Qualitative Research in Intelligence and Marketing: The New Strategic Convergence

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To Marcy, Ben, and Sarah, my family

Contents

Preface

The purpose of this book is to consciously deal with the fact that, most essentially, the field of competitive intelligence embraces techniques of analysis that rely upon intuition, subjective analysis, and qualitative (as juxtaposed to scientific or quantitative) data. The fact that competitive intelligence often relies upon scientific techniques and state-of-the-art technology, however, has tended to cloud this crucial issue.

Furthermore, since many of the clients of competitive intelligence professionals are predisposed in favor of scientific/quantitative methods, there is often a seductive tendency to embrace those methods. Doing so, however, can undercut the essence of competitive intelligence by denying and ignoring the unique and distinctive contribution that our field has to offer. This book responds to the significant threat that the vital role of qualitative methods within competitive intelligence (and within business strategy) may be ignored. It discusses how the field of competitive intelligence brings powerful qualitative tools to business research. In an era when many business scholars and practitioners have come to depend upon scientific and quantitative techniques, competitive intelligence professionals have long embraced a qualitative, subjective, and intuitive toolkit that, on many occasions, has provided timely and vital information. For the past 30 years, this specialized niche has given competitive intelligence a distinctive role within the private sector.

The rapid growth of competitive intelligence as a profession demonstrates that the qualitative approaches it uses and the kinds of intuitive information it provides are gaining the respect of practitioners. Today, competitive intelligence professionals apply qualitative insights within a wide array of in-house as well as consulting capacities. The field has been especially useful when decision makers became frustrated that scientific and quantitative methods have proved

to be incapable of providing relevant insights in a timely and appropriate manner.

At first glance, it may appear that competitive intelligence is primarily an artifact of modern technology. Satellite photographs, which have only recently become available, invite analysis. The Internet provides unprecedented access to secondary information. The increased importance of proprietary information (as well as the importance of protecting it) creates a need for competitive intelligence specialists who bring judgment and insight to their work.

While the modern world has clearly left its mark upon competitive intelligence, the field most basically relies upon techniques of intuitive and subjective analysis that ultimately stem from the traditions of spying and espionage. Indeed, competitive intelligence can be viewed as a major conduit with which decision makers can gain access to qualitative information in an age when the methods of science and statistics continue to be fashionable.

In recent years, the status of competitive intelligence as a qualitative research tool has begun to share the stage with new qualitative research initiatives that have arisen within various business disciplines (such as in marketing). Both competitive intelligence and the emerging traditions of other qualitative research within business will benefit from cooperation and collaboration; this book is the first sustained analysis of such a potential. Since it is a pioneering effort, large sections of this writing are primarily exploratory; they are intended to be built upon as the qualitative methods of intelligence and other business disciplines become increasingly linked. These efforts are not intended to be a "cookbook" of easily mastered techniques; instead, this book strives to evaluate the state of the art of both competitive intelligence and business research as they now exist; building upon these existing traditions, it is suggested that these two fields can best mature by working in tandem with one another.

By evaluating these issues in the systematic ways suggested here, it is hoped that competitive intelligence professionals can more effectively ally their discipline with other qualitative methodologies. By doing so, competitive intelligence as a discipline will be able to more effectively pursue its mission and thereby become better integrated within the business community.

Acknowledgments

Books are the product of many diverse influences; the reader has a right to know what has led me down the particular intellectual path I have taken. When my influences are readily understood by readers, it will become easier for them to envision what I seek to accomplish and the specific strategies that I have chosen when doing so.

Thus, besides being a recognition of those who have helped and influenced me, this acknowledgment can be viewed as a broad road map or guide with which the reader can view and evaluate what I offer.

My primary training is in social science (M.A. in Social Anthropology) and literary criticism/folklore (Ph.D. in English). Both of these fields rely heavily upon qualitative traditions of analysis that are distinct from those of science and quantitative analysis. Although I have been professionally wide-ranging, my work has seldom strayed from my qualitative theoretical and methodological foundation.

Eventually, I earned a post-doctoral M.B.A. and for the last 20 years I have worked (in varying capacities) in that field in marketing and marketing research. Historically, marketers (like other business scholars) have been closely allied with scientific and qualitative analysis; as time has gone on, however, many prominent marketing scholars have consciously embraced various qualitative methodologies and smuggled them back into business research. I am dedicated to expanding marketing research in more eclectic ways and in a manner that acknowledges the value and legitimacy of qualitative research traditions.

Over the years, I have gained the help and counsel of noted marketing scholars such as Russell Belk, John Sherry, and Janeen Costa. I have also been influenced by the work of theorists including Melanie Wallendorf, Elizabeth Hirschman, Barbara Stern, and Morris Holbrook (among others).

The field of macromarketing and its focus upon both qualitative research and alternative criteria of evaluation have also exerted a positive impact upon my work. In particular, Donald Dixon, Chuck Goeldner, Robert Nason, and George Fisk have provided both friendship and advice over the years.

Although these experiences set the stage for the book that follows, I still did not possess a firm grasp of the field of competitive intelligence as a holistic and functioning entity. That perspective was provided by my colleagues at the Mercyhurst College R/IAP program, an innovative academic initiative that provides a creative degree program centered around the needs of entry-level competitive intelligence professionals. To a large extent, my ideas are a direct outgrowth of my interactions with the R/IAP faculty. I would like to specifically single out (in alphabetical order) Bill Hale, Bob Heibel, Adam Pode, and James Sutton. Without their leadership this book would not have been possible, at least in its present form.

Qualitative Research in Intelligence and Marketing

Chapter 1

Introduction

Competitive intelligence is struggling to come of age; this book is an artifact of that process. It argues that many competitive intelligence analysts seem to have largely forgotten that the forte of the profession lies in the ability to apply insight and intuition to diverse sets of evidence. Although many products of competitive intelligence are linked to modern technology, subjective thought and intuition continue to be the basic analytic tools that are used to infer what cannot be "proven." By effectively deploying these tools, competitive intelligence can make a unique and distinctive contribution that transcends and goes beyond today's high-tech solutions.

A key component of that methodology involves combining scraps of seemingly unrelated data into a seamless interpretation capable of demonstrating the goals, strengths, and weaknesses of the group being investigated. Typically, competitive intelligence professionals rely upon data that is weak, compromised, and incomplete; the trick is to appropriately combine this suspect data into an analysis that provides useful information. Although there are dangers inherent in using "suspect" data, there are also risks in ignoring relevant evidence, even if its reliability may be low. Although the techniques of qualitative analysis are not scientific, quantifiable, or "replicable," they have their place in the decision-making process and they have been embraced by practitioners, when appropriate, for that reason.

The ability of competitive intelligence to incorporate diverse forms of information and to employ weak, incomplete, or compromised data into an analysis is a key strength of our profession. In the postwar period, however, business researchers became increasingly "rigorous" and "scientific" both in academe and in the practitioner world. As a result, qualitative methods and intuitive/subjective perspectives were largely ignored and/or discounted. Competitive intelligence,

in contrast, provides a systematic way by which intuitive and subjective judgments can be smuggled back into business strategy and tactics. Many business strategists have come to rely upon competitive intelligence for that reason, even though research was "officially" supposed to be scientific and quantitative.

Although intuitive and subjective focus of competitive intelligence conflicts with the traditions of scientific and quantitative research that came to dominate business, today's business researchers increasingly recognize that qualitative methods are vital, useful, and respectable. Business practitioners (as well as scholars) are increasingly dissatisfied with strategies that are solely based upon the scientific method and/or quantitative analysis. The decisions of consumers (as well as those of business rivals) are representations of unique people and the distinctive feelings, orientations, and pressures that they experience. While the typical scientific/quantitative techniques that long dominated business research are useful in many contexts, they may not adequately explore the actual ad hoc situations that decision makers face; and yet, specific situations (not generalized patterns of response or prevailing paradigms) are the phenomena upon which strategies and tactics must be built. Business leaders and researchers have sought to broaden their toolkits in order to deal with specific situations. Smuggling insight, intuition, and subjective analysis back into the decision-making process has been one way of doing so.

To achieve this end, business researchers are supplementing scientific/quantitative methods with "qualitative" tools that stem from the humanities and the social sciences. This emerging tradition, like competitive intelligence, depends upon diverse data and it balances the rigor with which data is gathered with (1) the relevance and timeliness of the information being sought and (2) the needs to which it is to be put.

The time has come for the qualitative methods of competitive intelligence to be combined with other qualitative methods that are currently used in business, in order to consciously integrate them in mutually beneficial ways. Doing so allows both disciplines to benefit from the power of synergism. This book is a pioneering effort that provides illustrative suggestions regarding how this synthesis may occur. It is hoped that this effort will be read in such a light and that it will stimulate thought in positive and productive ways.

Although the modern business world has long tended to be infatuated with science and quantitative methods, this book goes against the grain. The current love affair with "formal methodologies" has had the unfortunate side effect of drawing our attention away from useful "qualitative methods" that, while not scientific, have a legitimate contribution to make when policies, strategies, and tactics are being forged. Although competitive intelligence is largely qualitative, its practitioners have not forcefully defended their methodology; as a result, the strengths of our profession have been discounted.

Happily, however, qualitative methods are enjoying a renaissance in other business fields, such as marketing. As a result, this book will review the qualitative successes found there and demonstrate how they can be usefully melded

with the techniques of competitive intelligence. Hopefully, by reviewing the work of modern qualitative marketing scholars, competitive intelligence professionals will gain insights regarding how they can restructure their field (and their justification of it) in appropriate ways.

Because contemporary marketing scholarship has assumed a leadership role in embracing qualitative methods and techniques within business research, it may appear that competitive intelligence is merely the recipient of their qualitative insights and methods. In actuality, the situation is more complicated than that. During World War II, the espionage efforts of the United States tapped the services of internationally acclaimed social scientists, who adjusted their disciplines in order to respond to the war effort. By doing so, the responses of others became more predictable. Although these social scientists and the "Culture at a Distance" method they innovated were very effective, after the war the achievements of this cross-disciplinary collaboration were allowed to atrophy.

By revisiting the achievements of the "Culture at a Distance" method and by embracing and updating relevant aspects of it, competitive intelligence will be able to reassert a leadership role in qualitative research within business. This book breaks new ground by demonstrating how and why competitive intelligence can benefit by integrating itself with parallel qualitative methods in business on the one hand while drawing upon its distinctiveness on the other.

The book begins with a cluster of introductory chapters that point to the parallels between competitive intelligence and qualitative marketing research, and discusses how the two can and should be merged.

Chapter 2, "Competitive Intelligence as Qualitative Alternative," points out that although espionage is often associated with illegal activities, the discipline more generally uses intuition to infer information from weak, compromised, and/or incomplete data. The origin of the data being analyzed is merely a side issue. In the post–World War II era, when business research became more quantitative and scientific, competitive intelligence arose as a qualitative method that drew inferences without formal proof; as a result, the field has gained a special niche within business.

Chapter 3, "Marketing Research: Merging with Another Qualitative Tradition," documents how, in recent years, the field of marketing has fought to free itself from an over reliance upon scientific and quantitative methods. While competitive intelligence embraced the intuitive tools of espionage, however, marketing researchers have turned to the techniques of the qualitative social sciences and the humanities. Competitive intelligence can and should forge linkages between these two qualitative traditions.

This introduction leads to Part II of the book, "Competitive Intelligence and Cross-Disciplinary Tools," which introduces a wealth of qualitative options that are available to competitive intelligence and nests the techniques of our profession within a wider intellectual milieu. Both the social sciences and the humanities are discussed as well as current contemporary initiatives within business that link the methods of the social sciences and humanities to business analysis.

Competitive intelligence professionals often must justify their methods to clients who prefer scientific and quantitative techniques. In order to help competitive intelligence professionals deal with these potential detractors, a well-reasoned rationale for using qualitative methods is provided in Chapter 4. This argument demonstrates the legitimacy of competitive intelligence as a qualitative methodology and one that helps analysts to justify their profession.

While Chapter 4 deals with current trends within business research, Chapter 5, "The Qualitative Espionage Model," considers the unique evolution of intelligence as a discipline that is based upon the traditions of espionage. While competitive intelligence (like contemporary business research) is qualitative in nature, the qualitative methods most central to competitive intelligence stem from espionage, an intellectual foundation that is very different from that of the humanities and social sciences. As a result of this distinctive origin, competitive intelligence has a special toolkit and it is significant and unique for that reason.

Chapter 6 deals with the fact that although much traditional business thought is centered upon management and has dealt with marketing as a subordinate activity, contemporary business thought has elevated marketing theory and methods to a strategic, not a tactical, position. Due to the changing role of marketing, competitive intelligence professionals will often serve clients who champion a marketing orientation. As a result, analysts must be able to deal with those who embrace such a mind-set. This discussion is followed up by a discussion of the actual "process" of intelligence and the typical flow of work that can be expected in organizational settings.

Chapters 7, 8, and 9 deal with the qualitative social sciences and the humanities (respectively) in order to provide a basic understanding of what these disciplines have to offer to competitive intelligence. This is followed by Chapter 10, "Culture at a Distance: A Lesson from World War II," which demonstrates that the intelligence profession has a strong tradition of embracing relevant aspects of the social sciences and humanities in the analytic toolkit. Although these techniques were allowed to atrophy after World War II, the examples of that era have profound lessons for today's competitive intelligence analysts.

Part III, "Operationalizing the Social Sciences and the Humanities," takes the lessons learned and suggests specific ways in which they can be incorporated into the professional life of competitive intelligence analysts. By combining relevant aspects of the social sciences and humanities with the basic approach of the "Culture at a Distance" method (discussed in Chapter 10), Chapter 11 provides hints on how competitive intelligence professionals can enhance their toolkits in relevant ways. Chapter 12, "The Qualitative Audit," suggests ways in which competitive intelligence professionals can assess the degree to which they and their organizations are able to fully appreciate the opportunities offered by a wide array of qualitative tools. Two appendixes provide freestanding discussions on relevant issues.

Basically, competitive intelligence is a qualitative method, stemming from espionage, that infers information from weak, compromised, and incomplete

data. Distinct from the social sciences and humanities, competitive intelligence can nonetheless benefit from the tools and options offered by these disciplines. This book, by merging intelligence with other qualitative traditions, offers an expanded vision of our profession that is most relevant to the contemporary private sector. By doing so, the book breaks new ground.

Part I

Parallels, Agendas, and Options

The business world has developed a prejudice in favor of scientific and quantitative research and against other methods of analysis. Competitive intelligence has long provided timely and relevant information using alternatives to quantitative and scientific methodologies. These techniques are usually described as "qualitative" in nature.

Today, other forms of business research are following the lead of competitive intelligence by developing their own qualitative toolkits and using them to supplement and, when appropriate, to transcend scientific and quantitative analysis. By combining the qualitative orientation of competitive intelligence with parallel techniques that derive from other business disciplines, such as marketing, a powerful synergism potentially results.

In the last 15 years, marketing has developed alternatives to scientific/quantitative analysis by embracing relevant aspects of the qualitative social sciences and humanities. By merging with this tradition, competitive intelligence and marketing can benefit from the power of synergism.

Still, many business researchers continue to champion science and quantitative methods. As a result, it is important for competitive intelligence professionals to be able to meet the challenges of these rivals by forcefully justifying their embrace of qualitative methodologies. Chapter 5 provides a reasoned rationale for embracing qualitative methods. It is hoped that the logic provided there will prove useful as competitive intelligence professionals struggle to articulate the unique contribution they are poised to make and to demonstrate that alternative methods of analysis (such as those represented by science and quantitative methods) have a significant and distinctive role to play within the private sector.

Having read these chapters, the reader will be in a position to take a panoramic view of competitive intelligence and how it can usually serve its clients.

Chapter 2

Competitive Intelligence
as Qualitative Alternative

A CHILD OF MARKETING

Competitive intelligence, as a distinct field within business, started out as a specialized activity nested under marketing research, and it was most commonly known as "marketing intelligence." In this role, the field adopted an array of qualitative tools (many of which were inspired by espionage) and used them for private sector purposes. Although in the jargon of competitive intelligence espionage typically refers to illegal techniques for gaining information, here the term is used to refer to intuitive and qualitative methods that allow diverse forms of information to be gathered and analyzed on a "catch-as-catch-can" basis. Members of the marketing profession have long been interested in understanding the strategies, capabilities, and options of their rivals. Gaining the insight required to do so is the essence of competitive intelligence, and much of this analysis, by its very nature, is qualitative and intuitive.

Indeed, by carefully and systematically monitoring a rival's activities, valuable clues can be gathered. By being aware of a competitor's "test marketing" activities, for example, it may be possible to predict the rival's future products and strategies. Go to a trade show and hang around at the cocktail parties; one of the legends you will hear concerns the marketing manager who discovered when and where a rival was test marketing new products; by secretly monitoring the competitor's own research, it becomes possible for the snooping rival to develop attractive alternatives that, thereby, succeeded in the marketplace. Most of these cocktail party anecdotes, incidentally, are set in the past because today's competitive intelligence practitioners have devised ways of protecting their organizations against this kind of spying. Nonetheless, qualitative data of this type

is invaluable even if it is unscientific, cannot be replicated, and may be "compromised" in a variety of other ways.

Although competitive intelligence evolved out of marketing (with the aid of espionage), the activities of the discipline have come to serve all business functions. "Research and development" (R&D) people seek to monitor rival organizations while safeguarding their own data. Possessing information such as the production capabilities of a competitor's factories can provide valuable insights. The financial health of a competitor may influence a decision to confront the rival "head on" or (as an alternative) to strategically avoid direct conflict. Although competitive intelligence began as a special area of marketing research, it has grown beyond its origins and today it provides information to a wide variety of business disciplines and competitors.

Parallels between competitive intelligence and marketing research, however, remain; the real trick for both marketing researchers and competitive intelligence practitioners is to appropriately envision how and why competitive intelligence has expanded beyond its original roots and missions. A good first step in this process is to consider a brief history of the evolution of the field; this will be our point of departure.

A THUMBNAIL HISTORY OF COMPETITIVE INTELLIGENCE

Certainly, some activities associated with competitive intelligence go back thousands of years; thus, Judas Iscariot was bribed into revealing Christ's location. In the past, however, the techniques of intelligence were not systematized and the people who performed this sort of work were not a distinctive group with unique methods and traditions. It was not until the 1960s that competitive intelligence emerged as a distinct discipline in its own right. The work of William T. Kelley can be used to suggest the origins of competitive intelligence as a distinct entity. In specific, Kelley's book *Marketing Intelligence* (1965) introduced the field of intelligence, while his influential article in the *Journal of Marketing* (1968) provided a short and readable account that was easily available to management. Kelley's seminal work was quickly followed up with Richard L. Pinkerton's influential five-article series (1969) in *Industrial Marketing* entitled "How to Develop a Marketing Intelligence System." These documents can be seen as representative of the pioneering intellectual foundations of competitive intelligence. Although much of marketing intelligence stems primarily from marketing research, some early observers noted that the field quickly transcended its roots. Kelley himself observed on the first page of his seminal work, "Marketing research is a tool of great value to the marketing intelligence worker. However, there is a considerable difference" (1965, 1). Having made this point, Kelley goes on to discuss the traditions of spying and espionage which, he notes, go back thousands of years.

The next generation in the evolution of competitive intelligence can perhaps

best be discussed with reference to the work of Michael E. Porter. Porter's books, including *Competitive Strategy* (1980) and *Competitive Advantage* (1985), among others, were aimed at practitioners, not academics, and they demonstrated to business leaders that competitive intelligence is a much-needed business function. Still, Porter's work tends to covertly assume that intelligence information already exists (and/or the tools required to professionally gather it are already in place). Nonetheless, competitive intelligence was gaining a higher profile as a distinct business function.

From the 1980s until the turn of the century, practitioners have largely concentrated upon technique. Various thinkers have become identified with specific perspectives; for example, Vella and McGonagle's work has centered upon the use of computers (1987) and the Internet (1999). Writers like Tyson (1990) provide "how-to" manuals that are reminiscent of Pinkerton's pioneering series of articles. Today, a wealth of useful publications examine how to pursue various competitive intelligence activities; examples include Paula Bernstein's *Finding Statistics Online* (1998) and Carole Lane's *Naked in Cyberspace* (1998).

The work of Leonard Fuld, however, is perhaps most representative of the current state of the art of competitive intelligence. Fuld's definitive work is his *Competitive Intelligence* (1985), it is a seminal book that helped revolutionize the field. As the years went on, Fuld has emerged as a keystone figure, not merely because of his writing but also because he is the founder of a major consulting firm dedicated to competitive intelligence. This organization provides training, performs consulting services that are tailored to the needs of specific clients, and the Fuld organization has a web site that provides a wide range of information and advice. Fuld's orientation also represents the broadening of competitive intelligence in ways that transcend its roots in marketing research. The visions of competitive intelligence that Fuld embraces have helped popularize the warfare metaphors that have proved to be most productive to the field.

