2018 STATE OF MARKET INTELLIGENCE

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

CRAYON

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1 INTRODUCTION

The market intelligence field is in the middle of a reinvention. For some, this is a field decades old, with mature processes and established practices. But many of those processes and practices are no longer relevant, and irrelevant intelligence is simply useless data.

Why is this reinvention necessary? The core of the intelligence field - finding and interpreting intelligence data - has drastically changed with the move to the web. Companies not only have a presence online, but that presence has grown exponentially. This provides a wealth of data that is also much more available than what market and competitive intelligence professionals are accustomed to gathering. Now these professionals are tasked with building new processes and practices, and learning how to interpret and share this data for their businesses.

This study, the largest of its kind, dives into the experiences of market and competitive intelligence professionals as they tackle these challenges. More than 700 professionals contributed to the study, sharing their processes, their objectives, and their challenges in the field of market intelligence. By sharing their responses, we hope the industry as a whole can continue to improve - learning from each other's best practices and helping each other tackle the key challenges.

What is Market Intelligence (MI)?

Before we dive into the results, let's take a step back to define what we mean by market and competitive intelligence. Market intelligence is information relevant to a company's market - specific industry or product area - for use in strategic and tactical decision-making to achieve the company's goals. Market intelligence includes data on one's competitors, customers, partners, thought leaders, and other variables that can influence market success. Competitive intelligence (CI), an established field within market intelligence, focuses on the collection and interpretation of data on one's competitors. The market intelligence process includes both research and analysis of that market intelligence data, and ultimately results in business decisions and actions.

State of Market Intelligence Survey

The State of Market Intelligence Survey was open October-December 2017 and yielded more than 700 responses. Responses ranged from full time MI specialists to professionals who do MI as part of their role to business executives who consume MI data or analysis. Each chapter of this report dives into different areas of the market intelligence field - company investment, goals and metrics, roles involved in MI, and more. Learn what top professionals are doing today and where they hope to innovate in the coming year.

Executive Summary

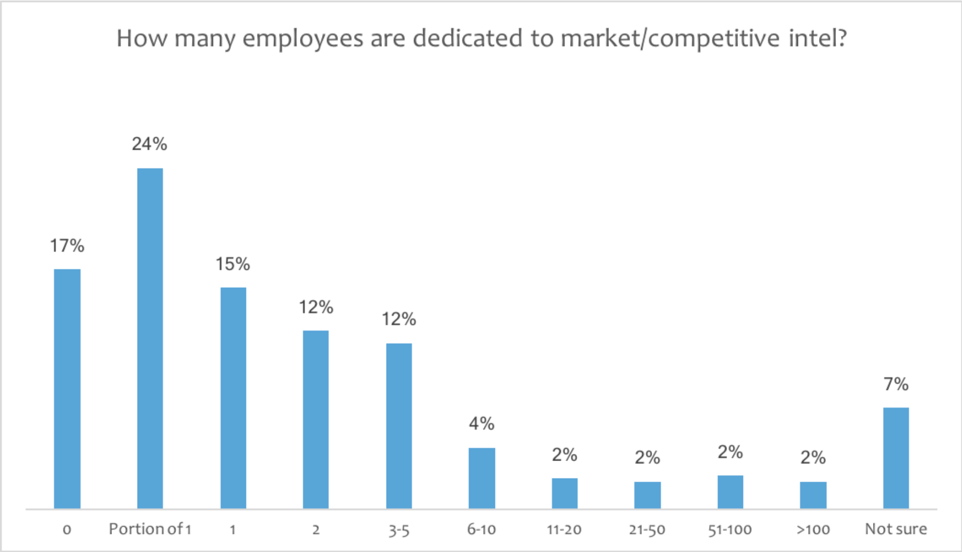
The State of Market Intelligence 2018 focuses on trends in MI investment, goals and metrics, roles and responsibilities, and the process itself for intel research and communication. Key findings include:

- Small companies struggle to invest in market/competitive intelligence, while large companies invest people, software, and services. 89% of large companies have headcount dedicated to the function, and 26% use three or more CI software tools.
- Many MI/CI programs are just being formed, with 40% in their first year, and only 22% with defined goals.
- About half have seen benefits from their market intelligence efforts: 49% have seen quantitative benefits and 61% have seen qualitative benefits. Most respondents took this combined approach to goals and metrics.
- 43% of time dedicated to competitive intelligence goes towards the Research phase, while the remaining time is split on Analysis and Communication. The majority of respondents track 10 or fewer sources, which wouldn't even cover one company's digital footprint.
- Yet 77% stated that it's important to have a holistic view of intel on your competitors in order to see MI/CI success. Collecting this extensive data can be time consuming, and 79% cited timeliness as a critical factor for success.
- Finally, market intelligence analysis serves no purpose if it doesn't get in the hands of relevant stakeholders. The primary mode of communication was email, with 84% saying they share intel that way.

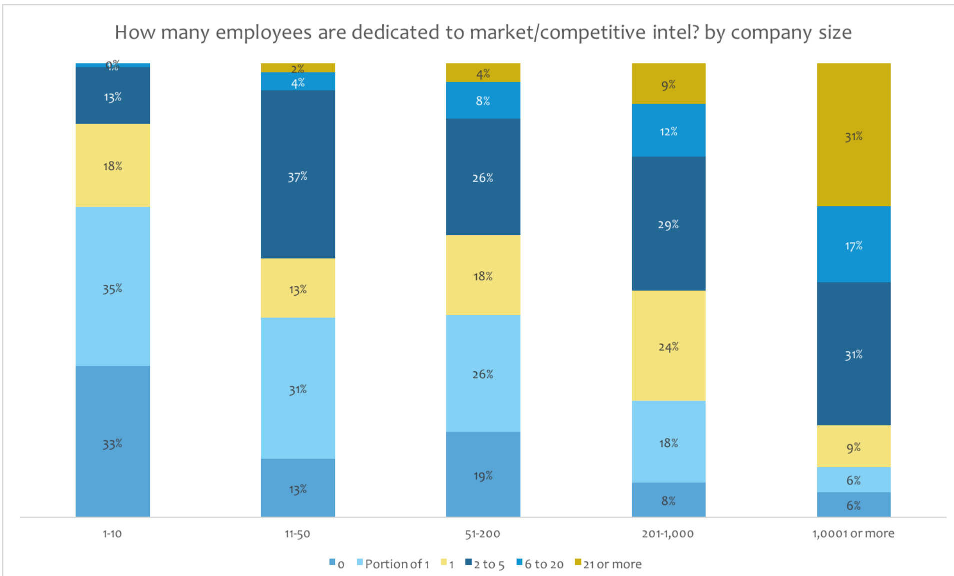
2 INVESTMENT

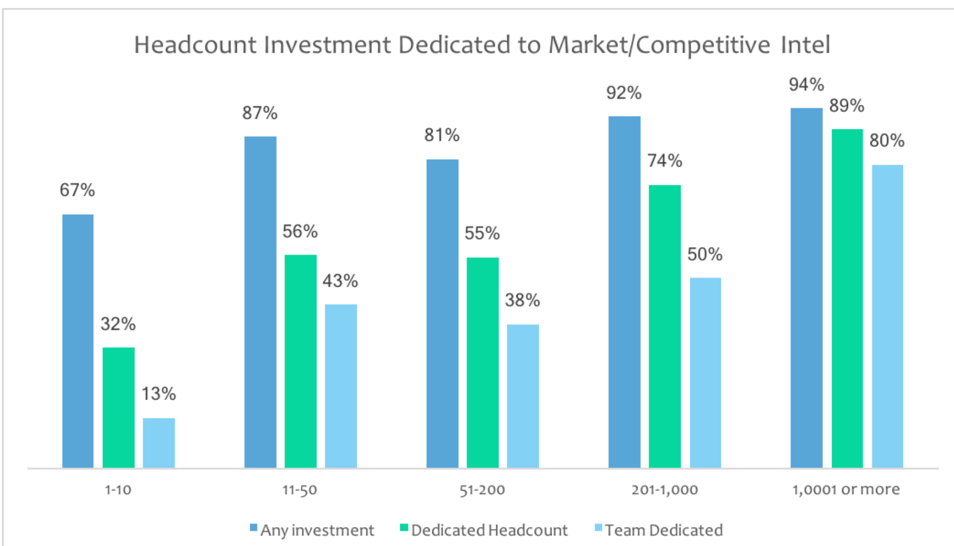
Most businesses rely on a small group of individuals, if any at all, for competitive intelligence. 17% have no one dedicated to MI/CI, and 24% have only a portion of one employee focused on this function.

However, as organizations get larger, they are more likely to have a dedicated role or team for MI/CI. Among companies with more than 1,000 employees, 89% have dedicated headcount for MI/CI and 80% have a dedicated team for the function.

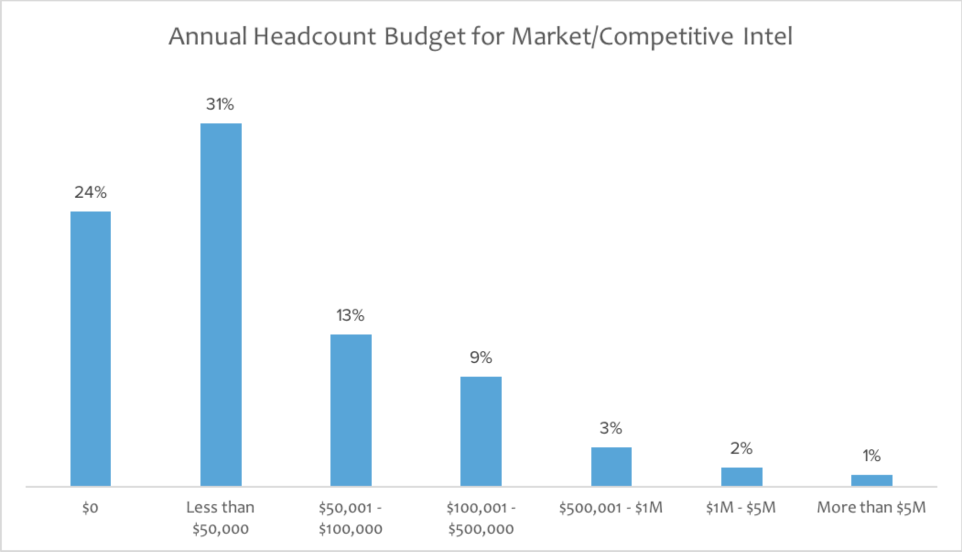


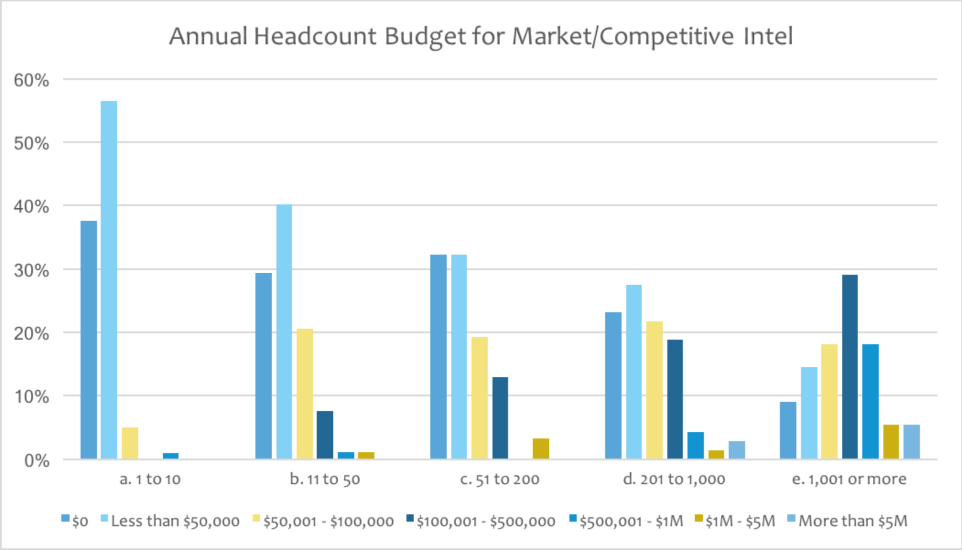
89% of large companies have headcount dedicated to market/competitive intelligence.



