

# MARKET INTELLIGENCE

Status Quo, Critical Reflection & Recommendations



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# STUDY OBJECTIVE

## Understanding the Market Intelligence Challenge

Many organizations and entrepreneurs report frustration, stress or even a waste of their time, when addressing the topic marketing intelligence.

Reason enough to investigate this topic in more detail by speaking to 20 top managers in large Austrian organizations (from diverse sectors like Retailing, High-Tech, FMCG, Banking, etc.).



"After careful consideration of all 437 charts, graphs, and metrics, I've decided to throw up my hands, hit the liquor store, and get snookered. Who's with me?!"



# OBSERVATION 1

## Mostly random or routine activities – rarely embedded in strategic processes

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*We have too much information – the right hand doesn't know what the left hand is doing. Additionally, there is information that we acquire because we have acquired it for years, although actually nobody looks at it.*

“

If information requirements are not resulting from strategic objectives (e.g. a desired position, potential innovations, expansion), top management rarely knows who in the organization collects and uses which type of information. This leads to a lack of awareness which information is needed and potentially available.

Much data collection is a result of long-standing practice. What is established, rarely gets questioned.

No wonder market research has the dubious reputation of producing loads of data that is often either too unspecific or detailed to help decision-making.

Where strategic decisions guide data collection, such routine and likely less valuable activities can be identified and changed.

This frees up budgets to cover more urgent needs in the information landscape.

More coordination between information collection and strategic decision-making will enhance the perceived contribution of market research to organizational success – because information is able to respond to actual needs.

However, such an approach requires constant updating of the information map – based on the strategic value of all information gathering activities.



## OBSERVATION 2

### A Myth: “We know a lot because our people are close to the market“

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*Each of us travels the world with open eyes and ears.*

“

Many organizations find relief in the belief that employees walk around with attentive eyes and ears. This internal focus creates a false sense of security.

Employees, for example in sales, will no doubt communicate what they deem useful, but are likely to be tacit about unpleasant facts.

In addition, information collection by market-facing staff is likely to focus on operative issues only.

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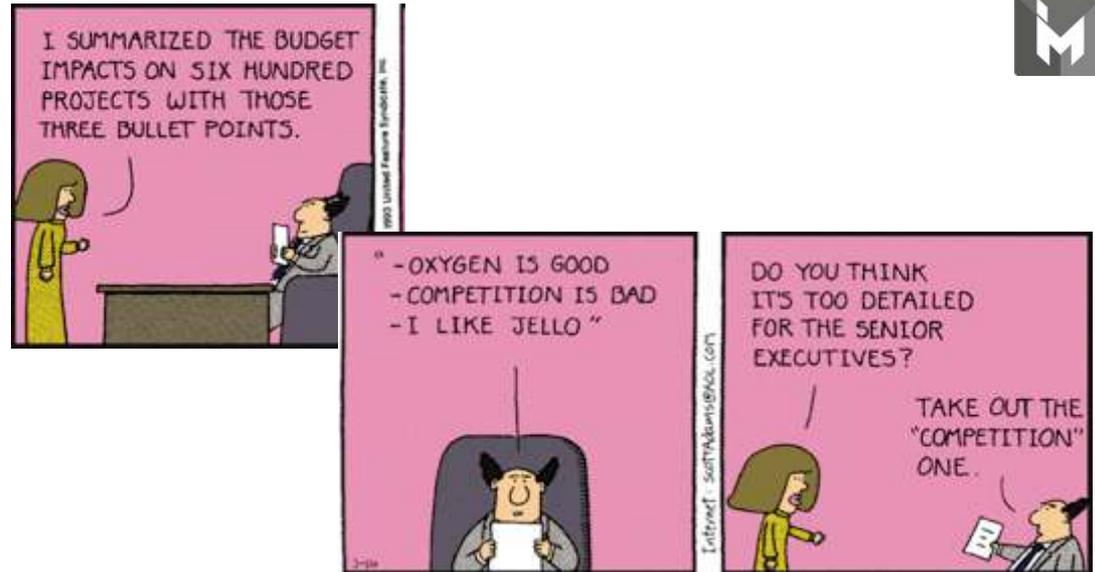
In addition, information collection by market-facing staff is likely to focus on operative issues only.

No surprise organizations are surprised a lot. Being surprised is worse than erring – from the latter one could at least learn.

A structured and planned marketing research approach might allow the marketing research function to attain a status comparable to controlling – a return on marketing understanding to prevent a trip without map or direction.

## OBSERVATION 3

### Informed employees make an informed organization – right?



Frequently attempts to improve knowledge gathering and dissemination, or at least its storage, via the installation of complex knowledge management systems fail. This failure is either a consequence of user-unfriendly systems or low regard for information: employees perceive data management as a pain in the a\*\*.

Usually it is exactly this group of persons that is extremely busy and lacks the time to effectively disseminate their knowledge.

Most organizations lack a structured process which provides easy storage, access and dissemination of the knowledge held by few individuals.

Often it is only coincidence that their knowledge becomes available to others in the organization.

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# OUR SUGGESTIONS

## Suggestion 1

### Strategic objectives must guide information needs

Imagine

1. a repositioning: market information must help to understand customer expectations, or identify how one's own capabilities compare to competition.
2. geographic expansion: information about potential target markets and resulting requirements must help to evaluate organizational capabilities.
3. a technological innovation: information must concentrate how the idea matches (latent) needs and which factors would enhance adoption.

## Suggestion 2

An **information map** which details info needs, relevant sources and methodology, must be drawn and regularly questioned:

- Which type of information do we really need – how detailed, how often, how recent?
- If we have this information, for which decisions does it help?
- Who is in charge of collecting the information?
- Which internal stakeholders are the recipients of this information and how should the information be delivered to allow quick and effective action?

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## Suggestion 4

### **Tracking how important stakeholders perceive the organization (and/or its brand)**

is the foundation for effective steering of a company.

While for many organizations activities to monitor customer satisfaction or observe competitive activities enjoy high importance, the tracking of brand equity is a surprisingly rare and often undervalued topic in the sphere of strategic information.

In light of the enormous value a strong brand delivers we advise organizations to focus much more on the continuous tracking of their brand's equity.

## Suggestion 5

**IT-Systems** can support, but are no sufficient condition to deliver useful strategic information. They are only as valuable as what they get fed.

They can add value in structuring strategic information, recognizing data gaps and retrieving specific data efficiently (e.g. via wiki-entries that allow comments, dashboards which contain decision- or steering-focused KPIs and internal sharing mechanisms to communicate important news).

But no IT system can replace informal, personal exchange between people holding information – organizations need to foster a culture and provide opportunities to guarantee creativity, seeding and critical questioning.



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