Market Intelligence

Method to Understand the Market

INSOURCE 2008

5th – 6th February 2008, Hotel Diplomat, Prague

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Aim of this presentation is to demonstrate one approach

how to gain higher success of products

on the market.

Such higher success can be achieved by creation of an

Optimalization model of setting product parameters
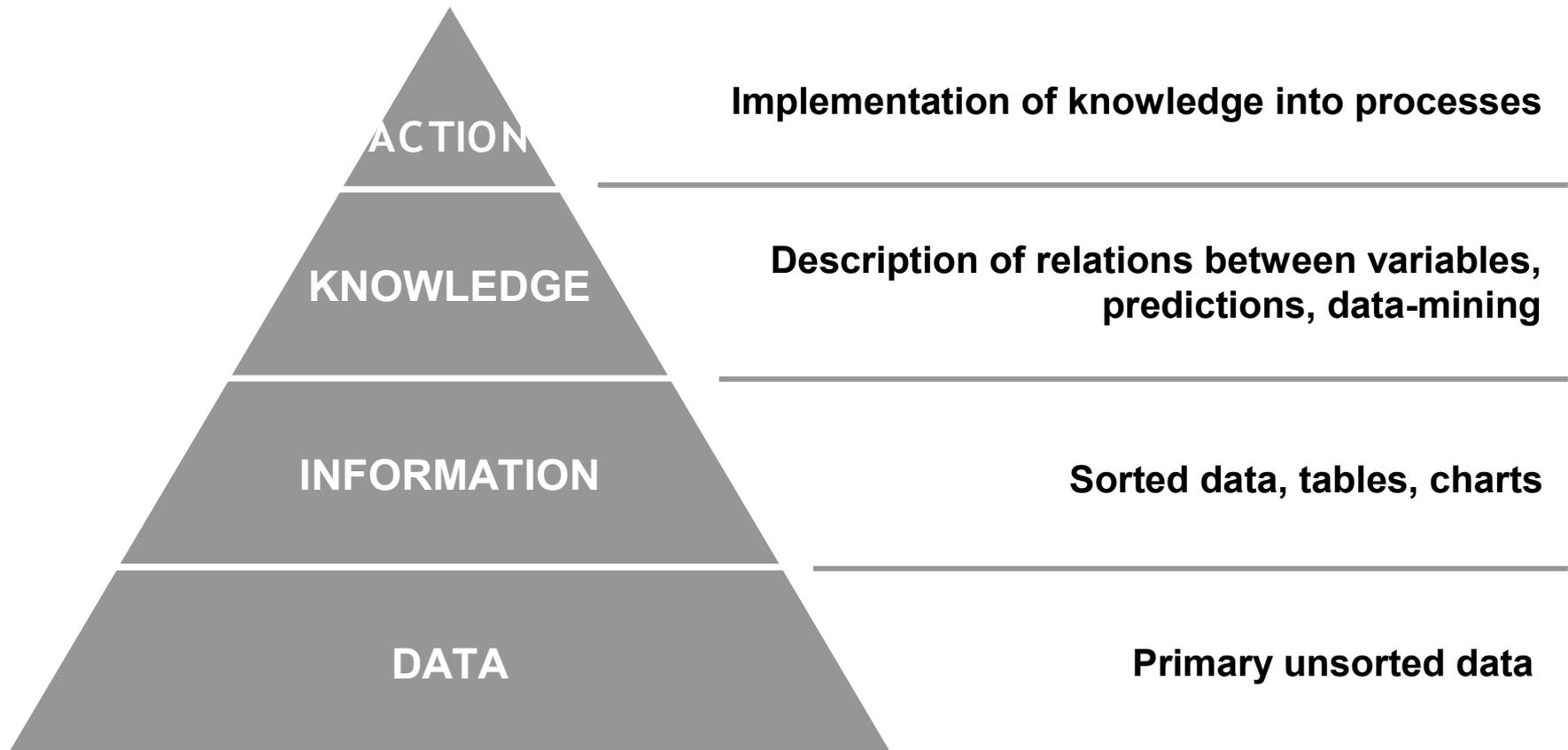
based on relevant information.

