

Research Resources for Introduction to Marketing

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During this session, you will learn ...

- How to find and use **industry codes**
- Identify companies and **competitors** in an industry
- How to find **company info**
- How to track down market share data
- How to find **industry info**
- Cite all the stuff you find
- Get more help!



<u>Library Home Page</u> > <u>Research Guides</u> > Business Pick relevant <u>course research guide</u> from list





What is an Industry Classification Code?

- a hierarchical numbering scheme used to classify and organize industries
- assigned to companies engaged in the same activity (regardless of size or type of ownership)

Hierarchical Arrangement

The longer the code number, the more specific the industry

- 31-33 Manufacturing [sector]
 - 311 Food Manufacturing [subsector]
 - 3113 Sugar and Confectionary Product Manufacturing [industry group]
 - 31134 Non-Chocolate Confectionary Manufacturing [industry]
 - 311340 Non-Chocolate Confectionary Manufacturing [national industry]
 - 315 Apparel Manufacturing [subsector]
 - 322 Paper Manufacturing [subsector]



Codes Include Industry Description & Examples

311340 Non-Chocolate Confectionary Manufacturing

This Canadian industry comprises establishments primarily engaged in manufacturing non-chocolate confectionary.

Examples:

- candy (except chocolate), manufacturing
- chewing gum, manufacturing
- marshmallows, manufacturing ...

Exclusions:

• roasting, salting, drying, cooking or canning nuts and seeds (see 31191 Snack food manufacturing)...

Codes Apply to All Types of Companies



5942 Retail Books

This industry includes both major companies (e.g., Indigo) as well as local independent booksellers (e.g. King W. Books)- because both entities are engaged in the same activity

Who Creates the Codes?

- Created by government statistical agencies
- No central agency assigns the codes to companies





Who Uses Industry Classification Codes?

- Businesses
- Academics & Researchers
- Government
- Policy Analysts

Why are the Codes Created?



- To overcome language barriers (use numbers instead of words)
- To provide precise and official industry names and descriptions
- To **gather** and **collate information** on industries
- To identify key competitors



TWO Most Common Industry Codes Used in Canada

• SIC (Standard Industry Classification)

- Usually produced by and for a single country
- Codes are only 4 digits long not much detail
- Poor coverage of new technology
- No longer updated

• NAICS (North American Industry Classification System)

- Jointly produced by Canada, U.S. and Mexico
- Codes 6 digits long instead of 4 more detail
- Much better coverage of new technology
- Updated every 5 years

Everyone must be using NAICS by now... Right?



- Some of the biggest names in competitive intelligence continue to use the old SIC codes.
- Costs too much money to switch research databases over to newer code

Bottom Line for Students in this Course

- Must include the *Canadian* **NAICS** code in your reports
- Must find the relevant *Canadian* 6-digit NAICS code for your industry



NAICS Canada Manual



- Revised every 5 years:
 - -2022 NAICS IS the most recent edition
 - use NAICS 2022 Version 1.0
 via Statistics Canada
- Use the 6-digit NAICS code & description from this manual for your reports.

NAICS Canada Online

Example: Beer Brewing

Step 1: Key in your industry words in the search box

North American Industry Classification System (NAICS) Canada 2022 Version 1.0

beer -					
Classification structure BROWSE					
Code	Sector				
<u>11</u>	Agriculture forestry, fishing and hunting				
<u>21</u>	Mining, quarrying, and oil and gas extraction				
<u>22</u>	Utilities				
<u>23</u>	Construction				
<u>31-33</u>	Manufacturing				

NAICS Canada Online

Example: Beer Brewing

Step 2: In the search results list, click on the relevant link for the full industry name & description.

1. NAICS 2022 Version 1.0 - 4453 - Beer, wine and liquor retailers - Industry group

2. <u>NAICS 2022 Version 1.0 - 44532 - **Beer**, wine and liquor retailers - Industry</u>

3. NAICS 2022 Version 1.0 - 445320 - Beer, wine and liquor retailers - Canadian industry 🗱 👘

4. NAICS 2022 Version 1.0 - 445320 - Beer, wine and liquor retailers - All examples 🗶

5. NAICS 2022 Version 1.0 - 459992 - Beer and wine-making supplies retailers - Canadian industry 🗶

6. NAICS 2022 Version 1.0 - 459992 - Beer and wine-making supplies retailers - All examples 🗱

7. <u>NAICS 2022 Version 1.0 - 459999 - All other miscellaneous retailers (except **beer** and wine-making supplies retailers) - <u>All examples</u></u>