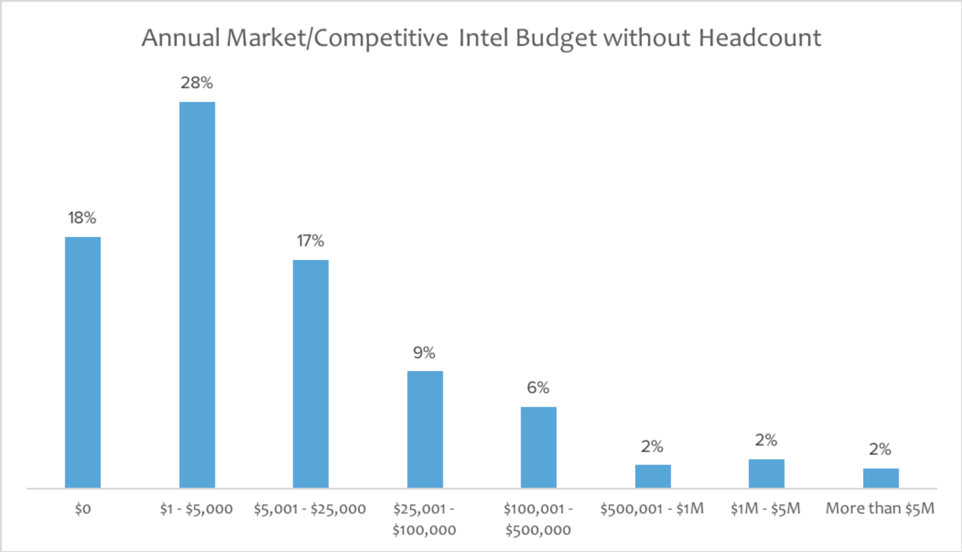


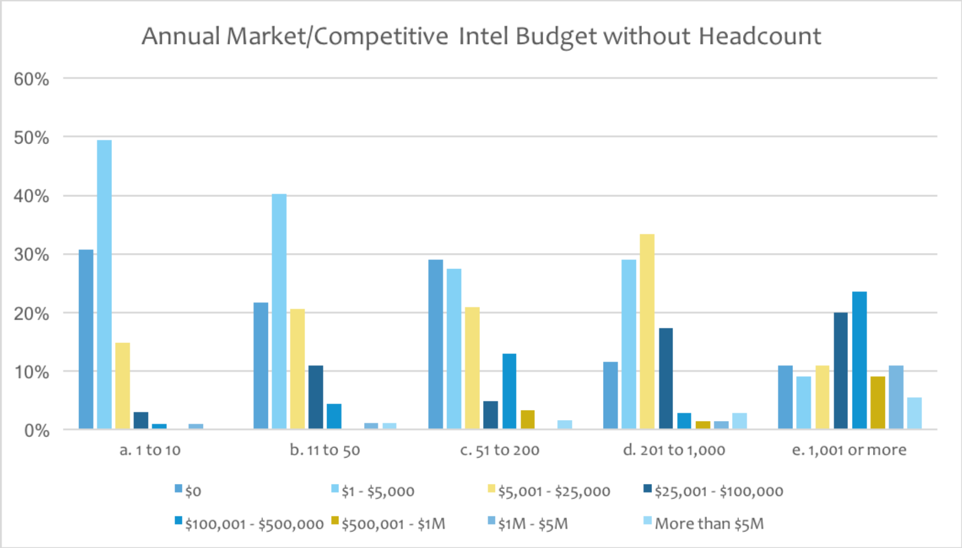
It's no surprise, then, that annual headcount budget follows a parallel trend, with most companies spending $0-$50,000 annually on MI/CI headcount. And the larger the company, the more likely they are to allocate significant budget towards this headcount.





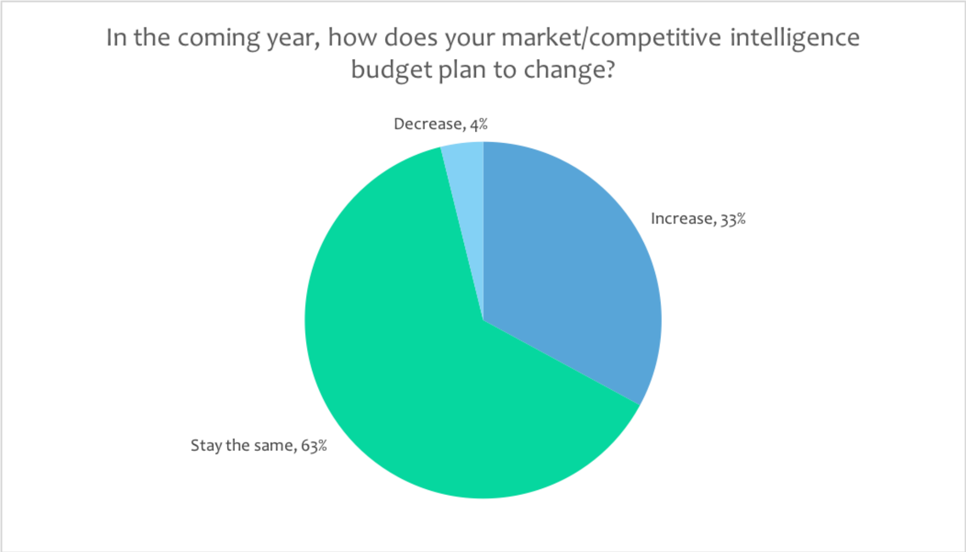
Program investment follows a similar pattern, with 18% of companies with $0 program budget and 28% with $5,000 or less in annual program spend for MI/CI. Once again, larger organizations are more likely to have budget allocated to this function, with 49% of the largest companies spending $100,000 or more annually.





In 2018, most companies are planning to keep their budget the same, while 33% plan to increase their CI budget. Market and competitive intelligence is clearly seen as a critical step for staying ahead in an increasingly competitive marketplace.

63% of businesses plan to keep their CI budget the same this year, while 33% plan to increase that budget.

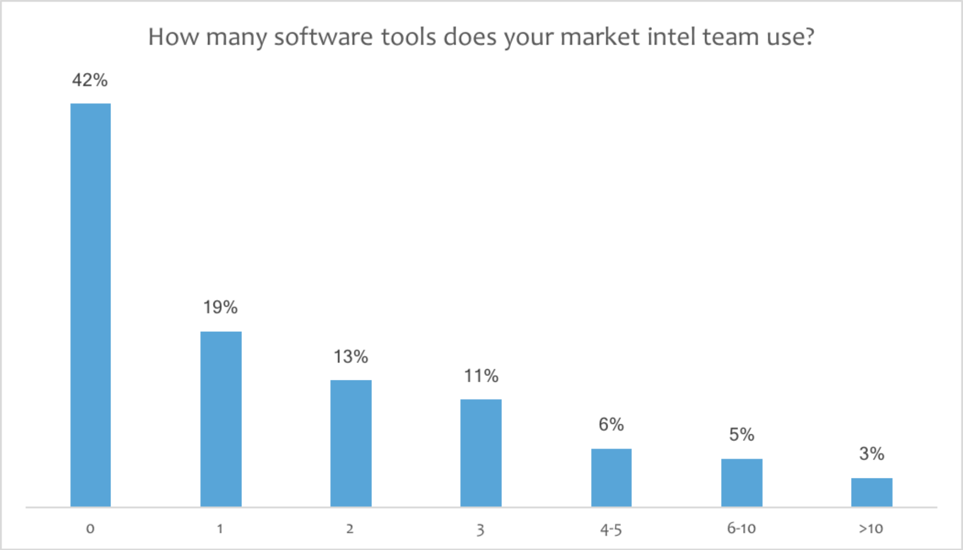


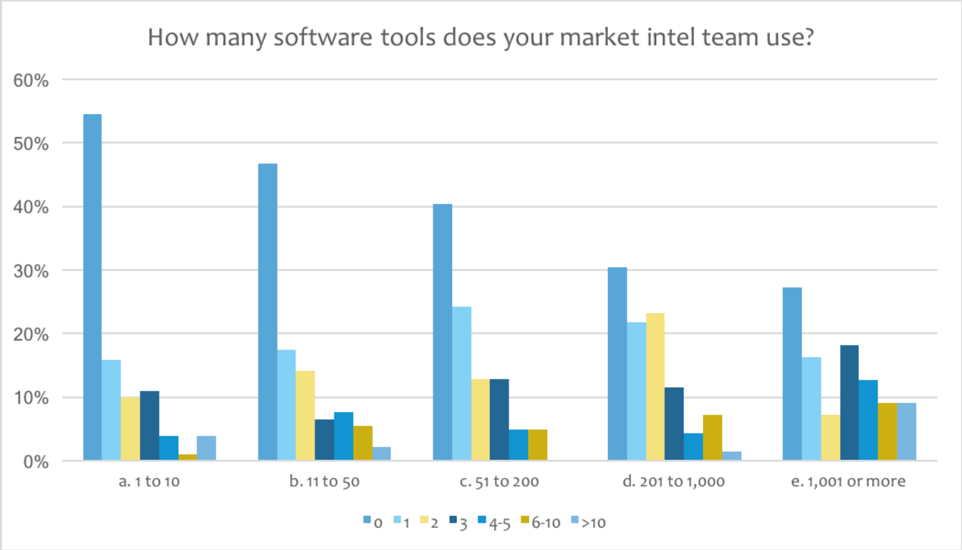
What are the main areas of budgetary investment and support? Software tools and consulting agencies play a big part there. 58% of respondents use one or more software tools, and 34% employed a consulting or research firm to support those efforts in the last year.

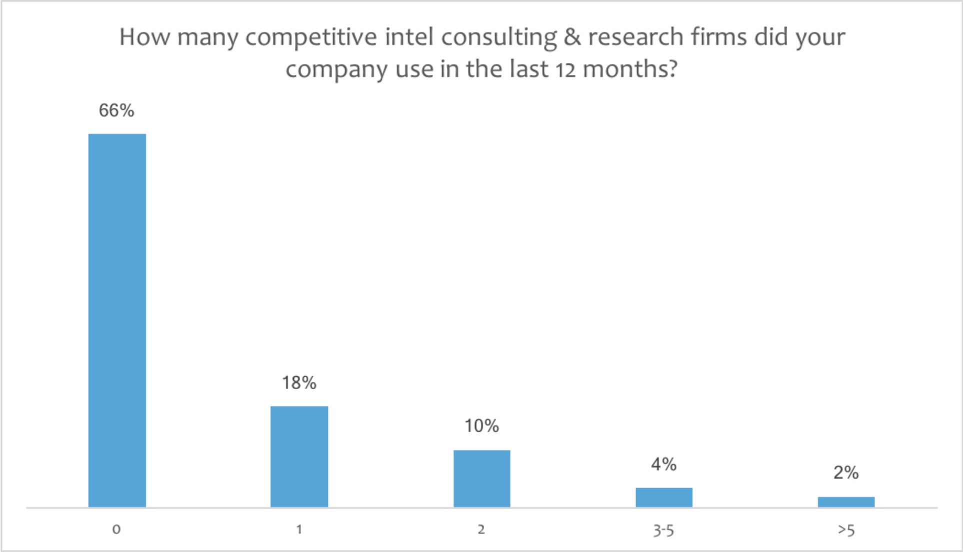
It can be challenging to get a complete picture of your competitors' moves with a single solution, so 26% of respondents use three more tools to support market and competitive intelligence. Among companies with more than 1,000 employees, 49% use three or more software tools and 49% employed two or more consulting agencies.

