

Articles

Exploratory Research Into Competitive Intelligence Practices of Small Local Businesses

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Small businesses are similar to larger businesses in that they should be able to gather information about their competitors, market, and customers. However, they also have unique circumstances (lack of resources, closer community connections, etc) that require different methods of acquiring that information. While previous studies have addressed the extent to which small enterprises conduct competitive intelligence (Groom & David 2001), and their perceptions on the practice itself (Tarraf & Molz 2006), there presently exists a gap in the literature on how small businesses tend to approach those competitive intelligence practices. To understand how local businesses gather data and information and utilize it to inform their business strategies and develop a competitive advantage, the study includes a case study approach with four well-established businesses, along with a survey of additional small businesses located in a town within the United States. It was found that these businesses generally conduct internal forms of data collection and, surprisingly, utilize suppliers/trade shows as important information sources, as well as nearby businesses within the same and different industries. The findings of this study may assist policymakers, local business support organizations, or business owners themselves in sustaining the longevity of small local businesses.

Introduction

Small businesses are similar to larger businesses in that they should be able to gather information about their competitors, market, and customers. However, they also have unique circumstances (lack of resources, closer community connections, etc) that require different methods of acquiring that information, a process also known as competitive intelligence, and using it to drive strategy.

The U.S. Chamber of Commerce defines a small business as one that is independently owned and operated with fewer than 500 employees. Bressler (2012) writes that small businesses can develop a competitive advantage by identifying relevant competitors in the industry, understanding their own business strengths, and selecting an appropriate market position based on these data points. Other works in the literature have focused on the extent to which small enterprises conduct competitive intelligence (Groom & David, 2001), as well as their perceptions on the practice itself (Tarraf & Molz, 2006). However, little exists on *how* these small businesses go about conducting competitive intelligence.

This study attempts to address this existing gap in the literature by employing a case study approach on four local businesses in a town in the United States. It first extrapolates *how* small businesses collect data and information, and then how they use that intelligence to drive strategy, growth, and competitive advantage. A survey of additional

local small businesses in the town complements this approach.

The study hypothesizes that local businesses gather more information or feedback directly from their customers due to higher levels of customer engagement and community involvement.

Literature

Information and data collection play a major role in business operations. Small businesses can develop a competitive advantage by identifying relevant competitors, understanding their own business' strengths and resources, and using that information to select an appropriate market position for their business (Bressler, 2012). One can then see the importance of having enough information to drive business decisions and strategic plans. Kraus et al. (2009) find a significant positive relationship between higher degrees of formalized strategic planning and a business' success. Yet studies show that small businesses tend to have less structured strategic planning (Risseuw & Masurel, 1994; Robinson & Pearce, 1984). Robinson & Pearce (1984) suggest that the lack of formalized strategy among small businesses can be attributed to a lack of time, expertise, and/or inexperience.

However, even informal planning and business decision-making require some level of knowledge and information. Regarding small business information collection, Gud-

mundson et al. (2001) find that managers of small businesses tend to utilize internal data gathering over external data gathering, such as financial data, supply chains, and website analytics. It's possible that small businesses simply have fewer resources and time to devote to external data collection, and thus fall back on internal methods that are easier to conduct. Guzmán et al. (2012) identify suppliers as a major internal information source, stating that product market performance is heavily dependent on businesses having a relationship with **suppliers who can contribute experience and knowledge** of the market. They also suggest that collaborating with suppliers, such as in cost reduction, has a significant positive effect on business competitiveness.

Another source of information for small businesses can be found in the network effects between different businesses and/or business managers (Turner & Endres, 2017). Similar businesses that are not located in the same area may network with each other on market trends, while neighboring businesses in different markets may cooperate to direct customers to each other's stores. In fact, Tarraf & Molz (2006) found that business competitors who formed social networks with each other moderated the importance of formalized competitive intelligence activity to these companies. Business *differentiation* can also be considered an important factor of success for small business owners, as small businesses are more likely to compete on product quality and uniqueness, rather than price (Turner & Endres, 2017). This differentiation may make it easier for many small businesses to develop more collaborative relationships, rather than competitive ones.