8. NAICS 2022 Version 1.0 - 459999 - All other miscellaneous retailers (except **beer** and wine-making supplies retailers) - Canadian industry

9. NAICS 2022 Version 1.0 - 445 - Food and beverage retailers - Subsector

10. NAICS 2022 Version 1.0 - 31212 - Breweries - Industry

11. NAICS 2022 Version 1.0 - 45999 - All other miscellaneous retailers - Industry

12. NAICS 2022 Version 1.0 - 312120 - Breweries - All examples

13. NAICS 2022 Version 1.0 - 312120 - Breweries - Canadian industry

NAICS Canada Online

Example: Beer Brewing

Step 3: Review the definition & description of the industry (including exclusions)

- <u>31-33 Manufacturing</u>
- <u>312 Beverage and tobacco product manufacturing</u>
- <u>3121 Beverage manufacturing</u>
- <u>31212 Breweries</u>



Exclusion(s)

- bottling purchased malt beverages (See 413220 Alcoholic beverage merchant wholesalers)
- · manufacturing malt (See 31121 Flour milling and malt manufacturing)

Industry Names with a Superscript CAN, MEX, or US

 It's okay to use a NAICS code which has a superscript CAN, MEX or US. For example,

722511 - Full-service restaurants ^{US}	4

This Canadian industry comprises establishments primarily engaged in providing food services to patrons who order and are served while seated and pay after eating.

• All the codes are Canadian, but some are more comparable with the US and/or Mexico.

Definition of superscripts

The superscript symbols at the end of NAICS class titles used to signify comparability are:

CAN (Canadian industry only) MEX (Canadian and Mexican industries are comparable) US (Canadian and United States industries are comparable) [Blank] [No superscript symbol] (Canadian, Mexican and United States industries are comparable.)

WARNING: Read *carefully*!

- **EXAMPLE ONE**: Group wants to do shoe manufacturing, but select a code for shoe stores!
- **EXAMPLE TWO:** Group wants to do cellular phone manufacturing, but select a code for telephone manufacturing (which excludes cellular)

RESULT: Both groups submit incorrect codes AND incorrect lists of competitors!



Can Your Group do a "Piece" of a Code?

- NO, you must do the ENTIRE code
- EXAMPLE:
 - You can't do "basketballs".
 You must do "sporting and athletic goods" which includes basketballs, hockey sticks and fishing rods!



Choosing the Right Industry

- Industry selected should be Business to Consumer (B2C)
- Choose an industry that will allow you to complete a <u>PESTEL</u> analysis (i.e., at least one opportunity & one threat for each environment)



Can I Do a Manufacturing Industry?

- YES, as long as the end product that the industry generates is consumer oriented.
- The industry does not have to sell directly to the consumer, but it should be a consumer product.
- Ask yourself, have I bought this product lately?





Choosing the Right Industry

- The product (good/service) that is produced by this industry must be marketed (i.e., sold) in Canada - although not necessarily made in Canada
- There must be at least three competitors in this Canadian industry; therefore, no monopolies! Companies do not have to originate in Canada, but they do have to do business in Canada







Using Industry Codes to Find Companies/Competitors

- Your <u>course research guide</u> lists key directories and databases which group companies by industry classification code (SIC and/or NAICS)
- **Principle is the same:** Look up the code and find the list of companies active in it

Canadian Business Database

Most comprehensive directory of public & private companies in

Canada covering all industries by SIC or NAICS.



