

2019 STATE OF COMPETITIVE INTELLIGENCE

The Latest Best Practices, Challenges, and Opportunities
in the Market and Competitive Intelligence Field



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INTRODUCTION

The market landscape is getting more competitive every day.

It seems that each day, new competitors are popping up, jockeying for customers and attention. It becomes harder and harder to get ahead and stay ahead in an ever-changing landscape. Enter competitive intelligence - the field dedicated to tackling the dynamic movements occurring around our businesses and aligning our companies in a way to take advantage of competitive insights and opportunities. This field of competitive intelligence is just as dynamic as the markets it serves - new data sources, new analysis frameworks, and new stakeholder demands mean that competitive intelligence professionals are constantly reinventing their processes and practices.

The State of Competitive Intelligence Report was launched with the goal of surfacing the best practices, the challenges, and the trends in the competitive intelligence field for all of the businesses trying to tackle this today. This second annual report, the largest study on the field of competitive intelligence, brings together responses from more than 1,000 competitive intelligence professionals. They shared their goals, their processes, and their challenges related to helping their organizations gain and keep a competitive advantage. By sharing their responses, we hope new and experienced competitive intelligence peers alike can grow in their roles and better enable their teams to succeed.

What is Competitive Intelligence?

Competitive intelligence (CI) is the field dedicated to capturing, analyzing, and driving action related to a company's competitive landscape. Competitive intelligence data includes anything and everything about a company's competitors - their businesses, their movements, and their strategies. This field can go by many names - from competitive intelligence to market research to business strategy. At the end of the day, when we discuss competitive intelligence, we are referring to leveraging information from a business's market and competitors to help a business gain a competitive advantage.

State of Competitive Intelligence Survey

The State of Competitive Intelligence Survey was open December 2018 to January 2019 and yielded more than 1,000 responses. Responses ranged from full-time CI professionals to professionals who do CI as part of their role to CI stakeholders across the business who consume CI deliverables. Each chapter of this report dives into different areas of the competitive intelligence field - company investment, goals and metrics, results experienced, and more. Learn what top professionals are doing today and how they're innovating in the new year.

Executive Summary

The State of Competitive Intelligence 2019 focuses on trends in CI investment, goals and metrics, the CI process itself, and results experienced as a result of CI practices.

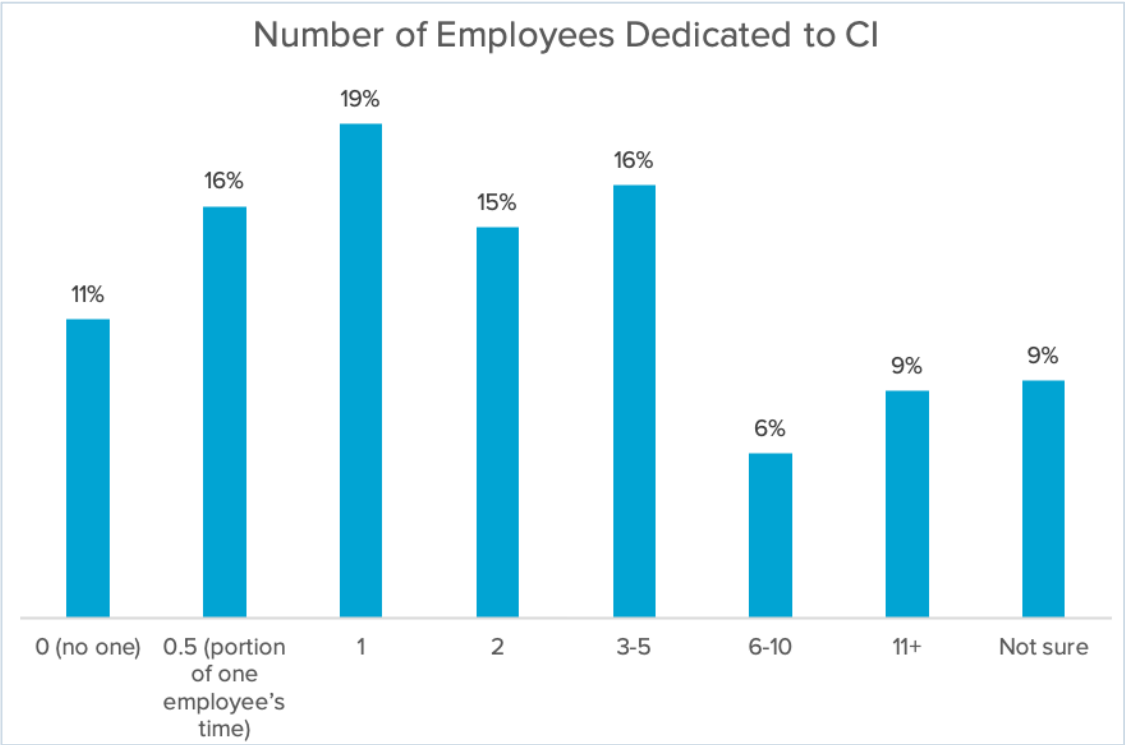
Key findings include:

- More and more businesses are investing in CI as a specified function. 80% of businesses have at least a part-time employee working on CI, up from 76% last year. And increased investment comes in the form of program budget as well, with 40% planning to increase their CI budgets this year.
- Markets are more competitive than ever. Businesses reported an average of 25 competitors in their market. 87% shared that their market has become more competitive in the last three years, and 49% said it has become *much more* competitive.
- When it comes to sharing the intelligence gathered, traditional communication methods are still the business favorites. 79% share intel by email and 62% share intel live, in meetings.
- The top use cases for CI included improving marketing performance, enabling sales, and informing product strategy. Many CI professionals are leveraging their efforts to support these top three stakeholders.
- Benefits of a successful CI program are wide-reaching. 91% report they have seen quantitative benefits and 95% say they've seen qualitative benefits.
- One of the biggest factors that leads to CI impact? Sharing intel frequently. The more frequently intel is shared, the more likely a business was to see revenue increases as a result of their CI program. Those who share intel daily are 84% more likely to see a revenue increase than those who share intel on an ad-hoc basis.
- At the end of the day, 96% of businesses agree that CI is critical to the success of their organization. Respondents from all departments and levels overwhelmingly agree with that sentiment.

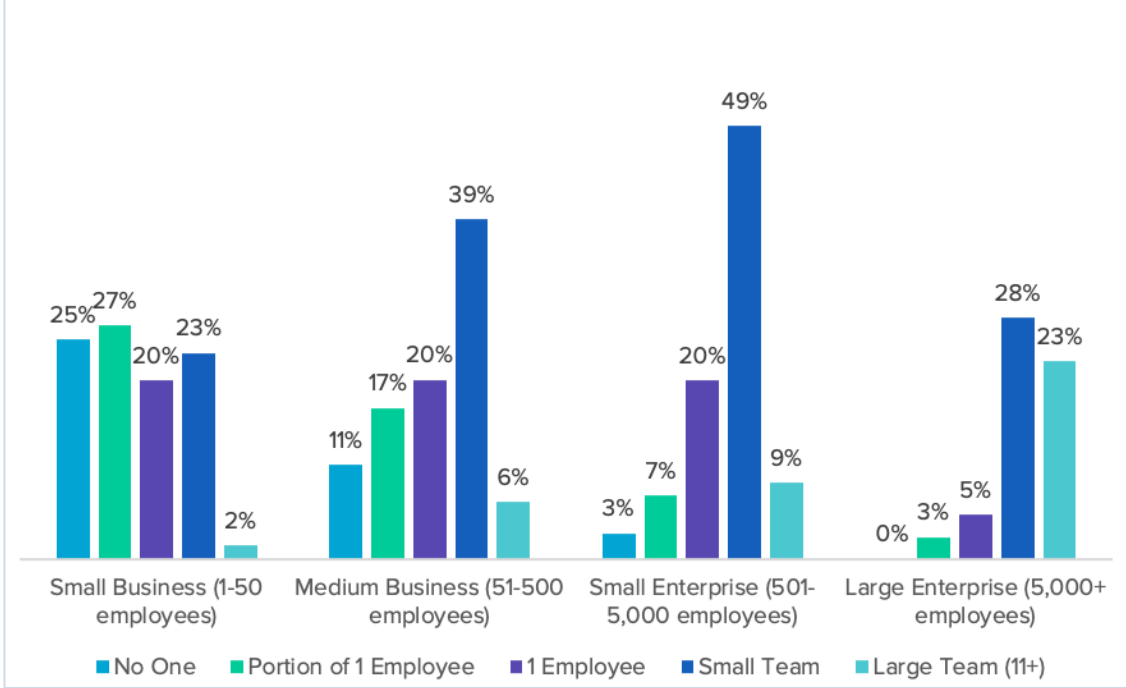
2 INVESTMENT



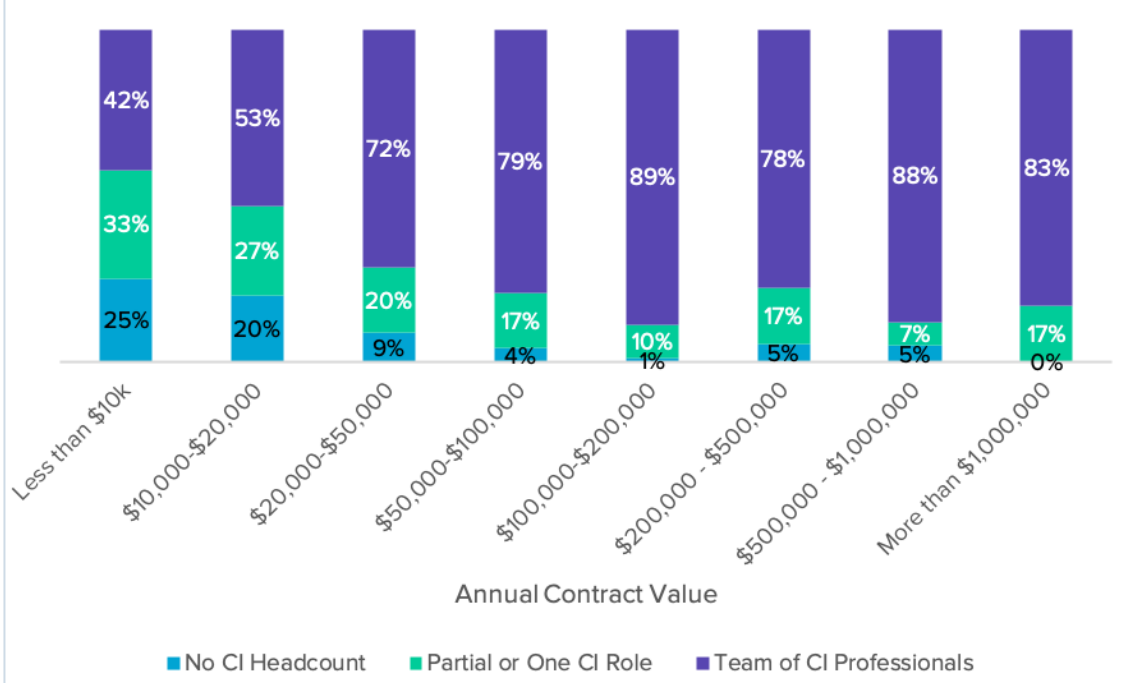
Businesses rely on teams of varying sizes to tackle competitive intelligence. About a third of businesses (34%) have one employee or a portion of one employee dedicated to CI, and another 31% of businesses have teams of three or more focused on this area. Employee investment is significantly influenced by the size of the organization - the larger the business, the more likely that they've built a CI team. At least 50% of businesses with more than 500 employees have a team of CI professionals, while a similar majority of small businesses (fewer than 50 employees) did not even have one full-time CI employee. And the larger the sales deal size (annual contract value), the higher the likelihood of CI investment to ensure winning those competitive deals.



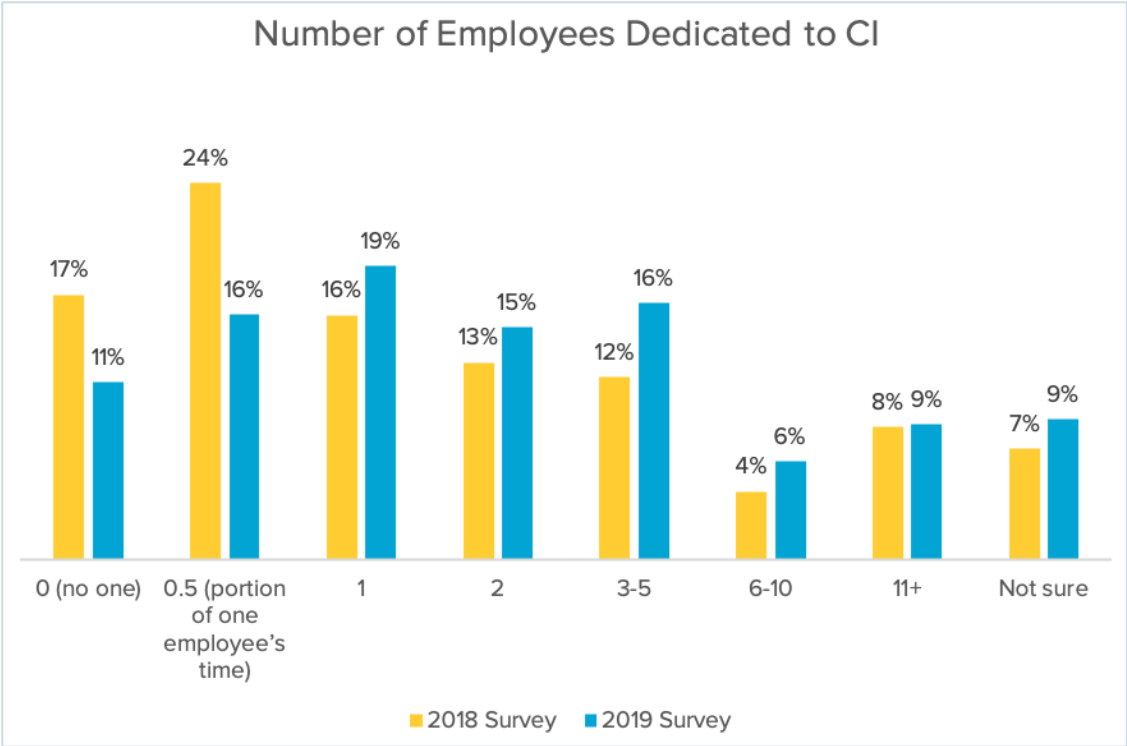
Number of Employees Dedicated to CI by Size



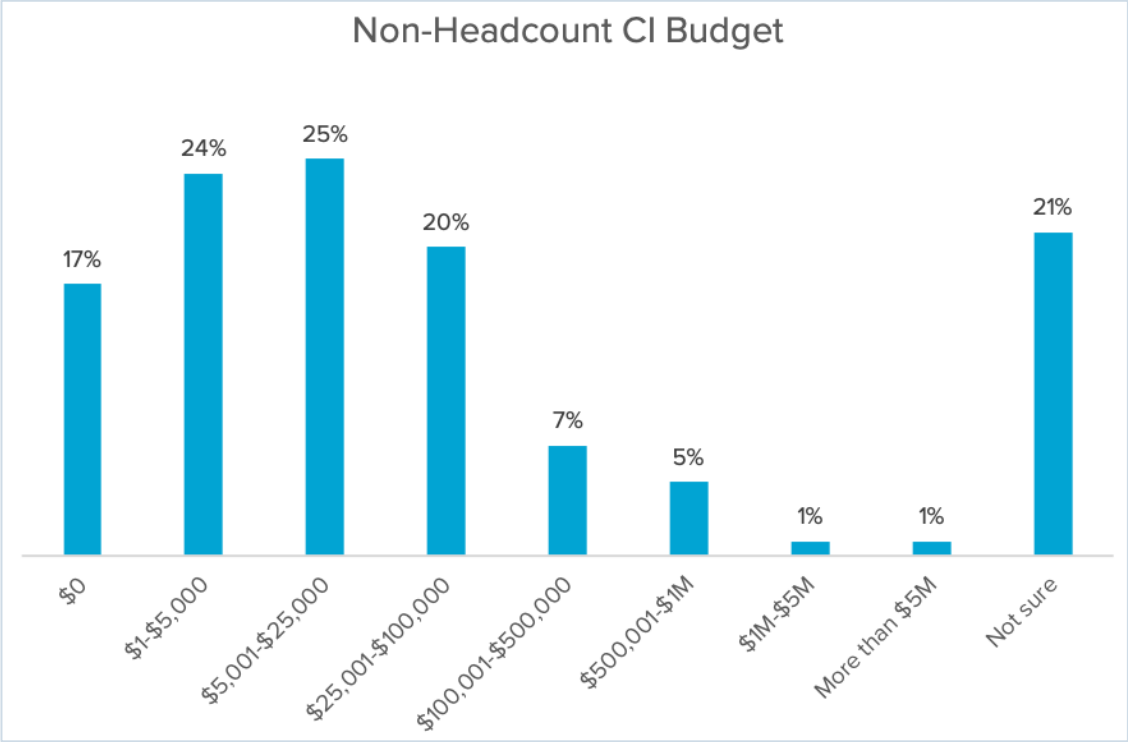
Number of Employees Dedicated to CI by ACV

