

# Improving Competitiveness Through Organizational Market Intelligence

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## INTRODUCTION

Market intelligence (MI) is a concept that results, in its implementations, in real opportunities for knowledge management in organizations. In an initial view, MI can be regarded as a cyclic process to deliver knowledge for strategic marketing decisions, considering typical organizations of a defined sector as its final users. As organizations, mainly corporations, must not only react to external factors or phenomena, but also try to lead its sector proposing and executing innovative plans and differential strategic positioning, MI is a modern and cooperative approach which can produce consistent bases for such planning abilities (Boblitz, 2006; Porter, 2008; Mintzberg, Ahlstrand & Lampel, 2009; Kim & Mauborgne, 2015). Market intelligence is affirmed as an organizational continuum that aims to answer typical decision problems faced by firms when competing in actual business environments (Van Kesteren, 2012; Jamil *et al.*, 2012).

This article aims to detail MI concept, working from theoretical point of view through literature and adds a practical approach on studying real cases of market intelligence potential applications. As MI is a multidisciplinary context, its conceptualization also provokes perspectives for research from other scientific fields, as Information Science, Systems and Management, Computing

Science, Human resources management, Strategy, Marketing, among many others.

## BACKGROUND

Strategic planning and execution are two main contexts where market intelligence is definitely relevant for critical decisions, motivating the following evaluation as the start of this theoretical work.

### Strategic Decision Scenarios and Its Demands for Continuous Knowledge

Strategy formulation and execution are knowledge-dependent tasks, demanding for its continuity reliable and updated knowledge availability (Jamil *et al.*, 2012; Johnson, 2012; Dimitrios, Sakas & Vlachos, 2013).

Strategic marketing decisions are the objective of the MI process, as the knowledge provision aims to solve problems, allowing decisions with clearer risk delimitations and implementation results with better customer aggregated value perspectives, attending to the basic organizational marketing demands (Kotler & Keller, 2005; Schiffman & Kanuk, 2010; Ferrel & Hartline, 2010; De Man, 2012). Typical decisions of strategic marketing processes that can benefit from market intelligence process are:

- Product line configuration and distribution,
- Pricing,
- Advertising and general communication,
- Differentiation as a value-based strategy, and
- Marketing channel analysis.

As examples of knowledge needed in usual marketing decisions it can be perceived: consumer behavior details, demographic perspectives and constraints, customer reaction to distribution forms and communication, distribution channels performance and financial performance for all productive chain components. Knowledge provided for marketing strategic planning will allow any organization to develop its practical, tactical-to-operations plans, which will, at the end, specify the real work to be executed, aligned to those strategic views and propositions.

### **Data, Information, and Knowledge**

Davenport & Prusak (2000), Tuomi (2000) and Lucas Jr. (2005) defined not only the concepts of data, information and knowledge but also its relationship and integrated application views. Data is considered as an absolute value that can be obtained directly from a measurement activity or collected from an automated source. It shows flexibility to communicate, as it can be easily processed by automated instruments and machinery, but lacks more profound meaning, as it is almost impossible to deduce more from the context or process it was created, being just an instantaneous observation of a reality. From these and other authors, information is conceptualized as a collection of correlated data added with context, providing a better condition for deciding, but offering more complexity to be treated or processed. Information increases decision capabilities, but demands additional work to be finally applied, as additional work must be conducted to assure its homogeneity and coherency (example: measurements – data – were collected referring to the same system and / or context).

Finally, knowledge is composed through collection of information, including descriptions of the processes which produced that information. Knowledge allows maximum decision capabilities, for example, enabling even prediction capabilities (Davenport, 2000; Jamil, 2005; Nonaka, 2008, Badia, 2014). But on the other hand, knowledge is difficult to manage, communicate, questionable to be stored and critical to be shared, resulting in the need of a specific process to treat it, defined as knowledge management (Jamil, 2001; El-Bashir, Collier & Sutton, 2011). This fundamental area of conceptual relationship is being significantly treated, as the “big data” phenomenon is increasingly perceived by entrepreneurs and socio-political actors, calling additional attention to the process of “knowledge generated from data” which proves how important is to observe data, information and knowledge in an organizational context for decisions such as strategic marketing planning (Ohata & Kumar, 2012; Park, Huh, Oh, & Han, 2012).

### **Market Intelligence**

Derived from many areas, intelligence is another concept that motivated various studies and expressive debate. It is opportune, though, to evaluate contributions from other scientific fields and also applied practice to improve market intelligence comprehension. This approach was also applied for several authors, as Albescu and Pugna (2014), supported by almost the same fundamental concepts applied in this development.

Competitive intelligence (CI) is a process which offers an opportune complementarity to market intelligence, although it is possible to find some confusion and lack of delimitation in some approaches of these two concepts. SCIP (2012) defines competitive intelligence as “A process of monitoring the competitive environment and analyzing the findings in the context of internal issues, for the purpose of decision support”. Kahaner (1998) and Miller (2002) defined it as a process related to strategic problems solution,

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