

# Market Research Meets Competitive Intelligence

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# What is CI?

The research discipline that legally gathers business information and:

- transforms it into accurate and usable knowledge about competitors' strategy, position, performance and intentions
- provides insight into competitors' structure, culture, behavior, capabilities and weaknesses.

## What is CI?

The capturing, synthesis, and analysis of information about the competitor's:

- Organization and structure
- Products,
- Distribution channels
- Pricing
- Manufacturing costs and procedures
- Strategic & Tactical Initiatives
- New product development programs
- Financial performance
- M&A strategy
- Local & global strategy
- Marketing & Sales

# Why Now?

- Markets for goods are increasingly concentrated, increasing the rewards of market share
- Markets dominated by a few firms which strongly compete between themselves
- Increased need for joint ventures, strategic partnerships and cooperation.

# Comparison to Market Research

- Market research has
  - Been established for nearly 100 years
  - Established quantitative and qualitative methods
  - Performance measures (N = sample sizes)
  - Standardized project objectives, methodology, research design, and deliverables
- Competitive Intelligence
  - Established in 1970s/1980s
  - Few quantifiable results
  - Fluid research methods
  - Been evolving as a research discipline
  - Become an accepted practice

# Questions to be Answered by CI Research

- CI research and analysis seeks to answer the following:
  - What is their strategy (e.g. domestic, international, in select markets, etc.)?
  - What new products/technology are competitors developing?
  - What is their strategy re price, placement, promotion.
  - Have they developed strategic alliances/JV partners, etc.?
  - What are their prices/financial performance/operating costs? (This is usually the most difficult information to obtain)
  - What factors could impact our market share or increase theirs in the next five years?

# CI= Qual Research Methods + Tightened Focus

- Since the objective of CI studies is to obtain sensitive but public information, CI researchers needs highly skilled in telephone, face-to-face, or in-depth interviews.
- The best researchers are:
  - knowledgeable about the industry, product categories, and technology, and are
  - able to engage the respondent in an open conversation.

# CI = Qualitative Research Methods

- The CI Interview:
  - Is not a traditional market research interview; interviewers engage the respondent in a conversation
  - Does not “directly ask” the questions to the respondent due to the sensitive nature of the dialogue
  - Interviewers use elicitation techniques to offer industry expertise and opinions -- and probe for information

# Our CI Qualitative Research Methods (Cont'd)

- While the CI (hard copy) questionnaire may resemble a traditional market research in-depth interview, the actual execution of the interview is an “art,” depending on the approach and skill of the interviewer.
- The analysis is similar to piecing a puzzle together. Rarely, does one interview generate the required information.
- Generally, several interviews throughout an organization are necessary to obtain information.

# CI Recruiting ≈ Qualitative Research

- Recruiting methods in CI research require interviewers to “navigate” throughout the organization to find the appropriate person
- We recommend interviewing 2-3 people from different departments in a company
- Speak with anyone with knowledge of the targeted company(ies), issues, products, etc.
  - Industry Experts, Associations, Press, Clients, Suppliers, Govt.

# CI Techniques ≈ Qualitative Techniques

## ■ Overview

- Position the respondents as “thought leaders” rather than interviewees.
- Establish professional dialogue to encourage an exchange of intelligence
- Expect respect for your input as you have a finger on the pulse of the industry sector

# Competitive Intelligence Interviewing Techniques (Cont'd)

- Establish credibility
- Offer “tradeables” e.g. Executive Summary
- Use open-ended interviewing techniques
- Follow-up

# You Have This In-House Already

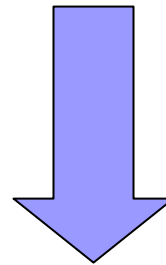
- Your Go-to People
  - Your Panels
  - Past Clients
  - Partner Agencies

# Other CI Methodologies

- Competitive Literature
- Product Samples
- Technology – Product Development
- Profiles of Key Executives in the Company

# The Integration of Market Intelligence and Market Research

Traditional Market Research



**NET RESULT: "Strategic Intelligence"**

# Conclusion

- Market and business intelligence have increased in demand
  - Recession Resistant
- Market intelligence needs to be integrated with traditional market research
- The value of this integrated approach must be explained to – and therefore sold to – the client.

# In Sum ...

- We/you/all of us already have untapped CI capabilities in house.
- We could all use these capabilities to add value to projects and to upsell services.
- Find your comfort level with CI, try a “finger exercise.”
- CI can be a brand and service enhancer.