How to use market intelligence to innovate more effectively

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Market intelligence involves the collection and analysis of information that will impact a business's current and future market environment. Companies often don't use market intelligence enough for product innovation and fail to drive greater value and create greater competitive advantage.

Market intelligence can help research and development teams with:

- Improved understanding about the existing and future market trends
- Early warnings of disruptive technologies / innovations within or outside own industry
- Identification of alliances and networks within the ecosystem
- Unbiased information about the market attractiveness of short-listed innovations and existing technologies and products
- Improved understanding of customer needs and their likely development in the future

Nowadays, it is not uncommon for technology and consumer goods companies to even source ideas from customers and their social networks. Crowd forecasting for example, allows companies to balance expert perspectives with that of a wider audience for a more balanced view of where a trend is heading, and hence to decide on the sort of new innovative products or services they should be developing. It is a powerful way to get people from within and outside the company to combine their intellectual capability.

However, much of the information available to any company today is often unstructured. When it is not filtered and processed, such information chaos or overload can provoke more frustration than creativity.

Turning ideas into marketable products involves multiple decision points, and fact-based decision-making will need to be backed up by both internal data and external market intelligence.

So, what are some basic best practices in using market intelligence effectively for the innovation process?

Integrate processes
Firstly, you need to ensure that the market intelligence gathered is integrated into the innovation and product life cycle process. Market intelligence at Pirelli plays an important role in innovation for its product development teams. Today, systematic efforts are made to coordinate and integrate different aspects of Market Intelligence, Planning Intelligence, Purchasing Intelligence and Competitive Technical Intelligence, so as to create an “antenna” for the company’s operating environment. Through a streamlined process, the company can observe changes and identify potentially interesting trends.

Involve networks of people
Use the brain of the organization – involve people internally through the use of war games and scenario and trend workshops. Also, you can regularly utilize the analysis of objective, unbiased third parties, such as customers, suppliers and consultants, in the innovation process in order to avoid corporate blind spots. Invite the customers to participate. They will have a clearer idea of their future sooner than you. The market intelligence manager should be an experienced workshop facilitator in addition to or even rather than being an isolated information generator.
Focus and outsource
You can focus on the essential market intelligence issues that are core activities in the process and outsource the rest. Consider outsourcing parts of the information collection/analysis process and focus instead on high-level analysis and on drawing conclusions. Companies outsource focused continuous monitoring activities more and more frequently these days.

1. Ensure a global focus International companies need to ensure that they have a global business research and information collection capability which also has a local focus, given that cultural differences make it difficult to understand foreign markets. DSM, a global life sciences and performance materials company, has explicitly stated that “innovation is key for reaching DSM’s Vision”. Market driven growth and innovation along with increased presence in emerging economies have further been listed as the company’s strategic objectives.
2. Borrow ideas
   Practice creative thinking skills and analysis so that focus can shift beyond existing paradigms and historical knowledge. This is a critical capability during the idea phase of the innovation process and is also crucial for the opportunity analysis in all phases. Engineers for the Shinkhansen Bullet Train in Japan for example, used biomicmicy to create a solution that would help the trains run quietly at very high speeds. By designing small

serrations, similar to an owl's feathers, the manufacturers were able to reduce the noise of the train's pantograph (the component that connects to overhead electrical wires). What's more, the train's nose cone is designed after the beak of the Kingfisher, which allows the bird to dive from air into water with minimum resistance. On the Shinkhansen train, the form reduces the sonic boom that occurs when the train is passing from a tunnel into open air. The sound pollution is thereby significantly reduced.

3. Monitor your markets
   Organize a centralized intelligence software tool for the entire organization to capture and share market knowledge from your stakeholders. Cisco, for example, monitors its customer segments, such as finance, retail, manufacturing and the public sector in order to understand the industry growth drivers and the subsequent needs for innovative solutions that Cisco can provide. All information is available on a centralized resource base.

Just as globalization has created a massive marketplace of customers, it has also created a vast pool of competitors. In addition, advancing technologies, changing environments and evolving societal trends are just some of the other factors affecting a company's sustainable development.

Innovation is a must, and having timely and relevant market intelligence could make a critical difference between success or failure in a company's efforts to innovate.

Global Intelligence Alliance (GIA) [1] is a strategic market intelligence and advisory group. GIA was formed in 1995 when a team of market intelligence specialists, management consultants, industry analysts and technology experts came together to build a powerful suite of customized solutions ranging from outsourced market monitoring services and software, to strategic analysis and advisory.

Today, we are the preferred partner for organizations seeking to understand, compete and grow in international markets. Our industry expertise and coverage of over 100 countries enables our customers to make better informed decisions worldwide.

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