GIA White Paper, July 2014

Predictions of Future Scenarios for Market Intelligence

Strategic foresight reveals many seeds of change that will transform Market Intelligence as a corporate activity. In this white paper, we explore the future of market intelligence, based on discussions in a group of MI professionals and strategic foresight experts during a work shop day focused on the topic.

Executive Summary

A virtual war room is at the center of a company's global collaborative process to collect intelligence and react to rapidly unfolding market events. Social robots handle parts of intelligence activities. Thought leadership marketing is a vital competitive weapon, powered by forward looking market insights delivered by the corporate intelligence team. Those are some aspects of the future environment that market intelligence professionals will be working in. In this white paper, Predictions of Future Scenarios for Market Intelligence, we explore the future of market intelligence.

The Future of Market Intelligence: Findings from a Workshop by GIA, AlternativeFutures and Intelligence Practitioners across Industries.

Table of Contents

In this paper, the term "Market Intelligence" (or "MI") refers to functions and programs in companies and organizations that help them to understand their business environment, compete successfully in it and grow as a result. As a program, Market Intelligence collects information about market players and strategically relevant topics and processes it into insights that support decision-making.

In this paper, the term "Market Intelligence" is used as an overarching term for terms such as competitor analysis, customer insights, technology analysis or strategic analysis. Concepts such as Competitive Intelligence or Market Insight, should be regarded as synonymous with "Market Intelligence" in this report.

Megatrends will change MI

Strategic foresight reveals many seeds of change that will transform Market Intelligence as a corporate activity. During a one-day workshop facilitated by Global Intelligence Alliance (GIA) and AlternativeFutures , a consulting firm focused on strategic foresight, Market Intelligence (MI) professionals from companies representing various industries joined forces in roundtable discussions to come up with insights on how MI will develop in the near future. Accompanied by experts from GIA, the group of industry professionals were guided to discuss some of the most focal trends and foreseeable changes in business and society that will push MI programs to adapt.

The workshop participants were first given a task to agree on three megatrends that are likely to have the most profound impact on MI activities. The group identified 1) Knowledge (R) evolution, 2) Journey Towards Ubiquitous Society and 3) Socio-Cultural Change as the three most significant megatrends, out of eight that were suggested and defined by AlternativeFutures.

Knowledge (R)evolution

Knowledge (R)evolution refers to ever growing growth rate of usable and unique information. Every year, more new information is created than in the year before in practically all business sectors. Also, we are facing a situation where the share of people who work to produce scientific knowledge is increasing year by year, while at the same time, electronic information mining and sharing tools advance at a great speed. The ability to disseminate information as a continuous flow all over the world and to store information practically free of charge and without limits inevitably changes the way knowledge is created and used.

Journey Towards Ubiquitous Society

Journey Towards Ubiquitous Society. The World's wealthiest regions see a continuous rise of ubiquitous computing. Miniature-sized technology is embedded in our built-up environment, making our environment and spaces increasingly digital, intelligent, and interactive. The increased intelligence of our environment can refer to how a smart refrigerator notifies us during our grocery shopping about what is missing, or smart roads and cars that significantly diminish the role of driving. The impact of Ubiquitous Society can be especially large in social and healthcare sectors, e.g. in the form of smart and interactive surroundings or wearable intelligence and communication. On top of this, our built-up environment will become more and more mediated: any surface can become a media interface due to developing technology. The increasing mobility that comes along with this is one of the core representations of the ubiquitous society.

Socio-Cultural Change

Socio-Cultural Change as a megatrend refers to the many new ways that individuals adapt to new, and perhaps unforeseeable, changes caused by new social manners and working methods. Individuals are already emphasizing their uniqueness and turning into personal brands, while at the same time, are constantly forming physical and virtual communities in the Internet and social media. People in Western economies are willing to move back to the Do-It-Yourself (DIY) culture driven by developments in 3D-printing for example. Simultaneously, hyper-locality, which is basically the increased significance of local production and services, is starting to affect our daily lives. Most significantly, among the key socio-cultural changes of the near future is the already ongoing entry of Y generation (people born in the 1980s and early 90s) to the labor market and their gradual rise to leadership positions in organizations, which will greatly transform the working and management environment of the future. We will witness an evolution towards more flexibility in how work is organized and a strong push to dismantle bureaucratic silos that are causing inefficiency in today's organizations. Finally, the end is coming to our

