



# The Value of **COMPETITIVE INTELLIGENCE IN RETAIL** to Improve your Profitability.



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# Introduction

Over the last three years, the global retail industry has had to reinvent itself, evolve its marketing strategies, and adjust to the changing conditions of people, both in their lifestyles, the way they work, the way they shop, and the way they reach their customers.

2023 is decisive for the retail sector to develop satisfactorily and prepare to generate an innovative shopping experience with an increasingly specialized and informed consumer with more access to technology.

It is a diverse landscape where we find the recovery of the global economy, the emergence of supply problems in different regions, the reduction of purchasing power, and rising inflation.

Companies must know market trends, sectors, competition, and economic expectations based on reliable and timely information.

It is imperative to make use of technological tools that enhance our decisions. One of these tools is automated competitive analysis; with its help, we can better guide our actions, achieve business objectives, and consolidate our digital positioning.

Our e-book delivers valuable information to foster knowledge and develop strategies for the retail sector, allowing you to implement new action plans and follow recommendations supported by technology and competitive intelligence analysis.

"The Value of Competitive Intelligence in Retail to Improve Your Profitability" is the result of research conducted by Echez Group on the current situation of the sector, its trends, and opportunities.

Massive fluctuations in demand during the pandemic forced retailers to develop more flexible operations and understand that consumer preferences are rapidly evolving. More effective analytics-based strategies and tools are required to drive future profitability by ensuring the consumer experience.

With the right tools and knowledge, you can position yourself for success in a rapidly changing marketplace.

# What is Competitive Analysis?

To make better decisions in today's market, it is necessary to have updated, timely, accurate, and free of subjective criteria information. For this reason, Echez Group has created the service of automated competitive analysis.

This service consists of automatically and intelligently monitoring variables of interest in the market environment to execute improvement actions based on the analyzed data. Consolidating the information in a dynamic business intelligence report which is personalized to support the decision-making process.



A competitive analysis allows companies to increase their profitability and improve their strategic positioning by continuously monitoring the product, price, place, promotion, and presentation (5P) policies of competitors and the market.

## Benefits of automated competitive analysis



Observe and understand the market.



Enhance the value proposition.



Compare products and services with others.



Integrate information from digital platforms.



Understand emerging trends and opportunities.



Enrich strategic decision-making.



Optimize market consulting budget.



View competitors in a single control panel.



Improve negotiations with suppliers.



Verify commercial agreements.

# The value of competitive intelligence in retail.



## Advantages of competitive intelligence:



Evaluates the current commercial strategy.



Analyzes in detail the variables of the market environment.



Automates repetitive processes increasing operational capacity.



Validates the capabilities of market variables.



Adjusts market objectives to customer expectations.



*In marketing, making decisions based on real numbers allows you to adjust plans in the face of the industry, customer, and competitive trends. The automated competitive analysis solution developed by Echez Group has increased positive relationships with potential customers who have become interested in the information, strategies, and actions around them.*



**Seidy Pinzón**

Marketing Manager Echez Group

Having competitive intelligence initiatives within retail organizations improves the decision-making process around product, price, place, promotion, and presentation policies. Supporting them with updated and timely market information and allowing more control over the positioning in the sector and the e-commerce and digital presence spaces.

Transactional reports and critical market variables create a differential against customers, negotiations, and omnichannel.

In this new competitive scenario, the elementary differential for companies is in the proper use of analytics. Each participant develops strategies to increase their visibility in the ecosystem by generating campaigns with the available information from their environment.

They are turning data into the basis for inventory decisions, negotiation opportunities in price, promotion, product, presentation, place (5p), category, and brand, and profitable growth based on statistics, where the advantages and knowledge of them become part of the marketing strategies.

The value of our automated competitive analysis solution is to deliver a comprehensive view of the market environment, optimizing all variables cost-effectively and efficiently, according to the current competition, driving profit and revenue growth for companies and customers.

# Use of competitive intelligence to detect trends and opportunities in the retail sector.

**Competitive intelligence helps you research the market and its conditions before making strategic decisions.**

Here are some competitive intelligence approaches that can help you differentiate yourself in a challenging and highly changing environment:

## Analyze market pricing

Price is one of the relevant factors in determining competitive advantage. In retail, you must maintain an edge over other options in the marketplace and create more impactful pricing with lucrative offers that can attract increasingly informed consumers. Knowing the pricing environment can keep you one step ahead of competitors' strategies.