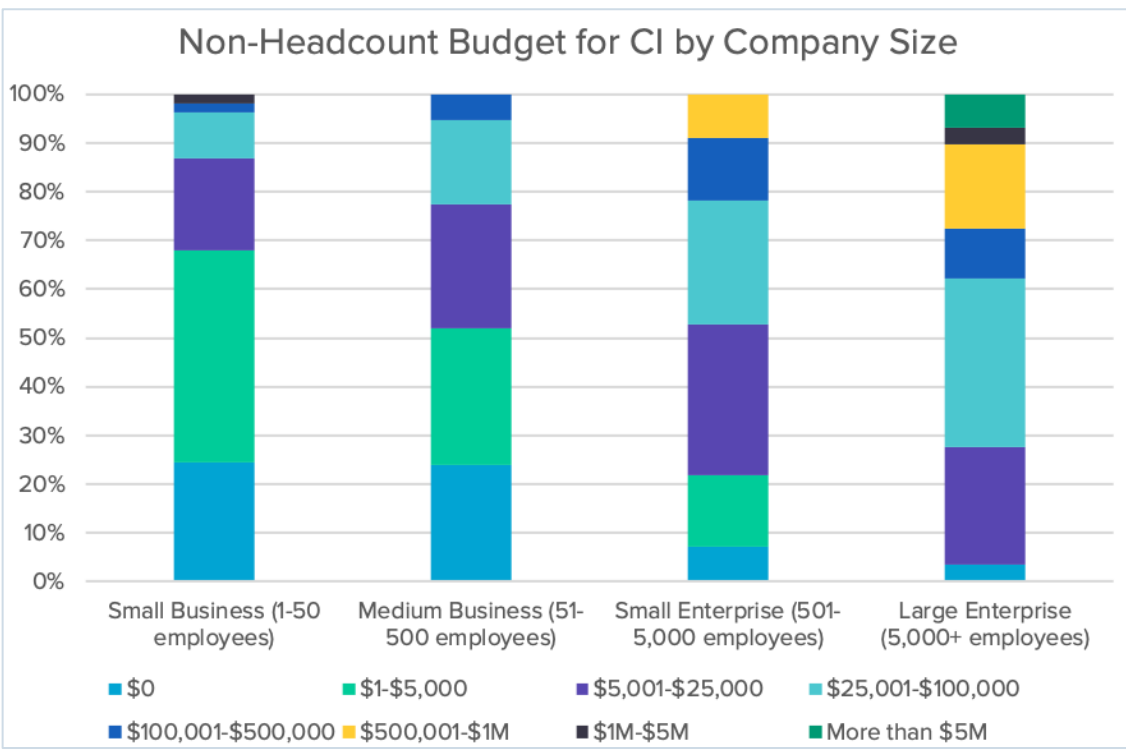
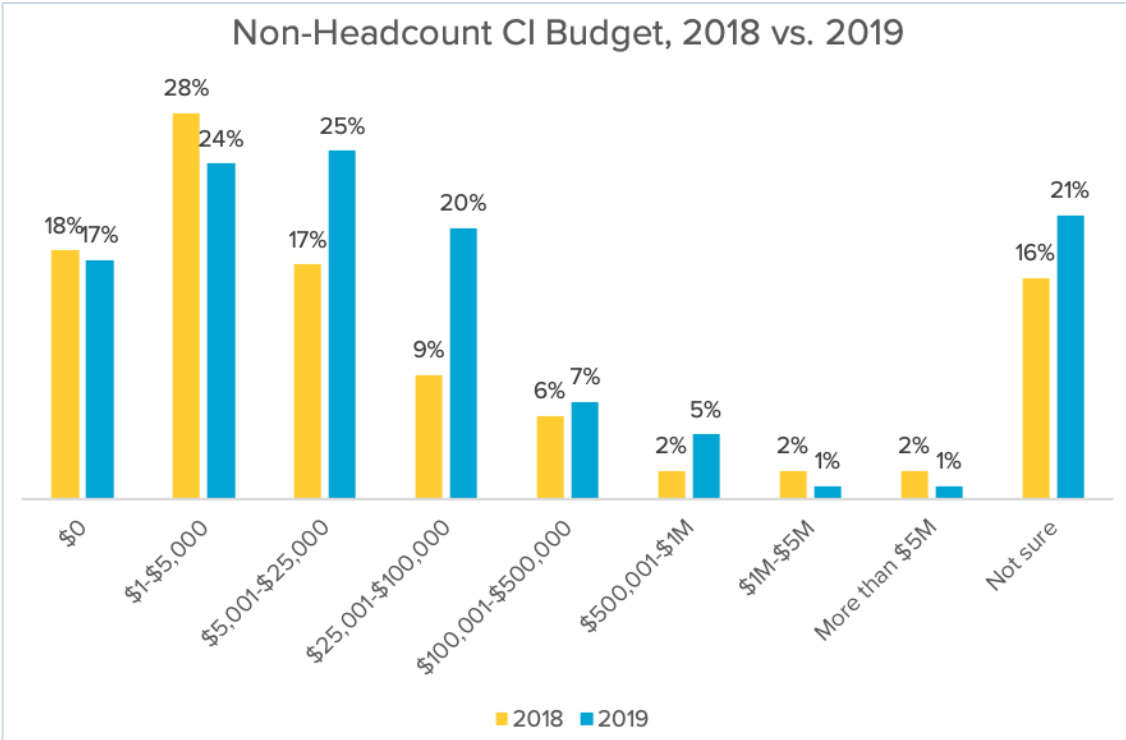


More businesses are creating CI roles and teams than before. In 2018, 76% of businesses had at least a part-time employee working on CI, but in 2019 this has increased to 80%. In 2018, 52% had dedicated CI headcount and 37% had dedicated CI teams, but in 2019 this has increased to 64% and 46% respectively.

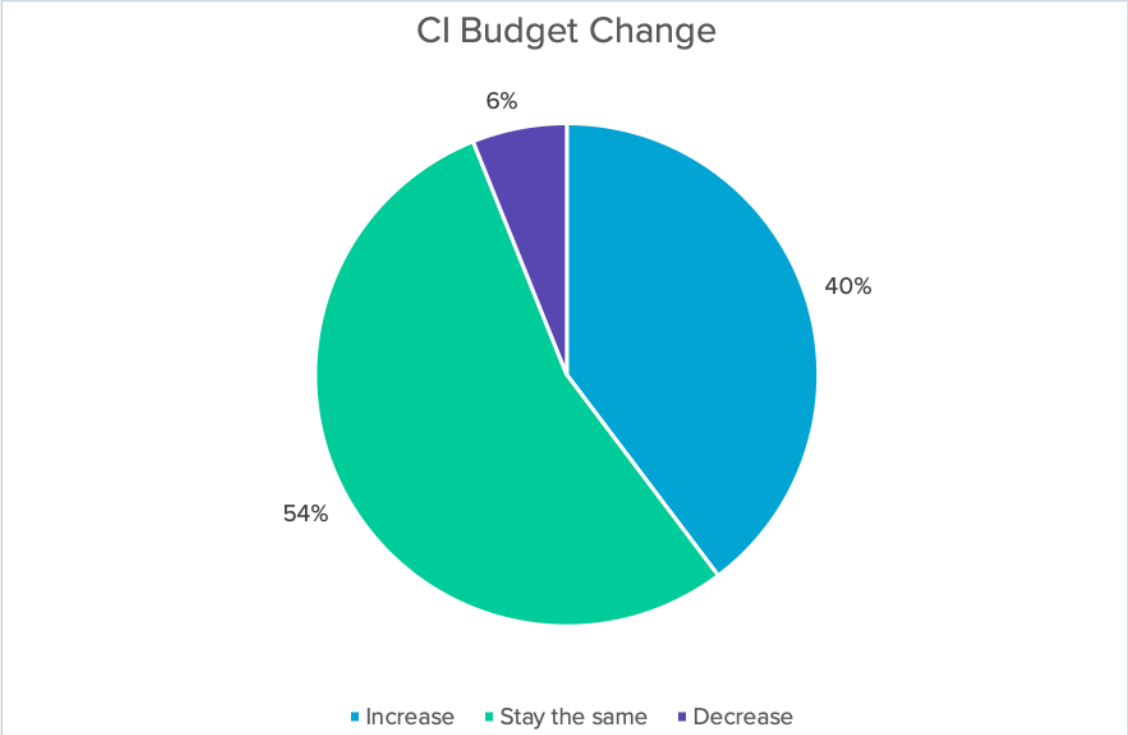


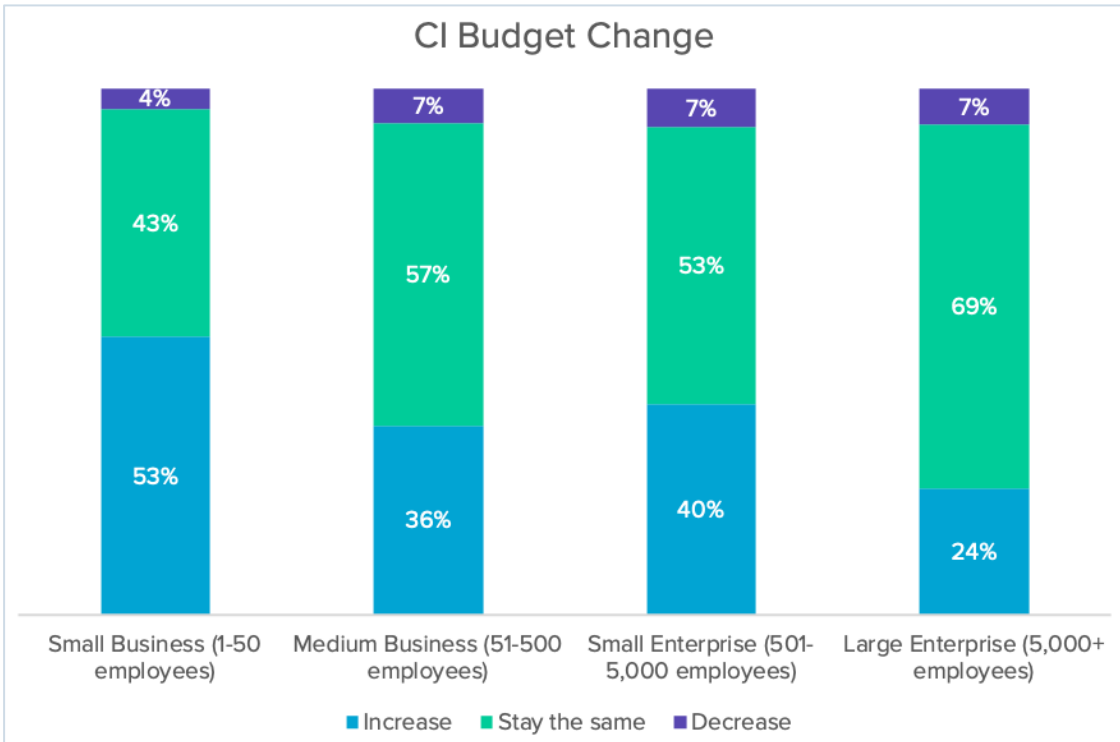
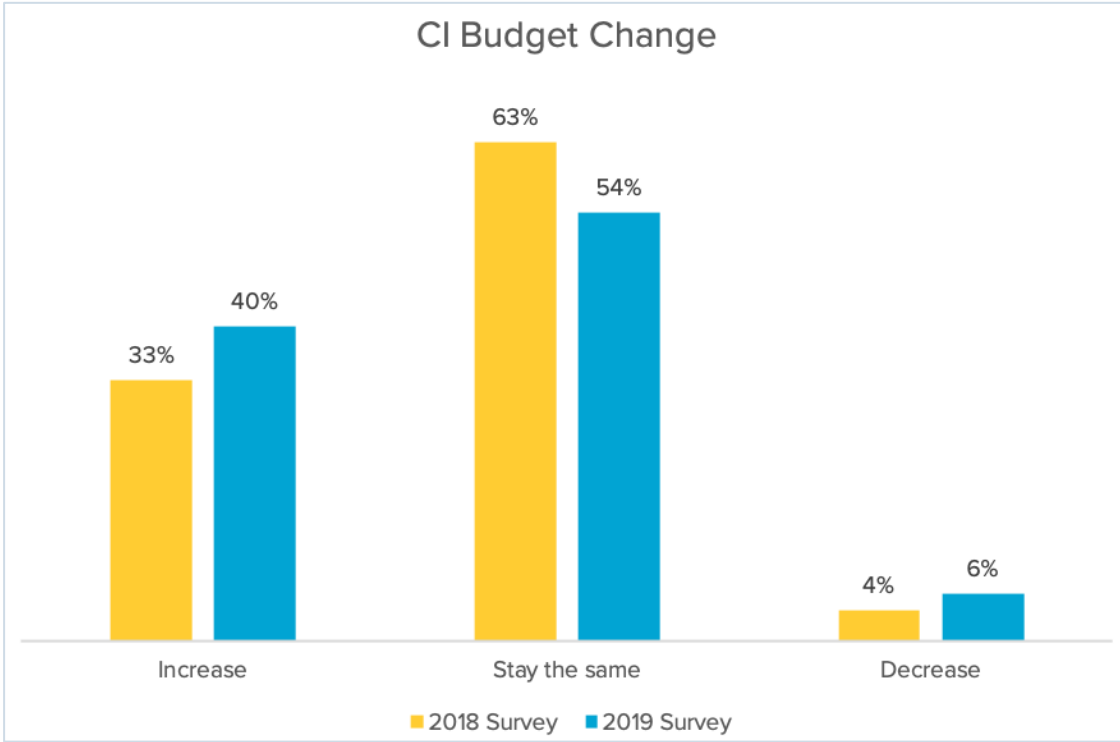
The trend of increased investment in CI is mirrored in non-headcount budget as well. Nearly half of businesses are spending \$5,000-\$100,000 annually, up from a quarter of businesses in 2018. Not surprisingly, the size of the business once again plays a role in the level of CI investment, with the majority of small businesses spending \$5,000 or less and the majority of large enterprises spending more than \$25,000.





Budgets continue to increase, with 40% saying that they plan to increase their CI budget this year. This represents accelerated growth from last year, when 33% said they would increase their budget. The increased investment is happening among businesses of all sizes, though especially among smaller businesses. More than 50% of small businesses plan to increase their CI budgets this year.



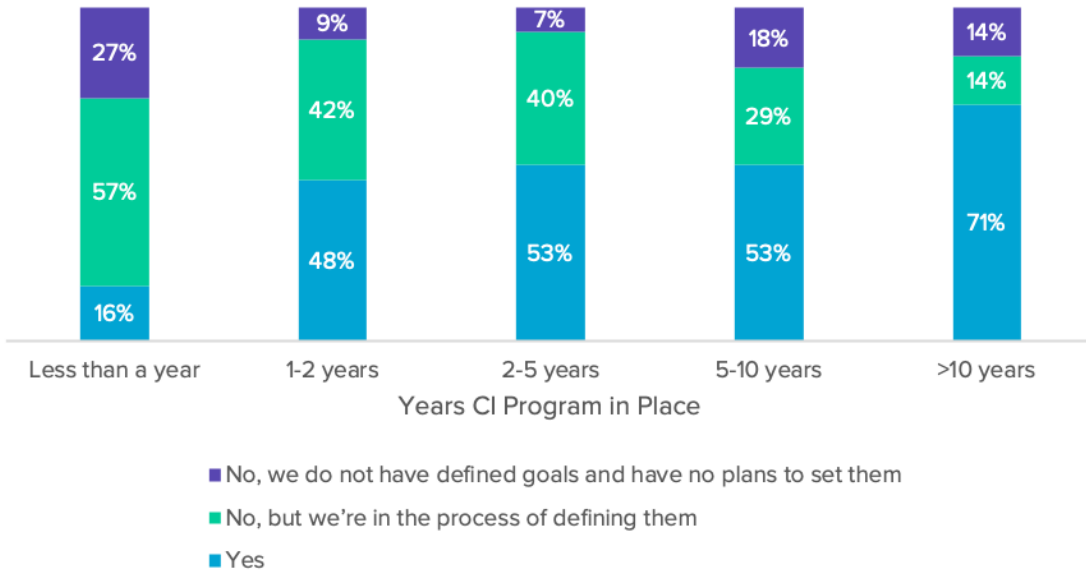


3 GOALS & KPIS

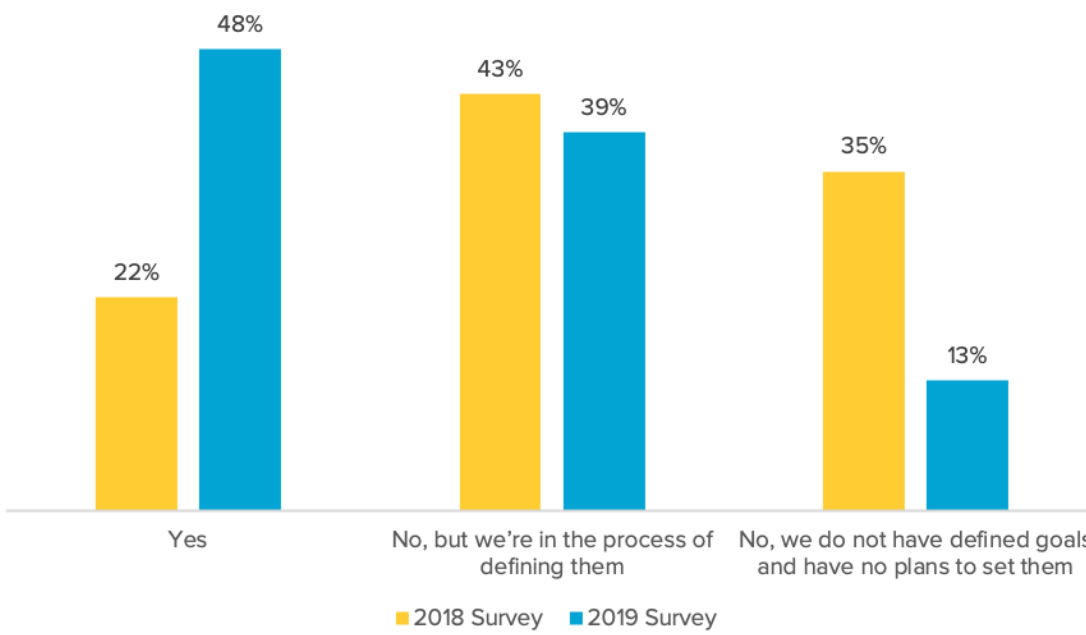
Nearly half of businesses have defined goals for their CI program, a key factor for focusing those efforts and ultimately seeing success. 48% have defined goals and another 39% are in the process of establishing those goals. The process for determining goals may take some time, which is why we see that CI programs that have been in place for less than a year are significantly less likely to have goals in place. Overall, fewer and fewer CI programs are launching without goals - while 35% of businesses in 2018 had no plans to establish them, only 13% in 2019 feel the same. As more businesses have started (or restarted) CI programs, goal setting has become more of a table stakes activity to ensure that the business is aligned and set up to get results.