Canadian Business Database

Sample Results (Competitors) List > 800 companies listed

Click column headings to change sort order

Company Name	Executive Name	Street Address	City, Province	Postal Code	Phone	Record Type 🛛 💌
948 Brewing Co LTD		104-541 Kingsview Way SE	Airdrie, AB	T4A0C9	(403) 948-2337	V
<u>Alberta Hotel</u>	Dave Mc Quaid	718 Main St	Pincher Creek, AB	T0K1W0	(403) 627-3830	Ø
Alley KAT Brewing Co	Neil Herbst	9929 60 Ave NW	Edmonton, AB	T6E0C7	(780) 436-8922	V
Amber's Brewing Co		449 Hunters Green NW	Edmonton, AB	T6R3C1	(780) 628-4516	0
Amber's Brewing Co		9926 78 Ave NW	Edmonton, AB	T6E1N5	(780) 628-4516	O
Annex Ale Project	Andrew Bullied	4323 1 St SE	Calgary, AB	T2G2L2	(403) 475-4412	Ø
Banded Peak Brewing	Colin Mclean	119-519 34 Ave SE	Calgary, AB	T2G1V1	(403) 283-5133	V
Becham's Pub		1137 17 Ave SW	Calgary, AB	T2T0B6	(403) 245-3046	0
Beer Factory	Patrick Spilsted	16 Rayborn Cres	St. Albert, AB	T8N4B1	(780) 470-2393	0
Big Rock Brewery		28 Terrace Pl NE	Medicine Hat, AB	T1C2A1	(403) 504-9271	Ø
Big Rock Brewery Inc	Wayne Arsenault	5555 76 Ave SE	Calgary, AB	T2C4L8	(403) 720-3239	V
Big Rock Brewery LTD			Red Deer, AB		(403) 346-3118	0
Blindman Brewing Inc	Matt Willerton	1-3413 53 Ave	Lacombe, AB	T4L0C6	(403) 786-2337	V
Brew Brothers Bre	Tara Throp	607 11 Ave SW	Calgary, AB	T2R0E1	(403) 258-2739	0

Quio	ck Links	Can	adi	an Busin	ess Dat	aba	se
XPAND ALL	MINIMIZE ALL	Sample entry: Big Rock Brewery					
Location In	formation	50	mp	C CITCI y. Dig	S NOCK DIC		/
Industry Pr	rofile		ition Infor	mation			
Photo, Map, & Directions		Big Rock Brewery Inc					
Business Demograp	hics		1-5555 76 Calgary, A	5 Ave SE AB T2C4L8			
Manageme	ent Directory	Business Demographic	s				
Business E	xpenditures						
Nearby Bu	sinesses	Location Employees		120	Location Sales	Volume	Not Available
Competitors Report		Corporate Employees		127 Corporate Sal		s Volume	\$46,057,000
		Location Type		Headquarter	Credit Rating		Excellent
	↓ ↓	Stock Ticker Sy	mbol	BR	IUSA Number		05-407-4968
Business Expen	nditures				Collapse 🕈		
These expe	enditures are an estim	ated annual expense.					
Accounting \$1,000 to \$2,500		Advertising		\$50,000 to \$100,000			
Contract Labor		\$10,000 to \$50,000	\$50,000 Insurance		Not Available		
Legal		\$10,000 to \$25,000	Management/Administration		\$5,000 to \$10,000		
Office Equipment & Supplies		Not Available Package		e/Container	Not Available		
Payroll & Benefits \$2.5 Million to \$10 Million P		Purchased Print		Not Available			
Rent & Leasing \$100,000 to \$250,000 Tec		Technology		\$2,500 to \$5,000			
Telecommunications		\$5,000 to \$20,000	Utilities		Over \$100.000		



Choosing An Industry Based on Your Company



- 1. Start with a **company name**
- 2. Look up the company in one or more company directories/databases
- Review the company entry and look for the industry code(s) assigned to that company
- Look up the code(s) in the Canadian industry classification manuals to confirm the industry code, name and description

Canadian Business Database

Sample entry - BlackBerry with SIC & NAICS codes noted

ation Information			Collapse 🗢
Blackberry Lin	nited		
2200 University Av Waterloo, ON N2K			
Phone	(519) 888-7465	District	Waterloo Regional
Fax	Industry	СМА	NOTE: Canadian Business Databa
<u>blackberry.com</u>	Codes		uses U.S. SIC and NAICS codes. Yo
			should verify the industry codes 8
ustry Profile			descriptions in the NAICS Canada
SIC Code	Descriptions	Primary	manual and use those in your
3661-02	Telephone Equipment & Sy Mfrs	stems-	reports. In this example, the 6-dig
5065-04	Radio Communication Equi	p &	NAICS code and description used
	Systems-Whls		this directory match the one in
NAICS Code	Description	Primary	NAICS Canada is <u>334210</u>
33421004	Telephone Apparatus Manu	ufacturing	Telephone Apparatus
42369026	Other Electronic Parts & Eq Merchant Whlsrs	uipment	Manufacturing

Help! I just found 2 different codes for my company!



- Most companies are diversified.
 Need many codes to capture all their various activities.
- No central agency for assignment of codes.

Sources may interpret a company's activities differently.

• Which code do you pick?

The one that meets the criteria of the assignment and the one you like best.

