
What Are They Plotting?: Watching Your Competitors

This book is about getting a complete picture of every website that affects your business. You will know the most about websites and communities you run, and you can learn a significant amount by moderating and joining communities. You can also gain important insights into your competitors through many of the techniques we've seen so far.

- You can use *community search* approaches to eavesdrop on your competitors and see what people think of them.
- You can use *synthetic testing* to compare your competitors' performance and up-time to your own.
- You can use *search and ranking tools* to understand how well your competitors are viewed by the rest of the Web.
- Some *usability tools* may even let you analyze how test users interact with competitors' websites, helping you to improve your own.

Before you embark on any competitive analysis, you need to consider whether you care if your competitors know what you're up to. If you perform competitive research from your own domain, their analytics will show your visits. What's more, they may have specific terms of service on their websites that prohibit things like synthetic testing or crawling by others.

Let's look at how you can keep an eye on your competitors.



If you haven't already done so, review [Chapter 14](#). All of the approaches we describe there apply equally well to competitors.

How Much Should You Worry About Competitors?

Guy Kawasaki is a vocal proponent of smart, information-driven startups. In his most recent book, *Reality Check* (Portfolio Hardcover), he talks about how companies can build and market great products. We asked him for his thoughts about getting too caught up in competitive analysis, particularly for startups.

Complete Web Monitoring: How has the availability of free online competitive analysis changed the product planning process?

Guy Kawasaki: My guess is that the product planning process is not too affected by the wealth of competitive information that's available. The basics are obvious: you need to know what your competition's product does, how much it costs, when it will be available, and what people are saying about it.

But the truth is that there is so much to do that's internal and, ironically, out of real control, that I would bet that a product manager would like to know what his engineers are doing more than what the competition is.

CWM: How much time and energy should a startup devote to this process versus other things, and when should they do so?

Guy: It's hard to quantify, but my response is "not much." A startup should just create a great product that it loves and let the chips fall where they may. It should not assume a world of perfect information where the whole marketplace understands exactly what you or the competition is doing.

The greatest competition startups face is ignorance—that is, people don't know why they should use a product at all as opposed to why they should use products that do the same thing from company A or company B.

CWM: How does a company know when it's too obsessed with competitive monitoring and not focused enough on making a product or service that rocks?

Guy: Generally, a company should be obsessed with creating a great product or service. It should never be obsessed with the competition. If a young company has anyone with a title like "competitive analyst," then it's gone too far. Max, competitive analysis should take up about 5% of a company's mindshare.

Watching Competitors' Sites

The wonderful thing about the Internet is that everyone's online. Your competitors have gone to great lengths to tell you all about themselves, putting product specifications, lists of senior employees, and in some cases, pricing and technical specifications within your reach.

Web crawlers index these sites. Search engines analyze inbound and outbound links to them. They're ranked for popularity and monitored by testing services. Thousands of people search for them, using all kinds of terms. All of this information is collected and stored, and much of it is free for the taking. For more detailed analysis, there are paid services that rank popularity and estimate traffic levels.

Before you start gathering information on your competitors, however, ask yourself why you care. Only then can you decide what to collect and how to report it. Some possible questions you want to answer include:

- Do I have competitors I don't know about?
- Are others getting more traffic than me?
- Do competitors have a better reputation than I do?
- Is a competitor's site healthier than mine?
- Are others' marketing and brand awareness efforts more successful than mine?
- Is a competitor's site easier to use or better designed?
- Have competitors made changes that I can use to my advantage, such as changes in products, funding, or staffing?

All of these questions, and more, can be answered easily. To report competitive data on others, you'll need to have comparable data on yourself. For example, if you want to know whether competitors' sites load faster, you need historical measurements of your own website's performance.

Do I Have Competitors I Don't Know About?

The Web is full of directories and groups that try to make sense of all the sites you can visit. Some are manually created directories, such as those from Yahoo! and Google (Figure 16-1). One of the easiest ways to ensure you're aware of your competitors is to find yourself in a directory and see who else is listed there.

But directories are built by fallible humans, and sometimes your competitors won't be included. You should search for specific terms and see what sites come up, and use Google Sets (<http://labs.google.com/sets>) to enter your known competitors and see if there are others you don't yet know of.

Once you've got a list of competitors, it's time to determine who's a threat.

