

How to spy on rivals -- legally

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One age-old method of getting information about the competition is by going to the local watering hole and listening to rival staffers talk about their work.

Christopher Steiner, Forbes · Monday, Jun. 7, 2010

Winning in business is about selling the best product at the best price. If only.

In many industries the difference among competing players is not very large. Often the best way to get an edge, if you can, is getting a gander at what the other guy is going to do before he does it. "Learning everything you can about your competition is time-consuming, but the return on investment is enormous," says Sally Wright, president of Alliance Consulting Group in New Brunswick, N.J.

But how to spy on your rival without breaking any laws and without spending a ton of money?

You could try the age-old method: bellying up to the bar at the local watering hole. "Most staffers are prone to either complain or brag about their work days," says **Billie G. Blair, chief executive of Change Strategists, a management consultancy.**

Then again, you could get a bit craftier. Here are a few strategies:

Morning Meddler. Many retailers hold team meetings right on the sales floor during the opening minutes of the work day. "Shop" near the powwow and you may happen upon valuable intelligence. If you are a competing retailer, and you overhear that certain items are selling well, you might want to give them more play at your shop. If you are a supplier, listen for which competitors have been tardy with shipments, so you can get in front of them.

Deep Dial. Customer service agents are useful for two reasons: They're chatty and they know a lot. Dr. Sally Wright, president of Alliance Consulting Group in New Brunswick, N.J., suggests taking surveys of at least 10 people who answer the phones at a competitor. (Spread the calling duties among different people at your company — that way no one misrepresents themselves.) Ask which products are most popular and what customers tend to complain about. If a phone agent isn't co-operating, hang up and call back.

Want-Ad Worm. Want to know if your rival is ramping up a new initiative, or looking to filch talent from you? Monitor the job postings on its own website, Monster.com and any industry job boards. "You can tell a lot about a company by watching their recruiting activities," says Jeanne Achille, vice-president at The Devon Group, a marketing firm with offices in London, Boston and New Jersey.

Achille can often tell when a competitor has won new business (and what kind it might be) by how it positions its want ads.

Customer Squeeze. Your rivals' customers are a great source of information about their strengths and weaknesses. Pump them for information. What do they like about another product or service? What don't they like? What, if anything, might make them consider a switch? (They might think you'll throw them a better deal in exchange for the information.) Likewise, when a customer