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Developing a Competitor Analysis Concept for Case Company Customers

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The objective of the thesis was to establish a competitor analysis concept to guide the case company's customers in conducting competitor analysis and in linking analysis findings with their service strategy. The case company has noticed in customer assignments that competitor analysis has a significant role in business and service management.

The thesis and the concept were done by utilizing existing literature, a questionnaire for the case company's stakeholders, and interviews with the case company's personnel and stakeholders. The literature offered best practices of conducting competitor analysis and two useful tools, SWOT analysis and Porter's five forces.

The current state analysis revealed the challenges that service providers are struggling with when conducting competitor analysis. The competitor analysis concept was developed based on the challenges the service providers revealed in the questionnaire.

The outcome of the thesis is a competitor analysis concept that is two-staged, and the concept offers two templates. In addition, the connection between competitor analysis and service strategy is described.

Keywords	Competitor Analysis, Service Strategy

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List of Abbreviations

SWOT	Stands for strengths, weaknesses, opportunities, and threats. Commonly used in business, can be used in different analyses.
Internal service provider	Provides services to support the own company to achieve business goals.
External service provider	Provides services for other companies and its business is based on services.
Blue Ocean	Market where are no competition or very little competition.
USP	A unique selling proposition or unique selling point
Porter's 5 forces	A tool for conducting competitor analysis. Consists of competitive rivalry, supplier power, buyer power, threat of new entry, and threat of substitution.

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1   Introduction

The purpose of the thesis is to clarify how companies' competitor analysis affects their service strategy and how could companies improve service strategy creation with the right kind of competitor analysis. The study is looking at both internal and external service providers. Internal service providers offer services to their own company, and their goal is to support their company's business. External service providers do business with their services. The service development is the key to success for external service providers.

1.1   Business Context

Justin Group Oy was founded in 2015 and the company locates in Espoo, Finland. In early 2021 the company is employing altogether close to 20 people. Justin's revenue was 2 million euros and the growth was 33%. The information is based on the financial statement from 2020. Justin is a growing company, its revenue will be close to 3 million euros in 2021. Justin is focused on service productization, service design, and service management. The company has customers from both the public and private sectors. (Justin, 2021)

The case company offers two different kinds of training courses. Justin offers courses for Practical Configuration Management and Digital Service Catalog Planning. Besides training courses, Justin offers professional services such as Design Kickstarters, Architect Services, and Consultancy Services. Also, there is the IT4IT Foundation course, which is accredited by The Open Group, whose trademark IT4IT is. The contents of Justin's services are self-produced, except the IT4IT Foundation course. Justin's mission is to help their customers develop and deliver better services that meets the needs of service consumer and help the service provider to achieve the business goals, by using best methods combined from service management and service design. Justin also writes plenty of informative blogs about subjects that are associated with the services they offer. Justin has written a handbook of creative service management. The book is only in Finnish, but it might be translated to English in the future. The book also works as a manual for Justin's experts. (Justin, 2019) (Justin, 2020)

1.2 Business Challenge, Objective, and Outcome

Justin has found out that its customers (service providers) are struggling in conducting a professional competitor analysis and in linking it with service strategy. From Justin's point of view, the business challenge is to obtain a better understanding of which tools and methods would be better for their customers with competitor analysis creation and in linking the findings with service strategy. A potential business opportunity exists for Justin by offering guidelines on conducting competitor analysis to its customers.

Internal and external service providers might have different kinds of point of views with competitor analysis. For external service providers analyzing competitors is important to be better than competitors. If the external service provider offers better services than its competitors, it does good business. By analyzing competitors, it is possible to find blue oceans, which means finding markets where are no competitors. For an internal service provider, it is important to be a better choice for its company than outsourced service providers. For example, lower costs, faster service delivery or better understanding of own business and its needs. By analyzing competitors, it is possible to figure out what services or parts of services are profitable to be done by themselves and what would be cheaper to buy from external service provider. Analyzing competitors gives knowledge on how to improve their service offerings. In the end, there will be a comparison between internal and external service providers' competitor analysis creation.

The objective of this thesis is to establish a competitor analysis concept to guide Justin's customers in conducting competitor analysis and in linking analysis findings with their service strategy.

The outcome of the thesis is a competitor analysis concept that is two-staged, and the concept offers two templates. In addition, the connection between competitor analysis and service strategy is described. The concept will also include example templates for conducting competitor analysis. The concept may be used as training material in the training sessions Justin is arranging for their customers. The concept gives more material for Justin to educate their customers to create a more competitive service strategy. The outcome of this project is intended to be a basis for Justin to improve their creative service management handbook and training sessions.

1.3   Thesis Outline

This thesis is written in six sections. The first section contains the introduction, business challenge, objective, outcome, and key concepts. The second consists of research design, methods, and materials used in the study. Current state analysis comes in the third section. The fourth section is the literature review. Section five contains the development of the competitor analysis concept. The last section includes recommended next steps for the case company, conclusions of the project, and discussions on how the project goals were achieved.

2   Project Plan

This section describes the research design, project plan, and methods for data collection. The study researches how internal and external service providers can utilize competitor analysis in service strategy definition.