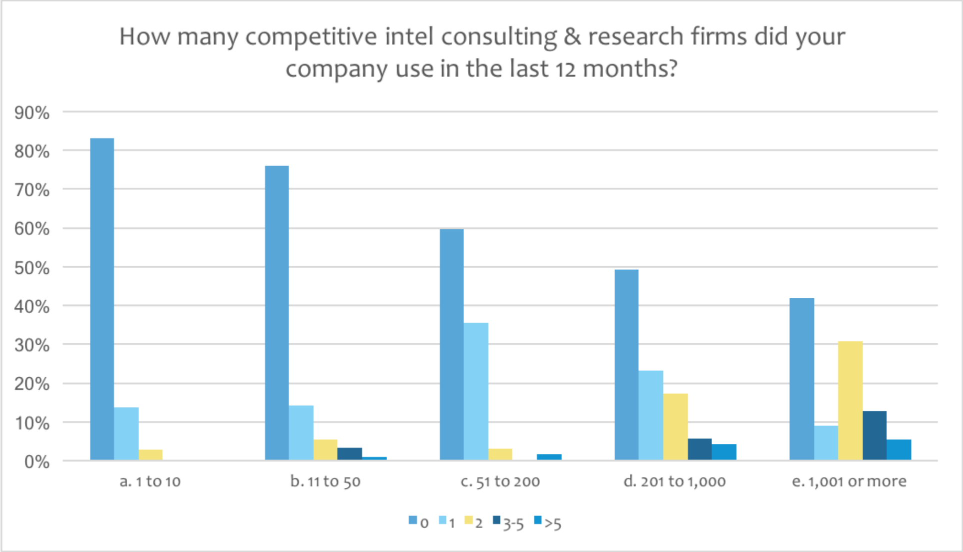
26% of businesses use three or more tools to support market and competitive intelligence efforts.

However, a subset of companies are still not using any software or consulting firms - 27% of companies with >1,000 employees don't use any software tools, and 42% don't employ any consulting firms.


How many software tools does your market intel team use?
42%
19%
13%
11%
6%
5%
3%
0
1
2
3
4-5
6-10
>10

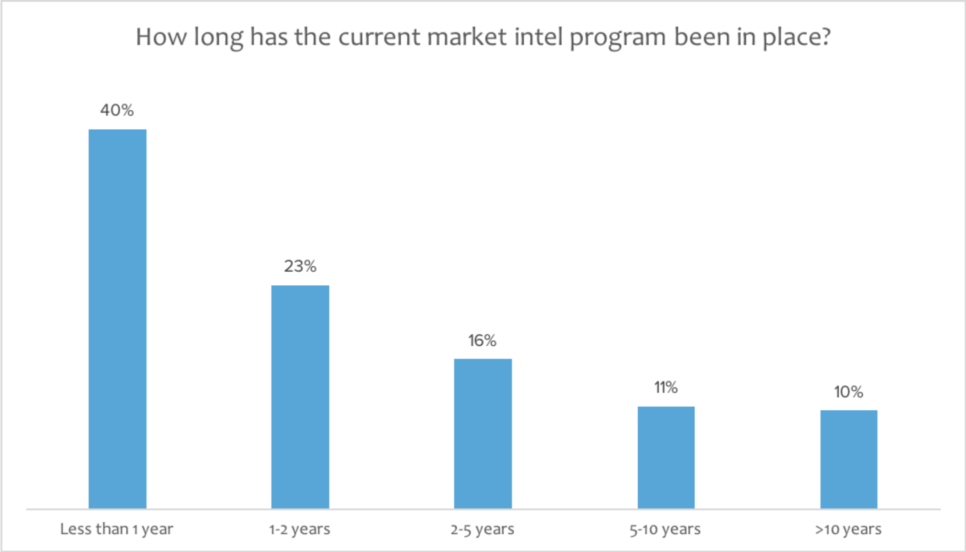

How many software tools does your market intel team use?
60%
50%
40%
30%
20%
10%
0%
a. 1 to 10
b. 11 to 50
c. 51 to 200
d. 201 to 1,000
e. 1,001 or more
0 1 2 3 4-5 6-10 >10


How many competitive intel consulting & research firms did your company use in the last 12 months?
66%
18%
10%
4%
2%
0
1
2
3-5
>5


How many competitive intel consulting & research firms did your company use in the last 12 months?
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
a. 1 to 10
b. 11 to 50
c. 51 to 200
d. 201 to 1,000
e. 1,001 or more
0
1
2
3-5
>5

The market and competitive intelligence function is frequently in flux, which we see in the tenure of most programs. 40% of MI/CI programs have been in place for less than one year, and only 10% have been in place for more than 10 years.

40% of market/competitive intelligence programs have been in place for less than one year.



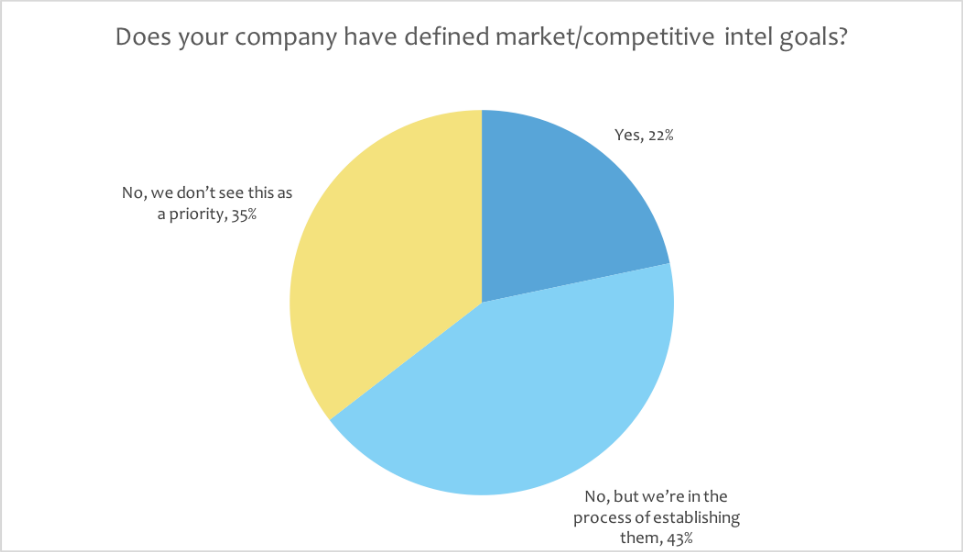
Need to make the case for market/competitive intelligence at your organization? [Here are some tips on creating a business case for market intel.]

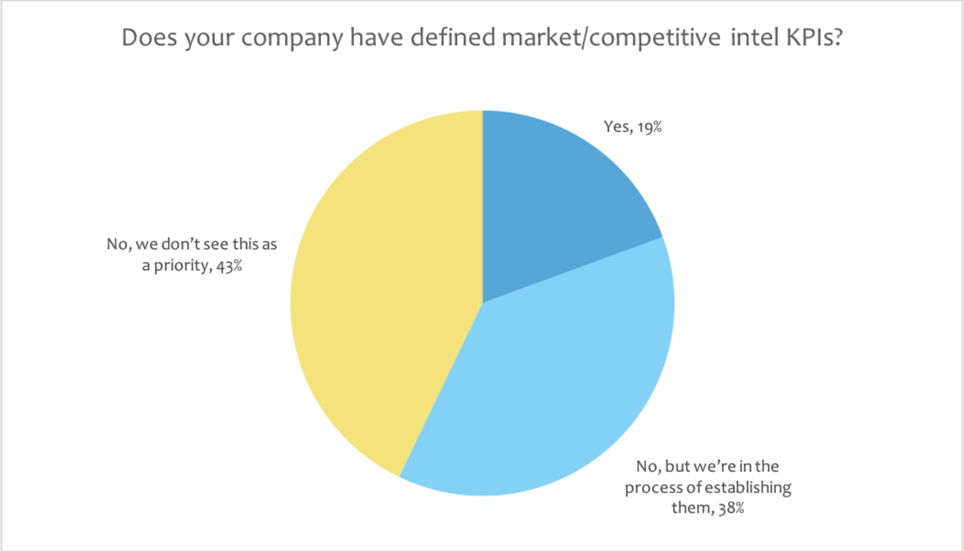
3 GOALS & KPIS

One of the key themes that has come from talking with hundreds of marketing and competitive intelligence professionals is the challenge around setting goals and key performance indicators (KPIs). That's why we dug into this topic here, to understand how companies have goals and KPIs outlined.

It's apparent that companies struggle with this topic, because only 22% say they have defined MI/CI goals and 19% say they have defined KPIs. Thankfully, many of the others are in the process of rectifying this. 43% say they're in the process of defining MI/CI goals, and 38% say they're in the process of defining MI/CI KPIs. Surprisingly, more than one third of respondents don't see goals or KPIs as a priority in MI/CI.

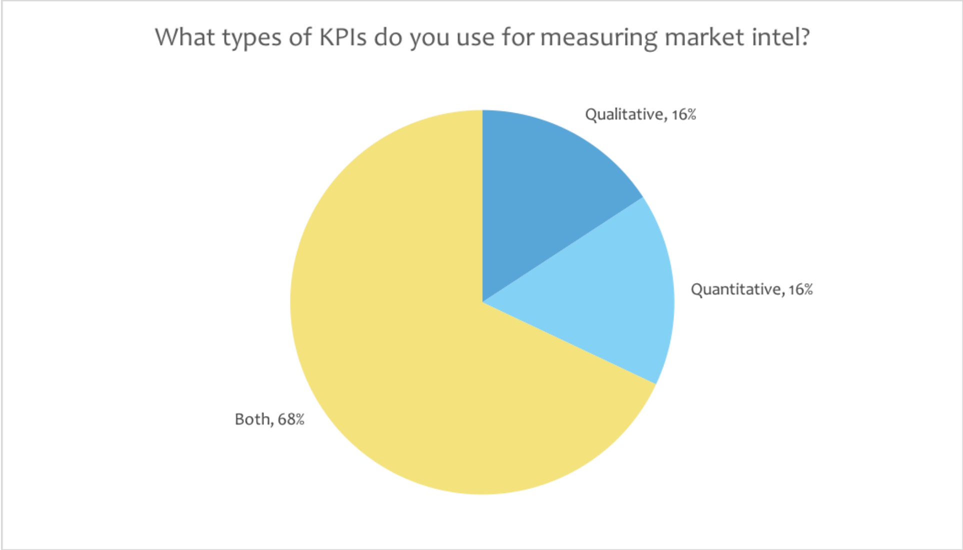
Only 22% have defined goals for market and competitive intelligence.


Does your company have defined market/competitive intel goals?
Yes, 22%
No, we don't see this as a priority, 35%
No, but we're in the process of establishing them, 43%


Does your company have defined market/competitive intel KPIs?
Yes, 19%
No, we don't see this as a priority, 43%
No, but we're in the process of establishing them, 38%

For the companies that do have KPIs established, the majority use a combination of quantitative and qualitative goals to encompass the extensive impact that MI/CI can have on a business.

68% of businesses who have KPIs for competitive intelligence use a combination of quantitative and qualitative metrics.



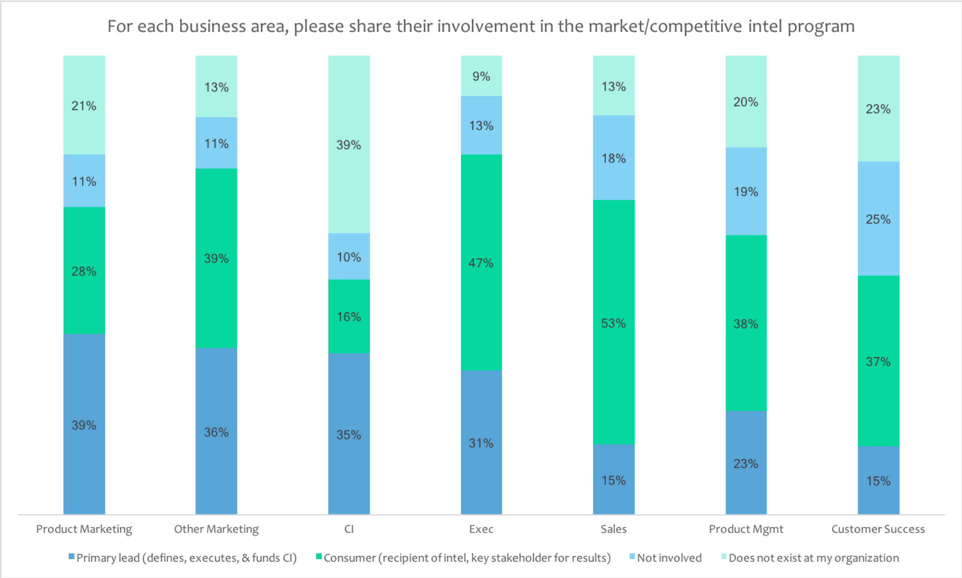
Of the companies that had goals or KPIs defined, it was often a variety of leaders who drove that initiative. The CEO/President was most likely to be involved, followed by the CMO/VP Marketing.

