How to Leverage AI for Competitive Intelligence

AlphaSense

What's Inside

Introduction

In today's age of information, where we have limitless data at our fingertips and smart AI tools to separate critical signals from the noise, businesses theoretically have everything they need to make winning decisions and outpace the competition.

Yet, in practice, there is a consistent gap between what is available and what is actually being utilized—particularly when it comes to competitive intelligence (CI).

CI teams need to be informed and updated on the various market-moving events and trends that are affecting their competitive landscape, as well as the latest from their peers and key industry players. To that end, they lean on competitive data and content, such as competitors' websites, PR announcements, and social media.

So what exactly is the issue?

CI teams continue to rely on the same lagging indicators they've used since the advent of the internet. They are also not taking advantage of new AI technology with the power to speed up, improve, and streamline their research. Consequently, their strategic approach is reactive, rather than proactive, and many insights inevitably slip through the cracks.

Why Does This Matter?

There is currently a tremendous disconnect between the wealth of information and content that professionals have at their fingertips and the actual decision-making capability of an organization—in fact, Gartner estimates that only 20% of insights actually result in a business outcome.

The issue is not that there is a lack of meaningful insights to be gleaned from the data, but rather that CI teams are not making use of AI tools that surface those insights faster and more effectively. And it's not just CI—89% of market intelligence professionals report having trouble finding the insights they need, whether it be because they lack access to the right content or to the right AI. What's even more concerning is that only 4% of professionals actually realize that they lack the necessary tools and as such, are missing out on key insights.

In our 2022 State of Market Intelligence Report, we surveyed 570 business leaders to unveil the patterns, common challenges, and processes related to market intelligence gathering. Only 36% of respondents felt they had a proactive approach to market intelligence—those that did report using AI software, in addition to other market intelligence gathering tools and high-value content sources.

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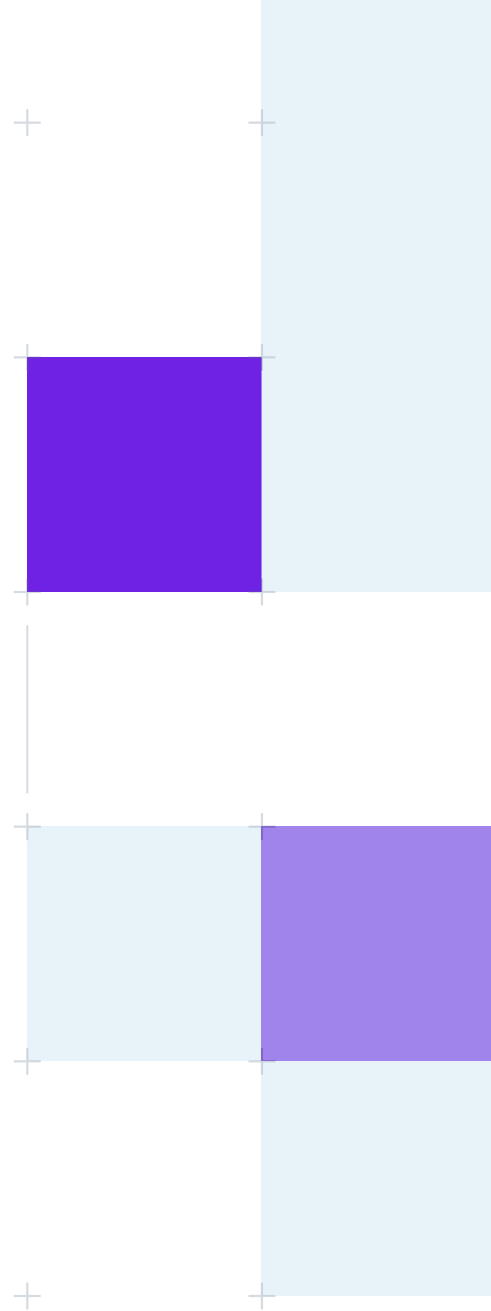
At present, most research professionals are missing key competitive indicators, making poor business decisions, and are working inefficiently. This has rebounding ripple effects across an entire organization.