current either-or society, which is the concept of people being forced to either be in working life, unemployed, students, or retired. There is a shift in the rules of working life towards more flexibility: an individual can be all of the above simultaneously. (Source for Socio-Cultural change: Stephanie M. Noble, Diana L. Haytko, Joanna Phillips. What drives college-age Generation Y consumers? Journal of Business Research, Volume 62, Issue 6, June 2009, Pages 617–628)
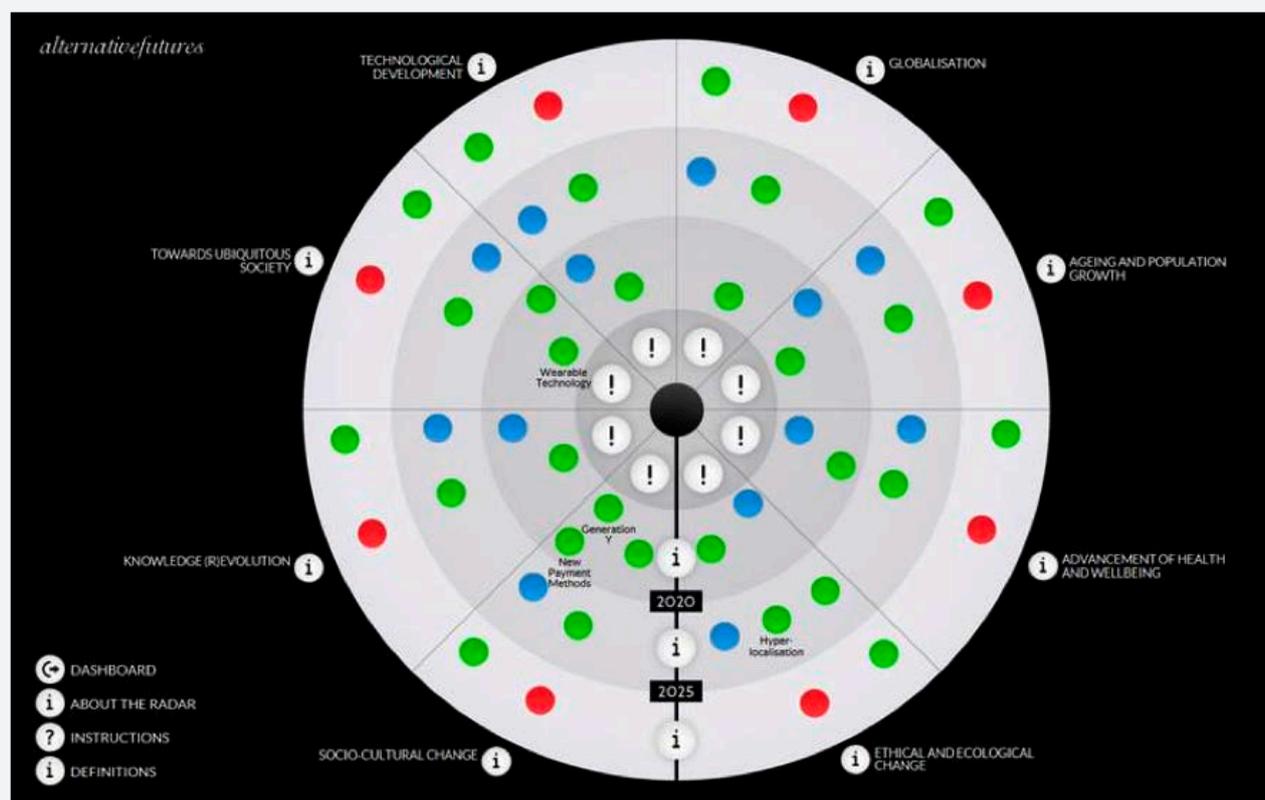
Change phenomena

Megatrends manifest themselves as different change phenomena that are becoming increasingly present and visible in society. For instance, the megatrend Socio-Cultural Change is an umbrella for many change phenomena such as Do-it-Yourself Attitude, Y Generation Enters Work, Swarm Work, Culture of Sharing, and many more. Similarly, other broad megatrends reflect the total effect of numerous changes that are occuring. Altogether, there are hundreds of well-known and forecasted change phenomena that are already changing society or are strongly anticipated to start to change our lives in the near or distant future.

The GIA roundtable discussions began with the group of 15 experts being divided into three smaller groups. Diverse industry expertise was represented in each group, and the groups were given change phenomena to assess in terms of how each would likely affect the way market intelligence is conducted in the future. All the groups received a broad selection of topics to discuss, ranging from high-tech innovations to macro-economic developments.