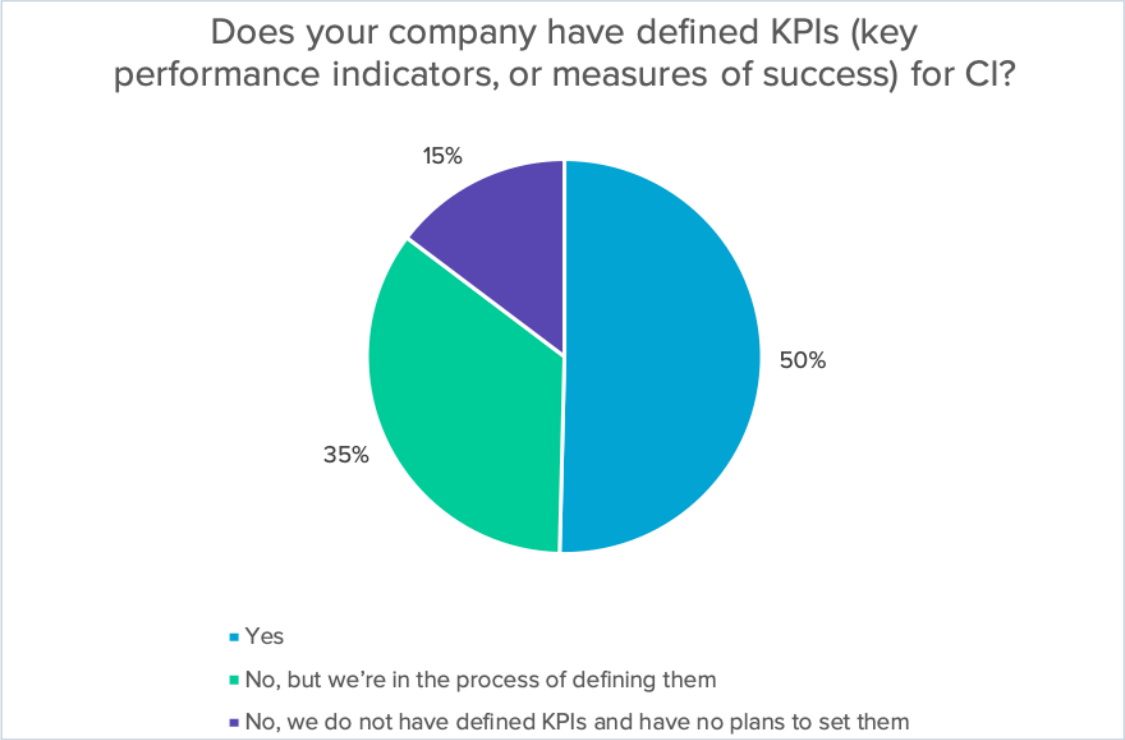
Does your company have defined goals for your CI program?



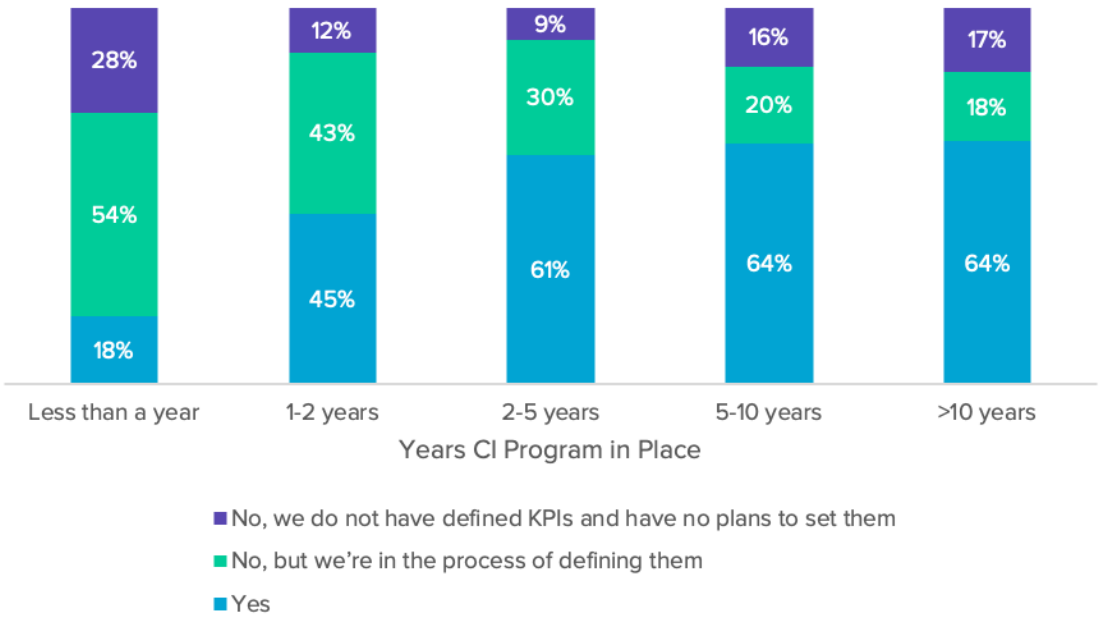
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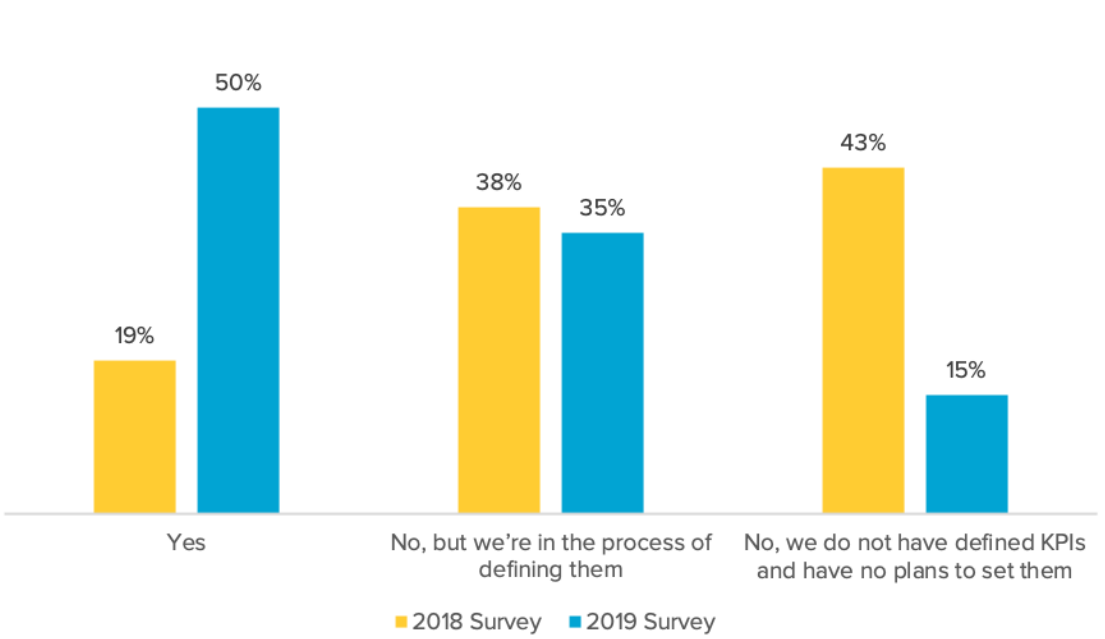
The trend is similar in relation to businesses setting key performance indicators (KPIs), or measures of success, for their CI program. 50% have KPIs established, with another 35% in the process of doing so. Once again, the more established the CI program, the more likely the business is to have KPIs for it. And, businesses are far less likely to not establish KPIs as compared to last year.



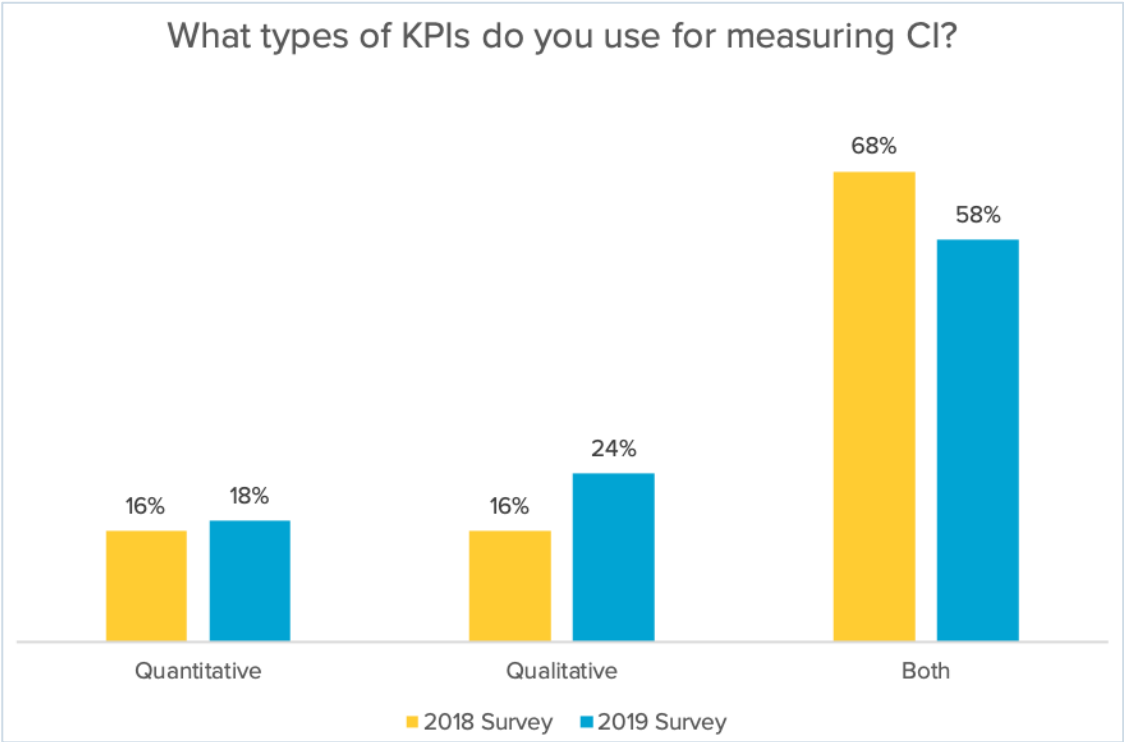
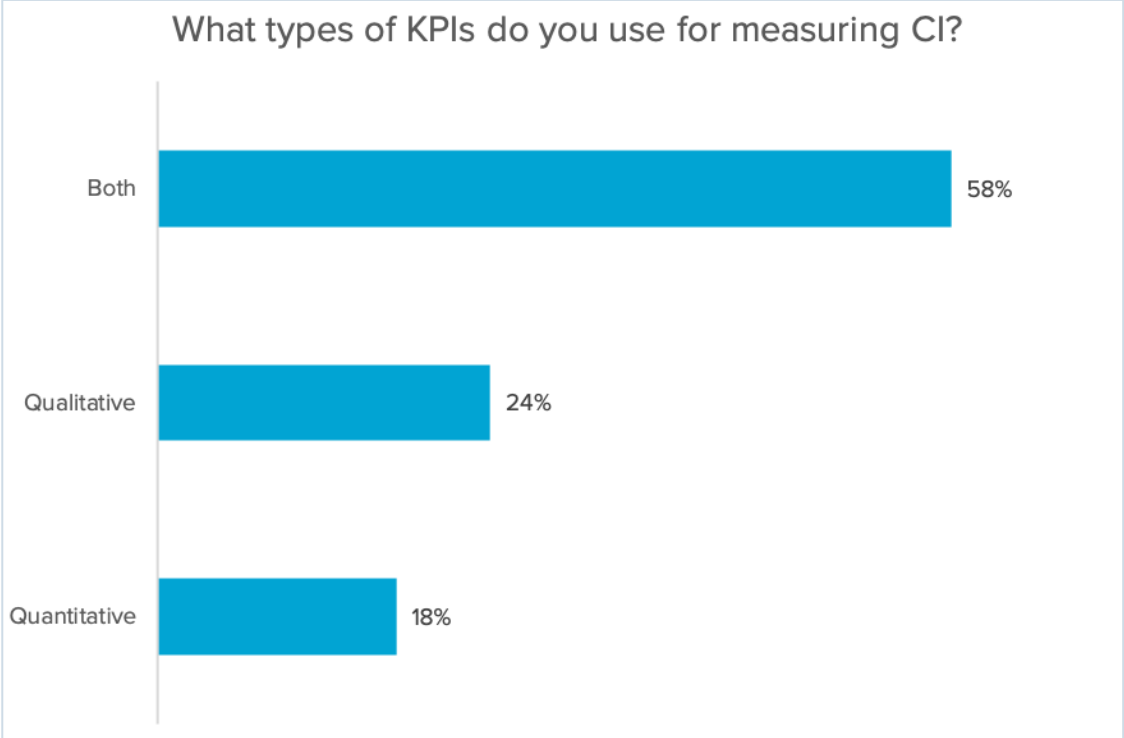
Does your company have defined KPIs (key performance indicators, or measures of success) for CI?



Does your company have defined KPIs (key performance indicators, or measures of success) for CI?



For those businesses that do have KPIs established, most use a combination of quantitative and qualitative measures of success. This trend is similar to last year's survey, though we see a slight increase in businesses relying on qualitative KPIs specifically.



The goals and KPIs mentioned by survey respondents represent the quantitative and qualitative mix surfaced in the report. Here are the most common targets shared by CI professionals.

1. Revenue, customer acquisition results
2. Sales win rate, competitive win rate, churned to competitor rate
3. Marketing campaign results
4. Sales usage of CI materials
5. Brand awareness & press mentions
6. Market share, share of voice, share of wallet
7. Executive understanding of the market / internal understanding of the market
8. Early warning of market changes / serving as the internal intel source for the company
9. Number of research projects requested and used
10. Competitive differentiation feedback
11. Actionable outcomes for sales and product teams
12. KPIs and deliverables determined on a project by project basis
13. Identification of business risks and opportunities
14. Customer satisfaction, product innovation
15. Business productivity, reduction of expenses

Read More

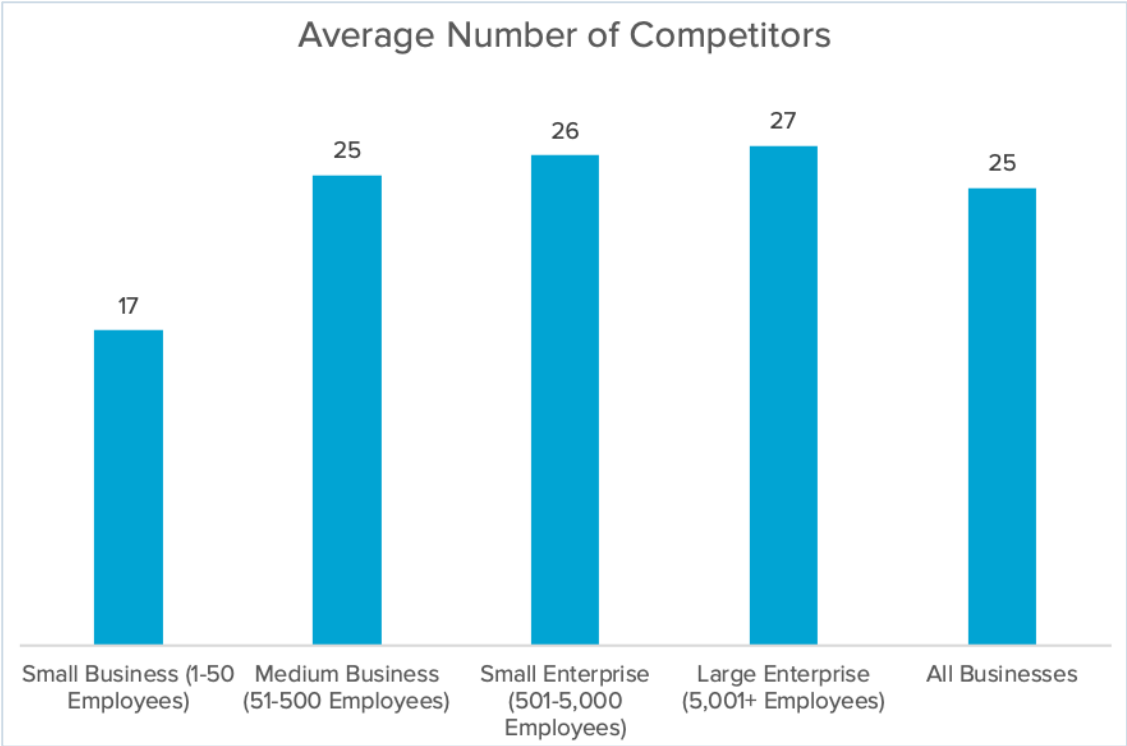
Looking to calculate your win / loss rate? Check out this article on [How to Do a Win / Loss Analysis \(with Examples & Resource Links\)](#)

See what marketing and sales leaders are using to measure their impact as well in these articles on [8 Key Product Marketing Metrics](#) and [7 Key Sales Enablement Metrics](#)