## Get an idea of similar products offered in the market

Nowadays, products tend to innovate and update quickly, according to new customer expectations and preferences, which makes this variable a significant reason to choose among all the options available in the market.

To ensure that you remain the first choice, you must monitor similar products offered in the commercial environment, stay ahead of trends, and be the first to provide innovation.

## Develop proper supply chain and logistics management

For retailers, properly managing the supply chain and logistics is equivalent to expanding and maintaining success in the marketplace. From procurement, having the correct inventory, and warehousing to product delivery, an optimized and efficient supply chain ensures productivity.

Timely management of goods enables quality customer service, making you a leading reference in the competitive environment.

## Analyze market trends

Using competitive intelligence solutions, you can learn industry information using technologies that help you implement market trends in your company and strengthen your potential to gain more customers and increase your sales.

## Strengthen territorial expansion

Business expansion is another way to gain an advantage over the competition, but conducting an in-depth study and analysis of the territory you want to reach, is essential.

With competitive intelligence, you can know if the new commercial opportunities have the right conditions, allowing greater recognition in the market.

With broader options for consumers, your company can increase its credibility and positioning in new competitive environments.

## Improve online sales productivity

Adapting to online business models creates many opportunities for your company, such as broader reach, better customer service, ease of maintenance, and a unified platform to compete.

An automated online store provides convenience to consumers, allowing you to develop innovative tools to market your products based on analytical data and information from your environment.