The change phenomena discussed in the groups are related to the three chosen megatrends. Each of the groups was given access to Forecasting Radar, an online tool created by AlternativeFutures. The Forecasting Radar maps broad megatrends into sectors and positions

Exhibit 1. Forecasting Radar, AlternativeFutures

related key change phenomena onto a future time line within each sector to illustrate how soon each phenomenon is expected to emerge as real change in society. To facilitate discussion about each phenomenon, the Forecasting Radar also offers click-through access to multimedia presentations about the key change phenomena being discussed.

In the following section of this paper, Predictions of Future Scenarios for Market Intelligence, we highlight some key themes that were discussed with regards to the assessed phenomena. The phenomena are grouped under three topics:

1. Technology-based change phenomena,
2. Phenomena related to new methods of organizing Market Intelligence work, and
3. Economic change phenomena.

It should be noted that one topic does not represent the output of one specific roundtable group but is rather an accumulation of collective thinking of all the workshop participants.

Technology-based change phenomena

Several of the phenomena given to the workshop participants to elaborate on were related to possibilities created by new technology. To start with, *Wearable Intelligence* raised vivid arguments both for and against the significance of this theme in the MI context. Some participants saw the vastly increasing amount of information and its easier collection and accessibility leading to challenges, even risks related to industry espionage. Embracing new technology could lead to an arms race with intelligence tools. On the other hand, the increasing means to collect data anytime, anywhere will fuel growing demands for privacy protection, and safeguards will be built. Overall, the benefits of expanded intelligence collection and dissemination possibilities are appreciated. The growing importance of source criticism is a key point of importance.

Many possibilities for MI were seen in the *Semantic Web*. The Semantic Web provides a common framework that allows data to be shared and reused across application, enterprise, and community boundaries. By encouraging the inclusion of semantic content in web pages, the Semantic Web aims at converting the current web, dominated by unstructured and semi-structured documents into a "web of data". Participants saw the Semantic Web as offering possibilities to greatly widen the scope of MI activities and increase bandwidth through the easier collection and interpretation of information. On the other hand, the developments will require new skills development of Market Intelligence analysts.

In relation to the changing skillset, workshop participants' opinion was that *Automation and Robotics* will naturally make the collection of information much easier, but this will not mean that human guidance would not still be required. Professional staff will be needed to ask the right questions and to verify the reliability of data gathered in an automated fashion from the vast amount of sources. In general, we are moving from industrial robotics towards service robotics, while at the same time, we are also moving towards a ubiquitous society which is characterized by pervasive computing, the Internet of Things, and a media-rich built-up environment.

The ever increasing *Adaptability and Modifiability* of data sets and interfaces to access them will drive a scenario where the actual content and thoughtful insights for decision makers may suffer when user interest is primarily driven by attractive interfaces that offer fancy visualizations and game-like tools to play with data. This may relegate the analytical nature of MI to secondary importance. Market Intelligence professionals will have to take responsibility to steer the focus on what is essential and brings true value, and make sure that developments to increase possibilities to personalize and adapt their MI consumption experience are offered to users with a view to create real business impact.

Quantified Self, which refers to measuring and analyzing one's own body functions and surroundings through a variety of technological applications and tools, was also discussed

among MI professionals. Self-tracking and all kind of self-assessment will increase rapidly in the future, and this was seen to provide a possibility to track performance in different situations.

Phenomena related to new ways of organizing Market Intelligence work

The Culture of Sharing and *Swarm Work* are two change phenomena related to the megatrend of socio-cultural change. These are connected to new rules and codes of the working environment created by Generation Y. The full entry of the Generation Y from educational institutions to work life is one of the most fundamental socio-cultural changes of the near future.

Swarming is a work style characterized by a flurry of collective activity by anyone and everyone conceivably available and able to add value. Swarm work can refer to purchasing input when needed via the internet from an expert from anywhere in the world for an affordable price. Micro-tasking and macro-tasking are parts of swarm work, and so is crowd sourcing. All of these belong to the field of participatory design. According to one scenario, swarm work will lead to a situation where an individual professional will want to master one specific area of business thoroughly, instead of being a universal expert of the field, because this allows him or her to earn income in a more flexible manner. The share of intelligence acquired cost efficiently from highly specialized swarm workers may increase, and MI professionals may find themselves acting more frequently as coordinators and quality controllers instead of content producers.