2.1   Research Design

The research design is illustrated in the figure below.
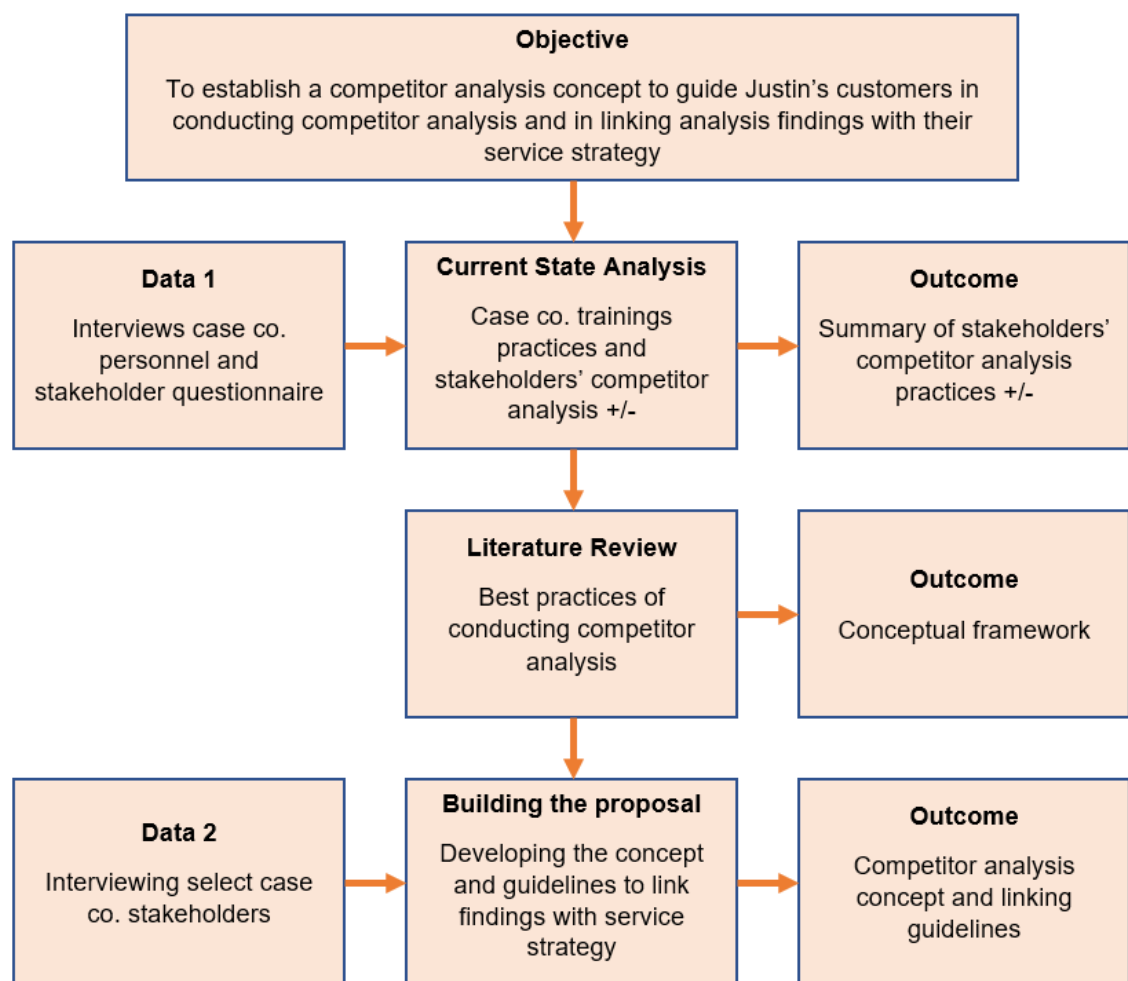

Figure 1.   Diagram of Research Design

The study researches how internal and external service providers can utilize competitor analysis in service strategy definition. The first stage of the research design is to define the objective of the thesis. The objective is to establish competitor analysis concept to guide Justin's customers in conducting competitor analysis and linking findings of the analysis with their service strategy. The intention is to give tools for Justin's customers, which they can utilize in doing better strategy work.

The first data is gathered by interviewing Justin's chief-level personnel. The current state analysis is built based on that data, including a questionnaire for Justin's stakeholders to clarify their current competitor analysis creation. The current state analysis clarifies what kind of methods and materials Justin is using at the moment, and what those methods and materials are missing.

After the current state analysis is the literature review. The theory section is written about best practices of competitor analysis creation. It also includes a description on how the competitor analysis findings can be linked to service strategy. The outcome of the theory section is the Conceptual Framework.

Data 2 is the part of the thesis where the main interviews are being held. The competitor analysis concept is built based on the interviews and theory together. The concept describes the competitor analysis creation and how to link the analysis findings with service strategy.

2.2   Data Collection

The data for this thesis was collected in two rounds to create the current state analysis, and in developing the competitor analysis concept phase. The data was gathered by interviewing the case company's personnel and stakeholders. The interviews were done with several people to get more perspective and more comprehensive data. The data collecting rounds are presented in the table below.

Partici-pants/role	Data type	Topic, description	Date	Documented as
Data 1, for the Current State Analysis				
Jani Palmu, Justin's CEO	Teams meeting	Current digital service catalog trainings	1.10.2020	Field notes
Aki Lähteenmäki, Justin's CPO	Teams meeting	Current digital service catalog trainings	5.10.2020	Field notes
Henri Uusoksa, Justin's CTO and CIO	Teams meeting	Challenges in a small company	6.10.2020	Field notes
Justin's stake-holders	Ques-tionnaire	Current competitor analysis strengths and weaknesses	27.11.2020	Questionnaire answers
Data 2, for the Concept Development				
Harri Hornborg, Edumar's admin-istrative director, sales and mar-keting director	Teams meeting	What they do well in conducting competitor analysis, how should it be done, and how it af-fects their operations	8.2.2021	Recording and field notes
Mika Laurell, Business lead at Elisa	Teams meeting	What they do well in conducting competitor analysis, how should it be done, and how it af-fects their operations	8.2.2021	Recording and field notes
Markus Takala, Valvo Automa-tion's COO	Teams meeting	What they do well in conducting competitor analysis, how should it be done, and how it af-fects their operations	18.2.2021	Recording and field notes

Table 1.   Data collection for the thesis

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The first-round interviews for the current state analysis were done with Justin's chief-level personnel. The theme of the interviews was mainly Justin's digital service catalog training courses, and the perspective was to clarify why Justin wants to have a competitor analysis concept and how would the concept promote them and their customers. In addition, there was some discussion of challenges in such a small company as Justin.

The Data 2 interviews for concept development were done with Justin's stakeholders who were in the questionnaire interested in participating in the interview. The subjects of the interviews were their ways of conducting competitor analysis, how the competitor analysis should be conducted, and how competitor analysis affects their business.

3   Current State Analysis

This part of the thesis presents the current state of the case company Justin. This section gives an overview of Justin's current operation regarding the business that will be useful for the development of the competitor analysis concept. The current state analysis is based on the interviews that were described in the 2nd section.

3.1   Overview of the Current State Analysis

The current state analysis was conducted based on the interviews with Justin's chief-level personnel. In addition to interviews, the current state analysis included a question-naire for the case company's stakeholders about their competitor analysis conduction. The interviews together with the questionnaire formed the holistic picture of the current state analysis.

When the services and the processes are clear they can be visible on a technological platform. The service management is much easier when everything is transparent and visible. Proper service management saves time, and the services can be delivered more efficiently.

3.2   Description of Case Company Current Digital Service Catalog Training

Justin offers digital service catalog training, which helps customers to plan and develop their services. The service catalog is built into a technical platform and it makes the services more visible. In addition to visibility of services, the management of the services becomes easier and more efficient. This thesis is mostly going to help the digital service catalog training courses. The training is a one-day course. The course includes solutions for internal and external service providers. The training helps customer with:

- Identifying their services

- Building a digital service catalog

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- Service structure designing for balance of customization and standardization

- Service productizing

- Designing and implementing service strategy

The training session and materials are very precisely designed and organized, the goal is to have an efficient and fluent training, which would offer training in a compact package. The training does not contain many challenges because of good planning beforehand. The current training material is the sixth iteration and the schedule is extremely accurate. The training material is advanced, and it does not need to be changed much. The feedback from the clients proves that the training is working and so is the material. The competitor analysis concept and linking the findings of the analysis with service strategy would still be a subject that would add value to Justin's operation. As a secondary benefit, Justin can utilize the outcome of this thesis in their service strategy.