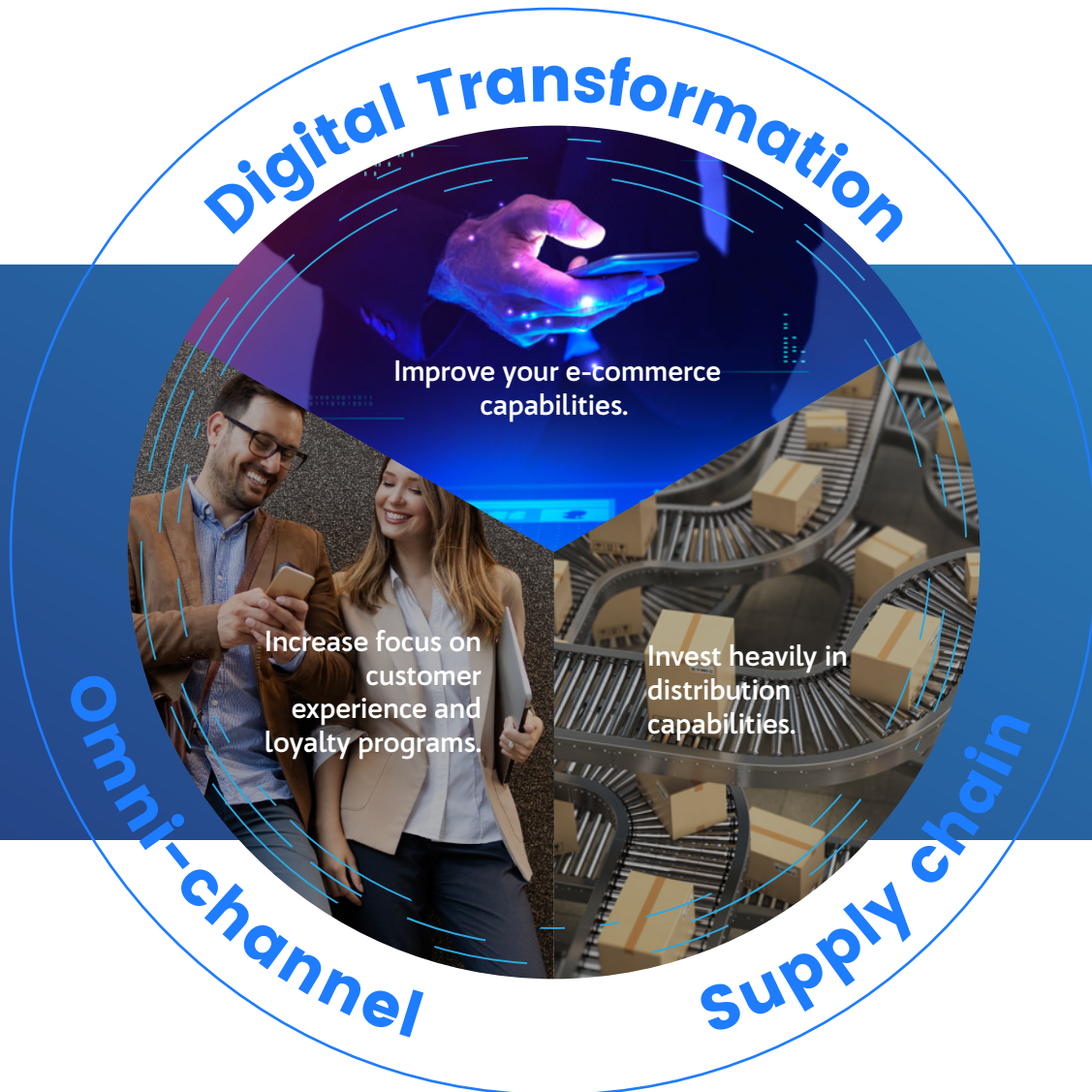


*Competitive intelligence gives companies the right analytical information to get ahead in the market, improve their performance, prioritize to automate their processes and be more productive and efficient in a digital context. The artificial intelligence (AI)-powered competitive analysis solution we developed at Echez Group is essential for our client's decision making.*



**Edwin Sánchez**  
CEO Echez Group

According to Deloitte's "2023 retail industry outlook" study, we present the critical long-term strategic initiatives to create efficiency:



One of the biggest challenges for companies is that they must be data-driven and respond quickly to consumer and market changes.

Retail faces a shift in consumer expectations and digital preferences with multiple solutions to modernize its supply chain.

Variable consumer preferences for omnichannel services, driven by e-commerce, need to be strengthened, being the foremost growth opportunity that allows for reducing losses and improving profitability.

Staying ahead of the latest trends and consumer preferences is essential to gain a competitive advantage. Competitive intelligence allows you to collect and analyze data on these trends, helping you make informed decisions that drive your sales and improve customer satisfaction.

By using competitive intelligence, you can stay ahead of the curve, ensuring that you meet your customer's needs and expectations, ultimately leading to tremendous success in your industry.

# The use of competitive intelligence to support retail innovation.

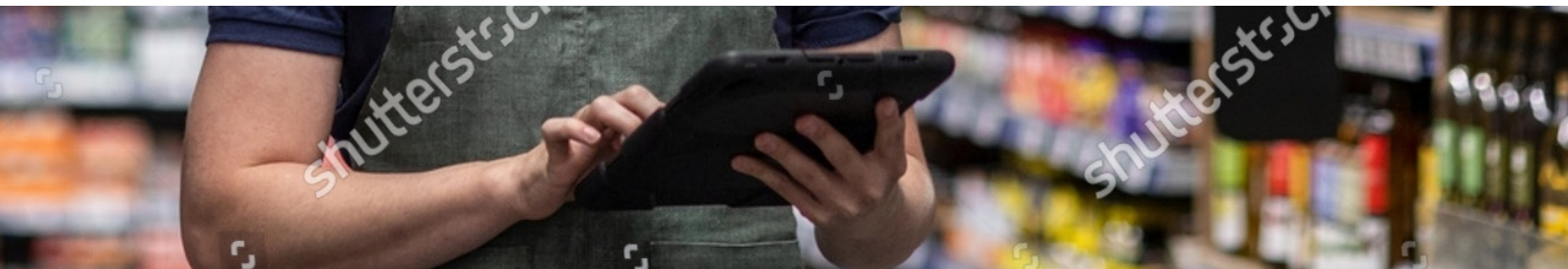
Competitive intelligence helps to expose the strategies made by analyzing the data collected in the context of various marketing and sales factors, especially for the variables of a competitive environment, price, and customer.

Proper utilization of analytical information offers many advantages in the competitive environment by analyzing and implementing strategies based on correct data for your company to reach its target audience.

In the current business context, the entry of new competitors to the market and innovation have become complex variables for companies to manage. To be effective and proactive, organizations must respond to the opportunities, challenges, risks, and constraints created by the external environment.

To manage this change and minimize potential risks, you must obtain and effectively analyze real-time data and information on strategic market variables to develop strategies that positively impact consumers and the environment.

Competitive intelligence brings a fundamental transformation with a focus on strategic management, as it allows you to collect, compile, classify, and transmit data to your company's decision-makers for analysis with the support of artificial intelligence and monitor the variables of the competitive environment to find and maintain a position in the market.



