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## Example 8:

A Measure of Competition  
Based on 10-K



## Example 8 – Competition Metric

Li, Lundholm, and Minnis developed “A Measure of Competition Based on 10-K Filings” which was published in *Journal of Accounting Research*, Vol. 51 No. 2 May 2013, pp: 399-436.

This paper computes management's perceptions of the intensity of the competition using textual analysis of the firm's 10-K filing. They count the number of occurrences of “competition, competitor, competitive, compete, competing,” including those words with an "s" appended, and then remove any case where "not," "less," "few," or "limited" precedes the word by three or fewer words. Their measure of competition is

$$\text{PCTCOMP} = 1000 * \text{NCOMP} / \text{NWORDS},$$

where NCOMP = number of words in 10K as described above and NWORDS = Total number of words without numbers.

Seek iNF can help calculate PCTCOMP in no time.

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## Example 8 – Competition Metric (continued)

- Suppose you want to measure PCTCOMP for the following five companies with CIK: 68622, 732712, 732717, 808461, 794323 (i.e., QWEST CORP, VERIZON COMMUNICATIONS INC, AT&T INC. LEVEL 3 COMMUNICATIONS INC, and GENERAL COMMUNICATION INC) from Telephone Communication industry, SIC = 4813, for the years 2006- 2015.
- You need to submit a “Request Form”. The “Request Form” is listed in the top menu bar of Seek *i*NF. Since you can submit a request form only for a five year period, you need to divide the period 2006-2015 into two 5-year periods: 2006- 2010, and 2011-2015.
- First submit a Request Form for counts of the following words for the desired period: competition, competitor, competitive, compete, competing, competitions, competitors, competes by completing the steps described in the next slide.
- Next, obtain the counts of the phrases with "not," "less," "few," or "limited" before the words (listed above) separated by three or fewer words. The details are described in the later slides.



**Request Form** for Word Counts for the Period 2006-2010

- Select “**Request Form**” from the Top Menu Bar
- Select “**Count Download/Phrase(s)/Word(s) Download**”
- Fill out the request (Name, Email, Title, University/Company)
- **STEP 1:** Type the following words separated by comma:  
competition, competitor, competitive, compete, competing,  
competitions, competitors, competes
- **STEP 2:** Type or copy and paste the CLKs and select the desired  
5 year time period: 68622, 732712, 732717, 808461, 794323
- **STEP 3** – Select Resolution: Select **Paragraph (All)**
- **STEP 4-** Select Document Type: Select **10K**
- **STEP 5-** Click on **SUBMIT** button (See the details in the next  
slide)

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## Request Form for Word Counts for the Period 2006-2010

Name	Rajendra Srivastava
Email	seekedgar@gmail.com
Title	EY Professor
University/Company	KU

Enter the information you want to search for:

**STEP 1: Please enter the list of Phrase(s)/Keyword(s) you wish to count:**

Enter Phrase(s)/Word(s)\* here:

Or

Upload file with wordlist\*:  no file selected

\*Word(s)/Phrase(s) should be separated by comma

**STEP 2: Please select the options below (Default - ALL):**

COMPANY:

From:  To\*:

\*(Beta Version : The time period is limited to five years maximum.)

SIC (optional):

**STEP 3: Please select the search Resolution here:**

- Paragraph(All)
- Table
- Footnote
- Audit Report
- SOX 404 Mgt Report
- SOX 404 Audit Report
- MD&A

**STEP 4: Please select the Document(s) you want to search here:**

All  
 Select:

**Annual Reports**

10-K     10-KT     10-K405     10-KT405     10-KSB     10-KSB40  
 10-K/A     10-KT/A     10-K405/A     10-KT405/A     10-KSB/A     10-KSB40/A