Google Directory

Google Search Directory Help

Search only in Car Rentals Search the Web

Car Rentals

Business > Automotive > Car Rentals [Go to Dir](#)

Categories

[Africa](#) (15) [Europe](#) (38) [Oceania](#) (7)
[Asia](#) (11) [Exotic Cars](#) (12) [Offroad Vehicles](#) (30)
[Caribbean](#) (14) [Middle East](#) (10) [South America](#) (4)
[Consolidators](#) (12) [North America](#) (5)

Related Categories:
[Business > Transportation and Logistics > Car Sharing](#) (58)
[Recreation > Travel > Transportation](#) (452)

Web Pages Viewing in Google PageRank order View in alphabetical order

- [Avis Rent A Car](#) - http://www.avis.com
Providing information for leisure and corporate travel, world wide, including the fleet by country, driving maps, rental rates, and on-line booking.
- [Hertz](#) - http://www.hertz.com/
Rents and leases cars, trucks, and equipment. International. Online booking. Information for businesses.
- [Enterprise Rent-A-Car](#) - http://www.enterprise.com/
Offering car rentals with locations throughout the US, Canada, the UK, Ireland, and Germany.
- [Dollar Rent A Car](#) - http://www.dollar.com/
Provides online car rental quotes and reservations.
- [National Car Rental](#) - http://www.nationalcar.com/

Figure 16-1. Car rental companies in Google Directory

Are They Getting More Traffic?

You can't know exactly how much traffic a competitor has on its site, but some services such as [Compete.com](#) (Figure 16-2) provide rough estimates.

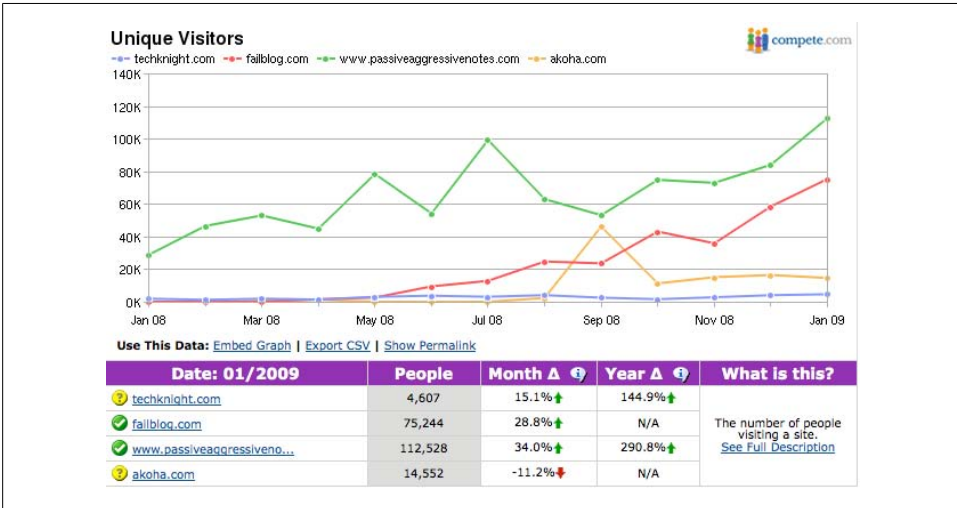


Figure 16-2. Comparison of estimated traffic on [Compete.com](#)