Many previous studies have identified ways businesses can increase competitiveness while stressing the importance of strategic planning, market awareness, and business analysis. However, a gap exists in the literature that fails to explain how businesses gather the information to go about these strategic planning efforts. Without a better understanding of these methods, it's difficult for businesses to collect information in a way that supports strategic growth, and for business support organizations or policymakers to know how to best assist these efforts. This study seeks to discover how local businesses conduct competitive intelligence to support their longevity and from what types of sources. It's hoped that these findings will enable more productive communication and interaction between small businesses, their business support organizations, and policymakers.

Methodology

This study aims to discover how local businesses gather information to support their business strategies and longevity. To address this research question, case study interviews of small businesses were conducted and complemented with a survey. All interviewees provided verbal consent to have their responses recorded in video format. These interviews took place in a town within the United States and involved four local retail businesses, along with three additional businesses surveyed. All seven businesses were informed of and consented to the usage of their in-

formation in this study, though each business has been anonymized to protect its privacy.

Demographic characteristics of the town include its population; 34,454 (2020 Census), and median age of residents; 46.6 (2023 American Community Survey 5-Year Estimates). The median household income is \$219,402, and 85% of residents have obtained a Bachelor's Degree or higher in education, according to the 2023 American Community Survey 5-Year Estimates. The town's race demographics consist of a high White and Asian population, with a White majority, and a notable under-representation of Black and Latin residents compared with the state demographics. Roughly 87,000 visitors visited the town in the Fiscal Year 2024, according to the town's 2024 Annual Report.

Three out of the four businesses interviewed in this study are located in the downtown area on the main avenue, where the town's largest tourist attractions are also located.

Business 1 is a fourth-generation, family-owned, full-retail shoe store. Their customer demographic mainly includes young children and seniors, as their strong community presence makes them appealing to families and long-time residents. They currently operate two locations in the region, with their primary location in the town included in this study.

Business 2 is a gift shop that has operated for over 40 years. They sell a variety of products such as jewelry, home-ware, stationery, etc, with a large portion of their customer demographic consisting of older women with enough money to invest in the store's higher-quality products.

Business 3 is a new establishment in the downtown business scene, having been in operation for under a year. They are a chocolate and candy store that has been popular with local families and tourists alike.

Business 4 is a wine and spirits shop with over 100 years of operation. They serve wine drinkers who fall within a certain higher income bracket.

All four businesses are compared across six categories to determine the overarching themes in how locally owned businesses conduct competitive intelligence and use it to support strategy and longevity. These categories follow:

1. *Business strategy formation* - The creation of a plan that should ultimately aim to achieve specific business goals or targets.
2. *Benchmarking* - The process of comparing a business' product or service and business processes with those of a reference firm (Denysenko, 2020).
3. *Tracking market trends & product selection* - Each business' process of selecting which products to stock for their stores.
4. *Customer interaction* - How each business uses data collection to develop a distinct customer experience.
5. *Business-to-business networking* - Such networks should involve information exchange, rather than tangible items (such as money or products).

An additional inquiry into artificial intelligence (AI) usage was later conducted; however, the response was not

conclusive. The novel nature of AI may mean that many small businesses have yet to adapt it into their strategy.

The accompanying survey consists of multiple-choice questions similar to those asked in case study interviews, with free-response sections for respondents to elaborate. The types of questions relate to how businesses conduct competitive intelligence and which types of information they find most valuable, such as whether specific information plays a larger role than others in developing business strategy. While only a small number of businesses responded to the survey, the combined case study and survey results represent about a fourth of the town's businesses located in the central area. Despite not being interviewed, survey respondents provide in-depth details about their business operations.