But it doesn't have to be this way.

If CI teams can harness what is already out there, waiting for them, they can unlock an unprecedented level of speed, efficiency, and accuracy—transforming business outcomes for their entire organization.

Top Challenges For Competitive Intelligence Teams

These are the four main challenges CI teams are facing today:

1. Reactivity Instead of Proactivity

As mentioned on a previous page, the majority of competitive intelligence comes from sources like competitors' websites, PR announcements, and social media posts, all of which relay information that has already occurred. This leaves CI teams—and consequently, their organizations—in the dark on disruptive events and product launches until after they have already occurred.

Consequently, when a competitor releases a new product or service, or a pivotal market-moving event occurs, these businesses are left scrambling to quickly adapt and pivot their business strategy. This reactive approach holds CI teams back from driving differentiated and winning strategies within their organizations, and leaves them at the mercy of their more nimble and innovative competitors.

2. Sporadic and Inconsistent Insights

Without access to differentiated content that helps you consistently and accurately analyze your competitors, as well as understand the why behind their actions, your intelligence stream becomes unreliable and flawed. An ad hoc approach to intelligence also carries a higher risk of inaccuracy, which compromises your ability to outcompete your peers.

For instance, what is the right course of action to take when you find out that a competitor is raising their rates? Should you raise your own rates as well, or lower them? Or should you take the opportunity to double down on public competitor content and comparisons?

The truth is that there are a myriad of reasons for raising prices, and without knowing your competitor's specific rationale, it can be near impossible to choose the right approach. Understanding the why behind your competitor's strategy will not only allow you to have a clear understanding of their decisions but will allow you to predict and stay ahead of their moves, so that you can be more proactive with your own strategy. Additionally, having a consistent source of competitive insights is crucial to remaining well-informed and nimble.

3. No Way to Verify Intelligence

Since the majority of CI teams only have access to limited perspectives, it can be extremely difficult to verify findings, let alone unpack the underlying reasons behind the findings.

For example: let's say that you visit your key competitor's website during earnings season to check their earnings results. Based on the earnings summary PR announcement, you glean that revenue was significantly lower this year. However, you have no information as to why performance is down and whether this poses a competitive advantage for your company. The only way you can ascertain that information is by gaining access to the competitor's full earnings transcript, as well as other content sources, like broker research and expert calls.

By checking against these alternate reliable sources, you can gather a wider scope on a company-specific failure or whether the performance dip is simply due to larger economic conditions or other uncontrollable circumstances.

4. Lack of Proper AI Utilization

A key point of consideration for CI teams looking to utilize AI is whether the software has been trained on reliable and accurate data. Some teams are utilizing AI that has been trained on publicly available data, which means it is still subject to the same pitfalls as relying on lagging indicators—namely, a lack of relevance and accuracy.

Additionally, some CI teams use AI to keep outputs and deliverables up to date. The problem is that AI tools are only as accurate and reliable as the language models and content they are trained on. Unless you are using AI that is trained on highly valuable and accurate data sets, you are shooting yourself in the foot by proliferating low-value insights throughout your entire organization.

Solutions to Common CI Challenges

The four challenges discussed above can have far-reaching negative implications for an organization. Fortunately, there are some best practices and solutions to those common challenges that can uplevel your competitive intelligence workflow and transform your business outcomes.

Access to Varied Sources of Premium Intelligence Content

Access to a variety of premium content sources has a host of benefits for competitive intelligence:

1. It allows you to gain a complete view of any company, industry, or market trend of interest.

2. It enables you to verify and validate your findings by comparing insights from disparate places, rather than over-relying on a singular source.