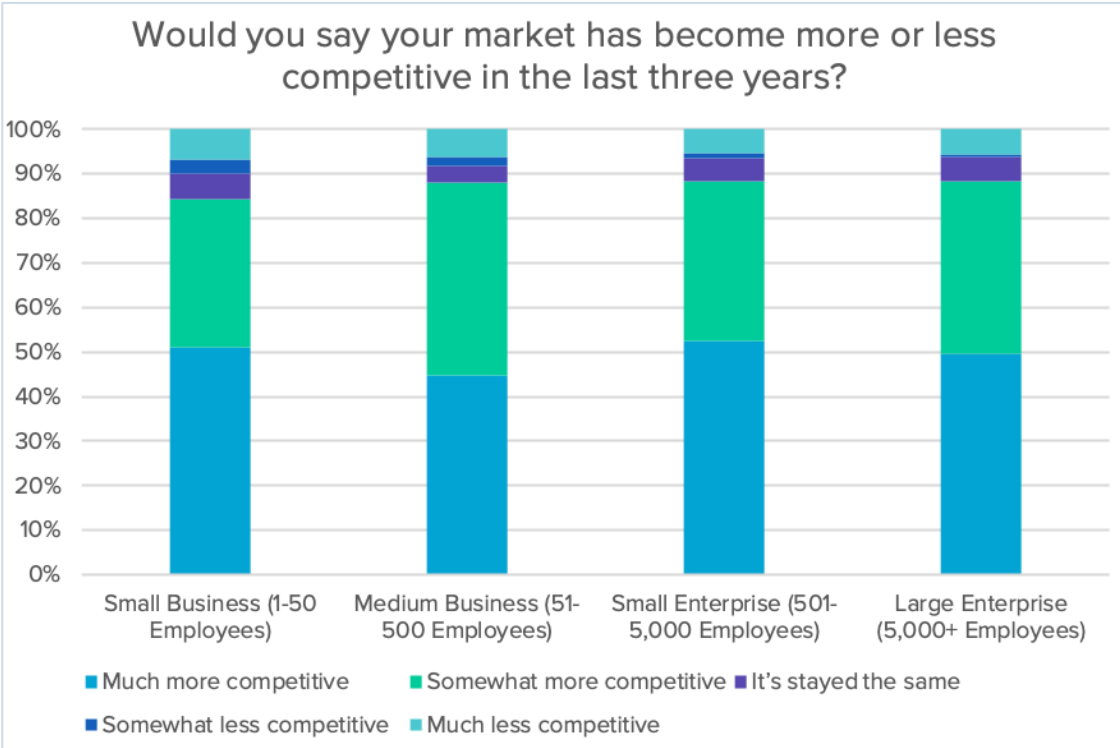
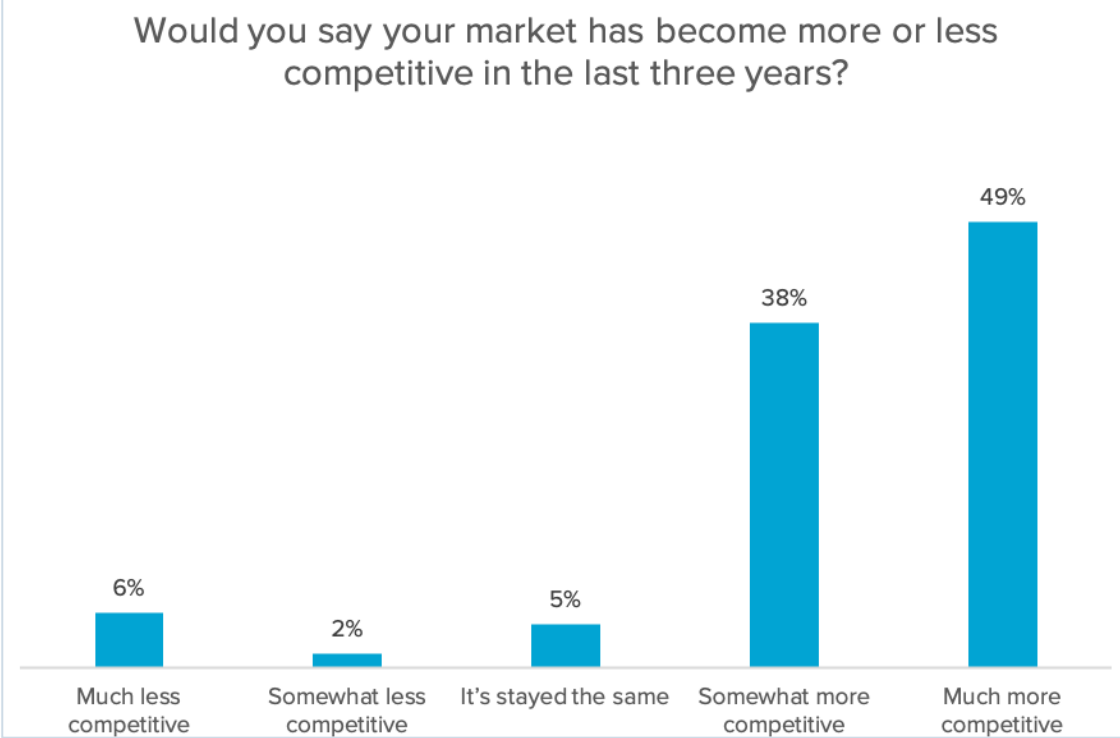
4 INDUSTRY COMPETITIVENESS



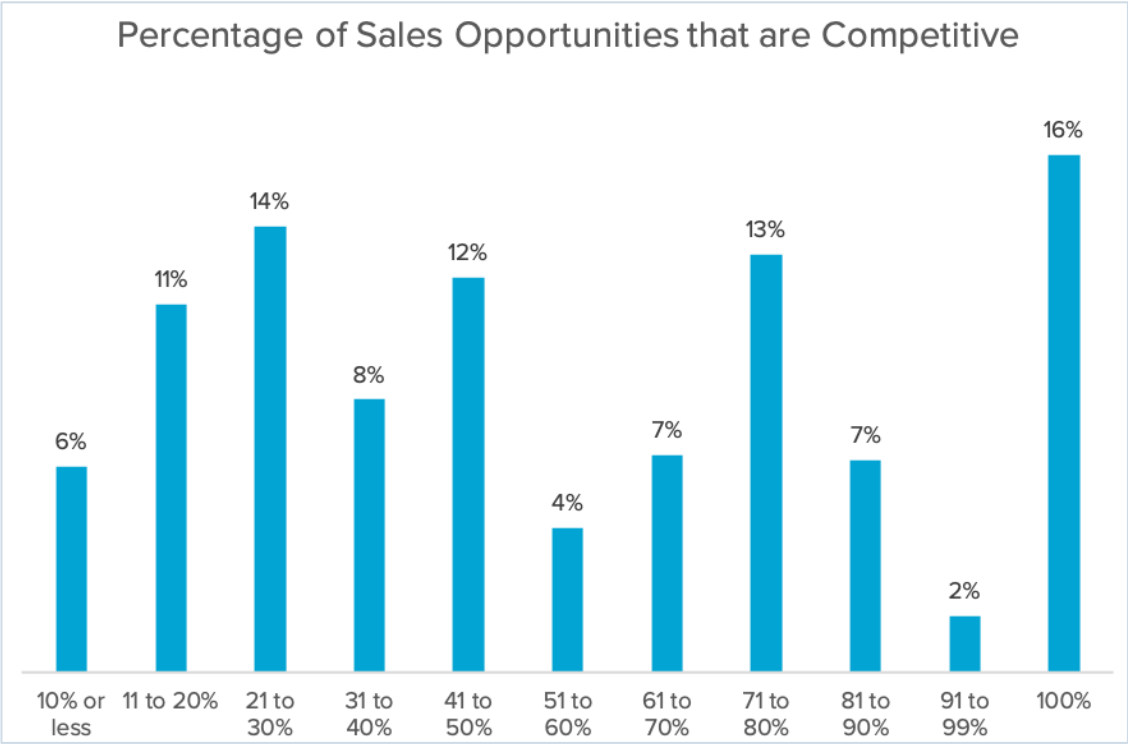
Any growing market brings with it many competitors. In fact, businesses reported an average of 25 competitors in their market. Small businesses - perhaps in emerging markets - reported a lower number of competitors, but still averaged 17 competitors in those markets.



And an overwhelming majority say that their industries continue to get more competitive - 87% reported their market has become more competitive in the last three years, and 49% said it has become *much more* competitive. This trend is felt by all size companies.

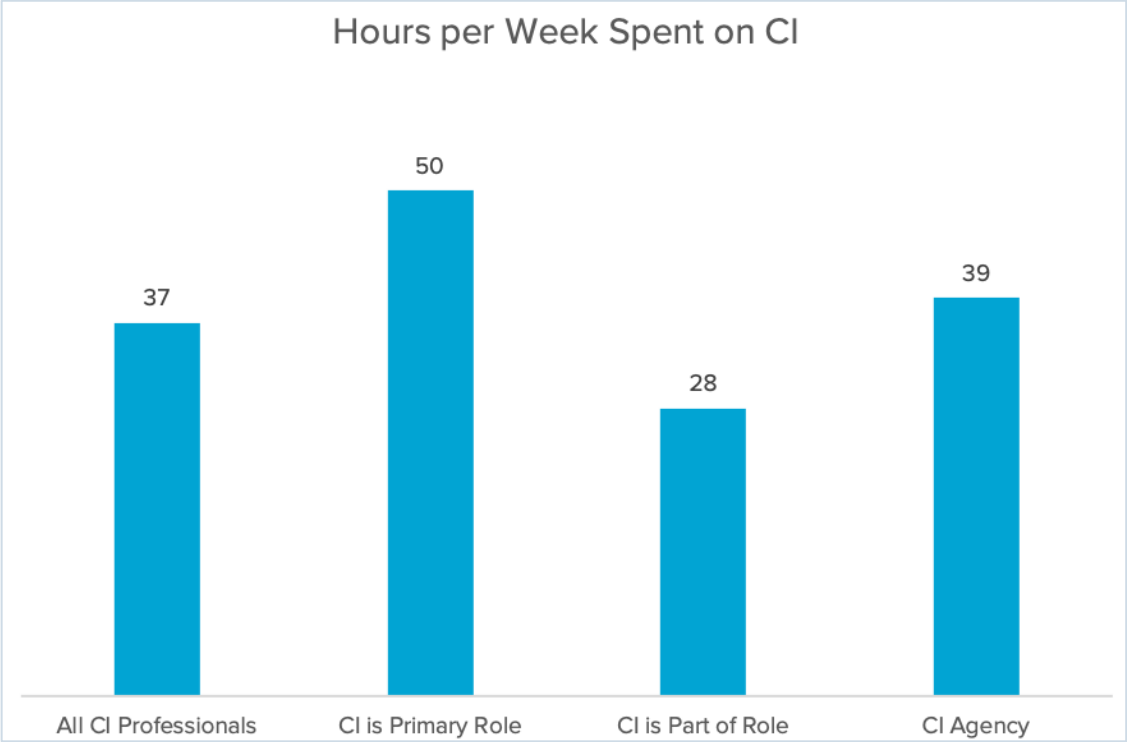


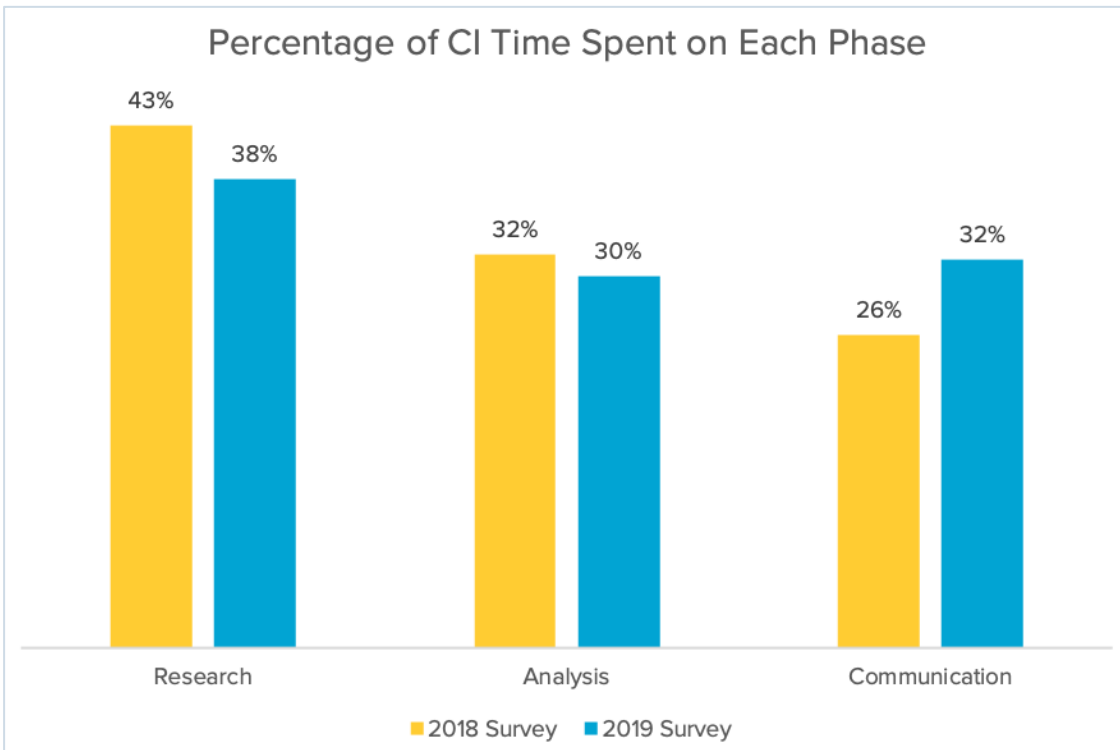
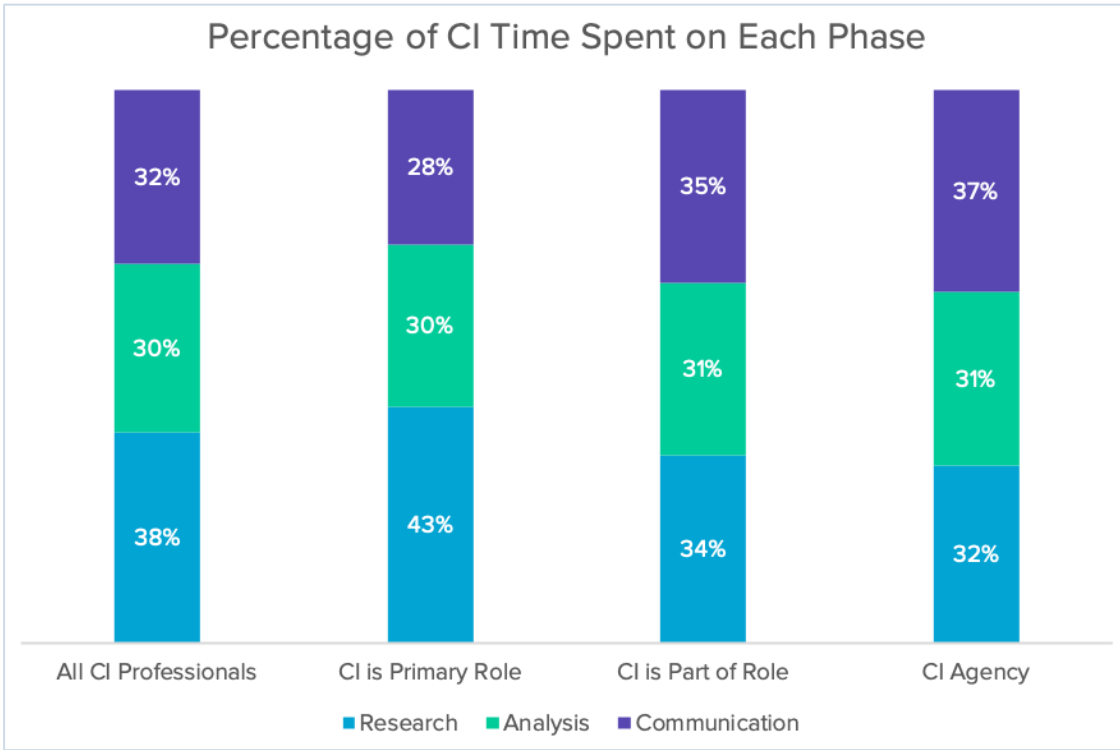
However, the percentage of sales opportunities that are competitive ranged quite a bit from business to business. Approximately half of businesses saw more than 50% of their deals battle a competitor, and 16% said every single sales opportunity came up against a competitor.