## In this context, the use of competitive intelligence supports innovation because:

- It actively participates in the emergence of business opportunities or problems that will enable proactive strategies to be effective.
- Provides a basis for continuous improvement.
- Helps reveal the strategies of the competitive environment.
- Supports the acceleration of globalization by providing speed to market applications.
- Increases volume, probability of business continuity, and product offerings.
- Enables better evaluation of customers.
- Improves understanding of external influences and decision-making.
- Analyzes market trends.

Using technology solutions such as artificial intelligence, RPAs, analytical and predictive intelligence, cloud, and big data, we analyze and evaluate the market data that best suits your business needs.

Through this approach, you can optimize pricing offers or product selection by identifying which ones can be at the forefront of inventory or stock or meet the need for diversity.

Data visualization is essential for retailers who want to gain a competitive advantage in today's fast-paced marketplace. By turning complex data sets into easy-to-understand visual representations, you can gain valuable insights that help you make informed business decisions, stay ahead of the curve and succeed in today's challenging market environment.



# Challenges for the **retail sector.**



We know that digital transformation and the development of technological platforms within the processes of companies are invaluable.

**At Echez Group, we work in the development of digital tools** that allow automation processes and daily tasks of the retail industry generating new and better opportunities for this sector.

The acceleration of digital processes within supply chains and commercial strategies challenges the retail industry to work with technology and automation to compete in this new market and customer environment.

## Here are some of the challenges:

- Implementation of agile online processes with simple transactions, increasing e-commerce sales.
- Development of appropriate technology to automatically manage processes involving personnel, and customer volume, among others, in addition to digital tools to improve and readjust the workload.
- Management of updated information supported by services such as artificial intelligence and big data, achieving a robust technological backend to manage interactions and price offers, promotion, product presentation, and place (5P) for customers at scale, responding quickly to incidents that may arise by sending alerts and notifications.
- Deliver fun and convenient digital experiences with sustainable business practices.



*The value that competitive intelligence brings to businesses is critical in today's dynamic markets, allowing them to gain more excellent knowledge, deliver information in a timely and responsible manner, and obtain a complete view of the competition.*

*Our competitive analysis service is transforming clients' business practices, one example being how fast it enables them to adapt and create better pricing strategies.*



**Juan Manuel López**

Analytics Manager Echez Group

At **Echez Group**, we help the retail industry with innovation through our competitive analysis service, which adds value to the sensitive processes of your business, improving the performance and productivity of companies with crucial information that allows our clients to develop effective marketing campaigns and differentiate themselves from the competition.

We are convinced that the challenges leverage the development of the retail sector, with multiple options of digitized processes that give a high volume of security to customers and companies prepared in the high technological conditions of the current moment. Therefore, we advise companies with strategic information based on analytical reports, which helps them generate new and better strategies to meet business objectives.

# Trends and the Future of the Retail Market.

Consumer behavior is rapidly changing because there are many options when making a purchase decision.

Mobile devices, electronic payments, social networks, chatbots, artificial intelligence, and applications that allow almost immediate delivery of products, among others, have created a new need to understand the competitive environment and seek new alternatives to strengthen retail.

These insights are the result of research on trends and the future of the retail sector in a changing and dynamic market.



*Our automated competitive analysis service, updated daily, integrates many platforms, analyzes benefits, and identifies critical comparison variables for strategic decision-making.*

*This service strengthens negotiating power with suppliers, generates intelligent and valuable alliances for customers, and helps improve profitability and performance.*

*The solution has become more robust, with greater scope to provide value to service decision makers and thus achieve efficiencies and better benefits for companies*



**Carolina Arango**

Global Digital VP Echez Group

Experts predict that social commerce will exceed

**\$30,000** billion in sales by 2023, accounting for  
**20%** of global retail e-commerce sales.

Therefore, it is necessary to:

- Create and develop personalized shopping models, where it is necessary to think about attractive on-demand products or models that bring additional value to the shopping process.
- Maximize differentiating circular economy proposal models, where retailers can propose sustainable consumption alternatives, to have a greater commitment to social and environmental causes.
- Develop brand valorization programs using competitive intelligence tools, big data, and data intelligence, among others, that allow understanding motivations, desires, and needs and predicting customer behavior.
- Strengthen omnichannel, which with the support of digital tools improves customer experiences and develops new market strategies.
- Develop the CX model, helping the radical change in behavior and expectations of marketing strategies.
- Use data on buying trends, to make inventory decisions, with tools with AI and automation.
- Implement a gamification strategy, with games and video games for commercial processes, where the consumer has a more interesting experience, but based on competitive intelligence analysis.
- Develop hybrid retail locations, which configure services within them and generate unique experiences leveraged on analytical data, enabling them to have a clear process versus the competition that sets them apart from the market.