**Quarterly Reports & Annual Reports Foreign**

10-Q     10-QT     10-QSB     20-F     40-F  
 10-Q/A     10-QT/A     10-QSB/A     20-F/A     40-F/A

**Current Reports/Disclosures/Registrations**

8-K     6-K     S-1     SC 13D     SC 13G  
 8-K/A     6-K/A     S-1/A     SC 13D/A     SC 13G/A

**Ownership & Ownership Money Managers**

Form 3     Form 4     Form 5     13F-HR     13F-NT  
 Form 3/A     Form 4/A     Form 5/A     13F-HR/A     13F-NT/A

**Proxies & IPO Filings**

DEF 14A     424B1     424B3     424B5     424B8  
 DEFA14A     424B2     424B4     424B7

**Other Filings**

N-CSR     N-CSRS     CORRESP(Comment Letters)     AAER\*\*  
 N-CSR/A     N-CSRS/A     UPLOAD(Response Letters)

**Exhibits & Shareholders Letters**

PRESS RELEASE     SHAREHOLDERS MEETING     EXHIBIT 95(10-K)  
 CONFERENCE CALLS     SHAREHOLDERS LETTER\*     EXHIBIT 21(10-K)  
 OTHER 8-K EX

**Public Company Accounting Oversight Board**

INSPECTION REPORTS\*\*     SETTLED DISCIPLINARY ORDERS\*\*  
 ADJUDICATED DISCIPLINARY ACTIONS\*\*

\*Beta Version: We are working on improving the accuracy of the letters

\*\*AAER & PCAOB do not have CIK's, they have File number and Firm number respectively

**Step 5: Submit**



## 1. Acknowledgement of the Receipt of Request Form

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Please note that this is a BETA version, the testing is still in progress. Please email us if you find any bugs or have any concerns at [seekedgar@gmail.com](mailto:seekedgar@gmail.com). Thank you.





- SeekEdgar Tech Team


Thank you for submitting the request. You would receive an email shortly with the information you requested, for your reference. Please wait until you receive the results before submitting another request. Our system processes only one request per user at a time.



## 2. Email Acknowledging the Receipt of Request Form

Your Request for SeekEdgar  Inbox x  

 **seekedgartech@gmail.com** 5:46 AM (9 minutes ago)   

to me, me, naaser06 

Hi Rajendra Srivastava,

You have requested for WordCount with the following search information.

**List of words** : competition, competitor, competitive, compete, competing, competitions, competitors, competes

**Company** : 68622, 732712, 732717, 808461, 794323

**From** : 2006 **To** : 2010

**Resolution Type** : paragraph

**Filings** : 10K

Thank you for your request. We will complete your search request and get back to you with results as soon as possible.  
**Please wait until you receive the results before submitting another request.** Our system processes only one request per user at a time.

Thank you,  
SeekEdgar Team.



### 3. Email to Download the results

Your Request for SeekEdgar



Inbox x



 seekedgartech@gmail.com

2:13 PM (39 minutes ago) ☆



to me, naaser06 ▾

Hi Rajendra Srivastava,

Your requested has been **completed**.

Please **copy and paste** the link below in the browser address window to download the **Result Folder**:

[https://www.seekinf.net:8443/Download\\_submit\\_request?path=seekedgar\\_20160524105236.zip](https://www.seekinf.net:8443/Download_submit_request?path=seekedgar_20160524105236.zip)

Thank you,  
SeekEdgar Team.



