Deriving Competitive Intelligence from Social Media:
Microblog Challenges and Opportunities

Elisa Arrigo, University of Milan-Bicocca, Milan, Italy

ABSTRACT

Marketing managers in many industries are seeking to provide their companies with new tools to detect market changes early and quickly enough to defend their competitive position. Social media has been recognized to be particularly relevant for both marketing strategies and competitive intelligence purposes since the information required to deal with competitive challenges has been recently relocated from published and proprietary sources to open social platforms. Among social media, microblog is one of the most convenient platforms since it is short, instantaneous, spontaneous and mobile and has become a great source of consumer opinions. Although there has been an increase in the number of companies developing a microblog presence, so far, very few academic research focused on microblog as a marketing intelligence tool. Therefore, the purpose of this paper is twofold: to provide a theoretical framework for microblog competitive intelligence, and to discuss its opportunities and limitations.

KEYWORDS

1. INTRODUCTION

In global markets, firms face with an increasing competitive rivalry that often undermines the sustainability of their competitive advantage; consequently, they need to acquire a large amount of data and information to be aware of the competitive scenario. To obtain a deep market knowledge, competitive intelligence has been developed; it provides companies with 'actionable intelligence' that compares the company performance against that of their rivals and orientates the internal decision-making (Bose, 2008).

Competitive intelligence can be defined as the combination of outlining, gathering and analyzing intelligence about products, customers, competitors and any aspect of the environment needed to support executives in making strategic decisions for an organization (Dey, Haque, Khurdiya, & Shroff, 2011). It goes beyond market research and enables firms to observe the external competitive environment by monitoring its development.

Social media can play a critical role in developing a market knowledge since the information required to deal with competitive challenges has been quickly relocated from published and proprietary sources to open social platforms (Harrysson, Metayer, & Sarrazin, 2012). Social media platforms have empowered customers to publish opinions and spread new content via social networks, blogs, content communities, etc. Moreover, user-generated content is argued to be particularly valuable in marketing strategies (Kaplan & Haeinlein, 2010; Lee, 2014) for both marketing communication and intelligence purposes (He, Whu, Yan, Akula, & Shen, 2015). In fact, by collecting data about

customer desires and competing offers, firms can obtain a multifaceted vision of the market and a good understanding on current or potential issues inside (Arrigo, 2014).

Among the many social media, microblogs are one of the fastest-growing categories similar to blogs and utilized for posting brief updates, ideas or quick reflections (Ebner & Schiefner, 2008; Burkhalter & Wood, 2015). Their popularity has increased among several customers and has made them very attractive for companies in order to reach business objectives (Jansen, Zhang, Sobel, & Chowdury, 2009b; Yue & Xuecheng, 2010). By providing people with a channel to broadcast brief texts about what they are reading, thinking and experiencing in their lives, microblogs have an enormous potential for marketing strategies (Hsu & Liao, 2015; Zhao & Lu, 2012).

Although there has been an increase in the number of companies developing a microblog presence, a need is growing to efficiently employing and analyzing the user-generated content inside the online platform; so far very few academic research focused on microblog as a marketing intelligence tool. Therefore, the paper aims to analyze microblogs in a business context illustrating how microblog conversations can help firms to understand the evolution of market trends, as well as to monitor competitors' strategies in order to provide a theoretical framework for microblog competitive intelligence and to discuss the benefits and limitations of this latter.

The rest of the paper is organized as follows. Section 2 presents the theoretical background on competitive intelligence and microblog in the marketing literature; Section 3 proposes a theoretical framework for microblog competitive intelligence; Section 4 considers the limitations and portrays future research directions; and, finally, Section 5 draws the conclusion.

2. LITERATURE REVIEW

2.1. Competitive Intelligence

Competitive intelligence makes part of the business intelligence designed to fulfill the needs of marketing managers to identify opportunities and threats from the external environment, to acquire information about competitors in order to be reactive with respect to their actions and, finally, to make efficient marketing decisions. It involves three specific functions: the collection and storage of data, their analysis and interpretation, and the dissemination of the developed intelligence (Teo & Choo, 2001).

Miller (2001) proposed to describe competitive intelligence within a continuous cycle through which raw data are collected, transformed into actionable information that is then spread, assessed and made available to the company's decision makers.

Inside a competitive intelligence cycle, five phases are traditionally recognized:

- **Planning and Direction:** It regards the definition of desirable intelligence data and information in terms of what, when and why they are needed in order to delineate the competitive intelligence topics;
- **Collection:** All potential sources of information must be discovered as only then, data could be gathered;
- **Analysis:** Once data have been collected, their examination starts in order to make them actionable intelligence information;
- **Dissemination:** Intelligence information can be spread inside the organization in the form of a report or meeting to make aware all managers about the competitive scenario; and, finally,
- **Feedback:** The evaluation of the impact of intelligence process on the company's decision-making in order to recognize potential areas of improvement.

Chen, Chau, and Zeng (2002) suggest a more detailed description of the key phases inside the competitive intelligence process that are articulated as follows: identification of competitors,

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