**Competitive intelligence in retail has many benefits, and new trends emerge as the industry embraces technology. Thanks to the data, reports that can be analyzed on a large scale are developed and organized according to your customers' needs to generate:**



### Product trends

It allows you to find product variety, inventory analysis, maintain a supply-demand balance, and create an analysis and evaluation according to the seasonal period.



### Improve marketing strategies

Competitive intelligence also allows you to understand the marketing strategies of your competitive environment and identify areas for improvement in your approach to gain a competitive advantage.



### Competitive price trends

While you know product variety and inventory terms, you may need detailed information on market prices to create accurate offers.

With the competitive intelligence data provided, you can price with a more accurate strategy. Thus, optimized pricing of products and services becomes much more effective.



### Forecast potential threats

Preparing for the future will make your business more resilient than your environment. Competitive intelligence supports you by forecasting potential hazards to your customers, such as changes in regulations or disruptive technologies, and taking precautions to avoid them from the outset.



### Develop cross-marketing processes

In this way, you can organize customer offers with products that complement each other or interest them according to analytics.

## In conclusion,

competitive intelligence helps you understand the information you need to know about the current and future competitive environment, your company's strengths and weaknesses, how to make a detailed analysis of existing products, and know which new technologies the market uses and differentiate it.

The dynamic process of acquiring, evaluating, integrating, distributing, and using knowledge is fundamental to developing new organizational capabilities and gaining competitive advantages in your industry.

By adding value with advanced artificial intelligence systems and other technological solutions in terms of competitive analysis, a useful infrastructure is developed for the sector and your company. Allowing you to have a differential in the market by using the data obtained through the competitive environment analysis solution.

Case studies on:

# The value of **COMPETITIVE INTELLIGENCE IN RETAIL** to improve your profitability.

The following are some detailed case studies, research, and analyses on the value of competitive intelligence in retailing:

## 1 “Competitive Intelligence and its Impact on Competitive Advantage in the Retail Sector,”

by P. B. Babakus and R. Yavas

This study examines the impact of competitive intelligence on competitive advantage in the retail sector. The authors found that competitive intelligence can improve the competitive advantage of retail companies by helping them identify the strengths and weaknesses of their competitors and improve their ability to adapt to changes in the marketplace.

## 2 “Competitive Intelligence in Retailing”

by C. M. Maheshwari

This review provides an overview of competitive intelligence in the retail sector and highlights its importance for strategic decision-making. The author also examines the tools and techniques used in competitive retail intelligence, such as trend analysis and market research.

## 3 “The Use of Competitive Intelligence in Retailing”

by J. Kim and J. Jang

This study analyzes the use of competitive intelligence in retailing in South Korea. The authors found that competitive intelligence is a valuable tool for retail companies in this country and can improve their ability to adapt to changes in the market and remain competitive.

## 4 “Competitive Intelligence in Retailing: A Case Study of Target Corporation”

by A. Bhatti and M. Waseem

This case study examines how retailer Target Corporation uses competitive intelligence to improve its profitability and performance. The authors found that competitive intelligence has helped Target identify market trends and customer needs, which has improved its ability to make informed strategic decisions.

These studies and analyses highlight the value of competitive intelligence in the retail sector and how it can help companies improve their profitability and performance through better-informed and strategic decision-making.

# Conclusions



With the dynamism generated by the digital transformation of companies, it is necessary to strengthen and automate e-commerce platforms relying on artificial intelligence and analytical data, to automate processes and improve productivity in the retail sector.

