



WHAT ARE YOUR COMPETITORS UP TO?

Competitive intelligence helps you predict your business rivals' next moves, anticipate marketplace changes and discover potential customers. By **Damien Duhamel**.

When sales are down and margins shrink, the first things CEOs and managing directors focus their attention on are cutting costs and prices. This is a short-term survival tool kit with long-term consequences: how do you bring your prices up later on? Alternatively, before cutting prices, it is always wise to check what the competition is doing. Are they retrenching, cutting prices, reducing margins, shifting manufacturing bases, or are they after your business, increasing their marketing budgets and keeping their margins intact?

An example is Nokia, which increased its marketing and promotion budgets in the region, in the middle of the Asian financial crisis OF 1997. In several South-East Asian markets, Nokia had a 15 per cent to 20 per cent market share. Nokia can now claim up to 50 per cent market share in several Asian markets.

In order to make wise and informed business decisions, competitive intelligence helps decision-makers to gather and analyse information about competitors' activities and strategies.

In a process that covers both desk research (Internet, library, specialised press) and interviews with the competitors' retailers, distributors, wholesalers, suppliers, service providers, partners, even large end-users, as well as industry experts, the data and information gathered needs to be checked, filtered, distilled and analysed.

In Asia, where desk research information is scarce and not reliable, the bulk of the intelligence will come from private and interview sources. Competitive intelligence know-how and interviewers' experience will make all the difference here.

Although competitive intelligence will not exact-

ly predict future activities of competitors it is a very useful tool to:

- Detect competitive threats.
- Eliminate or lessen bad surprises.
- Enhance competitive advantage.
- Find new product or market opportunities.

Most Fortune 500 companies have been using competitive intelligence to anticipate marketplace changes, predict competitors' moves, discover new or potential customers and benchmark others' success.

Companies like Motorola, AT&T, and Kodak dominate their respective industries because senior management has the latest and most accurate intelligence to base decisions on. In Asia, most of the large Japanese companies have been actively conducting competitive intelligence research on their domestic and international markets for a long time.

To summarise, competitive intelligence is a decision-making tool that gives management a more comprehensive and accurate picture of the competitive environment. It forewarns decision-makers about impending threats and prompts them about emerging opportunities. It can be used for strategic, long-term—as well as tactical, immediate—decision-making. After all, which decision-maker would not want to know more about its competitors' next moves?

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Clearstate is a global management consulting firm specialized in growth and innovation strategy. The company has offices in the US, Singapore, Malaysia, China, India and Hong Kong.

This article is adapted from a paper by Managing Partner Damien Duhamel presented at Asia Strategic Marketing Conference

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