Ask a male executive (from the United States who is in his fifties or older) about a management/motivational film entitled *Second Effort* that was popular during the 1960s. Not only will he probably remember the film; the odds are good that he will also be able to recite a couple of its more compelling examples. By considering this film and the method used to present its message, perhaps we can learn something about the managerial elite, how it thinks, and how it most effectively communicates.

Second Effort concerns Vince Lombardi (legendary coach of the Green Bay Packers professional football team). Sports analogies, of course, are very popular with executives and business thinkers. Furthermore, sports analogies tend to be overtly intertwined with military or warlike metaphors. Key players are equated with field commanders and the struggles of athletes are compared to the anguish of the battlefield. Most significantly, athletic tactics are depicted in terms of military strategy. Skilled generals (or sports heroes) are depicted as possessing universal leadership skills that should be emulated in generic ways by corporate

leaders, decision makers, and analysts who provide clients with actionable information.

Intelligence and spying, as indicated above, are often closely intertwined with military strategies and tactics. As competitive intelligence began to gain an identity separate from that of marketing research, pioneers such as Fuld increasingly embraced the military metaphor. Competitors came to be depicted as military foes; the activity of intelligence was increasingly depicted using metaphors based on warfare. These characterizations are useful in two separate ways; first, much of the strategic work that executives perform actually does correspond to the efforts of military commanders. Second, and possibly more important, the military analogy is attractive to decision makers and it is well received by them. There is no doubt that military comparisons are useful and will continue to serve and influence corporate leaders.

Fuld has correctly and appropriately used the military metaphor for many years. Nonetheless, metaphors and analogies, by their very nature, focus upon some similarities while ignoring or discounting signficant differences. Thus, although I admire Fuld's work, his vision must be embraced with caution and in guarded ways.

THE LIMITATIONS OF THE WARFARE MODEL

All models abstract reality. That is their nature and their purpose. Models, by culling our focus down to the bare essentials, are able to rivet the thinker's attention upon what is "really important."

An anthropologist who is interested in examining how social institutions interact with one another, for example, may study a tiny tribe, since that society is "pared down" to its most basic essence. By studying a little society, anthropologists often feel that they will be able to more clearly understand how the various institutions of a culture reinforce and/or conflict with one another. Simplifying the task of investigation (by studying a miniature culture), the researcher efficiently generalizes how a larger society will probably function under analogous circumstances. Just as a model airplane might cheaply depict the behavior of a jumbo jet, the functioning of a tribe is used to predict the response of mass society.

But what if it is the very complexity (or lack of complexity) of the culture (not universal aspects of organizational response) that exerts the impacts that concern us? If this is the case, studying the small-scale culture would not provide any useful information regarding how the large society will respond. In fact, if we choose to abstract reality using a model that wrongly assumes that today's large cultures are merely small societies writ big, we could profoundly misunderstand the situations we face; as a direct result of the model used, we could make profound strategic errors. This example reminds us of two significant problems inherent in using any kind of model. First, once models are embraced,

they tend to seductively direct our attention in their own direction. Second, a specific model may distort our vision in counterproductive ways, even though we are not aware that this is happening.

By the same token, although the warfare model is useful in many contexts, it simultaneously has the ability to distort reality because it concentrates on only one set of considerations: conflicts between enemies. In addition to simplifying reality, warfare analogies can degenerate into being simplistic if they narrow our focus in counterproductive ways. The military analogy is very seductive, and it often serves as a very useful and legitimate tool since rival organizations do "fight" with one another. Also, as we all know, there are winners and losers in these "battles over the marketplace." Organizational leaders, furthermore, actually do deploy strategies and tactics in ways that are suggestive of a military campaign. Many organizational leaders, likewise, consciously model themselves after military commanders; as a result, their behavior and thought are largely inspired by military prototypes. All of these tendencies point to the usefulness of military comparisons.

From another perspective, however, the military model draws attention away from the true purpose of organizations. As every marketer knows, the purpose of any organization is to serve its clients, and, of course, this truth is best expressed by the "marketing concept" that strongly affirms that the only reason for any organization to exist is to satisfy the client's perceived needs and wants in the most efficient and/or appropriate way.

The marketing concept does not concentrate upon competition between enemies; instead, it looks at the organization in terms of the degree to which it provides a sought-after good or service to its clients. This perspective, while not totally canceling out the value of a military analogy, channels our attention in other directions. Thus, according to the marketing concept (which is almost universally embraced by the marketing profession), organizations should primarily concern themselves with cooperation and collaboration between friends and allies; doing so, however, is the complete opposite of the military metaphor, which focuses upon strife and conflict between enemies.

My purpose here is not to discredit the military analogy or minimize its importance, but simply to observe that it (like the marketing concept) is a specialized model that is particularly useful under certain circumstances, and when dealing with a particular variety of relationships. However, outside of the special circumstances where the military analogy serves well, it might prove to be counterproductive. The marketing concept, the raison d'être of marketing, seeks to structure organizations around the happiness and welfare of clients. We should not allow military metaphors (even though they are useful under many circumstances) to blind us to what marketing really does and who marketers really are. Competitive intelligence professionals need to keep this dichotomy in mind when conducting research and making actionable recommendations.

A DISTINCT FIELD

As argued above, competitive intelligence started out as an extension of marketing research. As time has gone on, however, the field has developed it own traditions, methods, and universe of discourse. Here, we will concentrate on these developments and why they are important for executives, decision makers, and strategic planners.

First, the field has been spurred on by the computer revolution, the wealth of data available via the Internet, and the need for techniques that have been specifically designed around the current situation. Other technological developments (such as the availability of satellite photographs) make it possible for competitive intelligence professionals to study a wealth of empirical data that, until recently, was completely unavailable. Due to the nature of much of this data, furthermore, special methods of analysis had to be created. In general, these techniques are inspired by the methods of espionage that manipulate qualitative and subjective information in order to draw inferences. Another way in which competitive intelligence has become distinct from marketing research is the fact that competitive intelligence practitioners are responsible for protecting the organization's own proprietary information, not merely gathering data to be used by decision makers. Thus, the field has both offensive and defensive responsibilities.

Today's competitive intelligence professionals often resent being equated with spies. They, in contrast, tend to view themselves as information monitors and research practitioners who intuitively sift through mountains of data in search of nuggets of actionable information. Although a certain amount of clandestine work may be performed, unlike a spy movie, competitive intelligence work tends to be fairly routine and performed within the limits of the law. It is legal and mundane, for example, to go to a factory and note if the parking lot is full during the second shift; doing so can be routinely and legally accomplished. The resulting information, however, may prove to be an invaluable clue regarding the health of the competitor (or its ability to quickly raise production). By intuitively combining this kind of information with other bits of data that can be legally gathered (such as searching the public record to see if a building permit has been issued to the company), it may be possible to extrapolate a mosaic that infers a competitor's strengths, weaknesses, and future strategies. The conclusions drawn from the information made available via competitive intelligence are usually not based on "hard facts"; instead, they result from a number of independent observations that are woven together with subjective judgment and intuition. If all (or most) of the available data points in a specific direction, fairly reliable conclusions can result, and these intuitive judgments can form the basis of a forceful strategic response. It is the discipline of competitive intelligence that gathers and processes this kind of qualitative information and draws inferences from it.

The successes and unique contributions of competitive intelligence have re-

sulted in the field being recognized as a separate and distinct discipline. Not only that, the profession has its own literature (with journals such as *Competitive Intelligence Review*), an array of consulting firms providing a range of services, and a strong professional association, the Society of Competitive Intelligence Professionals. (Those who are interested in this organization may wish to visit the association's website at http://www.scip.org). The field of competitive intelligence, therefore, has come a long way since it was an afterthought of marketing research. Circumstances have coupled with the internal development of the field to give competitive intelligence prestige and clout in today's corporate world. It is now necessary to "tease out" and discuss characteristics that make the field unique and compare them to scientific/quantitative alternatives.

THE QUALITATIVE NATURE OF COMPETITIVE INTELLIGENCE

Although competitive intelligence employs a variety of state-of-the-art technological tools, the field, most basically, is characterized by its ability to intuitively and subjectively analyze qualitative data in order to generate actionable information. This bedrock of instinctive and spontaneous evaluation, however, can easily be masked by the fact that much of the information provided by competitive intelligence is gleaned from data that is made available by science, technology, and computer tools (such as the Internet).

Indeed, at a 1999 conference sponsored by the Mercyhurst College R/IAP program in intelligence, constant complaints arose from intelligence practitioners who bemoaned the fact that decision makers often do not understand what intelligence is and what it is capable of achieving. Thus, it was observed that "there is a demand for hard data . . . not qualitative information [and] too much number 'crunching' and not enough actual analysis" (Walle 1999, 38). In general, it was observed that "there is an over-reliance upon technology/lack of human intelligence" (Walle 1999, 37). These problems were viewed as being compounded by the fact that it appeared to the attendees at the conference that there was a significant "lack of executive buy-in" and "the leadership of organizations tends to be unaware of the value of intelligence" (Walle 1999, 37).

Although these observers may have been somewhat overstating their case in rhetorical ways, their comments have a significant value; many business leaders continue to largely rely upon the more "fashionable" scientific and quantitative methodologies and, as a result, these analysts do not fully benefit from the tools and perspectives that competitive intelligence offers. In general, I suggest that competitive intelligence fills a void that has been created by the dominance of scientific and quantitative methods. The specialized tools of competitive intelligence, therefore, are invaluable and irreplaceable.

As indicated throughout these discussions, competitive intelligence has developed specialized techniques that are based upon intuitive and subjective evaluation. As such, the discipline possesses both strengths and weaknesses.

Ultimately, any form of analysis is a tradeoff in which options are sacrificed in order to pursue a specific and circumscribed course of action. Due to its inherent characteristics, the methods and influences that typify competitive intelligence are very different from scientific/quantitative methods. Instead of harshly evaluating competitive intelligence as a field that does adhere to the tenets of the formal methodologies, it is more appropriate to envision what competitive intelligence can accomplish and evaluate the method on its own terms.

Most basically, competitive intelligence provides a way to draw inferences from perceptions and intuitive insights. In many situations where this kind of analysis is most effective, competitive intelligence has a significant methodological edge.

One of the "buzzwords" of the current generation is "thinking outside of the box." The essence of the phrase is that all too often analysts and decision makers are "locked into" perspectives that have been inherited from the past. Competitive intelligence, by its very nature, is geared around transcending conventional forms of analysis. As a result, whenever leaders want perspectives that "go against the grain," competitive intelligence is poised to contribute insights that scientific and quantitative methods cannot provide.

Thus, competitive intelligence can be viewed as a method that provides an alternative view based on inference, not hard facts manipulated via formal methods. Although science and quantitative methods provide organized methods of gathering and manipulating data, this very emphasis upon formal methods can make it difficult for alternative methods and perspectives to gain the attention of decision makers. By affirming that competitive intelligence provides a "different, but equal" technique for evaluating phenomena, decision makers can use it to extend their vision and the range of data upon which strategies and tactics are based.

A crucial role of competitive intelligence is providing a quick response when time is of the essence. Much scientific work, however, is time-consuming. Competitive intelligence, because, it is geared toward drawing inferences based on weak data, is specifically designed to draw inferences based upon compromised forms of evidence. One of the cliches mouthed by executives is that "good information today is better than perfect information tomorrow"; decision makers often need perspectives that can immediately be put to use. As a result, researchers and analysts must be able to function with these constraints in mind. Competitive intelligence professionals are poised to adjust themselves accordingly.

GENERAL SCIENCE VERSUS SPECIFIC INTELLIGNECE

Science seeks to generalize facts that have been gathered and manipulated in an orderly, systematic, and unbiased way. Scientific researchers place a high value on being "objective" and they actively seek to limit the impact of the researcher upon the investigative process.

Even though scientists use insight when posing hypotheses, formal researchers strive to be completely "objective" when research is actually being conducted. In addition, scientists perform experiments that can be "replicated" by other researchers in order to determine if the pattern observed by one researcher can be repeated by others. These traditions of science are of profound value and their significance is not questioned here.

Science, however, is not primarily designed to provide answers to specific, unique questions. Science gathers a body of evidence and then generalizes this evidence into discernable patterns. Thus, a scientist using quantitative methods might survey 750 individuals (who were chosen in some random and rigorous way) and generalize their responses. As a result, it might be possible to predict what percentage of a target market will buy certain products under a variety of circumstances.

This kind of analysis, however, is of limited value when answers to specific and tightly focused questions are being asked. Although generalized patterns of probable response by a large and diverse target market might provide valuable and actionable insights, this type of information will not necessarily provide definitive answers regarding how a specific organization or individual will respond when placed in a unique situation. Thus, if decision makers seek insights regarding how a specific competitor or customer will respond to a particular set of circumstances, research aimed at uncovering generalized patterns of response might not be appropriate. Science is geared around providing general information regarding recurring patterns. Where specific information is needed, science might not be the most effective research tactic.

Certainly, on some occasions business analysts (such as marketing researchers) recognize the need to dispense with scientific techniques because circumstances warrant alternative methodologies. Thus, when studying an industry (such as automobile manufacturing) in which there are only a few major players, researchers understand that the generalizing abilities of science are not appropriate, since there exist only a limited number of customers who make decisions that are based on their own unique circumstances. As a result, firms that serve highly concentrated industries tend to perform a specific and detailed analysis of each possible customer. Although many marketing researchers do not realize it, the tactics they use closely parallel the methods used by competitive intelligence professionals. Indeed, business researchers often independently invent various tactics that are already used by competitive intelligence analysts.

Competitive intelligence, in contrast to science, is specifically geared around the specifics of the situation. Competitive intelligence does not seek to uncover generalized patterns of response that are universally true; it tends to focus upon specific circumstances and uses intuitive and subjective evaluations when doing so. As a result, competitive intelligence is centered around the "here and now" and the particular circumstances being investigated. Although it might not be possible to generalize the results of this analysis, the focused information provided by competitive intelligence is often most relevant to decision makers.

Ultimately, there is a vital need for both scientific inquiry and qualitative research. As a result, each should be respected as vital and viable when appropriately pursued. Unfortunately, the chauvinism of many scientific and quantitative researchers has denied parity to qualitative researchers, such as competitive intelligence practitioners.

THE RIGIDNESS OF SCIENCE: THE FLEXIBILITY OF INTELLIGENCE

Thus, science generalizes facts that have been gathered in a specific sort of way. As a result, science does not typically seek to provide specific answers to unique questions. Furthermore, in order to be "objective," scientists adhere to rather rigid methodologies. Competitive intelligence, in contrast, centers around the here and now and it, as a discipline, is little concerned with generalities. Competitive intelligence is also much more flexible in the types of information that it will embrace when conducting research. These differences are artifacts of the distinct tasks that each research method is specifically designed to accomplish. It is useful to keep these distinctions in mind when analyzing science, competitive intelligence, and the differences between them.

Futhermore, science is designed to create knowledge that future researchers can build upon in order to further advance our understanding of a specific topic. As a result, science needs to be as exact as possible so that the findings of scientific research will form a solid foundation for future investigation.

Much competitive intelligence, in contrast, is designed to perform an analysis of a specific circumstance in order to provide insights for ad hoc purposes. The product of this research, by its very nature, can usually not be easily generalized. As a result, the findings of competitive intelligence are not designed to create a bedrock of theory and empirical knowledge upon which to build general theories. This fact, however, does not undercut the viability of competitive intelligence, since it usually seeks to provide useful ad hoc information. Competitive intelligence strives to create actionable information that is tailored around the ad hoc needs of decision makers when they face distinct and unique circumstances. As long as the field of competitive intelligence and its clients recognize this fact, the value of the discipline will be recognized.

As indicated above, researchers often realize that the methods of science must be relaxed in actual practice. A classic example of this tendency is the "cost of perfect information" principle. The concept is usually stated as: "how much money would a firm be willing to spend in order to gain 'perfect information' " (that is, knowing exactly what will happen in the future). The answer, of course, is that the organization should not pay more for the information than it would gain from having it. Thus, if one could buy advance knowledge of the winning number of a lottery, one should not pay more for this information than the prize one would win.

As a result, business researchers often recognize that even if it is possible to

acquire precise information (via extensive research), actually paying to get it may not be cost-effective. As a result, alternative sources of information are relied upon because doing so has a practical value. Competitive intelligence is a method of analysis that may be cost-effective in a number of circumstances, even when more precise methods could be used.

As indicated, scientific and quantitative researchers often accept research designs in which the level of credibility is relaxed for the sake of expediency and/or in order to save money. Competitive intelligence is even more flexible in this regard and, therefore, it should often emerge as the research method of choice where time and cost constraints are significant. This is especially true in situations where the organization must quickly decide upon a course of action. Competitive intelligence can often be completed quickly and it can be easily streamlined in order to respond to the needs of decision makers.

COMPETITIVE INTELLIGENCE: BASTION OF INSIGHT AND INTUITION

By its very nature, science consciously seeks to outlaw intuition and subjective thought. The goal of research is to eliminate the impact of the researcher upon the final product. Although scientific and quantitative researchers may use insight to pose the problems to be investigated, their methods seek to completely eliminate the impact of the researcher upon observed data. The research, furthermore, tends to be conducted in ways that allow any other interested scholar to repeat the exact investigation and see if the results are the same. These methods have proven to be invaluable in many circumstances. As we have indicated, however, these successes should not blind us to alternative methods that have a significant and legitimate role to play. Increasingly, business researchers are accepting this fact.

Simultaneous with the emergence of competitive intelligence, as a separate entity, is the fact that in recent years the marketing profession has actively sought to expand beyond "scientific" and quantitative methods and it has done so by embracing qualitative alternatives. As we will see in the next chapter, marketing has embraced an array of qualitative research tools independently of competitive intelligence. This parallel embrace of qualitative methods creates similarities between competitive intelligence and marketing research, even though the two fields have diverged in other ways and have evolved from different intellectual traditions. It also provides clues regarding how the two fields can be melded in useful ways. Pointing to these options is one goal of this book.

Today's business leaders seek relevant qualitative data. This is true both in marketing research and in competitive intelligence. As we have seen, although competitive intelligence and marketing research have diverged in many ways in the last 30 years, both fields are increasingly focusing upon the embrace of qualitative research methods. The qualitative agendas and methods of the two fields have developed separately and they have been inspired by different influ-

ences; in spite of this diversity, however, both competitive intelligence and marketing research are united by their qualitative emphasis. Thus, although marketing research and competitive intelligence have diverged in many ways, they have converged in other directions.

WHERE QUALITATIVE METHODS SHOULD DOMINATE

Although competitive intelligence may be a bastian of qualitative thought, it is still necessary to point to *specific circumstances* where this kind of qualitative thought and inference should dominate. To demonstrate the superiority of qualitative methods in a range of research situations, four representative circumstances are discussed; together, they demonstrate that qualitative methods are often superior to scientific/quantitative techniques. The specific examples include:

1. Time Is a Critical Factor
2. The Phenomena Studied Are too Complex for Scientific Analysis
3. The Methods of Science Potentially Distort the Situation Being Examined
4. Intuition and Judgment Are Crucial to Analysis

After these situations are discussed, tips on how to use them in negotiating with clients will be provided.

Time Is a Critical Factor

As mentioned above, decision makers often need quick information because a decision must be immediately made with little prior notice. Under these circumstances, decision makers must rely upon whatever information and perspectives can be readily made available. Numerous examples of this tendency can be cited, including:

A competitor releases a new product and the organization must quickly respond. There is no time for a fully developed scientific/quantitative research initiative.

An organization is negotiating a deal that must be consummated within a short period of time. At the last moment, new information becomes available and the organization must assess these facts before making or accepting an offer.

Organizational leaders demand ongoing reports on various topics. These reports are time-sensitive and the analyst must provide them on an ongoing basis. There is no opportunity to conduct in-depth research.

In all these examples, even a somewhat flawed analysis is better than forcing decision makers to postpone a decision or choose strategies without the benefit of any useful information. Because qualitative analysis is often able to infer

actionable information in a fraction of the time required by scientific and quantitative analysis, it has a distinct role in these circumstances.

The Phenomena Studied Are too Complex for Scientific Analysis

Much social phenomena are very complex. And yet, it is the interactions of people working together in complicated situations that often concerns competitive intelligence professionals. Consider the following issues that may be of interest to competitive intelligence professionals and their clients:

To what extent does a decision maker fear for his/her job? To what extent will this fear impact the decisions that are made? Will the decision maker tend to make "safe" decisions in order to be free from attack? Or is the decision maker confident enough regarding his/her niche within the organization to take a chance and make unconventional decisions as required?

Organizations and individuals will make decisions based on the information they have and the degree to which they trust it. Nonetheless, analysts cannot assume that competitors or customers have full access to information or that they will utilize it to the fullest advantage. To what extent should we assume that information that is readily available is consulted and "properly analyzed"? Due to the complexity of organizations, this is a profound issue that must be carefully considered.

Organizations and their leaders often build friendships with others. These friendships can cause decisions to be made that are emotional and not totally rational. Behavior may respond from a complex set of interrelationships that often needs to be factored into an analysis. Scientific/quantitative analysis may not be well suited to deal with this emotional milieu in which decisions are made.

