

I Spy: A Case of Competitive Espionage

Topic: Marketing Intelligence (Marketing Research and Marketing Management and Miscellaneous Topics)

Characters: Lynn, a junior employee at a marketing consulting firm
Bob, Lynn's boss, an experienced marketer
Kyle, a product manager at a firm that has hired Lynn's consulting firm

Lynn's first consulting assignment has been to work with Kyle at Business Equipment Corporation (BEG) to help develop and market a new fax machine. BEC has developed a new technology that enables them to manufacture a fax machine with a copy quality far superior to anything else on the market. Lynn and Kyle are sure they have a winner on their hands. Kyle is especially excited because he has been promised a major promotion if the new product launch is successful.

Kyle is panic-stricken when he reads that Hiyota, a competitor, plans to launch a new high-quality fax machine before BEC does. If the Hiyota machine has exceptionally high copy quality or other new product features, Kyle may want to modify the BEC machine. Kyle wants this information immediately because he has to give the production department the final production specifications in a week. Besides, he feels pressed for time now that the Hiyota will reach the market before BEC.

Kyle can't think of any easy way to get information quickly, so he asks Lynn to call Hiyota and pretend to be a potential customer. When the Hiyota sales rep visits Lynn's office, she is supposed to ask for copy quality samples and learn as much as possible about novel product features, pricing, advertising strategy, etc.

Lynn isn't comfortable with the deception and doesn't want to waste the sales rep's time, so she talks to Bob, her boss. Bob doesn't want their firm to get a reputation for this sort of thing, but he doesn't see a major problem with Kyle's request. He says that (1) it's not illegal because trade secrets would not be stolen; (2) deception to obtain competitive product information takes place all the time and it's Hiyota's responsibility to develop security procedures to prevent information from slipping out before the product hits the market; (3) sales reps are used to nonproductive sales calls and, who knows, Lynn may be a legitimate buyer sometime in the future; and (4) the firm can't afford to antagonize Kyle and lose BEC's business. Unless Lynn can come up with some valid reasons to reject Kyle's request, Bob thinks Lynn should call Myota.

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