In the interviews was found that a big challenge commonly in organizations is to get all people on the same level of understanding, the training helps to solve the problem. Service and service management can be hard to understand for people who have never thought their actions as services. For example, an engineer and a humanist often speak and think differently about the same things or actions. The mindset and thinking must get to the same level, or it is impossible to develop anything. Another challenge in the training is to provide generic examples, that would be understandable for most organizations.

3.3 Analysis of Case Company's Stakeholders' Current Competitor Analysis Challenges

The analysis of the case company's stakeholders' current state of competitor analysis was done with a questionnaire. The questionnaire was sent as Justin's newsletter. The questionnaire was conducted by using Microsoft Forms.

The questionnaire got 23 answers and all of them were from the private sector. 48% of the respondents were managers and the rest were employees. 19 from 23 said that they

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analyze their competitors. As seen in the figure below, 48% of the responders do the analyses randomly, 26% conduct them in a consistent way, and 26% have a person with a process and instructions for making the analyses. This indicates that some kind of instructions for conducting competitor analysis might be needed.
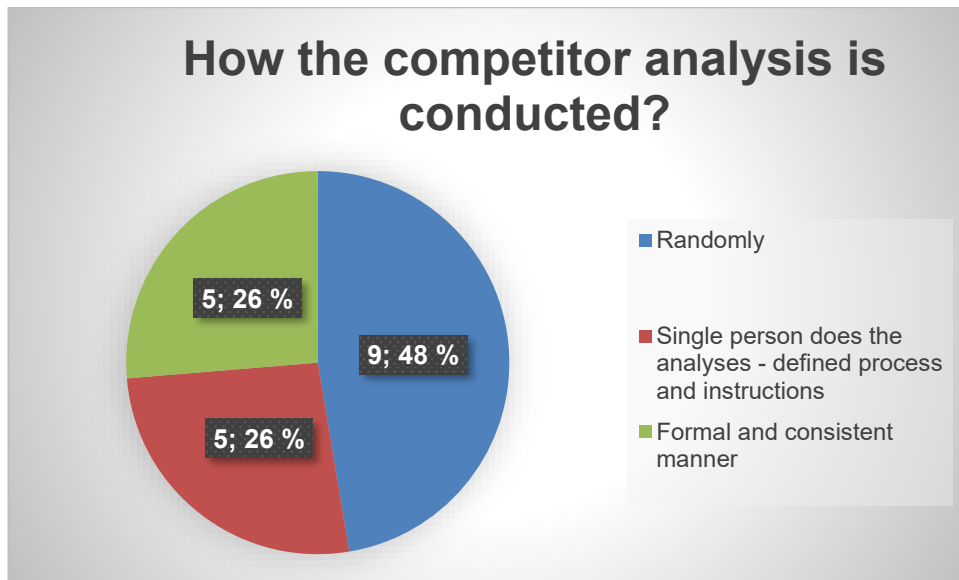

Figure 2. Pie chart of ways to conduct a competitor analysis

The respondents mostly distinguish with high quality services and distinctive service concept as seen in the following figure. Only one respondent did not recognize any distinguishing factors.

What are your main distinguishing factors?
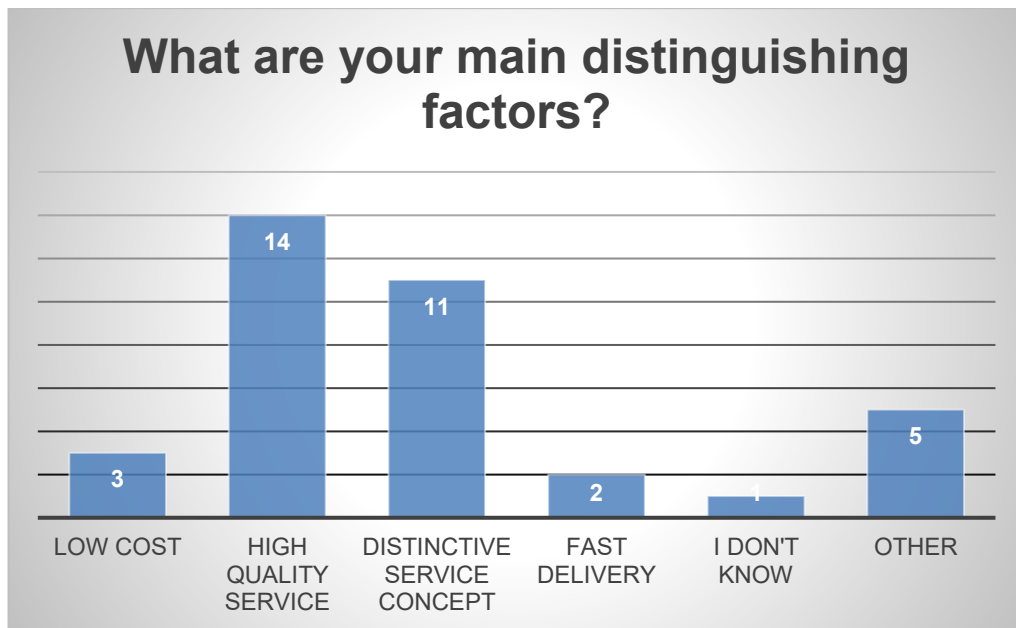
Figure 3.   The main distinguishing factors

To the question above five people answered 'other' and the answers were:

- Locality

- Agility

- Specific inhouse position and knowledge of public administration

- Comprehensive offering of services in co-operation with other services in the concern

- High competence

A common theme in the answers to "What do you do to improve your competitiveness?" was the customers. Many of the respondents said that they try to target their services to serve their customers better. In addition, many respondents wanted to improve customer satisfaction. It seems like the respondents see the customers as very important and they

want to improve their offering by thinking about what the customers need and want. Another big theme was improving efficiency. It seems the respondents try to develop their services cost-effectively and all operation strives for efficiency. 96% of respondents answered that they utilize competitor analysis in service development and in defining offering.

