

COMPETITOR ANALYSIS

CHECKMATE

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Competitive analysis is a **user experience research method** to better understand similar websites your users visit. For instance, if you're working on creating a website for a SaaS startup, you should complete a competitor analysis UX audit on other similar companies.

There is a lot that goes into doing a thorough UX competitor analysis, but at its heart, a competitor analysis consists of two basic phases:

- Knowing how to research properly and understand exactly what information you are looking for.
- Synthesizing that information before acting on your findings.

Why conduct Competitor Analysis in UX Design ?

Performing a **competitive analysis in UX Design** helps companies identify competitors' strengths and weaknesses relative to their own business, product, and design. The insight designers gain through competitive analysis research helps you develop better products and more effective UX designs. Learning more about your competition helps businesses to:

- Assess where your product or design stands in the market
- Define any gaps in the market
- Know the strengths and weaknesses of your competition
- Identify the advantages and disadvantages of your products
- Have evidence to back up your design changes
- Helps you solve usability issues
- Enables you to develop your go-to-market strategy



When should you do a Competitor Analysis?

Performing a competitive analysis should be one of the earliest research steps in the UX design process. Competitive analysis should begin before working on a new design and continue for the project's duration since new competition may emerge and market conditions will continue to change throughout the design process.



How to do a UX Competitor Analysis?





1. Understand your goals

Why are you doing this competitor analysis?

What do you hope to achieve?

Will this research impact UX decisions?

Your goals should ideally be as specific as possible and hopefully assessable so consider the issues you're trying to address with the competitor analysis.

Keep your goals at the front of your mind when carrying out your analysis so you can always refer to them without losing sight.



2. 'Really' know your Competition

At this point, you might want to open a Google spreadsheet or chart and start creating a table of information. **Jaime Levy** has a comprehensive outline for creating a competitive analysis matrix. A good number at the beginning stage is around 5-10 direct and indirect competitors, so you can easily maintain and track what your competition is doing.

- **Direct competition** consists of those people and companies who are doing what you do already. You share the same customers and they offer the same product or service that you do.
- **Indirect competition** is composed of those who offer something similar to what you offer. Maybe it is not the first part of their product or service but the second or third.

3. Look for commonalities among competitors

When looking for commonalities, it is a good idea to write down the actions users can perform, as well as the user journey of competitor products and services, and see if they match with what you are offering.

Things to consider:

- The tone and copy of the competitor
- Good and bad features
- User reviews
- Wait/load times
- Customer service
- Design





4. Analyze and Summarize

When analyzing your UX research, create a small summary of what you have found out as well as what impact the information will have. This stage is perfect for identifying design opportunities because you understand your competitors' flaws.

Your analysis and summary can be used to convince team members, and stakeholders of any design changes you think would be beneficial or to argue for innovation.



5. Present your UX Competitor Analysis

After you have compiled your research, analyzed it and synthesized the information into actionable insights, it is time to prepare a presentation of your findings for clients or stakeholders. This is your opportunity to act on those findings.

Create a PowerPoint presentation containing the interesting information, backed up with evidence. It is vital that you discuss the impact of your research, more than the general findings: the impact is what can be transformed into actions which can transform business.

UX Competitor Analysis frameworks



SWOT



SWOT is a strategic planning method based on four elements – **strengths, weaknesses, opportunities, and threats**. The SWOT framework helps you evaluate the internal (strengths and weaknesses) and external factors (opportunities and threats) that impact your products or design decisions.

SWOT is often used in strategic planning to help identify a potential competitive advantage. It's a popular method in UX competitive analysis because it can quickly reveal product issues and determine a course of action.

SWOT analysis is a **highly functional tool** for competitive analysis but does have the potential to oversimplify factors that are limited to the four categories.



PORTER'S FIVE FORCES

Porter's five forces is a framework that helps businesses analyze the industry competitive according to five elements: **Buyers, Suppliers, Substitutes, Competitive rivalry, and New entrants.**

According to Michael Porter's model, these are the key elements that directly affect how much competition your business is up against in the industry.

1. Threats of new entrance
2. Supplier bargaining power
3. Internal Competition
4. Threats of substitutes
5. Customer bargaining power



PERCEPTUAL MAPPING

A perceptual map, also referred to as a position map, is a visual representation of customers' perceptions of your product relative to the competition. A perceptual map is a useful tool to help companies assess what your customers think about you and your competitors. This can help businesses track market trends, identify gaps in the market, and develop branding and marketing strategies.

A perceptual map is generally set against two axes and that move from low-to-high to assess certain factors such as price vs. performance, functionality vs. price, or price vs. quality.

Benefits of carrying out a UX Competitor Analysis in Business



Market and Trends



Doing a competitive analysis is one of the top tools for SEO research. This is because it can help you identify your potential competitors and understand the market for your business.

For example, your competitive analysis can help you:

- Understand the marketplace conditions
- Identify new trends to target
- Refine your business strategy

You must **do plenty of research** before you start a business, so doing a competitive analysis will give you almost all the information you need to get started.

Plus, competitor analysis will **determine** whether there is a place for your business and services in the market.

Identify Market Gaps

When you do a competitive analysis, it allows you to see where your competitors are following short. This is also known as a **market gap** and allows you to **identify underserved or unserved markets for your business.**

For example, you may have a competitor that sells its services for a premium price to a target market with a higher income level.

Your competitor analysis can help you **identify** these gaps and capitalize on the areas where your competitors are lacking.

Then, you can **find ways** to penetrate the market by offering these product or service gaps that your competitors do not offer or do not fulfill for your target market!



Create Better Products



Product development is another one of the advantages of competitor analysis for your business. Businesses are always in a race to develop newer, better, more efficient products.

When you do a competitor analysis, you can find ways to **create better versions** of their products.

For example, you may try to improve products when it comes to:

- Price
- Quality
- Functionality
- Efficiency

Still, you need to **be careful to not cross legal boundaries**. Instead, find ways to make a unique product that improves upon what your competitors are already selling.

Better Marketing

One way that many businesses lack is in their marketing skills.

Having **good marketing communications** will help you sell your product and find high-quality customers for your target market.

When you do a competitive analysis, you can see how your competitors are marketing and what strategies they are using.

For example, if your competitor markets their product as the “easiest to use in the market”, you can make your product even easier to use!

You can use this to **identify marketing trends** and help you differentiate your products. This will help you show that your products are new and improved and may make it **easier to find loyal customers**.



Create a Unique Value Proposition



Finally, creating a competitive analysis for your business allows you to **create a unique value proposition**.

This is also known as a unique selling proposition and is what sets you apart from your competitors and helps you with your marketing in the future.

Your unique value proposition will tell your target market:

- What makes your brand different from your competitors
- Why you offer the best products or services on the market

Without doing a competitor analysis, this would be impossible to discover. You need to know exactly what your competitors are offering so you can prove that you can offer something more to your customers.

**Revolutionize your user experience
strategy with actionable insights
gained from Competitor Analysis**