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Agenda

1. **Introduction**

2. **Market Intelligence – Looking at the Market**

3. **Market Intelligence in Practise**

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1. Data or Knowledge?

Pyramid of Knowledge

ACTION — **Implementation of knowledge into processes**

KNOWLEDGE — **Description of relations between variables, predictions, data-mining**

INFORMATION — **Sorted data, tables, charts**

DATA — **Primary unsorted data**

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1. To conduct Survey or not to conduct Survey?

Companies vs. Market Research
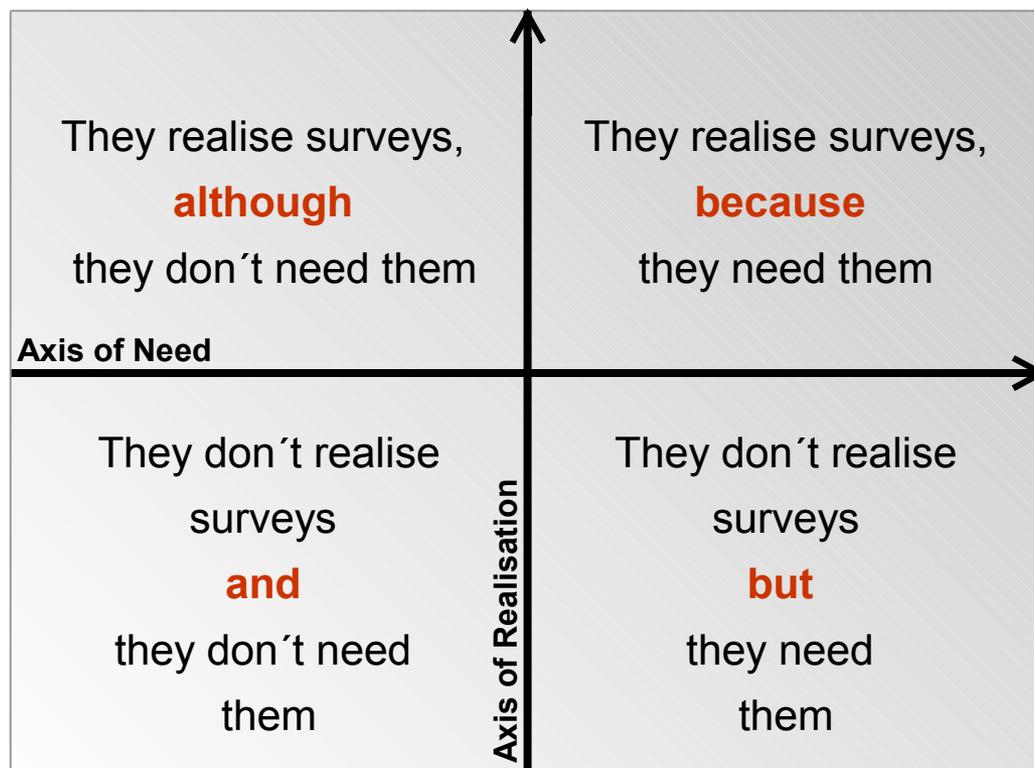
Trends

