



## CI and MR, Like Peas in a Pod... NOT

By Anca Costea

The crisis that impacted the financial environment last year has escalated the need for informed decision-making. To leverage all knowledge assets more efficiently, companies are strengthening the ties between marketing research (MR) and competitive intelligence (CI) and seek to obtain a birds-eye view on their business and the marketplace. Yet, as industry players continue to face increased financial constraints, understanding markets or competitors and uncovering insights about products and services has never been more challenging.

However, a successful integration between traditional marketing research and competitive intelligence cannot be successfully accomplished by simply merging business units or mandating collaboration among internal teams. Success comes only with the understanding that these two distinct disciplines have numerous synergies that can be leveraged and put to work, while also recognizing some key differences.

Marketing research focuses mainly on understanding the customer, measuring attitudes, preferences, satisfaction, loyalty and behavior. Competitive intelligence focuses on understanding and learning about the competitors, trying to assess their ability to succeed and identify key strategies.

While both disciplines are predictive in nature, the approach in which they predict is different. Marketing research seeks to predict customer behavior based on trends and inferences backed up by statistical analysis and confidence levels given by large samples. Competitive intelligence aims at predicting competitor moves and strategies based on early warning systems and subjective interpretation of cues and changes in the marketplace.

Both marketing research and competitive intelligence rely on primary and secondary data collection techniques such as in-depth interviews, observation, web searches and others, but the targeted samples differ. While marketing research relies on large samples with the goal of building confidence and generalizing findings to the larger population, competitive intelligence is highly subjective and more often than not relies on small samples that can provide the needed information.

### CI & MR Side-by-Side Comparison

CI	MR
<ul style="list-style-type: none"> <li>□ <b>Understand the competition &amp; market</b> <ul style="list-style-type: none"> <li>▣ Market drivers and related dynamics</li> <li>▣ Market share</li> <li>▣ Competitive landscape</li> <li>▣ Comparative SWOT</li> </ul> </li> <li>□ <b>Predict competitors' next moves:</b> <ul style="list-style-type: none"> <li>▣ Strategic direction</li> <li>▣ Ability to succeed</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>□ <b>Understand the customers</b> <ul style="list-style-type: none"> <li>▣ Needs and wants</li> <li>▣ Attitudes, perceptions</li> <li>▣ Preferences and loyalty</li> </ul> </li> <li>□ <b>Segment customer groups</b></li> <li>□ <b>Develop new products</b></li> <li>□ <b>Predict customer behavior</b></li> <li>□ <b>Quantify sales potential</b></li> </ul>

Marketing research can be seen as both an art and a science, requiring practitioners to have good project management skills, advanced statistical analysis knowledge and expertise in data collection and reporting. Competitive intelligence is certainly more of an art as it relies on practitioners' industry expertise, business knowledge, intuition and strategic mindset.

Trying to merge these two disciplines may pose several challenges in a business, especially if there is no clear understanding and delineation between what each group and function can bring to the table to support confident decision-making. To avoid such problems, it is helpful to facilitate closer collaboration and coordination of efforts from early on, and most importantly share resources among teams. Clear job descriptions, realistic expectations, support from higher management and appropriate resource allocation will go a long way toward building a stronger organization. Communication, sharing and capability building are the key drivers of a successful integration of marketing research and competitive intelligence.

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