4 ROLES

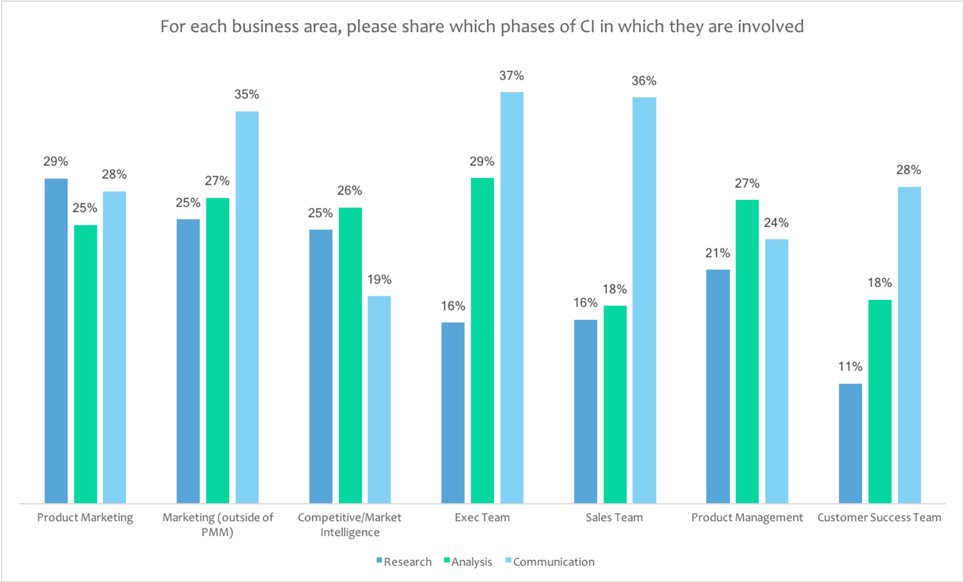
There is quite a bit of variety in terms of which departments - if any - take the lead in MI/CI. Marketing is the department most frequently mentioned, with 39% respondents saying that Product Marketing is the primary lead in CI and 36% saying that other Marketing roles take the lead.

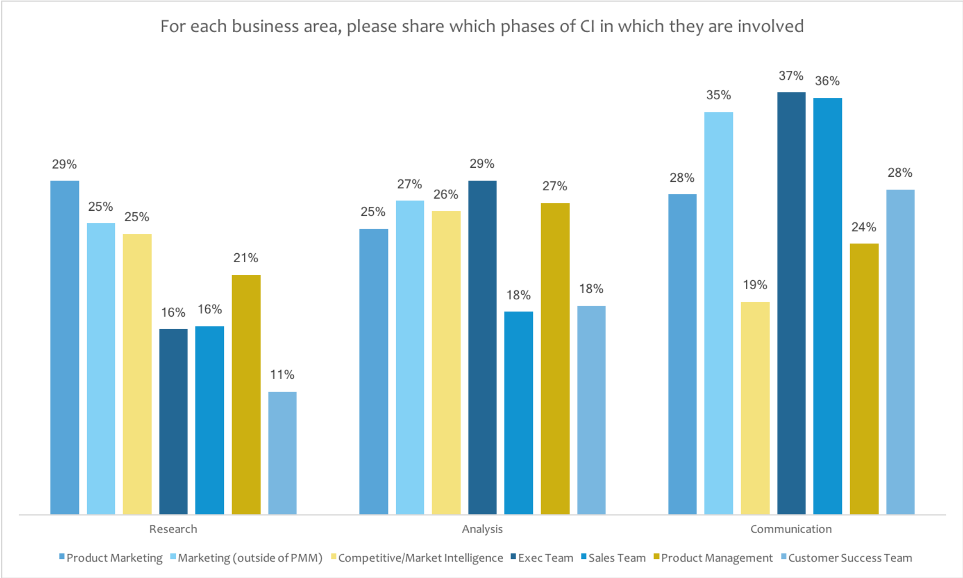
Consumption of intelligence is spread across the entire organization, but the biggest "customers" of MI/CI are Sales (53% say they are a consumer of CI) and Executives (47% say they are a consumer of CI).

Sales and Executives are the biggest customers of market/competitive intelligence. 53% cite Sales and 49% cite Executives as a key consumer.



When it comes to the different phases of the MI/CI process, we see more of a divide as to who handles the research step in particular. Product Marketing, Marketing, and CI are the teams most likely to be involved in the Research process, while Executives and Product Management tend to get involved at the Analysis stage. Finally, the teams most involved at the Communication stage are Marketing, Executives, and Sales - likely the biggest consumers of the intelligence in their functions.





Each organization has its own approach to market and competitive intelligence, extending to the name of the function itself. The most popular term used to describe this activity is “market research”, but other popular choices included “competitive intelligence” and “business strategy.”

Competitive Research Function Market Intelligence
Product Marketing Competitive Intelligence
Business Intelligence Market Research Development
Business Strategy Insights Competitive Analysis Intel

When looking at the details of answers, additional keywords surface including “analysis” and “marketing.”

5 RESEARCH PRACTICES

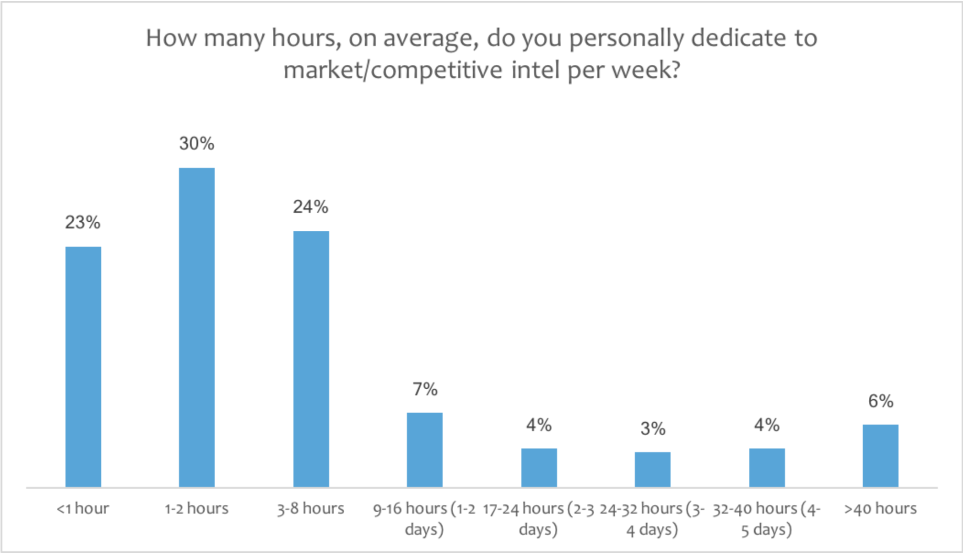
The Research phase can be the most time-consuming step in the MI/CI process. Consistently monitoring a wide range of intel sources is challenging but critical in order to get complete and relevant intelligence.

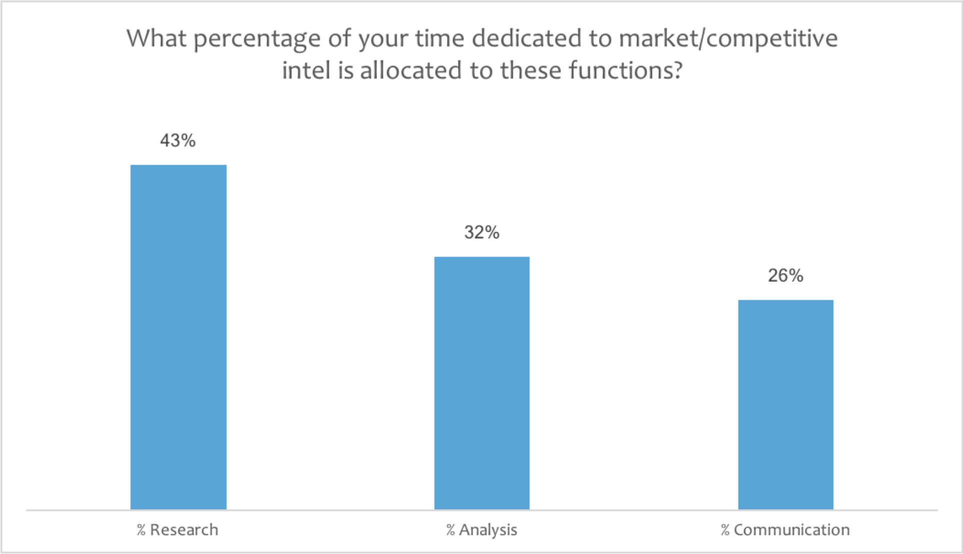
The majority of respondents spent a day or less per week on competitive intelligence, with 23% dedicating under one hour per week and 30% dedicating just one or two hours per week. Only 24% spend more than one day per week on CI.

When it comes to how that time is spent, the trend is clear - Research is the biggest component of that effort, at 43% of CI time dedicated to that phase alone. Analysis and Communication pick up the balance, at 32% and 26% respectively.

43% of time dedicated to market and competitive intelligence goes towards the Research phase.

Creating a competitor analysis? Download this free 50+ slide template to get off to a fast start.


How many hours, on average, do you personally dedicate to market/competitive intel per week?
30%
23%
24%
7%
4%
3%
4%
6%
<1 hour
1-2 hours
3-8 hours
9-16 hours (1-2 days)
17-24 hours (2-3 days)
24-32 hours (3-4 days)
32-40 hours (4-5 days)
>40 hours

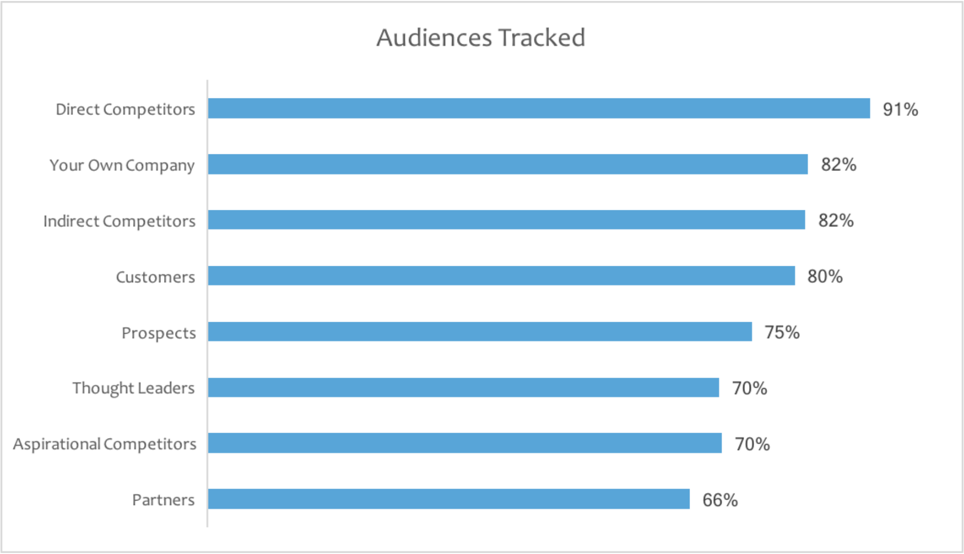

What percentage of your time dedicated to market/competitive intel is allocated to these functions?
43%
32%
26%
% Research
% Analysis
% Communication