# SeekiNF

## Download Results of the Word Counts for 2006-2010

CIK	COMPANY NAME	SIC	FILING DATE	FILE TYPE	SEC LINK	TOTAL WORD COUNT	TOTAL WORD COUNT WITHOUT NUMERICS	COMPETITION	COMPETITOR	COMPETITIVE	COMPETE	COMPETING	COMPETITORS	COMPETITORS	COMPETES
808461	GENERAL CO	4813	3/12/10	10-K	<a href="http://www.">http://www.</a>	69930	63093	45	0	40	16	5	0	14	1
794323	LEVEL 3 COM	4813	2/26/10	10-K	<a href="http://www.">http://www.</a>	90448	82386	17	1	24	10	1	0	35	2
732712	VERIZON COI	4813	2/26/10	10-K	<a href="http://www.">http://www.</a>	365460	330358	28	0	52	13	4	0	21	1
732717	AT&T INC.	4813	2/25/10	10-K	<a href="http://www.">http://www.</a>	637444	594818	67	0	23	10	7	0	16	5
68622	QWEST CORP	4813	2/17/10	10-K	<a href="http://www.">http://www.</a>	48877	44980	23	0	26	18	1	0	16	0
808461	GENERAL CO	4813	3/23/09	10-K	<a href="http://www.">http://www.</a>	83394	75777	72	5	76	21	11	0	29	1
794323	LEVEL 3 COM	4813	2/27/09	10-K	<a href="http://www.">http://www.</a>	100133	91118	21	4	28	12	1	0	45	2
732717	AT&T INC.	4813	2/25/09	10-K	<a href="http://www.">http://www.</a>	307490	292313	100	3	42	20	1	0	15	6
732712	VERIZON COI	4813	2/24/09	10-K	<a href="http://www.">http://www.</a>	65249	58122	25	0	35	9	2	0	11	0
68622	QWEST CORP	4813	2/19/09	10-K	<a href="http://www.">http://www.</a>	51693	47768	17	0	27	15	1	0	16	0
808461	GENERAL CO	4813	3/7/08	10-K	<a href="http://www.">http://www.</a>	82659	75060	70	5	52	21	10	0	29	1
794323	LEVEL 3 COM	4813	2/29/08	10-K	<a href="http://www.">http://www.</a>	106205	95139	15	2	27	12	1	0	42	2
732712	VERIZON COI	4813	2/28/08	10-K	<a href="http://www.">http://www.</a>	60162	53164	27	1	31	8	4	0	14	0
732717	AT&T INC.	4813	2/27/08	10-K	<a href="http://www.">http://www.</a>	33226	31476	46	5	27	4	0	0	2	1
68622	QWEST CORP	4813	2/12/08	10-K	<a href="http://www.">http://www.</a>	43834	40397	15	0	23	12	1	0	16	0
808461	GENERAL CO	4813	3/19/07	10-K	<a href="http://www.">http://www.</a>	101590	93005	66	8	46	17	11	0	31	3
732712	VERIZON COI	4813	3/1/07	10-K	<a href="http://www.">http://www.</a>	70162	61851	30	2	34	8	7	0	19	1
794323	LEVEL 3 COM	4813	3/1/07	10-K	<a href="http://www.">http://www.</a>	101094	90897	18	1	33	10	2	0	38	2
732717	AT&T INC.	4813	2/26/07	10-K	<a href="http://www.">http://www.</a>	191792	180168	81	2	34	14	0	0	25	5
68622	QWEST CORP	4813	2/8/07	10-K	<a href="http://www.">http://www.</a>	46975	43458	22	0	23	12	0	0	16	0
808461	GENERAL CO	4813	3/16/06	10-K	<a href="http://www.">http://www.</a>	88849	80487	65	10	63	19	11	0	44	0
732712	VERIZON COI	4813	3/14/06	10-K	<a href="http://www.">http://www.</a>	105825	96465	37	0	81	8	5	0	25	2
794323	LEVEL 3 COM	4813	3/2/06	10-K	<a href="http://www.">http://www.</a>	105225	96527	32	2	42	13	4	0	55	4
732717	AT&T INC.	4813	3/1/06	10-K	<a href="http://www.">http://www.</a>	14337	13391	9	0	1	0	0	0	3	0
68622	QWEST CORP	4813	2/17/06	10-K	<a href="http://www.">http://www.</a>	49267	45438	21	0	17	15	1	0	18	0



Submit Request Form for “Proximity Counts”

