



Business/Marketing Virtual Learning

11-12 grade College Business

May 22, 2020



Lesson: [May 22, 2020]

Objective/Learning Target:

Market Competition

Describe how businesses collect market intelligence.

Let's Get Started

Watch this Video:

[Competitive Intelligence](#)



Collect Competitive Information

In order to compete with other businesses, a company needs to find out all it can about those competitors. Athletic teams have used scouts for many years. They attend the competitors' games to analyze their strategies, tactics, strengths, and weaknesses. The information is used to prepare their own teams to be more effective competitors. The same is true in business. In order to compete effectively, businesses take a number of steps to learn as much as they can about their competitors. The process in business is called gathering market intelligence.

Market intelligence is the process of gaining competitive market information. As a part of their marketing information systems and marketing research procedures, businesses determine:

- 1) the types of competitive information they need
- 2) the best sources for each type of information
- 3) the procedures they will use to obtain and analyze the information

They then incorporate the information into their marketing planning.

Collect Competitive Information

Information Sources

Businesses engage in the following activities to gain information about the competition:

- 1) Instruct salespeople and other employees to be alert to information about competitors' products, prices, and anticipated changes.
- 2) Purchase and analyze competitors' products. The business can use the information to make product changes and recognize the areas where the competitive products have advantages and disadvantages.
- 3) Collect and study newspaper and magazine articles, government and university research reports, and other public information on competitors, new product research, and marketing trends. Companies may use employees or hire information services to collect and summarize the latest industry news.
- 4) Attend trade shows. Trade shows are exhibitions where companies associated with an industry gather to showcase their products. Vendors attending the trade show can gather information on what competitors are displaying and listen to customer opinions on the latest products.

Collect Competitive Information

Information Sources (continued)

- 5) Subscribe to professional association and trade group publications and special research reports.
- 6) Study customers and customer records. Businesses can learn a great deal about the competition by gathering information from customers.
- 7) Use the Internet. The Internet is becoming one of the best sources of current competitive information. Company websites provide a great deal of information intended for customers and investors, but the information also is useful to competitors.

Businesses do not collect competitive information randomly. Large businesses have staff responsible for working with market intelligence and conducting marketing research, including research on competitors. Their objectives are to identify the strengths and weaknesses of key competitors, assess their current marketing strategies, and predict their future actions.

Collect Competitive Information

Ethics in Information Gathering

Some individuals and companies have used unethical methods to obtain information. It is not always easy to determine whether or not a method is ethical. However, the usual standard is that if a competitor has information it considers to be private and does not disclose to people outside the business, obtaining and using that information would be unethical.

In the same way, obtaining information through false pretenses or by accessing data from restricted locations is unethical. In some instances, it also may be illegal.

Unethical actions might involve coercing a customer or supplier to provide competitive information. More complex and illegal activities are attempting to access private areas of a company's electronic data system and attempting to bribe an employee for access to private information.

Companies should communicate their expectations about the confidentiality of information to employees, suppliers, and customers. Many companies include guidelines in their codes of ethics about sharing information with others and obtaining and using competitive information.

ACTIVITY #35

- 1) What are some of the best sources of market intelligence?
- 2) What do you think would be the main benefit to marketers attending a trade show?
- 3) What is the term for the process of gaining competitive market information?
- 4) Why is the Internet a good source of finding current competitive information?
- 5) You just made a new friend who works for a competitor. Your friend does not know where you work and talks about her job and company a lot. She has shared a lot of information that you think would help your company and are considering sharing it with your boss.
What would be the ethical thing to do in this situation?