

CHAPTER FIVE

Competitive Analysis

kəm-pě'-tə-tiv' ə-nă'-lĭ-səs (n.)

A web design competitive analysis shows the differences between the site you're working on and comparable sites. The differences highlighted and the sites compared in the document depend on the purpose of the analysis.

Every industry has its own version of the competitive analysis and its function is clear: to line up your product with other products and show where yours falls short and where yours is superior. Each industry brings a different spin to this old favorite and user experience design has its own set of criteria by which to judge competitors.

Take the simple competitive analysis shown in Table 5.1.

TABLE 5.1

Simple Competitive Analysis

Criteria	PETCO.com	PetSmart.com
Products	No specific products, links to product categories and specials	Home page features six products
Search box	Upper-left-hand corner, adjacent to primary navigation	Upper-right-hand corner, between primary navigation and account navigation
Navigation	Primary navigation organized by pet. Additional navigation for retail services	Primary navigation organized by pet. Additional navigation for account management
Contact information	Linked from left-hand navigation	Linked from top navigation
Shopping functions	Links to shopping cart, account management, and order status	Links to shopping cart and account management

This tiny competitive analysis looks at the home page contents of two prominent pet-related web sites. The table shows how each site's home page stacks up in different categories. Despite the simplicity, this table includes the two main pieces of a competitive analysis: the competitors and the criteria to compare them by.

Competitive Analyses at a Glance

Because competitive analyses vary along only two dimensions—competitors and criteria—you'll always see some mechanism for showing two or more sites side-by-side with the differences highlighted. The specific nature of those differences will vary depending on the criteria selected. At the same time, these documents can also vary by quantity—some are larger than others because they show more contexts or more competitors.

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Competitive Analysis Overview

Purpose—What are competitive analyses for?

Most often, the competitive analysis helps the design team and its clients position their product in the landscape of offerings. It helps determine what customers are used to and best practices in everything from interface design to features offered. Though not the best driver of design decisions, the competitive analysis can provide a baseline understanding of what works and what doesn't.

Audience—Who uses them?

A competitive analysis is flexible enough to address the needs of just about anyone on your team. The contents may vary depending on who the main audience is. Designers may be more concerned about how individual features are represented and prioritized while stakeholders may want a broader view, for example, of the range of features offered.

Scale—How much work are they?

Because the level of detail can vary, competitive analysis can be very easy or very time-consuming. A comparison of terms (say, "log in" vs. "log on") can take minutes, while the simple spreadsheet can take a couple days, and a full-fledged report will consume a couple weeks. The scale depends simply on the number of criteria and competitors. The more of these in your study, the more time it will take to research and put together.

Context—Where do they fall in the process?

Like most other strategy documents, the competitive analysis is usually prepared at the beginning to lay the groundwork for the rest of the design process. Occasionally, if the team finds itself stuck on a particular design problem, it may conduct a competitive analysis midway through the design process to help solve the problem.

Format—What do they look like?

Competitive analyses can be as simple (and ugly) as a spreadsheet, or as elaborate as a poster. Some are written up as reports, while others are presented as slide shows. There really is no standard format, and yours will be determined by the audience, purpose, and the amount of data you have.

Figures 5.1 and 5.2 show two sample competitive analyses. The first is as simple as can be: a spreadsheet with the competitors along the top and the criteria down the side. The second is more complex, showing different kinds of comparisons for each competitor.

	A	B	C	D	E
1		PetSmart.com	Petco.com	DrsFosterSmith.com	LucytheWonderDog.com
2	Navigation				
3	Primary Navigation				
4	Categories				
5	Global Navigation				
6	Account Navigation				
7	Catalog				
8	Merchandizing				
9	Sale Items				
10	Seasonal Items				
11					
12	Content				
13	Product Use				
14	Training				
15	Health				

FIGURE 5.1 This simple spreadsheet can be the starting point for any competitive research. Whether it remains the ending point as well is up to you. Though it captures all the information adequately, it may not be appropriate for presenting results to stakeholders or other team members.

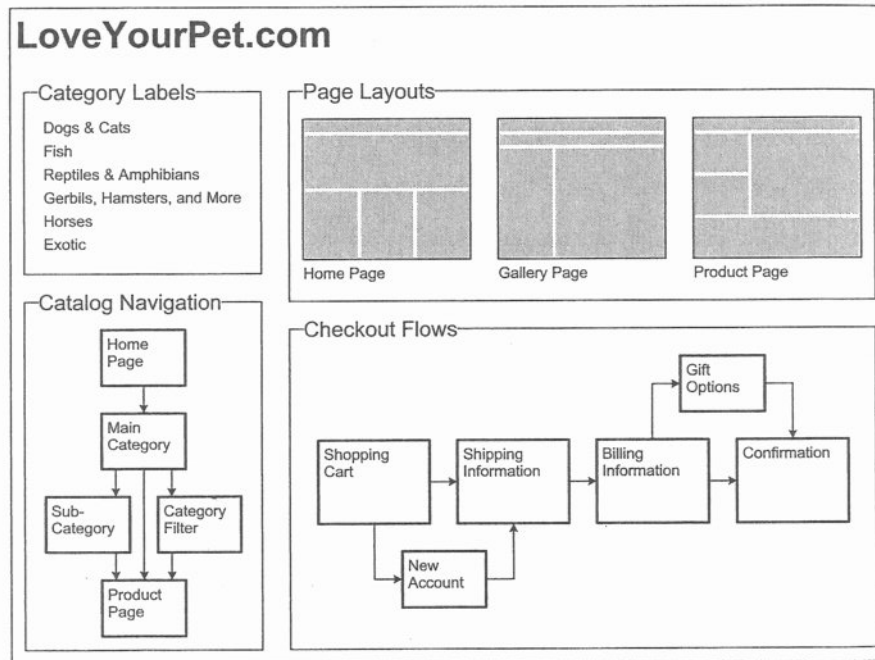


FIGURE 5.2 This page is from a more complex competitive analysis, where the research explored many different aspects of each site. Instead of presenting the data in one consolidated view, as in Figure 5.1, this report spreads the information over several pages.