The main question of the questionnaire was about the development needs for conducting competitor analysis. It is interesting how much data this question gathered compared to other questions. It seems like companies need improvement in conducting competitor analysis. The figure below illustrates the answers from the respondents.
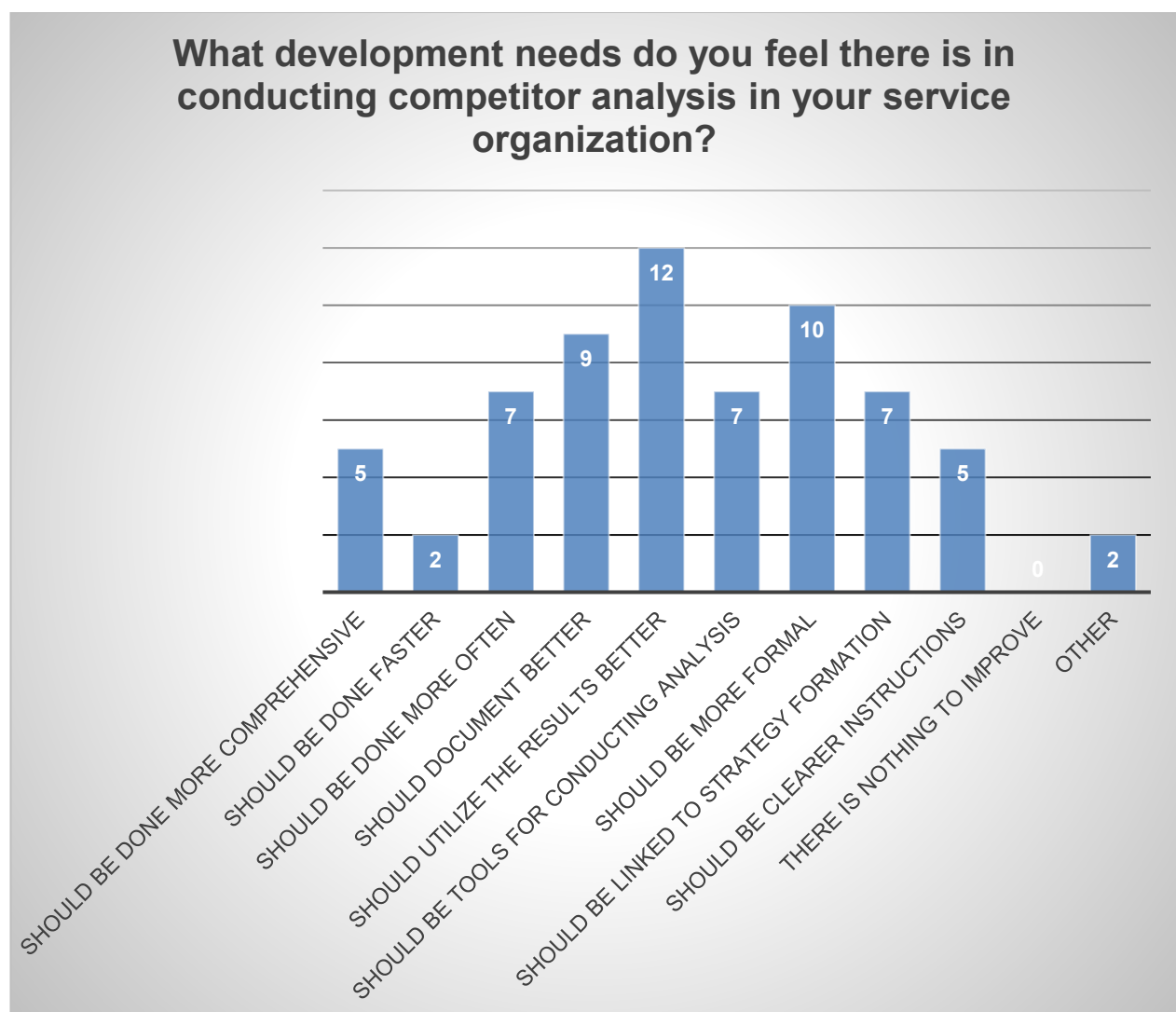

Figure 4.   Development needs for conducting competitor analysis

Most of the respondents want the results of the analyses to be utilized better. Also, they expressed a need for a more formal and better-documented competitor analysis. Only two respondents think the competitor analysis should be done faster, which means that most of the respondents want to know more about their competitors. Answers "other" are explained below:

- Should improve data mining and analysis efficiency, for example AI

- Information on competitor analysis should be shared at the IT organization level, technology and its functionality & development is an integral part of competitive advantage

3.4   Summary of Key CSA Findings

The first-round interviews for the current state analysis and the questionnaire gave a holistic understanding of Justin's digital service catalog training and case company's stakeholders' current competitor analysis strengths and weaknesses. The training and material seem to be well prepared. Still, proper competitor analysis concept is missing which could be beneficial in service catalog training. Knowledge of linking the competitor analysis findings to service strategy is narrow. In addition, the case company knows the benefits of competitor analysis for external service providers, but knowledge of internal service providers is smaller. For the customers, the role of Justin is to help their customers to develop their services and manage them on their own. Justin helps its customers to make their services visible and more transparent, and eventually better.

There seems to be a need for a more formal way of conducting competitor analysis. The respondents of the questionnaire recognized many development needs in their current way of conducting competitor analysis. There were 66 answers to the multi-choice question where was asked their development needs for competitor analysis. It tells that there is a need for improvement in competitor analysis creation for many organizations. The key findings of current state analysis were:

- Almost half of the respondents conduct competitor analysis randomly

- Pricing is not usually the distinguishing factor, more often the responders distinguish with the quality of service or distinctive service concept

- There is a need for improvement in conducting competitor analysis, the respondents are struggling the most in utilizing the findings, formality, documentation, tools, and linking to strategy formation

4   Best Practice of Conducting Professional Competitor Analysis in Relevant Literature

This section discusses best practices of conducting competitor analysis. The literature that is used in this section helps in competitor analysis concept development. This section describes how to conduct a professional competitor analysis and how to link it with service strategy.