- Simple outputs like tables and basic reports are now absolutely unsatisfactory

- Companies require complex solution and continuous source of information
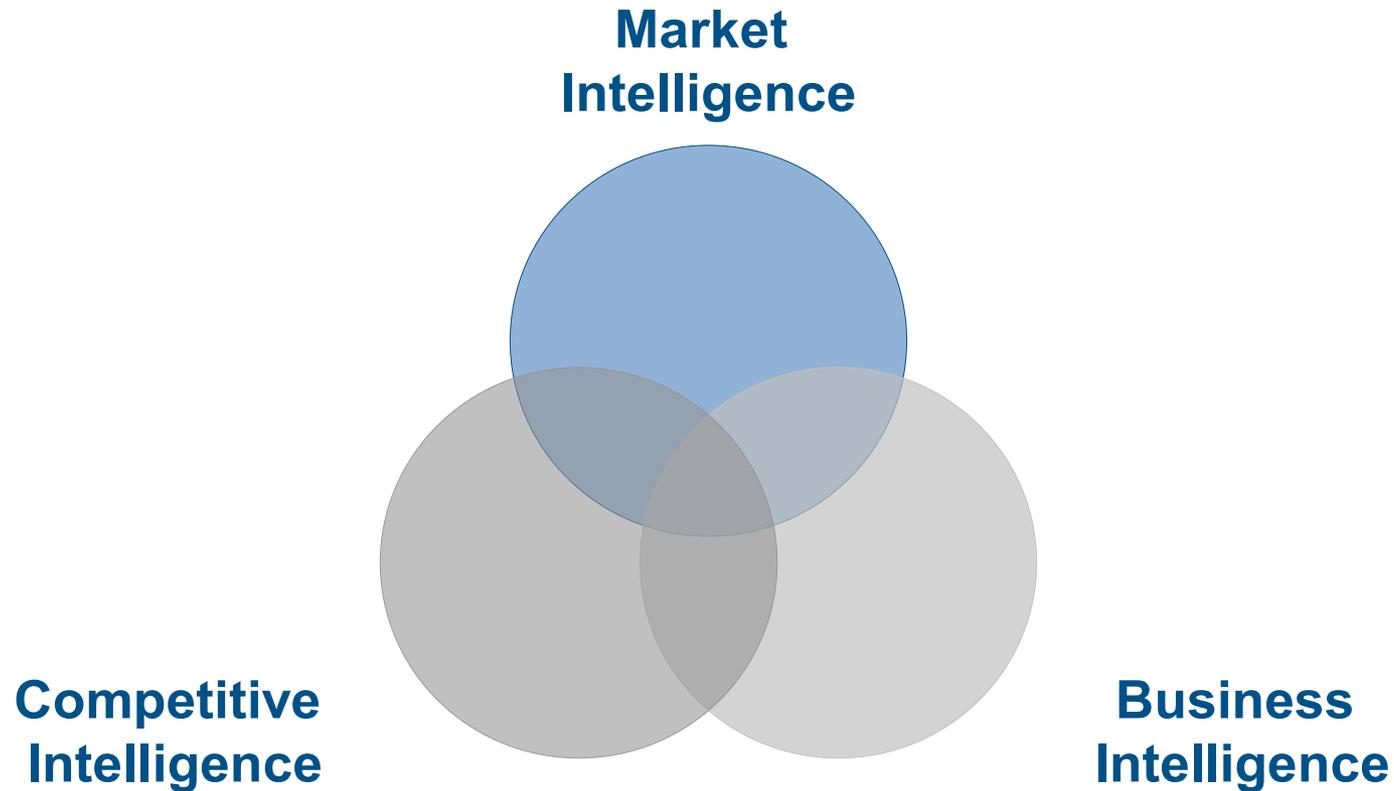
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Relationship between Market, Business and Competitive Intelligence

Market
Intelligence

Competitive
Intelligence

Business
Intelligence

2. Market Intelligence

Work with information on a higher level

- **What is MI?**

  Briefly, MI is a way of working with data and information on a very high level. Basis of MI is a standardized system of data collection from many different sources and its complex analysis.

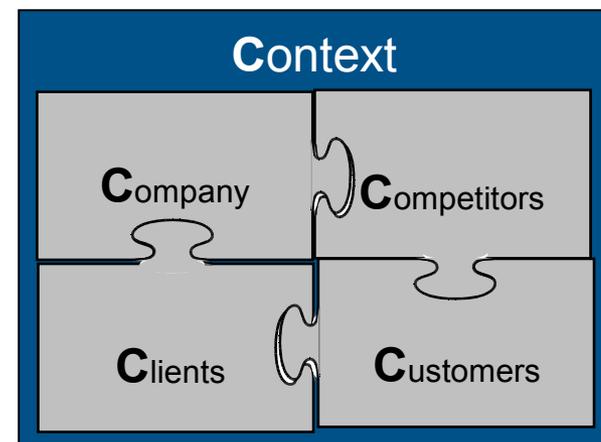- **MI is primarily focused on the future**