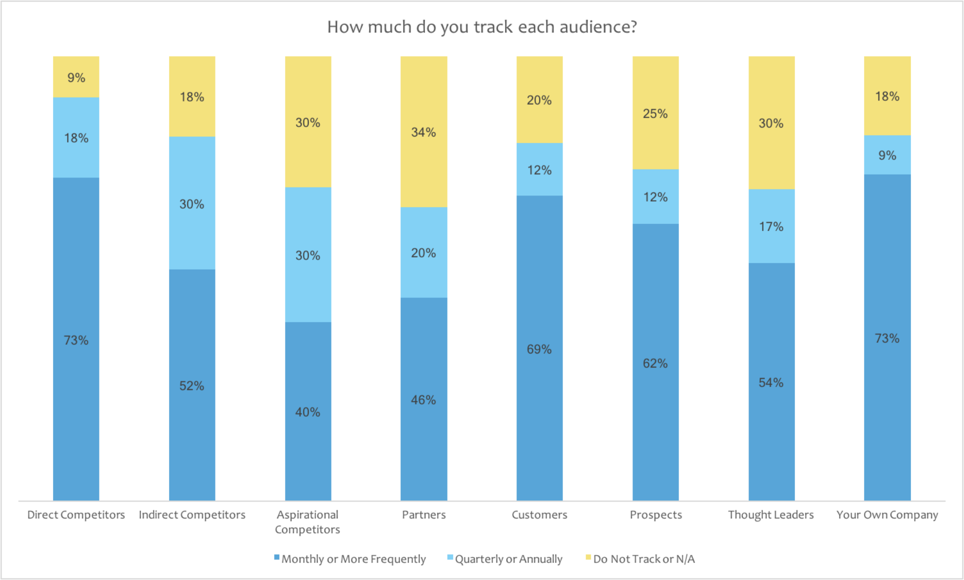
Digging into that Research phase, we see that the bulk of businesses focus their efforts on tracking their key competitors, but also themselves. 91% track direct competitors and 82% track indirect competitors. 82% also track their own company as part of their CI efforts - a key factor in getting perspective on how you are doing in the greater marketplace.

While a wide range of audiences are often tracked - from direct competitors to customers to thought leaders - there are some significant differences in how often each group is monitored. For example, while 82% track indirect competitors, only 4% track them daily. Compare that to the 82% who track their own company, 41% track themselves daily.

82% track their own company as part of their competitive intelligence efforts.

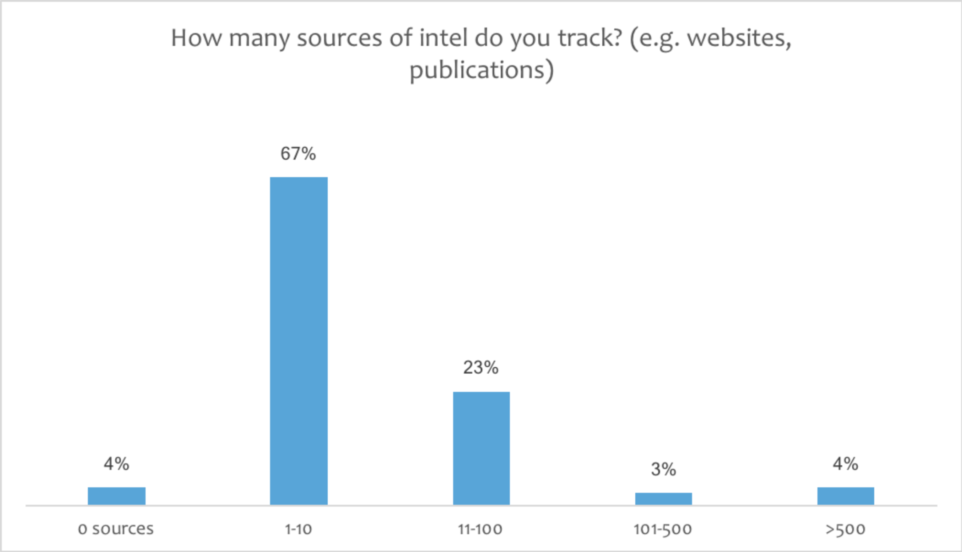
Aspirational Competitors, Partners, and Thought Leaders were the groups least tracked, but these audiences can provide great inspiration and unearth significant marketing opportunities.


Audiences Tracked
Direct Competitors
91%
Your Own Company
82%
Indirect Competitors
82%
Customers
80%
Prospects
75%
Thought Leaders
70%
Aspirational Competitors
70%
Partners
66%


How much do you track each audience?
9%
18%
73%
18%
30%
52%
30%
30%
40%
34%
20%
46%
20%
12%
69%
25%
12%
62%
30%
17%
54%
18%
9%
73%
Direct Competitors
Indirect Competitors
Aspirational Competitors
Partners
Customers
Prospects
Thought Leaders
Your Own Company
Monthly or More Frequently
Quarterly or Annually
Do Not Track or N/A

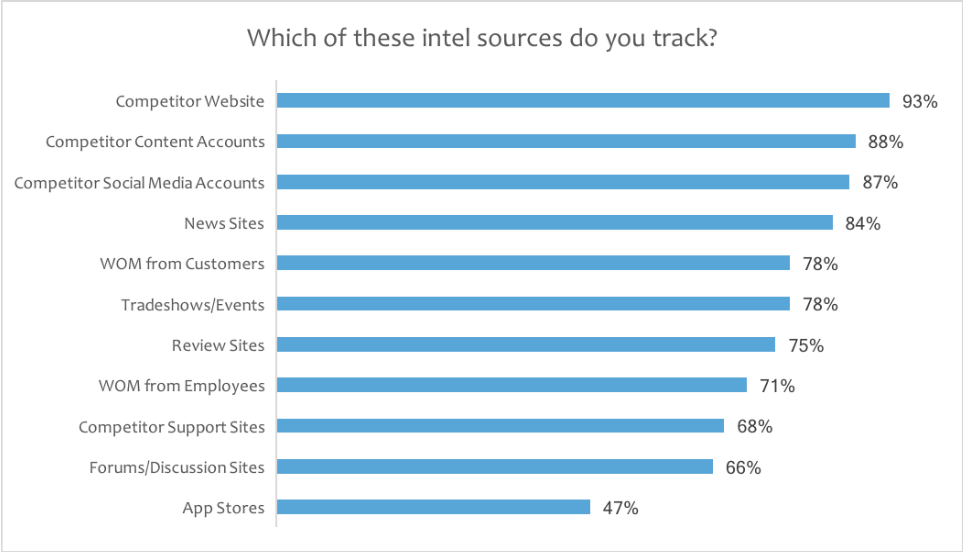
When it comes to identifying the sources for intel on these groups, most professionals have a very short list. 67% track just 1-10 sources (e.g. websites, publications), which wouldn't even cover one company's digital footprint when you add up their website, social media profiles, review sites, and more.

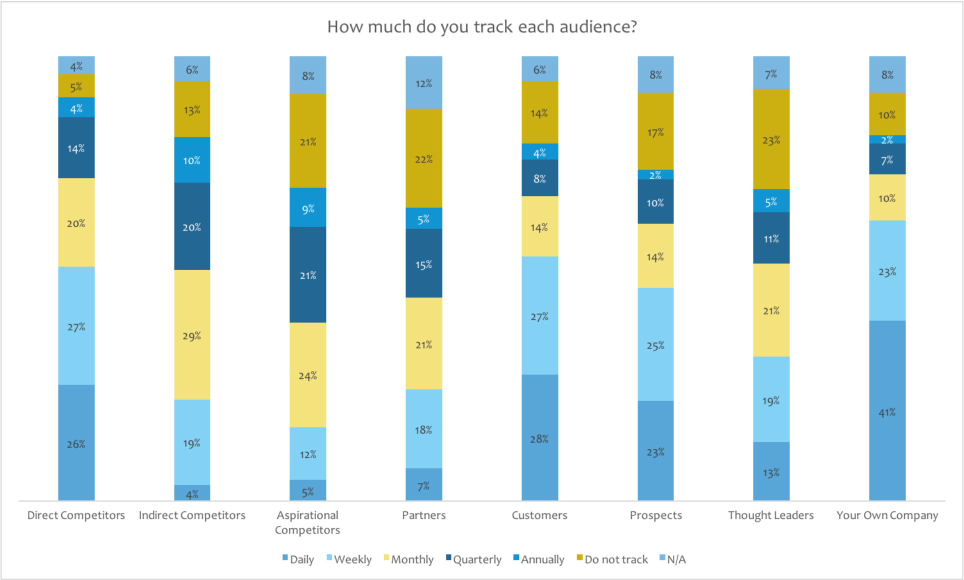
67% track just 1-10 sources (e.g. websites, publications), which wouldn't even cover one company's digital footprint.

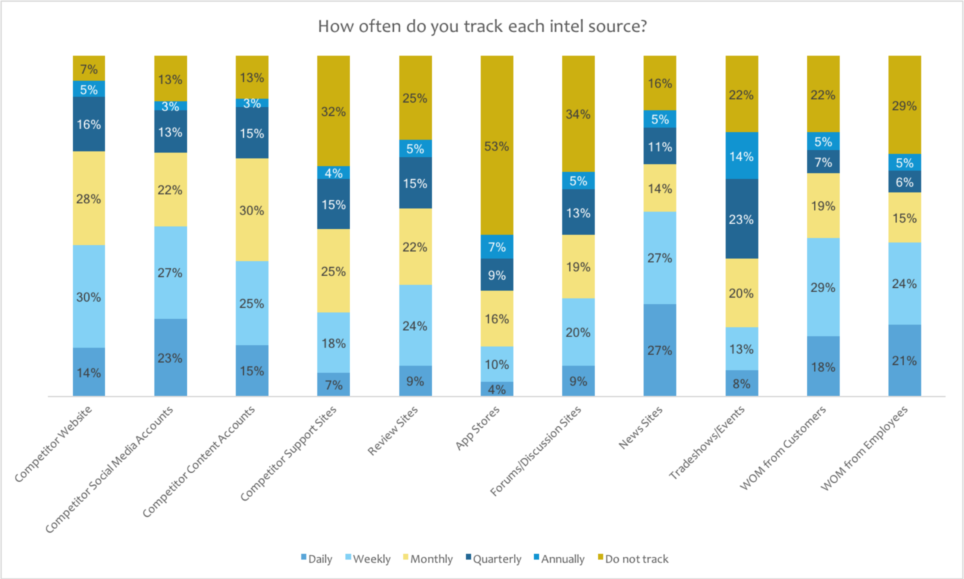


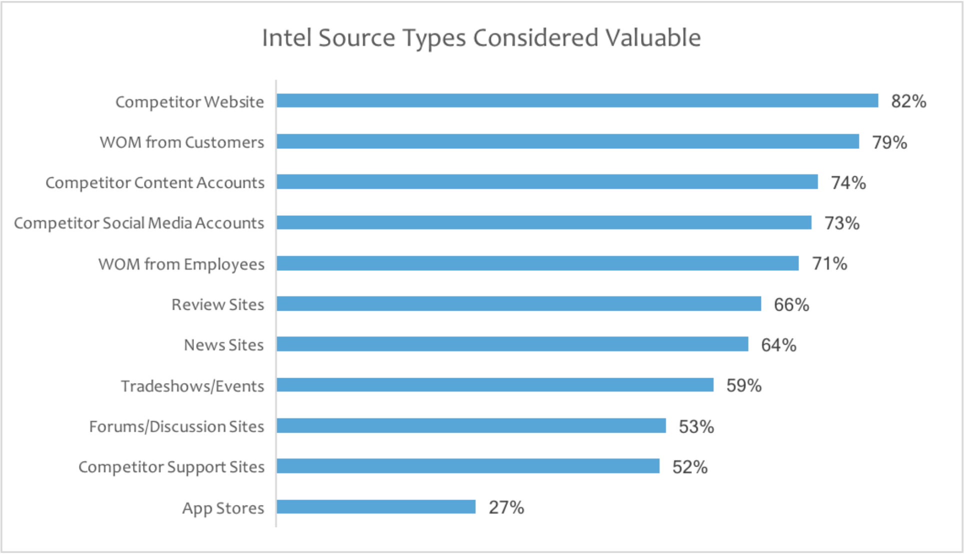
These professionals focus on the competitor's core online profiles - 93% track their website, 88% track their content accounts, 87% track their social media accounts. Some of the most valuable intel can be hidden elsewhere, such as in forum/discussion sites where customers are talking about a competitor's product - but only 66% track those sites.