4.1   Intro to Competitor Analysis

Conducting competitor analysis helps in getting to understand the competitors in the industry. Competitor analysis describes the strengths and weaknesses of the competitors, which helps to see the company's own competitiveness. By identifying own competitiveness, it gives more possibilities to outperform the competitors in a certain area of the market. Also, benchmarking makes it easier to ensure that services and product meet and exceeds the level what the market requires. It is important to notice what competitors are doing well. With this information, the company can consider is it necessary to compete in that area. Competing in the saturated or much competed area can raise the expenses, however it is possible that the competitor is still better and gets the customers. Also, it is important to identify what the competitors are not doing so well. That information gives opportunities to win market share in that area with less money than in harder competition. (White, 2018)

Competitor analysis can be conducted in many different scenarios. For example, at the beginning of service development or service productization. Creative service management suggests that the first phase of service development or service productization is the discovery phase. In the discovery phase, the company researches customers' needs and markets which includes competitor analysis creation. By discovering the environment, the company receives actual data of competitors' service offerings and customers' needs. Regarding that data, the company can develop better services than its competitors or productize the services to meet the customers' needs. In addition to analyzing competitors, the analyzed data should be also used to improve the service strategy to help in future service development and service productization. (Järveläinen, Lyytinen , & Lähteenmäki, 2020)

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When the company is conducting a competitor analysis it should keep in mind that everything competitors do might not be working, for example, a big company can spend thousands on Facebook marketing, it does not mean it is worth it. The competitors' manners of operation should not be copied when conducting a competitor analysis. If the company only copies its competitors, it will always be in the competitors' shadows. More likely the company should notice what can it do differently and better than its competitors. Companies should not consume too much time on competitors. Competitor analysis is a very useful tool, but it is more important to focus on customers after all. (Pono, 2018)

Companies can be creative in competing against competitors in the industry. Instead of learning from the best companies in own industry, the company can find better information and methods from another industry. For example, bank field is slow and retail field is fast. A bank can evaluate itself against a great retail company and learn basic methods from retail and adjust them into own business which can lead into phenomenal results. For example, Commerce bank's market value was 800 million dollars in the end of 1996 and in 2007 Commerce bank was sold for 8,5 billion dollars. (Taylor, 2007 ; Austen, 2007)

Competitor analysis can be used to find new opportunities in business. Analyses will help in finding:

- Market gaps

- New trends

- New ways of creating product and service offerings

- More customers

When competitor analyses are done routinely, it helps in running the business. (Turner, 2020)

4.2   How to Do Competitor Analysis

Properly conducted competitor analysis helps to identify the competitors, and their strengths and weaknesses. Also, it helps to notice who is a threat and who is not. Professionally conducted competitor analysis allows anticipating the competitors' next moves and allows differentiating from the competitors. (Wentworth, 2020 ; Kosaka, 2020)

The first step in conducting a competitor analysis is to identify top 3 to 5 competitors that are the biggest threat. The competitors should be picked wisely. For example, a small computer manufacturer whose customers are local, shouldn't analyze Apple. The competitors should be direct and threat to business. (McDuffee, 2017)

When the competitors are identified, they should be described. Here are gathered some questions what a company can think when gathering information about their competitors:

- Products and services: How the products and services are described? What features their products and services include? Does their offering meet what customers requires? How good quality their products and services are? How do they differentiate their products or services? (bdc, 2015)

- Pricing: Do they have discounts? How does their cost structure look like? How have they priced their products and services? (Estay, 2015)

- Positioning and branding: What makes the customers buy from them? Who are their customers? How do their website look like? Do they have marketing campaigns? (bdc, 2015)

- Market reputation: What do their customers and suppliers think about them? (bdc, 2015)

- Customer service: Do they have live chat? How many hours a day their phone support is available? (Estay, 2015)

An important step in conducting competitor analysis is analyzing the competitors' online presence. Nowadays products and services are usually found from the internet, if the website and search engine optimization are poor the buyer starts to look other options. One good way to analyze competitors' websites is HubSpot Website Grader. There can be noticed different kind of factors where a company can gain competitive advantage, for example, competitor's website is not mobile responsive. (McDuffee, 2017)

There are several tools to analyze competitors' keyword performance, for example, Semrush. By knowing the top keywords the competitors are using, the way they attract new customers is known. For example, if a competitor is ranking high on search engine result pages with a low paid keyword, it can be outbidded and the top spot can be taken. (McDuffee, 2017)

After knowing the competitors, the SWOT analysis can be conducted, which is described in the following subsection.

4.2.1   SWOT Analysis

There are different frameworks to help in conducting competitor analysis. The most used framework to support conducting a competitor analysis is SWOT, shown in Figure 5. Its idea is simple as seen in the following figure. SWOT analysis helps to identify a company's competitive advantage. SWOT analysis consists of strengths, weaknesses, opportunities, and threats. Strengths and weaknesses are the company's internal factors, for example:

- Brand reputation

- Capacity of employees

- Company culture

- Industry relationships

- Location (Kosaka, 2020)

Opportunities and threats are company's external factors, for example:

- Substitutability

- Demand

- Availability of financing

- Cost of supplies

- Political climate (Kosaka, 2020)

Figure 5.   A figure of SWOT analysis (CFI, 2020)

SWOT analysis as a part of competitor analysis is a good way to get familiar with the competitors. It can be hard to conduct a SWOT analysis on competitors but if that can be done it clarifies the competitiveness of the company and its competitors. The first part is to identify the competitors and then their strengths, weaknesses, opportunities, and threats. Because of SWOT can be hard to do, it shouldn't be done others than direct competitors who might offer a substitute product or service for the company's product or service. Identifying the competitor's sales process and channels helps to notice why consumers are or are not buying from them. (Workful, 2019)

4.2.2   Porter's Five Forces

Porter's (1979) five forces is an efficient tool to identify competitiveness in the industry. When the affecting forces to the industry are identified, the strategy can be adjusted accordingly. Porter encouraged organizations to examine their competitors' actions and factors that could impact the business environment. Porter identified that there are five forces that create a competitive environment. The forces are:

- Competitive rivalry, this force describes the number of competitors, who they are, and how strong they are. Where the competition is hard, suppliers and buyers can choose another organization. On the other hand, where the competition is not hard it is easier to be strong and get good profits.

- Supplier power, this force tells how many potential suppliers there are and how much it costs to change the supplier. If there are many suppliers to choose from, the prices are not so high. On the other hand, if there is only one supplier who can be chosen, it can charge more because it has no competition.

- Buyer power, this force describes the number of customers and their power to a company. If there are not many customers, and it is easy to switch to competitor's products or services, they have much power. The more customers a company has the power of the company increases.

- Threat of substitution, this force means that how easy it is for customers to do a company's service alternatively. If a substitution is cheap and easy to make it makes the company's position weak and it will make less profit.