Market Research | **Market Intelligence**

Past **Present** **Future**

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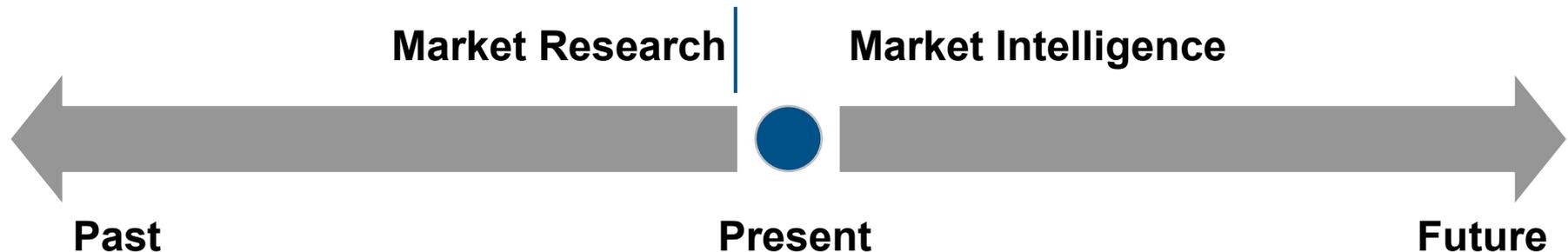
2. Looking at the Market
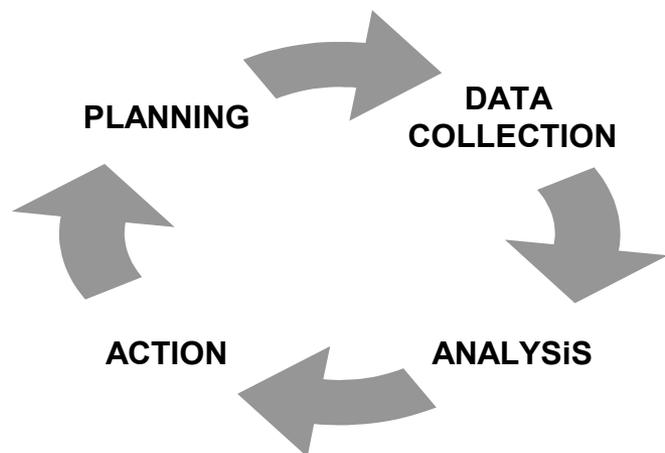
■ **MI divides market into five basic elements = 5C**

1. Company
2. Competitors
3. Clients
4. Customers
5. Context

■ **Principle of MI cyclus**

Context

Company   **C**ompetitors

Clients   **C**ustomers

PLANNING → DATA COLLECTION

ACTION ← ANALYSiS

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2. Data Sources

MI is based on a mix of data

- **Data Sources for 5C**

    1. **Company**
        – analysis of hard data, market shares etc.
    2. **Competitors**
        – primary and secondary market research
    3. **Consumers**
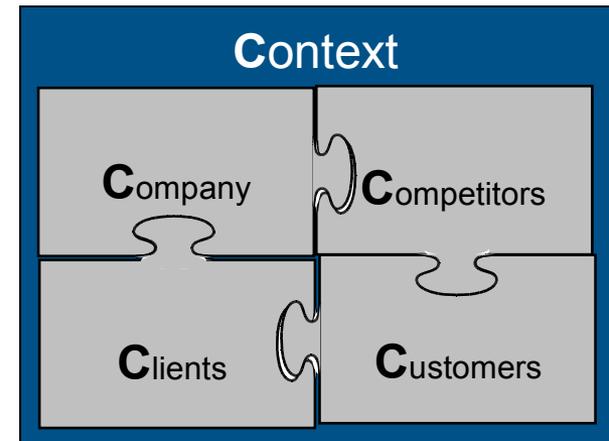   – market and opinion research
    4. **Customers**
        – satisfaction study, internal DTBs, data-mining
    5. **Context**
        – analysis of consumer behaviour and macroeconomic impacts

- **Types of used data**

    1. External and internal data
    2. Hard (business results) and soft data (market research)

Context
Company | Competitors
Clients | Customers

2. Key Benefits

- **Yields**

  - maximalization of yields from products sales and preventing products
    to be sold underprice