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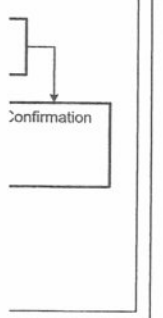
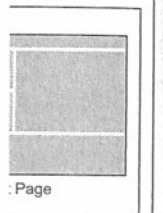
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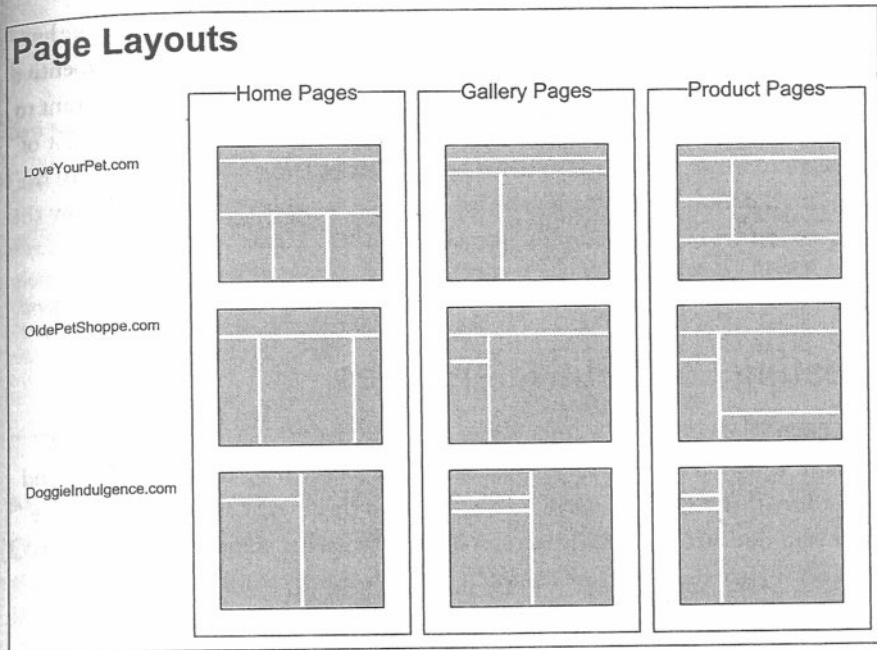


FIGURE 5.3 Like the previous illustration, this shows a page from a report. This report, however, is organized differently, dedicating each page to a different aspect of the analysis, and illustrating this criterion for each competitor. The display of the data in this example is much like the table in Figure 5.1 with a couple of key differences. First, the data is displayed as a series of pictures—a technique called “small multiples” which we’ll discuss further later in the chapter. Second, since this is a page from a larger report, it focuses on one issue, rather than all the issues.

Challenges

In the entire process of creating a competitive analysis, preparing the document is the easy part. You’ll have some tough decisions to make about the document—for example, whether to present a simple table or something more elaborate—but ultimately, this is not what makes the process challenging. Once you’ve established the criteria and the range of competitors, gathering the data is also fairly straightforward, albeit time-consuming. Drawing a box around your analysis, however, and establishing boundaries to define what’s relevant to your project, is the more difficult task.

This will be a lot easier if you identify your purpose before you begin your analysis. A purpose statement can drive not only the types of information you collect about each competitor, but also how you present the data. That purpose may be as simple as “We’re struggling with widget X in our site and we want to see how it is done on 20 prominent web sites.” Or, it may be as complex as

“We’re building a system to support user group Y and we want to find out how this group has been supported elsewhere.” If you’ve decided to do a competitive analysis, spend some time with the team brainstorming about what you want to get out of it. Articulate a purpose statement and compare notes with the rest of the team to make sure they have the same understanding of the purpose. In the end, you’ll define an agenda for the research and set expectations about how the information will be useful on the project.

Creating Competitive Analyses

The essential elements of a competitive analysis, described in layer 1, are the purpose statement, the competitive framework (defined by the competitors and the criteria), and the data itself. You might find that your data is too extensive to fit into one table. Layer 2 describes the challenges of scaling the document from a simple table to a more in-depth analysis. Finally, to flesh out the document further, a third layer of information can provide more details about the overall project, the competitors themselves, or the method behind the analysis.

Layer 1: The Basics of Competition

Though it may be worthwhile to provide lots of detail about how you approached the competitive analysis or the rationale for the lineup of competitors, the brass tacks of the document are much simpler. To boil a competitive analysis down to its essentials, you’d find only the objective—the purpose of the analysis—and the data—the comparison. Of course, the data needs some kind of backdrop to make it meaningful; this is where the competitive framework comes in.

The competitive framework

Even the simplest competitive analysis displays two critical dimensions: the competitors and the criteria, or what we’ll call the competitive framework. The purpose of the competitive framework is to present the data in a way that makes it easy to compare the various sites across the different criteria.

When the competitive framework takes the form of a table, like the ones on the next page, the competitors run along the top of the table and the criteria along the side. The criteria can vary from the very general to the very specific. The

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TABLE 5.2

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first row of Table 5.2 offers a general comparison between navigation systems. Table 5.3 offers more specific comparisons.

TABLE 5.2

Comparing Pet Web Sites with General Criteria

	PetSmart.com	DrsFosterSmith.com
Home Page Navigation	Primary navigation is different pet groups. Offers secondary navigation around account management and retail locations.	Primary navigation is different pet groups. Secondary navigation groups include additional pet product categories (like new items or sale items) and account management.

TABLE 5.3

Comparing Pet Web Sites with More Specific Criteria

	PetSmart.com	DrsFosterSmith.com
Additional item categories	None	Sale items, new items, clearance items
Account management links	My account, shopping cart, customer service	My account, sign in, checkout, shopping cart, shopping list
Offline shopping links	Store locator, in-store services	Catalog quick order, request a catalog, toll-free phone number
Other pet services links	Pet care guides, pet-related articles	Pet care newsletter, information center, pet pharmacy

A different kind of competitive framework is known in MBA circles as the two-by-two. No, this isn't the Noah's Ark approach to comparing web sites. Instead, it plots competitors on a simple grid depicting only two criteria.