- Select “**Request Form**” from the Top Menu Bar
- Select “**Count Download/Proximity Count Download**”
- Fill out the request (Name, Email, Title, University/Company)
- **STEP 1:** Type the following words separated by comma in “**Proximity Search**” slot: not competition, less competition, few competition, limited competition, not competitor, less competitor, few competitor, limited competitor, not competitive, less competitive, few competitive, limited competitive, not compete, less compete, few compete, limited compete, not competing, less competing, few competing, limited competing, not competitions, less competitions, few competitions, limited competitions, not competitors, less competitors, few competitors, limited competitors, not competes, less competes, few competes, limited competes
- **STEP 2:** Type or copy and paste the CIKs: 68622, 732712, 732717, 808461, 794323, and select the desired 5 year time period
- **STEP 3** – Select Resolution: Select **Paragraph (All)**
- **STEP 4-** Select Document Type: Select **10K**
- **STEP 5-** Click on **SUBMIT** button



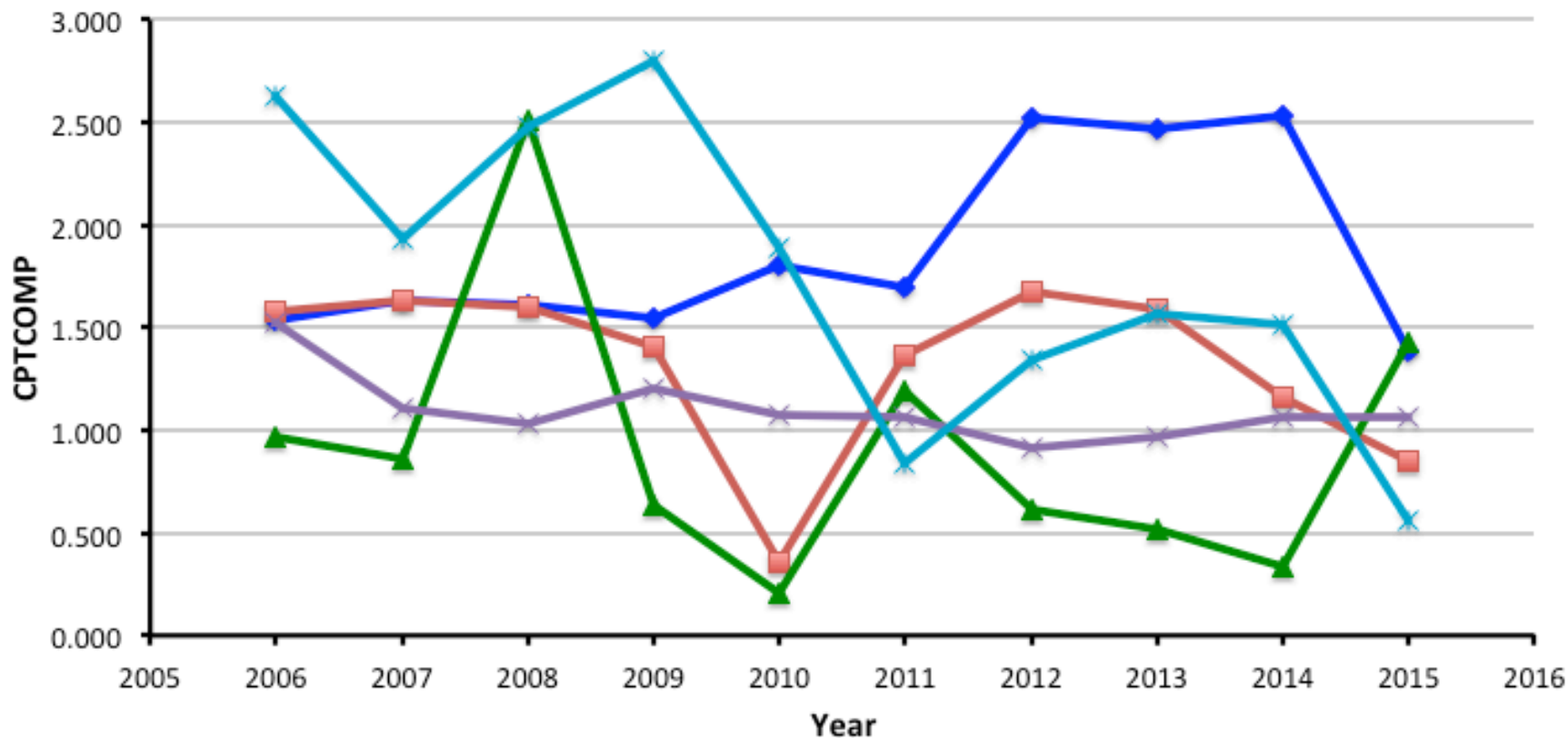
Download Results of the Proximity Counts for 2006-2010