- **Optimalization**

  - tool for optimal setting of product parameters

- **Systematization**

  - complex view on market and periodical monitoring

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3. Example of realization

A M I S - Advanced Market Intelligence System

Main outputs

- **Model of optimalization** (merit of AMIS)

  Model of optimal setting of product parameters to determine potential success

  of the product on market in real competitive enviroment

- **Systematic source of information** (standard of MI)

  Support for strategic, business and marketing planning

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3. Realization

1. **Introductory survey**

2. **Collection of data and analysis**
   a) Brand power
   b) Satisfaction study
   c) Monitoring of customers
   d) Monitoring of competitors
   e) Macroeconomic impacts

3. **Creation of Optimalization Model and Analytical report**

4. **Model calibration**

Introductory survey

Monitoring of Market

Brand power

Satisfaction study

Monitoring of competitors

Monitoring of customers

Model calibration

Macroeconomic impacts

Optimalization Model + Report
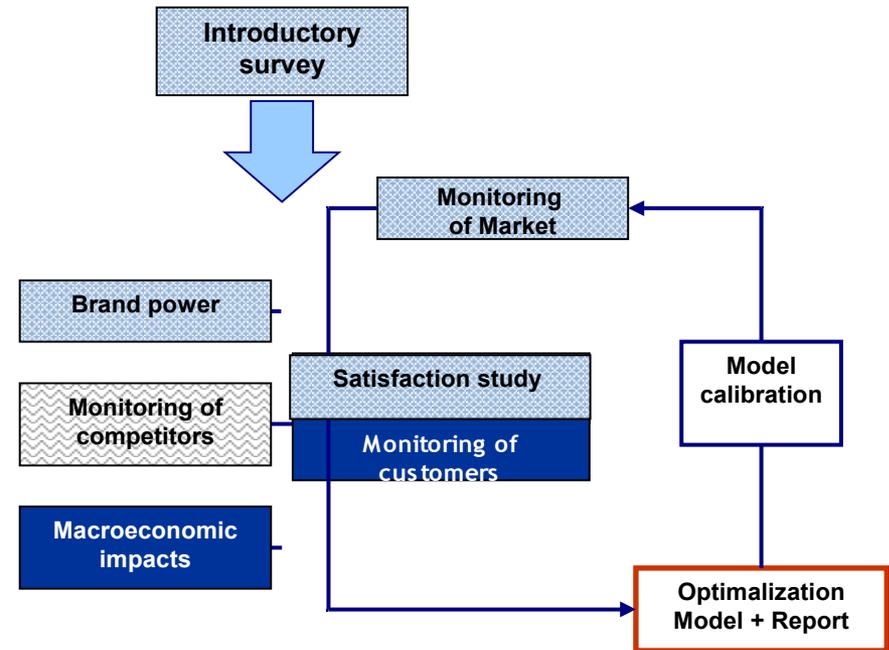
Information source:

primary research

secondary research

analysis of hard data

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3. Optimalization Model

Example of basic calculator

Company	Activation Fee	Monthly Costs	Price of 1 min. call	Present for activation
1	**2**	**1**	**3**	**2**

1 = Firm A	1 = CZK 0	1 = CZK 300	1 = CZK 1,20	1 = sport bag
2 = Firm B	2 = CZK 500	2 = CZK 500	2 = CZK 1,50	2 = iPod
3 = Firm C	3 = CZK 750	3 = CZK 200	3 = CZK 2,50	3 = nothing
4 = Firm D	4 = CZK 1000		4 = CZK 4,40	

Result: **8,93** → **89%**

3. Optimalization Model

Can be used in Controlling

■ **Comparison of real cost of product and its potential success**

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Result:	**8,93**		**89%**

■ **Another interesting output is ability to make a prediction of future market share**

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3. Intelligence is more than knowledge

Be one step ahead

Optimalization Model

■ **Optimalization Model** of setting product parameters (based on gained knowledge) is able to determine potential success of a product on market in real competitive enviroment, to optimalize product parameters and to get quick reactions to changes in competitor´s strategy.

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Than You for Your Attention.

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