In order to effectively analyze many situations, researchers must transcend scientific/quantitative methods and use qualitative methods when doing so. Clients may need to be reminded of that fact.

The Methods of Science Potentially Distort the Situation Being Examined

As we have seen above, people do not always respond in thoughtful and rational ways. In addition, people may not be consciously aware of what they are doing and/or why they pursue a particular path of action. The whole premise of modern depth psychology, for example, is based on the notion that much behavior is triggered by factors that lie below the actor's level of consciousness. Attributing rational behavior on the part of social actors in such situations is inherently distorting. Much scientific/quantitative analysis observes behavior without adequately considering the social or psychological context. Nonetheless, removing behavior from the milieu in which it exists can eliminate a consid-

eration of the context in which decisions are made; doing so can be distorting and limit the value of the research.

Intuition and Judgment Are Crucial to Analysis

On many occasions, the application of intuition, insight, and subjective evaluation is crucial to the evaluation. Scientific/quantitative analysis is designed to deal with general patterns. These methods, however, are not as effective when dealing with distinct responses that are triggered by unique events. Consider the following situations:

The analyst has been following an industry for many years. Currently, the industry faces a complex and unusual set of circumstances involving many different events and pressures. This situation cannot be adequately modeled using scientific/quantitative methods.

Although the analyst has followed the management style of an organization or executive, there is no track record regarding the type of decision that is to be made. Nonetheless, a projection must be made and acted upon.

An analyst is trying to decide if using a set of secondary data that already exists will provide the client with the data that is required. Say, for example, you want to predict how a competitor will market a new clothes washing machine. You have no data regarding this project, but you do have information regarding how the same management team launched a new clothes dryer. For our purposes, are washers and dryers the same?

It may be impossible to rigorously deal with such issues using scientific/quantitative methods; qualitative judgment and insight, however, can serve in these areas. Indeed, there are many important areas where relying upon intuition that is based on qualitative information is the premier method of analysis and investigation. Psychological counselors and therapists, for example, rely heavily upon intuition and judgment; the accomplishments of these professions and their practitioners are well documented and highly respected. Qualitative methods also have profound value in situations that involve competitive intelligence. Scientific/quantitative methods may be useful in discerning cultural or industry-wide patterns. Analyzing particular and unique situations is often best accomplished via intuition, judgment, and inference that is based on qualitative data. Table 2.1 presents these justifications in tabular form.

There are, of course, many situations where qualitative and intuitive methods are preferable to more formal techniques. My goal here has been to present an evenhanded discussion of the value of qualitative research methods. Those of us who must deal with scientifically minded clients often face obstacles when recommending qualitative research designs. Here, some overt benefits of qualitative techniques have been spotlighted. It is hoped that they will provide clues to the analyst who may have to negotiate the use of qualitative methods with clients who are predisposed toward scientific/quantitative methods.

Table 2.1
Justifications for Choosing Qualitative Methods

Justification	Rationale	Discussion
Time Is Crucial	In many instances, decision makers need information quickly. On these occasions, scientific/quantitative methods may grind too slowly. Alternatives, such as qualitative methods, are preferable in these cases.	Decision makers will be familiar with the fact that when time is of the essence, the methods employed may need to be adjusted. Since this is well understood, decision makers often acknowledge the need to use methods they might otherwise feel are compromised.
Too Complex	Many problems are so complex that the abstracting strategies of science can eliminate important variables that need to be considered. Qualitative methods are better able to embrace a broad and complex mosaic of environments and responses and, therefore, they are more appropriate in these contexts.	It is self-evident that many situations are so complicated that scientific/quantitative methods may not be appropriate. Scientists often reject research projects that cannot be rigorously pursued. In many cases, however, analyzing these problems is essential. Qualitative methods can do so.
Science Distorts	Science seeks to systematize research by using highly organized techniques. This systematizing process, however, can distort reality. Sometimes the resulting distortion may be an acceptable side effect. On other occasions, the distortion may be so great and/or significant that it undermines the value of the research.	While science is able to achieve rigor, it does so at a cost. By concentrating upon issues that can be rigorously pursued, science may distort reality by oversimplifying complex phenomena. On many occasions, this distorting may undermine the value of the research or even provide perspectives that are counterproductive.
Intuition Essential	Social life and the responses of particular people are complex and multifaceted phenomena. Due to the nature of this behavior, scientific/quantitative methods may not be able to usefully abstract the essence of what is being examined. Under these circumstances, researchers might be forced to rely upon intuition, not "objective fact."	Decision makers often realize that qualitative data and intuition are profoundly important, but they fear relying on qualitative data because they need to base their decisions on "facts." In reality, no apologies are needed when using qualitative methods and insights. This fact needs to be forcefully articulated.

SUMMARY

Competitive intelligence is a qualitative form of research and analysis that initially emerged from the field of marketing. As time has gone on, however, the scope of the field has grown and today it serves all of the business disciplines.

As competitive intelligence has become generalized beyond the marketing function, there has been a tendency to embrace analogies that stem from sports and warfare. According to these analogies, organizations in conflict can be depicted as rival terms or armies doing battle. Leaders are portrayed as field commanders who are skillfully responding to challenges and threats. There are many useful applications of these analogies.

Most basically, however, the behavior of organizations is serving customers and clients. Although providing service may inevitably involve competing against rival organizations, the most basic activities of organizations involve service, not conflict. This marketing perspective is of immense value to all those who are involved in the development of strategies and tactics. Competitive intelligence professionals must be able to consciously temper the sports and warfare analogies in order to deal with the fact that, most basically, organizations provide service; conflicting with others tends to be a tactic, not a strategy.

KEY TERMS

Espionage. A qualitative method that analyzes diverse forms of information that often have weak reliability. In recent years, however, competitive intelligence professionals have come to depict espionage in terms of the use of illegal and/or unethical methods. This depiction allows the "strawman" of a morally flawed espionage to be juxtaposed to competitive intelligence that is portrayed as legal, ethical, and responsible. Focusing on the illegal and unethical elements of espionage, however, is merely a tactic of argumentation; centering upon this narrow depiction of espionage blinds us to the inherent qualitative nature of the method and the many characteristics it has that should be emulated by contemporary intelligence professionals.

Flexibility of Intelligence. While science as a method is rigid and unyielding, intelligence has much more flexibility. Intelligence is not overly saddled with the tenets of the scientific method (even if science may serve as a useful tactic). Intelligence has always depended upon a diverse toolkit and one that often employs personal insight and intuition. Competitive intelligence professionals have always evaluated their work in terms of providing actionable information in timely and cost-effective ways. In general, competitive intelligence professionals are comfortable using diverse methods as long as these techniques help analysts to achieve their goals.

Formal Methods. Scientific and quantitative methods are formal because they have established specific formal guidelines which are to be followed when conducting research. The value of the research is largely measured in terms of the degree to which the formal methods are followed. These methods are designed to insure that the research is objective,

that the rules of empirical investigation have been followed, and that the data being evaluated is credible according to scientific guidelines.

"General" Science. Scientific and quantitative methods are especially useful in determining general patterns and trends. Typically, a "representative sample" is chosen. This sample is observed and it may be manipulated in some way. The observer notes the resulting behaviors. Whatever patterns are identified are used to explain the general behavior or response of the larger group (that is represented by the sample). Extremely effective when appropriately deployed, scientific and quantitative methods may not be particularly useful in situations where unique situations are being examined (such as "how will a particular firm and/executive respond under a defined set of circumstances"). More, focused techniques may be superior to scientific and quantitative methods in these circumstances.

Microcosm Method. Qualitative social scientists (and other observers) often seek to examine a small and easily researched phenomenon that replicates the phenomenon being studied. Thus, a small tribe may be studied, due to the ease of investigation The relationships between various people and institutions may then be used to predict the response of a larger social entity. While doing so can be useful and cost-effective, pitfalls exist. Perhaps the observed responses were the result of the small scale of the society; if this is the case, the behavior of the small society would not necessarily replicate that of a larger culture.

Society for Competitive Intelligence Professionals (SCIP). A professional society for competitive intelligence professionals. The society provides many services including a job bank. The web address of the society is http://www.scip.com.

"Specific" Intelligence. While science is geared toward creating general information, intelligence is designed to gather and analyze specific information about particular organizations and circumstances. The work of intelligence is not designed to provide universal truths that reflect the world at large, but is intended to provide specific information about particular organizations and circumstances. The field and its products need to be evaluated accordingly.

Rigidness of Science. The methods of science and quantitative methods are rigid and the quality of the research is judged in terms of how well the research incorporates the idealized practices that are judged to be appropriate. The quality of research is measured in terms of adhering to proscribed methods. Since acting according to established procedures is of prime importance, the methods of science and quantitative methods are rigid.

Sports Analogy. Business writers and thinkers often use sports analogies. In doing so, the organization is depicted as a team and the leader is depicted as a coach or lead player. The sports analogy is closely akin to the popular warfare analogy. A shortcoming of the sports analogy is that it focuses on conflict between organizations, not cooperation between an organization and its clients.

Warfare Analogy. The warfare analogy depicts organizations as marshaling forces in opposition to foes in ways that, by analogy, can be depicted as warfare. Paralleling the sports analogy, the warfare analogy can be used to depict conflict between different organizations, but it is ill equipped to deal with ways in which organizations cooperate with clients and customers for their mutual benefit. As a result, the warfare and sports analogies are not of universal value and applicability.

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Chapter 3

Marketing Research: Merging with Another Qualitative Tradition

INTRODUCTION

As discussed in the last chapter, competitive intelligence has carved a niche for itself within the private sector by providing decision makers with intuitive and subjective methods of analysis. In the post–World War II era, however, these qualitative techniques were largely eliminated from the array of "legitimate" research methods that were "officially" embraced by the business disciplines. Competitive intelligence initially emerged within this environment as an alternative analytic method based on inference, not science.

Thus, competitive intelligence emerged as a distinct and multifaceted profession with its own unique tools and methods of reasoning, which are centered around subjective and intuitive styles of analysis. This flexibility has been a significant factor leading to the growth of the discipline and the contributions it has made. Able to respond promptly and not shackled with inhibiting restrictions, competitive intelligence provides decision makers with timely information that is geared around the needs of the moment. As a result, the methods of intelligence have gained clout and prestige among practitioners.

Today, a wide array of business scholars, following the lead of competitive intelligence practitioners, has come to recognize the value of expanding beyond quantitative and scientific analysis. In this chapter, key areas where qualitative/subjective techniques have emerged as viable conventions within business research will be roughed out. This general discussion will be followed by more focused and detailed analyses in later chapters. Due to the author's personal background, much of this analysis will center around marketing and consumer research.

QUALITATIVE SOCIAL SCIENCES AND MARKETING RESEARCH

As has been emphasized, business researchers have, for various reasons, come to embrace scientific and quantitative methods, and, as emphasized above, focusing on only one sort of analytic tool (such as scientific/quantitative methods) can straightjacket business researchers in unproductive ways. Eventually, business researchers came to acknowledge that they live in "the real world" and that they sometimes need to adjust their methods and tactics of investigation accordingly. Thus, the "value of perfect information" cliche encourages researchers to not spend more time and money gaining information than its value to the decision-making process. An example of this tradition of employing nonscientific methods in guarded and ad hoc ways is represented by the initial popularity of qualitative "focus group" methods. In focus group research, the skilled "facilitator" who conducts the research chooses a small sample of individuals who are supposedly representative of some larger group (such as a target market). These informants are placed in comfortable surroundings (often in a laboratory that resembles an inviting living room). The facilitator typically asks a number of open-ended questions designed to get the participants to brainstorm about the product, situation, or strategy that is being investigated. The responses are recorded and the facilitator provides a "write-up" that summarizes the salient points uncovered by the session.

Such tactics are neither scientific nor quantitative. Indeed, the tactics of focus group research may encourage the unguarded facilitator to lapse into merely gathering anecdotal data that masquerades as insight. The sample is small (usually six to eight participants). Since the participants communicate with each other, it may be hard to determine how many people actually share the same views and how many responses are triggered by the more dominant members of the group. The facilitator, hardly an impersonal, uninvolved observer (a condition stressed by scientific methodologies), takes an active role in guiding the functioning of the group. Viewed from a scientific or quantitative perspective, the focus group method has profound flaws.

Due to their ascientific nature, focus groups were primarily used to generate hypotheses that could later be tested by more scientific or quantitative forms of research. Under these circumstances, focus groups provided a quick and cheap means of developing testable hypotheses that could be researched scientifically. Under this arrangement, the focus group technique was viewed as an inferior research instrument, but one that could help to channel more costly and rigorous scientific research in economical ways.

Eventually, however, researchers began to note that focus groups were able to achieve results that scientific and quantitative methods could not provide. By creating a setting where an array of different people interact with each other in largely unstructured ways, for example, focus group research benefits from a synergism that cannot be easily achieved using traditional scientific and quan-

titative methods. And, on many occasions, it is this synergism that provides analysts with the insights needed to understand a situation.

Not only can this scientific research fail to provide actionable information and insights, it can also yield false conclusions. In a simplistic example, consider a situation where the researcher falsely believes that the variable a marketer needs to control is the price of the product. As a result, the researcher asks questions about price and may observe some statistically significant patterns of consumer expectations regarding what they expect to pay. But what if it is the color of the product that really influences people to buy or not to buy? Since the research did not address the profound importance of color upon consumer response and since statistically significant (although inconsequential) expectations regarding price were identified, the firm may merely fine-tune the price in ways suggested by scientific/quantitative analysis. Doing so, however, would not be particularly effective.

In focus group research, however, these problems can often be avoided. The facilitator, although perhaps somewhat guiding the research, encourages the participants to provide their own insights. Instead of responding to a set of preconceived questions (formulated by the researcher), the participants are encouraged to provide whatever responses they (individually and as a group) feel are appropriate and relevant. In this case, members of the focus group are in a position to reveal that color, not price, is the most important variable; as a result, the research has a means of focusing upon actual consumer tastes, preferences, and demands.

As time went on, researchers increasingly recognized that in addition to serving in a stop-gap situation, there are a number of vital circumstances where qualitative methods are inherently more productive and less distorting than scientific and quantitative techniques. As a result, business scholars and practitioners became aware of the fact that qualitative methods are not merely debased scientific methods; they need to be evaluated on their own terms and, when appropriate, employed as the methodology of choice.

Crucial to this transition in evaluating qualitative research is the realization that the buying and consuming of products takes place in a complex social context. So significant is this social milieu that ignoring it can limit both the legitimacy and the value of analysis. As a result, various qualitative techniques that investigate the social context of behavior have emerged as vital and legitimate tactics within marketing research even though they make no pretense at being scientific or quantitative. Before briefly reviewing these techniques, it is useful to compare this situation to parallels faced by intelligence analysts.

Within the field of international intelligence it was once fairly easy to predict how individuals and groups would respond to specific circumstances. During the Cold War, for example, there were two basic factions (the East and the West) and both were controlled by professionally trained leaders who largely employed logic and rationality when making decisions. In this situation, if one side understood the motives, resources, available information, and obstacles fac-

ing an adversary, it was fairly easy to foresee the probable strategic response of that group or individual.

Today, however, the Eastern and Western blocs have become fragmented and replaced by many different groups. Furthermore, the leaderships of many of these groups do not exhibit the same professionalism and rationality that typified decision makers during the Cold War era. Under these circumstances, intelligence is becoming less preoccupied with formulating generic rational responses by informed professionals. This is true because leaders and decision makers (and their responses) often do not fit rationalistic profiles. Instead, analysts increasingly need to concentrate upon the social and emotional context in which the decision-making process takes place. Doing otherwise can easily lead to a serious misreading of the situation.

Thus, in the Serbian–Albanian conflict of 1999, NATO leaders initially thought in terms of controlling the Serbian leadership by appealing to rational criteria of analysis and choice. The idea was to make the costs so high to Serbia (by bombing) that its leaders would rationally conclude that opposing NATO was against their own best interest (as evaluated from some sort of rationalistic, game-theoretic framework of analysis). This strategy by NATO, of course, assumed that the Serbian leadership would respond in reasoned and calculating ways; in actual fact, the Serbian response seems to have been largely emotional and the bombing campaign only made the Serbs even more passionate. As a result, NATO leaders soon learned that their rationalistic tactics would not necessarily insure quick Serb compliance because Serbian leaders (and increasingly the Serbian people) were responding in emotional, not in systematic, rational, and coherent ways. Under such circumstances, scientific/quantitative/rational paradigms may not be as effective as qualitative analysis that views people on their own terms. Although viewing people from their own point of view may not be "scientific," it is often the most appropriate and effective method of analysis. Thus, just like modern marketing researchers who embrace the focus group technique, intelligence professionals often need to embrace qualitative techniques that view people within a social and cultural context.

MARKETING ETHNOGRAPHY

Within marketing, a number of vital techniques from the qualitative social sciences have been translated to and adapted for the needs of business. The most heralded movement of this kind is known as "marketing ethnography." Borrowing from anthropological fieldwork techniques, marketing ethnography largely relies upon viewing the consumption process from within a social context. In order to do so, the scientific method and quantitative methods are replaced (or augmented) by subjective and intuitive analysis that centers upon what individual people actually think and feel during the consumption process. Doing so largely parallels methods from intelligence that seek to view individual people from within a social milieu and analyze their probable responses according to

subjective perspectives. Because this method allows researchers to systematically deal with the underlying motives that influence specific people within an actual social context, in recent years the qualitative social sciences have emerged as vital to marketing research.

In marketing ethnography, researchers systematically explore the actual experience of buying and consuming products. In order to do so, researchers tend to embrace the underlying social context in which behavior takes place. Ethnographic researchers do not statistically analyze a random sample of people in formal and structured ways. Instead, ethnographers investigate a small convenience sample of individuals and they use an eclectic array of techniques to analyze them. And far from being distant and uninvolved analysts, ethnographers are often actively, even passionately, involved in the social situations they study.

One pioneering research stream of marketing ethnography involves how and why people interact within the context of a flea market or "swap meet." The researchers attended swap meets, noted the context of behavior, and based their conclusions upon a subjective/intuitive analysis of the unique situations they encountered. More than that, the researchers did not merely observe behavior as uninvolved outsiders; transcending passive observance, they actively interacted within the flea market as actual participants. This behavior, of course, is the antithesis of scientific analysis (which prides itself on drawing a rigid line between the investigator and what or who is being studied). Judged by the criteria of "legitimate" scientific investigation, the methods of marketing ethnography are fatally flawed.

Marketing ethnographers, however, insist that since behavior takes place within a social context, the researcher must interpret the conduct of social actors from their point of view. Doing so often involves actual participation by the researcher who, in the process of joining into the action, intuitively learns what is going on and why certain decisions are made. Marketing ethnographers are able to unravel the true mainsprings underlying behavior by relaxing the scientific rules of research in appropriate ways.

In certain key ways, the methods of competitive intelligence parallel those of marketing ethnographers. Competitive intelligence is often concerned with the social context in which decisions are made, not with some sort of scientifically derived profile of response. Competitive intelligence is often overtly concerned with the "corporate culture" of an organization and how these social traditions impact the decision-making process. Inferring this information does not result from some sort of random sample; instead, insight is an artifact of understanding how specific individuals work within a unique social context. Only by focusing on the specifics of the particular situation and doing so in intuitive/subjective ways can the researcher successfully provide decision makers with useful predictions of the probable responses of competitors or clients.

The intuitive methods of the marketing ethnographers stem from the qualitative social sciences while those of competitive intelligence derive from espi-

onage. Nonetheless, parallels exist both in (1) the techniques that are used and in (2) the variety of data that is sought and processed into information. Due to these parallels, the merging of qualitative competitive intelligence and methods represented by marketing ethnography is appropriate. In view of the fact that the social sciences tend to be strategically oriented disciplines, competitive intelligence professionals will be at home with their basic orientations, what they strive to accomplish, and how social scientists ply their trade.

THE HUMANITIES AS A STRATEGIC TOOL

Although the qualitative social sciences do not embrace the scientific method, researchers in those fields still tend to be practitioner-oriented. As a result, although their methodologies may appear to be novel (and even suspect) to some business researchers, their basic orientation (deploy research to formulate actionable responses) is familiar enough. The tools embraced by various humanistic disciplines, in contrast, were not developed with practitioner goals in mind. As a result, it was initially difficult for business scholars to embrace the insights and methodologies of humanistic methods. Nonetheless, in recent years vital connections have been made between marketing research and the humanistic traditions. As a result, humanistic research streams are emerging as vital and provocative techniques within business research.

While social scientists tend to be practitioner-oriented, humanists tend to seek knowledge for its own sake; thus, a practitioner bent or orientation tends to be lacking. The humanistic tradition, as it currently exists in the modern world, is centered within the ivory tower traditions of the university system and it often involves consciously withdrawing from active participation in the practitioner-oriented world in order to develop one's mind and/or to craft perspectives in unique, self-motivated, and self-actualizing ways. Apparently, because the basic motives and perspectives of humanists are so different from those of the typical business-oriented researcher, embracing humanistic methods was postponed until after the qualitative social sciences had made an initial impact.