3. Perhaps most importantly, it helps you understand the why behind the insights, so that you can build a well-informed strategy and be more prepared for the future.
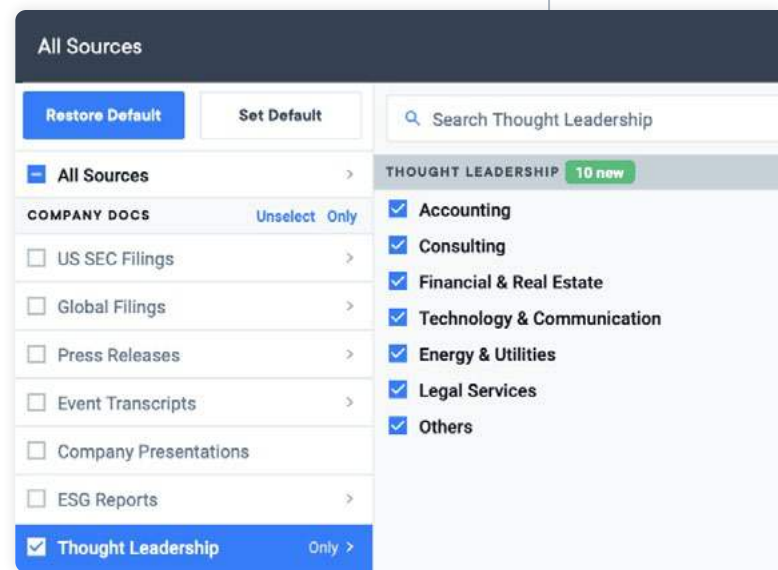
The following content sets are particularly beneficial for competitive intelligence purposes—particularly when combined—and can all be accessed directly on the AlphaSense platform:

- Broker research (such as the leading collection of equity research in our premium Wall Street Insights® library)
- Expert call transcripts (such as what can be found in our Stream library)
- Company documents (such as company filings, SEC filings, event transcripts, earnings transcripts, press releases, and more)
- News (from top-tier newspapers and trade journals)

Access to the Right Content on a Consistent Basis

Having access alone is great but the key to successful competitive intelligence is consistency. When you rely on an all-in-one research platform like AlphaSense, you can be sure that you will always be informed of emerging market trends and events.

With automated monitoring, AlphaSense provides automatic real-time alerts on companies, industries, and topics that are of interest to you. AlphaSense also allows you to customize your dashboard and create company watchlists so that you are always in the loop and ready to move swiftly and proactively.
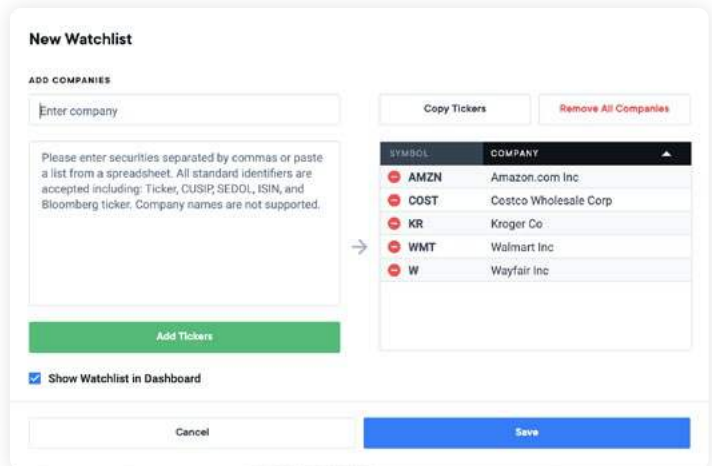
Using AI to Uncover Hidden Insights

When you utilize AI to uncover hidden insights, you are able to cast a wider net over the content you have access to, further mitigating the risk of blind spots in your research. You are also able to speed up your time to insights and increase the accuracy and confidence of your research.