- Threat of new entry, this force describes how easy or hard it is to enter the market. When the entry is easy and cheap, there may come many new competitors quickly. If the entry is hard, it is easier to keep a strong position in the market. (MindTools, 2017)

In the following figure is an example of Porter's five forces. The example is about Martin who is thinking of buying a farm. In the example, symbol "- -" means that the force is strongly against Martin, the symbol "-" stands for force moderately against Martin, the symbol "O" means neutral force, symbol "+" would mean moderately in Martin's favor and "++" would mean strongly Martin's favor, if there were +'s and ++'s. (MindTools, 2017)

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Figure 6.   An example of Porter's five forces (MindTools, 2017)

When conducting the Porter's five forces analysis a company can assess its position in the market. This gives knowledge to the company on how to adjust the strategy to be strong in the future. (MindTools, 2017)

4.3   Linking Competitor Analysis Findings With Service Strategy

Competitor analysis is a living document and it is important in strategic planning. It helps to identify the position in the market and opens an opportunity to discover strategic areas where are not that much competition. Competitor analysis assists in strategic decision making, because it allows the company to know own and competitors' strengths and weaknesses. (Morris, 2019 ; Pono, 2018 ; Expert Program Management, 2017)

4.3.1   What is Service Strategy?

A service strategy is linked to business strategy. The business strategy defines the frames for the service strategy and the service strategy is created to manage services and it defines what kind of services the company develops. The service strategy supports the business strategy and helps the company's business with good services and service management. As a part of the service strategy, the company must define its service offerings that they believe to achieve a competitive advantage, bring customers, increase revenue, and reach their goals. The following table briefly describes what a good service strategy consists of.

Sub-area	Description
Capabilities	The most important capabilities to develop and deliver services
Products	The most important technologies and products that are used in the company's services
Partners	The most important partners in service development and delivery
Offering	Offering of the services that the company believes customers want
Pre-conditions	Service-related policies and attributes

Table 2.   Content of a service strategy (Järveläinen;Lyytinen ;& Lähteenmäki, 2020)

The service strategy should be updated regularly. To keep the company's competitive advantage at a good level, the company must react fast to changing environment. The offering should always be up to date. (Järveläinen;Lyytinen ;& Lähteenmäki, 2020)

4.3.2 Benefits of Competitor Analysis to a Service Strategy

Competitor analysis allows the company to find a USP, which means a unique selling proposition or unique selling point. For a company USP is important because it helps the company to differentiate from the competitors, the distinguishing factor can be for example higher quality, a lower price, or a better customer experience. (Marketing Donut, n.d.)

Finding a USP allows a company to develop services that are designed to the target audience and where is not competition. Every USP is different, but its development can be written as a process. An example of the development of USP is illustrated in the following figure. (Kumar, 2021)

Figure 7.   Process of a USP development (Kumar, 2021)

In the first step, the differentiators are listed, and they should be specific. Breakout products are specific and solve the customers' exact problem. In the second phase, the competitors are being researched. The competitors and their USPs should be known. The goal in this phase is to find the market gaps where to offer own services or products. In the third phase, the unique angles of the company are being compared to customers' needs. The objective is to find out if there still are customer needs that have not been fulfilled. In the next phase, the data is gathered and used to find the strongest USP. In the last phase, a company should think about how it could apply the USP across the business. Applied properly, it can be useful in different areas of business. (Kumar, 2021)

In addition to a USP, a company can benefit from competitor analysis by avoiding mistakes. By studying competitors, a company can discover mistakes their competitors have made and learn from them to avoid the same mistakes. Also, market trends can be identified by analyzing competitors. By identifying the trends, a company can decide whether it follows the trends, opposes the trend, or ignores the trend. Market trends can steer the service development to differentiate from the competitors to improve sales. (Customer Care Ltd, n.d.)

4.4   Conceptual Framework of the Thesis

The conceptual framework related to the literature study is presented in the following figure.

Determine the competitive arena
(Porter 1979)
• Industry rivalry
• Bargaining power of suppliers
• Bargaining power of buyers
• Threat of substitutes
• Threat of new entrants

Identify and describe
(McDuffee 2017)
• Identify 3 to 5 competitors that are the biggest threat
• Describe their basic information, e.g. services and pricing

Conduct competitor SWOT
(Kosaka 2020)
• Strengths
• Weaknesses
• Opportunities
• Threats

Find unique selling proposition
(Kumar 2021)
• List of potential differentiators
• Comparison to competitors
• Data compilation
• Application

Figure 8.   The conceptual framework

The competitor analysis starts by determining the competitive arena. Porter's 5 forces is a good tool to get an overview of industry. Next step is to identify 3 to 5 competitors that are the biggest threat. When the competitors are identified, they can be described. SWOT analysis is a good tool when conducting competitor analysis. Strengths and weaknesses are internal factors and opportunities and threats are external factors. All these steps allow to find unique selling proposition. USP allows to develop services for target audience without competition.

The literature study described best practices to conduct a competitor analysis. It presented important subjects what to consider when conducting a competitor analysis. The literature study also offered tools to make a competitor analysis more efficient. The link to the strategy was covered and, in the end, a conceptual framework was built from the important aspects found from the theory. The framework above serves as the basis for the concept development in the next chapter.

5 Developing a Competitor Analysis Concept for Case Company Customers

The competitor analysis concept is developed in this chapter. The concept is developed based on the questionnaire, literature, and data 2 interviews. There were four interviews that gave the real-life experience of how the competitor analysis should be done. Each interview brought different answers to the questions and the interviews revealed various opinions about competitor analysis. Still, certain subjects kept coming up in the interviews, and mostly based on them the competitor analysis concept was developed. The concept allows service providers to conduct a professional competitor analysis and to link the analysis with service strategy.

5.1 Overview of Proposal

The development of the competitor analysis concept is presented in four stages. In the first stage presents the competitor tracking, the next stage covers the comprehensive competitor analysis which is based on competitor tracking. The connection between competitor analysis and service strategy is discussed in the third subsection. Finally, the overview of the concept is presented in the last subsection.

5.2 Competitor Tracking

The interviewees mentioned that it is important to be aware of competitors' actions all the time. Competitor tracking is continuous, but it should not consume too much time and effort. The competitor tracking documentation can be checked for example monthly, that the information is up to date. The time frame depends on the industry. Companies that operate in an industry where for example pricing changes a lot need to be more attentive than companies that work in an industry where does not happen sudden movements that much.

To keep the competitor tracking quick and easy, the documentation must be simple and consistent that the analyses between competitors are comparable. The documentation is easiest to keep simple and consistent by using a template. There is an example of a

competitor tracking template presented subsequently. Every competitor should not be analyzed because that takes much time and effort, 3-5 competitors that are the biggest threat to the business are enough. If potential new competitors are identified, would be recommended to take them on tracking for a while to monitor how their business is starting to work. The competitors should not always be thought as enemies, the competitor analysis can bring new partners to do business with.

The competitor tracking template is a living document that will be updated if there becomes changes in competitors' business that are interesting. The work needed can be reduced by marking the findings of competitors to the same document as before because there is no need to fill up the unchanged parts. The competitor tracking documentation should be stored in one place where they can be found easily if someone finds out some updates to the documentation.

