



# Market Intelligence and Web Sites

by Pierre Woolridge, NZIM Central Board Director

## Introduction

If an organisation is to remain in business and prosper, then the products and services it offers must be what the market wants. To achieve this, organisations need to conduct a formal review of the services and products they offer at least once a year. Failure to do so markedly increases the risk of business failure, as the organisation's offerings are likely to become increasingly redundant in a changing market.

This article looks at but one strategic approach that can be used in a product and services review - that of gathering "Market Intelligence". Market Intelligence aims to provide information about the marketplace: on customers, and on competitors and their products. Here we will be looking at a "do it yourself" survey of the market. In particular, we will be looking at how to answer the questions:

- What are the competitors' products and services?
- Does the company have a strong client focus?

## A WORKING EXAMPLE

### The Market

To examine how one might go about a spot of market intelligence, I will use my own firm P-Inspire. P-Inspire is involved in building and maintaining web sites, particularly for medium to small organisations. The market for such services is still growing and the barriers to entry are low. Indeed, there are hundreds, if not thousands of web site developers in New Zealand. A quick look on the Internet, using the electronic Yellow Pages, indicates that there are over 1,200 organisations offering internet services including: e-commerce services, internet and on-line services, internet service providers, on-line shopping, and web site development. Even allowing for multiple category listings, there are clearly a large number of competing service providers.

### An Approach

Having established that there are "hundreds and thousands" of competitors potentially offering similar services, P-Inspire needs some way to reduce that number to allow manageable analysis. In this example, three filters are used: target market, a specific product/service, and data source.

1. Target Market. As noted, P-Inspire is particularly interested in small to medium enterprises (SMEs).

2. Product and Services. P-Inspire offers a number of web based services. In this survey, the decision is made to focus on the service of providing "customable, pre-packaged website deals". In other words, web sites built to a pre-determined structure, that can be customised (tailored) to suit the client.
3. Data Source. As with many surveys, there is a wide range of information sources including word of mouth, the printed media and the electronic media. In this case the electronic media, and in particular, the competitor's own web site was decided upon.

### Tools

How to find the required information? I've already alluded to the electronic Yellow Pages (eYP). But there are other sources of information on the Internet including UBD's Insight; and the more generic NZ focused search engines and directories. All "four" tools were investigated. For this exercise, the eYP was decided upon largely due to its simplicity of accessing a company's web site via the search results page. (To some extent, using the eYP was also a filter as not all internet companies advertise in this directory).

### Rationalisation

To further reduce the number of players to investigate the decision was made to look only at those companies that had a web site link on the eYP. The rationale behind this was the presumption that these companies were looking to grow their client base (hence the more expensive advertisement), and that, given they were looking for business, could be reasonably expected to be closely in touch with market demands. This reduced the number of potential sites to 131 (plus a number of specified sites).

### The Hard Yards

Having reduced the potential number of sites to investigate to a more manageable number, the time consuming work was about to begin. This work was conducted in four stages:

1. Scanning the text of the eYP advert for relevant key words. If this looked promising then:
2. Scanning the text of the web site home page and, in particular the "products and services" pages for relevant key words. Again, if this looked promising then:

3. Analysing the text - is there sufficient information to be of use? And finally,
4. Capturing the data in a useable format for ease of comparison.

As expected, stage one reduced the number of potential sites to be investigated by a considerable number. Interestingly enough, stage three quite often resulted in a site being tossed out due to "insufficient information" (ie lack of clarity of information or pricing information). Stage four also took a while. The reason being that each firm offered quite different deals.

## Outcomes

So, having captured the required information, and placed it into a standardised format, it can now be analysed. As part of the research in this example, notice was taken of how the information is presented to viewers. This is because presentation as well as content is very important to viewers. Clearly, in addition to the web based market intelligence survey, consideration will also be given to sales force information, what the clients are saying, the cost structure, branding matters and so on, before deciding on any changes to the products and services on offer.

## Observations

### Market Intelligence

Market intelligence via the web site is a valid method of gaining information. Ideally, such research should be supplemented by other forms of market research to reduce the risk inherent in relying on a single source of information. The need to consider other sources (and as a corollary market research tools) is reinforced by what is available, and equally, not available on a particular web site.

### Client Focus

People using the web tend to be impatient. They want information, and they want it NOW! They scan a web page looking for key words. Words that they use - not jargon, not technical words. Judged from this perspective, a considerable number of sites were found wanting. In some cases, it was not quite clear just what was available via the package deal. Jargon, over reliance on graphics and pictures, all helped to drown the text. Others were fine, reinforcing the idea that "content is king".

In short, know your target market, and write for the web. Think Client, Client, Client (a familiar mantra?), and don't worry about competitors monitoring you. If your products and services are not what the market wants, if you do not give prospective clients what they need to know to make an informed decision, then for how much longer will your firm remain in business?

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