Although humanists are typically not motivated by practitioner-oriented concerns, they do embrace a strong toolkit that could be employed by marketing researchers and other strategically oriented investigators. Ultimately, for example, literary criticism is a form of cultural analysis that uses literature as its empirical evidence. Scholars examine examples of literature in order to gain clues regarding the society, psychology, or patterns of response exhibited by some target population. Other disciplines (such as popular culture, film criticism, and American studies) embrace essentially identical tactics.

Various other disciplines, such as philosophy, provide visions of how people think. Combining these perspectives with cultural analysis that is centered around works of art and literature, critics seek to discern patterns of audience

reaction that reveal mental and social structures which underlie behavior, goals, and beliefs.

In marketing research there has been a tendency to embrace the tactics of humanistic disciplines (such as literary criticism) and to apply them to analyzing the marketplace. By looking at motion pictures or works of literature, for example, scholars attempt to isolate key elements that impact the culture. There are two basic models that marketing scholars employ when using these techniques. The investigator may assume that authors are unaware of the importance of the themes with which they deal. In the process of writing, however, the analyst assumes that the author unconsciously reveals patterns of response that, if recognized, can be used to understand the author and, by extension, the society. The second model, in complete contrast to artist-centered approaches, suggests that authors are consciously aware of what will impact their readers and they consciously give their audiences what they want. In this case, the author has already performed some sort of marketing analysis (formal or informal) and used it to craft a marketable product; by studying successful literature, marketing researchers are able to isolate and examine the artist's perceptions of the culture and use them to better understand the marketplace.

Competitive intelligence professionals are skilled at analyzing documents and other evidence in order to better understand a corporate culture or a specific decision maker. When competitive intelligence professionals employ these tactics, they parallel literary criticism in relevant ways. Competitive intelligence, however, does not appear to have been greatly influenced by literary criticism even though much of the analyst's work involves analyzing documents in order to infer latent and covert information contained in them. As a result, humanistic tools, such as those of literary criticism, have a significant role to play in helping competitive intelligence to more effectively pursue its research agendas.

Qualitative marketing scholars are consciously embracing an array of critical and humanistic tools and applying them to the needs of decision makers. Like competitive intelligence professionals, these marketing scholars are examining various communications in order to extract latent and covert information that is nested within them. By being aware of the successes of qualitative marketing researchers, competitive intelligence professionals can gain insights about how they can embrace analogous strategies. As a result, competitive intelligence professionals will benefit from merging some of the methods of humanistic marketing research with their preexisting toolkit.

Marketing research, therefore, demonstrates vital ways in which competitive intelligence can embrace the qualitative methods of the humanities. The field can clearly benefit from consciously embracing relevant humanistic traditions and by employing the techniques of disciplines (such as marketing) that have already translated the humanities in practitioner-oriented ways. The time has come for competitive intelligence to consciously and systematically expand in this direction.

COMBINING INTELLIGENCE AND QUALITATIVE METHODS

One of the great intellectual innovations was the 19th-century romantic movement. The keystone orientation of romanticism is the belief that people are so complex that rational/scientific investigation cannot adequately envision humanity in all its depth. As a result, the romantics argued, although science attempts to simplify reality, it often degenerates into being merely simplistic.

The solution to this dilemma, the romantics continued, was a recognition that, to understand human response, researchers need to transcend science and rationality; analysis must be flexible enough to embrace intuition and subjective judgment. In their rebellion against the scientific method in marketing, qualitative researchers within business have, in their own way, embraced reasoning that clearly parallels the romantic tradition. Many competitive intelligence professionals have followed the same path.

As indicated, competitive intelligence has become attractive to decision makers because the field has maintained an ability to transcend formal methods and draw inferences accordingly. Working in a strictly practitioner realm, however, analysts have tended to justify their methods on purely practical grounds. By defending the qualitative methods of competitive intelligence by using arguments reminiscent of the romantic movement, competitive intelligence professionals can make a strong defense of the qualitative methodologies they embrace. As the discipline attempts to storm the bastian of mainstream business research, providing a forceful intellectual justification for its methodologies becomes increasingly important.

By considering these issues, competitive intelligence professionals will be better able to (1) justify their qualitative positions and (2) benefit from the work and methods of other intellectual traditions.

LINKAGES BETWEEN COMPETITIVE INTELLIGENCE AND SOCIAL SCIENCE

In many ways, the tools of the qualitative social sciences blend with and link to the methods of competitive intelligence. A useful way to consummate this relationship is through a consideration of how marketing theory and practice have benefited from the social sciences; these achievements provide clues to competitive intelligence professionals who seek to adapt the social sciences to their work. Because marketing has striven to systematically incorporate relevant aspects of the social sciences to the needs of the business world, much of this blending can be incorporated into the methods of competitive intelligence.

Historically relying more on espionage than upon the social sciences, competitive intelligence has much to gain from this borrowing. In order to do so, the following issues will be examined in distinct discussions:

1. The Qualitative Social Sciences Are Applied Disciplines
2. The Qualitative Social Sciences Interpret Behavior "in situ"
3. The Social Sciences Focus on Social Contexts

These discussions are intended to demonstrate how competitive intelligence professionals can utilize the insights and methods of the qualitative social sciences and defend doing so on both intellectual and pragmatic grounds.

The Qualitative Social Sciences Are Applied Disciplines

Like competitive intelligence, the social sciences are applied disciplines. Although many social scientists have strong links to the ivory tower, the social sciences have ultimately developed in order to provide practitioners with useful tools and perspectives.

Competitive intelligence has evolved as a practitioner-oriented discipline which, unlike the social sciences, has been minimally influenced by the academic tradition. As a result, the qualitative social sciences (with their strong connections to the academy) can, and should, serve as a useful conduit by which a wealth of academic theory and practice can be integrated into the field of competitive intelligence.

The marketing discipline has systematically adapted aspects of the qualitative social sciences to situations involving the private sector. These tools can be generalized by competitive intelligence professionals to serve their needs. In some ways this process may involve actively transcending the marketplace (including analyzing how a particular management team thinks and typically reacts). Nonetheless, marketing's achievements in applying the qualitative social sciences to a range of business problems provides insights regarding how the techniques and strategies of these disciplines can serve business researchers.

The Qualitative Social Sciences Interpret Behavior "in situ"

By "in situ," we mean the actual, specific milieu within which observed phenomena exists. "In situ" refers to a specific and unique occurrence, not some general pattern. As we all know, competitive intelligence is concerned with specific circumstances viewed from an "in situ" perspective. We, as analysts, usually seek to provide specific, "in situ" information.

Many of the quantitative social sciences seek statistical correlations that can be used to predict the future. This research, however, does not view specific phenomena from an "in situ" perspective. In scientific/quantitative research, observations are made regarding a sample that is intended to be representative (and, ideally, is random). Having made these observations, statistical correlations are generated. When the correlations are significant, social laws are proclaimed or predictions are made. When the correlations are not significant, the hypothesis

is rejected. As we shall see, qualitative methods operate in a different way and in a manner that may be preferable when concentrating upon a specific situation. It is helpful to briefly consider how both scientific/quantitative and qualitative methods operate.

As a simple example, let's say that a socialist researcher wants to use the quantitative social sciences to test the hypothesis that "religion is the opiate of the people." The first task would be to redefine the hypothesis in ways that could be examined using quantitative methods. What do we mean by "religion"? What do we mean by "opiate of the people"? The investigator would have to define religion in some appropriate way such as "overarching ethical or spiritual paradigm" and refine "opiate of the people" into something like "a worldview or intellectual construct that reinforces the position of the dominant elite." Having done so, the investigator would seek out a random sample (or a body of evidence that replicates a random sample) and determine the frequency of occurrences where the "overarching ethical or spiritual paradigm" actually functions as "a world view or intellectual structure that reinforced the position of the dominant elite." After data was gathered from the sample of societies being investigated, the evidence would be subjected to statistical analysis. The results of the statistical analysis would either be positive (indicating that there is a relationship according to some level of significance) or negative (the relationship is not proved at a specific level of significance). A key element in this scientific/quantitative investigation is that the researcher is interested in patterns that occur throughout the sample, not in a specific, isolated case. Statistical analysis uses many examples and draws a generalized conclusion by noting the degree of frequency of certain patterns of behavior.

While quantitative analysis tends to generalize many different facts in order to isolate patterns, qualitative analysis is primarily concerned with the specific circumstance. Thus, using our example, the researcher would concentrate upon a specific social situation and, using whatever measures were appropriate, determine if "religion was the opiate of the people" in that unique circumstance.

Note that this investigation is not concerned with broad patterns of behavior, but with the specific workings of a unique society at a particular point in time. This "in situ" analysis provides specific, not general, knowledge.

Although "in situ" knowledge cannot easily be generalized, it can provide clients with profoundly useful information. In the final analysis, decision makers seek specific information; general theories may be useful, but information that is centered around the specific organization being targeted for investigation is typically most prized. Science and quantitative analysis seek generalized knowledge, but this type of understanding is not the kind of information that decision makers typically use when making specific decisions. ''In situ'' information, however, provides relevant insights.

The Social Sciences Focus on Social Contexts

The author is a trained archaeologist and has a background in archaeological fieldwork. Archaeological excavations employ a high degree of documentation; extensive notes are taken; a photographic record is compiled. Before artifacts are removed, elaborate verification procedures are carefully followed. The reason for this complicated effort is easily explained. Artifacts cut loose from the context in which they naturally occur lose a high percentage of their explanatory value. Carefully recording context is not merely a fetish of the archaeologist; anthropologists and folklorists also keep elaborate records. What an artifact or behavior pattern "means" or the significance that it has will probably be lost once this evidence is removed from the social and cultural context where it naturally occurs. By viewing artifacts or behaviors from within their social context, however, it may become possible to extrapolate the underlying social relationships implied by them.

Returning to the archaeological record, a handful of stone tools can only demonstrate flintnapping skills (and, perhaps, patterns of tool use) and a cache of rotten food can only provide dietary information. But what if these artifacts are found ''in situ'' in a grave? Suppose that those burying the body carefully provided the deceased with an array of the tools that were used in life and a generous supply of food. Under these circumstances, the context of the artifacts may be able to demonstrate some belief in an afterlife. The explanatory value lies not in the artifacts themselves; it exists purely in the context.

Competitive intelligence professionals have long recognized the importance of context when evaluating phenomena. The tools we employ, however, stem primarily from the traditions of espionage, not the social sciences. The social sciences, nonetheless, have developed the use of context into a fine art; the means and methods used to do so are especially well developed among the qualitative social scientists. Competitive intelligence professionals can greatly expand their toolkits by embracing these traditions.

The linkages between the qualitative social sciences and competitive intelligence are shown in Table 3.1.

Many valuable and applicable linkages exist between the qualitative social sciences and competitive intelligence. Practitioners, however, may need to forcefully defend such methods when dealing with clients who favor scientific/quantitative methods. We must carefully justify our methods in ways that clients can relate to and understand.

LINKAGES BETWEEN COMPETITIVE INTELLIGENCE AND THE HUMANITIES

The humanities are largely ivory tower disciplines, but their techniques can be applied to many practitioner issues. Following is a brief discussion of how competitive intelligence professionals can utilize a number of humanistic

Table 3.1
Linkages between Competitive Intelligence and the Qualitative Social Sciences

Issue	Linkages	Discussion
Applied Discipline	Competitive intelligence, like the social sciences, is an applied discipline. The applied nature of both facilitates establishing linkages between them.	Since both competitive intelligence and the qualitative social sciences are applied and practitioner-oriented, they share a common focus that facilitates integrating them in actionable ways.
"In Situ" Focus	The social sciences, especially the qualitative social sciences, rely largely upon an "in situ" form of analysis. Doing so emphasizes the importance of viewing a phenomenon with reference to the actual milieu in which it is observed.	Competitive intelligence professionals are primarily concerned with viewing how behavior actually exists in specific circumstances. By doing so, the analyst is better able to predict future responses.
Social Context	While scientific/quantitative researchers often seek to generalize many different observations, qualitative researchers typically view a specific example and concentrate upon its social context.	Much competitive intelligence seeks to discover the specific context in which decisions are made. By doing so, competitive intelligence seeks actionable information that can help predict future response in specific circumstances.

traditions. Four specific examples of humanistic research strategies that have already been successfully borrowed by marketing scholars will be analyzed. They include:

1. Depth Psychological Analysis
2. Overt Analysis
3. Using Analysis to Extrapolate Paradigms
4. Determine What Subjects Do Not Consider

Each of these options will be discussed below.

Depth Psychological Analysis

Depth psychology refers to influences that lie below the level of overt consciousness. Many humanistic disciplines assume that human beings and their behavior are so complex that they cannot be interpreted merely by examining

the rational intentions that people consciously exhibit. As a result, much behavior should not be interpreted at face value and, instead, it should be viewed as resulting from covert goals and influences of which the social actor may be unaware. A key example of this tradition, of course, is psychoanalysis.

According to the principles of depth psychology, people are often unaware of what motivates them and they do not realize the real mainsprings underlying their behavior. Researchers who embrace this paradigm seek clues regarding what lies beyond the level of consciousness and how these forces impact behavior. By examining and focusing upon influences that lie below the actor's consciousness, the analyst gains insights into why people actually behave as they do.

A key area where this method has found fruitful application is literary criticism. Why do writers create specific works of art? And why do certain audiences respond to them? According to critical methods deriving from depth psychology, artists and audiences often respond to phenomena and influences that lie below their levels of consciousness. In an article about marketing/consumer research scholarship, for example, the subconscious reflection of authors was juxtaposed with their conscious strategies and the resulting observation was:

A strong scholarly tradition within literary criticism considers art and literature to be a stylized and relatively "safe" surfacing of unconscious desires and feelings that are usually sublimated below the level of individual consciousness and the overt conventions of social life. As a result of this ability to reveal hidden goals, motives, and feelings, critics use literature as a mirror by which society and humanity can be viewed, analyzed, and evaluated. . . . The critical analysis of literature, film, and popular culture has long applied these tactics. . . . Today [marketing and] consumer researchers are adopting analogous techniques to their work. (Walle 2000b)

Since people are responding to influences that lie below their levels of consciousness, researchers can isolate influences that are covert and of which social actors are unaware by studying literature and the reader's response to it. The value of this kind of analytic tool is self-evident. To whatever extent the competitive intelligence professional can isolate covert influences of which the subject is unaware, the analyst will have a means of predicting responses by drawing inferences from covert information that the person being studied makes no attempt to hide.

Consider a situation where an individual or an organization unconsciously responds in patterned ways to a particular phenomenon (such as high-risk situations). By identifying the unconscious patterns (that are unstated, but exist nonetheless), the analyst will be in a better position to infer future behavior. Certainly, competitive intelligence professionals have long used this sort of method. Although these methods stem from espionage, they have close parallels to the humanities. As a result, the well-established traditions of humanistic anal-

ysis (such as those of psychoanalysis and psychological literary analysis) can be blended with existing intelligence tools in useful and provocative ways.

Overt Analysis

While depth psychological methods are useful when people do not realize what actually influences their behavior, on many occasions social actors and writers are consciously aware of what they are doing and why they are doing it. On many occasions a writer or social actor may have a subtle understanding of others and consciously respond in ways that are intended to illicit a particular response. When this occurs, an analysis of a person's writing or their behavior may be useful when extrapolating the knowledge or strategic perspectives that underlie their action. Where this is so, the analyst may be able to unravel the insights of others and provide their insights to clients.

These tactics have recently been applied to the fields of marketing and consumer research. These techniques can be justified in the following way:

Although theories of sublimation [and being consciously unaware of important influences] provide useful insights, they do not attempt to deal with the fact that professional writers may be overtly aware of their audience, its preferences, and how artists consciously adjust their output in order to cater to a specific and recognized target market. . . . The relevance to consumer research is that there is a tendency for professional writers to make conscious and rational decisions in order to attract and impress their chosen target markets. Wherever this is true, artists analyze the market and respond in rational, calculating ways. (Walle 2000b)

These same tactics can easily be applied to the writings and communications of an organization or an executive. Competitive intelligence professionals have long recognized that they can glean valuable information from the communications of rivals and clients. The resulting insights, furthermore, may provide useful clues that can be translated into actionable information.

Using Analysis to Extrapolate Paradigms

People typically respond in terms of an underlying paradigm of belief structure. Harboring these opinions and beliefs, they interpret phenomena accordingly; their actions reflect these interpretations. If it is possible to deduce people's worldviews, their future responses can be fairly easily extrapolated.

In recent years, marketers and consumer researchers have begun to act according to these principles. The author's research includes the first full-length volume that applies such techniques to an analysis of marketing and consumer response (Walle 2000a). The overt topic of the book concerns how the prevailing worldview of a target market (American society) caused certain plot formulas to be successful in literature and film. Thus, the prevailing plotlines were viewed

as artifacts of the worldview held by the target market; and, as might be expected, as the worldview of the target market changed so did the plotlines they would accept.

This same strategy can easily be applied to the work of competitive intelligence professionals. If the writings of a competitor or customer repeatedly embrace or presuppose a particular paradigm or worldview, it is a good bet that the organization or its key leaders embrace these perspectives. And through a process of extrapolating the underlying premises that are held by the organization or its leaders, competitive intelligence professionals can begin to infer what will and what will not influence that person or organization.

Of course, if a paradigm shift is noted, this fact may indicate a changing worldview and the possibility of new patterns of response. When changes occur, therefore, the client may need to be warned that old patterns of response may no longer have a strong predictive value.

Let's say, for example, that the responses of an executive or organization have been consistent with the belief that stiff international competition will inevitably emerge in the future or that the economy is destined to slump into a recession. If this pattern is pronounced enough, it may be possible to use these paradigms in order to infer future responses, even if they are not directly related to the specific kinds of decisions that have previously been analyzed.

Determine What Subjects Do Not Consider

Studying dominant paradigms can identify phenomena that impact executives or organizations (either overtly or covertly) when decisions are being made. By recognizing these patterns, it becomes easier to predict their future responses.

On the other hand, there may be phenomena that the organization does not consider when developing strategies, analyzing situations, or evaluating performance. Perhaps a decision maker or organization embraces a pet paradigm or worldview to such a degree that other theories or perspectives are ignored; or a firm may carefully monitor trade shows but not systematically gather competitive intelligence data from its sales staff in the field.

The author's own research (Walle 2000a) deals with the power of paradigms to impact response. It is also noted that it is possible for one paradigm to be so dominant that other rival paradigms, although powerful, may not be factored into the analysis. Even though some random individuals may occasionally point to these alternative views and even though they might have great explanatory value, these offbeat paradigms may not significantly impact behavior and decisions. As a result, even though these ideas exist within the society or the organization, the analyst may be able to largely discount them. Doing so can simplify the analytic process by reducing the types of phenomena that need to be scanned. As a result, more actionable results can be gained through less effort.

Table 3.2
Linkages between Competitive Intelligence and Specific Humanistic Tools

Issue	Discussion	Value to Competitive Intelligence
Depth Psychology	People are often not aware of what actually influences them. As a result, they do not consciously and systematically use this information even though it influences them. In addition, they do not attempt to protect it from prying eyes.	Decision makers and organizations often respond to unstated influences of which they are unaware. By extrapolating these unstated influences, competitive intelligence professionals can provide their clients with valuable analytic tools.
Overt Analysis	People sometimes make decisions that are motivated by what they overtly feel will be effective. By studying patterns of conscious response, the overt worldview of the actor can be extrapolated.	Individuals and organizations are often overtly aware of what they are communicating, why they are doing so, and why it is effective. By analyzing these responses, the competitive intelligence professional can extrapolate valuable insights others possess.
Underlying Paradigms	People typically act in accordance with patterns of beliefs that give meaning to their behavior. By viewing patterns of response, it may be possible to extrapolate the underlying paradigm that the social actor embraces.	People and organizations often embrace paradigms and world-views that are not overtly stated. By studying actual responses, however, it may be possible to extrapolate these paradigms. Doing so may have a significant predictive value.
Isolating Ignored Issues	On many occasions, people do not respond to and do not consider issues that may be of significant importance. By extrapolating what does not impact people, they can be better understood and their behavior can be made more predictable.	While organizations and people may embrace some paradigms, they may not think in accordance with others. As a result, the competitive intelligence professional may be able to extrapolate that certain types of information will not trigger a response or be consulted.

Table 3.2 shows some of the ways in which humanistic types of knowledge can be used by competitive intelligence professionals.

In recent years the humanities have emerged as a powerful set of tools that are capable of facilitating a greater understanding of people and organizations. These tools parallel, while not duplicating, many of the established techniques

deriving from espionage. Today's competitive intelligence professionals can benefit by merging these humanistic tools (as refined by marketing scholars and consumer researchers) with their own preexisting toolkits.

SUMMARY

Competitive intelligence is a qualitative methodology. As such, the profession will benefit by justifying itself in terms of other qualitative methods that exist within business research. Competitive intelligence professionals will benefit by developing linkages between themselves and other qualitative methods in business.