Two integral AI features on the AlphaSense platform are Smart Synonyms™ and sentiment analysis. The former identifies the search intent behind your query and surfaces all keywords that are relevant to your specific search goals, eliminating the manual task of searching for one thing in a multitude of ways. The latter is an NLP-based tool that identifies shifts in a text's tone and subjective meaning, allowing you to read between the lines of a document and make better informed decisions.
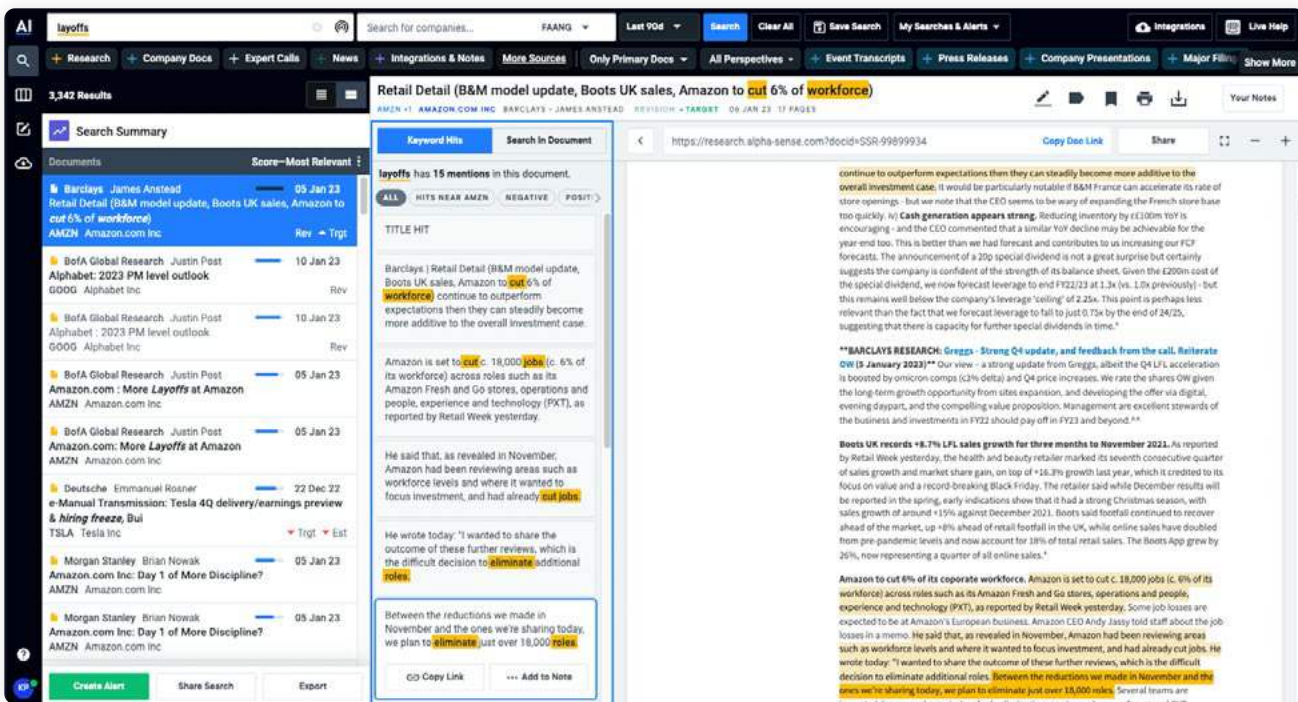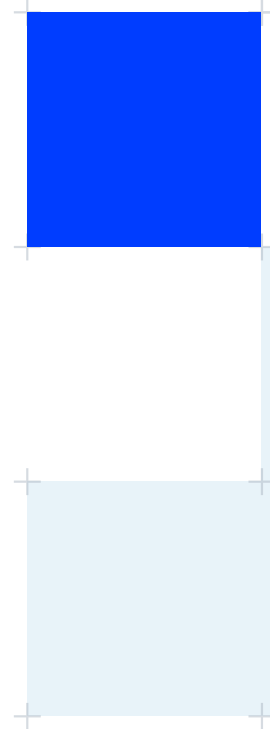
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AI can be used to forecast forthcoming trends—by uncovering patterns in research that can be easy to miss for a human researcher—and works to unveil how different industries, companies, or regions are thinking about a topic. AlphaSense Search Summary displays the mention count of a particular topic by country, including the top companies and industries in the search results, eliminating any need for guesswork.

Generative AI

AlphaSense recently launched Smart Summaries, a generative AI tool created to help you get to the right data and insights faster than ever before, and to fuel better decision-making.