Industry Codes Example: Home Depot

 Home Depot of Canada is a home improvement retailer that sells building materials, home repair & improvement products, lawn & garden supplies & various installation services.



• What NAICS codes would you select given the following options?



Home Depot - Possible NAICS Codes

- 444110: Home Centres
- 444140: Hardware Retailers
- **444180**: Other Building Material Dealers
- **444230:** Outdoor Power Equipment Retailers
- 444220: Nursery Retailers and Garden Centres
- **532490:** Other Commercial & Industrial Machinery & Equipment Rental & Leasing

When searching with industry codes, keep in mind that ...

- Companies may have **inconsistent** industry codes
- Companies can have **multiple** industry codes



 Directories, databases and other business resources may vary in the use of classification systems (e.g., U.S. vs. Canadian industry codes).



Choosing the Right Company

Canadian-Based & Publicly Traded

- Must have a head office in Canada
 - this alone does not guarantee that it meets the company requirements
- SHOULD be an **active**, **listed** (public) company for at least the last four consecutive years
- CAN be a multinational company or a subsidiary of a multinational, but the Canadian entity should be publicly traded (e.g., HSBC Bank Canada)

Company Suggestions

- Try to focus on a company that is well known and has a national presence
- Focus on a company where you have a **confirmed contact**
- Avoid a private company, a holding company, an income fund company & public institutions (e.g., universities)
- Confused? Use <u>Mergent Online</u> (Basic), <u>Nexis Uni</u> (Dossier) and/or <u>Factiva</u> (Companies/Markets) to confirm company type and structure.



Mergent Online

Includes <u>publicly traded</u> companies worldwide.

Search by company name, industry codes, country & more

MERGENT Online	Log Out Administration Contact Us Help Version 2.28
Basic search Advanced search Executive search Government filings Bond search Eco	onomic research Industry analysis Independent research Investext Report viewer
^ require minimum 3-character word to search publicly traded	ompany Database (Active) includes <u>current</u> companies in Canada (& elsewhere).
 USA Company Database (Active) USA Company Database (Inactive) International Company Database (Active) International Company Database (Inactive) D&B Private Company Database 	Primary SIC Primary NAICS ICB (Industry Classification Benchmark) (use code lookup)
Company Search - Enter symbol or Company Name A telus Go	Index v Exchange v Country v Search
Mergent Online Company Profile

e.g., TELUS Corp – includes Company Details, Financials (in Excel), Reports (Annual, Broker) and more.



Company Annual Reports

The power of our purpose

TELUS

2021 ANNUAL REPORT



- CAN be an excellent source for company financials, plans, mission statements, etc.
- Find annual reports (& other company documents and financials) via the company website, <u>SEDAR</u> or <u>Mergent Online</u>



Use Company Annual Reports With Care!

- Don't expect the annual report to answer all of your marketing research questions (advertising strategies, target markets, etc.)
- Don't expect an annual report to be objective! They are promotional tools
 - good news stories!
 - will downplay poor financials and bad ideas

Investext via Mergent Online

Includes analyst reports on companies worldwide

- Reports can include ...
 - company overview
 - key facts
 - history
 - major products & services
 - financial analysis
 - SWOT analysis
 - top competitors
 - company view
 - and more ...



You need to find ...



Market Share

- current Canadian market share
- top 3 companies in your industry (based on sales/revenues) & their corresponding market share percentages & values; your company of choice may or may not be in the list.
- companies can be public, private, Canadian, or international
- top 3 companies will not typically represent 100% of the industry

Market Share Table Example

Breweries in Canada 2022

Company Name	Market Share %	Value of Market Share*
Labatt Brewing Co. Ltd	45%	C\$3.5 billion
Molson Coors Canada	34%	C\$2.7 billion
Sleeman Breweries Ltd.	5%	C\$393 million

* Value of market share is based on industry sales or revenue <u>not</u> on the company's overall sales or revenue. Value of market share was calculated based on Canadian beer industry revenue of C\$7.86 billion.
NOTE: The numbers in this table are fictional and are being used for illustrative purposes.

Finding Market Share

- Market share for Canada can be difficult to locate
- No easy answers
- Like putting together a puzzle
 - Have to piece together information from a variety of sources
 - You may not be able to find all the pieces!