That right there is about 12 credit hours of most MBA programs. Notice that with a two-by-two, the number of criteria is shrunken down to two, so they tend to be broader. If you think these plots are based on actual numeric data, the graph has done an excellent job in turning subjective information (whether one pet-related web site is more specialized than another) into objective information. (In most MBA programs, this part is extra credit.) You could use real numbers and actually plot along the scale, but two-by-two presentations are

ideal for very broad criteria that might not lend themselves to hard numbers. This type of graphic is useful to identify holes in a landscape. Competitors clustered around certain areas of the two-by-two can indicate that there are opportunities for your site to fill those holes.

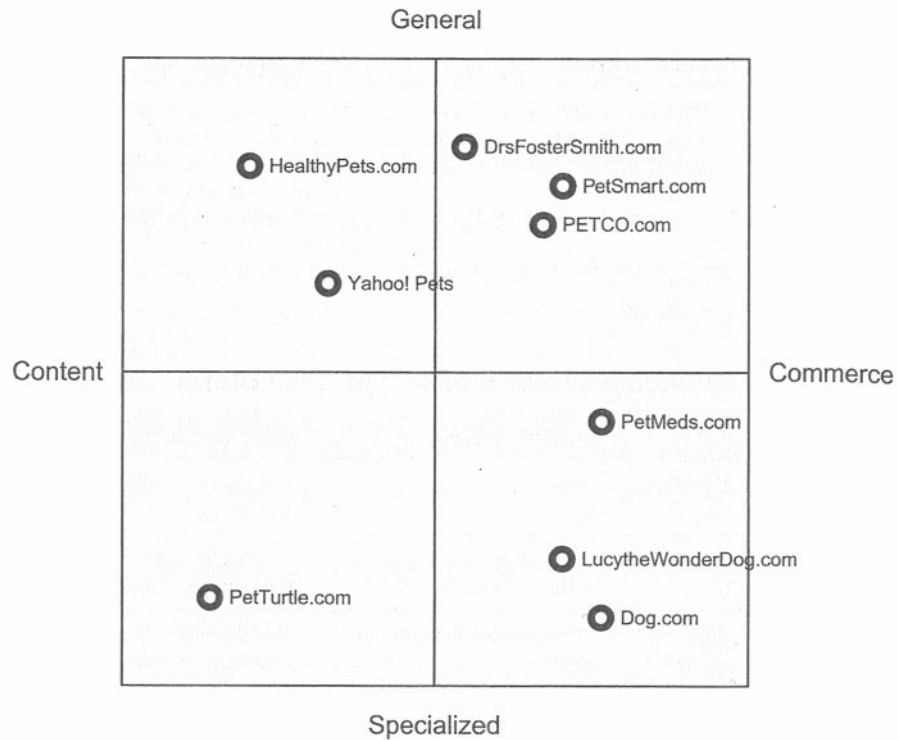


FIGURE 5.4 In this two-by-two, different pet-related web sites are plotted on a simple graph. In this case, the axes of the graph represent the scope of the content (commercial vs. advice/information) and specialization (number of pet types supported).

There's one other kind of competitive framework that appears in comparisons of different user experiences: the small multiples. This term belongs to visualization guru Edward Tufte. In Tufte's *Visual Display of Quantitative Information*, he writes: "Small multiples represent the frames of a movie: a series of graphics, showing the same combination of variables, indexed by changes in another variable." More plainly put, small multiples are a series of graphics that allow the viewer to easily compare similar sets of information. In the case of interface design for the web, this approach is most effective for comparing page layouts.

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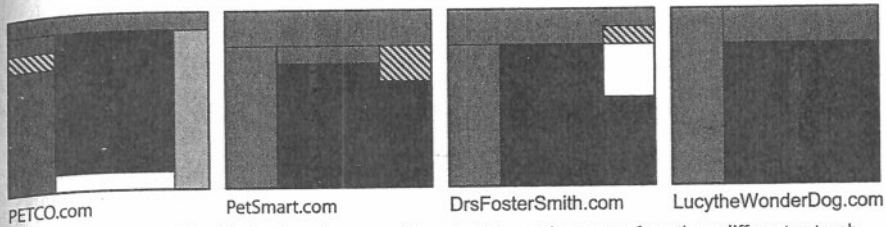


FIGURE 5.5 These small multiples show the general layout of the product pages from three different pet web sites. The dark gray boxes show navigation, while the black boxes show product description information. Promotional information is represented by light gray, shopping cart information by diagonal stripes, and related products by vertical stripes. (In color, you'd have more options.) Finally, the white boxes show related noncommercial content. From these small multiples, it's easy to see that LucytheWonderDog.com uses a very simple layout and DrsFosterSmith.com prioritizes its advice content.

The data

Data is where the rubber meets the road in a competitive analysis. The data can be as simple as yes-no values, indicating whether a site meets a particular criterion, or it can be descriptive, going into some detail for each criterion.

Yes-No Values: You've seen these kinds of competitive analyses on infomercials where the product in question is lined up with "other leading brands." For each feature, the product gets a check mark while its competitors get an X, to show you how versatile the product is. When it comes to web sites, the straight yes-or-no comparison is most effective for considering features, in other words, whether a set of web sites has a specific feature or not. In such a comparison, however, the subtle differences between the competitors may be lost.

TABLE 5.4

Comparing Web Sites with Simple Yes-No Values

	PetSmart.com	DrsFosterSmith.com	PetMeds.com
Products on home page	Yes	Yes	Yes
Retail store locator	Yes	No	No
Expedited shipping options	Yes	Yes	Yes
Non-pet-type categories	No	Yes	Yes

Scores: Some competitive analyses score the competitors in different criteria. You'll see this approach in restaurant reviews where every place is scored on the quality of its food, the ambiance, the service, and the expense. For web sites, scores help give a little more substance to the comparison, though it may be difficult to generate the data. In this table, the sites are scored on a scale of 1 to 5, where 5 indicates the site does a good job in the category and 1 not so much.

TABLE 5.5

Using Scores to Compare Web Sites

	PetSmart.com	DrsFosterSmith.com	PetMeds.com
Promoting products on home page	4	4	5
Alternate modes to find products	2	3	4
Promoting noncommercial content	3	1	4

Notice that in this approach you'd have to define what it means to do well in each category.

