

The Strategic Secret Shopper

I've often played the "secret shopper," hired to approach key competitors as a customer or as a consultant to a prospective customer. The goal is to find out in detail what the Other Guys are really saying about themselves -- and about you -- plus specifics on their products, pricing, positioning, channels and delivery dates.



It's very difficult for insiders to do this because [1] return phone calls to their office voicemail give away the game immediately, [2] competitive analysis needs consistency and concentration during several weeks of sporadic discussions, and [3] internal product managers/product marketers already believe they know the answers.

This last item is key: opinions and product impressions are very sticky, and hard to adjust. If you're a product champion who has been following the Other Guys for a few quarters (or years), your beliefs often get in the way of hearing new messages and spotting trends. In addition, your role is to train your Sales and Channels on the Other Guys' weaknesses – not to present a balanced view of strengths and shortcomings. Instinctively, you want to contradict instead of listen.



In strong contrast, customers and prospects listen to sales pitches with a fresh ear. They catch the strategic themes and general tone, with fewer biases. Most have not studied your offering, so they don't raise the sticky detailed questions that you would. The sales process is partly educational: buyers actually listen to what's being said.

Therefore, getting an outsider to shop the competition cuts through the emotional clutter, and sometimes helps identify what's new in the selling cycle. Like real customers, secret shoppers can listen to the highlights of the Other Guys' pitch before getting swamped in low-level details.

Illegal? Unethical?

Being a secret shopping is deceptive. In fact, it requires lying. What are the boundaries of good behavior and good taste? Recognizing that companies will try to understand the competition, I'd suggest a few ground rules:

- Respect the rep's time. Get what you need, and get off the phone. Remember that you're taking sales time away from real customers, and

“your” rep has a quota to reach. Assume that the Other Guys are reciprocally wasting a little of your reps’ time.

- Don’t sign an NDA. The game is over once legal documents come out. I wouldn’t hire someone who flouts the Other Guys’ NDA, since he may handle my internal information accordingly. The Valley is very small, and reputations matter.
- Find additional ways to listen. These include win/loss interviews, quizzing industry analysts, and periodically debriefing the sales team. Attend their seminars. They combine into a well-rounded picture of the competition.

Anything you'd hesitate to tell your client (or your mother) is probably out of bounds, like inviting the Other Guy's employees to job interviews.

Isn't All of This Information Public?

In some industries, pricing and products are well known. Airlines, for instance, must publish all of their fares and schedules – and are constantly scanning each other’s offerings. Consumer products giants send their junior brand managers out for store checks (walking the supermarket aisles in Des Moines and Savannah) to record local detergent prices and shelf placement. Electronics companies buy competing gear and disassemble it.



Tech start-ups don’t always publish their prices or their customer presentations, however. The smart ones are constantly tuning their messages (and products) as the market evolves. High-level positioning shifts when early customers raise new issues - or discover new applications.

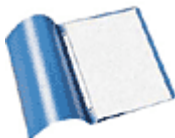
OK. Time for me to put on my Secret Shopper hat and cloak, and map out a research project. Imagine that HermitCrab Corp has come out of its shell and hired me to get details on its fierce competitor, PufferFish Technologies. HermitCrab needs sales messages, features, pricing and any notable product shortcomings.

Inventing A Strategic Prospect

The first step in strategic shopping is to **create the customer that I'll pretend to represent**. This isn't HermitCrab, but a likely prospect for both HermitCrab and PufferFish. To keep organized, let's call our imagined customer Zephyr.

Zephyr needs to be a battleground customer, stuck solidly between HermitCrab's offering and PufferFish's. HermitCrab wants to know how to win the toss-up deals, and I need a rationale for asking the kinds of questions that toss-up prospects should ask.

Generally, I'd craft a dossier on Zephyr: revenue, staff size, core market, problem description, quotes from imagined end users, geography, technical buying criteria, internal politics, and purchase timeline. The goal is to formulate a prospect that smells like HermitCrab's last ten competitive accounts. When reviewing this with the HermitCrab sales force, they should recognize every aspect.



(When they insist this is a **real** company, and demand contact info, I've done a good job.)

Why bother? These are the details that good salespeople ask for, so I'll need to be prepared. A real customer would know every facet of his situation.

Once I know my mythical client intimately, I'm ready to call PufferFish. Some notes to myself:

- Make the first call on Friday afternoon. Reps who have made quota are already gone, and the hungriest newbies are stuck by the phone.
- Getting good information takes three or four calls. The first call sets up a discussion, instead of concluding one. Don't try to learn everything in ten minutes.
- Explain the situation briefly ("My client is looking for a product that...") and then listen. Carefully. Take lots of notes. Offer up a few details from the dossier only as needed. Don't use the Zephyr name, since good sales folks will quickly discover that my client is a figment.
- Listen for strategic selling themes. Customers may forget product details, but remember the overall story. How does this theme position PufferFish, and how does it undermine HermitCrab?
- Save (or screen-capture) the presentation and sales materials. HermitCrab will want to see exactly what prospects see.
- Ask about HermitCrab in passing. Does the PufferFish rep know HermitCrab's products? Anything to consider when evaluating both products? Knock-offs?
- Have a short list of specific questions that need answers. These are items that HermitCrab is worried about. When the list is complete, get off the phone.

Finally, I'd write up impressions of the process: what would a real prospect think? Feel? What land mines has PufferFish planted for HermitCrab? The information needs to be objective, specific, and unemotional. Arguments about whether PufferFish honestly positions HermitCrab are irrelevant.

Sound Bytes

Every sales force needs to know what their prospects may hear from the competition. One good source is outside "shoppers" who are more open-minded (and less frenzied) than internal product teams. Combining this with other field data is a good way to spot shifts and trends in the marketplace.

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