Sources of Market Share

- IBISWorld (database) see Major Companies & Key Statistics sections in Canadian industry reports
- Passport (database) see Competitive Landscape or Market Data sections in industry reports
- **Business Source Premier** (database) check **Industry Profiles** for Canada
- Mergent Online (database) select Investext tab and search for reports by company/keywords
- Newspaper & Magazines Articles

– Factiva (database)

Remember to look for Canadian content.



- <u>CPI.Q (Canadian Periodicals Index Quarterly)</u> (database)

Top Marshmallow Brands 2002

Jet Puffed	41.2%		
Campfire	9.0%		
Jet Puffed Funmallows	3.6%		
Fireside	2.2%		
Other	39.0%		

Source: *Snack Food Weekly*, June 2002, p. 23. Found in *Market Share Reporter*, 2004

Things to Watch Out For ...



- If the word "Canada" doesn't appear in the source, the data is probably U.S.
- Is the source listing brands <u>or</u> companies? Are there really just a few companies fronting a large number of brands?



Calculating Market Share

Can't find your market share in a published source?

- Try a **company contact**. If your contact says the company doesn't know, ask someone else.
- Estimate: calculate a very rough estimate using all the information you've gathered from primary and secondary sources

Environmental Trends Analysis

- You need to discuss trends in the industry that are, generally speaking, impacting companies in the industry.
- Environments that should be discussed include:



• Political

- Economic
- Social
- Technological
- Environmental
- Legal/Regulatory

Sources useful for a **PESTEL analysis** are noted on the following slides ...

NOTE: a coloured letter indicates good coverage of that environment,

e.g.,

= economic





Includes Industry Reports for Canada







Sample IBISWorld Industry Report

CANADA INDUSTRY (NAICS) REPORT 51721CA / INFORMATION IN CANADA Wireless Telecommunications Carriers in Canada 🕁

Report by: Shawn McGrath | June 2022

Points are

related to

industry

Per capita disposable income

Per capita disposable income determines Canadians' ability to purchase goods or services. When per capita disposable income levels decrease, consumers are less likely to purchase a cell phone, subscribe to a mobile plan or upgrade their current level of service. Per capita disposable income is expected to increase in 2022.

Number of adults aged 20 to 64

Consumers aged 20 to 64 are most likely to use smartphones and subscribe to high-margin mobile data plans. Additionally, wireless substitution for wired devices is the most prominent among consumers aged 25 to 34, with over 50.0% of households in this age bracket using wireless services only. The number of adults aged 20 to 64 is expected to increase slightly in 2022.

> CANADA BUSINESS ENVIRONMENT PROFILES REPORT CA803 Number of adults aged 20 to 64 🕹 August 2022

Industry Financial Ratios

 \sim

EIU Viewpoint

Includes worldwide country analysis





ECONOMIST INTELLIGENCE

Essential



Sample





Includes reports and statistics on industries, countries,

consumers and companies worldwide



CONVERT DATA + CHANGE DATA TYPES V Z GROUP SUM V 2021 V 2025 V APPLY)										
Stats Type 🛛 🏹	Geography 🏹	Category 7	Data Type 🛛 🏹	Unit 🖓	Current Constant 🛛 🖓	2021 🍸	2022 🍸	2023 🏹	2024 🍸	2025 🍸
■ ■ ● □ ● ○ ılı	Canada	Limited-Service Restaurants	Foodservice Value RSP	CAD million	Current Prices	29,732.1	32,981.8	35,596.7	37,780.1	39,688.0





Includes millions of **statistics** & **reports** on thousands of topics from a variety of sources. Worldwide coverage.



Canadian Trade (or Industry) Associations

Often provide statistics & identify current issues and trends in a particular industry



GREY HOUSE

- Use the Associations Canada (directory)
 - Available ONLINE via <u>Canada's</u>
 <u>Information Resource Centre</u> database
- Try **Google** (or another web search engine)
 - Type the words Canada and association, along with terms that describe your industry

Trade (or Industry) Associations

e.g., <u>Retail Council of Canada</u>

Visit or follow the association's



NOTE: Some association content may only be available for a **FEE** or for members only.

So How Do You Cite All this Stuff?

- Use the <u>Citation Guide For Business</u> exactly
 - Based on <u>Chicago Manual of Style</u>, 17th ed. (available <u>online</u>)
- Capture references as you research
- Do not copy URLs from the address bar of your browser when using library databases – the links may not be stable! Use permalinks (if available) for library database content.
- Don't leave it till the last minute!





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 - https://library.mcmaster.ca/justask/



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