# Competitive Intelligence

## In the Web Services Industry

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# Abstract

The Web Services industry has become increasingly competitive due to an increase in the number of Web Services providers, introduction of freemium business models, and extensive discounting.

To maintain an edge over competitors, companies must constantly evaluate elements such as product, pricing, and market trend to make the right business decisions, at the right time. Announcing discounts, managing product features, adjusting prices, and building strategic partnerships are key decisions that make a difference in the Web Services industry. If these decisions are not backed by solid research, they could produce unexpected results.

Competitive Intelligence provides insights that help businesses make informed decisions. Competitive intelligence professionals provide in-depth research by benchmarking and comparing competing products; aggregating competitive market news; leveraging industry templates to capture competitive features/pricing; monitoring market to detect trends and milestones. This information is then presented through reports. This white paper intends to explain the need and role of Competitive Intelligence in the Web Services industry.
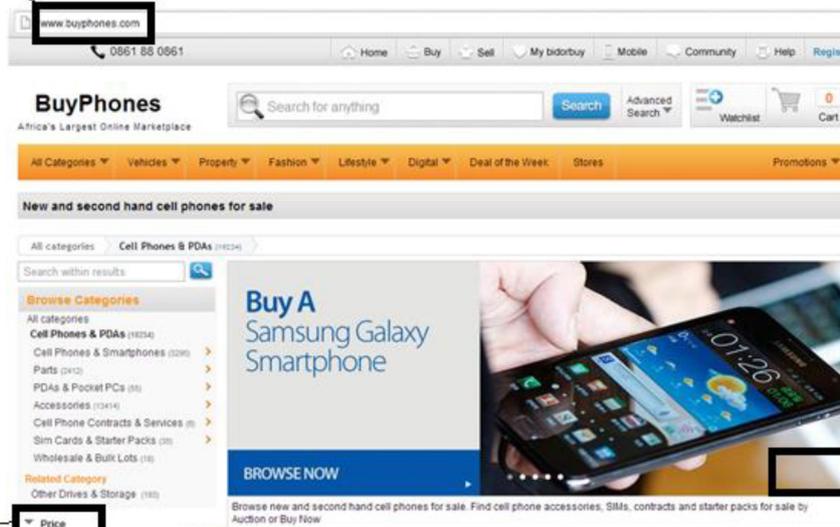
# Web Services Industry

Internet is a virtual world. All that happens in the real world is echoed on the internet. Today, it has become a part of the real world and created numerous opportunities for people to do business. The Web Services industry includes all services that focus on helping businesses create an online presence.

**Web Services Products and Services**

Listed below are some of the most popular services offered by the Web Services industry.

- Domain Name Registration
- Website Hosting
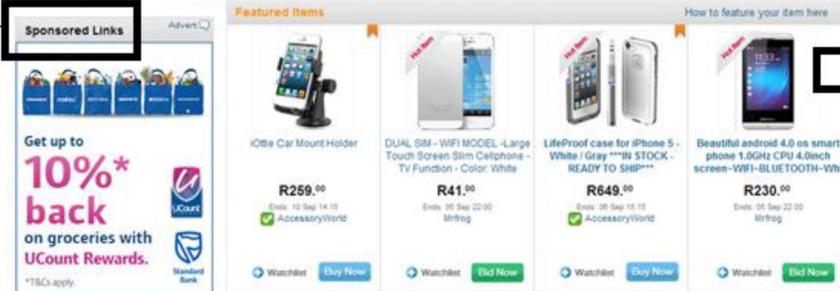- Secure Socket Layer Certificates
- Social Media Marketing
- Cloud Computing

- Website Design & Development
- Email Services
- Search Engine Optimization
- Software as a Service
- Online Storage



ICANN (Internet Corporation for Assigned Names and Numbers) is a global organization that coordinates all the unique identifiers on the internet. There are a thousand domain name registrars

who are directly registered with ICANN. Only these registrars can create new domain names. Millions of companies work as resellers for these registrars. Therefore businesses and individuals approach these registrars/resellers for domain name registration and other Web Services. **Some of the recognized names in the Web Services space are:**

- GoDaddy
- Network Solutions
- Register
- Hostgator
- Rackspace
- Lunar Pages

- Web
- 1&1
- Dotster
- Netfirms
- Bluehost
- Enom

The Web Services market is valued at billions of US dollars.

### Nobody is King

Ordinary users are not choosy about Web Service providers. Internet is a level playing field for companies that want to foray into Web Services. This is the reason web startups often make news, and established online businesses sometimes find it difficult to survive.

### Ever-Changing Web

Internet as a platform has been evolving. There is nothing that has remained the same since conception – even TLDs (Top Level Domains) have become customizable. In order to remain on top of the Web Services industry or equally competitive, organizations must make frequent smart updates to their products. Companies need to be clever and well informed in order to continuously offer the best features at a competitive price.