Analysis and Findings

Theme 1: Business Strategy Formation

Theme Description/Criteria

Taking inspiration from Van den Steen (2017), this study's definition of a formal business strategy is a plan consisting of "the smallest set of choices to guide (or force) other choices optimally." This plan should ultimately aim to achieve specific business goals or targets. Thus, the interviewed businesses are asked whether they set goals for themselves and if certain types of information played a more significant role in creating their business strategies to achieve those goals.

Business 1 has no formalized, written-down plan. They explain that their general practices have remained unchanged for over a decade, with a consistent customer demographic and product selection process. The owners also identify no single type of data that was more significant than any other in determining business strategy. While information from sales reps and sales data seems to be relatively more helpful to the business, they determine that *how* they use the data is more important than the data itself.

Business 2 cites no formal plan. The business operates by observing month-to-month data while setting quarterly goals based on performance, including meeting sales and revenue targets. Local sales representatives are included as an important source of information due to their knowledge of what has been selling in other stores and markets in the region. These representatives help the business assemble and order stock for the store that is responsive to seasonal goods, trends, and customer desires. The store also takes into account global current events, especially economic news, such as the impact of tariffs.

Business 3 is relatively newly established; thus, the store has not formalized any strategic plan. It is noted that the owner has also had no prior business ownership experience. Having opened right before Christmas, the store's early goals were concentrated on preparing for the Holiday rush and then the town's subsequent 250th anniversary celebrations. They now hope to focus on their financials and analyze revenue, expenses, and other performance data.

Business 4: Customer alcohol preferences are a major source of information, and most customer data is collected via phone or email (e.g., sales are tracked by email), though it is not all recorded. The owner's business decisions seem to be primarily driven by his 15 years of experience in running the store. While not explicitly having a formalized plan, Business 4 has sales and target goals with "potential" ways to achieve them. Growth is a priority for the business.

Analysis & Conclusion

Larger companies often pay more attention to strategic management and having a detailed strategy than smaller ones (Kraus et al., 2005; Skokan et al., 2013). Thus, it was unsurprising to find that none of the four small businesses interviewed had a formalized strategy and seemed to have no plans to develop one. Similarly, businesses responding to the survey indicated no formal strategic planning. Overall, the small business owners tend to rely more on intuition and past experiences to inform their business decisions.

Regular and strategic collection of sales and sales representatives' data was also found to play a significant role in many of the businesses' decision-making processes. Gudmundson et al. (2001) indeed find that this type of internal data collection (gathered from within the business' people and databases) is utilized more than external data collection (market/economic data, local geography) by small businesses within overall business strategy. The lack of the necessary time, manpower, and other resources to dedicate to external data collection is likely an important contributing factor to small and medium enterprises (SMEs) focusing on data collection within their organization.

However, one aspect that is associated with formal planning, goal-setting, is a common theme across businesses. The existence of goal-setting and practices that align with the following five themes of this paper (benchmarking, tracking market trends & product selection, customer interaction, business-to-business networking, and utilization of business-support organizations) demonstrates that these businesses still take actions that, altogether, form a (more informal) business strategy supporting growth and development.

Theme 2: Benchmarking

Theme Description/Criteria

Benchmarking for small and medium enterprises (SMEs) is defined by Denysenko (2020) as the process of comparing a business' product or service and business processes with those of a reference firm. This process is generally used by businesses to develop a competitive advantage over rivals by comparing key performance indicators between them.

For each interview, businesses are asked whether they engage in benchmarking practices against other businesses, such as gathering data on earnings, sales, or even customer traffic. This study considers the use of data brokers as part of the benchmarking process, as well as whether the business monitors any aspects of another business.

Business 1 describes minimal usage of benchmarking practices. However, they did report using trade magazines to track market preferences and notes that this was a resource they could potentially use to track other businesses in the industry.

Additionally, they did not subscribe to any third-party data brokers as a means of gathering data on other businesses. The business explains that these types of subscriptions are often expensive and thus were not an investment that the owners felt would generate enough of a return. However, they mention the past use of a free third-party data gathering group, where they provided data on their own business in return for access to data on other businesses. This program was eventually discontinued, and the owners chose not to continue using the group.

