

## Chester County Chamber Business & Industry

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#### **Do It Yourself Market Research & Competitive Intelligence: Free sources you can use online to learn where your company stands in the marketplace**

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No matter how large or small your business is, whether it's public or private, commercial or non-for-profit, there are always opportunities for growth. But before you can successfully acquire new customers and increase revenues, you'll need to pinpoint where those opportunities are. You can do this yourself by conducting market research and competitive intelligence on the internet, using reliable, free and public resources. Here's a summarized step by step guide to the process with links to some of the sources.

#### **Step 1 – Conduct a Horizon Scan for your Industry**

A Horizon Scan is a holistic view of the social, technological, economic, environmental and political (STEEP) challenges and trends facing your industry. It's a broad view of the current situation and a forecast of the future so you can be prepared to come out ahead as business influences are shifting and changing. The best up to the minute sources for this information are newspapers and trade journals.

#### **Sources:**

- **Free Library of Philadelphia** ( <http://search.library.phila.gov/advSearch.cfm>)- once you've registered and have a library card, you can access a multitude of business news databases from your home or office. Here's a sampling: ABI/INFORM Trade & Industry; Business and Company Resource Center ; Dun & Bradstreet's Million Dollar Database; RDS Business and Industry on the Web; Reference USA; Value Line Investment Surveys. Search on your industry in broad terms - for example, "automotive", "hospitality", or "long term care insurance".
- **Your college or university** – Most academic institutions offer online library privileges to their alumni. Once you have an alumni library card, you can access many business databases remotely. For example, Penn State offers access to databases by a partnership between University Libraries and the Alumni Association. Access requires membership in the association only. Users must enter their name and membership number to log in. No library card is required for that access.

- **Google News** ([http://news.google.com/news/advanced\\_news\\_search?pz=1&cf=all&ned=us&hl=en](http://news.google.com/news/advanced_news_search?pz=1&cf=all&ned=us&hl=en)) includes national and local newspapers such as the Wall Street Journal, Philadelphia Inquirer, Allentown Morning Call, Lehigh Valley News, etc. Go to “Advanced Search” and search on industry. Specify “Archives” and choose 2009-2011 for more than a year of news on your industry.
- **Trade Journals** – Go to the web site for the journal that tracks your industry. For example, *Nation’s Restaurant News* offers the current issue of the magazine on their web site. Many sites also allow archive searching for at least a year. Some require free registration, and it is worth the time to register if you’ll be returning to the site.

**Step 2 – Market Research to identify the players.** What other companies are offering services and products similar to yours? To find out, search company and industry directories online. You may want to set criteria for a peer group of competitors: those who have similarities in revenues, customer base, product mix, etc.

**Sources:**

- **Jigsaw** ([www.jigsaw.com](http://www.jigsaw.com)) is a social networking site that lists over 4 Million companies. Go to “Find Companies - Advanced Search” and search on your industry from a drop-down. You don’t need to supply a company name. You can specify country, state, metro area, revenue, number of employees and/or several other criteria. Searching on “Energy/Utility” and sub-industry “Alternative Energy Sources” in the Philadelphia metro area with revenue under \$1Million and employees under 25, yielded a peer group of 43 companies from Dover DE to Macungie PA. You can export this list of companies to an excel spreadsheet and keep tabs on them in the future using news sources.
- **Google Directory** – (<http://www.google.com/Top/Regional/>) the classification is quirky and the organization is odd, but this page might just get you to the directory that lists all the players in your market space. Try “Regional Search” starting with North America/ United States/ Business and Economy then choose your industry. It’s a bit hit or miss, but it may turn up a company you were not aware of.
- **Individual Company News** – now that you have a list of the players, you can go back to Google News or other news sources and search on each company name, which will provide information on new products they’ve introduced, personnel changes, contracts they’ve signed and alliances/partnerships in which they participate. Use your spreadsheet to fill in any data relevant data you’ve gleaned.

**Step 3 – Chart the Competitive Landscape**

Using your spreadsheet of companies, fill in data on each company as you learn more. Include your own company in the spreadsheet so you can look at yourself as objectively as you are looking at the competition. Spreadsheet column headings may include Revenue, # Employees, Highly Visible Major Customers, Products, Geographic Base, Response to Trends, Patents, etc. Go to the company web site

to see who their customers are, who they partner with, what new products they are launching. If the company is public and the site has an “Investors” page, go there to see their annual report, balance sheet and statement to shareholders. If it has a “News” page see what news they are releasing to the press. All of this will, of course, need to be confirmed and augmented by what you hear on the street and what your sales force tells you.

For the spreadsheet, you can assign icons or colors to the attributes you are tracking: green for strong, red for weak, yellow for somewhat. Or you can use filled circle for strong, empty circle for weak and half-full circle for somewhat. As you fill in the spreadsheet a picture will start to emerge of a market landscape showing dominant players vs. niche players; innovators vs. entrenched companies; local heroes vs. national powerhouses; growth mode vs. status quo – you’ll think of other categories as you continue to find data. Your sheet may look something like this:

**Automotive Suppliers in Metro Philadelphia**

	Revenue 2009	Revenue 2008	+/- %	Local Regional National	Product Mix	Response to Trends	Strategic Partnerships	Innovation/ Patents	Major Customers	Ad Budget
CompanyA	1M	2M	-100	L						
Company B	2M	1M	+100	N						
Company C	.5M	.5M	0	R						
CompanyD	.5M	.4M	+25%	R						

**Step 4 – SWOT Analysis**

Once your spreadsheet expands and goes deeper into each company’s attributes, you will want to plot a SWOT analysis for each company. SWOT stands for Strengths and Weaknesses (for their company) and, Opportunities and Threats (for your company). These can be plotted on a 4 quadrant table like this:

**Company X**

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>• Large regional presence</li> <li>• Established brand name</li> <li>• Known customer base</li> <li>• Wide product offering</li> </ul>	<ul style="list-style-type: none"> <li>• Revenue decreased 2008-2009</li> <li>• Lost 2 major customers in 2010</li> <li>• Too committed to a large number of standardized products they must support</li> <li>• Inflexible pricing</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>• Smaller competitors can beat their price</li> <li>• Niche products easier to customize</li> </ul>	<ul style="list-style-type: none"> <li>• Huge 2011 adverting budget could bring in new customers</li> <li>• Pending Gov’t contracts that we’ve bid may go to Company X</li> </ul>

**Step 5 – Gap Analysis**

A Gap Analysis points to weaknesses in the overall competitive landscape. Once you've plotted the SWOTs for each company, you'll be able to identify where there is a gap in the marketplace. Examples of these gaps might look like this:

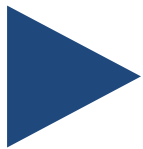
- No provider offers a product for the small businessperson at an affordable price
- Only 2 providers offer tiered pricing
- No provider has business with Vendor X
- Only 1 provider is leveraging the emerging technology for \_\_\_\_\_
- No provider has differentiated itself with regard to customer service
- No provider is adequately serving South Jersey

#### **Step 6 – Plan Your Strategy**

Identify where you want your company to be in the competitive landscape in 3 years. Plans will include competitive positioning, products, pricing, and services to fill in the gaps you've found.

**Good luck in finding new and profitable business in 2011!**

**For more information, contact Jean Fisher at:**



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