Following competitors in social media and reading their newsletters give an overview of their companies and their actions. Still, that should not take too much time. A company should be aware that the posts are not necessarily the full truth, it is only the company's own perspective and its writing. It is good to monitor own distinguishing factors and what the competitors' offering looks like and notice the changes in their offering. It is important to react if the changes in the competitor's offering can be a threat to own distinguishing factors. Also, it is good to keep eyes open to other industries. Sometimes there can be found procedures that could work in own business also. It is better to examine the way of doing things than look at the great product or service, for example, Toyota's car manufacturing procedures are commonly used in other industries nowadays.

An example of a simple competitor tracking documentation template is presented in the following figure.

Name: Ville Mononen		Date: 11.3.2021		
	Our company	Competitor 1	Competitor 2	Competitor 3
Revenue	1M	50M	25M	Unknown
Employees	10	45	30	3
Principal service	ITIL training	ITIL training	IT4IT training	ITIL + IT4IT training package
Additional services	IT4IT training, AI training	AI training, Project Management training, Lean training, +5 other trainings	Lean training, AI training, Project Management training	None
Pricing	ITIL 4 course = 1500€, IT4IT = 650€	ITIL 4 course = 1750€	IT4IT = 700€	ITIL 4 + IT4IT package = 2500€
Strengths	Low price, high competence trainers = can teach multiple courses	Good looking and informative website, easy to enroll on a course	Good marketing campaigns, convincing in social media	Different type training than others, high competence trainers
Weaknesses	Only online training, only a few trainers = cannot meet the demand	Poor customer service, no higher-level courses	Poor website	Narrow offering, expensive
Other interesting information	Able to grow	No changes in the offering for long time	Bigger than us in IT4IT	New business
Threat against us		Bigger brand, big threat if they can lower their prices	Medium threat, better to monitor their actions and offering	Not big at the moment, must monitor how their business model starts to work

Figure 9.   An example of competitor tracking documentation

This figure is an example of simple documentation. The same template does not fit into every business. The template should not be too comprehensive, to keep the competitor tracking simple and easy.

5.3   Comprehensive Competitor Analysis

A competitor analysis is conducted when there is something new coming up, for example, a new service. Also, a deeper analysis of competitors is conducted to support strategy work. The intention of a comprehensive competitor analysis is to get to know the competitors better and deeper. The knowledge of competitors helps to ensure that there is no similar service in the market and there is a need for the new service and possibility

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for success, or in strategy work, it gives information about what the competitors are doing and which direction the competitors are aiming, which helps the planning of own moves.

As in competitor tracking, in a comprehensive analysis it is important to have coherent documentation. A template or another coherent documentation allows analyzing different competitors simultaneously by different employees, and the analyses are comparable. The competitor tracking documentation can be used as a base for deeper analysis. If the competitor tracking documentation is up to date, there is already an understanding of competitors and it saves time from more comprehensive analysis.

According to the interviews, one of the key points in competitor analysis is to be honest. Analyzing should be open minded and should not be based on thinking that one's own service or operation is perfect. The purpose of analyzing competitors is to learn what to do better and what to avoid. The advantage of analysis is gained by first getting to know the competitors and finding out the market gaps or other valuable information, then re-acting to the findings and using the findings in decision making. If there is a similar service in the market a company can add something into its service to make the price comparison incomparable. Avoiding direct competition is important especially for small businesses. Big businesses usually have a bigger chance to win direct competition.

The interviews brought up that customers have a big role in competitor analysis, they are the reason why competitor analysis is needed. Customer needs and requirements must be known when conducting competitor analysis. An example of a comprehensive competitor analysis template is presented in the following figure.

Target market	Technology companies that want to educate their employees
Customer needs and requirements	Mainly online training, prefer familiar companies, growing need for higher-level courses
Overview	**Competitor 1**
Revenue	50M
Employees	45
Principal service and its features	ITIL training, recorded classroom training, able to choose. Includes the test for certification
Additional services	AI training, Project Management training, Lean training, +5 other trainings
Pricing	ITIL 4 course = 1750€
Key competitive advantage	Brand image recognition
Porter's 5 forces	
Competitive rivalry	Many competitors on different trainings, not many competitors offer classroom training
Supplier power	Many suppliers, able to substitute
Buyer power	Many buyers, usually companies buy the courses for multiple employees
Threat of substitution	All competitors don't have possibility for classroom training, still quite easy to substitute
Threat of new entry	Trainings need to be accredited, trainers must be experienced, quite hard to entry
SWOT	
Strengths	Good looking and informative website, easy to enroll on a course
Weaknesses	Poor customer service, no higher-level courses
Opportunities	People want more training nowadays and in the future
Threats	Changing customer attitude towards their company
Other	
Trends	Planning to increase new technology
How well the offering meets the customer needs and requirements?	Well for customers who want entry-level courses, but not at all for customers who need higher-level courses
What makes the customers buy from them?	Well-known company, good website, easiness
What kind of customer service do they have?	Poor, only way to contact them is e-mail
Other interesting information	If they lower their prices, we can't compete in entry-level courses

Figure 10. An example template of a comprehensive competitor analysis

There are quite many questions to answer in the template, but a big part of them are already answered in the competitor tracking documentation. The connection between competitor analysis and strategy work is discussed in the next subsection.

5.4   Linking Competitor Analysis Findings with Service Strategy

Based on the interviews, the conclusion is that often competitor analysis is conducted only during strategy work, although competitor tracking should be done continuously. It is as important to know competitors' actions in everyday work as in strategy work or service development. The competitor tracking gives a good understanding of competitors. The findings of competitor tracking can be used as a base for comprehensive competitor analysis which can be used to support strategy work and decision making. A competitor analysis helps to identify what kind of services are needed, and what direction the competitors are heading.

Even though conducting competitor analysis is important, the competitor analysis should not steer the business. A company must have own vision and do actions that defines the

market. The competitor analysis should be used as a support. If a company focuses too much on competitors, the company's own operation will be a mess.

5.5   External Service Provider vs. Internal Service Provider

From the interviews were found out that the benefits of conducting competitor analysis are clearer to external service providers because they do business with their services and the services must be better than competitors. Internal service providers support the company's business and they try to offer as good services as possible to help the company achieve the business goals.

The internal service providers can improve their services and operation by knowing what other service providers in the same field are doing. Especially the competitor tracking can be useful, there can be found new aspects on how to improve own service development and delivery. When other companies in the industry are familiar, there can be found trustworthy companies that might be useful if there is a need to buy a service or a part of service outside of the own company. Also, the more comprehensive competitor analysis can give guidelines on what direction the service offering can be developed.