Business 2: One part of Business 2's data gathering involves observing the products that similar businesses in other locations bring into their stores. However, the purpose of these observations seems to lean towards gaining an understanding of the market, rather than developing a direct competitive advantage against those businesses.

Business 3: As a relatively recently established business, Business 3 has yet to invest in third-party data brokers or spend resources on observing potential competition. The owner cites a lack of long-term performance data that makes it difficult to distinguish the real effectiveness of a change in business strategy. A bump or drop in performance could be attributed to many variables, and not necessarily a strategy pivot.

Business 4 conducts minimal benchmarking. They clarify that conducting formal benchmarking was difficult, as most of their other competitors (small businesses) do not publicly report their numbers. Additionally, Business 4 considers itself a "niche store" that stocks products that do not correlate with what other retailers do. Whenever there is overlap, however, they do often compare pricing to ensure they remain competitive.

The owner mentions that any other form of "benchmarking" would occur through word of mouth from their suppliers. These suppliers tend to also sell to Business 4's competitors and thus roughly relay how other shops are doing (what products are selling, what isn't). Generally, Business 4 focuses on its own operation, while still paying attention to its competitors.

Analysis & Conclusion

Denysenko (2020) notes that only large enterprises are typically able to benchmark due to how financially and resource-intensive it is. Membership in relevant benchmarking associations is usually expensive for small firms (Denysenko, 2020), and they may lack the knowledge on how to conduct benchmarking properly (Taschner, 2016). Reasons like these make traditional benchmarking an unattractive investment to SMEs, which this study's findings reflect.

Both Business 1 and Business 3 cite financial reservations against investing in third-party data brokers due to their high subscription fees. Additionally, the lack of a formal business strategy among the businesses interviewed likely makes it harder to identify what strategic changes

should be made in response to hypothetical benchmarking findings.

Interestingly, all the businesses responding to the survey claim that they conduct benchmarking, which has been defined as "monitoring competition" for simplicity. Whether these businesses then use their findings to adjust their business strategies is unclear, though benchmarking was never cited as a top source of information for any of them.

Benchmarking can be considered a form of external data collection, as defined by Gudmundson et al. (2001), which has been previously established to be less utilized by SMEs. Despite all the challenges, St-Pierre and Delisle (2006) argue that benchmarking improves the "operational performance" of SMEs. However, they also stress the importance of using SME-specific benchmarking tools to fit the unique needs and characteristics of small businesses. Similarly, Singh et al. (2008) suggest that SMEs should continuously benchmark themselves against "the best in industry" to maintain competitiveness.

Theme 3: Tracking Market Trends & Product Selection

Theme Description/Criteria

Considering that all the interviewed businesses were retail stores that sold direct to consumer, the process of selecting which products to stock for their stores is a major part of their business operations. What was of interest to this study was the most useful types of information for this selection process.

Business 1: Customer sales data is unsurprisingly a top source of information for the shoe store when it comes to determining what, and especially how much, of a product to order. The store uses a system to track each product in storage, as well as what customers have previously bought, to direct future sales and product orders. In general, customer interaction plays a large role in informing the business of market trends and future product order placements. Sales representatives are also cited as valuable informants on market trends and the preferences of different customer demographics. On a lesser level, trade shows and magazines add another insight into what might sell.

Business 2: Relationships with local sales representatives are a significant source of information for Business 2. These representatives have knowledge of other similar stores in the area, as well as insight into which products are selling well in the general market. The store works with these representatives to put together product orders.

As a retail store with a large variety of products that cycle in and out of the shop, paying attention to current market trends is a large part of its product strategy. The owners frequently attend trade shows in the greater region and buy from a core group of vendors while watching out for new artists. They also track their website for data on what products visitors look at and what's in their carts.

