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a monthly
column devoted to answering
questions relating to
Competitive Intelligence

MANAGING CLIENT EXPECTATIONS

Dear CIC: Recently I was asked by a product manager within our marketing group to find out when a competitor was planning to launch a new product that would compete directly with ours. I was due diligent in covering as many sources as possible, taking time to synthesize the responses and coming up with an estimate which was sometime in the next three to six months.

My client said that this estimate was, "not precise enough" and asked that I narrow the launch date to a specific month. To be honest, even if I spoke to more people, I do not think I could narrow my estimate further because most respondents were giving me their best guesses. No one had an exact date for the launch.

What would you do if you were in my situation?

Precision Challenged

Dear Precision Challenged:

The challenge here is to manage your client's expectations, which is not easy when you have a client who, quite rightly, is anxious about a competitor launch. Ultimately, his job security will depend on how effectively he counters this competitor threat.

To manage expectations means to educate your client on what information can be realistically sourced and why. You can for example, remind them that CI is not an exact science. You are working with small sample sizes, asking people for very sensitive information on subjects that

many will be reluctant to talk about. I may want to turn the table around and ask your client, "If you got a call from someone you did not know asking you when you plan to launch your new product, why would you tell them anything?" Not only is it difficult to get this type of information, but frequently a respondent will either not know or purposely misinform the caller, making your job that much more difficult. Your client needs to know these things.

Another thing to point out is that launch dates are not set in stone. Frequently, they change because of last minute delays or a decision by senior management to fast track the launch. For example, in a recent pharma study, we estimated the launch date for a competitor drug launch to be first quarter 2005. It was certainly tempting to narrow the time to a specific month, but in retrospect it was a good thing to leave it to a three month range, because the competitor ended up pushing back their launch date four times over a five week period!

Alternatively, you may want to ask your client for more lead time, so that you can monitor the competitor over a few weeks and generate weekly updates. This will reduce his anxiety, while putting less pressure on you to come up with an exact launch date.

Dear CIC: Recently, I did a mystery shop on mortgages for a financial institution. We had shoppers visit our client's branches to see what discounts branch staff were offering to first time homeowners and succeeded in getting some very solid data. However, in our presen-

tation of the results, the vice president questioned our results, as none of the mystery shoppers had actually applied for a mortgage when inquiring about discounts. I advised the vice president that this extra step was not agreed to in the proposal, but she still was not satisfied with our results. Is there something else I could have told her?

Should Have Applied

Dear Should Have Applied:

Sometimes even if you are right, you are still wrong. This would be the case here. Certainly your response was fair and made sense. But it still did not address the vice president's concern. (What the vice president may really be saying is, that since she does not have faith in your findings, she will probably not act on them).

Gathering CI on pricing is something that you can never do enough of, because there are so many hidden factors driving price.

So, it's best to take the high road and do one or two follow-up shops where the mystery shoppers would apply for a mortgage. Even if you end up absorbing the cost for these extra shops, you will have a much better chance for repeat work.

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