Now that you know who your competition is, you can use the other tools – Quantcast, Compete and Alexa – to study competitors' sites in terms of ranking and reach, momentum, number of links, and so on. Don't use just one tool. Each measures statistics in a slightly different way; so if one measurement varies greatly from the others, you can rule out that tool (or one measurement from that tool).

Alexa has been around for years; it is the most well-known (and maligned) traffic statistics tool on the Net. Start by looking at ranking. The closer to number one it is, the more popular that site is (the more traffic it receives). Any site with a ranking of less than 100,000 is very popular, and will be harder to compete with online.

Also study sites linking in (for more possible competition), keywords (to see which keywords that site is using), and demographics (if their market isn't your market, they may no longer be your competition).

Next, use Quantcast and Compete to round out and confirm (or eliminate as irrelevant) your Alexa information.

Quantcast gives you a site's approximate monthly traffic volume (unique visitors, called "Monthly U.S. People"). Traffic of 15,000–30,000 a month means the site is competitive; higher than 30,000 is very competitive; traffic from 5,000 to 15,000 is pretty good, but low enough to outcompete.

Under "Traffic," compare this competitor with another to see how they stack up against each other. View the annual traffic graph to see if traffic is trending up or down. Then look at "Demographics," and compare with Alexa's information.

Compete also offers a site's approximate monthly traffic, although the number will likely differ somewhat from Quantcast's. Enter another competitor's domain name and compare the sites' traffic. The ratios should be roughly similar to Quantcast's. You can also check whether traffic is trending up (green) or down (red) and then identify where traffic comes from via "Referral Analytics."

As this brief overview of a few freely available tools on the market illustrates, competitive investigation is certainly well within your reach as a small-business owner.

There is also a tool called Search It! (searchit.sitesell.com), which will leverage your efforts. Its free, pre-programmed searches will help you find popular keywords (demand), competition based on a keyword (supply), how your competitors use those keywords (in the title or url), and a host of other information. Separate searches using Alexa, Quantcast and Compete can be started directly from Search It! Or you can do them all at once in the "5-in-1 Traffic It!" search query (this is a search within Search It! – under the "Popularity" category).

With many of the free tools, there is access to more sophisticated and detailed research capabilities, but this access requires subscription to a premium service. In the case of SiteSell.com, subscribers of SBI! (buildit.sitesell.com) can use the Site Info feature (a part of the system's advanced keyword research tool, known as Brainstorm It!) to activate a competitive review of a selected keyword.

Before we go into a more in-depth explanation of the Site Info feature, let's set the operational context. (See chart on next page.)

The vertical and lateral keyword brainstorming queries of Brainstorm It! generate keywords based upon a "seed" word. You enter a seed word into a designated field and the Brainstormer query delivers related keywords in a "master keyword list" (MKL). You can then sort, filter or analyse these keywords to determine which ones will be used to

create theme-related topical pages on your website. The diagram illustrates a sample MKL for the seed word "soup recipes."

To receive competitive information for a particular keyword in a master keyword list, you click on its associated icon in the "Site Info" column. Each such process takes about five minutes and does approximately 250 queries on the web.

The Site Info tool delivers up to ten top sites found for each keyword (according to Google), including contact information (should you identify a future potential advertiser, affiliate program, or other type of monetization opportunity). It also delivers a complete competitive profile for each top site, including its title, description, url, Alexa rank, inbound links (from Yahoo!), and a link to see the top Google PageRank sites that link to it. In addition, the Site Info tool delivers up to ten related sites for each top ten site. These are sites that tend to be in the visitor's click path (as tracked by Alexa), either before or after visiting the top ten site. Each related site comes with considerable information, too, including its url, Alexa rankings, inbound links, and contact information.

What do you do with this site information? Following the links, investigate the sites and their inbound links, and make notes. With this expanded knowledge base, it's much easier and faster to assess your competition.

A serious competitor for a theme-based content site, for example, would display these markers: an Alexa ranking within the top 100,000; lots of inbound links from Yahoo! (1,000 inbound links or more); many top Google PageRank sites linking to it; and relations to other excellent sites.

You can also use the Site Info results to learn from your strongest competitors. Study details such as their content and how they monetize their traffic, and then apply the techniques and strategies that fit with your business plan – in better and different ways. Mentoring opportunities like this will leverage your business-building efforts and time.

A competitive review of a keyword could also uncover merchant sites that will buy advertising from you, or content sites that will sell you advertising, as well as potential for link exchanges (these are content sites that are complementary to yours, not competitive). It could further uncover high quality forums related to your industry or business theme; super-affiliates of sites selling products or services similar to yours; and competitors of your competitor.

Based on this short illustration of the Site Info feature in SBI!, you can see why scheduling periodic competitive reviews makes good business sense. Your goal should be to turn the data from these reviews into usable information for growing your small business and leveraging your efforts.

Daniel Kornitzer, MEng, is CEO of SiteSell.com. He was president of TWPS Ltd. (Bermuda) and has thirteen years of experience in the telecommunications industry, where he held senior management positions at Nortel Networks and General DataComm. Theresa Coffey, BA, BEd, is vice-president of content development at SiteSell.com, where she oversees, edits and contributes to the company's expansive documentation.