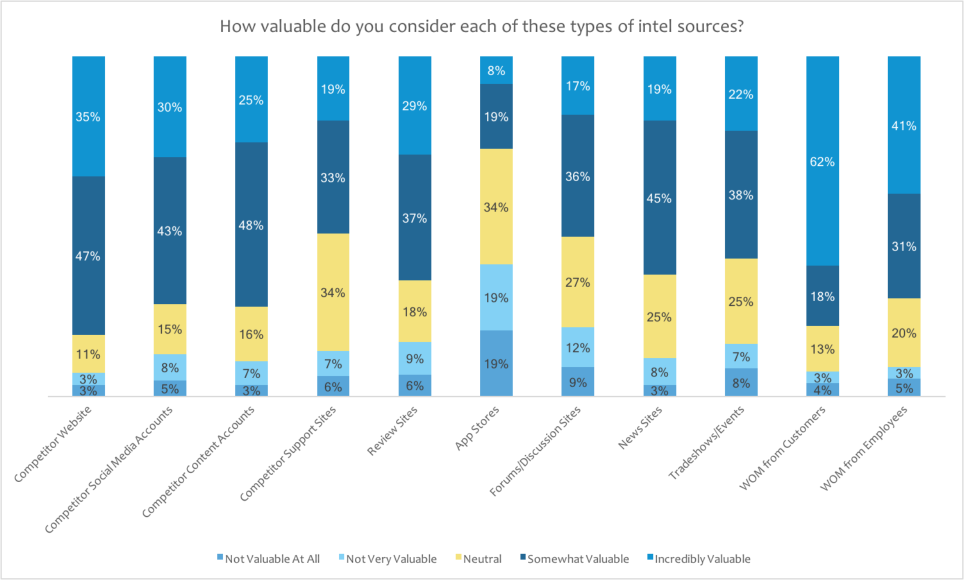
Despite tracking these sources at a high rate, there is unfortunately a gap between tracking and seeing value. While 93% track a competitor's website, only 82% consider that to be a valuable source of intel. Almost every intel source has a similar gap - except for word of mouth (WOM) from customers. 78% say they track WOM from Customers, and 79% consider it a valuable source of intel. Whether the value gap is due to struggles with finding the signal among the noise or interpreting the signals they do find, this is a gap that needs addressing if businesses are to turn competitive intelligence into action.




How much do you track each audience?
Direct Competitors
Indirect Competitors
Aspirational Competitors
Partners
Customers
Prospects
Thought Leaders
Your Own Company
Daily
Weekly
Monthly
Quarterly
Annually
Do not track
N/A


How often do you track each intel source?
Competitor Website
Competitor Social Media Accounts
Competitor Content Accounts
Competitor Support Sites
Review Sites
App Stores
Forums/Discussion Sites
News Sites
Tradeshows/Events
WOM from Customers
WOM from Employees
Daily
Weekly
Monthly
Quarterly
Annually
Do not track


Intel Source Types Considered Valuable
Competitor Website 82%
WOM from Customers 79%
Competitor Content Accounts 74%
Competitor Social Media Accounts 73%
WOM from Employees 71%
Review Sites 66%
News Sites 64%
Tradeshows/Events 59%
Forums/Discussion Sites 53%
Competitor Support Sites 52%
App Stores 27%

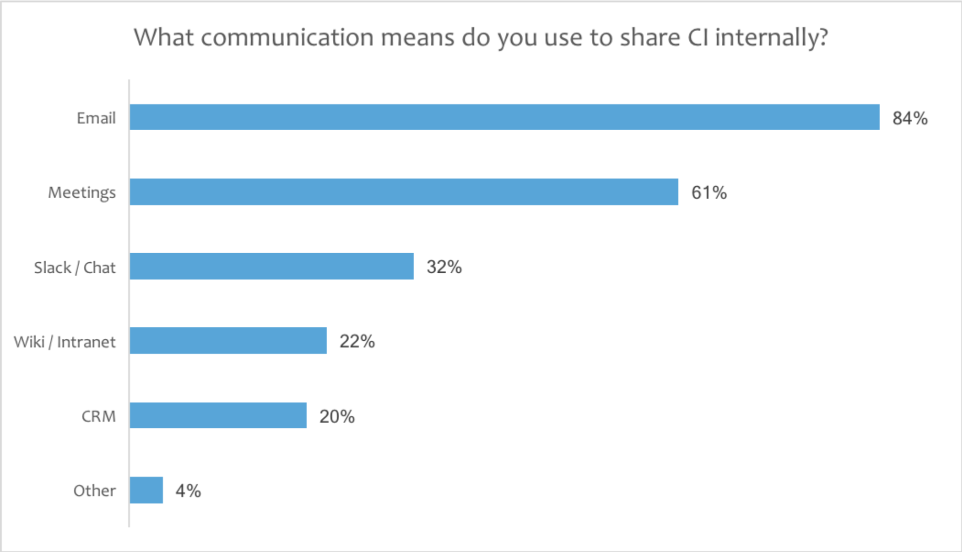

How valuable do you consider each of these types of intel sources?
Competitor Website 3% 3% 11% 47% 35%
Competitor Social Media Accounts 5% 8% 15% 43% 30%
Competitor Content Accounts 3% 7% 16% 48% 25%
Competitor Support Sites 6% 7% 34% 33% 19%
Review Sites 6% 9% 18% 37% 29%
App Stores 19% 19% 34% 19% 8%
Forums/Discussion Sites 9% 12% 27% 36% 17%
News Sites 3% 8% 25% 45% 19%
Tradeshows/Events 8% 7% 25% 38% 22%
WOM from Customers 4% 3% 13% 18% 62%
WOM from Employees 5% 3% 20% 31% 41%
Not Valuable At All
Not Very Valuable
Neutral
Somewhat Valuable
Incredibly Valuable

6 COMMUNICATION PRACTICES

Once valuable intelligence is discovered and analyzed, it's time to share the findings with relevant stakeholders across the business. There is use for competitive intel across every department and role, from marketing channel managers to sales reps to product leaders to executive management.

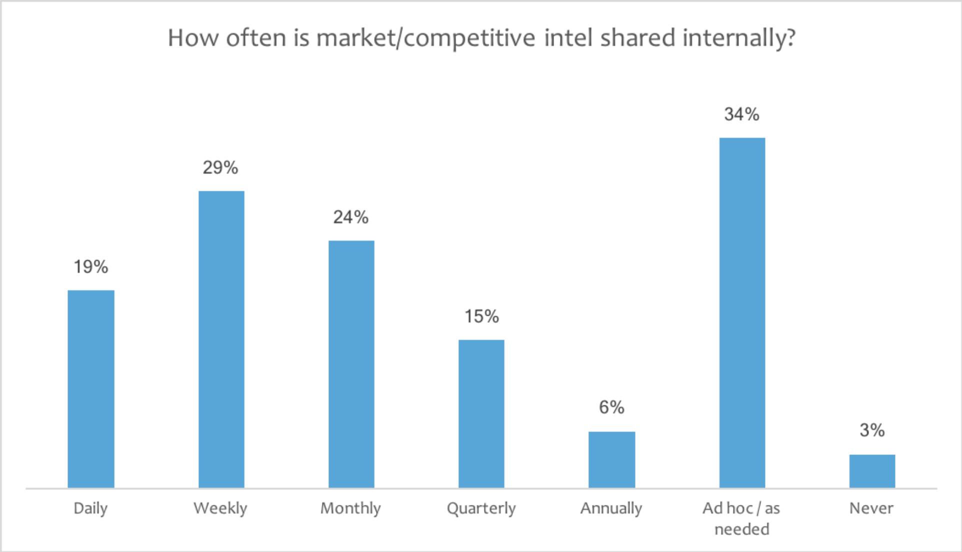
Despite the proliferation of chat and other new communication channels, most businesses still rely on traditional platforms to share CI internally. Email is the most popular communication channel, with 84% sharing CI with coworkers by email. 61% use meetings as a key communication channel, and only 32% used an internal chat tool for this.

84% share competitive intelligence with coworkers by email, and 61% use meetings for CI communication.

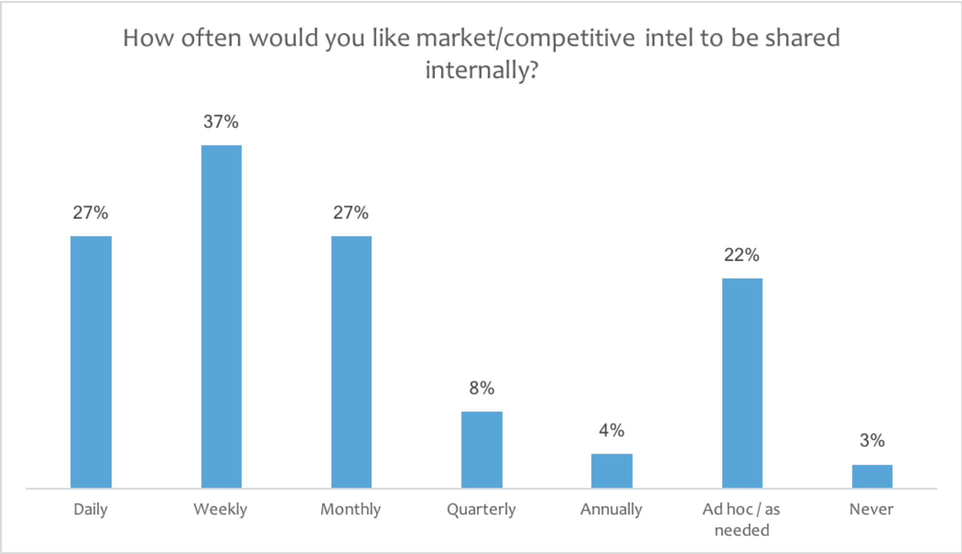


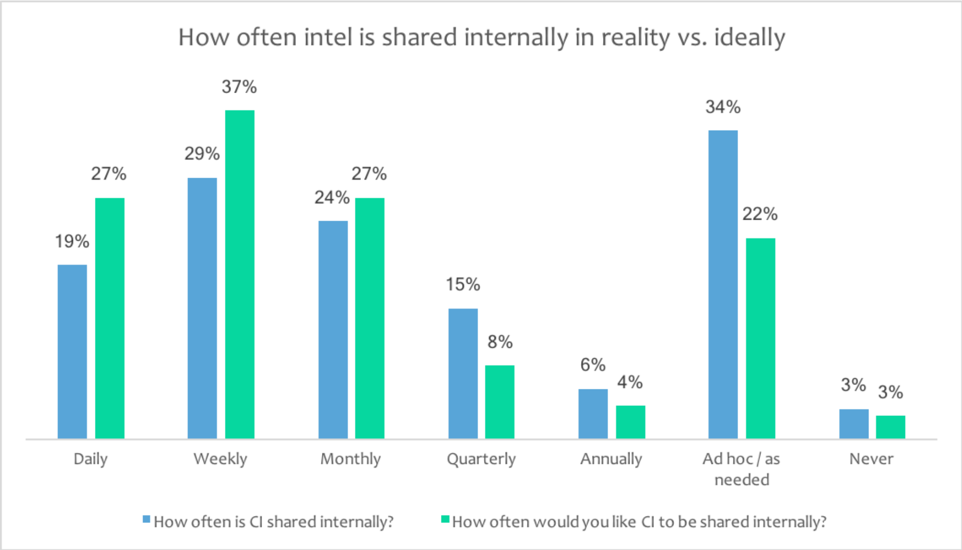
When it comes to establishing a cadence for sharing intel, many will do a combination of frequencies, such as weekly updates combined with quarterly reports. The most popular cadence, however, is simply sharing intel on an ad hoc basis, as some critical news surfaces. 34% share MI/CI on an ad hoc basis, followed by 29% on a weekly basis and 24% on a monthly basis.