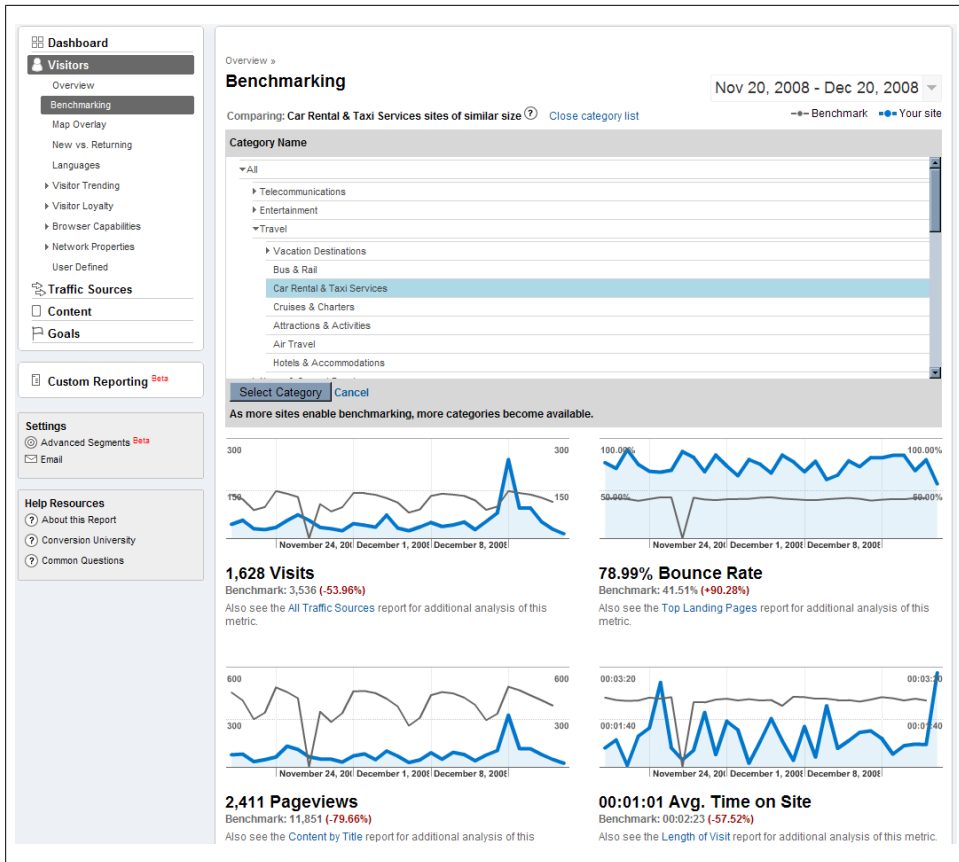


Figure 16-3. The Benchmarking function of Google Analytics compares key traffic metrics to similarly sized sites in your industry

As we’ve seen, traffic to a site is no guarantee of outcomes: you may have a competitor with far less traffic than yourself—but with a much higher conversion rate—who’s making far more money online. Without knowing what others’ conversion rates are like, there’s no way to know exactly how well their businesses are running. Traffic volumes are merely a starting point.

There is, however, a way to determine how well you’re doing against your competitors in general: benchmarking in Google Analytics (Figure 16-3).

To use Google Benchmarking, you first specify the business category you’re in. Google Analytics will then show you how you compare to others in that category in terms of page views, retention, and so on.

You can multiply estimates of competitors’ traffic (from [Compete.com](#) and others) by the Google Analytics benchmarks for a category as shown above, and get a “best guess” of what your competitors are experiencing. Be aware, however, that this is only a guess:

bounce rate, conversion, time on site, and so on will vary widely across websites. This kind of analysis also won't bring you closer to conversion or goal attainment, since Google Analytics' Benchmarking doesn't share this data, and conversion goals vary widely from site to site depending on how analytics are configured.

Do They Have a Better Reputation?

At this point, you have a list of competitors that you care about and an idea of how you're doing against them in terms of traffic and some other basic analytical metrics. But what do Internet users think of them?

You can apply community listening tools to your competitors just as easily as you can apply them to your own online presence, and most of the tools we've seen in earlier chapters can compare your products or services to those of competitors. You can also measure what the Web's authorities, such as Google and Technorati, think of you.

One of the basic elements of online reputation is the referring link. It's the basis for Google's PageRank algorithm. You can find out how many sites link to a particular competitor with the link *prefix*. To use this, simply search for **link:<weburl.com>** in Google (Figure 16-4). You'll get a list of all sites that link to the URL you enter.