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
CIK	COMPANY NAME	SIC	FILING DATE	FILE TYPE	SEC LINK	TOTAL WORD COUNT	TOTAL WORD COUNT WITHOUT NUMERICS	NOT COMPETITIVE ON Within 3 words	LESS COMPETITIVE ON Within 3 words	FEW COMPETITIVE ON Within 3 words	LIMITED COMPETITIVE ON Within 3 words	NOT COMPETITIVE R Within 3 words	LESS COMPETITIVE R Within 3 words	FEW COMPETITIVE R Within 3 words	LIMITED COMPETITIVE R Within 3 words	NOT COMPETITIVE VE Within 3 words
68622	QWEST CORP	4813	2/17/10	10-K	http://www.	48877	44980	0	0	0	0	0	1	0	0	0
68622	QWEST CORP	4813	2/19/09	10-K	http://www.	51693	47768	0	0	0	0	0	1	0	0	0
68622	QWEST CORP	4813	2/12/08	10-K	http://www.	43834	40397	0	0	0	0	0	1	0	0	0
68622	QWEST CORP	4813	2/8/07	10-K	http://www.	46975	43458	0	0	0	0	0	1	0	0	0
68622	QWEST CORP	4813	2/17/06	10-K	http://www.	49267	45438	0	0	0	0	0	1	0	0	0
732712	VERIZON CO	4813	3/14/06	10-K	http://www.	105825	96465	0	0	0	0	0	0	0	0	6
732717	AT&T INC.	4813	2/25/09	10-K	http://www.	307490	292313	0	0	0	0	0	0	0	0	0
732717	AT&T INC.	4813	2/27/08	10-K	http://www.	33226	31476	0	0	0	0	0	0	0	0	4
732717	AT&T INC.	4813	2/26/07	10-K	http://www.	191792	180168	0	0	0	0	0	0	0	0	0
794323	LEVEL 3 COM	4813	2/26/10	10-K	http://www.	90448	82386	0	0	0	0	0	0	0	0	1
794323	LEVEL 3 COM	4813	2/27/09	10-K	http://www.	100133	91118	0	0	0	0	0	0	0	1	1
794323	LEVEL 3 COM	4813	2/29/08	10-K	http://www.	106205	95139	0	0	0	0	0	0	0	1	1
794323	LEVEL 3 COM	4813	3/1/07	10-K	http://www.	101094	90897	0	0	0	0	0	0	0	1	1
794323	LEVEL 3 COM	4813	3/2/06	10-K	http://www.	105225	96527	0	0	0	0	0	0	0	1	2
808461	GENERAL CO	4813	3/12/10	10-K	http://www.	69930	63093	0	0	0	0	0	1	0	0	0
808461	GENERAL CO	4813	3/23/09	10-K	http://www.	83394	75777	1	0	0	0	0	1	0	0	0
808461	GENERAL CO	4813	3/7/08	10-K	http://www.	82659	75060	0	0	0	0	0	1	0	0	0
808461	GENERAL CO	4813	3/19/07	10-K	http://www.	101590	93005	0	0	0	0	0	1	0	0	0

**Please note:** If the count is zero for all the words or set of words for a company then the system will not list that particular company

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## Competition Metric for Five companies for 10 years



◆ QWEST CORP

■ VERIZON COMMUNICATIONS INC ▲ AT&T INC.

✱ LEVEL 3 COMMUNICATIONS INC

✱ GENERAL COMMUNICATION INC

Seek*IN*F<sup>SM</sup>

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*Thanks!*

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