But across the board, respondents wanted to share intel on a more regular, agile basis. For example, while 29% already share MI/CI weekly, 37% said they would like it to be shared weekly. 19% share intel on a daily basis, but 27% said they would ideally share intel daily. Longer timeframes - such as quarterly, annually, or even ad hoc intel updates - were less ideal. This shows a desire to be more agile with the MI/CI process and the importance of getting intel to key stakeholders in a timely manner.

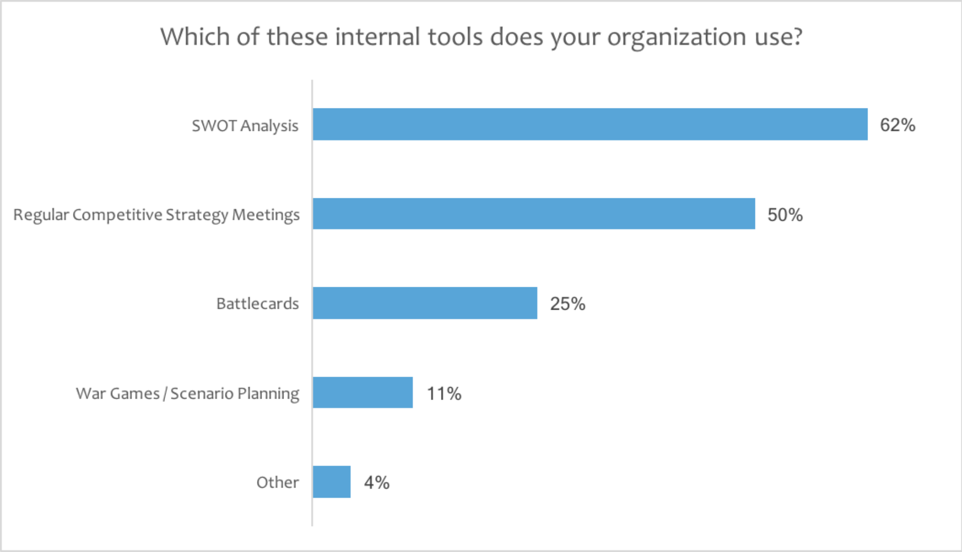


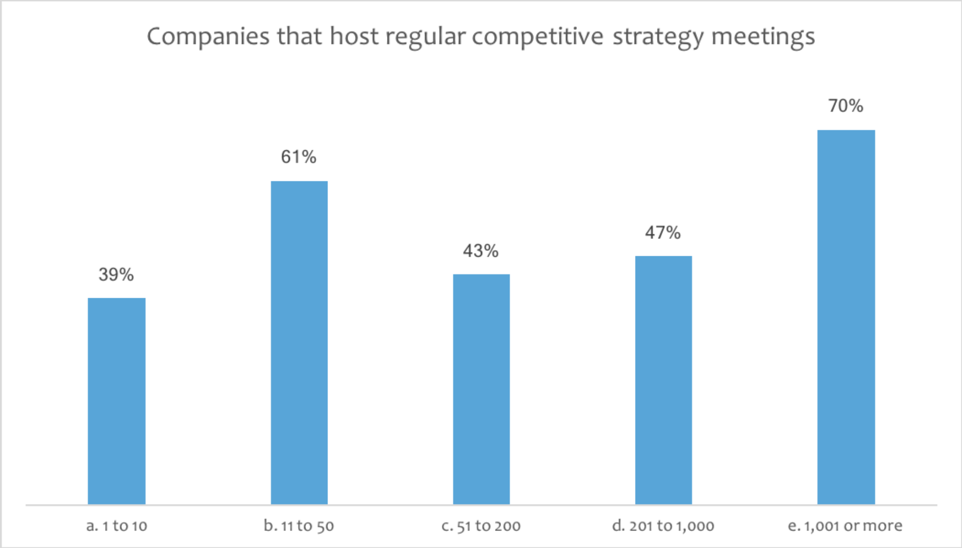
29% share market/competitive intel on a weekly basis, but 37% say they would like it to be shared weekly.





70% of large companies (1,000+ employees) host regular competitive strategy meetings to share and discuss the latest intel.

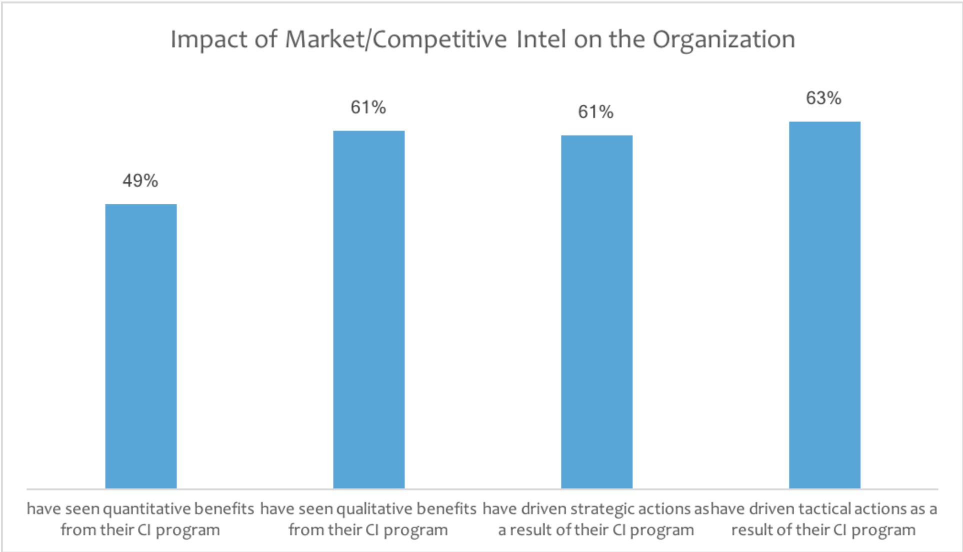




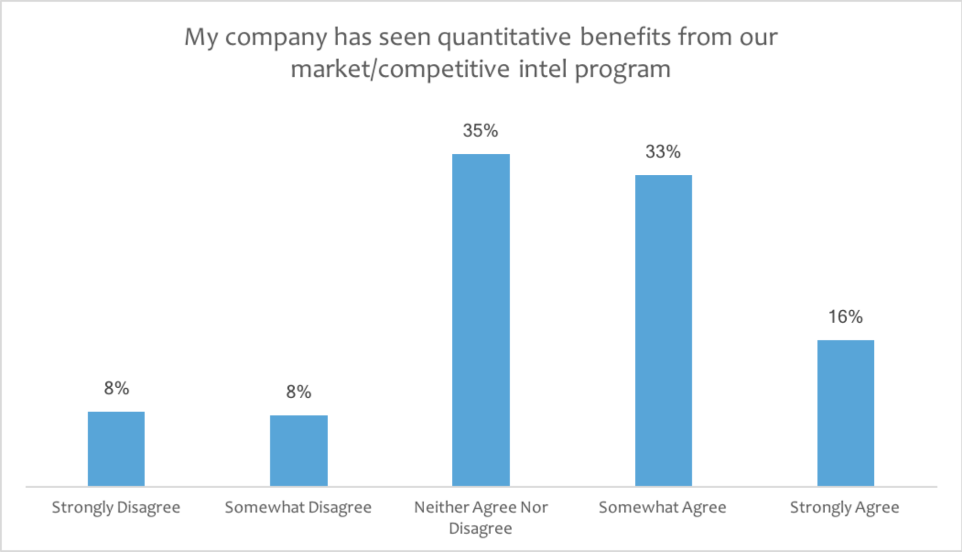
7 IMPACT & CHALLENGES

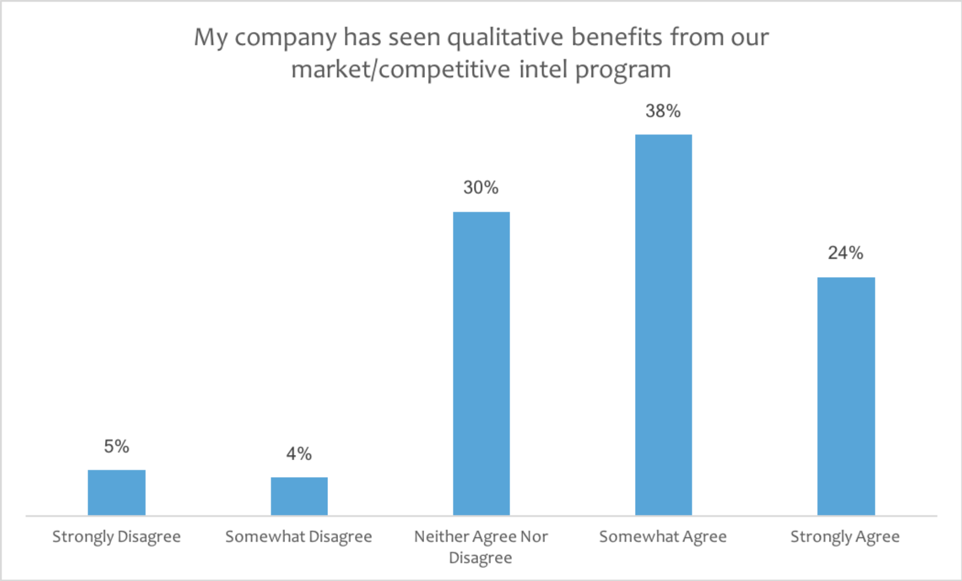
Finally, the most critical question when it comes to market and competitive intelligence - what impact does it have on the business? Across the board, we saw a balanced focus on qualitative and quantitative goals, strategic and tactical output, direct and nuanced impact. But similarly across the board, we saw struggles with each of these areas in determining the impact of MI/CI on the business.

49% have seen quantitative benefits from their MI/CI program, and 61% have seen qualitative benefits. Still nearly half of respondents struggled with seeing this impact as well as tangible output: 61% have driven strategic actions as a result of their MI/CI program, and 63% have driven tactical actions.



49% have seen quantitative benefits from the market/competitive intel program, and 61% have seen qualitative benefits.





