

MARKETERS' PERCEPTIONS AND EVALUATIONS OF
CORPORATE INTELLIGENCE GATHERING TECHNIQUES

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ABSTRACT

Purpose of Study

This study sheds new light on the extent and ethics of gathering corporate intelligence. It attempts to measure the extent to which business people in large corporations believe that their own as well as other companies use competitive intelligence gathering techniques. It also analyzes whether the respondents view these techniques as being ethical and to what extent their views are shaped by the corporate culture. Previous studies have found mixed results when assessing the ethical beliefs of business practitioners. Some studies have found that managers and those being managed agree about the ethicality of certain marketing research activities but not of others (Carroll, 1975, Crawford, 1970). Ferrell and Weaver (1978) found that employees considered themselves as more ethical than their top management in specific business practices.

To determine whether there is a relationship between employee ethics and company practices, three hypotheses are tested:

- 1) There is no difference between the practices the company uses for collecting competitive intelligence and the practices the employees would condone.
- 2) There is no difference between the ways in which businessmen believe their own companies collect competitive information and ways other companies do so.
- 3) There is no difference between the practices the business people say they would perform and what they believe that other companies do.

The data is based on questionnaires administered to 451 participants in seminars on gathering competitive intelligence, conducted by Washington Researchers.

Each participant was asked to evaluate seven alternatives competitive intelligence gathering strategies. These include:

- 1) posing as graduate student working on thesis.
- 2) calling the V.P. while s/he is at lunch, hoping to pump the secretary for information.
- 3) calling the competitor's suppliers and distributors, pretending to do a study of the entire industry.
- 4) posing as a student job seeker to learn recruiting practices and some other general information about the competitor.
- 5) posing as an agent from a manufacturer looking for a site similar to the one that the competitor supposedly would need.

- 6) cornering a competitor employee at a national conference, and plying him/her with liquor.
- 7) finding an informant in competitor company.

Findings

Hypothesis 1 is accepted. For all but two of the alternatives (1) posing as a graduate student and (2) posing as private research firm to conduct a survey of competitors, there is no significant difference in the percent of practitioners who would use the technique and the percent who report that their employers would use it.

Practitioners seem to bring in line their views of what is acceptable with what they perceive to be the company's standards. What is difficult to determine, however, is whether the employees are imposing their standards on the corporation or vice versa.

Hypothesis 2 is rejected. Practitioners believe that other companies are much more likely to engage in all the competitive intelligence gathering techniques described than are their own employers.

Hypothesis 3 is also rejected. Practitioners believe that other companies are much less ethical than they are. In all cases a significantly higher percentage of practitioners believe that the competition use the techniques than admit to having used the techniques themselves.

Summary

In sum, practitioners are sensitive indeed to the importance of collecting competitive intelligence. They will become involved as long as the technique is neither blatantly ineffective nor illegal. Generally practitioners will utilize such techniques as they believe acceptable in their company. However, in some instances the practitioners are even more eager to engage in specific activities than they believe the companies they work for to be.

References

- Carroll, Archie B. (1975); "Managerial Ethics: A Post Watergate View," Business Horizons (April), 79.
- Crawford, C. Merle (1970), "Attitudes of Marketing Executives Towards Ethics in Marketing Research," Journal of Marketing, 34, (April), 46-52.
- Ferrell, O. C. and K. Mark Weaver (1978), "Ethical Beliefs of Marketing Managers," Journal of Marketing, 79-73.