# Essential Activities in the Web Services Industry

In the Web Services industry, even though there aren't any fixed strategies that work all the time, there are some skills that decision makers should develop.

### Knowledge of Products

Possessing an in-depth knowledge of the products is very important. To improve and simplify, you have to identify the best companies in the market and study their products too. Sometimes companies may offer more than 50 products and each of these products may have different sets of competitors. All competitor products need to be tracked to get a thorough understanding of your strengths and shortcomings. This is complicated and involves a lot of work.

Sometimes your product may evolve into a different product. Sometimes customers may prefer another product. Cloud hosting, for example, is now preferred to shared hosting because of its flexibility and cost-effectiveness.

*Companies need to constantly track competitor products and services.*

**Latest Trends in the Market**

Yesterday's technology is obsolete today. As the Web Services industry is largely dependent on technology, it is necessary to track the latest developments in this space. For example, there are thousands of solutions that can be used to develop websites. Very often, the new solutions that are introduced into the market provide better functionalities than the existing ones. A slight change in user preference creates a domino effect and destabilizes a fully established software company. If your software does not keep up with what the competition has to offer, you could fall behind and lose to new players in the market.

*Companies need to establish a system to track new releases and technologies that could influence the Web Services industry.*

**Making Best Use of Business Seasons**

Special days such as Thanksgiving and Labor Day are favorable for announcing discounts and offers. Events such as policy changes, stock market changes, mergers, acquisitions, and partnerships can be used to gain a competitive edge. That's why smart managers keenly follow market trends and apply a little human intelligence to convert these situations into favorable opportunities.

*News tracking is therefore another important business activity.*

**Watching Competitor Moves**

The internet is a place for innovation. Evolution of the internet is mainly attributed to the continuous innovation that has taken place in the last few years. Large companies on the web have dedicated teams working constantly to bring about innovations to products. These companies introduce new products and services based on considerable research. Unless you follow these new products, make adjustments, and adapt immediately, you risk being left behind. Competitors may also announce unexpected discounts and offers to drive sales. Tracking their websites is a good way to get information on competitor moves.

*Organizations can deploy an automated system to track competitor moves.*

# Issues in Performing Essential Activities

Wrong decisions can prove to be costly. A series of wrong decisions could be disastrous for business. Strategic decisions that companies make in the course of business must be backed by proper research. **Senior management and decision makers are unable to perform all the above activities due to the following reasons:**

**Time**

Gathering and analyzing competitive intelligence is time consuming. Many companies cannot and do not dedicate a lot of time analyzing competitor moves. You may only have the time to go through some actionable reports.

**Huge Volumes**

Work is voluminous due to the unavailability of automated tools that perform these activities. Companies need to hire dedicated researchers to manage this function. Lack of experience and skill could result in inaccurate and unproductive information.

**Analytical Skills**

Only 20-30% of data analyzed may be meaningful for strategic decision making. Consolidating this data requires specialized skills in research and analytics. Finding the right person for the job is often a difficult process.

Web Service providers prefer engaging a separate team to manage these activities. This team is referred to as the Competitive Intelligence (CI) team.

In the Web Services industry, companies implement their decisions on the internet. The CI team working for Web Service providers spends most of their time on the internet gathering information on competitors and analyzing market trends. After gathering information, the CI team extracts relevant information and transforms them into actionable reports.

# Competitive Intelligence Reports

The CI team prepares reports for various stakeholders such as product managers, marketing managers, and customer service managers. Reports differ based on the requirements – a Product Manager receives reports that are different from those received by a Marketing Manager. There are also general reports useful to all teams. These general reports contain market trends and competitor information that are useful in making long-term decisions. We may group reports into two categories – product-centered reports and tracking reports.

**Product-Centered Reports**

The CI team prepares product-centered reports for Product and Customer Service Managers. The primary tasks involved in preparing these reports are benchmarking the products and keeping them updated. Analysts identify competing products and use them for benchmarking. They consider many factors before arriving at the final list of competitors. These may include information about company revenue, website traffic, customer count, years of operation among others. After preparing the list, they prepare a series of reports separately for all the products of the company.

**Tracking Reports**

Tracking reports are prepared using various CI tools such as readers and news aggregators. These reports are not specific to any particular aspect of the product/service and prove useful for all managers. They generally contain news about the Web Services market and the latest moves made by competitors. Tracking reports are periodic and help to keep the management team updated and well informed.