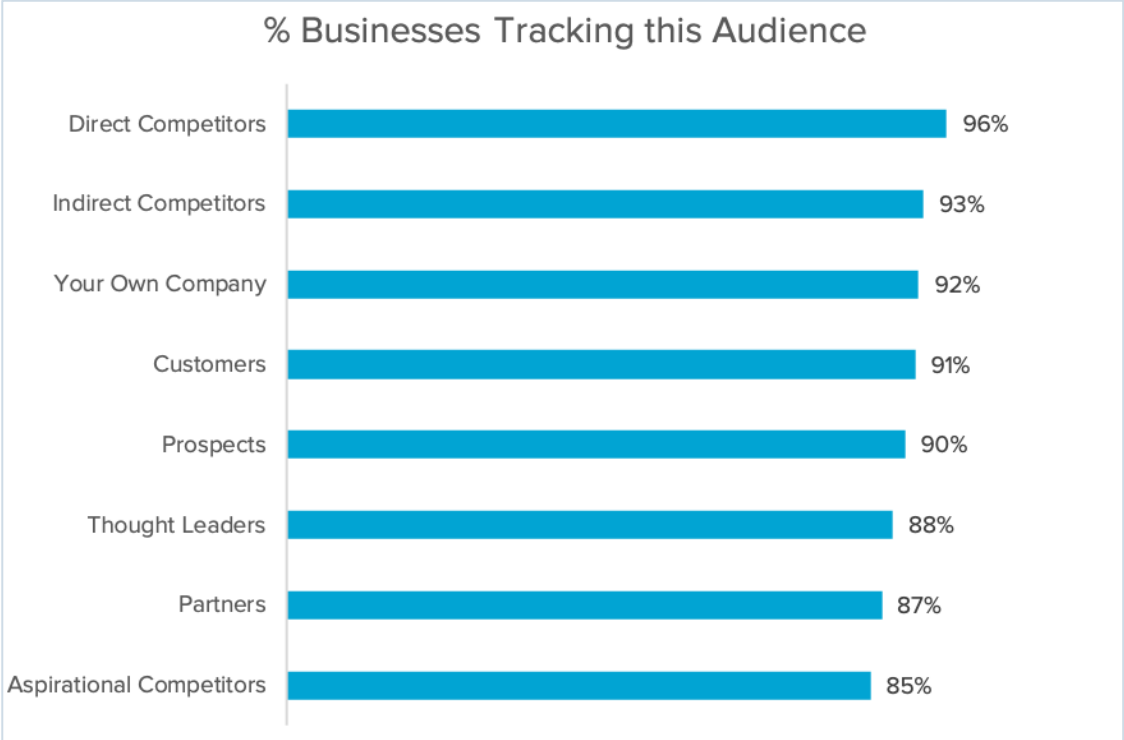
5 CI PROCESS

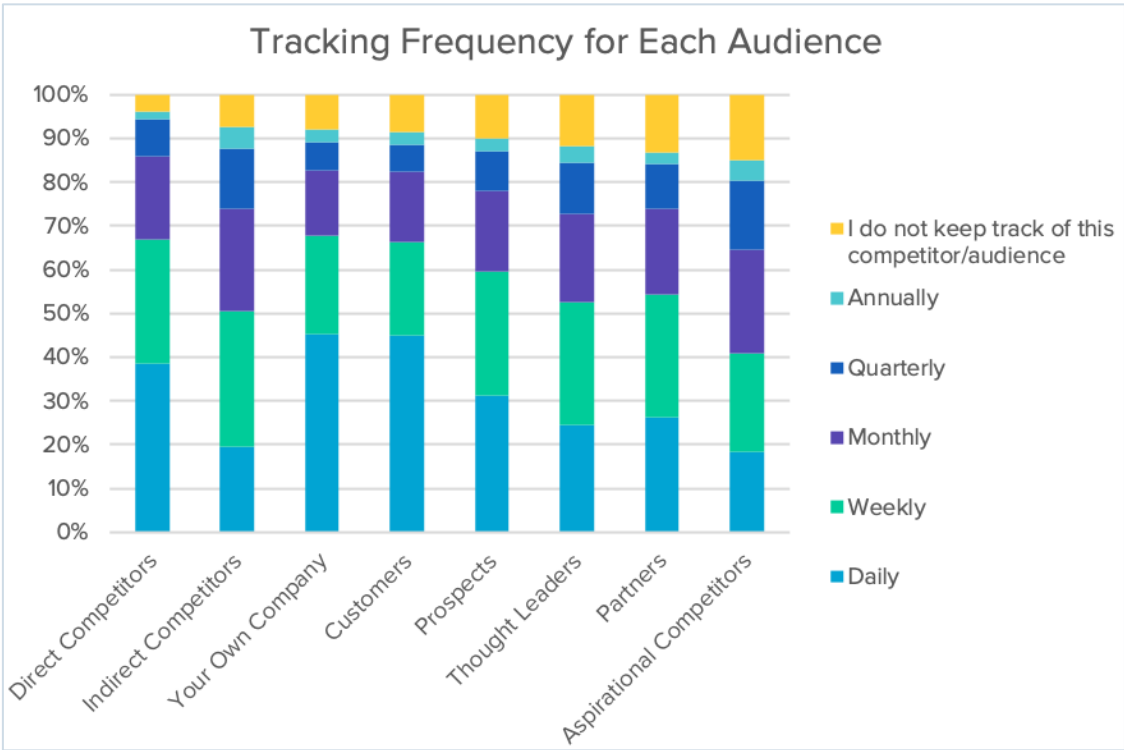
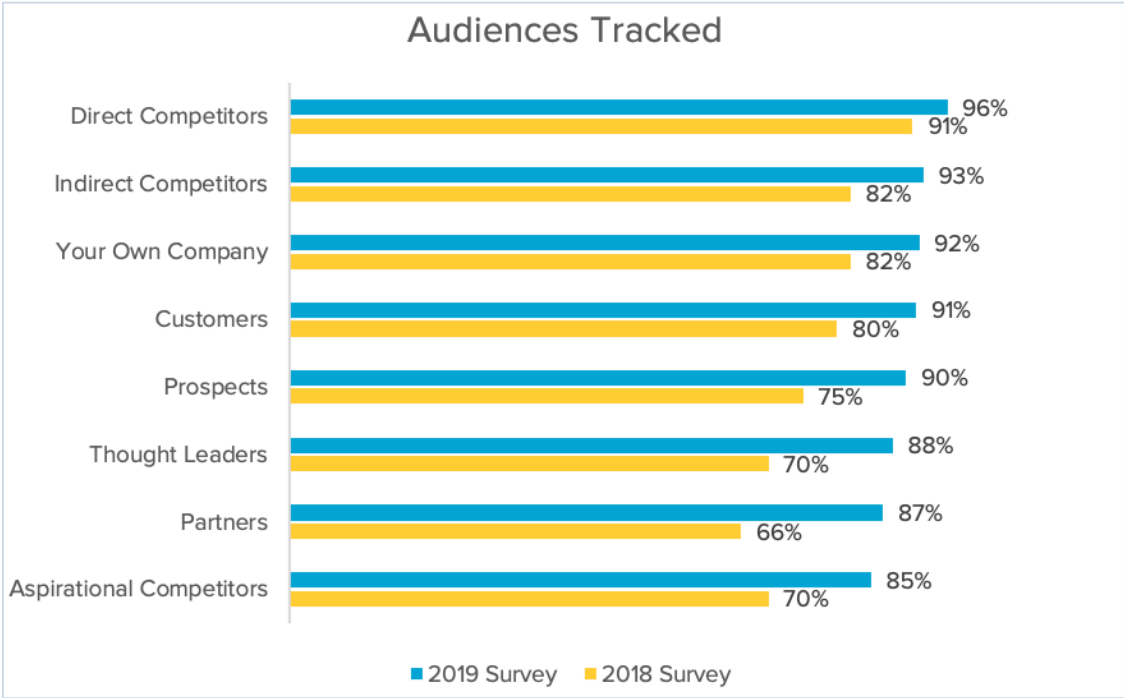
CI professionals dedicate the majority of their time to CI, even among those who have additional responsibilities as well. On average, CI professionals spend 37 hours per week on CI, between the research, analysis, and communication involved. Their time is almost equally split among these three phases of the CI process, each phase presenting its own challenges yet importance to leveraging intelligence across the organization.



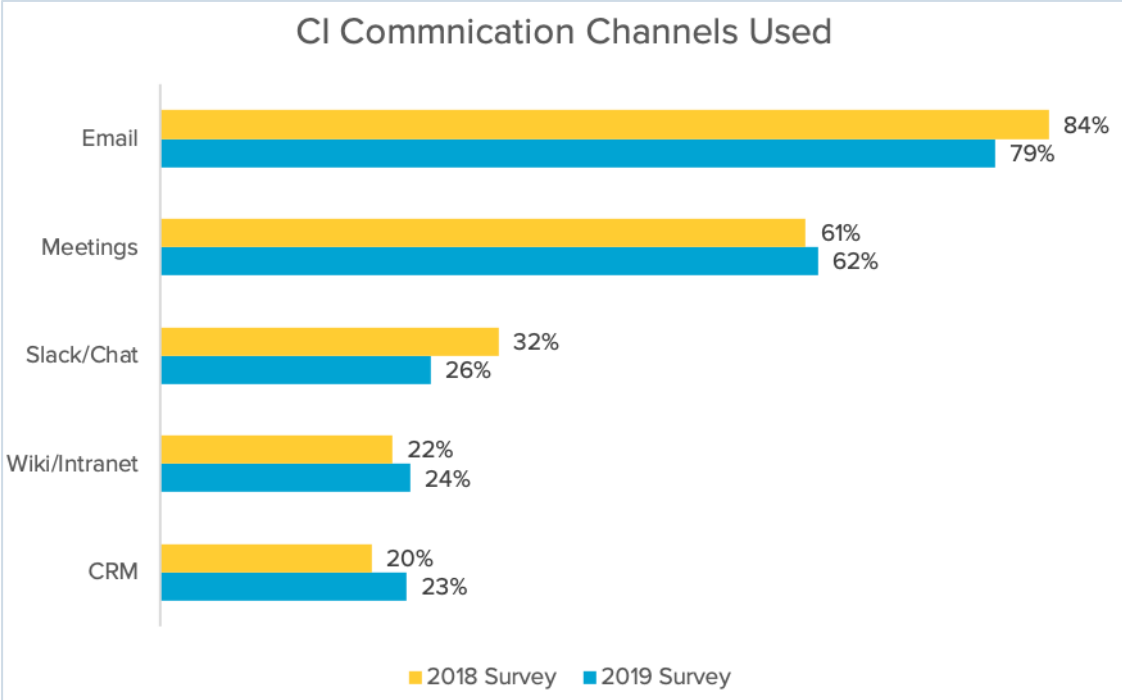
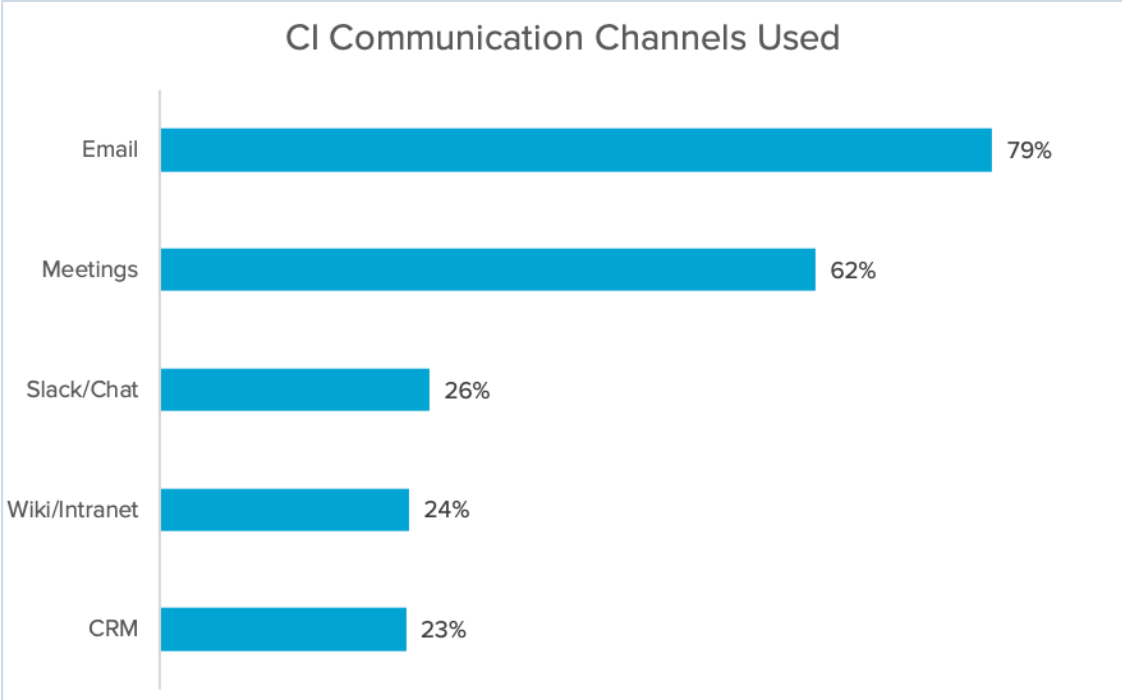


CI professionals are taking a more exhaustive approach to tracking companies in their markets, with more than 85% tracking each audience. Direct and indirect competitors topped the charts in terms of CI targets, but their own company and customers followed closely. How frequently each of those audiences were tracked, however, varied. Customers, for example, were the most common audience to be tracked daily.





In terms of sharing the intelligence gathered, traditional communication methods are still the business favorites. 79% share intel by email and 62% share intel live, in meetings.



Technology is now aiding CI in ways never before possible - helping CI professionals accelerate and amplify their process to have an even bigger impact on their businesses. When asked what features of a CI technology platform mattered most to them, CI professionals named these top six elements.

1. Real-time intelligence
2. Ability to easily share intel
3. Email summaries and/or alerts
4. Ability to create and/or store content
5. Dedicated analyst/customer support rep
6. Integration with CRM

Others mentioned included the ability to gather intel from employees in the field, the importance of having a single repository for all CI data, integration with custom industry sources, and tools for analysis and reporting.

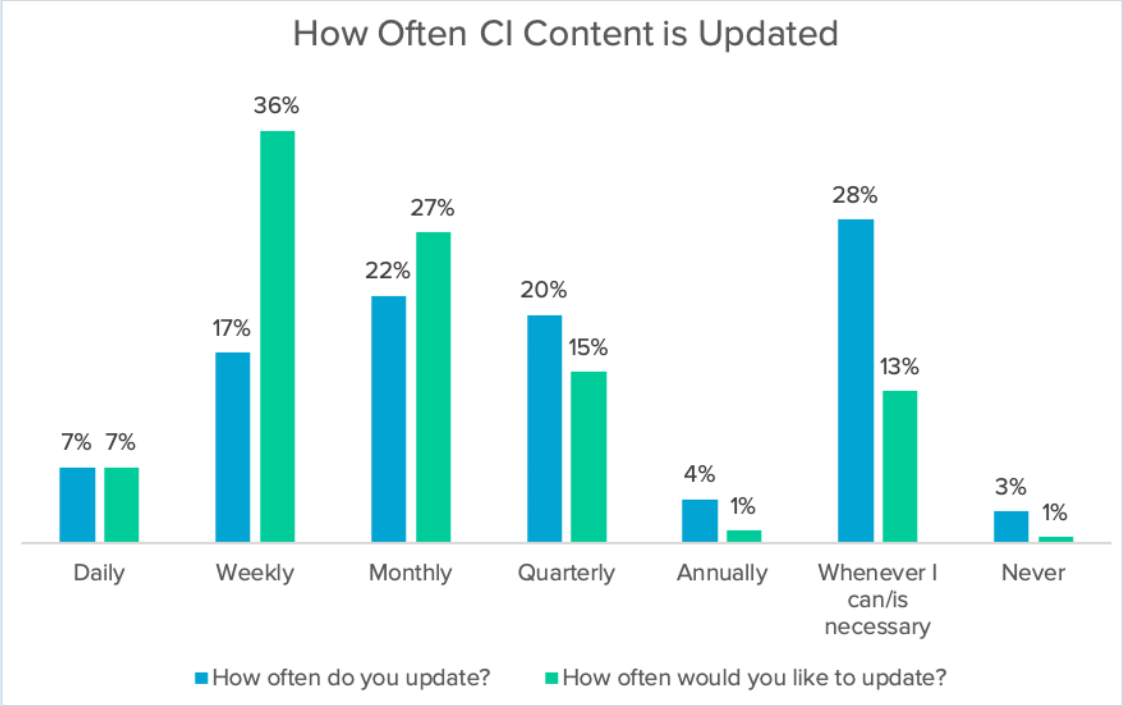
6 CI OUTPUTS

CI can and should be used to enable teams all across the business. In many cases, CI professionals translate the intelligence into materials that are used by sales, product, marketing, and other leaders. In surveying these professionals, they highlighted the following resources as the most common assets they produce with competitive intelligence.

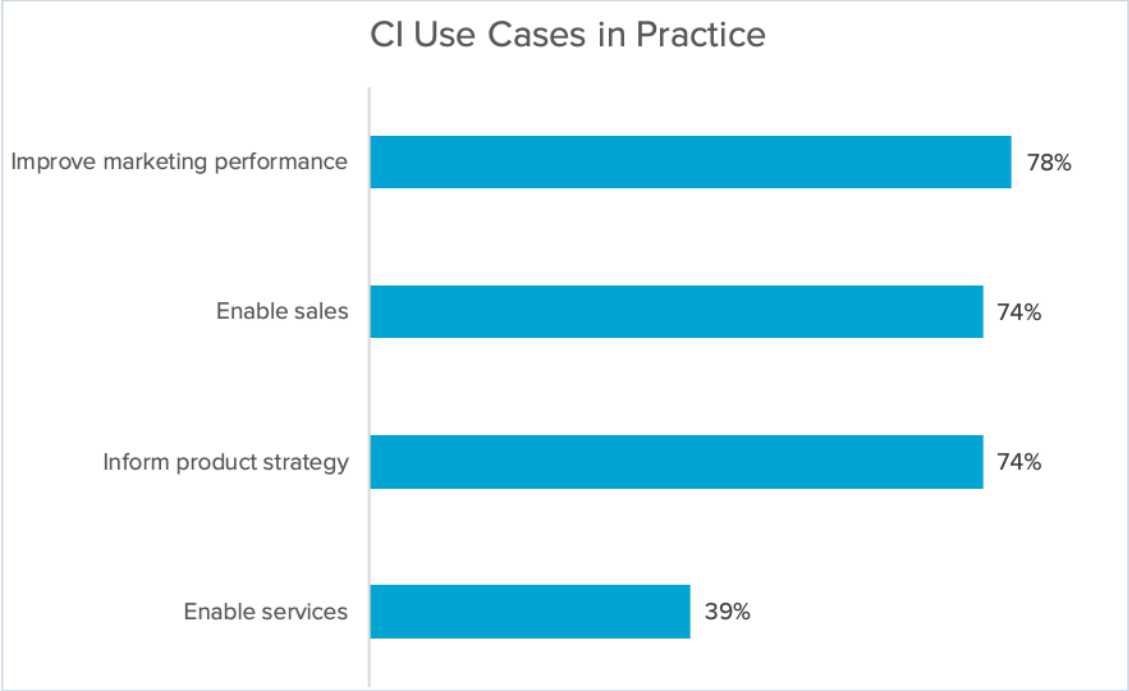
1. **Competitor profiles** - Overviews of each competitor's business, team, products, and more
2. **Competitive landscape reports** - Analyses of the entire market and how it is changing over time
3. **Battlecards** - Sales enablement resources that detail how a salesperson should position themselves to win against a competitor in a sales opportunity
4. **Executive slide decks** - Presentations for executive teams to provide details on the competitors' movements
5. **Sales slide decks** - Presentations for sales teams to be trained on the competition
6. **Product sheets** - Detailed reviews of a competitor's products or how your own products compare

Others mentioned were competitor feature matrices, industry assessments and outlook reports, win / loss survey reports, marketing guidelines for differentiated content, ad hoc sales alerts, and customer insight reports.