Smart Summaries dramatically speeds up the research process for business and financial professionals by providing instant summarization of earnings calls, company outlooks, SWOT perspectives, and more. Users get an instant overview of multiple perspectives on their topic of interest, from a company's own disclosures to Wall Street analysts' insights, industry expert interviews, and the media.
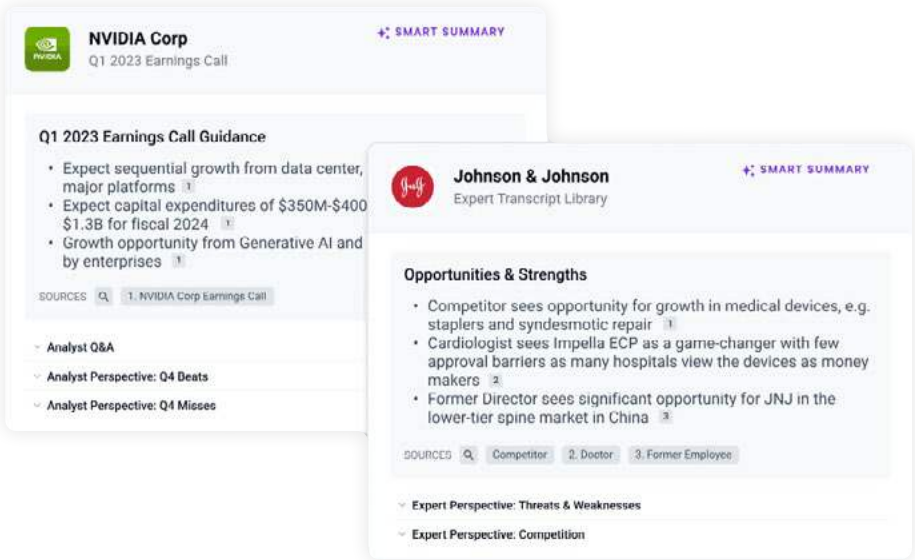
Our approach to generative AI stands out in the following ways:

- **AI BUILT FOR BUSINESS AND FINANCE:** Our language model is purpose-built to hone in on financial and business information, capturing insights with reliability and precision.

- **TRUSTWORTHY SOURCES:** Our generative AI is trained on a database filled with top-tier business and financial content. Our sources are always relevant and reliable.

- **EASY AUDITABILITY:** With Smart Summaries, users can quickly check the original content for context and validation. This is crucial for our customers who rely on the insights we deliver to power million-dollar decisions every day.

AlphaSense for Competitive Intelligence

The following are three competitive intelligence use cases that demonstrate the power of AlphaSense's extensive content universe and dynamic AI capabilities.

Gaining Insight Into a Competitor's Earnings

Let's say your competitor is Salesforce, and you are interested in doing a deep dive into their company earnings. With AlphaSense you not only have access to the full earnings transcript, but you also have genAI and sentiment analysis that will instantly summarize that document for you. Once you pull up the earnings transcript on the platform, you can instantly see the highlights and lowlights, as well as pick up on the positive and negative underpinnings of what is being shared.

Let's say the reason you are monitoring Salesforce in the first place is to check on their progress in moving to the SMB segment. Using the deep linked citations in the tool, you can click through to the exact snippet of text discussing SMB to find that Salesforce is indeed reporting headwinds around their progress within this segment, both with Slack and CRM.

Now I've always believed since that point, especially, that an economic crisis creates these opportunities, and we're squarely in that moment, and we've acted. Starting in July of this year, the buying environment became more measured and foreign exchange headwinds were becoming increasingly complex. We told you then we didn't believe this challenging macro environment was going to be a short-term problem. And you know we're not economists. You know that we don't know exactly what is happening or when the recovery will happen, et cetera, but we do see a lot, and I think we understand a lot about what's going on because we have such strong global data.

And we're not assuming that this economy gets any better anytime soon. We're just reporting what we see with our customers, the kind of changes they make when they start to feel these headwinds. We're following our playbook to make sure it works well positioned to gain market share, to increase our profitability, to focus on our operating margin, to focus on the growth of our revenue and be able to continue to invest, especially when the economy recovers.