The benefit of conducting competitor analysis for external service providers is to do better business than the competitors. The concept gives the tools for efficient tracking and analyzing the competitors. The competitor tracking allows the companies to react quickly on competitors' actions. The more comprehensive competitor analysis helps in developing better services than competitors and finding the gaps for new services.

5.6   Summary of Proposed Competitor Analysis Concept

The proposed competitor analysis concept, shown in Figure 11 is mainly based on competitor tracking. The competitor tracking documentation must be kept up to date because it keeps up the understanding of competitors and their actions are noticed faster. The comprehensive competitor analysis becomes easier to conduct when there is already some up to date information of competitors and understanding of them. The concept is presented in the following figure.
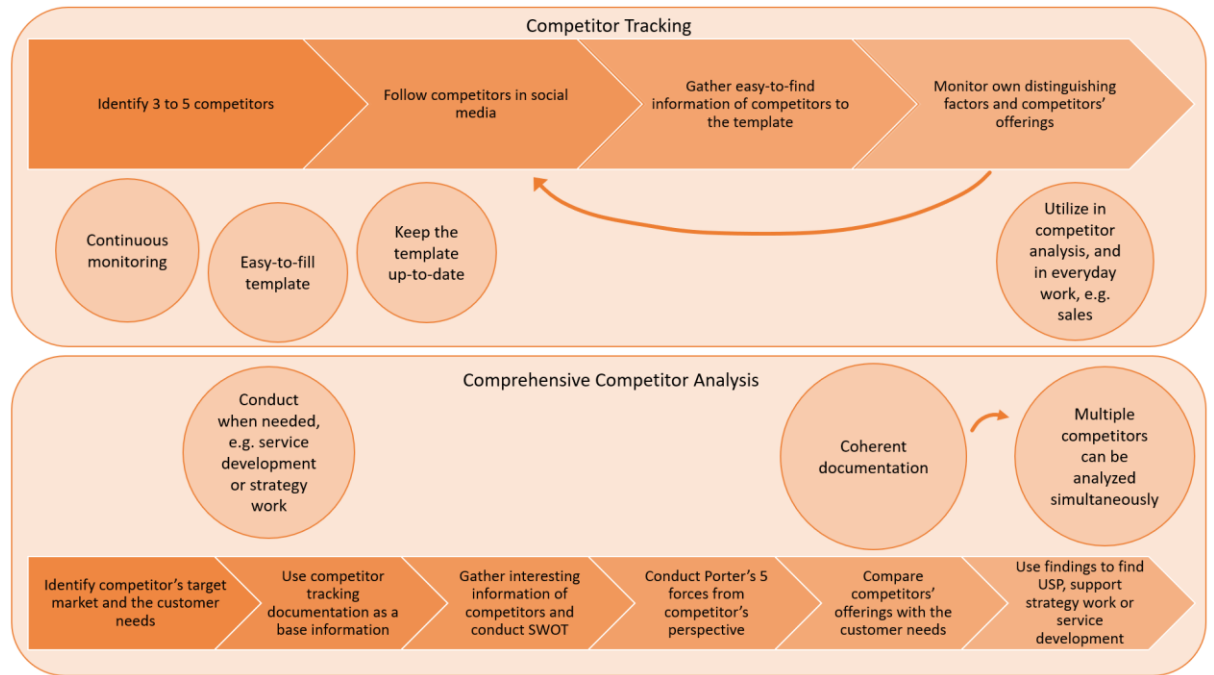
Figure 11. The competitor analysis concept

This figure illustrates the competitor analysis concept. The processes of competitor track-
ing and comprehensive competitor analysis are pictured. Competitor tracking is continu-
ous, and it serves as basis for comprehensive competitor analysis. Competitor tracking
is conducted on an easy-to-fill template which is a living document. When the more com-
prehensive analysis is needed, its template can be partly filled with the information from
the competitor tracking documentation.

6   Discussion & Conclusions

This section summarizes the thesis, there is discussion about recommended next steps for the case company, and there is also an evaluation of the thesis.

6.1   Executive Summary

The objective of the thesis was to establish a competitor analysis concept to guide Justin's customers in conducting a competitor analysis and in linking the analysis findings with their service strategy. The case company had noticed that their customers were sometimes struggling with competitor analysis. The thesis was carried out to help Justin to provide better tools to their customers for conducting competitor analysis.

The thesis consisted of six sections. The first section was introduction, there were discussion about business context, business challenge, objective, outcome, and thesis outline. The second section was the project plan, which included the research design. The current state analysis was conducted in third section, and it was done by interviewing the case company and by a questionnaire.

The fourth section was theory, which included tools and instructions on conducting a professional competitor analysis based on literature. The outcome of the fourth section was a conceptual framework which was a base for next section. The fifth section was the development of the concept. The development was based on the outcomes of the CSA and the CF. The outcome was a competitor analysis concept that includes competitor tracking, comprehensive competitor analysis and their relations to service strategy.

6.2   Recommended Next Steps for the Case Company

The case company could include the basic idea into its digital service catalog training to give customers knowledge and tools for conducting competitor analysis. It would help the customers to develop their services and service offerings. The concept could be included in consulting services and the consultant could modify the templates to fit into the

customers' needs. Also, it is recommended to implement the concept into Justin's own operation.

The concept could fit into the new version of the creative service management book. The concept would extend the existing part of competitor analysis in the book and the benefits of the competitor analysis would be better available for the readers.

The concept is quite easy to implement because there is only a model of how to conduct a competitor analysis and example templates which can be taken into action without bigger risks.

6.3   Evaluation

The business challenge was that the case company's customers were struggling with conducting a professional competitor analysis. The thesis gives guidelines and tools to conduct an efficient competitor analysis. Current state analysis findings gave information what are the biggest challenges in conducting competitor analysis. The service providers' responses to the questionnaire were in mind while developing the concept. The literature offered tools and information on how to conduct competitor analysis. The literature allowed to build a reasonable conceptual framework, albeit a little narrow. The developed concept is relevant to the case company. The case company can use the concept in their training to help their customers in conducting competitor analysis.

The outcome of the project meets the objective of the project. The objective was to establish a competitor analysis concept to guide Justin's customers in conducting competitor analysis and in linking analysis findings with their service strategy. In addition to guidelines and tools, the concept offers two templates and describes the connection with competitor analysis and service strategy. There are links between sections that helped to create the next section. Especially, the literature and conceptual framework worked as a base for the concept development. Also, the current state analysis gave guidelines on what service providers want from the competitor analysis concept.

The choices made throughout the project were based on many sources of literature, and recurring points in the interviews and questionnaire. The internal service providers' competitor analysis benefits developed only through the interviews because there was not literature found regarding internal service providers.

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