In today's world, many qualitative methods exist and many of them have become institutionalized within the business world. Initially, certain techniques (such as the focus group method) justified themselves in terms of their being quick and cost-effective. Today, business researchers with ties to the humanities and social sciences suggest that qualitative methods provide useful options that are not available to those who only use the scientific method and quantitative methods.

The humanities and the qualitative social sciences are particularly useful to business researchers. Both offer well-established alternatives to scientific and quantitative research that have proved to be valuable to business research. Competitive intelligence can benefit by linking the methods of these acknowledged techniques to their work.

KEY TERMS

Enlightenment. An 18th-century intellectual movement that celebrated the ability of science to answer all questions and to resolve all problems in organized and systematic ways. A major social movement that remained dominant for decades, reactions against the Enlightenment eventually led to the establishment of the romantic movement which, turning away from science, argued that much of importance in the world cannot be explained in rational ways, and must depend on other, more subjective or irrational ways of knowing.

Facilitator. Facilitators of focus groups are qualitatively oriented researchers who encourage a convenience sample of subjects to brainstorm about organizations and products. These researchers are able to provide timely and valuable information by supplying an alternative to scientific and quantitative research. Although many other types of qualitative researchers within business have emerged in recent years, most decision makers will be aware of the significance of qualitative focus group research and the valuable services that it provides. If and when competitive intelligence professionals need to justify the use of qualitative research to clients, the example of focus group facilitators may function as a useful icebreaker.

Focus Group. A focus group is a small convenience sample that is analyzed by a facilitator in order to elicit responses of a qualitative nature. On some occasions, focus groups are used to quickly and/or cheaply gain preliminary information. On other occasions,

focus groups provide qualitative insights that scientific and quantitative research could not provide.

Fragmented Leadership. During the Cold War, there were two basic sets of opponents (or rivals) and each was professionally trained to make rational decisions using state-of-the-art techniques. With the end of the Cold War, international leadership has become fragmented and less predictable. In addition, the leaders of various groups may not have the same degree of professional training as was the case during the Cold War. In addition, there is a greater chance that these leaders will respond emotionally and with reference to social, not strategic, concerns. Due to these circumstances, more qualitative methods are often needed by intelligence professionals. Drawing an analogy between the end of the Cold War and the downsizing of corporate America, competitive intelligence analysts increasingly require qualitative, not traditional scientific/quantitative, techniques of analysis in order to deal with the complexity of the decision-making process of those being investigated.

Humanities. The humanities are a series of disciplines that evaluate human beings and their achievements on their own terms. There is a tendency for humanists to reject scientific and quantitative methods on the grounds that people and their institutions are so complex that formal methods of analysis are unable to explain humanity in all its complexity. As a result, humanists often rely upon intuitive methods. In recent years, business scholars have begun to employ humanistic techniques and apply them in complex situations where scientific and quantitative methods cannot be utilized.

Literary Criticism. Literary criticism is a humanistic discipline that engages in cultural analysis through an investigation of a country's or region's literature. Similar techniques are used in film criticism and in popular culture scholarship. Typically, a series of texts are analyzed in order to explore some aspect of society or to identify patterned responses by the members of the culture being investigated. Literary criticism is an old and established discipline with many well-developed techniques that can contribute to competitive intelligence.

Marketing Ethnography. Ethnography is a method deriving largely from social anthropology, which studies people as they actually interact in a "real" social situation. Many ethnographers engage in what is called "participant observation," which means that the researchers take part in the events being studied. This kind of involvement violates the scientific method, but, nonetheless, it can be very useful and it has emerged as a respected technique. The method has served very effectively in many contexts. Starting in the 1980s, qualitative marketing scholars have been employing the ethnographic method with success. Many of these techniques can be usefully adapted to the needs of competitive intelligence professionals and/or can be used as examples of useful qualitative methods within business research.

Philosophy. Philosophy is a humanistic discipline. Historically, philosophy was considered to be the most basic discipline, with all others subordinate to it. In recent centuries, philosophy has become a specialized discipline that concentrates upon the operation of the human mind: how people think and know.

Qualitative Social Sciences. Various social sciences (most notably anthropology) employ qualitative methods in order to understand people and social institutions. The justification for doing so is that people and social institutions are so complex that the methods of science and quantitative methods cannot deal with them in all their complexity. As a

result of the limitations of scientific and quantitative methods, qualitative methods have carved out a respectable niche for themselves. Starting in the 1980s, various qualitative business scholars began systematically borrowing techniques from the qualitative social sciences.

Romanticism. Romanticism is an intellectual movement that was largely a reaction against the rationalistic and scientific Enlightenment of the 18th century. Enjoying a "high water mark" during the 19th century, romantic theory insists that nature, people, and social institutions are so complex and multifaceted that they cannot be successfully explained using scientific and quantitative methods. Although romanticism may no longer be the "dominant paradigm," romantic ideas continue to exert a wide influence and they underlie the justification for many qualitative methods in the social sciences and humanities.

Social Context. Ethnographers argue that to understand human behavior, the actual social context must be considered. Instead of creating experiments that contrive an artificial context, ethnographers immerse themselves in a "real" social context and they study society and social behavior from the inside. Although scientific experiments may be rigorous, most ethnographers argue that the context of behavior is multifaceted and that it cannot easily be replicated by scientific investigation. Since context typically underlies behavior, it is vital to focus upon the actual social and cultural milieu in which behavior takes place.

Value of Perfect Information. The value-of-perfect-information dictate insists that researchers should not pay more for information than the value it has to the decision-making process. As a result, business researchers often settle for compromised data because the cost of getting more accurate estimates is prohibitive. Competitive intelligence professionals who seek to engage in qualitative research in order to save time and money can point to the value-of-perfect-information dictate as a readily available and widely accepted justification for such a course of action.

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Part II

Competitive Intelligence and Cross-Disciplinary Tools

Historically, competitive intelligence has been a distinctive research/analytic discipline which did not derive primarily from science and quantitative methods. Although much of the work of competitive intelligence involves the analysis of data that derives from formal, scientific work, the actual analysis typically involves the application of subjective insight and intuition to whatever evidence is being evaluated.

After dealing with the history of competitive intelligence and how it has developed out of the theory and method of espionage, ways of combining competitive intelligence with the qualitative social sciences and humanities are discussed. Many helpful linkages between these disciplines can and should be made if competitive intelligence is to most effectively pursue its mission.

It is useful, in this regard, to consider the successes of marketing scholars who, in the last 15 years, have developed a significant research agenda centering around qualitative methods. These precedents can help competitive intelligence to more effectively deploy the qualitative tools that have long made the field distinctive. Alliances with other business disciplines, however, will allow competitive intelligence to gain more of an "insider status."

Chapter 4

Justifying Qualitative Methods

INTRODUCTION

As has been argued above, business scholars often evaluate the legitimacy of research/analysis in terms of the methods of science and quantitative/statistical investigation. These criteria have become so ingrained within business that they have become second nature to many practitioners and scholars.

We have also seen (in earlier chapters) how these formal methods are being transcended by analysts and their clients who seek relevant and timely information and struggle to free themselves from the shackles imposed by the scientific method as usually practiced. As has been shown above, both the analytic tools of competitive intelligence and the qualitative methods of marketing research have responded in forceful and relevant ways to the needs of decision makers, who often need more flexibility than the scientific method allows.

Nonetheless, the bias toward the scientific method and quantitative analysis continues to be strong; as a result, it is important to be able to provide an intellectual justification for embracing qualitative methods, and this justification needs to go beyond merely preaching to the converted. Doing so is facilitated by an analysis of the soul searching that took place in social anthropology; but first it is necessary to consider specific ways in which a primary reliance upon the formal methods of science have been justified and how these justifications can be rebutted.

THE CASE FOR SCIENCE

Shelby Hunt is the marketing theorist who has, perhaps, been most active in helping the field to develop and refine a well-articulated orientation toward the

scientific method. Since Hunt's work is so well-known and since he is a lucid and skilled writer, I will refer the reader to his definitive theoretical works (Hunt 1983, 1991) in order to provide an overview of the theoretical and methodological issues that marketing has faced.[1] Essentially, Hunt is a partisan who has tirelessly promoted the proposition that marketing is a science and that its research methods should be crafted in rigorous and scientific ways. Although Hunt is a unique thinker, his work portrays the prevailing attitude that many business scholars hold regarding the value of scientific research methods; it will be viewed here from that perspective.

Hunt initially considers the distinct subject matter of science; for an opening gambit, he begins with the analysis of various definitions of science that have been advanced by marketers. Throughout the analysis, Hunt elevates the physical sciences as an idealized prototype; he does so, presumably, because the physical sciences have a long tradition of scientific research and because the subject matter of the physical sciences can be examined more scientifically and rigorously than is the case in the social sciences. Having drawn the analogy between the soft and the hard sciences, Hunt observes:

What is the basic subject matter of marketing? Most marketers now perceive the ultimate subject matter of marketing to be the transaction. Harking back to the chemistry analogy, marketing might then be viewed as the science of transactions. (1991, 18)

Having driven this point home, he continues: "The first distinguishing characteristic [of any science] is that . . . [it] must have a distinct subject matter" (Hunt 1991, 18). For Hunt, this subject matter is the marketing transaction. Once the unique subject matter of marketing science has been distilled, Hunt goes on to insist that:

Every science presupposes the existence of underlying uniformities or regularities among the phenomenon which compromises the subject matter. The discovery of these underlying uniformities yields empirical regularities, law like generalizations, laws, principles, and theories. (Hunt 1991, 18)

Thus, Hunt reminds us that science (actually most organized thought) looks for recurring patterns and an ability to predict the future (based on the analysis of observed patterns of behavior); he also indicates that these patterns can be extrapolated into the future in useful ways.

Pointing to the scientific method, in general, Hunt observes:

Philosophers of science agree that the methodology of science is its logic of justification. That is, the scientific method consists of the rules and procedures on which a science bases its acceptance or rejection of its body of knowledge, including hypotheses, laws, and theories. (Hunt 1991, 21)

Thus, Hunt encourages the embrace of rigorous methodologies. He recognizes, however, that many researchers (myself included) believe that a strict embrace of formal, scientific techniques can become an "albatross" around the neck of analysts; as a result, appropriate alternatives are often sought. Considering such trends, Hunt rhetorically asks:

Thirty years from now, how will scholars evaluate the history of naturalistic, humanistic, and interpretative inquiry in marketing and consumer research? Will it be viewed as a significant addition to other methods? Or will it be viewed as a "blip" in the scientific enterprise, much like the motivational research in the 1950s? The . . . verdict . . . will be determined in large measure by how its practitioners and advocates respond to challenges. (Hunt 1991, 431)

In the foregoing discussion, Hunt represents the strong scientific bias in business research. Doing so is appropriate since Hunt's theoretical work is generally respected and since his work sets the stage for my analysis. Although this subject is more complex than can be portrayed in the brief space available here, Hunt's perspectives provide a clear and coherent justification of the scientific method by marketing scholars and one that mirrors the prevailing attitudes of many business analysts and researchers.

THE EMERGING QUALITATIVE TRADITION

For hundreds of years, various intellectuals have debated what constitutes the most appropriate means of conducting research. As has been indicated above, in recent decades scientific and quantitative methods have prevailed in business. In many ways, this orientation mirrors the era of the Enlightenment of the 18th century. In essence, the thinkers of the Enlightenment, like many people today, believed that science and progress are quickly eclipsing earlier and more "primitive" ways of thinking, researching, and knowing.

The Enlightenment was profoundly influenced by the rise of the scientific method in England and the philosophical movement known as British Empiricism (a tradition that the advocates of the Enlightenment perceived to be the pinnacle of intellectual progress and the genesis of future cultural advances). Champions of the Enlightenment (such as France's Voltaire) clearly believed that rational thought, carefully pursued, would inevitably result in a complete understanding of both the physical environment and mankind. Such rational methods were also predicted to create a world that transcended the abuses caused by ignorance and careless thinking.

Thus, British empiricist David Hume, for example, dismissed non-scientific thought (as represented by religion) by observing:

[Look at a book]. Does it contain any abstract reasoning concerning quantity or number? . . . Does it contain any experimental reasoning concerning matter of fact and existence?

. . . [If not] Commit it then to the flames: for it can contain nothing but sophistry and illusion. (Quoted in Lavine 1984, 182)

There can be no doubt that the Enlightenment and its methods led to many monumental, worthwhile, and laudable advances; by the same token, rational and scientific thought in business has produced many achievements.

Perhaps the romantic spirit was best crystalized in the English language by William Wordsworth (1806), when he wrote that experiencing nature:

> May teach you more of man
> Of moral evil and of good
> Than all the sages can

In essence, Wordsworth and the romantics believed that there are limits to the scope and appropriateness of rational/scientific thought; observers of the human condition, they suggested, are well-advised to recognize and accept these limitations.

According to the romantics, scientific analysis has its limitations and, when its tactics are carelessly applied, science can inhibit intellectual progress. People, the romantics emphasized, are emotional creatures with feelings; it is difficult, if not impossible, to portray such feelings using the cold and calculating methods of science and quantitative methods. This continues to be a justification for transcending scientific/quantitative analysis when examining people and society.

The legacy of the romantic era has never entirely left the intellectual world. Many thinkers continue to question the universal relevance of rigorous science, especially when the emotions are being investigated. Even if those influenced by romantic thought (and its parallels) concede that formal science can be channeled to deal with the emotions, they often suggest that other, less rigorous techniques, are more appropriate, elegant, and effective.

In the field of modern marketing research, this tradition continues. Thus Wallendorf and Brucks observe that marketing researchers are accepting "a wider range of means of exploring consumer behavior . . . it is desirable for consumer researchers to be open to new approaches, while still adopting a stance that insists on carefully executed research" (Wallendorf & Brucks, 1993, 355). This specific observation, of course, is but the tip of the iceberg (Belk, Sherry, & Wallendorf 1989; Seigel 1988). Today, a vital research tradition, pursued by careful and serious scholars, is rejecting the canons of formal scientific/quantitative methods as the be-all and end-all of scholarship and they are employing qualitative methods as alternative ways of knowing.

Of course, competitive intelligence practitioners typically embrace perspectives that parallel those of these qualitatively oriented marketing scholars. Competitive intelligence practitioners agree that people and the milieu in which they live, work, and make decisions are so complicated that they cannot be completely analyzed by scientific and quantitative methods. In order to provide a

robust analysis, diverse forms of evidence and a wide array of analytic techniques must be embraced.

These emerging research traditions represent a significant extension beyond the perspectives held by Shelby Hunt (and those he represents). Hunt's response is pinned to a dichotomy between scholarship and practitioner application which he forcefully asserts that:

This perception leads to the conclusion that as any analysis becomes more theoretical, it must become less practical. To puncture this misconception, one needs only note that a theory is a systemically related set of statements [that] increase scientific understanding. (1991, 4)

Hunt uses this example to affirm that both scholarly and practitioner-oriented research needs to be scientific and that each should be judged by the yardstick of science.

Much qualitative research, however, is not sloppy and it is conducted by skilled professionals. Qualitatively oriented analysts (like the romantics who rejected the Enlightenment) insist that many profound questions cannot be adequately investigated using scientific/quantitative analysis. In order to address these crucial issues, a broader and more qualitative toolkit must be employed.

Another way of looking at this issue is to remember that research methods are created to facilitate analysis, not to frustrate research. *If important research is not conducted because it cannot be investigated in scientific ways, many profound questions will not be addressed.* Not pursuing needed research, of course, is an unacceptable option; as a result, alternatives, such as qualitative methods, that address a wider range of significant questions to be addressed are appropriate.

THE DILEMMA

A basic theme of this book has been that since World War II, scientific/quantitative methods have dominated business research and analysis and, as a result, the use of qualitative research has atrophied. In the contemporary era, however, qualitative methods are being embraced by both competitive intelligence professionals and marketing researchers. As qualitative methods establish themselves, reconciling the Achilles' heel of science with the heroic flaws of qualitative methods becomes increasingly difficult. Nonetheless, yardsticks of evaluation based on science and quantitative methods continue to dominate. High on the list of priorities of such methods is the dehumanization of research in order to reduce bias and increase "rigor." These criteria of evaluation, unfortunately, are often not appropriate when applied to qualitative research.

A truism of the scientific method asserts that the phenomenon under consideration must be empirically verifiable and observable by both the researcher and the larger scientific community. According to this perspective, the key to legit-

imate research is a "rigorous" methodology, replicable experiments, and, perhaps, statistical analysis. Tightly adhering to these criteria, however, can limit the tools available for research and, thereby, narrow the questions that analysts can pursue.

One potentially fatal trap is the temptation to adopt formal techniques in situations where understanding does not result from applying scientific rigor in an intellectual vacuum. Consider the term "cannibalism," for example. Is the empirically verifiable definition "to eat human flesh" adequate? Although the criterion is precise, objective, and can be unerringly articulated to the scientific community, these very traits tend to prevent a meaningful consideration of the social context that accompanies such behavior. Eating human flesh as an emergency ration is different from ritualistic cannibalism, and both are distinct from eating human flesh on the merits of taste. How should eating human flesh by accident be classified? And what if people believe they are eating human flesh but the researcher disagrees? In Christian ritual, for example, worshipers symbolically eat Christ's body and some Christian sects believe they actually are eating human flesh. If the researcher empirically concludes otherwise, should the ceremony still be defined as ritualistic cannibalism? The key here is that the analysis needs to transcend scientific analysis in order to deal with the subjective feelings of social actors. Doing so requires intuition, insight, and qualitative analysis, not science and quantitative methods applied in a social or cultural vacuum.

As can be seen, one of the drawbacks of employing rigorous, scientifically acceptable techniques lies in the nature of society and humankind; if strict guidelines for research are embraced, insight, intuition, and qualitative techniques must be ignored. This situation creates a critical dilemma facing competitive intelligence analysts and other business researchers who often must utilize diverse forms of evidence and information when the feelings, motivations, and strategies of specific people are being analyzed. Due to these concerns, competitive intelligence analysts have broadened the range of methods that are used when conducting research; techniques that transcend the classic scientific/quantitative methods are commonplace and embraced as required. While such ad hoc applications of qualitative methods are useful and necessary, analysts need intellectual justification for doing so. In order to provide this justification, a methodological struggle that took place within social anthropology will be used as an analogy for the situation that faces competitive intelligence and other qualitative researchers in business.

SCIENCE AND QUALITATIVE METHODS AS TRADEOFFS

Although it might seem obvious that research should respond to the specific questions and problems that are faced, and not be shackled by a misplaced sense of methodological purity, in actual practice the desire to embrace inappropriate and counterproductive methods can emerge as a seductive trap. Consider, for

example, the evolution of the term "exchange" as used by marketing theorists Wroe Alderson and Richard Bagozzi. When Alderson used the term "exchange" (Alderson 1965, 84), he (in a way similar to qualitatively oriented competitive intelligence analysis) was willing to employ intuition and make implicit assumptions regarding the personal opinions of those involved in an exchange. Because Alderson was willing to investigate the subjective inner workings of the human mind, his model reflected the individual opinions and feelings of specific social actors (Alderson 1965, 132). Admittedly, it is impossible to "prove" what goes on within another human mind, and since Alderson's definition of exchange is inevitably linked to unverifiable phenomena, his model appears weak if judged in scientific terms that emphasize rigor, quantifiability, and replication.

Alderson's decision to deal with subjective feelings cannot be viewed as inherently "bad," however, because it led to the embrace of functionalist theory which (although often dismissed as being teleological) possesses great explanatory power.

The more scientific Bagozzi, on the other hand, wanted to rigorously define the "smallest unit of marketing," and build an intellectual edifice from that point; he asserted that Alderson merely "specifies the conditions under which exchange may occur" (Bagozzi 1974, 77) and he went on to formulate the study of exchange around scientific criteria created for members of the community of researchers. Although this method is more "scientific" than Alderson's subjective approach, Bagozzi's techniques are not a universal improvement. Consider the following incident:

> A telemarketer using sleight of mouth and winning ways sells Widow Jones an asphalt resurfacing job at an inequitable and unfair price.

According to Bagozzi's model (Bagozzi 1974, 78), the scientific observer can conclude that this exchange would involve the benefit of one party through the injury of the other. Presumably, the net profit and loss to both parties can be rigorously measured in ways that can be clearly and objectively articulated to the larger scientific community. (Bagozzi, ultimately, would deny that the activity constitutes marketing at all since the exchange is not equitable.) Such research orientations have their uses.

Nonetheless, the Bagozzi approach can inhibit research where non-rigorous information is important, since it hinders the investigation of the inner workings of Widow Jones' mind, her perceptions of the situation, and the impacts of her opinions upon her behavior. To consider these aspects of the exchange, models that deal with or account for subjective feelings are more appropriate. Although Bagozzi's attempt to crystalize and possibly formalize marketing in rigorous ways has been commended (largely by ivory tower types), competitive intelligence analysts need to acknowledge that situations exist where scientific tech-

niques are counterproductive, inappropriate, and/or inhibiting. Under these circumstances qualitative methods may be more appropriate and fruitful.