Now for this fiscal year, we're maintaining our revenue guidance of $30.9 billion to $31 billion, up 17% year-over-year or 20% in constant currency. And you saw that, that also included that incremental foreign exchange headwind, and it's even an expected incremental $100 million of foreign exchange headwind just since last quarter. We're raising our fiscal year '23 non-GAAP operating margin guidance from 20.4% to 20.7%, an expansion of 200 basis points year-over-year, and I expect a lot more, especially with this increased focus we have on expanding our operating margin.

Salesforce is mission-critical to nearly every Fortune 1000 company because every company is becoming a customer company. And everyone knows that this is the time during a crisis like this that you need to focus on your customers. If you need to do one thing, if there's one

If you want to explore this issue even further and understand the rationale behind Salesforce's moves, you can search across other premium content sets to gain additional clarity. With this deeper dive, you discover two expert calls, one with a Salesforce competitor and one with a former Salesforce C-Suite executive, that specifically discuss Salesforce's challenges with moving into this segment, as well as insight into likely future strategic moves.

Discovering and Quickly Understanding an Industry Disruptor
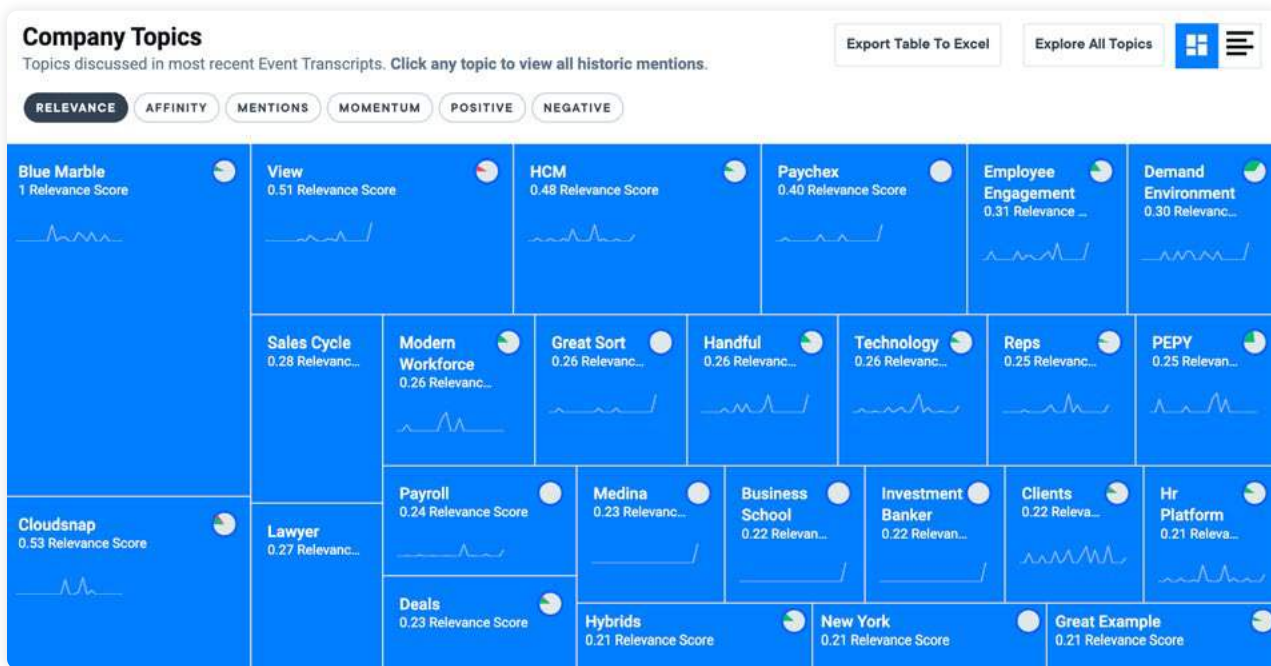
Let's say you are interested in monitoring the HR tech space for any news around generative AI. Using your customized dashboard and Search Summary, you can quickly see all recent mentions of the topic across various industries and geographies.

You notice a company called Paylocity that claims to be leading the deployment of genAI in the HR tech space. In the platform, you can go straight to their company profile page and perform a quick but in-depth analysis of the company almost immediately. The Company Topics feature shows you all positive and negative topics in relation to this company, and you are able to quickly gauge the product, their offering suite, and any acquisitions. You see they have recently acquired two companies, and that one of their main product offerings is an HCM platform.