Descriptions: Used more frequently than yes-no data or scores, descriptions specify how the competitors meet each criterion. Descriptions allow you to be more explicit about how the competitors stack up against each other, without resorting to potentially skewed numbers.

The two other formats for a competitive framework—the two-by-two and the small multiples—represent a different kind of data entirely. With plots on a graph or thumbnail images depicting screen layouts, the value is in the comparison. This isn't to say that data presented in a table isn't worthwhile as a comparison, but it can stand on its own. A plot on a graph, however, is meaningless unless it is lined up with other plots. The same is true for sketches of page layouts. Showing how much screen real estate is dedicated to navigation and content is pointless unless the reader has a basis by which to judge the amount of space. With two sketches next to each other, the reader can easily compare how one site uses its screen real estate with another.

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TABLE 5.6

Providing Further Descriptions for Comparisons

	PetSmart.com	DrsFosterSmith.com	PetMeds.com
Product catalog	Though the home page does not show the depth of the catalog, clicking into each pet category reveals a list of about two dozen product types, specific to the pet.	Extensive catalog of all kinds of pet supplies, somewhat more obscure than PetSmart.com. Clicking into a category reveals many different product types for each pet. There's a separate category for pet pharmacy, which is subcategorized by ailment.	The catalog is limited to dogs, cats, and horses, and focuses almost exclusively on medication. Nonpharmaceutical items are categorized under "accessories" for each type of pet.
Navigation	The catalog links on the home page are limited to pet types. Other links take users to store information and account information.	The catalog links on the home page are limited to pet types and sale categories.	Primary navigation is through a long list of ailments and needs, like "heartworm" or "grooming."
Non-commercial content	Lots of noncommercial content but hidden behind two small links on the home page. This content does not offer any links into the catalog.	Extensive noncommercial content, with some linking into product catalog. The pet care articles reference each other, avoiding dead-ends in navigation.	Noncommercial content located in "Ask the Vet" section. Site contains extensive frequently asked questions, categorized by product category (though not linked to the products!) and a link to a separate pet care site.

Your conclusions

No matter how small your analysis, you'll need to document the conclusions. Even if you're doing a simple count of how many hits "log in" and "log on" get on Google, the data can't stand on its own. You need to interpret the data in the context of your client and your project.

By putting your conclusion into words, you are establishing a partial direction for the design. The design team will take its cues for the design from these conclusions. When embarking on building a pet-related site, for example, the design team may seek out best practices from the competition. A cursory study

of the landscape allows them to conclude that most pet-related sites use pet type (dog, cat, etc.) as the main navigation. A more in-depth study, however, leads to more detailed data—how sites specializing in one kind of pet categorize their content, how frequently sites use the same categories, the order of the categories (cats first or dogs first), how sites deal with uncommon pets (turtles). With data like this, the conclusions—and therefore design direction—can be better informed.

Layer 2: Tougher Competition

Competing in multiple events

In many cases, the simple bare-bones competitive analysis will suffice, but there will be some cases where your comparisons need to be deeper or broader: Perhaps the number of criteria makes a simple table unwieldy or you're comparing your site to different sets of sites. For example, imagine you're comparing the pet-related web site to other pet sites for navigation and design, but to major commercial sites for shopping cart and checkout functionality. As the scale of the analysis increases, you need a way to accommodate additional data in the document. There are two typical approaches: additional sections by criteria, and additional sections for each competitor.

Organizing report by criteria: Organizing your competitive analysis by criteria creates a collection of smaller competitions in different events, so to speak. You might compare a handful of sites across five different groups of criteria: home page design, interior page design, search functionality, features offered, and navigation. Figure 5.3 shows the results of page layout comparisons across three fictitious pet web sites. For each of these categories, you'd create a separate competitive analysis but use the same competitors throughout. This approach allows you to identify the best players in specific categories and across all categories, but it can also create a disjointed picture of the user experience. In other words, because of the analysis, it is difficult to see the user experience of each competitor in its entirety.

Organizing report by competitor: On the other hand, you could add data to your document by creating a separate section for each competitor. In this case, the competitive analysis reads as sort of a rogues' gallery of sites, each one

having a separate criteria. This approach is more detailed, but it is more demanding of this chapter's competitor.

The purpose

Regardless of how you approach it, a potential lack of context for the adding more criteria you're doing than itself is a great context for the

Layer 3: Additional

Competitive analysis on your own, but you're missing interesting information about the competition

Your method

Spelling out your weaknesses, especially when it's worthwhile is

The range of options on the site you're in a niche category may seem insufficient for attention. choose makes

At the same time, it can be as broad as a button in a

having a separate profile. Within each profile, the site is described with various criteria. This approach offers a holistic view of the user experience for each site, but it is more difficult to compare that site to others. Figure 5.2, at the beginning of this chapter, shows a page from a competitive analysis organized by competitor.

The purpose

Regardless of how you organize your competitive analysis, with size comes a potential lack of focus. As you expand the reach of your analysis, either by adding more criteria or more competitors, you don't want to lose sight of why you're doing the analysis. Including a statement of purpose in the document itself is a great reminder, and also helps the document's audience understand the context for the analysis.

Layer 3: Adding Further Detail

Competitive analyses with just elements from layer 1 usually stand well on their own, but you may want to add some flesh to the bones. Perhaps the most interesting information you can add is a description of your method for analyzing the competition.

Your methodology

Spelling out your process can help address any possible methodological inadequacies, especially for stakeholders who take these things seriously. What's most worthwhile is rationalizing the selection of competitors and criteria.

The range of competitive web sites out there will vary, of course, depending on the site you're building. The number may seem finite because your site is in a niche category and all the competitors are known players. The number may seem infinite because the web is vast and there are lots of sites competing for attention. You'll have to narrow it down some way, and whatever way you choose makes for worthwhile content for your document.

At the same time, there are infinite criteria by which to compare sites. They can be as broad as the main navigation categories, or as narrow as the label on a button in a particular area of the site. You've made conscious decisions to

include certain criteria—maybe they are a standard set used by your client or your company, maybe they were defined ahead of time by the stakeholders, or maybe you devised a special list just for this project. Whatever your methodology behind determining the criteria, this is excellent fodder for your competitive analysis.