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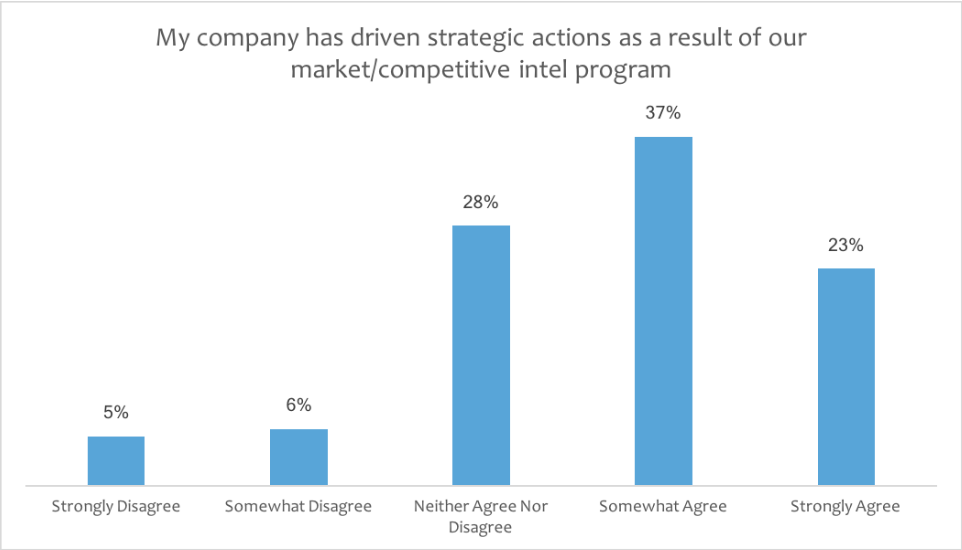
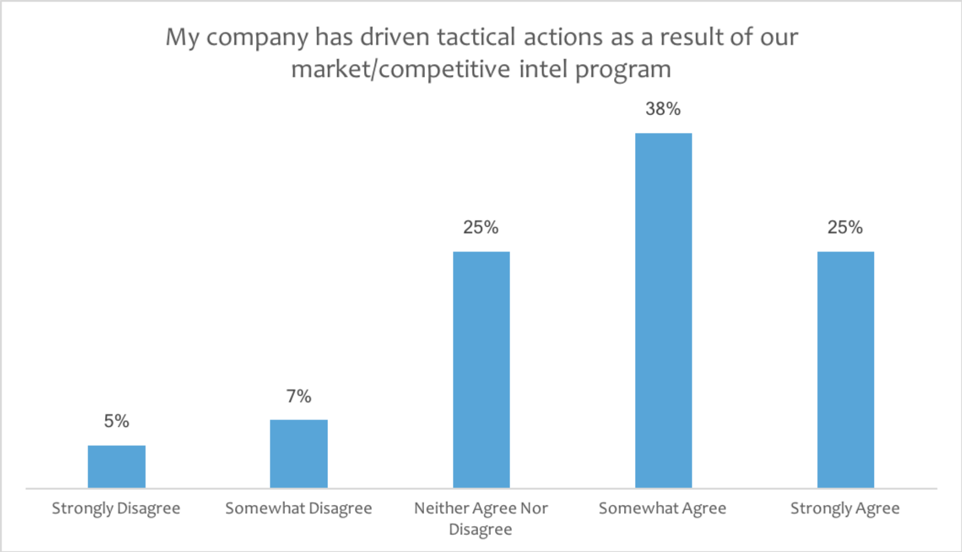
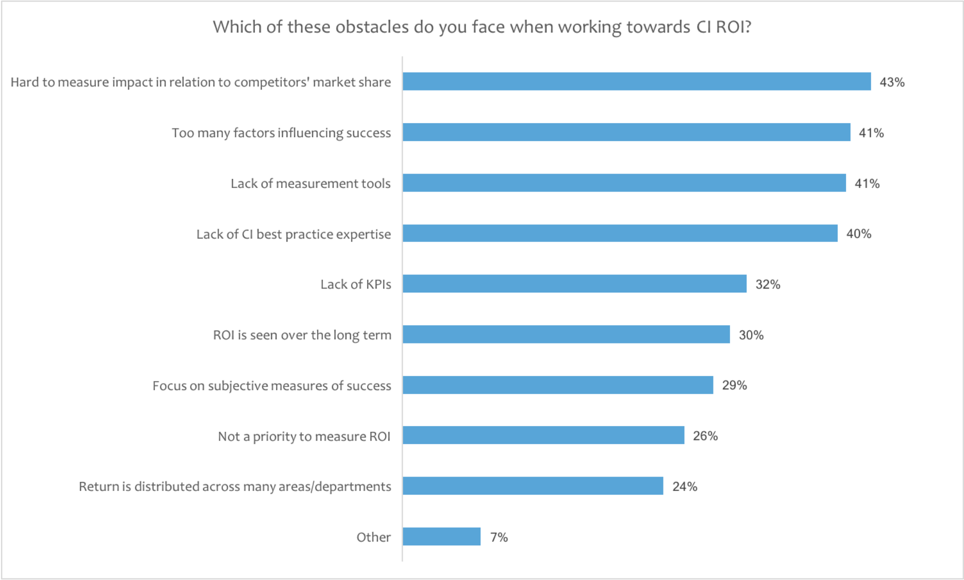


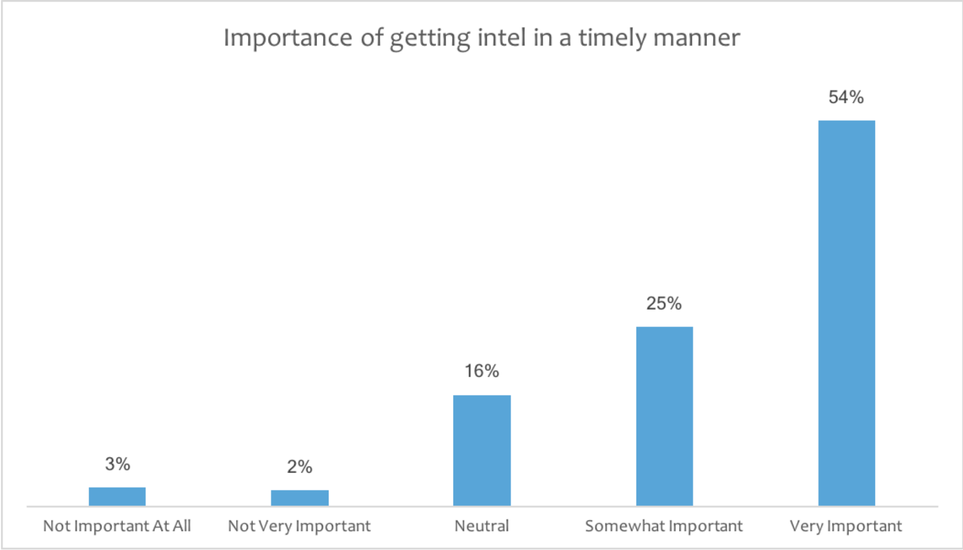


What are the obstacles getting in the way of seeing this impact? Respondents cited a variety of challenges, including the difficulty of comparing changes in market share (43% face this challenge), juggling many factors that influence success (41%), and even a lack of measurement tools (41%). Additional challenges range from lack of CI expertise to focusing on the long term impact over short term to a distribution of impact across many areas.



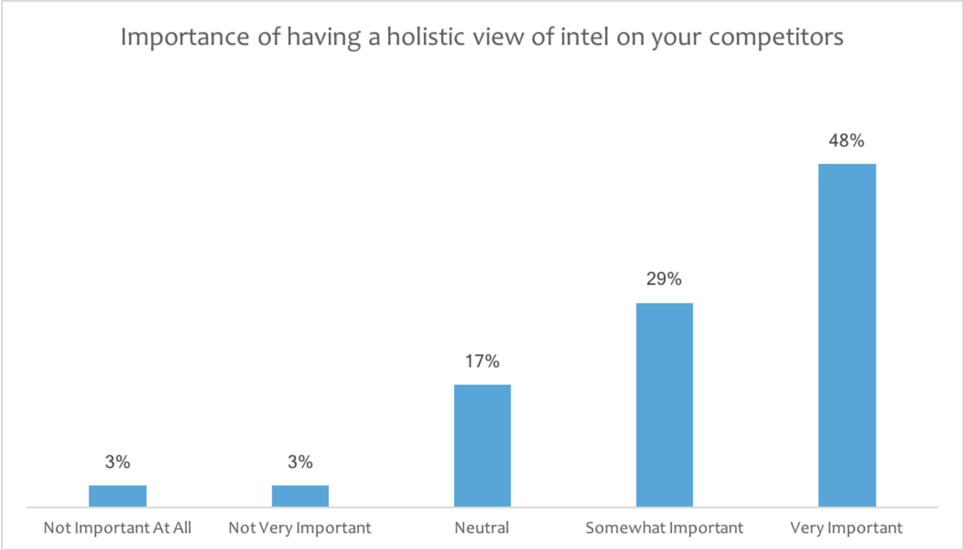
What are the key factors driving success? The most critical factor is getting intel in a timely manner. After all, once intel is outdated, it loses its relevance and the company loses its speed advantage to use this intel before others. 79% say it's important to get intel in a timely manner, and 54% say it's very important to do so.

79% cite timeliness as a critical factor for seeing competitive intelligence success.

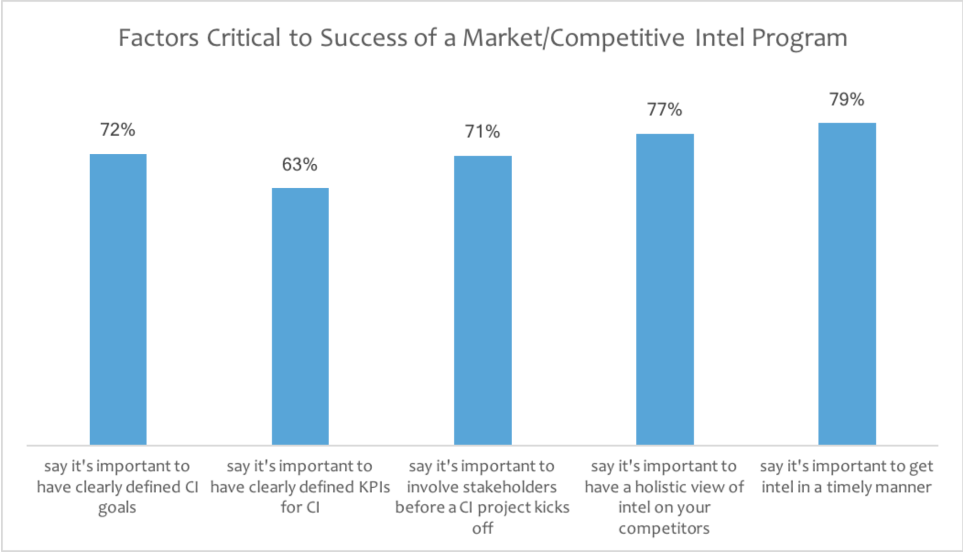


Another top factor in the success of a CI program is getting a holistic view of intel on your competitors. 77% say it's important to get holistic intel, and 48% say it's very important to do so.

77% say it's important to have a holistic view of intel on your competitors to see success with market intelligence.



Other factors influencing success include having clearly defined CI goals (72% say this is important), involving stakeholders before kicking off a CI project (71%), and having clearly defined KPIs (63%).



8 CONCLUSION

It's clear that we are at the start of a reimagining of the market intelligence function. A lot of companies are still getting their MI/CI programs in place, with 40% of them in the first year of those programs. Small companies still struggle to invest at all in MI/CI, while large companies are investing full teams with software tools and consulting firms.

Establishing a market/competitive intelligence program involves a holistic approach - pulling together stakeholders from all across the business and getting a 360 degree view of each competitor and market player. It also requires taking a combined approach to measurement, looking at both quantitative and qualitative benefits, tactical and strategic actions.

The good news is that many companies are well on their way with established programs and goals and seeing measurable results. But we are still in the early days of expanding research capabilities, improving the agility of the CI process, defining roles and responsibilities, and sharing best practices across the industry. New tools and strategies are already emerging to help tackle these challenges, and business professionals continue to innovate on their approaches to holistic and impactful market intelligence.

9 SURVEY METHODOLOGY

The State of Market Intelligence survey was open October 18, 2017 through December 11, 2017. More than 700 individuals responded during that period. Of the respondents involved in market intelligence for their organizations, 21% are full time market intelligence specialists, 56% do some market intelligence as part of their role, 11% consume market intelligence, and 12% work at agencies that perform market intelligence services. Respondents spanned 54 countries, with 81% of respondents in the United States.

ABOUT CRAYON

Crayon is a market intelligence platform that enables businesses to track, analyze, and act on everything happening outside their four walls. Tens of thousands of teams use Crayon's software to capture and analyze complete market intelligence, pulling from more than seven million sources. Crayon was founded in 2014 by former HubSpot and AdMob executives who believe that millions of businesses have yet to take advantage of the intelligence data available today to drive actionable insights and opportunities. To learn more about Crayon, visit www.crayon.co.

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