Such an observation is especially meaningful to competitive intelligence analysts, who often deal with the subjective feelings that people experience and the behavior that stems from their feelings. Thus, on many occasions a subjective approach (such as Alderson's) is more appropriate than Bagozzi's scientific musings.

As analysts in competitive intelligence and marketing establish and justify an array of research tools, they must:

1. Systemically explore the variety of tools and techniques that are available
2. Acknowledge that all the methods of analysis are in essence tradeoffs, allowing one option by abandoning other alternatives
3. Establish situations where either scientific or qualitative tools are most appropriate

The relevance of a wide range of tools needs to be recognized. As a result, it is vital that competitive intelligence practitioners forcefully counter the assertions of scientific chauvinists.

SOCIAL ANTHROPOLOGY: AN ANALOGOUS SITUATION

For over 30 years, the field of social anthropology debated the pros and cons of using scientific versus intuitive, subjective research methods. Like many competitive intelligence professionals, anthropologists have traditionally felt that understanding mankind is an intuitive and subjective enterprise. So strong is that tradition within anthropology that, until recently, a Ph.D. in anthropology was not granted until the candidate had interacted within an alien culture long enough to be able to "intuitively" comprehend the "worldview" of the group under investigation. Divorcing themselves from the scientific/quantitative discipline of sociology, anthropologists historically dealt with many of the same issues as other social scientists, but they embraced them from a distinctively humanistic, qualitative, and non-rigorous perspective. In the 1960s and 1970s, however, the statistical school of anthropological research and proponents of other rigorous techniques began to attack the humanists on methodological grounds. This resulted in a significant intellectual debate that placed scientific/quantitative and subjective/intuitive analysis within a meaningful perspective. Much of this debate is directly relevant to competitive intelligence researchers who potentially face the same basic problems today.

The seeds of this debate go back at least to 1954, when linguist Kenneth Pike published *Language in Relation to a Unified Theory of the Structure of Human Behavior*. Pike's major thesis observed that all social research could be characterized by the strategies represented by two linguistic terms, *phonetic* and *phonemic*. Phonetics is the branch of linguistics in which scholars, using clearly

defined criteria, objectively and scientifically record sounds and then study them in rigorous ways. Phonemics, on the other hand, does not concentrate upon observable phenomena (sound patterns), but upon categories that exist within the mind of the informant and cannot be empirically verified. A quick example will demonstrate the difference: phonetically, a person suffering from a severe speech impediment would possess an unusual speech pattern, since the actual utterances would not fit the statistical norms of typical pronunciation. Phonemically, on the other hand, the linguist would realize that although the person's speech was distorted, other people could still understand what was being said because the underlying structure of the language exists in the minds of both the speaker and the listener. The existence of these linguistic structures within the minds of people, however, is not observable in the same "scientific" ways as specific utterances are.

Applying the dichotomy outside linguistics, Pike generalized phonetics and phonemics into etics (rigorous research) and emics (research which may lack rigor but which views cultures and people on their own terms).[2] Although Pike acknowledged that the emic method led to unverifiable conclusions, he observed that it facilitates appreciating not only the culture or language in holistic ways; it also helps explain the life, attitudes, motives, interests, responses, conflicts, and personalities of specific actors. In contrast, Pike noted that an embrace of the etic approach can hinder the ability to deal with these basic considerations because such phenomena cannot be "rigorously" investigated.

Initially, enjoying wide popularity among anthropologists who had long been utilizing an emic-like approach and who found it to be an intellectual justification of their methodology, Pike was widely lauded as a convincing defender of humanistic, qualitative research. Eventually, however, advocates of scientific rigor marshaled their forces and, led by Marvin Harris, the etic approach received a strong defense. Harris' *The Nature of Cultural Things* (1964), the seminal defense of the etic approach, convincingly debunked the emic method by suggesting that since emic (qualitative) researchers assume what goes on in another person's mind, their research is not valid. Harris went on to suggest that the system degenerates into a deductive exercise. He favors the etic alternative because:

The empiricist position demands a willingness to pare down one's primitives to a minimum. In the usual actor-oriented approach . . . one is obliged to accept the primitive that the actor himself knows the "purpose" or "meaning" of his behavior. In traditional ethnography, it is the actor himself who in effect established . . . and emphasized some chains (of behavior) at the expense of others. Yet the assumptions implicit in this approach are totally alien to the spirit of science. The actor cannot join the community of observers unless he is capable of stating the operations by which he has been led to the knowledge of his purpose. (Harris 1964, 91)

The etic approach, on the other hand, is geared to eliminating these methodological shortcomings and "attempts to achieve intersubjectivity regardless of

whether the natives' sense is violated" (Harris 1964, 137). By eliminating unnecessary assumptions, the etic (scientific) approach is not concerned with the subjective feelings of the informants. In Harris' words:

Etic statements depend upon phenomenal distinctions judged appropriate by the community of scientific observers. Etic statements cannot be falsified if they do not conform to the actors' notion of what is significant, real, meaningful, or appropriate. Etic statements are verified when independent observers using similar operations agree that a given event has occurred. (Harris 1968, 575)

This approach is totally at home with the tenets of science.

Although Harris' logic is tight, his attempt to create a scientific anthropology was largely resisted; this resulted in a major debate that explored the nature of social research and the philosophies underlying it. Although space does not permit a detailed examination of these polemics, they largely reflect the various scientific versus qualitative debates common to many social sciences, including the various business disciplines. The etic position champions rigorous research even if certain types of questions cannot be addressed using formal methodologies. The emic school, on the other hand, insists that researchers must be willing to utilize all available evidence and they must not eliminate topics from the lens of investigation merely because they cannot be researched according to "acceptable" scientific guidelines.

Today, after 30 years of heated debate, anthropologists appear to have embarked on a pervasive "fence-mending" effort and proponents of both camps have begun to acknowledge the relevance of the other. Eventually, even the polemical Marvin Harris softened his critique and is quick to acknowledge the value of both the emic and etic approaches, observing:

research strategies that fail to distinguish . . . emic and etic operations cannot develop coherent networks of theories embracing the causes of sociocultural differences and similarities. And a priori, one can say that those research strategies that confine themselves exclusively to emics or exclusively to etics do not meet the general criteria for an aim-oriented social science as effectively as those which embrace both points of view. (Harris 1980)

After a generation of infighting, anthropologists made peace, having realized that both scientific and qualitative methods must work hand in hand if their discipline is to reach maturity and remain a vital intellectual and practitioner force. They have also operationally defined scientific and qualitative methods via the emic-etic dichotomy and considered the tradeoffs involved in the choice of a methodology.

AN ANALOGY APPLIED TO COMPETITIVE INTELLIGENCE

It is time for competitive intelligence professionals to justify their methodological choices in ways that transcend convenient "catch phrases." Emic and etic are closely defined categories that anthropologists have found to be useful; they may suffice (if only temporarily) until competitive intelligence evolves terms that are more relevant for its unique needs. Using these terms, it may be possible to view the plurality of intellectual traditions that should exist. By doing so, competitive intelligence practitioners can strive to develop an adequate framework for determining why specific research strategies are especially useful in certain situations while simultaneously being aware of the "tradeoffs" involved in adopting a specific research mode.

A first step in this process is to tentatively adopt the emic/etic terminology and apply it to the strategies of marketing research. An overview of this perspective is provided in Table 4.1.

The table draws attention to three of the more relevant implications that must be considered when a choice is made between scientific/quantitative versus qualitative/subjective techniques:

1. Each method possesses specific characteristics
2. Each is especially useful for certain purposes
3. The decision to use a specific research strategy involves tradeoffs of some sort

These are crucial issues that must be recognized and accepted as facts of life.

Science/etics in competitive intelligence and other business research is characterized by placing a high priority upon methodological exactness and a tendency to quantify. It is especially useful when adequate data can be gathered that possesses the rigor and exactness demanded, especially when the issues at hand can be meaningfully and expediently analyzed using formal techniques. Since much of the research of science can be routinized, such studies are not dependent upon the insight or intuition of each research associate (although all meaningful research requires an insightful director to plan and coordinate activities). Certainly, all researchers have some flexibility in deciding who will actually perform "frontline" investigations. Simple surveys can be performed by people with a minimum of training; when research is more qualitative, however, the skills, training, and insights of the frontline researcher must usually be increased.

While science provides a powerful methodology, unfortunately, its devotees tend to ignore topics that are not easily attacked using scientific techniques. In addition, where time is of the essence, the machinery of science may grind too slowly.

Although the value of scientific research often offsets the tradeoffs involved,

Table 4.1
Alternative Methods

CI Term	Anthropology Term	Characteristics	Especially Useful When	Net Result of Tradeoffs
Scientific Method	Etic (Science)	Formality. Rigor emphasized. Mathematical tools prominent.	Appropriate data can be gathered. Questions can be attacked via the scientific method. Many informants needed. Adequate time for research available.	A sacrifice of possible important data and/or abandoning certain research topics is accepted in order that research is placed upon a firm scientific foundation.
Qualitative Research	Emic (Qualitative methods)	Insight/intuition employed. Qualitative data employed.	Formal/ scientific methods will not result in needed data. Formal models are not useful. Few informants are available. Time pressures do not permit formal research.	Rigor is sacrificed for the sake of attacking questions which formal methods cannot easily pursue. Insights/ intuition of skilled researchers are allowed a free need. Possible time savings.

in many situations qualitative research provides a more viable alternative. Using intuition, insight, and non-verifiable knowledge, artistic researchers can shorten the time required for a project, use all relevant information made available from whatever source, and examine any question—even those that cannot be explored in a rigorous manner.

The cost of such benefits, however, may be heavy. Credibility is potentially sacrificed. In addition, delegating authority and research tasks to less profes-

sional subordinates becomes more difficult: although scientific research methods can be routinized and taught, the "instinct" required for intuitive and subjective analysis is unteachable and unschedulable (when, why, or if "artistic" insight will arrive is hard to determine).

In reality, of course, most research lies somewhere on the continuum between the bipolar opposites of qualitative versus scientific/quantitative techniques. Still, when research decisions are made, a cost-benefit analysis of the tradeoffs involved, intuitive though it may be, should be employed.

COMPETITIVE INTELLIGENCE AS EMIC ANALYSIS

As emphasized by the above discussion, the methods of competitive intelligence can largely be conceived in terms of emic analysis. As a result, analysts who choose to employ this style of investigation strategically accept certain limitations in order to reap the benefits that are thereby provided. It is inappropriate, therefore, to condemn the use of the emic/qualitative methods as long as analysts understand the implications and limitations of these research tactics and apply them responsibly.

As we have seen, an aspect of the overly scientific etic technique is that methodological purists are likely to ignore vital questions simply because they cannot be rigorously researched. By avoiding research that is not rigorous, they ignore crucial questions. In the process, these researchers may commit "sins of omission" by ignoring important issues.

The situation is more complex in the case of emic researchers, who may consciously choose methods that may be subject to attack on methodological grounds. In the case of competitive intelligence, a number of techniques are employed that (1) employ a humanistic perspective and (2) do not satisfy the methodological canons embraced by science. The decision to use these qualitative techniques rests upon the expected results they provide. By viewing science/etics versus qualitative research/emics as different (but not necessarily mutually exclusive) options, it becomes possible to compare them and the opportunities that each offers. So viewed, qualitative competitive intelligence techniques emerge as vital and respectable.

This observation differs sharply from those of formally oriented researchers (such as Shelby Hunt) who champion scientific business research. As the reader will recall, the scientific camp tends to champion rigorous methods for their own sake, even when doing so is clearly inappropriate.

BEYOND SCIENCE

Behavior takes place within a cultural, social, and personal sphere. Due to this crucial fact, it is often valuable to approach behavior from the perspective of the people being investigated. Competitive intelligence has long emphasized such methods. This basic approach, furthermore, has a long and respected his-

tory within the qualitative social sciences (such as anthropology). As a result, a large body of theory and method has developed that can help competitive intelligence practitioners to pursue these methods in useful and legitimate ways.

Certainly, like any other research tool, qualitative methods have their limitations; employing these techniques entails accepting whatever weaknesses are inherent in them. This, however, is true of all research methods; as a result, accepting tradeoffs does not undercut the viability of qualitative methods. As long as competitive intelligence analysts recognize the inherent limitations of whatever tools they are using, their work deserves respect.

A few years ago, Shelby Hunt wondered if the vogue of various qualitative methods would ultimately prove to be merely a "blip" in the history of business research (1991, 431). In view of the fact that qualitative methods offer valuable options that the scientific method cannot provide, it appears that they will continue to mature and be used as valuable methods by competitive intelligence analysts and other business researchers.

This book affirms that, in the quest for human understanding, two distinct and equally respectable paths exist. Such observations lead to the realization that a plurality of equally valid research strategies should exist within competitive intelligence. The choice of emics/qualitative methods or etics/science must be determined by the situation in which research takes place, not by some misguided search for methodological rigor simply for its own sake.

SITUATIONS WHERE SUBJECTIVE OPINION SHOULD DOMINATE

It is useful to discuss specific areas where qualitative/subjective analysis may be particularly relevant. The discussion is divided into two distinct sections: one deals with the subjective feelings of customers and clients, the other deals with those of competitors. Hopefully, by considering suggestive discussions on both topics, readers will be better able to usefully link their analytic work with a number of qualitative and subjective tools.

Subjective Feelings of Customers

Customers and clients often have subjective feelings that profoundly impact their behavior. Living in an age when the feelings, desires, and even the whims of customers and clients are viewed as paramount, it is vital to take subjective feelings into account when forging strategies and tactics. And since "beauty is in the eyes of the beholder," anticipating and responding to subjective preferences is profoundly important. Here, we will discuss three types of feelings that may impact the customer or the client in significant ways. They are "desires," "fears," and "expectations." Each will be discussed as an end in itself and

as a clue regarding how subjective feelings impact customer and client responses.

Desires

Customers and clients have desires that may or may not be overtly articulated. Nonetheless, the success of the organization is obviously connected to the degree to which the desires of customers and clients are perceived and satisfied. Many desires are not overtly articulated and the analyst may have to extrapolate them from a variety of qualitative evidences and clues. As a result, the assessment of consumer/client demands is often subjective and based upon "soft data." Social scientists and marketers, as we have seen, have long used qualitative and subjective tools to understand desires; competitive intelligence professionals can and should act in parallel ways.

This kind of information may be made available in a number of ways. Perhaps other suppliers (who do not directly compete with the analyst's firm) may be able to provide insights. Thus, if you are selling forklift trucks, perhaps those who lease pickup trucks to the company will have an understanding of what the organization wants in a business relationship. This information may be extrapolated in a number of other subjective/qualitative ways. A company, for example, may exhibit a discernible pattern of downsizing; under these conditions, the firm may be more interested in hiring consultants or leasing equipment than in making a commitment to long-term employees.

Fears

Customers and clients are often influenced by their fears. As with desires, fears are often not overtly stated and, therefore, qualitative and subjective measures may be needed to anticipate them. In many situations, furthermore, people may prefer to avoid thinking and talking about their fears; as a result, subjective and qualitative indicators of fears may be particularly important.

Certain fears may impact almost all members of a particular industry. Thus, all members of the domestic petroleum industry probably have a fear of the Arabs raising their oil prices in retaliation against various Middle East policies of the United States. Other industries may have their own specific fears. Competitive intelligence professionals need to ferret out these fears. Doing so will be especially important if the analyst works for an organization or client who is beginning to operate in a new industry where it has minimal experience and knowledge.

In other cases, a particular organization may have fears based on its own specific and unique circumstances. Financial analysis, for example, may indicate that the customer has minimal cash reserves and that the long-term market is unpredictable. Nonetheless, in the short term, key contracts have been signed. Based on this intelligence, it appears that due to future financial concerns, the

firm would be especially interested in a short-term lease, not in purchase arrangements (that would result in a long-term financial commitment).

Expectations

Expectations do not fall into the categories of desires and fears; instead, they refer to what customers and clients anticipate. And if what is expected does not materialize, customers and clients may refuse to patronize an organization or may be disappointed after the fact.

When buying or selling a house, for example, both the buyer and the seller expect to haggle about the price and the terms of the sale. If a potential house buyer faces a situation where expectations in negotiation are not met, the ability of the seller to make a sale may be compromised. Thus, if a house was listed for exactly what the seller wanted to receive, there would probably be resistance on the part of the potential buyers because they expect to negotiate. Anticipating that the buyer expects a haggling procedure, of course, the seller would probably increase the "list price" in anticipation of bargaining down to an acceptable offer.

Competitive intelligence professionals may need to carefully study customer expectations. This might be especially true in international business where cultural differences create divergent expectations. Furthermore, even within a specific culture, in some industries and/or organizations certain types of services or concessions may be expected. Using open source research and other tools of analysis, it may be possible to ascertain these expectations.

The subjective feelings of customers are displayed in Table 4.2.

In general, then, customers experience a variety of subjective feelings. It is essential for the organization to be aware of these feelings and their strategic importance. Providing relevant information in this regard is an important role of competitive intelligence.

Subjective Feelings of Competitors

Just as customers/clients have their own (often unstated) subjective feelings, competitors exhibit the same tendencies, and the response (or lack of response) of a competitor may be directly related to covert subjective feelings. By understanding these feelings, the competitor's behavior becomes easier to predict. Here, four different types of subjective feelings of competitors will be discussed including:

1. Perceived Threats
2. Perceived Opportunities
3. Reactions
4. Habits of Thought

It is useful to analyze this representative sample of influences that impact competitors. It is hoped that the discussion of this sample will be valuable to competitive intelligence professionals.

Table 4.2
Subjective Feelings of Customers

Issue	Overview	Discussion
Desires	Customers/clients often experience specific desires that are subjective. In order to provide appropriate goods and services, an understanding of these desires is essential.	In today's world, the marketing concept (that focuses upon customer/client desires) dominates the strategic process. In order to act accordingly, a knowledge of customer/client desires is essential.
Fears	Customers/clients often experience specific subjective fears that impact the decision-making process. By understanding these fears, customer/client responses become more predictable.	By focusing upon customer/client fears, competitive intelligence professionals will be able to more accurately predict responses. Fears, not merely goods and services, impact customers.
Expectations	Expectations are neither desires nor fears, but constitute phenomena that the customer expects. Not providing an expected experience or relationship can adversely impact customer relations.	Expectations are expected rules or patterns that the customer/client expects will exist. Not acting in accordance with expectations can undermine relationships. Analysts may need to provide information that insures expectations are met.

Perceived Threats

People and organizations are not merely impacted by what is "real," but by what is perceived to be significant. That is true of both threats and opportunities. It is easy for us to look at the world and other people from our own perspectives. Viewing the world from the point of view of others (although perhaps difficult) is even more appropriate, and providing this perspective is an important part of competitive intelligence.

We may disagree with the competitor regarding the way phenomena are perceived. In actuality, it makes no difference; competitive intelligence seeks to understand what people believe, not the accuracy of their beliefs. The Amish, for example, believe that the use of modern technology will anger God who will punish those (in this life or the next) who use technology. I disagree with this assessment, and yet, I am aware that this perceived threat may impact the way that the Amish compete against other farmers. If I owned a dairy farm in competition with the Amish, I would benefit by being aware of the threats that were perceived by the Amish, since these beliefs would limit the range of options they are willing to use.

This clear-cut example crystalizes a basic point: we are not debating what is

or is not true. We, in contrast, seek to understand the threats perceived by others and how these perceived threats impact their strategies and tactics. Competitive intelligence professionals, of course, have long worked in this area. In the area of disinformation, for example, some firms patent worthless "inventions" of no value merely to make it appear that their research and development people are having great successes. The hope, of course, is to convince competitors that choosing to compete against this firm would be a high risk. The worthless "inventions" may constitute a bluff that encourages competitors to withdraw from competition because they have been led to perceive risks that don't actually exist. We've all heard cocktail party stories of this type of ploy, and the moral of the story is that people don't merely respond to real threats. They respond to perceived threats, real or imagined.

Perceived Opportunities

Just as people and organizations respond to perceived threats, they are attracted to perceived opportunities. Firms often have criteria by which they scan the marketplace and the competition. These organizations make decisions when the evidence they gather provides the perception of an opportunity.

Perhaps the classic example of this tendency involves firms that are targeted for a hostile takeover. Corporate raiders have their own set of criteria that they use when picking targets. The classic defense against a takeover attempt is to alter the corporate profile in ways that make the firm appear to be less attractive. By making itself appear to be less attractive, the firm may be able to steer clear of the takeover artist.

The whole strategy, of course, is to determine how opportunities are perceived. Once the method of evaluation is understood, the firm can systematically act in ways that make it appear to be undesirable to the raider. Thus, firms that are candidates for a takeover attempt may consciously restructure themselves in ways that sour the perception of the deal.