These assets are updated whenever possible, oftentimes on a weekly, monthly, or quarterly basis. On the whole, however, CI professionals would prefer to update these assets more frequently than they do today - for example, only 17% update these resources weekly, but 36% wish they updated weekly.



Competitive intelligence can be leveraged in any department by any employee. Most commonly, CI professionals are using their work to support marketing, sales, and product. A small percentage of businesses are also using CI to enable their services teams.



Read More

Looking to share competitive intelligence to your internal teams? [Download this guide](#) with accompanying templates to distribute intel to teams in sales, marketing, product, and more.

Creating battlecards? Check out these [8 best practices for effective battlecards](#).

7

RESULTS FROM CI

Ultimately the goal of competitive intelligence practices is to have a meaningful impact on the company's success in a competitive market. This impact may be realized in a variety of forms, including quantitative and qualitative benefits, tactical and strategic activities. The majority of businesses have seen benefits that span these different angles. 91% report they have seen quantitative benefits and 95% say they have seen qualitative benefits. 93% have driven strategic actions and 91% have driven tactical actions as a result of their CI efforts.

My company has seen **QUANTITATIVE** benefits from our CI program



My company has seen **QUALITATIVE** benefits from our CI program

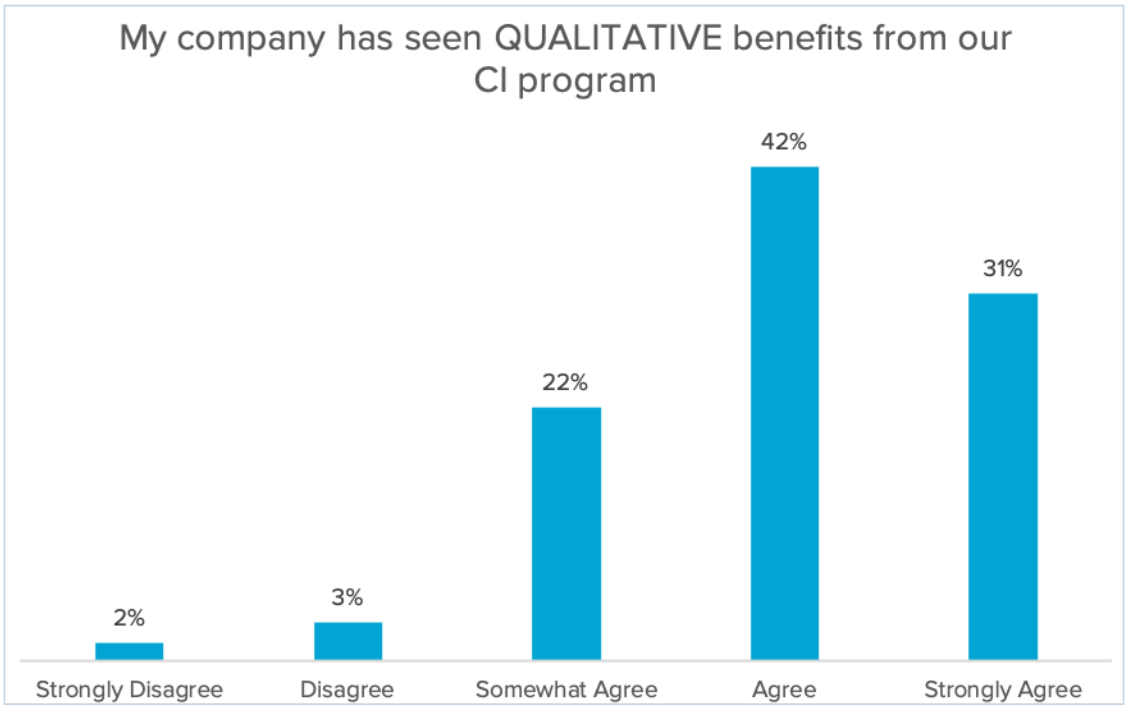
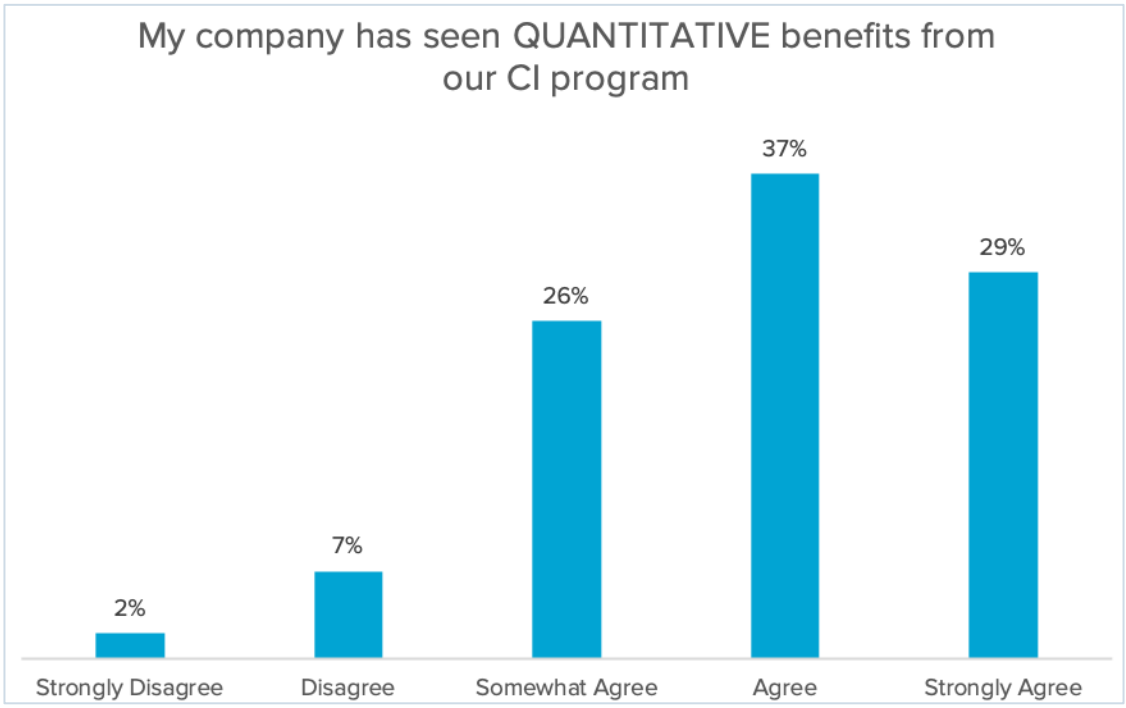


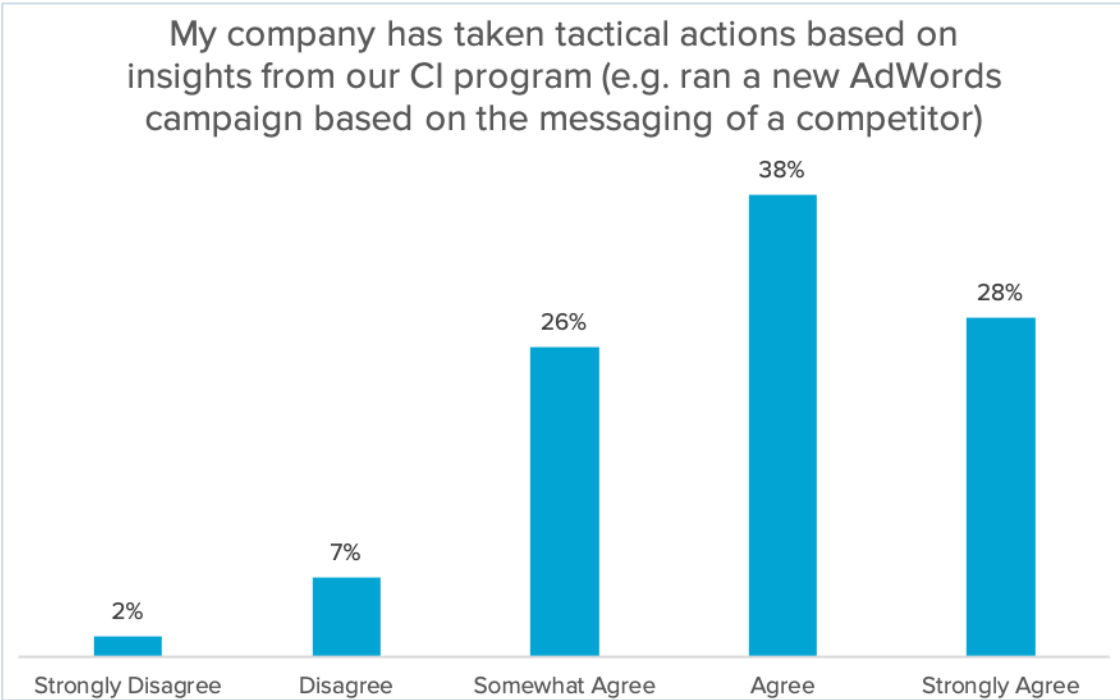
My company has taken **strategic** actions based on insights from our CI program



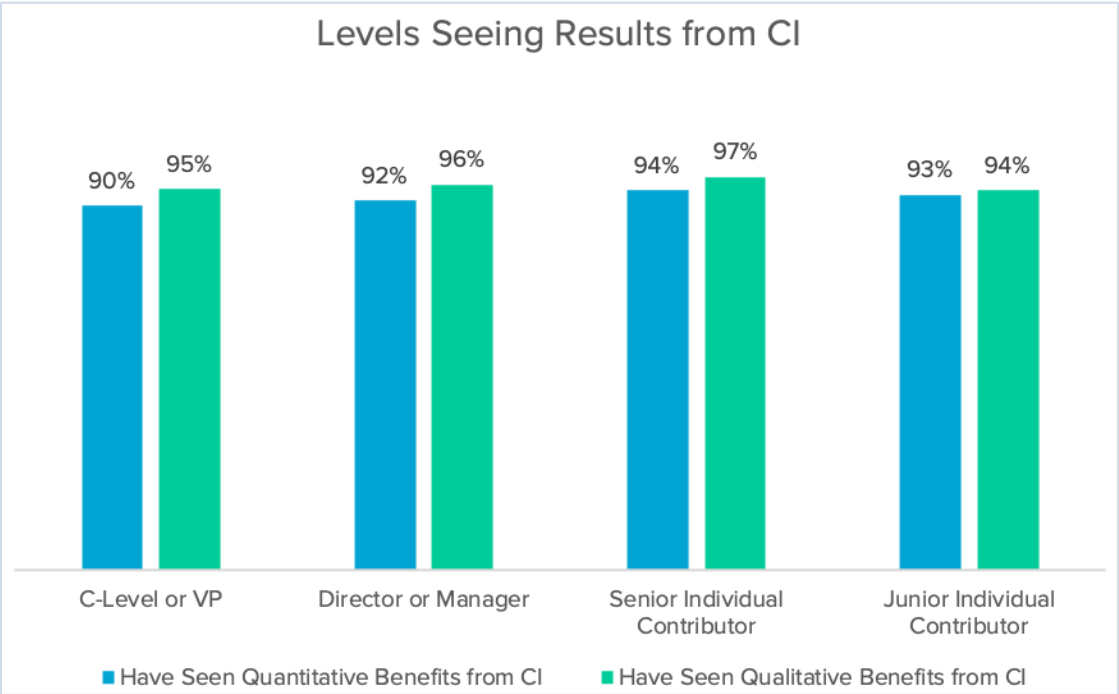
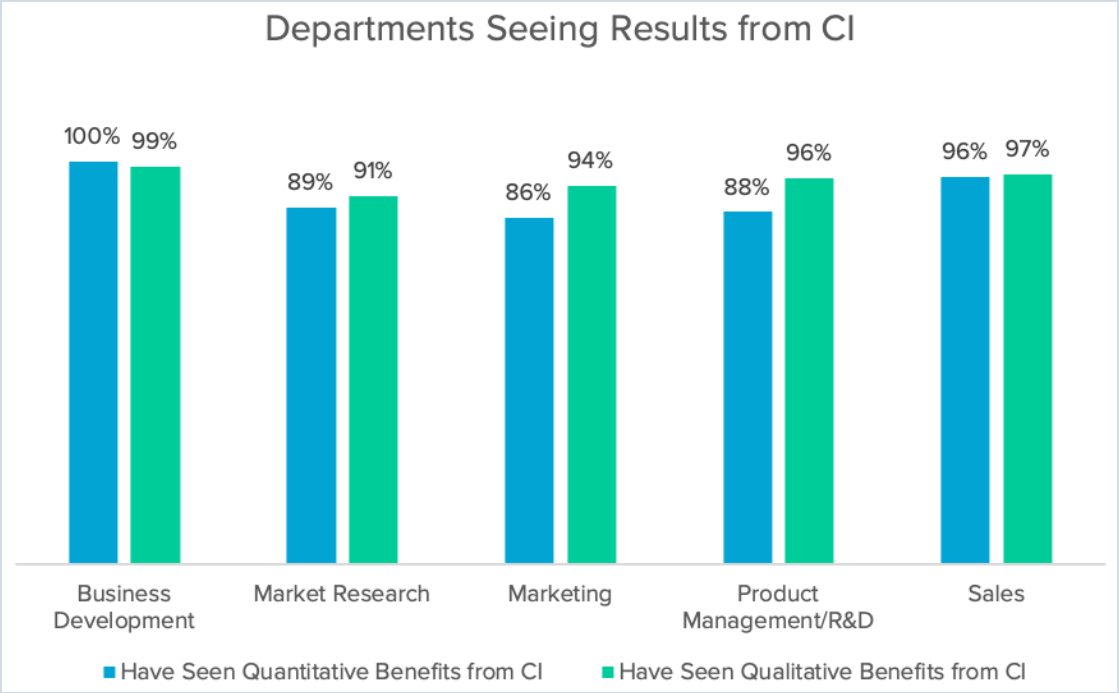
My company has taken **tactical** actions based on insights from our CI program

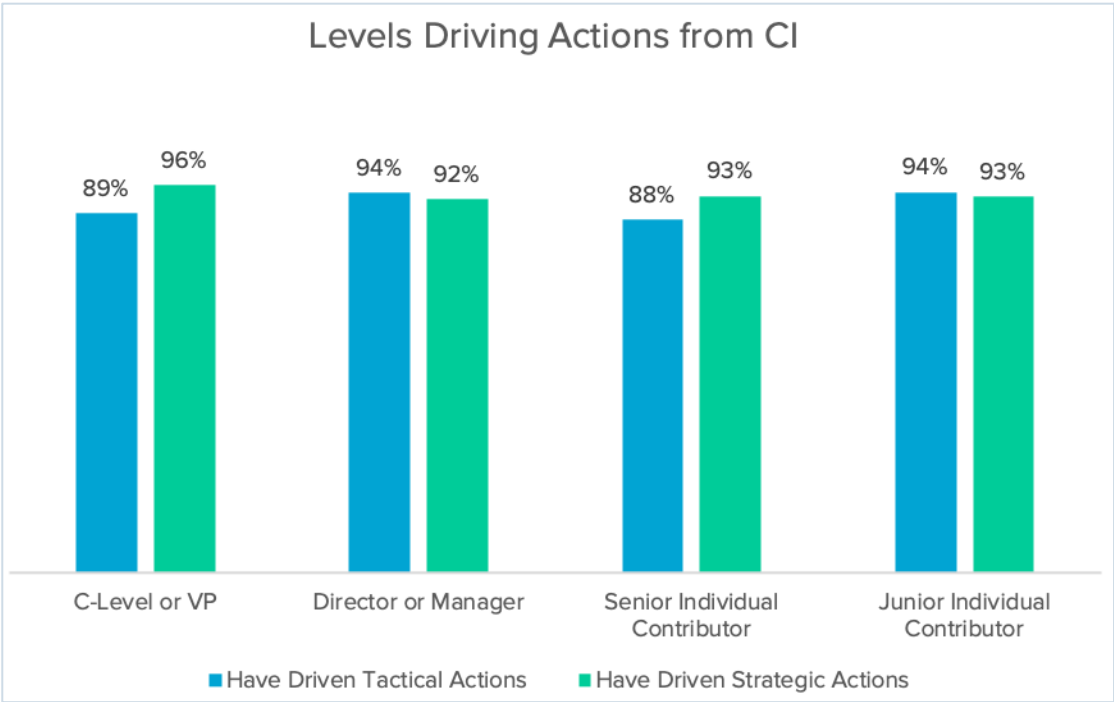
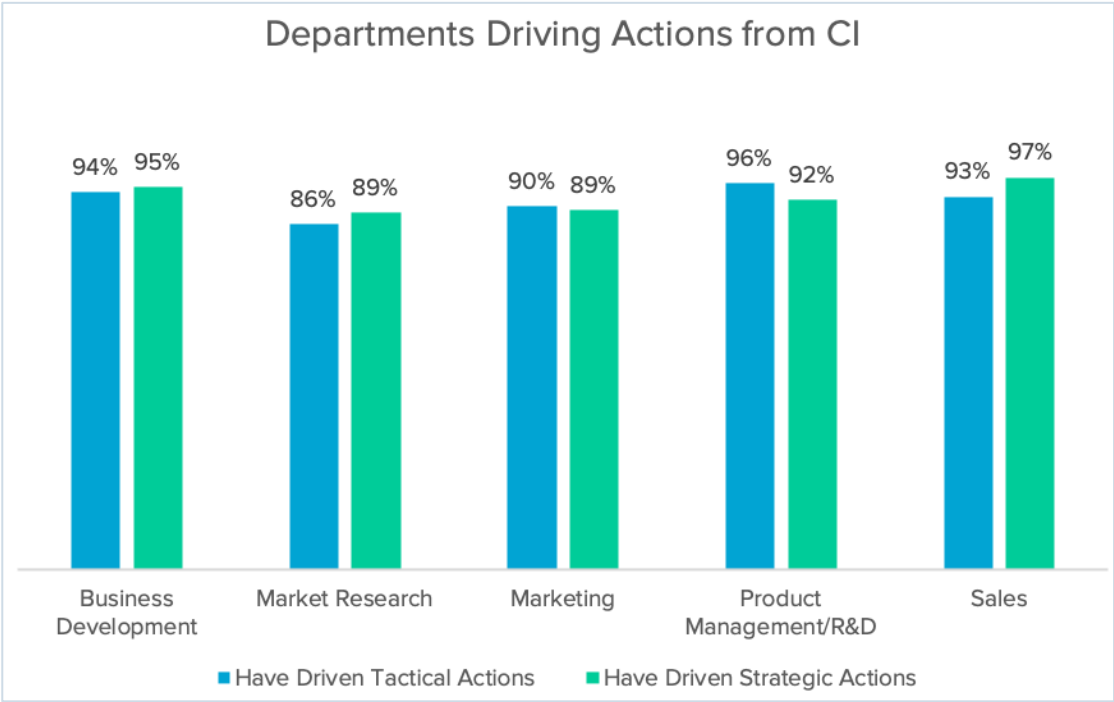