Business 3: When purchasing candy, Business 3 gathers input from its relationships with its candy distributors who have information on top-selling candies based on orders from their other customers. The store also goes off its own

internal sales data; the bestsellers stay, and the low-sellers leave. Quality is a large focus for Business 3 when it comes to chocolate, so they buy those products from local wholesale chocolate makers. These suppliers seem to be selected based on recommendations from the owners' relations with other local candy and chocolate stores.

Business 4: Along with their tight relationships with sales representatives, who inform on industry trends and new wines, Business 4 also receives valuable input from its customers. The store frequently communicates with customers via phone and email, and tracks every sale through email. These sales can be compiled into a list of personalized customer preferences, which helps inform future wine purchases.

Analysis & Conclusion

Most SMEs develop competitive advantages against other businesses in the industry through quality, rather than price (Bressler, 2012; Cant et al., 2015). This makes product selection a crucial part of any SME's overall business strategy.

Regarding that selection process, a common theme across all four businesses interviewed is an emphasis on relationships with sales representatives and suppliers to understand current market preferences in each industry. Sales data is also extremely important for each business, as it can be used to cater to specific existing customer preferences. Having this insight allows each business to anticipate customers' future needs the next time they go into the store.

These trends are further backed by the survey, where all three respondents considered customers as important information sources, and two out of three considered suppliers as important information sources. Sales data is also strongly emphasized by respondents.

Business-supplier relationships have a positive impact on the operational performance of businesses (Tarigan & Siagian, 2021). Additionally, given the tendency of small, local businesses to have closer relationships with their customers (Denysenko, 2020), it makes sense for customer feedback and purchasing patterns to have a greater impact on product strategy. The internal network of interactions that occurs within the interviewed businesses depicts a system wherein the business gains insight into its existing customers' preferences directly through those customers, while acquiring information on a broader *potential* customer base through suppliers with wider market reach.

Theme 4: Customer Interaction

Theme Description/Criteria

Local small businesses are unique in their ability to develop strong social and personal relationships with their customers. A personalized customer experience builds trust and loyalty to the business, which keeps customers coming back (Gilboa et al., 2019). Aside from the in-store experience, local small businesses can also develop a positive image by getting involved in the local community (e.g., sponsoring or participating in local events).

This study is interested in discovering how each business uses data collection to develop a distinct customer experience. Among the interview questions, each business is asked how they attract new customers and whether they gather customer data, including if and how they track customer longevity and satisfaction. Additionally, the study inquired into each business' level of customer and community engagement and participation.

Business 1: Places a large focus on customer service and makes an effort to interact with every customer that walks in the store, which enables them to reach new customers through positive reviews. By tracking each customer's purchase history, they can also curate a unique customer experience. Word of mouth is credited as their biggest marketing tool, and the business does not invest in any print or social media advertisements.

The business is also highly involved in the local community, participating in local holiday events and donating to fundraisers. One of the side effects of local events is increased foot traffic, which benefits all the surrounding local businesses.

Business 2: Makes an effort to record each customer's purchase history, which they use partially to prevent customers from making duplicate purchases, along with guaranteeing a high-quality experience and product. Their attention to detail for customers has rewarded them with a solid customer base that they believe contributes strongly to their longevity. Word of mouth also seems to be a strong driver for the store's customer acquisition. The store does not use social media marketing.

By sponsoring local events and organizations, such as art programs and the library, Business 2 shows a high level of community involvement. However, they also express a desire for greater access to the town's residents through forums such as private social media groups for locals, which are currently inaccessible to them as non-residents.

Business 3: Even with less than a year of operation, repeat customers are already a large part of Business 3's operations. With a visible location in the town's center, the candy store can attract young children visiting the area, which subsequently attracts parents to the store. The owner also considers his store a tourist attraction for tourists visiting the town. Business 3 has not invested in any marketing strategies or advertisements.

Business 4: Most of the customer base for Business 4 are repeat customers with whom the owner has built good relationships. They communicate with the existing customer base via personalized emails or phone calls, and generate personalized lists of customers' alcohol preferences.