Go even deeper by tracking historical mentions of all these topics across their earnings calls, going back QoQ, to see the evolution of this company's strategy and growth. Armed with this information, you now understand how much of a threat this company poses to your own organization, and whether there is anything your company can learn from this new player. By leveraging a content-rich AI platform, you avoid any surprises in your competitive landscape and develop a proactive strategy to remain ahead.
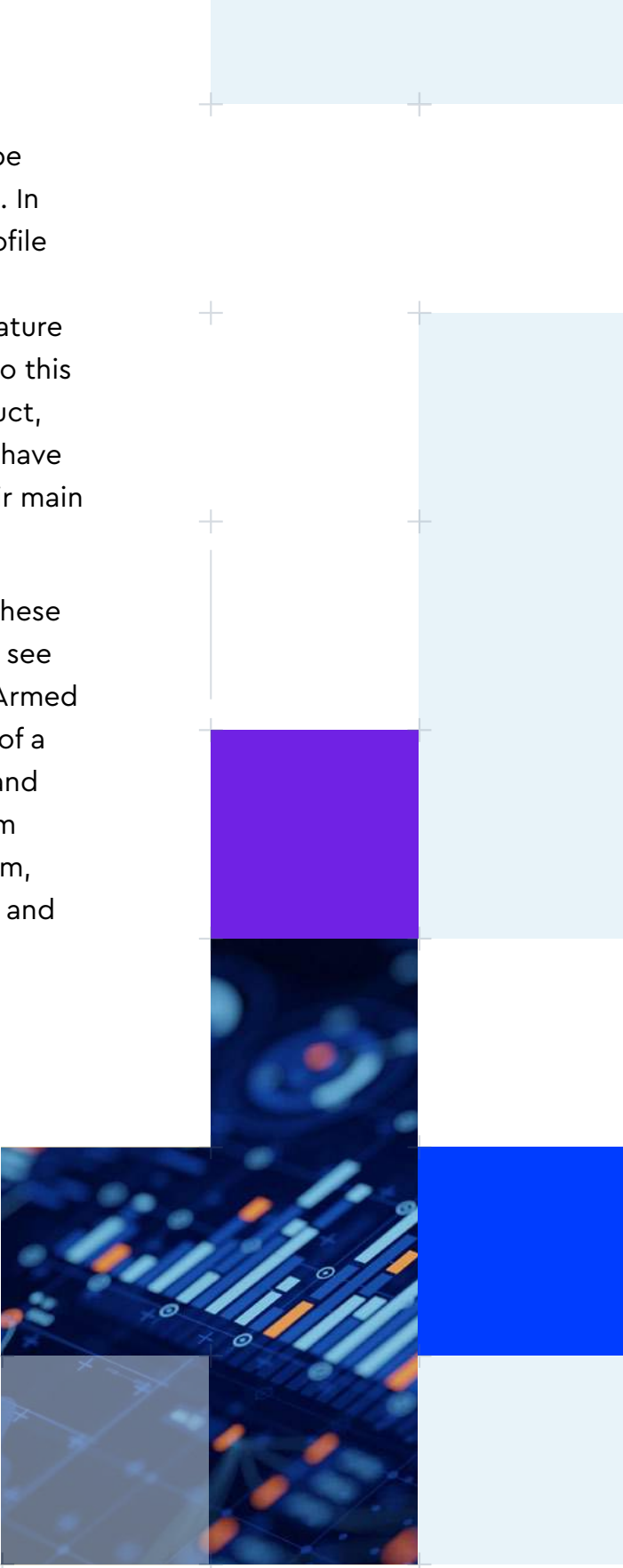
Spot an Emerging Trend or Event Before It Actually Happens

When Amazon acquired Peloton, many in the industry were taken by surprise. However, if you were using AlphaSense you would have been able to track all the warning signs and key indicators that pointed to an acquisition like this occurring long before it came to pass.