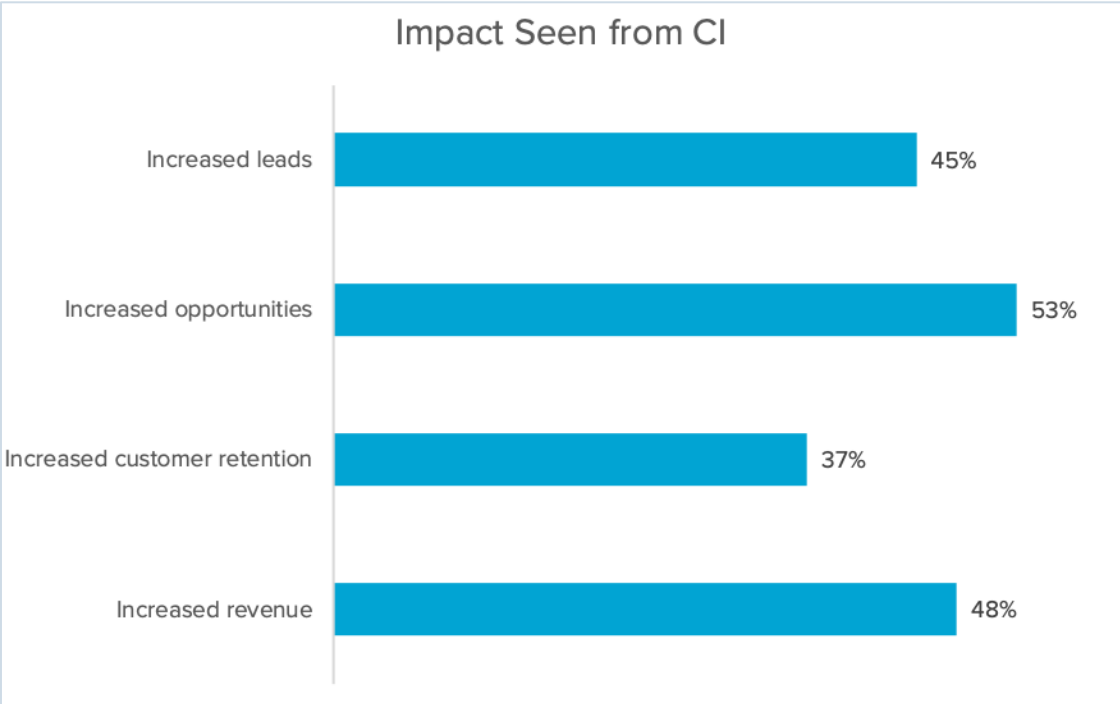


All departments and all levels manage to see both quantitative and qualitative benefits from CI, and drive a combination of strategic and tactical actions.

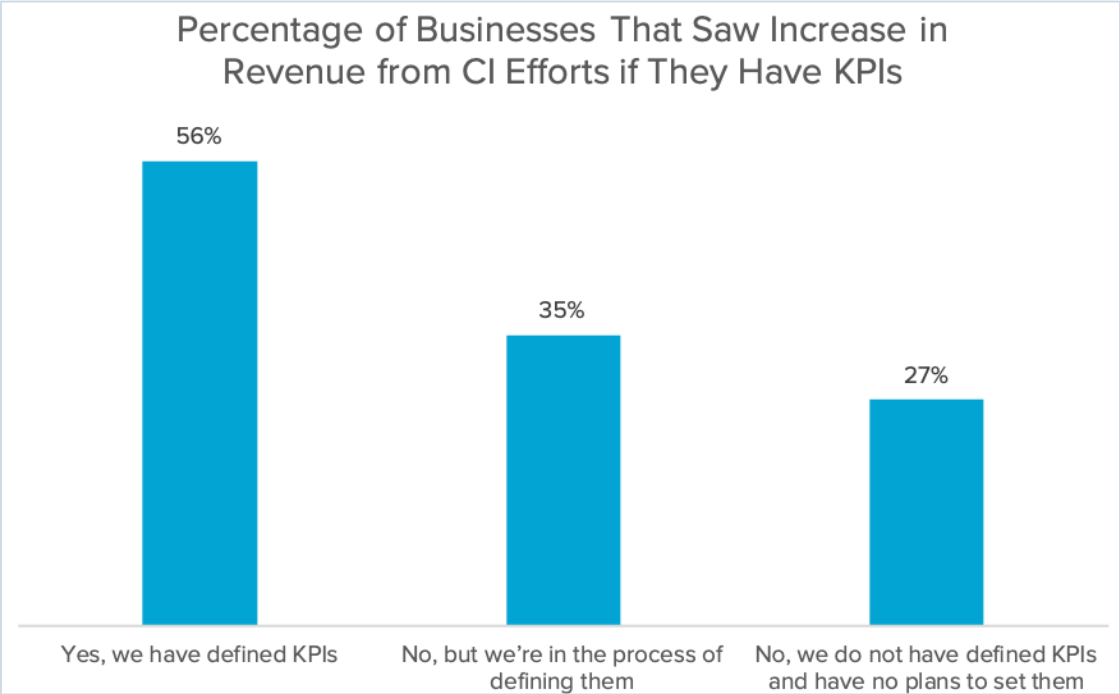
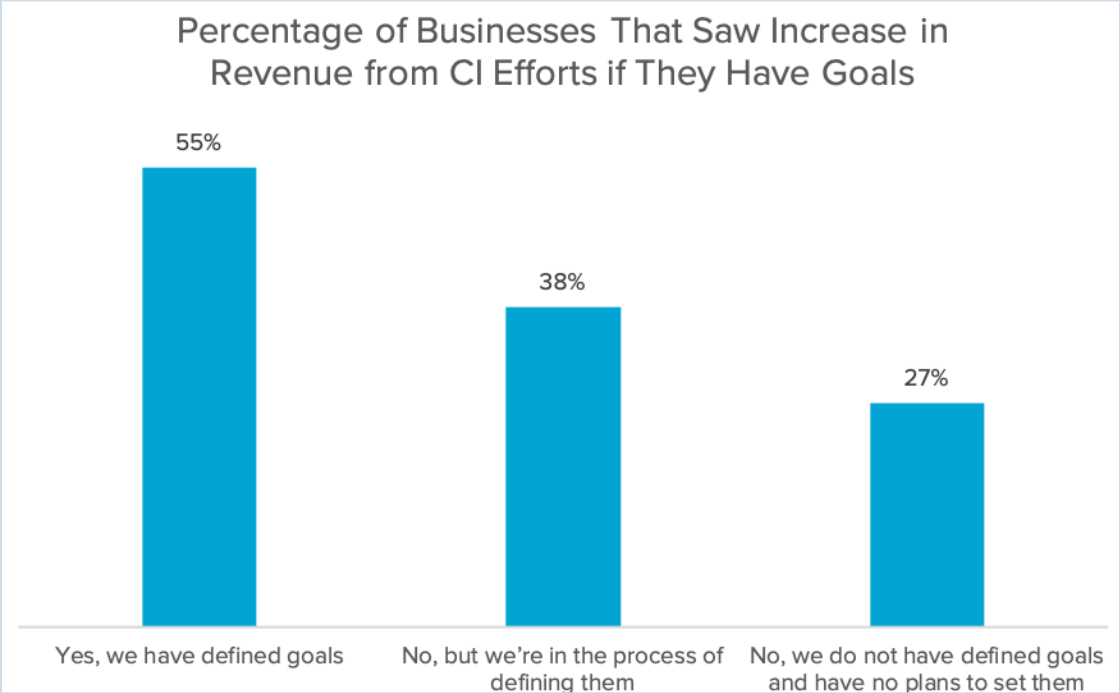




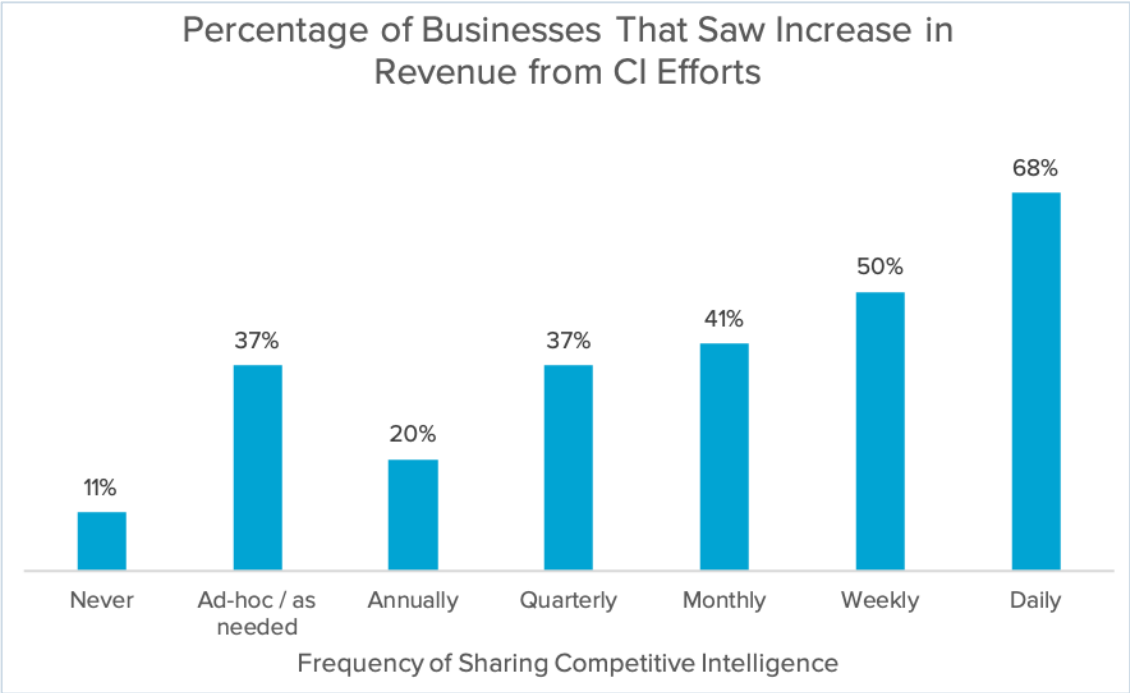
When it comes to seeing some of those quantitative measures, businesses have had mixed results. Approximately half have seen an increase in leads, opportunities, customer retention, or revenue. When we dig a layer deeper, we can start to see trends as to which businesses have been more successful in these areas.



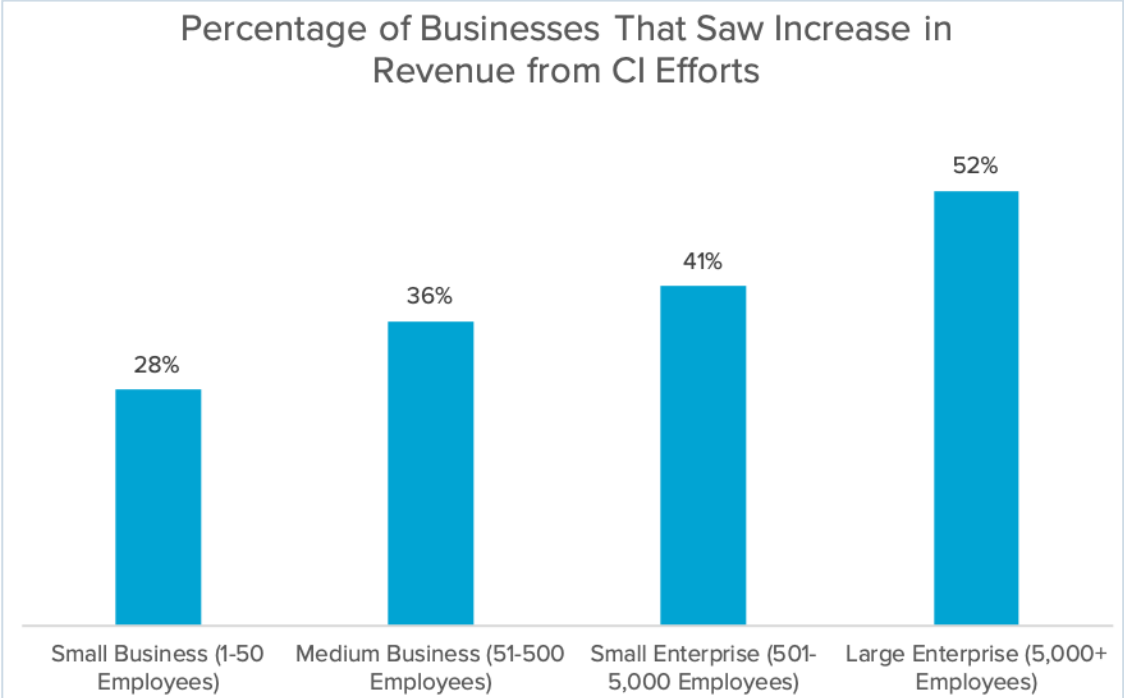
For example, businesses that have established goals or KPIs are more likely to see an increase in revenue due to their CI efforts.

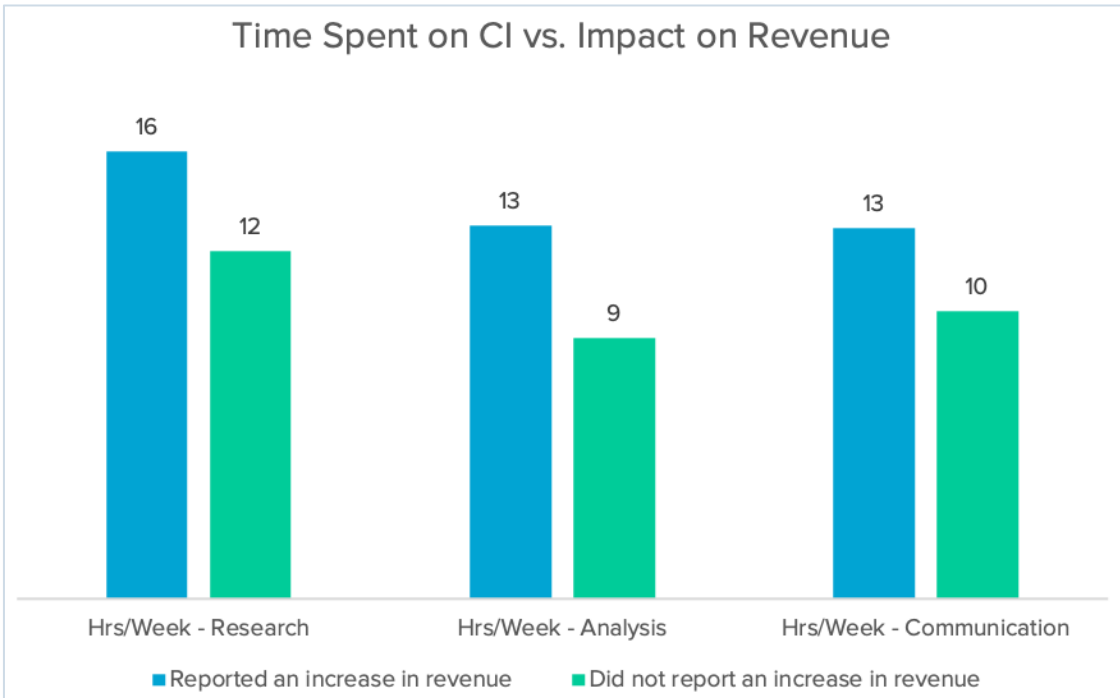
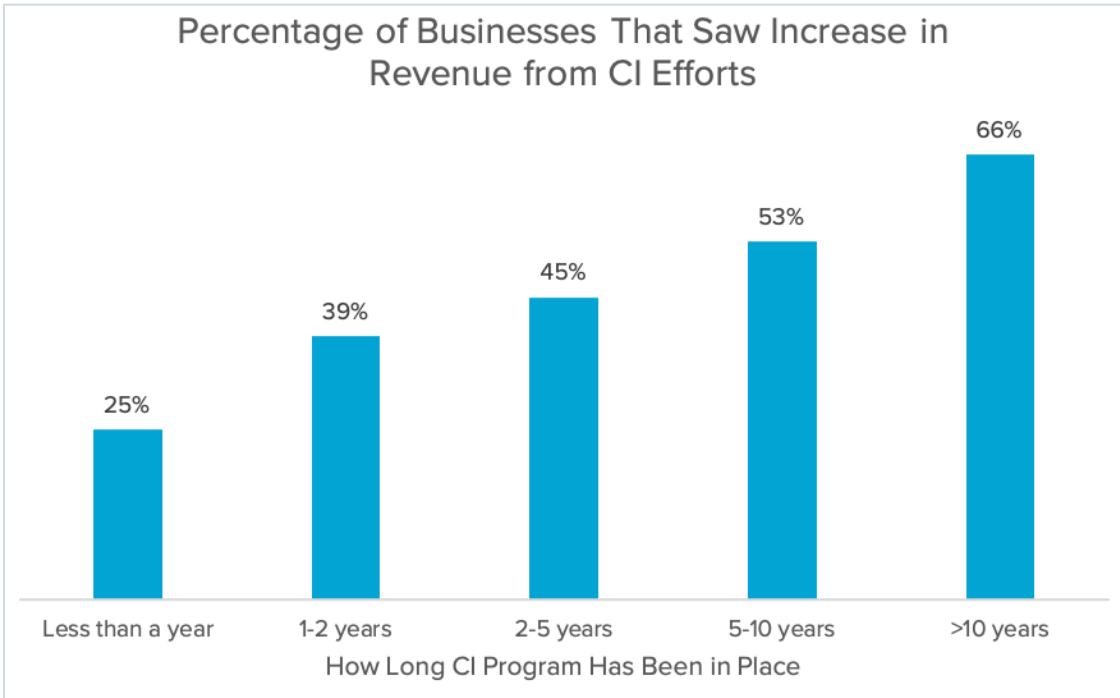


Even more impactful, however, is the frequency with which intelligence is shared beyond the CI team. In fact, the more frequently intel is shared, the more likely the business was to see an increase in revenue. Those who shared intel daily were 36% more likely to see a revenue increase than those who shared intel weekly, and 84% more likely to see a revenue increase than those who shared intel on an ad-hoc basis.