Analyzing the Competition: The Basics

Like any deliverable in this book, the competitive analysis must start with a situation analysis: a hard look at the purpose, the timing, and the audience for the document. These aspects of your situation will drive the document's contents and design.

The competitive drive

There are many reasons why you'd want to compare your site to others out there, but unless you make that purpose explicit in the competitive analysis, your data is meaningless for other people reading it. Even if you're doing a competitive analysis that won't see the light of day, establishing and documenting its purpose helps keep the competitive analysis in check and avoids "analysis paralysis," too much thinking and not enough doing.

For the purpose, the best place to start is the motivation. Doing broader competitive analyses—comparing competitors across multiple contexts—usually comes from a need to get a sense of the landscape and industry best practices. The value here is knowing what the cost of entry is for a site like yours—knowing what the minimum expectations will be for users who are used to your competitors.

More narrow competitive analyses—those that look at one specific set of criteria—are usually motivated by a particular design problem. In these situations, you can treat the analysis almost as a science experiment, where the statement of purpose establishes a research question or a hypothesis. Labeling is a typical design problem that can be addressed with a quick competitive analysis. In this case, your purpose would be something like: "To identify what labels are used most frequently among our competitors for product navigation categories."

A timeline

A competitive analysis is the beginning of a methodology whose purpose is to design a process.

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A timeline for analysis

A competitive analysis is one of those funny documents that usually appears at the beginning of the overall process, but can easily appear at any time. Some methodologies call for a competitive analysis as a standard step at the beginning, whose purpose is simply to understand the competitive landscape before the design process begins.

If your team was tasked with building a new online pet store, you might look at some of the sites already mentioned in this chapter. The sites themselves vary: Some sites focus more on dogs and cats or specialize in medications. Doing such a comprehensive analysis allows you to make some strategic decisions about how your site meets needs not already met—perhaps a site that specializes in pet reptiles or in plush toys for dogs. It may help you determine a competitive advantage, like having noncommercial content about pet health that can cross-sell items from the catalog.

An early competitive analysis can help set the stage, but it may also skew your other decisions at this stage—which features to include and which features will have the highest priority, for example. Though the competition can provide good information about these ideas, those decisions should also be driven by user research. A competitive analysis at the beginning of the design process may be incomplete. Until you do user research, you won't know what features and issues are most salient.

Like concept models (described in the next chapter), which can serve as tools for understanding the problem at hand, a competitive analysis may never see the laminate top of a conference room table. It might only provide an overview of the landscape for you and your most trusted team members. Such informal analyses may be appropriate later in the project timeline, too, when the design is well under way and you have some specific issues in need of a benchmark. Of course, in doing a competitive analysis later in the process to clarify specific design issues, you can uncover other issues that would have been useful at the beginning of the project.

Suppose you've established a strategic direction for your site—specializing in plush toys for dogs—but now need to decide on a labeling scheme for the product categories. An informal analysis of the competition can give you a sense of

what labels your audience may be used to. (Establishing whether your audience is the same as that of PETCO.com, for example, is a different exercise entirely.)

Ultimately, the content of the analysis depends more on the need than where it appears in the process. Still, it's safe to say that early competitive analyses tend to focus on strategic issues, while those late in the process generally try to shed light on specific design issues.

It's about the fans

Conflict, tension, resolution: These are what draw spectators to a competition. Unfortunately, no web site competitive analysis will be as compelling as the Olympics or Tour de France. Still, there are people who do take a keen interest, and definitely want to know how the drama will end.

The audience for the competitive analysis will affect the presentation of its data. If your competitive analysis must be readable by people beyond the immediate team, you may need to create it as a self-contained package, requiring no specific knowledge to understand it. In this case, your document might need descriptions of the criteria, an explanation of why the analysis is being done, an overview of the conclusions, or all of the above.

On the other hand, a competitive analysis serving as an internal benchmark does not need to have as much context or description built in. If driven by the need to give the team an overview of the landscape, the document can forsake context for speed of delivery.

Prepping the data

The purpose of a competitive analysis is to show consistency between sites—thereby establishing industry practices (good, best, or otherwise)—or to show marked differences—identifying where some sites stand out. Inconsistencies can indicate that one particular site has developed an innovative solution to a common problem, or that the industry has not settled on a singular approach.

In the early days of e-commerce, for example, a consistent shopping cart model had not yet emerged. Eventually, the industry arrived at a *de facto* standard—nothing set in stone, but something that most users came to recognize. Newer online features—like the ability to add tags to content to

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make it easy to find later—are still trying to find their feet as far as design. Different sites do it differently, and showing these differences is the key to good competitive research.

Your data, therefore, needs to paint a clear picture and demonstrate these comparisons. When compiling it, you should think about visual mechanisms to show distinctions and similarities. With yes-no data and scores, this is pretty straightforward, but with descriptions, it becomes a little more complex. To add some depth to the information and make the data jump out a little more, you can assign keywords to the descriptions, or code them to indicate whether the site's approach is good or bad.


Site A	Site B	Site C
Content lives under two layers of categorization. Users must select a main category and then a subcategory before seeing a list of content.	Content is categorized with metadata and users can enter search terms to find content, or use a system of links to filter content.	To find content, users must enter relevant search terms. They can narrow down search results by clicking on metadata.
Navigation Categories Content lives under two layers of categorization. Users must select a main category and then a subcategory before seeing a list of content.	Metadata Filters Content is categorized with metadata and users can enter search terms to find content, or use a system of links to filter content.	Search and Filter To find content, users must enter relevant search terms. They can narrow down search results by clicking on metadata.
Navigation Categories Content lives under two layers of categorization. Users must select a main category and then a subcategory before seeing a list of content.	 Metadata Filters Content is categorized with metadata and users can enter search terms to find content, or use a system of links to filter content.	Search and Filter To find content, users must enter relevant search terms. They can narrow down search results by clicking on metadata.

FIGURE 5.6 Here are three rows from a competitive analysis. The descriptions are exactly the same throughout, but the presentation changes slightly: The first row just shows the raw data, while the second row adds a headline. This makes the competitive analysis easier to read. In the third row, the description includes a small icon to indicate a technique that would be appropriate for the author's own project.