In marketing, perceptions can be equally important. Is a competitor willing to launch a product in direct competition to your product line? To a large extent the answer to that question will be the result of perceptions. Firms that are perceived to be providing good products at reasonable prices will not generally be perceived to be ideal rivals. Firms that appear to be investing in themselves and enhancing their product lines will not be viewed as being vulnerable to attack. Firms that cultivate a specific target market and have won loyalty over a long period of time will be perceived as having strengths that cannot be easily and cheaply undermined.

On the other hand, firms that appear to be "milking a product" to death and not adequately reinvesting in it will be perceived to be easy pickings. Firms that try to please all possible customers to the extent that no target market has true loyalty to it will be viewed as too diverse to compete effectively. Companies that do not appear to have an ability to change with the times will be perceived to be passé and out of touch.

The key here is perception. Firms that, in reality, are vulnerable, may exert great effort keeping appearances up. A key role of the competitive intelligence professional is to discover firms that are vulnerable even if they are struggling to give the perception of strength, vitality, and dominance.

Reactions

Different individuals and organizations will react in subjective and predictable ways to certain types of events. By understanding how they will respond, competitive intelligence professionals can provide useful insights to their clients.

Some firms may respond in stereotyped ways to changes in the competition or the marketplace. A particular company, for example, may tend to withdraw from competition when the going gets rough. Thus, so-called "me too" firms typically enter competition when a product is experiencing a high-growth phase. By doing so, the firms face only minor competition since there is a scarcity of the product and all products brought to market sell easily and with minimal effort. These firms, however, typically withdraw from competition when the product matures and when competition increases. They are in a particular business or produce a specific product for only a short time, not the long haul; when the frying pan gets hot, they move on to the next high-growth product and become a "me too" competitor there.

Other firms may want to enter the competition early and remain with a particular type of product on a permanent basis. In terms of "portfolio analysis" they want to stick with a product through the "star" and "question mark" phases and remain a major player when the product becomes a "cash cow." After all, what marketers define as the "decline" stage can actually be the most profitable phase for firms that survive; this is true because most competitors withdraw from the business, production facilities are paid for, and the need for research and development investments is reduced. Due to these lowered costs and risks, profits can soar.

Different firms have specific strategies. By understanding the firm's strategic patterns, it becomes easier to predict how they will respond in the future. A key task of the competitive intelligence professional is to determine the competitors' patterns of reaction and then predict their behavior.

Habits of Thought

Certain people and organizations think in predictable ways. By understanding these patterns, the competitive intelligence professional will be better able to predict how competitors think and, therefore, how they will probably respond.

We are in an era when tools such as "environmental scanning" are increasingly popular. The whole idea of environmental scanning implies that the researcher can look at a small array of data and still draws useable generalized conclusions from them. If the competitive intelligence professional can perceive what models or procedures of environmental scanning are being used, it becomes easier to predict how the organization will interpret data and respond to

it. By monitoring the same data as the competitor and doing so in analogous ways, the perceptions (and resulting responses) of the competitor can be readily deduced.

Let's say, for example, that a firm has a policy of, among other things, "shadowing" a certain product line and using the resulting information when developing strategies and tactics. If our organization performs the same shadowing procedures as the competition, the analyst would gain a bird's eye view of what the competition was thinking about during its strategic planning sessions.

Wherever patterns of thought can be inferred, it becomes easier to systematically understand the views and responses of competitors.

Several examples of subjective views of competitors have been offered as representative of the value of systematically analyzing such phenomena (see Table 4.3).

Subjective thought dictates responses. This is true of both customers/clients and competitors. Here, ways of using subjective information have been discussed in practitioner- and action-oriented ways.

SUMMARY

If competitive intelligence professionals are to be given a free hand to employ qualitative methods as required, they must be able to defend the decision to use them. The case for science and quantitative methods is that these methods exhibit "state-of-the-art" rigor. Scholars who advocate these methods demand that research adhere to the standards of rigor demanded by the greater intellectual community.

Many researchers, however, complain that scientific/quantitative methods cannot be used to examine many important questions. As a result, either alterative methods will be used or these important issues will not be adequately addressed. Advocates of qualitative methods are willing to examine important questions, even if doing so requires the relaxing of some kinds of rigor.

The key issues are clarified by the "emic/etic debate" that took place in social anthropology. Emic research depends upon the subjective feelings of the researcher. Although these subjective feelings are not readily examined using scientific methods, they are an important phenomenon that often needs to be discussed. Etic scholars, however, point to the inherent weaknesses in this kind of evidence and advocate methods that adhere to the tenets of science. Today, after a heated debate, both methods are recognized as legitimate.

Competitive intelligence professionals can benefit from the example of the emic/etic debate. Both scientific/quantitative and qualitative research methods have legitimate roles to play and each should be judged on its own terms. Competitive intelligence professionals seeking to justify qualitative methods should examine the enlightened and eclectic solution of this debate in order to perceive that qualitative methods have a legitimate role to play in business and in competitive intelligence.

Table 4.3
Subjective/Qualitative Views of Competitors

Issue	Overview	Discussion
Perceived Threats	Organizations/people respond to perceived threats. By understanding their views, it becomes easier to envision what they consider to be threats and the impact specific threats have on the competitor's thinking.	Perceived threats impact competitor responses. By analyzing how threats are perceived, analysts can help clients to both anticipate and respond to competitors and their resulting strategies.
Perceived Opportunities	Organizations/people respond to perceived opportunities. By understanding how people view opportunities, their responses become predictable. It may also be possible to manipulate people/organizations if we know what they perceive to be threats.	Viewing perceived opportunities from the competitor's point of view, analysts can help clients to predict how they evaluate situations. Analysts and clients may also be able to manipulate competitors by jockeying the situation around competitor perceptions.
Reactions	People/organizations often react in routine ways to opportunities and threats. By being aware of these patterned reactions, the behavior of competitors becomes more predictable.	People/organizations often respond in structured and predictable ways. When repetitive patterns of reaction can be discerned, it becomes easier to predict future responses.
Habits of Thought	People/organizations often engage in routine habits of thought. The rise of methods such as environmental scanning makes these habits even more predictable. By understanding these habits, it becomes possible to predict responses. It may also be possible to manipulate others if you understand their patterns of thought.	Organizations increasingly adopt routines for scanning the environment. As a result, these routinized analytic schemes often emerge as predictable habits of thought. If competitive intelligence professionals can extrapolate these habits, they may be able to predict competitor behavior.

KEY TERMS

Dehumanization of Research. Scientists insist that researchers must not be "involved" in the research they conduct. Instead, they should strive to be "impartial observers" who view events from a distance and objectively report what they see. Scientists, furthermore, tend to believe that they should be removed from the events they observe. As a result, qualitative techniques (such as participant observation where the researcher is actively involved in the events being studied) do not meet the standards of scientific investigation as usually conducted.

Emics. Emics refers to social scientific research methods that depend upon the perspectives of the social actor or informant. Qualitative social scientists justify these techniques on the grounds that social behavior is so complex that it is necessary to view behavior from within the context perceived by the actor. Scientifically oriented researchers, however, suggest that this type of research is illegitimate, since it is impossible to "prove" what goes on in another person's mind. Scientists insist on relying upon empirical observation that does not depend upon the feelings and beliefs of those being studied.

Etics. Social scientific research methods that depend upon empirical observations of the researchers with no reference to the perspectives of those who participate in the phenomena being studied. Scientific researchers insist that this type of research must be conducted in order to insure the rigorousness of the investigation. Qualitatively oriented researchers, in turn, point out that social phenomena are so complex that the perspectives of social actors must often be considered when investigating certain types of events and behavior.

Enlightenment. An 18th-century intellectual movement that relied on rational thought and the scientific method.

Justification of Scientific/Quantitative Research. Most proponents of the scientific method and quantitative research emphasize that research must exhibit a high degree of rigor. Research that does not meet the criteria of scientific guidelines is discounted accordingly. Scientific/quantitative researchers emphasize that non-scientific research is unable to prove anything and, therefore, it should not be conducted. Scientific/quantitative researchers suggest that they are part of an intellectual community and that all members of this community must be able to speak in terms of evidence that meets universal tests of credibility and rigorousness. Other evidence must not be submitted because it is inherently flawed.

Naturalistic Research. Many qualitative researchers suggest scientific and quantitative research is contrived to such a degree that it does not adequately investigate what it seeks to study. This is because the "laboratory setting" is so far removed from the "real world" that the result of research is not valid. In order to study complex social phenomena in all their complexity, researchers must examine people actually interacting within the natural arena in which behavior normally takes place. Although naturalistic research may not exhibit the full degree of "rigor" that science demands, the research is nested within the actual context in which behavior takes place. Thus, by sacrificing a degree of "rigor," researchers are able to truly examine the phenomena being studied.

Romanticism. An intellectual movement that reacted against the routine application of scientific methods to all research. Arguing that much phenomena are so complex that

they cannot be adequately examined in purely scientific ways, the romantics incorporated intuitive and subjective methodologies into the toolkit available to researchers.

Sins of Omission. Scientific/quantitative-oriented scholars may refuse to conduct important research because it cannot be investigated using formal techniques. When this occurs, significant issues may not be investigated even though they are important. Not pursuing these important topics can be viewed as serious sins of omission.

NOTES

1. To save space, I will not provide a detailed literature review. Instead, the reader is directed to Hunt (1983, 1991).

2. The emic/etic formulation is well-known within marketing and consumer research. Arnould and Wallendorf (1994), for example, briefly compare emic and etic analysis. Although discussed in ad hoc ways in the marketing literature, the emic/etic dichotomy has not been adequately discussed in theoretic terms in the marketing literature. This book is intended to remedy that situation

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Chapter 5

The Qualitative Espionage Model

THE PRACTITIONER TRADITION AND COMPETITIVE INTELLIGENCE

Both the social sciences and the humanities are academic disciplines that have a firm grounding within the university system. As a result, they often fall under the shadow of the "ivory tower" and, as a result, they may not be specifically adapted to the needs of practitioners. Today, the application of the qualitative social sciences and the humanities within business research continues to be predisposed toward the university establishment and these methods have often not been adequately adapted to the needs of decision makers and other practitioners. This fact creates a window of opportunity for competitive intelligence.

Just like the qualitative social sciences and the humanities, the basic methods of intelligence are qualitative, and to be effective they must depend upon insight and subjective intuition. Intelligence (in contrast to the social sciences, humanities, and business thought deriving from them), however, is the product of a practitioner-oriented, not an ivory tower, tradition. Military and political professionals, for example, need information in order to make effective practitioner decisions; the intelligence profession evolves accordingly. Not primarily viewing knowledge from the vantage point of the university, intelligence practitioners and their clients demand products that are actionable, timely, and cost-effective. The tools of intelligence evolved within such a context. Although many intelligence analysts and researchers are informed and scholarly in ways that are reminiscent of the liberal arts and social sciences, the profession is more practitioner-oriented and it is not an artifact of the university establishment (even though there are a growing number of scholars in the field).

As a result of this complete focus toward practitioner concerns, the orientation

of intelligence contrasts sharply with the academic and scholarly pedigree of other forms of business research and analysis. Not only has intelligence developed outside of the direct influence of the academy; it has not tended to use ivory tower criteria of evaluation when justifying itself and the services it provides. Intelligence professionals typically adopt a "the proof is in the pudding" approach when justifying their work; pointing to the useful knowledge generated, the profession is justified on those grounds with little or no reference to the formal criteria of rigorousness or intellectual respectability.

Because the intelligence profession has not justified itself in terms of formal, academic, and ivory tower concerns, however, it can be easily dismissed by those who cling to those criteria of evaluation. Here, we will focus upon the espionage model of intelligence and argue that its practitioner orientation, while conflicting with scientific and academic paradigms that have come to dominate business thought, has a distinct role to play in private sector research. This role, incidently, is largely linked to the ability of competitive intelligence practitioners to transcend irrelevant academic criteria of analysis by providing an informed analysis that is geared toward the actual needs of decision makers.

ESPIONAGE AND INTELLIGENCE: THE LINK TO SCIENCE AND TECHNOLOGY

In many ways, intelligence is intimately linked with science and technology. In movies, such as the James Bond series, sophisticated technological hardware always has a significant role to play in insuring the survival of the hero and the success of the mission. In real life, modern science and technology have created the arena in which competitive intelligence professionals ply their trade. Satellite photographs yield an unprecedented means of snooping upon the competition. Modern advances in the Internet provide rich new sources of information. The analytic power of computers produces a wealth of techniques for gathering, storing, and analyzing information.

The impact of science and technology on the techniques used by competitive intelligence professionals when plying their trade has created the illusion that, at its core, competitive intelligence is a discipline that is primarily derived from science. Nonetheless, most basically, intelligence is a discipline that applies subjective and intuitive judgments to whatever information it processes. Although competitive intelligence professionals may analyze data that has been gathered in a scientific manner or evidence that depends upon the application of modern technology, the actual analytic process is not scientific. Instead, competitive intelligence professionals apply judgment, intuition, and subjective evaluation to the data sets they examine. These habits of evaluation derive from the tradition of intelligence as an ad hoc methodology that is dedicated to quickly and cheaply providing useful and actionable information. Doing so is the bedrock task of espionage and this mission continues to exert a powerful influence upon the intelligence profession.

A forte of intelligence is using weak, compromised, and/or incomplete data in order to infer useful information. The process of drawing inferences from diverse scraps of information and weaving them into a recognizable and useable mosaic is a key contribution of the field. Today, competitive intelligence professionals make significant use of modern science and technology, but science and technology merely provide raw material (or data) that must then be analyzed using judgment, intuition, and subjective insight.

Of course, there exist a number of circumstances where the tools of intelligence are superior to other, more formal methods of research and analysis. Time is often a crucial variable that must be considered when investigations are being conducted; on many occasions, decisions must be made quickly and research must adhere to a short timetable. Science and quantitative methods are often unable to provide actionable information to decision makers when a quick response is essential. Given this situation, analysts must rely on techniques that can quickly respond using less formal and more subjective forms of analysis. Competitive intelligence and the techniques of espionage provide the tools needed to accomplish these tasks.

Decision makers must often forge strategies and tactics even though they lack adequate information. Under these circumstances, competitive intelligence professionals draw inferences using reasoning and judgment that is typically based, in part, on past experience. In other situations, data may exist, but may be of poor quality. This circumstance places decision makers between a rock and a hard place; if they disregard poor data, valuable clues may be ignored, but basing decisions on the wrong data can have serious repercussions. Given this situation, intuitive and subjective competitive intelligence professionals must evaluate the pros and cons of acting upon questionable evidence when establishing strategies and responses.

Of course, rival firms often attempt to deliberately provide misinformation. Perhaps that high-tech competitor is patenting worthless and flawed "innovations" in the hopes of drawing attention away from projects that really do have significance. Focusing upon these worthless patents can result in inaccurate assessments of the competition. Because organizations often seek to distract their rivals using such ploys, competitive intelligence professionals must be aware of this potential and use insight and intuition when interpreting data.

While intelligence professionals strive to make appropriate use of science and technology, the profession, most basically, derives from one of the oldest of mankind's tools and talents: applying subjective judgment in strategic ways to diverse, incomplete, and/or flawed data sets.

TRANSCENDING SCIENCE AND QUANTITATIVE METHODS

Today, members of the intelligence community are increasingly re-embracing the use of judgment, intuition, and subjective insight when drawing valuable

inferences. Here, we will provide a bird's-eye view of this trend by examining discussions that took place at a conference hosted by the Research/Intelligence Analyst Programs at Mercyhurst College in June 1999, which appraised the evolving nature of intelligence. This discussion will be followed by an evaluation of the recommendations made at the conference regarding how the intelligence profession can affirm its role as a distinctive profession that is based on insight and inference.

Although the intelligence profession has strong ties to science and technology, there is an increasing recognition among intelligence practitioners that the exercise of judgment and intuition is essential. This basic orientation was the focus of a recent conference entitled "The Worth of Intelligence: Improving the Return on Investment" which was hosted by Mercyhurst College in June 1999. Initially, the current status of the intelligence profession was evaluated by Don McDowell's provocative presentation, "The Intelligence Profession: Evolution or Devolution." The basic position advanced by McDowell is that "the role of the intelligence analyst is changing for the worse"(McDowell 1999, 8). McDowell believes that this unfortunate situation is caused by technological advances that mask the true nature of intelligence and how intelligence professionals transform data into actionable information. Pointedly repudiating these trends, McDowell affirms:

As a result [of innovations in the field], many members of the [intelligence] profession have begun to think primarily in terms of technological and software advances. While these influences are profound, they have tended to draw attention away from the actual skills and insights of the analyst. Ultimately, we don't just need tools; we need professionals who can effectively use their personal skills, insights, and intuitions (and not simply jockey computer software). By combining individual skills with today's tools, the needs of decision makers are best served.

One of the great fallacies of today's world is that more data inevitably leads to better intelligence. This, unfortunately, has led to a generation of "chartists" who judge their work by the charts (or tables) with which intelligence data is presented. And the system feeds on itself; the more presentation skills are lauded, the more attention they receive. This, in turn, leads to non-substantive criteria of evaluation that are further embraced by analysts. (McDowell 1999, 8)

McDowell obviously believes that these intellectual trends exert a profoundly negative impact on the intelligence profession. Analysts, he believes, must not merely gather data and present facts in clever ways; they must process data and transform it into actionable information. In addition, analysts must be allowed to exercise personal judgment and "Hypothetical thinking must be developed and encouraged" (McDowell 1999, 8). McDowell also underscored that organizations must forcefully create an environment where analysts can professionally deploy their skills without fear. Unfortunately, this flexible, open, and innovative environment is often lacking.

McDowell ends with advice that is centered around transcending the ways in which the intelligence profession has atrophied in recent years. He states:

Let's not breed a generation of intelligence professionals that believes computers and number crunching are the only viable tools of analysis. Ultimately, some knowledge is *not* derived from the scientific method or from quantitative analysis. On many occasions, statistical correlations are *not* the most effective measures to be used when performing intelligence work. Today's competitive intelligence professionals need to remember this fact.

In the final analysis, intelligence analysts often need to take a personal stand; to be effective, they must have the courage to go "against the grain" when necessary. Analysts need to possess a strong backbone and sense of purpose; organizations, furthermore, must create an environment or corporate culture where analysts are willing to use intuition and personal judgements without fear. Only when courageous analysts are willing to state the facts as they see them, no holds barred, will the profession be most effective. (McDowell 1999, 9)

Thus, McDowell argues that intelligence needs to be nurtured in an environment where practitioners are respected and encouraged to develop as "thinking individuals" and make judgmental calls when necessary. McDowell seemingly suggests that an organizational culture that demands that people justify their actions in rational, guarded thought is handicapping itself by thwarting innovation and creativity.

While McDowell provides a philosophical overview of the pressures facing the intelligence profession, Bill Meehan (1999) concentrates upon the nature of the analytic procedures embraced by the intelligence profession and the specific and unique skills that are typically employed by intelligence analysts.

We live in an era of mass production in which workers are expected to perform generic tasks in a variety of circumstances and for a number of different clients. Hiring guidelines are often tightly focused on hiring people that have general abilities that can be applied to many different problems. The flexibility of workers has become a prized characteristic within today's organizations.

The downsizing of the American corporation has led to greater efficiency, and the resulting effectiveness has its benefits. Nonetheless, every action has its equal and opposite reaction; thus, achieving efficiency has had its costs. Today, for example, one of the "hot" areas of business theory and method is "management information systems." Proponents argue that management information systems provide a significant tactical advance over earlier methods and represent a positive wave of the future.

Nonetheless, it is also useful to correlate the growth of management information systems with reference to other transformations within today's corporate culture. Due to downsizing trends, there has been a tendency for organizations to eliminate many middle management positions. An unfortunate side effect of doing so has been the loss of employees who have a historic knowledge of the organization, its clients, and its competitors. Due to the resulting lack of readily

available historic information, managerial strategists had to develop techniques (such as management information systems) that gather and warehouse diverse sets of data. To a significant extent, the growth of management information systems is an artifact of the tendency to discard the seasoned, long-term employees who, if still on the job, would have been readily available as sources of information.

Throughout organizations, furthermore, there is a tendency to replace people who possess specific areas of expertise with more generalized counterparts who have generic skills that can be "plugged into" any problem that arises. As a stopgap, organizations rely upon specialized consultants in order to deal with seldom-encountered problems. But this raises a significant question: should competitive intelligence professionals be viewed for their generic skills or for the specific and unique insights that they have gained through long-term involvement with a specific area of analysis or subject matter? Can the subjective and intuitive insights gained through years of dedication be effectively replaced by generic employees and consultants? Many intelligence professionals answer this question with a resounding "No."

