

competitive intelligence corner



David Lithwick and Enrico Codogno

a monthly column devoted to answering questions relating to CI

Dear CIC: In the film “The Corporation”, a so-called “competitive intelligence professional” boasted that a technique he uses involves setting up a phony executive search firm. He then invites senior executives from among a client’s competition for a “job interview”. During the interview the unwitting executives reveal their companies’ strategies, product development programs, etc. Is this what competitive intelligence is all about? Is this what you do?

Shocked

Dear Shocked: No, what this individual does is not competitive intelligence, but rather industrial espionage, because it is both unethical and illegal. Individuals like that give CI a bad name in much the same way that unscrupulous telemarketing firms give marketing research a bad name.

Dear CIC: I was asked by an internal client to hire a CI firm to go through a client’s trash. Personally, I am not comfortable with this idea. Is it ethical?

Conflicted

Dear Conflicted: Going through a competitor’s trash is as ethical as bribing the cleaning company to bring

back any trashed documents. No scrupulous CI firm would do that. Just think what would happen if they’re caught. Eventually, fingers will be pointing at you! You’re much more likely to get important competitive information by using ethical techniques than by unethical ones.

Dear CIC: I am trying to make a comparison between prices charged by our company and those charged by our competitors. The price differences are so large that it’s hard to tell we’re selling the same product. How do I solve this problem?

Confused

Dear Confused: There’s more to pricing than meets the eye. What products and/or services are being bundled as a package? What warranties or service agreements are being offered? Does the price include the cost of delivery? What agreements have been made with the retailer? What distribution channels are being used? What market segment is being targeted? Getting answers to these questions will go a long way to clarifying the differences in prices.

Tip – When hiring a CI firm, don’t hesitate to ask for referrals. It is interesting to note who is being listed as referrals, because it reveals the size of company and the level of management with whom the vendor works.

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