**Following Are Some of the Reports Prepared by the Competitive Intelligence Team:**

**Features and Pricing Reports**

Features report compares the features of a product with the features offered by competitors. The number of features chosen for benchmarking will depend on the nature of the product. Web hosting products may have large number of features to be benchmarked whereas domain name service may not have as many. The CI team generally presents the report as a matrix with features listed in rows, and competitors listed in columns. To provide a better comparison, each cell will either have a tick or a cross mark.

CI team updates the report periodically by refreshing the competitors and updating the features. They add new features and remove obsolete ones. In addition to features, the report contains details about the pricing models used by the competitors. It also contains the highest and lowest price charged by all competitors. Features and pricing report is very important as buyers always look for more features at competitive rates.

**Positioning Reports**

Positioning reports explain how competitors position the product on their websites. It includes navigation methodologies, nomenclature, and various value propositions used by them. The CI team captures all this information and presents them in this report. This report is updated whenever competitors revamp their website.

**Marketing Reports**

Companies in the Web Services industry find more audience on the internet if their websites have good search engine rankings. When prospects search for products on a search engine, your website competes for a favorable spot on the opening page. 50% of searches on the internet originate from Google. Search engines also offer paid advertising methods to reach a larger audience. Your marketing agenda is therefore to improve your company's search engine ranking. The CI team's marketing report helps you do this. Marketing report captures both onsite and offsite marketing methods used by competitors. They also identify their presence on third-party websites such as coupon sites, directories, and social networks. Most importantly, they contain details of all recent discounts, offers, and other marketing campaigns announced by competitors.

### General News Reports

CI news report, as it is generally called, is a brief collection of news items associated with the Web Service market. It tracks competitor milestones, revenue achievements, management changes, employee cut downs, new partnerships, and all other competitor-related news. The CI team identifies these news items from large volumes of news articles obtained from various sources. They consolidate the relevant ones and present them in the report. This is a periodic report and is highly effective if prepared on a biweekly basis.

### Website Changes Reports

Decisions in the Web Services industry have to be implemented on websites. There are many CI tools available in the market to track website changes. However, human intelligence is required to highlight significant changes and ignore insignificant ones such as blog updates and rotating banners. The CI team uses these tools and expertise to deliver meaningful website changes reports.
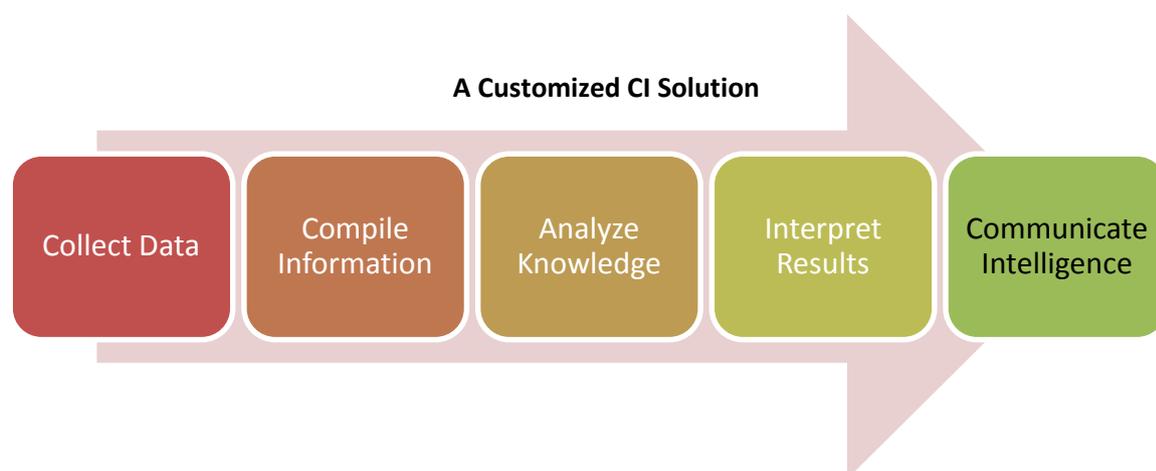
### Press Release Reports

Every company releases updates to the press. Press releases reveal important internal activity and highlight major moves made by companies. The CI team creates press release reports that contain abstracts of competitor press releases. Tools such as PR aggregators help in creating this report.

### Coupon/Discount Sites

Tracking the presence of competitors on third-party websites is crucial. Just like every industry, there are third-party websites that help in promoting Web Services. These include coupon sites, forums, social networks, and so on. The CI team prepares this report to deliver updates about competitor activity on various sites.

# Competitive Intelligence @ QBurst

QBurst has been providing competitive intelligence services to top Web Service providers. We have a dedicated team that does research and provides competitive intelligence services. This team includes research analysts who have considerable experience working with CI tools.

**A Customized CI Solution**

Collect Data → Compile Information → Analyze Knowledge → Interpret Results → Communicate Intelligence