The workshop participants also believed that what is called *Sharing as Work and a Culture* will change the way Market Intelligence is created and used. Sharing is becoming an essential part of work, while the increased significance of sharing can be seen in how new expert content is spread through social media. Eagerness of individual employees and entire organizations to share their knowledge could lead to a scenario where everyone competes to be the one who disseminates new insights in the fastest time. This may result in decreased quality and hurried decision-making. Companies and individuals may find themselves in an information war, as they compete to gain the status as the thought leader.

Dialogue-Based Knowledge will contribute a share in shaping the methods of MI as well. Due to the accelerated pace of new information becoming available and increasing complexity of information, professionals are often faced with either-or situations: a question may have multiple, justifiable answers that are contradictory with each other, which in turn, requires adaptation skills. Additionally, MI professionals do not only have to be experts in producing insightful content and analyzing the growing amount of data gathered through automation, but also have to be able to market and lobby themselves and their work more effectively, in order to impress and affect the markets and organizations.

In the future, MI teams will have to do their utmost to create a strong company-wide image of their high-quality work. Arguably the single biggest reason for this is the increasing *Do-it-Yourself Attitude* (and ability) of their internal audience. Due to the various change phenomena described so far, the end users of Market Intelligence will find it totally possible to gather and analyze information on their own. This leaves the MI team in a situation where they have to justify their existence. The workshop attendants generally agreed that professional Market Intelligence teams or departments will remain essential in the process of producing insights, but they need to adjust to the developments that were discussed.

Economic change phenomena

Changes in the global economic context cannot be left unaddressed when thinking about the future of Market Intelligence. Financial and economic crises have shown that the only way in many organizations to measure the importance and necessity of an organizational function is Return on Investment. This was discussed in the workshop under the potential phenomenon *Expiration of Economic Growth*, and it was expected to show its effect on Market Intelligence operations in an especially harsh way. It is sometimes difficult for decision makers to realize the importance of Market Intelligence as a continuous, long-term corporate function. MI activity can often be among the first units to suffer from cuts, when budgets are tightened. This is

controversial in light of the view among participants that the ROI of Market Intelligence is evidently lower, if it has to cope with repetitive cost-cuts.

However, there is a potentially bright side to the scenario of economic growth in the Western world coming to an end. Companies that have been experiencing difficulties in their home markets have already shifted their focus to new, undiscovered fields, and this has been an opportunity for MI to raise its profile and offer insightful views to support market entry processes.

Concept-Based Economy refers to the situation where new ideas and concepts have become essential for competition and business success. The value of concepts may develop at an unprecedented pace. One example is the sale of Instagram: Facebook acquired the less than two-year-old social media company concentrating on photographs with less than 20 employees for a billion dollars. The move from zero to a billion in valuation broke records. The example depicts the economic potential of concepts well. When do we see the first concept to make a billion dollars in a single month? Market Intelligence professionals can be instrumental in supporting the quest to identify opportunities for new concepts and assessing the commercial viability of new ideas.

The ageing population is a well-known trend, particularly in developed countries, that companies prepare for. One phenomenon that relates to the global demographic challenge of ageing populations can be called the *Warren Buffet Phenomenon*, pointing to the increased activity and availability of highly experienced senior professionals who are past official retirement age, but who remain active players in business life. Many will, in the footsteps of Warren Buffett, announce that they wish to never fully retire. This creates the need for companies, and MI teams as well, to consider renewing their operations and organizational structures to tap into this resource pool. This phenomenon helps maintain accumulated knowledge and expertise accessible to the new decision makers and to the MI teams supporting them. A key question is, how to proactively make use of this phenomenon for competitive advantage.

Opportunities for developing Market Intelligence activities

After discussing a large number of change phenomena and assessing the likely opportunities and threats that these will create for Market Intelligence, the groups were asked to brainstorm about innovations and ideas of renewal for the use of MI organizations and decision-makers of tomorrow. Based on these conversations, a number of ideas were brought forth. The workshop participants eventually voted the following as being the most usable solutions and opportunities from the discourse on the Predictions of Future Scenarios for Market Intelligence.

Market Intelligence war room

The *MI war room* is a combination of a virtual and physical space, a room in the head office where the walls are covered with media screens to facilitate the brainstorming of ideas. It will also be where the current situation of the project or market situation at hand is evaluated. For instance, when dealing with a new product launch in a competitive and fast moving market segment, MI professionals and decision-makers would be able to join the tactical steering discussion physically or virtually and share content on screens and contribute their ideas, while easily pulling up related material for reference from available data sets. Local stakeholders in key markets could participate remotely outside the physical space via devices of their choice, collaborating without delays or location limitations, while the head office would have a physical command center where the comprehensive view of the evolving competitive situation can be observed live on multiple screens.