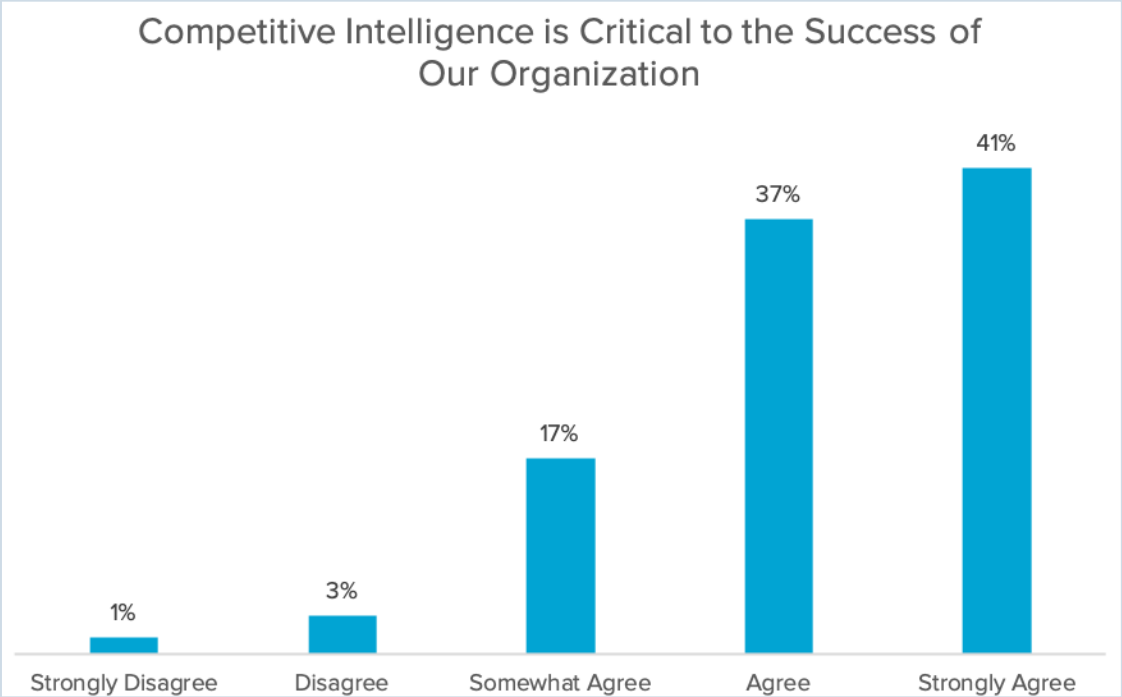


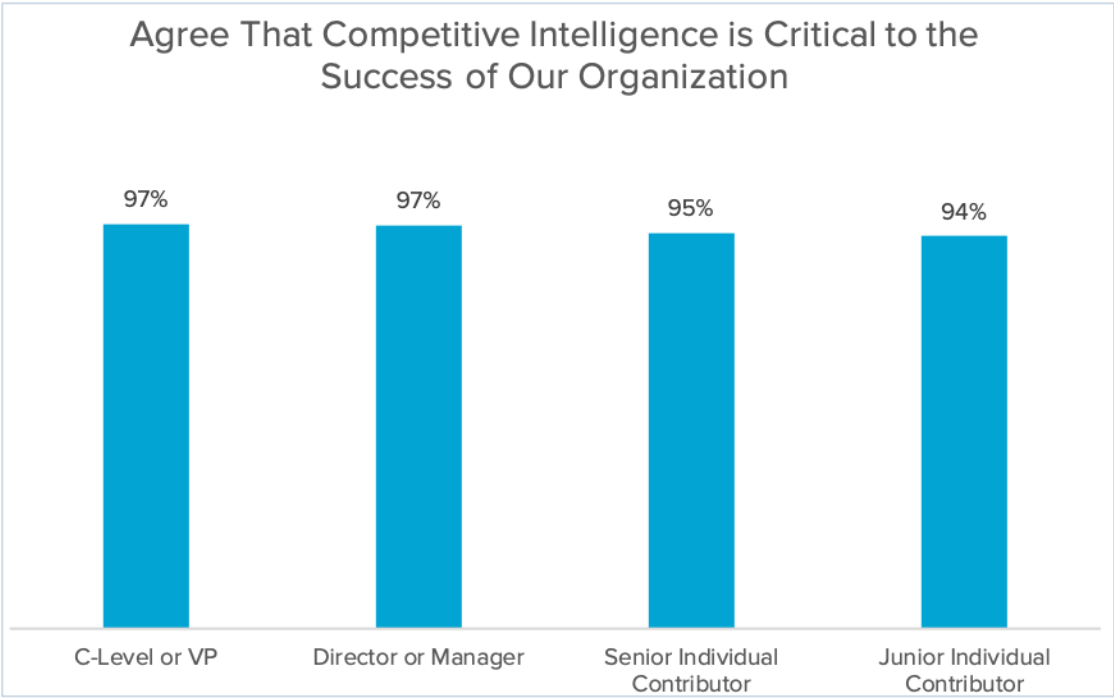
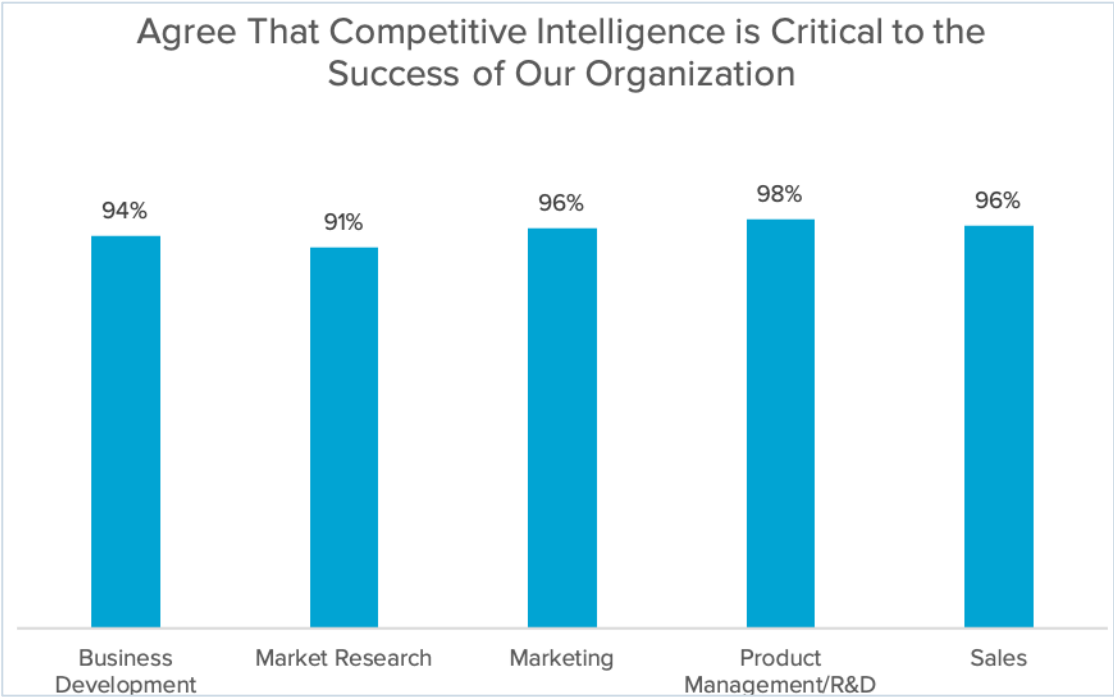
Sophistication of the CI program may also play a key role in seeing success. Larger businesses, as well as businesses with more established CI programs, were more likely to see revenue increases from their CI efforts. And those businesses that saw an increase in revenue from their CI efforts put in the time to get there - they averaged more hours spent on research, analysis, and communication of CI.





Competitive intelligence can make the difference between a business dominating a market and becoming obsolete. 96% of businesses agree that CI is critical to the success of their organization. All departments and all levels of CI professionals agree on this point.





8 CHALLENGES

Keeping track of a dynamic competitive landscape and enabling your entire company to succeed with market insights is no small feat. Challenges shared by CI professionals range from gathering accurate competitive intelligence data to getting internal buy-in for CI programs to quickly analyzing and acting on insights that are discovered. Here are the top five challenges CI professionals are tackling this year.

- 1. Accuracy and Reliability of Data Sources** - Many respondents shared the difficulty in “finding the RIGHT and ACCURATE information” to analyze and share with their teams. CI professionals find it challenging to consistently collect accurate intel and stay “on top of numerous sources of info and data.” “Keeping up with all the activity in our market,” is a common challenge, as well as “handling ‘hearsay’ intel collected in the field.”
- 2. Timeliness of Data** - Not only are CI professionals struggling with collecting accurate intel, they also struggle with getting that data in a timely manner. “Keeping the data fresh,” is a key challenge, “sometimes by the time we see it, it’s already changed.” Some mentioned simply “not having enough real-time data” while others said, “lots of people do small slices of it and it’s hard to communicate findings in a timely way.”
- 3. Internal Buy-in** - While CI professionals struggle to get the data they need, they also struggle to get buy-in from their colleagues to their CI program altogether. “Getting buy-in from the whole organization” and “internal acceptance” were frequently mentioned as challenges, along with integrating the company into the CI program. “Full company inclusion,” they shared, is a challenge, because CI “operates in a siloed environment.” “Getting everyone on the same page” is key in order to make sure the intel is actually utilized.
- 4. Distribution of Intel** - Once there’s buy-in, there’s still the task of getting the intel to all of the CI stakeholders. “Distribution of information and engagement,” as well as struggles with “not enough visibility across the organization” came up. Specifically, “developing battle cards and facilitating the sharing of competitive insights” is a top challenge related to distributing intel, as is adoption of CI resources.

5. **Driving action** - CI doesn't stop with distributing intel, it needs to ultimately drive action across the business. "Getting actionable insights" and "translating the intel into useful and impactful resources" was a top challenge. In other words, CI professionals struggle with "turning our research findings into actionable, bottom-line drivers."

Additional challenges that made the "runner up" list include:

1. **Centralizing CI** - With the wealth of CI data and activities, it can be challenging to collect all of that data in one place and streamline CI collection and analysis. "Managing the information to provide a single source of truth" is a challenge because "right now multiple people are doing CI through their lens, leading in duplicating efforts."
2. **Bandwidth** - CI can be a time-consuming effort, and many CI professionals struggle to get the bandwidth to work on it. "Finding resources (employees, skills, time, etc.) to devote to CI" is challenging and having "so many competitors and only 1 CI staff" means that bandwidth is limited.
3. **Analysis of Insights** - Aside from the time needed to collect intel data, CI professionals struggle with getting the "time to analyze" that data to extract insights.
4. **Many New Competitors** - In particularly competitive industries, an extra factor is the frequently changing list of competitors. "Keeping up with new competitors entering the market" or simply having "too many competitors" means the CI task is that much larger.
5. **Training** - Many respondents simply shared that "training" was their top challenge. Whether that included CI training for those responsible for it or internal training for how to use CI resources, this was a top challenge.

9 CONCLUSION

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We are at a turning point in the CI industry. More and more businesses are investing in CI, establishing clear goals and KPIs, enabling stakeholders all across the business, and driving real impact in their organizations. And it's not a moment too soon - businesses already average 25 competitors in their market and 87% say that their market is getting more competitive.

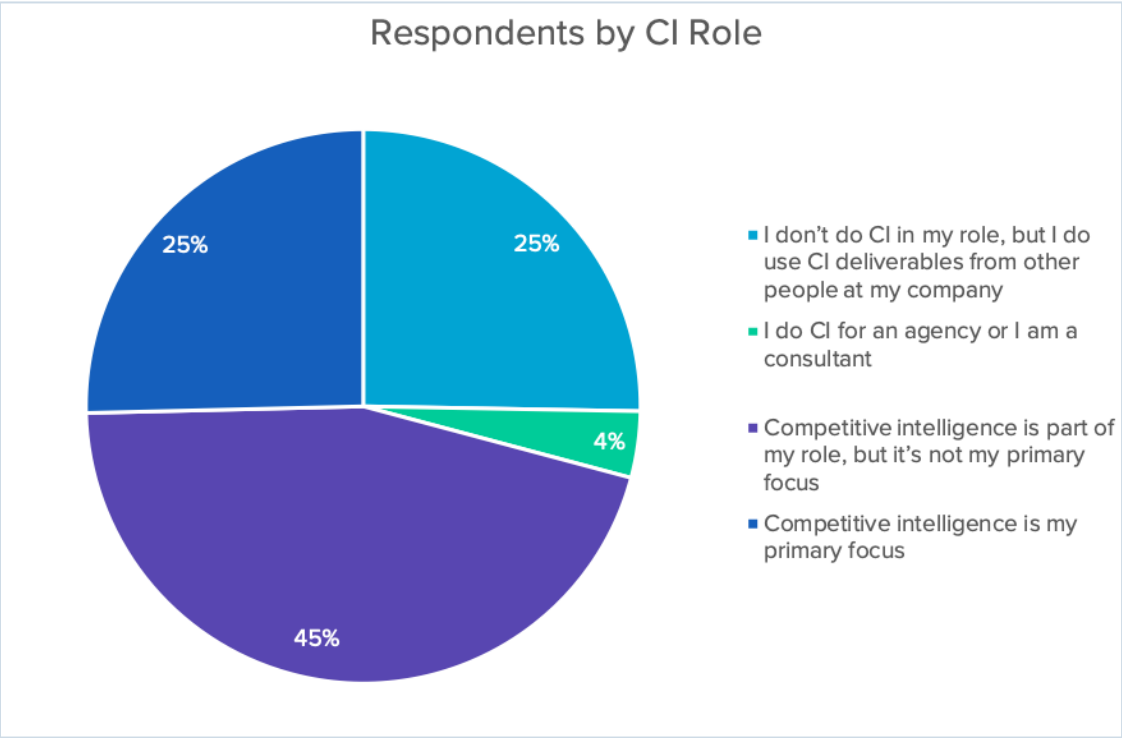
The impact of CI can be felt across the company, but most notably in improving marketing performance, enabling sales, and informing product strategy. While more and more businesses are establishing CI processes and seeing results, many still struggle with getting timely, accurate data, as well as gaining internal buy-in and driving action with their insights. Those that succeed are putting in the work needed - establishing clear goals and KPIs, dedicating time to research and analysis, and distributing intel early and often to their stakeholders.

At the end of the day, 96% of business professionals agree that CI is critical to the success of their organization. Whether their motivation is higher sales win rates, early warnings of market changes, or improved business productivity, CI is clearly a key part of the puzzle to win in an increasingly competitive market landscape.

10 SURVEY METHODOLOGY

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The State of Competitive Intelligence survey was open December 3, 2018 through January 7, 2019. More than 1,000 individuals responded during that period. Of the respondents involved in competitive intelligence for their organizations, 25% are full-time competitive intelligence professionals, 45% do some competitive intelligence as part of their role, 25% are stakeholders consuming CI deliverables, and 4% are consultants who work at CI agencies. Nearly 100% of respondents were in the United States.



ABOUT CRAYON

Crayon is a market and competitive intelligence platform that enables businesses to track, analyze, and act on market movements from their competitors, customers, and partners. Tens of thousands of teams use Crayon's software to capture and analyze complete competitive intelligence - external messaging and positioning, product and pricing changes, hiring plans, partner strategies, and more - pulling from hundreds of millions of sources. Crayon was founded by former HubSpot and AdMob executives to enable millions of businesses to take advantage of valuable market intelligence data to drive opportunities and revenue. To learn more about Crayon, or request a free sample competitive intelligence report, visit www.crayon.co.