According to our research, we present the most relevant conclusions:

- With the dynamism generated by the digital transformation of companies, it is necessary to strengthen and automate e-commerce platforms relying on artificial intelligence and analytical data, to automate processes and improve productivity in the retail sector.
- According to our research, we present the most relevant conclusions:
- The general trend is to offer a hybrid experience between the online and physical channels to make buying your products more accessible, simpler, and faster, developing 5P strategies according to market analysis.
- Cash has taken a back seat, and the model of electronic transactions that facilitate the processes of purchases is developing with the use of competitive intelligence for the generation of strategies in the new model of the distribution chain.
- As a central point of purchase, commercial ecosystems must have e-commerce with digital marketing actions increasingly conversion-oriented and data-driven.
- The retail sector can use competitive intelligence analytics with tools with AI and automation to make inventory decisions and strategies and optimize processes.
- Today it is essential to invest resources in acquiring tools and solutions that allow you to develop through data analysis, value, and differentiation against your customers and your competition.
- Make use of technology to have a more personalized approach to your customers that allows you to adapt to the rapid changes in the market to continue to thrive in the digital environment.
- In the digital world, you must focus on massive and disruptive digital transformation and sell the experiences and outcomes of your value promises with data analyzed with competitive intelligence.
- The current global context drives companies to deliver mass customization of the commercial offering of networked economies, enabling co-innovation and co-creation with all types of partners.

# Conclusions

- As new types of technology enter the market, new business models that provide new commercial opportunities must be created.
- The data collected from digital interactions with the public becomes valuable information enabling more significant customer engagement.
- Competitive analysis may be the answer if you are seeking ways to remove barriers and improve your chances of market success. Through artificial intelligence and analytics, these analyses allow you to obtain real-time information on pricing and other critical variables from your competitors. This, in turn, will help you strengthen your bargaining power with suppliers, establish valuable and relevant partnerships for your customers, and improve the profitability and performance of your business.
- Using competitive analysis as a tool, you can make informed and strategic decisions based on accurate and up-to-date data about the market and your competitors. These analyses allow you to gain valuable information about trends, products, pricing, and other essential factors impacting your business success.
- In addition, by working with competitive analysis tools, you can adapt and adjust your business strategy in real-time, becoming more agile and flexible in an ever-changing marketplace. In summary, competitive analysis is crucial for any company looking to succeed in a highly competitive and constantly evolving market.
- Gamification can increase the impact of advertising by encouraging behavior and increasing customer spending in exchange for additional benefits with predictive insights.
- Designing new experiences and business models within brand attributes.
- Developing and nurturing a digital DNA culture among your employees.
- Implementing social commerce strategies based on online commerce trends and competitive environment variables.
- Payment technologies, digital wallets, and personal cloud functionality should be linked to shopping processes and experiences based on competitive market environment analysis.
- Apply new technologies to existing infrastructure and thus find digital business models that provide new business opportunities.

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## Plan your commercial

and discover what it can do with automated competitive analysis.

## Let us help you

get ahead of your competitors and learn how to generate winning strategies.

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# Trends and the Future of the Retail Market

## Purchasing preferences of U.S. consumers.

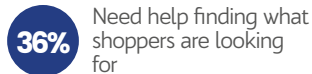
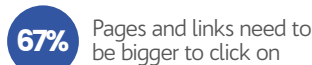


Mobile commerce will account for nearly 45% of U.S. e-commerce retail sales by 2025.



The average order value is 30% higher on a desktop computer than on a mobile device.

Nine out of 10 shoppers believe the mobile shopping experience can be improved. Some of the impediments to mobile shopping are:



Digital wallets are now as popular as credit cards for paying online. 30% would like to always pay with their smartphone.



1% of consumers would likely choose a store that offers augmented reality (AR).



Retail companies that use gamification increase their conversion rate by up to 7 times.



45 million U.S. consumers used voice technology for their shopping experience in 2021.



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These Insights are the result of research on trends and the future of the retail sector in a changing and dynamic market.

**Experts predict that social commerce will exceed \$30,000 billion in sales by 2023, accounting for 20% of global retail e-commerce sales. Therefore, it is necessary to:**

- **Development of personalized purchasing processes**, where it is necessary to think of on-demand products that provide additional value to the purchase.
- **Maximization of differentiating circular economy proposal models**, where retailers can propose sustainable consumption alternatives to have a more significant commitment to social and environmental causes.
- **Brand valuation** through competitive intelligence tools, big data, and data intelligence, among others. These tools allow us to understand motivations, desires and needs, and predict customer behavior.
- **Strengthening omnichannel**, supported by digital tools, to improve customer experiences and develop new market strategies.
- **Reconfiguring the retail metaverse in 2023**, connecting companies with their target market and new audiences at scale.
- **The development of the experiential CX model** helps analyze the radical change in consumer behavior and expectations.
- **Use of data on purchasing trends** with AI and automation tools, to make inventory decisions.
- **Implementation of a gamification strategy** with games and video games for commercial processes, where the consumer has a more engaging experience.