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## Digging Deep to Research Competitors

When preparing a SWOT analysis, how far can companies go in researching their competition? Many firms carefully monitor social media comments in search of tidbits about their rivals, for example. What are the ethical limits of competitive research?

In general, companies are going too far when they rummage through a competitor's trash cans, tap its phone lines, hack into its computer systems, or try to obtain proprietary information such as customer lists and product blueprints. On the other hand, visiting competitors' publicly-available Web sites and Facebook pages, shopping their stores or showrooms, and watching for announcements of new products and price changes are all good ways to map the competitive landscape. One biotechnology firm pays close attention to how quickly

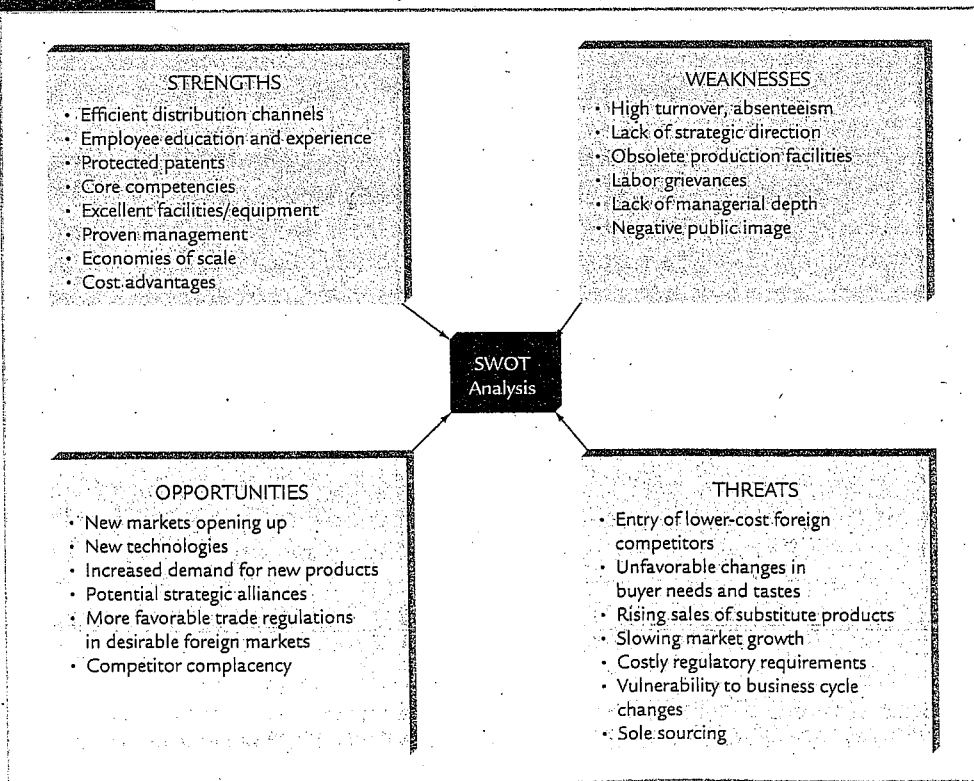
competitors' pharmaceutical products are moving through regulatory channels, clues that help it plan the timing of its own introductions and its marketing campaigns.

No matter how much a company learns about its competitors' strengths and weaknesses, the information is useless unless the right people see it. That's why Egencia, a travel agency that serves business customers, maintains a "Know Your Enemy" internal site where employees can post and review competitive details. Then, when salespeople meet with customers, they can emphasize Egencia's competitive strengths.

Sources: Based on information in Robert L. Scheier, "Why Social Tech's Real Value Is Inside the Business," *InfoWorld*, December 19, 2011, <http://infoworld.com/d/applications/why-social-techs-real-value-inside-the-business-178336>; "Crash Course in Competitive Intelligence (CI)," *Management Today*, May 1, 2011, p. 18; Judith Lamont, "Gaining Insight to Enhance Decision-Making," *KMWorld*, November-December 2011, p. 12.

the firm to benefit from them. Threats, on the other hand, are conditions or barriers that may prevent the firm from reaching its objectives. Opportunities and threats can stem from many sources within the business environment. For example, a competitor's actions, new laws, economic changes, or new technology can be threats. Threats for some firms may be opportunities for others. Examples of strengths, weaknesses, opportunities, and threats are shown in Figure 6.3.

FIGURE 6.3 Elements and Examples of SWOT Analysis



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