The store is "big on community," and makes an effort to build good relationships with the businesses located around it as well. The owner's thought process is that when the surrounding business scene thrives, overall foot traffic goes up as well. Recently, social media and newcomers to the area (tourists, new residents) have brought many new customers to the local businesses. Still, Business 4 has a desire to continue growing its customer base of people who are interested in wine.

Analysis & Conclusion

As seen in the literature, unlike large corporations, small businesses can develop close relationships with their customers (Denysenko, 2020; Gilboa et al., 2019). These relationships can easily encourage repeat purchases, which makes repeat customers a vital part of these businesses' longevity. Thus, there is a large emphasis on customer service among the interviewed businesses. Except for Business 3, all interviewed businesses mention tracking and linking purchases to specific customers as a way to create a deeper, personalized experience.

As most businesses do, the interviewed businesses sought to cultivate a larger customer base and get their products in front of more people. Information regarding potential customers, such as numbers on tourist foot traffic (Business 3), or greater insight into community product preferences (Business 2/Business 4), are desired. In the survey, customer feedback is an important source of information across all respondents, and levels of community involvement ranged from 3-4 on a scale of 5 for those surveyed. The desire to get more in-person interaction with customers and involvement with the community is also expressed by one respondent.

Gathering customer feedback is another form of internal data collection, and plays an important role across all the businesses either interviewed or surveyed within the study. This practice is among the less labor-intensive data-collection methods considered in this study, and not only informs the business of its existing customers' preferences, but also leads to potential gain in new customers through positive reviews and word-of-mouth. In essence, a large return on investment for a relatively small amount of additional labor.

Theme 5: Business-to-business Networking

Theme Description/Criteria

Social networks between businesses provide many benefits for all parties involved. Entrepreneurs and business owners can provide each other with access to information, advice, and other resources that help sustain each other's longevity (Hoang & Antoncic, 2003).

Business-to-business networking is defined separately from relationships between suppliers and the partner businesses that buy products from them. Instead, business-to-business networks mainly involve information exchange, rather than tangible items. Each business is asked whether it engages in "information networks" with other businesses, what information is exchanged, and how it benefits from this exchange.

Business 1 conducts minimal information exchange with other businesses in the area. They explain that the local business scene is so diverse that it is hard to exchange useful business information with each other. However, they still have close personal relationships with many of the local business owners. Rather than exchanging information regarding the business side of operations, they use those relationships to build a strong community that can bring cus-

tomers to the general area, and thus to each other. It seems that the different businesses sometimes recommend each other to their customers as well.

Business 2 has contact with similar businesses in the surrounding area. They are part of a Facebook group of local retail shops where businesses can ask each other questions, organize meet-ups at trade shows, and share information. As new products come onto the market and by observing what similar businesses are bringing into their stores, Business 2 can better assess market preferences and build its strategy around them. These stores are located far enough away from each other that competition is not an issue.

Business 3 conducts a good deal of business networking with candy stores in nearby towns and across states. During the starting stage of its business, other stores directed Business 3 to good chocolate and candy suppliers that they themselves bought from. Some of those suppliers were then able to recommend other suppliers for different products. The owner is still able to obtain useful advice from the more experienced owners of those other stores, such as information on when and how long the busiest seasons were for candy stores, such as during Christmas time or Valentine's Day.

Business 4 focuses on building good relationships with other businesses in the immediate vicinity. They can use these relationships to increase foot traffic as each business attracts customers who can then be directed to other businesses nearby (whether directly by store operators or indirectly through general interest).

Analysis & Conclusion

Observations from the literature suggest that networks between businesses can be a strategic resource for SMEs to enhance their firm's performance (Partanen et al., 2018; Lechner et al., 2006). Lechner et al. (2006) argue that strategic network building over time is an important part of a firm's development. In this study, small local businesses develop relationships with other businesses that were both similar and dissimilar to themselves.