Tips for Effective Competition

A competitive analysis can generate a lot of raw data, and sifting through it can be daunting for team members and stakeholders who want to reach the bottom line. The best thing you can do for your competitive analysis is nail down your conclusions and spell them out early in the document. These conclusions will look different depending on whether you're looking at a specific design problem or trying to get a sense of the overall competitive landscape.

For specific design problems

In the flurry of collecting data, you may get carried away with presenting all of it in an effective way. If you've set up the competitive analysis effectively and gathered a comprehensive set of data, you should have a problem statement that's driving the analysis and a response to the problem statement. Table 5.7 shows an example.

TABLE 5.7

Problem Statements and Responses

Good Problem Statement	Good Answer
Our site has a feature for allowing customers to add tags to our products. What interface elements do other sites use to support this feature?	Sites with tagging features overwhelmingly use a simple text field and ask users to separate tags with spaces. Since tagging is relatively new, nearly every competitor includes a "what is this?" link adjacent to the text field. Upon pressing Return (or Enter), the user gets immediate feedback from the interface that their tags have been added.

If your competitive analysis was motivated by several different design problems, be sure to have a conclusion for each one.

For landscapes and overviews

When you're looking at the competition just to get a sense of what's out there, you may not have a specific design problem in mind. This doesn't mean you can't come to conclusions, however. After nosing around the competition a bit,

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TABLE 5.8

Key Take-Away

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you should have a handful of key take-aways—essential messages that the team should keep in mind as they move forward with the design process. You might organize these take-aways by context, identifying one or two bullet points for each of the design areas you looked at.

TABLE 5.8

Key Take-Aways for Pet Store Web Sites

Category	Take-Away
Navigation	Pet type is the primary navigation, even on sites where the catalog is limited to certain products (like medications).
Search	Search results tend to offer both product listings and category listings. There are no advanced search options.
Product Categories	Within each pet type, products are listed either by type (e.g., leashes) or need (e.g., training).
Checkout	Of the pet sites looked at, none offered any sort of special checkout.
Shipping	All shipping options available

With Every Competition Comes Risk

Table 5.9 shows the results of a competitive analysis. It lines up a conclusion (in the first column) with observations from the competitive sites. Without each other, the data and the conclusions are meaningless. Data provides support to the conclusions and conclusions give purpose to the data. In this example, the clients were wondering whether any pet supply sites have successfully moved away from using pet type as primary navigation, and whether product types (e.g., leashes) or needs (e.g., training) were most appropriate for product categories.

TABLE 5.9

Balancing Data and Conclusions in Competitive Analyses

Conclusion	PetSmart.com	PetMeds.com	LucytheWonderDog.com
Pet web sites always seem to use pet type as primary navigation, even on sites that offer a limited catalog. The exception to this rule is sites that specialize in one type of pet.	PetSmart's navigation categories are as close to industry-standard as they come, and their extensive catalog demands narrowing at this level.	PetMeds limits its catalog to medications for dogs, cats, and horses, but even this small group of pet types is used as the primary navigation. Since the catalog is smaller than a general store, however, PetMeds.com uses an additional layer of navigation on the home page.	Since LucytheWonderDog focuses exclusively on dogs, there are no pet type categories, and the primary catalog navigation includes product categories.
Even though it is semantically jarring, all sites freely mix product type with user need. Categories like "training" and "flea and tick control" sit next to "dog bowls" and "dog beds." Notably, sites tend to favor one type over another. So even though a site will use both product types and user needs as category, one type of category will appear more frequently.	Subcategories in PetSmart's catalog tend to focus more on product types for conventional pets, though there are a few user-need categories. More unconventional pets like reptiles, fish, and birds, however, tend to have more user-need categories. Overall product type categories dominate.	PetMeds is an interesting case study because two levels of navigation are spelled out on the home page, so it's easy to see how they categorize their products. The highest level of navigation is based on need, like "flea and tick control" or "grooming" or "bone and joint." There are a couple of notable exceptions, like "medications" and "accessories," which serve more as miscellaneous categories than anything else. The second level of navigation consists mostly of product types.	Unlike PetSmart, Lucy's categories for dogs include a few product types (like "shampoo") but mostly rely on user needs, like "grooming" or "dental" or "joint care."

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This table demonstrates the balance between observations and conclusions—presumably, this table is a good balance. The risk in doing a competitive analysis is that you skew too much in one direction, missing the forest for the trees, or vice versa.

Start with your conclusions

If you have a lot of data—you spent a lot of time with many different competitors, looking at many different criteria for comparison—you might get caught up in trying to include all that information in your analysis, to the detriment of your conclusions. The solution here is methodological: Make sure you know your conclusions before starting to document your data. Then you can present your data in context of the conclusions.

Keep your data meaningful

You could also build a document with all generalizations and no data. In this case, you may be overly concerned about simplifying the data for your audience, and end up boiling it down to the point of meaninglessness. You may also find yourself unconsciously biased—wanting to prove a point but finding the data doesn't stand up to your hypothesis. The solution here is also methodological: Before starting the document, identify a handful of data points that support each conclusion.

Presenting Competitive Analyses

When planning a presentation, you must first determine the purpose of your meeting, and then how you want to structure it.

Meeting Purpose

In the context of user experience, there are two main purposes to a competitive analysis: justifying an overall strategy for the design and justifying a specific set of design decisions. Therefore, the purpose of your competitive analysis presentation will be one of these two things. To this end you might combine the presentation of your competitive analysis with the presentation of other strategy documentation or design documentation.

Providing justification for design

Besides describing each of the criteria you looked at, there are a couple of other things you should include in your presentation.

Balance competitive research with user research. When presenting results from a competitive analysis, compare what you found against what users have asked for. Your presentation should show where there is a disconnect between a competitor's site and your target audience, as well as instances where a competitor's site does a good job meeting user needs.

Have an opinion. You're the expert, and if your clients don't put you on the spot explicitly, it doesn't mean they don't want to hear your opinion. Express what you like or dislike about each competitor. Talk about what works for you and what doesn't work for you.

For designers, be explicit about design direction. If your presentation is strictly internal, your team members will want some kind of bottom line—a core set of take-aways they can bring back to their desks to help focus their efforts.