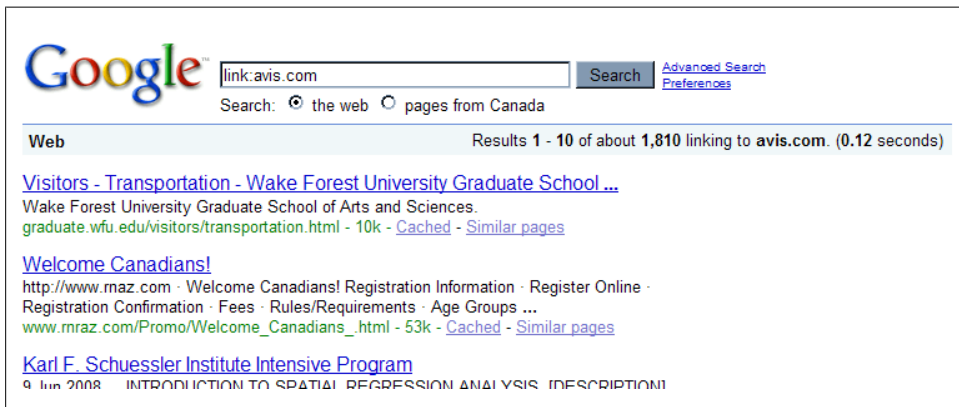


Figure 16-4. Analysis of sites that link into *Avis.com*

Comparing the number of inbound links in this way can show you a measure of a site's popularity. Inbound links affect everything from Google PageRank to Technorati scores, and a sudden change in the number of inbound links shows that a site is getting more attention and growing the early stages of its long funnel.

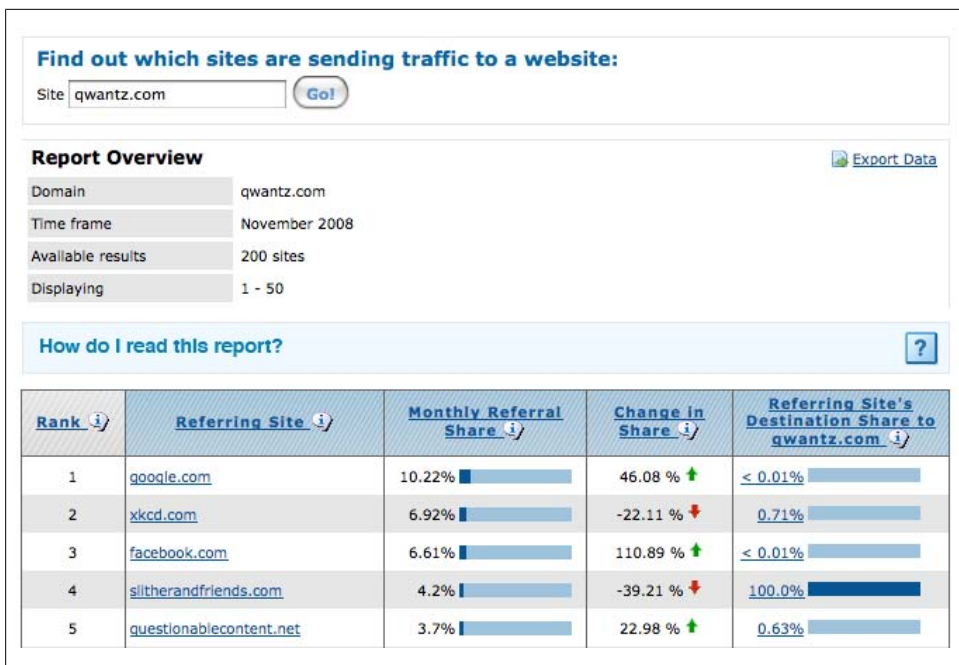


Figure 16-5. Referral breakdown in *Compete.com*

Compete.com also offers referral analysis tools (Figure 16-5), but free accounts are limited to only a few referring pages, so if you want a more complete link analysis (and other features) you'll have to pay for it.

PageRank

To understand what Google thinks of a site, you can look at its PageRank scores within the Google Toolbar when you visit the site. If you don't have the Google Toolbar installed, you can use several websites that will report PageRank for you (Figure 16-6). This isn't a book on search engine optimization, but if you're tracking your competitors, knowing how they compare with you over time should be part of a competitive comparison.

SEO Ranking

Google's search algorithm isn't the only one on the Internet. Your site and your competitors' sites vary with respect to how well search engines can index them. This is a combination of metadata, title structure, and so on. Several services can compare web pages and tell you how well optimized they are (Figure 16-7), and this can be a good baseline for your web design and SEO teams. You can track your own site and those of key competitors over several months to understand where you stand.