When building relationships with similar businesses, it's noted that these businesses are geographically distant from each other to prevent competition, such as with Business 2 and Business 3. This way, they can exchange market information and advice with each other comfortably. Conversely, relationships with dissimilar businesses are developed with those in very close proximity. The benefits from these relationships are more relevant to customer information and foot traffic exchange, as they share a common or similar customer base, but their differing industries mean one business does not subtract prospective customers from another.

All three survey respondents rate their level of involvement in networks with other businesses as a four on a scale of five, and generally consider these networks an important source of information sharing. A healthy ecosystem of these like-and-unlike businesses plays an important role in the longevity of small, local businesses through mutual information exchange.

Discussion

This study's initial hypothesis that local businesses' main method of information collection is their customer base was partially supported. It's found that these small businesses heavily practice internal forms of data collection, which include the collection of customer feedback by fostering strong relationships with their customers through quality products and customer service. Repeat customers are a crucial part of all their business models. Three out of the four businesses interviewed utilize databases to track customers' past purchases to inform them on the best-selling products *and* to help those customers pick out new products the next time they return.

One factor behind the strong support of local businesses by residents may stem from the high median household income of the area. Having more disposable income translates to a greater ability to sustain the higher costs of supporting local businesses, which those businesses make up for with personalized customer experiences (Gilboa et al., 2019). A positive customer experience encourages advertisement through word-of-mouth to reach other potential customers.

However, the study also discovered that these businesses rely heavily on their relationships with suppliers, sales reps, and other local businesses in the region. These information networks provide them with crucial insights into market trends and which products to select for their stores. A notable trend among the business networks was the differing purposes of networks between similar and dissimilar businesses.

When building relationships with similar businesses, the study found that these businesses are geographically distant from each other, such as with Business 2 and Business 3. This arrangement prevents competition and allows them to exchange market information and advice with each other comfortably. Conversely, relationships are developed with dissimilar businesses that are in very close proximity. The benefits from these relationships are more relevant to customer information and foot traffic exchange, as they share a common or similar customer base, but their differing industries mean one business does not subtract prospective customers from another. The main goals of each business are to reach more customers. Obtaining information on those with potential interest in their product is a common priority for *all* businesses.

This study concludes by suggesting some cost-effective and practical applications for small businesses in their competitive intelligence practices. Its findings emphasize the importance of relationships formed through business interactions. Thus, the strongest sources of information for local SMEs come from meticulously tracked customer

purchasing behavior, advice from similar (and dissimilar) businesses, sales representatives, and suppliers. However, a blind spot of this information network could be in reaching customers outside the personal networks of existing ones.

Additionally, utilizing employee-customer interactions could greatly improve a business' ability to gather market intelligence. This is a unique advantage to local small businesses because they tend to have a closer proximity and relationship to their customers. Implementing short surveys into customer interactions, even by just collecting verbal responses, can help businesses cater more accurately to customer preferences. Businesses may also utilize pre-existing customer data by inputting it into artificial intelligence (AI) tools that can quickly generate actionable insights at low costs.

One of the potential limitations of this study is its small scope, which only covers a few local businesses within one town. It subsequently may not be generalizable to SMEs on a broader scale. Additionally, the locations of these businesses in a relatively affluent town with greater wealth, higher educational attainment, and other unique demographic characteristics may make the findings inapplicable under different conditions.

Future research may consider covering how small businesses or their suppliers are incorporating AI into their competitive intelligence practices, and whether those implementations produce positive benefits. It may also be worthwhile to cover a larger area of local small businesses located in areas of diverse demographics. Discovering how differing social and economic conditions impact how local businesses gather information may be another area of interest for policymakers, academics, or others.

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Declarations

The author reports that there are no competing interests to declare and no funding was received. Ethical approval was not obtained for this study due to the fact that there is no formal IRB for the institution under which the study was conducted. Additionally, no personal information was obtained from the participants, and all acquired information was properly anonymized.

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