Providing justification for strategy

“Strategy” can mean a lot of things. When using competitive research to make overall decisions about the direction of the web site, the key to the presentation is identifying what role the research plays in your decision making.

Identify the focus of the research. Before diving into the specific differences between various competitors, you can provide some background by stating what it is you were looking for in the competitive analysis. Typical background questions for an overall strategy might relate to the industry baseline for a set of features, the scope and breadth of content available, or the balance between original content and advertising. By stating these issues up front, you've given the stakeholders some context for the presentation.

Identify the implications of strategic decisions. Since your pet-related web site wouldn't jump off the Brooklyn Bridge just because Pets.com did, you need more than just a competitive analysis to justify a strategy. In considering the strategic decisions of your competitors, you need to identify what kind of impact the same decisions in the context of your business would have. By stating explicitly the implications of strategic decisions, you'll go a long way toward putting the competitive analysis into context.

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TABLE 5.10

Conclusions and Implications from a Competitive Analysis

Conclusions	Implications
Most pet-related commercial web sites feature a wide variety of products on the home page that rotate daily or weekly.	The site would need a system of business rules and a publishing strategy to determine which products would appear and how often they would change.
Most pet-related web sites use pet type as the main navigation categories.	We would need a publishing strategy unique to that pet type for each main navigation area.

Meeting Structure

Once you have a sense of the purpose of your meeting, you can decide upon an agenda. Competitive analyses are the kind of story that can be hard to tell because there are two main dimensions—the characters and the moral. There are pros and cons to each. Focus too much on the competitors, and the main message (the moral) is lost. Spend too much time on the conclusions, and your stakeholders might wonder whether you're just pushing your own agenda. Still, the meeting structure needs a spine, a central focus to keep conversation moving in the right direction, and this can be either one of these dimensions.

Competitor-driven story

It may seem counterintuitive, but since the competitors will form the basic structure of the meeting, you should actually start with an account of the criteria. Provide an overview of the criteria at the top of the meeting to set the stage and then dig into each competitor more specifically. Describe how each competitor measured up in each aspect.

This approach works well for laying the landscape and for addressing broader issues, like how each site serves the needs of its target audience. By taking the stakeholders on a tour of the competition, you give them a sense of what they're up against. This walking-tour approach helps answer broad strategic questions, such as which features are available on the site, what appears most prominently on the home page, and how the site prioritizes content, but not specific design issues, such as comparing the treatment of “add to cart” buttons.

Though a competitor-driven approach is best for discussing larger strategic issues, it can also work well for specific design problems. If you're looking at

just one aspect of the design, your meeting can show how the particular design problem was solved for each competitor. When discussing a specific design problem, your meeting can end with the conclusions, drawing together lessons learned from all the competitors.

Moral-driven story

Instead of structuring your presentation in terms of the competitors and walking through all the issues for each competitor separately, this approach takes the opposite tack: For each issue, you talk about how each competitor stacks up against the others. To set the stage, provide a short overview of the competitors. You don't need to get into comparing them at this point, but instead describe why they were included in the study.

The presentation then focuses on your conclusions. For each conclusion, you'll first need to describe the criteria you looked at to arrive at the conclusion—in other words, what you analyzed on each site.

For example, you might conclude that the highest level navigation categories on a pet-related web site are usually pet-type, but that this isn't the only system of categorization used on the site. To support this conclusion, you looked at three different criteria: the navigation categories on the home page, the metadata attached to products in the catalog and other content, and the structure of intermediate "gallery" pages (galleries are lists of products or content that appear on the user's path between the home page and the product or content page). Finally, within each of these criteria, you make observations about each of the competitors. This structure is useful for both high-level strategy analyses and specific design problems: The content of the conclusions may be different, but the logic behind them is essentially the same. In this approach, the criteria do not disappear, but become a bridge between your conclusions and your observations.

Presentation Helpers: A Speaking Shortcut

The "Moral-Driven Story" section describes a simple conversational structure to follow while discussing a competitive analysis, from conclusions to criteria to competitors. It's a useful structure. When doing presentations, these kinds of "speaking heuristics" can be helpful if you're feeling stuck. If you don't know where to turn next, or if you feel like you're babbling, grab this template and go from there.

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Presentation Risks

When presenting a competitive analysis, you might run into a few snags. You may have moments when the conversation is either derailed—a stakeholder brings up an issue that calls the methodology or the results into question—or gets way off topic. Here are a couple of ways your presentation might spin out of control, and how to reel it back in.

Maintain perspective

The worst way for a meeting to get off topic is to get too caught up in the competition. Although you've invited people to the meeting to discuss your site's competitors, it can be easy to lose perspective on the purpose of the competitive analysis. Symptoms of this problem include getting stuck on one particular design element in a meeting about strategy, or spending too much time talking about one competitor over others. Even though your competitive analysis is meant to address one particular design problem, you might find conversation straying from that design problem into other areas of the site, or your participants might start talking about more strategic issues.

If the conversation is productive, you may not see this as a risk at all. However, if you have a specific agenda and certain goals for the meeting, these kinds of digressions may not be productive regardless of how interesting they are. To get back on track, jump in and remind the participants of the purpose of the meeting. One way to help stop this problem before it happens is to write the purpose of the meeting on a whiteboard or flipchart at the very beginning. If someone attempts to stray too far, you can always point to the meeting purpose and look very stern. You won't be popular, but you'll be respected for running a good meeting.

Know the rationale behind your methods

As you present the results of your competitive analysis, you may run into troublesome meeting participants who question your methodology. They may raise questions about your selection of competitors or criteria, or your technique for capturing data.

There is only one surefire way to address this risk: Don't invite these people to the meeting. But, if that's unavoidable (and it usually is), the second best way to address the problem is preparation. Methodological questions are easy to anticipate, and if you think about your rationale before going into the meeting, you can usually quash these hecklers. (OK, maybe they have legitimate concerns, but you don't have to like it.)