PageRank Results

Order by (pagerank):

Showing search results in order of pagerank 32,200,000 results found

Hotels - Vacation and hotel information from *Marriott Hotels* ...
 8/10
 When you're on vacation, selecting the right hotel makes all the difference. Marriott.com offers hotels and hotel rooms that make your vacation everything ...
<http://www.marriott.com/>
[View META Data](#) - [View Inbound Links](#) - [Analyze Links](#)
[Cached Version](#) - [Similar Web Sites](#)

Marriott - Marriott on the Move - Bill Marriott's Blog
 7/10
 This blog is an interactive forum with Bill Marriott, Chairman and CEO of Marriott International.
<http://www.blogs.marriott.com/>
[View META Data](#) - [View Inbound Links](#) - [Analyze Links](#)
[Cached Version](#) - [Similar Web Sites](#)

Hotel gift certificates and hotel gift cards from *Marriott Hotels*
 7/10
 Marriott hotel gift certificates are perfect for business-related and personal gifts. Purchase your Marriott hotel gift cards today on Marriott.com.
<https://gifts.marriott.com/>
[View META Data](#) - [View Inbound Links](#) - [Analyze Links](#)
[Cached Version](#) - [Similar Web Sites](#)

Figure 16-6. Search results including PageRank and links on *SEOchat.com*

Whois Record for Bitcurrent.com (Bit Current)

Enter a Domain Name

Front Page Information

Website Title: [Bitcurrent - Networking, technology, and the web](#)
Title Relevancy: 100%
Meta Description: Articles, research, podcasts, and conference content from Bitcurrent's team of technology and Internet business veterans
Description Relevancy: 60% relevant.
About Us: [www.article.on.bitcurrent.com](#)
SEO Score: 97%
Terms: 2003 (Unique: 810, Linked: 345)
Images: 13 (Alt tags missing: 9)
Links: 145 (Internal: 105, Outbound: 39)
Related Sites: [shadfwater.com](#) [securityvatic.com](#)
RSS Feeds: Google Goggles: A cautionary tale of the mainstream web (14235 days ago)

Indexed Data

Alexa Trend/Rank: #1,028,743! Up 793,925 ranks over the last three months.
Compete Rank: all #285,612 with 1,297 U.S. visitors per month

Registry Data

ICANN Registrar: GODADDY.COM, INC.
Created: 2004-02-10
Expires: 2011-02-10
Updated: 2008-02-07
Registrar Status: [clientDeleteProhibited](#)
Registrar Status: [clientRenewProhibited](#)
Registrar Status: [clientTransferProhibited](#)
Registrar Status: [clientUpdateProhibited](#)

Thumbnail: 2008-11-17

Historical Thumbnails: 14 records

11-17-2008 11-04-2007 08-29-2004

[View Thumbnail History](#)
[Queue This Domain for Update](#)

