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a monthly  
column devoted  
to answering  
questions relating  
to Competitive  
Intelligence

**Dear CIC:** Aside from pricing, what competitive information can be gathered by visiting a competitor's retail outlet?

**Outsourcer**

**Dear Outsourcer:** One of the more important pieces of intelligence that can be gathered is information on the "shopping experience." For example, is there adequate signage to help the buyer find the goods he/she is looking for? What products and brands are on display and how are they displayed? Does a salesperson ask you if you need help finding what you're looking for? Are the salespeople looking after clients or doing other work? Are there enough sales people to serve the customers? What brands do the sales people recommend (thus indicating the brand or brands that are being promoted)? Are the salespeople knowledgeable and willing to help a customer? What kind of people are shopping at the location? Are they the same kind of people that appear in the competitor's ads (indicating that they are successful at reaching their target audience)? Are there many sales taking place, indicating that the competitor is clearing inventory?

In short, a visit to a competitor's retail location allows you to gauge how successful the competitor is in selling product and serving their target market. It will also help you to uncover the strengths and weaknesses in the competitor's marketing strategy.

As Yogi Berra said: "You can observe a lot just by watching."

**Dear CIC:** I am in the process of establishing a CI department at my company. Aside from delivering individual projects for specific requests from internal clients, what other CI activities should I be prepar-

ing for? **Getting Started**

**Dear Getting Started:** As head of the CI department, it is also your responsibility to work towards a full understanding of your competition and the market they operate in. What market segments are they targeting? How are they bundling their products and services? Will they be successful? Are they pursuing a global strategy or for Canada only? If your industry is heavily regulated by government rules and procedures, it is also important to keep abreast on any proposed legislation.

We suggest that you consider the following activities to get you started:

1. Get a good handle on what sources are out there for you to tap. Sourcing will play a critical role. It's like oxygen for the body. One can't survive without. Sources are divided into primary (i.e. human intelligence) and secondary (e.g. research reports, Internet, competitor brochures, etc.).

Primary sources are wide spread and include your customers, your competitor's customers, your competitor, competitors of your competitor, government agencies, associations, key opinion leaders, co-workers and suppliers such as your ad agency. What is interesting to note is that the personalities of the CEOs of competing companies can have a major impact on the strategies they employ. Does the CEO of your major competitor have a background in accounting or sales? Did they work in a number of other industries or worked they way up within? What strategies has the CEO used in the past that is likely to be used again?

A 'rich' source of secondary information is job ads. Some companies, in their enthusiasm, disclose too much. A good corporate sleuth will be able to derive what a

company's sales objectives, factors for success and even mission statement are from an overly detailed career ad. Is a competitor hiring more salespeople? If so, what is the reason for this hiring? Is the competitor hiring more R & D specialists? If so, is the competitor developing a new technology that can give them an edge in the industry?

2. Establish a network for securing this information. For example, salespeople often come across information on competitor activities, and much of this information is not shared. It will be your responsibility to establish a relationship with the salespeople and their managers, so that any competitive information they gather is sent to you for analysis and follow-up. The same applies to customer service representatives, who on occasion, are provided with competitor information from clients.

3. Determine how you can tap into your market research to help answer questions posed by your CI clients. For example, market research conducted by your company or purchased from a third party can provide information on market trends. Coupling this research with information gathered from competitor brochures and ads will provide you with important clues on which market segments your competitor is targeting and likely impact on market share and profitability.

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