Say you're building this pet web site, for example, and your analysis looked at a handful of sites. That might not stop one of your participants from saying, "I do all my online shopping at JeffersPet.com. Why isn't that in your competitive analysis?" If you've done your homework, you can respond with "Given the time constraints on the competitive analysis, we had to keep the number of sites down to four. We included DrsFosterSmith.com among our reviewed sites to represent the non-retail-store competitors. If, after our presentation, you think there are some aspects represented in JeffersPet.com that we missed, let's talk about it offline." Ah, the offline discussion, the Internet consultant's secret weapon.

Open your mind to varying interpretations

It's one thing for meeting participants to question the number of competitors or your method for scoring, quite another for them to poke holes in your analysis. Questioning your conclusions is a scarier risk than questioning the methodology, but in reality you may be less married to your conclusions.

In other words, once you've done the research for your competitive analysis, a serious concern in your methodology might mean throwing out the entire analysis and starting again. Questioning a conclusion, on the other hand, means revisiting the data for a different interpretation. If you're convinced of your conclusions, be prepared to defend them vehemently. If you're open to discussion about what the data mean, try spreading out the data and soliciting alternative interpretations. This could lead to worthwhile discussion.

Unfortunately, the only way to mitigate this risk may be to revisit the raw data. If you can rationalize your conclusion, you may not need extensive discussion (which would derail the meeting), but if you try to simply quash the criticism of your conclusions, your clients may start to question your integrity as a consultant. A vehement defense of ideas is one thing, but outright defensiveness is another. The bottom line is that you need to go into these meetings with the mental and emotional preparation to both unpack your conclusions and to go back to the raw data and observations if necessary.

Competitive Analyses in Context

The competitive analysis is a strategy document: It does not describe the user experience itself, but it's a stepping-stone to getting there. It's not an output of

the design process. It's a competitive analysis that informs the design process.

Using a Competitive Analysis

With a competitive analysis, you can identify specific areas to include. This is done with other data about your site.

Competitive Analysis

User-needs identification through a competitive analysis agenda for user research.

If you do your own research, the results of the analysis. For example, the competitive analysis shows some home sites offer advertising. Your user research shows the user's preference to update these particular sites.

On the other hand, if you've done some research, you can set the agenda for the competitive analysis project, feedback from users on aspects of the site that users research.

Imagine, for example, that you're giving care advice

the design process but rather an essential input to it. However you employ your competitive analysis—whether for arriving at an overall strategy or for zeroing in on a specific design problem—you’ll need to anticipate how it will fit into your process.

Using a Competitive Analysis with Other Documents

With competitive research, your aim is to establish a context for discussions about specific design problems or overall strategic decisions, like which features to include. Therefore, most of your competitive analyses will have to cooperate with other deliverables, which more directly document those decisions for your site.

Competitive analyses and user-needs documentation

User-needs documentation—at least in the context of this book—is any documentation that contributes to or comes from research into your target audiences. A competitive analysis can work with both aspects by helping to define an agenda for user research or put the results into context.

If you do your competitive analysis before talking to any users, you can use results of the analysis to identify issues you’d like to clarify through research. For example, in looking at different pet-related web sites, you might notice that the competitors use two different strategies for home page navigation. Namely, some home pages just use pet categories to get users into the catalog while other sites offer additional product categories (like sale items, or “new this week”). Your user research can attempt to shed light on these different strategies from the user’s point of view. Your competitive analysis, therefore, can make reference to upcoming user-needs documents (like personas) that will elaborate on these particular issues.

On the other hand, you might save your competitive analysis for after you’ve done some user research or usability testing. In this case, the user research can set the agenda for the research into competitors. For example, in your pet web site project, suppose you start the process for upgrading the site by soliciting feedback from some of its users in a usability test. That test might reveal certain aspects of the site that are most important, functions or features of the design that users respond to either very positively or very negatively.

Imagine, for example, that the current version of your site offers extensive pet care advice that helps sell products from the catalog, and that users respond

enthusiastically to this content. In this case, your competitive analysis might look at how other sites make use of advice content. This competitive analysis would use the usability test results as a rationale for examining particular criteria.

Competitive analyses and other strategy documents

Competitive analyses are strategic documents: They help define a design direction without defining the design itself. Other strategic documents described in this book are concept models—a tool for describing complex ideas that serve as the foundation for design—and content models—a tool for keeping track of all the content on the site.

Since each of these strategic documents aids the design process in a very different way, it's highly unlikely that they'd reference each other. Still, you employ these tools as part of the competitive analysis, using them to describe or highlight different aspects of the competitors' web sites. Put simply, you can do a concept model or a content model for each competitor as an additional means of comparison.

Competitive analyses and design documents

Even though competitive research can help drive design decisions, it's difficult to draw specific references between your analysis and a set of wireframes, for example. By the time you've gotten that far along into the design process, the information from the competitive analysis has already been absorbed into the design team's approach. As a result, the relationship between a design decision and a specific observation in the competitive analysis may not be explicit.

When competitive research addresses very specific design concerns, it should acknowledge the source of the design. For example, the design team behind the pet web site may be trying to decide where to locate the search box, a very specific design decision. A survey of competitors might reveal that they all put their search box at the top of the page, and the majority on the left-hand side. When putting a wireframe together for the new site, you could point to the competitive analysis by way of rationale. At this stage of the design process, however, such references are sometimes unnecessary.

Acknowledging the Competition

A competitive survey, no matter how rich the information gleaned from it, will always play second fiddle in the design process. After all, just because your

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competition does something doesn't mean you should. The competition is a good place to get ideas and to establish a baseline, a cost of entry. But the value of that information in making design decisions is limited at best.

Innovation moves fast online. Regardless of how the design process evolves, information about how other sites address the problems you face will always be valuable, because it keeps you abreast of the latest trends in technological change. With innovation comes a change in landscape. At the most basic level, your audience has to make a choice and it's our job as designers to make that choice easy, even when we don't understand all the factors that go into the decision.

When the commercial Internet emerged, retail stores faced a new kind of competition. Suddenly, competitors were lurking around every corner. This is still the case. What drives your understanding of the competition, therefore, should be a keen understanding of your audience. On the Internet, the competition is more than simply every other site trying to do the same thing you're doing. The competition is nearly any site that can attract and hold a user's attention. By knowing how your audience spends its time and how it makes decisions, you can anticipate how other sites or technologies are getting their attention, thereby expanding your survey of the competition.