SEO Text Browser

SEO Text Browser
 [Bitcurrent]
 Networking, technology, and the web

Figure 16-7. *DomainTools.com* analysis of a website with SEO score

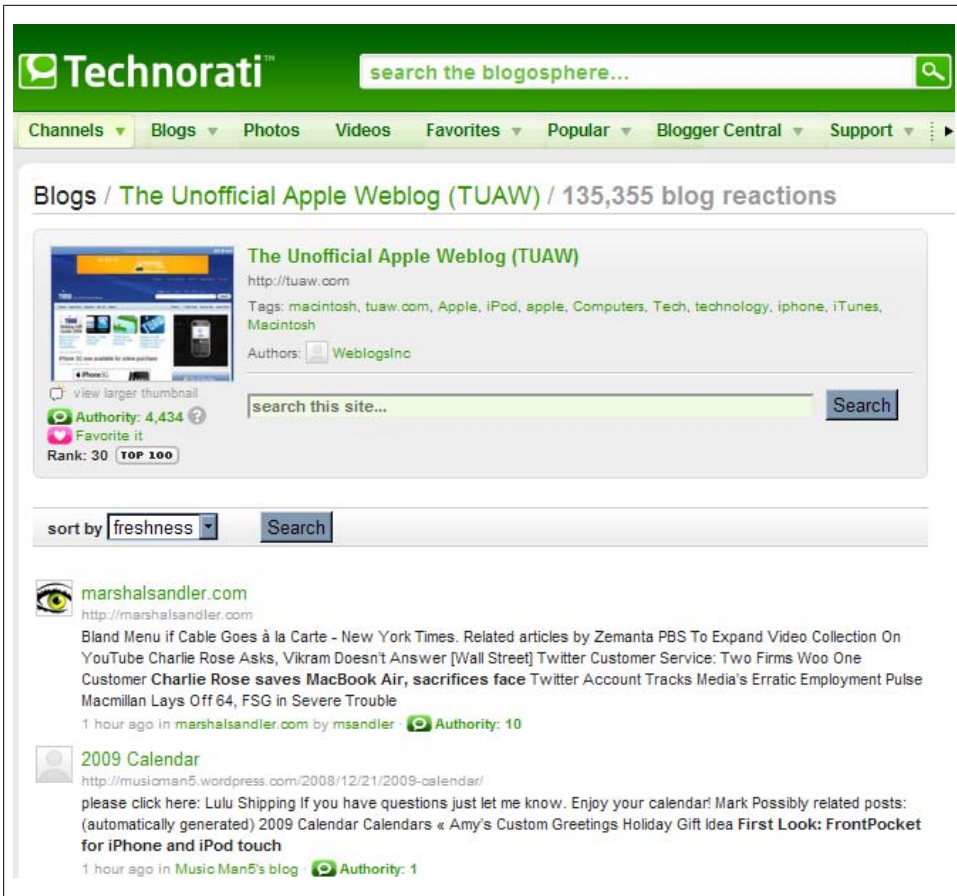


Figure 16-8. Technorati blog ranking with reactions from other sites

Technorati

If your site is a blog, Technorati ranking is an alternate tool for measuring popularity and reputation. Technorati looks at inbound blog links in recent months as a way of determining which blogs are most respected—what Technorati calls a blog’s “authority” (Figure 16-8).

In addition to authority, Technorati will show reactions about a site from elsewhere on the Internet.

Are Their Sites Healthier Than Mine?

You should visit your competitors’ sites regularly using browser add-ins like Firebug or hosted test tools like [WebPageTest.org](http://www.webpagetest.org), as described in the sections on performance management and monitoring. Each time you notice a change to their sites, measure

Airlines Flight Search Benchmark					
November 01, 2008 - November 30, 2008/0:00 - 24:00 EST					
Response Time Rating		Availability Rating		Consistency Rating	
Rank	Site	Response (sec)	Rank	Site	Availability (%)
1	Delta	5.48	1	Alaska Airlines	99.75
2	Southwest	6.83	2	USAirways	99.68
3	AirTran	7.78	3	Continental	99.64
4	Alaska Airlines	8.20	4	Travelocity Air	99.61
5	JetBlue	10.04	5	Delta	99.60
6	United	12.21	6	Southwest	99.58
7	Spirit Airlines	12.72	7	NWA	99.55
8	Travelocity Air	13.19	8	Orbitz Air	99.46
9	American Airlines	13.40	9	CheapTickets Air	99.23
10	Continental	13.97	10	JetBlue	99.19
	Average	14.15	11	Frontier	99.13
11	USAirways	15.30	12	United	98.89
12	Midwest Airlines	15.69	13	Priceline Air	98.83
13	Priceline Air	16.39		Average	98.57
14	Frontier	16.63	14	American Airlines	98.27
15	NWA	20.87	15	Midwest Airlines	98.24
16	CheapTickets Air	21.57	16	Expedia Air	98.08
17	Expedia Air	22.11	17	AirTran	94.34
18	Orbitz Air	22.31	18	Spirit Airlines	93.23
o	ATA	--	o	ATA	--

Rank	Site	Consistency (sec)
1	Frontier	3.86
2	Delta	4.46
3	USAirways	4.99
4	CheapTickets Air	5.17
5	AirTran	5.64
6	United	5.79
7	Continental	6.08
8	Alaska Airlines	6.26
9	JetBlue	6.55
10	Midwest Airlines	6.59
11	Priceline Air	6.76
	Average	6.83
	Orbitz Air	6.83
13	Travelocity Air	7.24
14	Southwest	7.88
15	Spirit Airlines	8.21
16	American Airlines	8.81
17	NWA	9.22
18	Expedia Air	12.64
o	ATA	--

Figure 16-9. Gomez performance benchmark for airline websites

how long their pages take to load, as well as how many third-party components they’re using.

If you want to keep a closer watch on competitors, use synthetic testing tools to run regular tests, providing you’re not violating their terms of service.

Several of the commercial synthetic testing services provide comparative measurements of leading sites in vertical industries (Figure 16-9). Even if you don’t subscribe to a service’s detailed research, you can use the data as a guideline for acceptable responsiveness and uptime.

Is Their Marketing and Branding Working Better?

If your marketing team is doing its job, it will get more coverage. Web crawlers are the perfect tools for comparing the effectiveness of marketing. If you’re spending any money in AdWords, you should understand which ads are being taken, how much they’re worth, and how you compare in terms of ad-spend against your competitors. Some of this information is available through competitive analysis sites like Spyfu (Figure 16-10).