Segmentation of MI users

To cater to the needs and preferences of different MI users, especially considering the increasing tendency for do-it-yourself activities and different expectations of generation Y workers, there were be a necessary evolution to segmenting MI users more clearly than current organizations do. While the technical possibilities improve to better serve the needs of large end-user masses with self-service options, the need remains to serve top decision-makers with highly targeted, insightful and impactful intelligence. By clearly differentiating the offering for different user segments, MI program managers will be able to allocate resources in a more productive manner.

Internal marketing of MI expertise

The need for a market intelligence function may not be self-evident for internal audiences. In light of increasing end-user do-it-yourself attitudes, the semantic web, social robots and other phenomena that will encourage end users to collect and process market information on their own, a key priority for any Market Intelligence team will be to clarify the reason of its existence. MI teams will need to successfully carry out continuous internal marketing of the value added that Market Intelligence professionals bring in cost efficient and effective ways.

Co-Creation of Insights

Though not a new element in Market Intelligence, MI professionals at the workshop concluded that *Co-Creation of Insights* will inevitably be increasingly important. What many MI content producers already know is that engaging the decision-makers in the process of producing MI will lead to improved quality and higher commitment towards strengthening the MI program's position within an organization.

"Only what I want" mentality and user guided filters

As the collection and dissemination of basic Market Intelligence will become more automated with fewer delays, and as the amount of available data to be shared continues to grow, it is likely that users will increasingly have preference to receive only a sub set of information they consider to be most relevant for their job role - and only at the time they want it. This *Only What I Want mentality* will pose challenges to MI professionals, as they will have to be able to provide more targeted information, from large masses of available content sets, at any time of the day, while always keeping up the high quality standards. Existing intelligence tools already offer filtering possibilities in the form of advanced search tools and personal alerting options. Going forward, the level of intelligence required in filtering tools will rise dramatically in accuracy.

During the workshop, an idea of a falsification filter, which is a filter that would delete irrelevant pieces of information, was suggested. The filter would be a core part of the MI dissemination platform, and its intelligence would be user-guided, as it learns to react to irrelevant articles. This is somewhat opposite to the current situation, where most users are encouraged to highlight only the good items, thereby enlightening the analytic team or automated process.

Integration of MI and user's social networks

In addition, by linking the end user's social networks such as LinkedIn or Twitter or their future equivalents with intelligent MI dissemination software, MI users can start to receive vastly more personalized intelligence based on their interests, and integrate valuable commentary and collaborative input from their personal networks.

MI as a corner stone for successful thought leadership marketing

In an increasingly knowledge-based economy, being at the forefront of information and being able to steer industry thinking in certain direction will be among the key sources of competitive advantage. Market Intelligence teams possess a vast amount of insight and access to knowledge and have the capability to fuel insightful thought leadership marketing. Sales and marketing units in companies should use MI as a tool when seeking to position the company and its offerings as leading edge. MI based thought leadership marketing can be an extremely powerful tool to position the company favorably, influence the evolution of customer preferences and even shape the development of whole ecosystems.

Global Intelligence Alliance
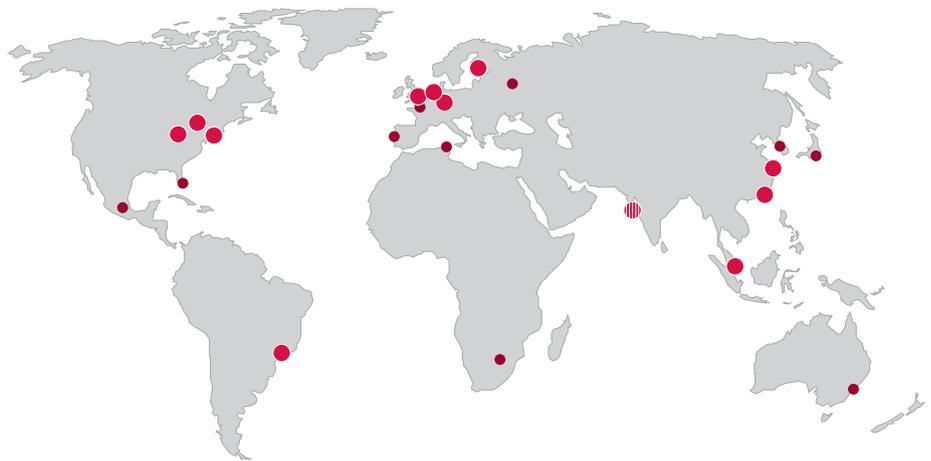
For more information, please visit www.globalintelligence.com or contact the GIA representative closest to you:

International	**Global Intelligence Alliance Group**	+358-(0)10-613-2000 info@globalintelligence.com
Australia	**Global Intelligence Alliance Australasia** Level 12, 95 Pitt Street, Sydney, NSW 2000, Australia	+61-2-8249-8363 australasia@globalintelligence.com
Brazil	**Global Intelligence Alliance Latin America** Rua Joaquim Floriano, 466 cj 306 – Itaim Bibi CEP: 04534-002 – São Paulo, SP, Brazil	+55-11-2165-6810 brazil@globalintelligence.com
Canada	**Global Intelligence Alliance Canada** 174 Spadina Avenue, Suite 302, Toronto, Ontario, M5T 2C2, Canada	+1-416-231-0828 canada@globalintelligence.com
China	**Global Intelligence Alliance China** Unit 2602, United Power International Plaza, 1158 Jiangning Road, Shanghai, 200060, P.R. China	+86-21-6279 0197 china@globalintelligence.com
Finland	**Global Intelligence Alliance Finland** Itämerenkatu 1, 00180 Helsinki, Finland	+358-10-613-2000 finland@globalintelligence.com
France	**RV Conseil** 48, rue des Moines - 75017 Paris, France	+ 33-1-42 29 56 72 france@globalintelligence.com
Germany	**Global Intelligence Alliance Germany GmbH** Dorotheenstraße 1, 45130 Essen, Germany	+49-201-266-900 germany@globalintelligence.com
Hong Kong	**Global Intelligence Alliance Hong Kong** 31/F, Tower One, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong	+852-2824-8511 hongkong@globalintelligence.com
Japan	**McRBC** Nogizaka Lilien Heim 601, 1-26-16, Minami-Aoyama, Minato-ku, Tokyo 107-0062 Japan	+81-3-5771-7120 japan@globalintelligence.com
South Korea	**3mecca** 6th F. Kyungjae Tongshin Bldg, 111 Junghak-dong, Jongno-gu, Seoul, Korea 110-150	+82-(0)2-733-0617 korea@globalintelligence.com
Mexico	**Americas Market Intelligence (Mexico)** Pestalozzi 923, Col. Del Valle Mexico, D.F. 03100 Mexico	+52-1-55-4345 8110 mexico@globalintelligence.com
Portugal	**Growth Setting** Avenida Engenheiro Duarte Pacheco, Amoreiras, Torre 2, Piso 5, sala 9, 1070-102 Lisboa, Portugal	+351-210-480 674 portugal@globalintelligence.com
Russia	**ALT Research & Consulting** 105122, Tschelkovskoe shosse, 2, bld.1, Moscow, Russia	+7-495-788 59 29 russia@globalintelligence.com
Singapore	**Global Intelligence Alliance Singapore** 8 Eu Tong Sen Street, #23-81 The Central, Singapore 059818	+65-6423-1681 singapore@globalintelligence.com
South Africa	**Butterfly Effect Intelligence** North Block, Sheldon Place Office Park, 5 Lone Close, Lonehill, South Africa	+27-11-465-9711 southafrica@globalintelligence.com
Tunisia	**RV Conseil Tunisie** 11, avenue 02 mars, Manouba, Tunisia	+33-1-42-29-56-72 tunisia@globalintelligence.com
UK	**Global Intelligence Alliance UK** 55 Old Broad Street, London EC2M 1RX, United Kingdom	+44-207-997-6320 uk@globalintelligence.com
USA East Coast	**Global Intelligence Alliance USA Inc.** 1 Penn Plaza, 36th floor, New York, NY 10119, USA	+1-212-786-7368 usaeast@globalintelligence.com
USA Florida	**Americas Market Intelligence** 166 Alhambra Circle, Suite 200, Coral Gables, FL 33134, USA	+1-305-458-2493 usaflorida@globalintelligence.com
USA Midwest	**Global Intelligence Alliance USA Inc.** 8770 West Bryn Mawr Avenue, Suite 1300, Chicago, IL 60631, USA	+1-773-867-8352 usamidwest@globalintelligence.com