Former Competitor Believes Synergistic Relationships With Other Organizations Is Key to Building Brand Awareness

Competitor   Technogym - Manager (Prior)

Interview Date: 04/20/2023

CALL SUMMARY

1. Believes job cuts and layoffs can negatively affect "premium branding"
2. In the expert's opinion, moving to the AMZN website could expand the addressable market in the fastest way possible
3. Thinks that typically customer churn is low and should continue to be low even as the hypergrowth environment slows due to the affluent customer base which is less price sensitive

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1. Peloton's competitive advantage versus its competitors
2. Outlook on new competitors being a headwind for growth for Peloton
3. Viewpoint on Peloton shifting to Amazon as its

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| **Expert Bio** | Employment History |

Expert was previously a Manager at Technogym, responsible for developing solutions internationally. Expert reported to a Director, ~2 levels removed from the C-suite

If you had been monitoring Peloton on AlphaSense, you would have seen that Peloton was considering new channels to market for a while, including Amazon. By leveraging the expert call content set and hearing from former employees, competitors, and customers, you would also clearly see that Peloton's strategy was likely to lead to sales channel partnerships like Amazon.

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Three months before the acquisition announcement, you would have also received an alert about a competitor expert call, which stated that a potential buyout with Amazon, Nike, or Apple could make strategic sense for Peloton. With this information, you could plan ahead and position your company in response to an event like this occurring.

Then, when the acquisition was officially announced, rather than scrambling to create a reactive strategy, your insight into the underlying rationale behind Peloton's decision would help you maintain your edge. From there, you could also dig into additional content sources, such as broker reports, in order to gain deeper insight into the rapidly evolving fit tech space.
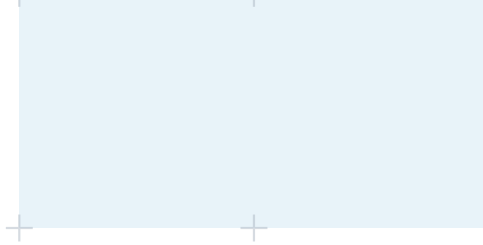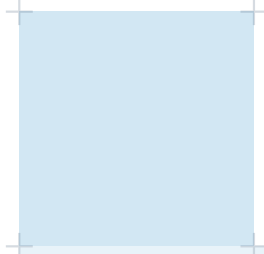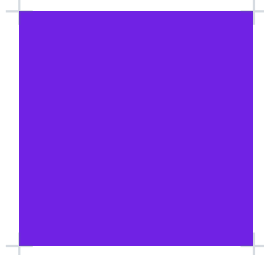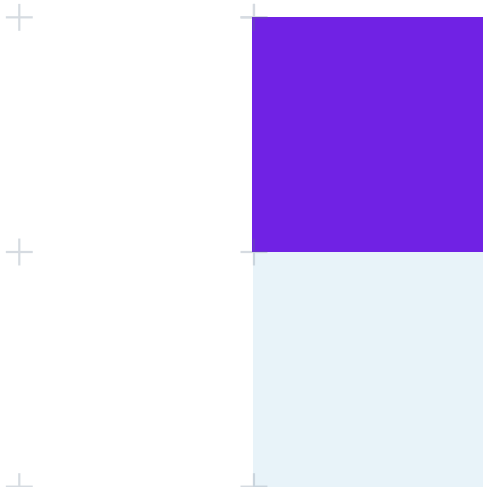
Conclusion

For CI teams today, AI is no longer a nice-to-have but rather a pinnacle of strategic and proactive research. Make sure you are getting the most out of this powerful technology so you can drive decisions that compete and avoid ever missing key insights again.

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About AlphaSense

AlphaSense is a market intelligence and search platform used by the world's leading companies and financial institutions. Since 2011, our AI-based technology has helped professionals make smarter business decisions by delivering insights from an extensive universe of public and private content—including company filings, event transcripts, expert calls, news, trade journals, and equity research. Our platform is trusted by over 3,500 enterprise customers, including a majority of the S&P 500.

Headquartered in New York City, AlphaSense employs over 1,000 people across offices in the U.S., U.K., Germany, Finland, and India.

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