Google Trends is another good resource for comparing competing products or services, and it will show you which news stories occurred in concert with changes in a particular trend line (Figure 16-11).

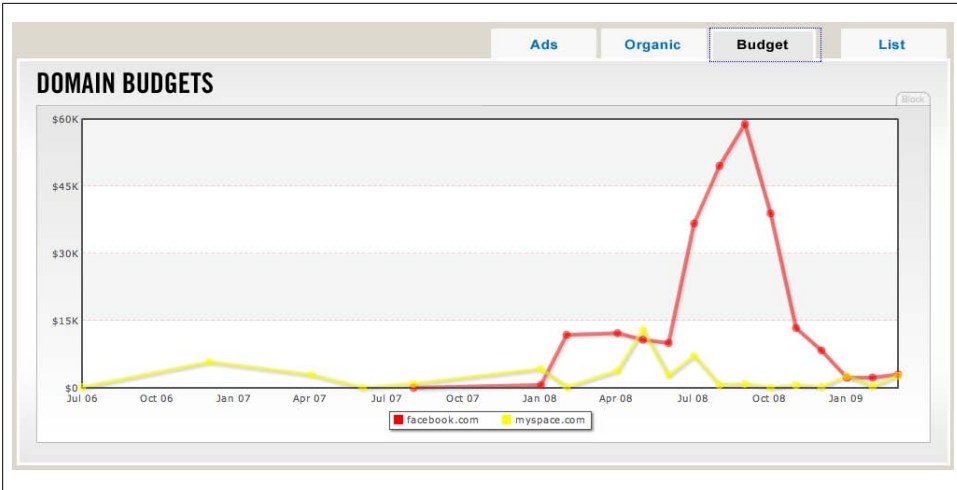


Figure 16-10. *Spyfu.com* provides a detailed analysis of ad-spend by company or by keywords

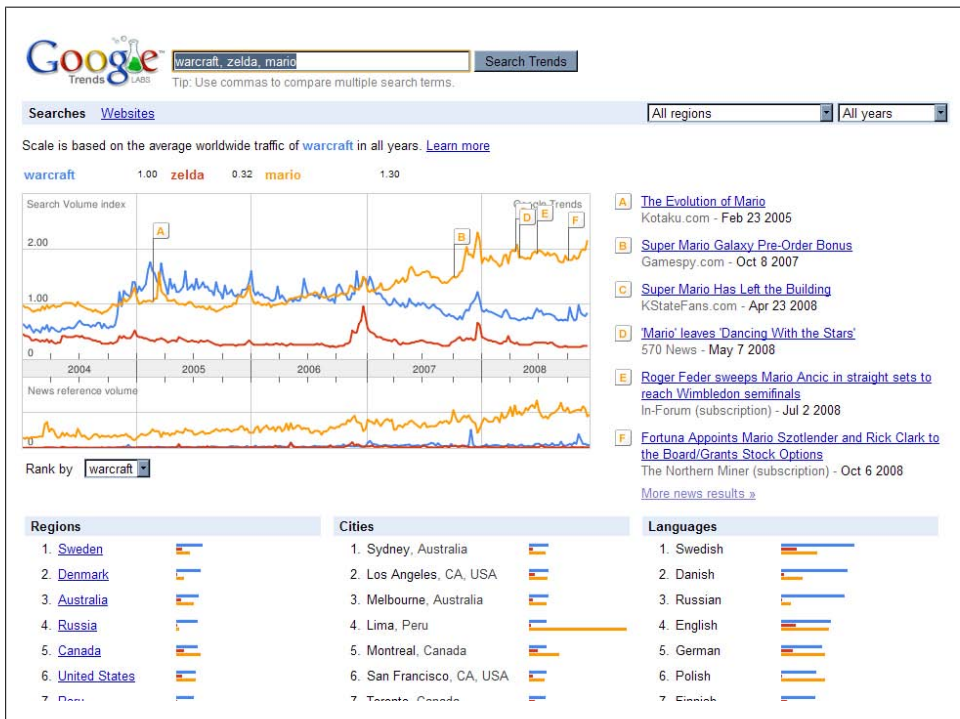


Figure 16-11. *Google Trends*, part of *Google Labs*, compares web traffic for specific terms



Google Trends is available at www.google.com/trends/. See <http://adlab.microsoft.com/alltools.aspx> for similar tools from Microsoft.

Don't overlook competitive questions when designing your VOC surveys. Ask respondents which other products they considered or ask them to describe how they feel about you and your competitors.

Finally, here's a dirty trick that exploits an information leak in CSS to let you test whether your visitors have also visited competitors. First, include links to your competitors' sites on one of your web pages in an iframe the visitors can't see, but that their browser's JavaScript can parse. When visitors arrive, these links will be marked as visited or unvisited in their browsers (but they won't see this). Then use JavaScript—which can see the links—to check the state of those links and determine whether they've been visited. (See <http://www.azarask.in/blog/post/socialhistoryjs/> for more details on this approach.)

By sending this data back to your analytics platform, you can track how many of your visitors also frequented your competitors' sites. You need to decide whether this information is worth the potential backlash you'll face if you're caught collecting data from visitors without their consent. It may be simpler—and more ethical—just to ask them.

Are Their Sites Easier to Use or Better Designed?

There aren't any tools that will automatically show you whether a competitors' site is better than your own. You can, however, use paid panels or usability testing to watch a recruited test group complete tasks on your site and a competitor's site to see where they get stuck. This kind of subjective feedback can be invaluable for design groups, particularly when you choose a task—such as reserving a room or adding a second passenger—that your analytics tools tell you is a common point of abandonment during a conversion process.

First, identify the places within your website where abandonment is common. Then identify similar processes within your competitors' sites. Write task descriptions for your test subjects, asking them to accomplish the same tasks on both sites, and observe their reactions.

Have They Made Changes I Can Use?

Several of the change monitoring services we've seen, such as WatchThatPage.com, will tell you whether a competitor's site has changed. You should monitor pages that give you insight into the health of your competitors' business. These typically include:

- *Staffing* pages, listing key employees and advisors
- Pages that mention *investors* or financial backing
- *Product* listings
- *Press releases* (you should also be tracking press content through RSS feeds if it's available)

Preparing a Competitive Report

If you're in charge of competitive research, you'll want to publish a competitive brief at regular intervals to your product and sales teams, as well as members of your executive management team. You'll also want to send real-time updates when important news breaks.

What's in a Weekly Competitive Report

The purpose of the weekly report is to give your internal audience an at-a-glance understanding of key performance indicators you're tracking. Information should include:

- A list of competitors you're tracking, with basic business information, such as stock price and number of employees.
- Any newcomers to the list, as well as any who have been removed.
- Charts for each metric you're comparing, such as traffic volumes, Google PageRank, Technorati ranking, uptime, performance, and number of mentions. Include one series line for each competitor, and clearly show your own organization for comparison.
- A table showing the score for each competitor, as well as the change from the previous reporting period.
- A summary of activity for each competitor, including any changes detected in each one's online content as well as links to any important news picked up through alerts or feeds.
- Community reports for any online profiles your competitors operate, such as the volume of Twitter messages, contributions to groups or forums, and so on.

Once you start to publish regular competitive reports, you'll train the company in what to expect.

Communicating Competitive Information

Your weekly updates can be sent via an internal mailing list. You may also want to publish competitor-specific information to an internal wiki so that it can be accessed by others doing research. Depending on how important competitive intelligence is to

your company, you may even want to capture and store competitive data within a community platform automatically.

Breaking news, such as changes to a website, product or marketing updates, or other alerts that can have a material impact on your company’s business, should be communicated through a real-time model, such as a micromessage feed or a mailing list.

Competitive Monitoring Maturity Model

Here’s how organizations mature their competitive monitoring strategy:

	Level 1	Level 2	Level 3	Level 4	Level 5
Focus	Technical details	Minding your own house	Engaging the Internet	Building relationships	Web business strategy
Emphasis	Basic awareness	Site-to-site comparison	Web-wide comparison, identification of new competitors	Turning fans into information sources, testing competitive strategies	Data mining informs long-term strategic planning
Questions	What are my competitors doing?	How does my site compare to competitors? Is it as fast? As easy to use?	Am I more popular than competitors? Better ranked? More adopted by certain segments?	How loyal are my customers? What can they tell me about my positioning versus others?	Is competitive analysis pulling data from VOC, community, and EUEM? How should competitors’ strategies affect my own?