Meehan strongly affirms that there are profound benefits and skills that derive from long-term involvement in and mastery of a specific area of analysis; experience provides subjective insights that should not be discounted or ignored. He states:

Ultimately, there are significant costs inherent in intelligence work. Besides the actual time spent on specific projects, it is necessary to factor in all the training and development that specialized analysts must receive (and the costs [involved]). To be effective, analysts must develop specialized skills and areas of expertise centering around specific, focused areas of investigation. Developing these skills and knowledge is costly and time consuming. And yet, this is the only way in which professionalism can be developed in the intelligence analyst. Grooming intelligence analysts is a long term prospect, not a quick fix. Decision makers need to recognize this fact. Additionally, there is a misconception that information is free and readily available over the internet (and elsewhere). In reality, knowledge is complicated and creating it is a sophisticated process. The intelligence process and the analysts of the profession should be respected accordingly. (Meehan 1999, 12)

Competitive intelligence professionals must affirm that skilled analysis is based on insight that derives from long-term involvement with specific areas of inquiry. Generic analysts, with a "handy-dandy" toolkit, cannot swoop in and replace those with sophisticated perspectives that derive from years of experience and the judgment it creates.

Based in part upon the insights of McDowell and Meehan, the conference members met in groups to discuss the problems facing the field. The responses include:

There is an over-emphasis upon statistics and raw data and not enough emphasis upon analysis . . .

High turnover and/or a lack of training limits the skills of [intelligence] practitioners. . . .

There is an over-reliance on technology [and not enough emphasis upon intuitive, subjective; human intelligence. . . .

Decision-makers demand hard data (numbers), not qualitative information. . . .

There is a lack of analytical training and an institutional bias against it. (Walle 1999, 37–38)

Reflecting upon these and other problems facing the profession, the editor of the proceeding and the organizers of the conference conclude:

Looking at these . . . responses, certain parallels can be seen. First, . . . intelligence as a profession and individual analysts are often not taken seriously. This leads to relatively low pay and, more important, a general lack of respect. Another way in which the groups restated this problem is their complaint of inadequate "executive buy-in.'' (Walle 1999, 39)

Closely tied to these image problems is the fact that decision makers tend to be unaware of the value of the [intelligence] profession and [they do not recognize] that the information provided [by intelligence] is significant and unique. These image problems and the way they trickle through the system are disturbing. The good news is that [the intelligence profession has relevant tools and] the ability . . . to respond to the pressures of a changing world.

There were, however, complaints that due to turnover the quality of work might suffer; practitioner turnover was directly related to image and levels of compensation. These, however, are external pressures and not indicative of a fatal flaw facing the profession.

In summary, the respondents seemed to feel that their professional house is largely in order. As a result, the profession and individual analysts are in a position to grow, prosper, and make greater contributions as conditions change for the better. (Walle 1999, 38–39)

The intelligence profession, therefore, faces a number of obstacles that are directly related to the fact that organizations often seek to streamline and downsize themselves by hiring generically trained analysts. This trend potentially undercuts the ability of intelligence professionals to gain the level of knowledge and experience that is required for them to effectively employ intuition when drawing inferences.

VITAL AND PROVOCATIVE SOLUTIONS

The foregoing analysis indicates that the intelligence profession has been undercut by perceptions and strategies that de-emphasized the importance of personal judgment. Due to this orientation, there has been a reliance on people who have gained generic skills that can be applied in a wide variety of circumstances.

To whatever degree an analyst relies on "canned skills," the value of insight and subjective insights is diminished.

Today, the subjective and intuitive skills of intelligence professionals may be ignored, devalued, and diluted. Nonetheless, the competitive intelligence profession can counter these unfortunate trends by concentrating upon the positive and unique benefits that derive from the qualitative and intuitive methods that are the hallmark of the profession.

According to those attending the conference, a number of affirmative steps can be taken in order to elevate the status of the intelligence profession. Specific recommendations include:

The profession should place a greater emphasis upon creative thinking.

Quantitative tools should be used appropriately and not be employed as a substitute for creative thinking.

It is important to rely more on human intelligence, not quantitative methods.

It is important to engage in "post mortem" analysis to see what went right and what went wrong.

It is important for members of the intelligence profession to conduct self-audits that can lead to better professional practices. (Walle 1999, 41–42)

In essence, the intelligence profession must combat the inappropriate use of scientific/quantitative methods in situations where the techniques of inference are more appropriate.

Competitive intelligence can benefit by returning to its roots that derive from qualitative and subjective tools, such as those that stem from espionage. The intelligence profession is clearly recognizing that focusing solely upon scientific/quantitative styles of research and analysis is counterproductive. In addition, competitive intelligence professionals emphasize the value of their intuition, subjective insights, and ability to draw inferences.

Gaining generic skills is not enough. In addition, analysts may require years of experience and grooming in order for them to gain the perspectives that are needed to employ insight and intuition when researching specific topics. Competitive intelligence professionals are recognizing the significant investment that is involved in permitting analysts to build the insights and the qualitative mindset that are needed to be effective in specific circumstances.

The emerging tradition of competitive intelligence should temper strategies that aim at creating generic analysts and replacing experts who have long-term involvement in a specific area of expertise with interchangeable generalists. Organizations and decision makers need to recognize the value of this kind of unique and hard-won expertise; they also must become willing to honor and reward it.

THE DEVOLUTION OF INTELLIGENCE AND ITS CURES

The term "devolution" is the opposite of "evolution." While evolution refers to growth and development toward a higher state of existence, devolution refers to a process by which something decays and reverts to a lower or less productive form.

The idea of the devolution of intelligence stems from Don McDowell's paper "The Intelligence Profession: Evolution of Devolution" (1999) discussed above. A further look at McDowell's metaphor of devolution is necessary in order to discuss threats that the intelligence profession faces and how the profession can combat them.

First, a discussion of some of the threats competitive intelligence currently faces is presented. This is followed by an analysis of how these hazards can be overcome.

Threats to Intelligence

Stemming from McDowell's discussions, several disturbing developments in the field of intelligence serve as indicators of the decay or devolution of the field. They include:

1. An Overreliance upon Scientific/Quantitative Analysis
2. An Overreliance upon Technology
3. An Overreliance upon Computers and the Internet

Each is discussed as a threat that needs to be mitigated.

An Overreliance upon Scientific/Quantitative Analysis

We live in an era in which many intelligence professionals think of their work primarily in terms of applying scientific/quantitative methods by rote in order to gather data for clients. Certainly, the scientific/quantitative method offers much of value to analysts. These techniques, unfortunately, are being overly prescribed and applied in counterproductive ways.

The classic methods of competitive intelligence are centered around using intuition to draw inferences. The other business research disciplines tend to prefer more "formal" methodologies. The "competitive edge" of competitive intelligence has always been that analysts have the ability to apply a wide array of qualitative tools using personal insight; as a result, they provide an alternative way of perceiving a problem. As Jeff Fiedler observed:

I have found that to be an effective intelligence analyst, you need to be a little "off"; that is to say, you have to be able to look at a problem in unique ways. By doing so, it becomes easier to outfox opponents. (Fiedler 1999, 20)

By embracing a unique toolkit that allows analysts to be "a little off," competitive intelligence analysts look at problems in unique ways. If the field of competitive intelligence loses track of this peculiar mission, it can easily devolve into a weakened, watered-down, and undistinguished clone of the organization's formal research staff. This fatal trap must be avoided.

An Overreliance upon Technology

The intelligence community often relies upon scientific and technologically derived data. It is sometimes hard to perceive where technology stops and where intelligence begins, and vice versa. This symbiotic relationship has "muddied the waters" and made it increasingly difficult for intelligence analysts to remember that the modus operandi of the field hinges, most basically, around intuitive and subjective analysis.

Although a large percentage of the work of intelligence professionals involves analyzing information that has been gathered using modern technology, the actual process of analysis continues to one of drawing inferences. Just because data is gathered via "star wars" methods does not require that it will be analyzed in "formal" ways. On many occasions, intellectuals make an intellectual leap and apply personal judgment and intuition to a hodgepodge of seemingly random facts. Being able to do so is the strength of the profession. Apparently, however, many analysts and clients have lost sight of this key fact, and when this happens, the intelligence profession devolves.

An Overreliance upon Computers and the Internet

The growth of the Internet has created a situation where many people (many without any special analytic training) believe that they have the ability to ferret out obscure information and, therefore, the competitive intelligence staff, as a distinct entity, serves no useful purpose; or, at a minimum, management may conclude that the intelligence staff does not need the levels of funding and professionalism that were previously required. Some junior-level competitive intelligence professionals, following the lead of their superiors, may think that they are primarily responsible for finding facts on the World Wide Web and reporting them in rather uninventive ways: end of job description.

In general, then, the competitive intelligence profession faces a number of grave threats (see Table 5.1). Although unsubstantial, these challenges must be taken seriously because they exert a strong and negative impact upon both the profession and its clients.

Overcoming Threats

The threats facing competitive intelligence are very real and it is important to take them seriously. However, they can be mitigated in powerful ways, including:

Table 5.1
Threats to Intelligence

Issue	Overview	Discussion
Scientific Threats	Scientific/quantitative methods tend to dominate the modern world. As a result, analysts may embrace these methods. When this occurs, the unique contribution of competitive intelligence may be lost.	The unique contribution of competitive intelligence hinges around its ability to examine problems in qualitative, intuitive, and subjective ways. The field provides an alternative to scientific/quantitative data. As a result, it cannot be rendered obsolete by scientific advances.
Technology Threats	Much competitive intelligence involves the processing of data that is gathered using the wonders of modern science. The marvels of technological innovation can draw attention away from the fact that the process of intelligence inevitably involves intuitive and subjective analysis.	The fields of intelligence and espionage have long processed data that was gathered using state-of-the-art technology. Nonetheless, the field analyzes that data using insight, intuition, and qualitative judgments. The nature of the data processed does not undercut the significance of that fact.
Internet Threats	Due to the growth of (and the "user-friendly" nature of) the World Wide Web, many individuals have begun to believe that competitive intelligence is passé since almost anybody can find a wealth of information about any subject.	While many people can use the Internet, this does not mean that they have the ability to professionally analyze the data they retrieve and transform it into actionable information. This is the forte of competitive intelligence.

1. Embracing a Holistic View
2. Emphasizing the Need to Forge Hypotheses
3. Transcending Number Crunching
4. Performing Sanity Checks

In order to alert the competitive intelligence professional to ways in which the prestige of the profession can be bolstered, each mitigating factor will be discussed below.

Embracing a Holistic View

The term "holistic view" is just another way of saying "the big picture." And it is the holistic view or big picture that provides decision makers with the insights that are needed to make key decisions.

Perhaps various methods from outside of competitive intelligence will be best able to gather and process this, that, or the other piece of information. Although such options may exist, all relevant facts and insights need to be combined into a holistic view of the situation. Competitive intelligence professionals (ideally with long-term expertise and experience in their specific area of investigation) are expected to develop a holistic vision that responds to the needs of their clients. As a result of these perspectives, competitive intelligence analysts should often be the "lead researcher" who orchestrates the efforts of others. Even if analysts do not have complete expertise in using all the analytic tools involved in a research project, competitive intelligence professionals should still direct the research project. Their claim to this assignment rests with their holistic vision. If you cut off the head, the snake dies; if you remove a leader who understands the big picture, the quality of research atrophies.

Emphasizing the Need to Forge Hypotheses

The key questions facing management usually start with the phrase "what if?" "What if we launch a new product?" "What if we raise the price?" "What if the interest rate goes up?" And so on. Clients do not need data. They need answers to "what if" questions.

More than that, clients and decision makers can clearly benefit from analysts who are independently able to perceive the relevant "what if" questions and then systematically research them either independently or in concert with clients and other researchers. By honing in on and spotlighting their abilities to ask "what if" questions, analysts provide invaluable contributions.

Another way to express these perspectives is to observe that clients need analysts who are skilled at forging relevant hypotheses. Typically, hypotheses are stated by individuals who have extensive long-term exposure to a phenomenon; and typically, hypotheses stem from subjective insight and an intuitive vision. Even if the actual research will be carried out in formal ways, relevant hypotheses need to be stated, and these hypotheses are usually the result of subjective insight.

Competitive intelligence professionals are in a position to gain the insights needed to forge relevant hypotheses. They can do so if they are allowed to perceive the "big picture." As a result, this ability to help clients crystalize problems in relevant ways is a key aspect of competitive intelligence. If this fact is recognized, clients can better appreciate why the profession needs to survive as a freestanding bastian of subjective insight.

Transcending Number Crunching

"Number crunching" is an irreverent way of saying quantitative analysis. Although quantitative analysis is a valuable tool, it is but a set of techniques; as a result, it should not dominate the way in which problems are perceived. Those who prefer scientific/quantitative analysis, however, may want to limit analysis

to those issues that can be "rigorously" examined according to some set of pet analytic techniques.

Unfortunately, it may not be possible to answer the questions clients raise using scientific/quantitative methods, and yet, the analyst must deal with these queries in meaningful and insightful ways. If analysts are overly infatuated with scientific/quantitative methods, however, they may be unwilling and/or unable to tackle the key issues that need to be examined in qualitative ways. If this happens, the analyst (and, perhaps, the intelligence profession) will suffer from the same blind spots that inhibit many other researchers.

Ultimately, a key niche for competitive intelligence is providing an alternative to scientific/quantitative research that is based on inference. If competitive intelligence closely emulates its more formal rivals, however, the profession will have no unique contributions to make.

Performing Sanity Checks

Due to the fact that competitive intelligence analysts seek to gain long-term knowledge about a specific area, they are often in a position to intuitively and subjectively evaluate the credibility of the data that becomes available. Other researchers (such as those who generate data) may be technically competent, but unfamiliar with the topics that they are researching. As a result, these technicians may not be in a position to accurately evaluate the credibility of the data they process.

Consider, for example, research findings that indicate that a firm is spending heavily on research and development (R&D). This data may be corroborated by the fact that the firm has been granted numerous patents in the last year. This data seems to indicate a skilled and productive research staff exists. This could lead to the assumption that future profits would derive from the efforts of this R&D team. If the client was considering buying that firm, the strength of the R&D efforts would appear to make the acquisition particularly attractive.

If this data was provided to the decision maker in a "raw" and unanalyzed form, it would encourage the client to increase the offer, if necessary, in order to complete the purchase. A competitive intelligence analyst who had long-term familiarity with the company and the industry, however, may apply a "sanity check" to the situation and question the true meaning of the findings. Perhaps the firm has never been strong in R&D. Maybe the competitive intelligence professional had visited the firm's booth at trade shows and observed no strong signs of life among the R&D people. Possibly the firm has never taken a leadership role in the industry.

Under these circumstances, the analyst may encourage management to discount these reports and not to buy the company in anticipation of acquiring valuable R&D initiatives. Perhaps the patents are merely shams intended to give the appearance of significant R&D activities. If this is the case, the R&D figures are actually misinformation specifically designed to increase the purchase price. This is the kind of "sanity check" that can save companies millions of dollars.

A generic researcher (no matter how skilled) would be unable to provide this kind of sanity check. Contributing this kind of insight, however, is a significant responsibility of competitive intelligence professionals who have the experience required to infer what lies below the surface of undigested facts.

There are a number of crucial ways in which competitive intelligence profession can counter the threats it faces. The profession can meet these challenges based on the fact that it is able to provide leadership in ways that cannot be duplicated by other researchers (see Table 5.2).

There exist, therefore, a number of ways in which competitive intelligence professionals can meet the threats they face. Although technical specialists may have a level of expertise in their specific areas, they are probably not closely involved with the topic under investigation. As a result, they will probably have trouble forging the hypotheses to be tested and they will not be able to perform "sanity checks" regarding their findings. Competitive intelligence professionals should fill this void. By doing so, they will create a valuable niche for themselves.

TAKING A STAND

Competitive intelligence is a profession that will only be effective if it maintains an ethic of stating things the way they are seen, no holds barred. Since the techniques of competitive intelligence are largely based on subject insights and intuition, however, it may not be possible to scientifically "prove" the inferences that competitive intelligence analysts make. This lack of "hard data" can make analysts vulnerable if their predictions do not materialize.

If analysts are to develop an ethic of stating things the way they see them, organizations will have to adjust themselves accordingly. Analysts should not be punished merely because they infer things they can't prove, and clients need to learn to develop appropriate respect for the subjective and intuitive opinions of analysts. This does not mean that the opinions of raw and unseasoned analysts should be believed like "God's truth", but merely that when seasoned analysts develop a credible track record that their opinions should be respected and acted upon (or at least be treated with respect).

In addition, the organization should create an environment where newly recruited analysts are placed in an environment where they can gain the insights and intuitions needed to do their job. Training an analyst to perform well in a particular environment may be a long-term commitment. Organizations should recognize this fact, act decisively, and be willing to invest in their analysts accordingly.

Organizations that (1) can develop ways to groom analysts into subjective and intuitive thinkers and (2) are willing to take their advice as required once these analysts have proved themselves, will be able to reap profound dividends from competitive intelligence. Other organizations will fail to reach this potential.

Table 5.2
Countering Threats

Issue	Overview	Discussion
Holistic View	Because many researchers specialize in specific techniques and are not experts in the actual subject being investigated, they have a micro and not a broad, holistic view. CI analysts can provide the broader vision that their clients require.	Research specialists have areas of expertise that may be superior to those of the CI analyst. These specialists should be used when their ad hoc skills are required. The holistic views of CI analysts, however, are unique and indispensable.
Forge Hypotheses	CI analysts should transcend merely gathering and processing information. In addition, they should provide leadership in perceiving the questions that should be asked and the relationships that should be explored.	Because they develop an intuitive view of what they study, CI analysts are able to help clients to perceive the questions that need to be asked. This is a vital and invaluable role, no matter who ultimately performs the actual research.
Transcend Number Crunching	By transcending quantitative analysis, CI analysts provide alternative ways to analyze problems. This variety is invaluable in many circumstances.	Scientific/quantitative methods are but one way of analyzing phenomena. CI analysts should not replicate the tools of others (even if they use their services on occasion). Instead, they should provide alternative types of analysis that others cannot duplicate.
Perform "Sanity Checks"	A key responsibility of the CI analyst is to perform "sanity checks" that insure that the data being studied is transformed into useful information. By doing so, the CI professional can help keep the research effort focused in useful ways.	Many researchers are methodological specialists, not experts in the topics being investigated. As a result, they cannot determine if their findings reflect reality. The CI professional is usually in a better position to assess the credibility of the data gathered.

SUMMARY

A vast number of qualitative methods exist; they all tend to assume that scientific and quantitative methods possess inherent limitations that need to be mitigated. Most basically, qualitative researchers insist that the complexity of people, organizations, and the world creates a situation that demands the use of diverse methods so phenomena can viewed in all their depth. Information must be inferred, not derived purely in scientific/quantitative ways.

The qualitative tools of espionage and intelligence, however, are often directly linked to scientific evidence. This relationship should not blind us to the fact that the qualitative tools of our profession can be applied to all data, even that which is a product of science and technology.

In recent years, competitive intelligence professionals may have come to reject the belief that their field is subservient to science; emerging perspectives center upon the fact that, whatever type of data is processed, intelligence information inevitably relies upon the judgment of the analyst who is inferring from weak, compromised, and conflicting data. By keeping this fact in mind and by forcefully articulating it as required, competitive intelligence professionals will be able to clarify the true underpinnings of their profession when negotiating with clients.

KEY TERMS

Devolution of Intelligence. According to Don McDowell, many intelligence professionals are tempted to concentrate upon technological advances. Those who overrely upon these tools may ignore the value and significance of intuitive insights. Intelligence devolves when analysts forget that, ultimately, the knowledge provided by intelligence is not derived from the scientific method and/or quantitative analysis, but instead it is based upon the skill, knowledge, and subjective visions of the analyst.

Dilemma of Intelligence. In corporate America, organizations are attempting to downsize. An aspect of downsizing is the tendency to hire generalists who can do many tasks. To effectively pursue their careers, however, competitive intelligence professionals often need to gain long-term exposure to a certain topic or issue and, thereby, they become specialists over a long period of time. This degree of specialization goes against the grain of the modern downsized organization. As a result, the modern corporate culture tends to mitigate the most effective tactics of pursuing competitive intelligence.

Generalized Science. Basically, science strives to identify generalized patterns. A sample is studied in order to perceive how it responds. The analyst attempts to generalize the observed patterns in order to predict the future. As a result, science is not specifically designed to predict the responses of (1) a unique entity or (2) an entity facing unique situations.

Hard Data. The term "hard data" refers to empirical "facts" that cannot be refuted. They are based on observation and do not depend on judgment, intuition, or the feelings of social actors. They can be verified "objectively" and all observers will agree that they

took place in the manner that is described. Science and quantitative methods make use of hard data.

Hypothetical Thinking. In recent years, many competitive intelligence professionals have been primarily concerned with facts and they have judged their profession accordingly. Ultimately, however, analysts need to be able to pose hypotheses or "what if" formulations. Being able to do so requires a degree of sophistication that goes beyond merely gathering data. This hypothetical thinking, however, is essential if competitive intelligence professionals are to most effectively pursue their careers by helping decision makers gather and process actionable data.

Mitigating Science. Science, by its very nature, places profound limitations upon the research process in order to achieve a degree of rigor. This limiting process, unfortunately, can prevent science from dealing with many important issues. Competitive intelligence professionals must often pursue research projects even though they cannot be investigated in a scientific or quantitative manner. Doing so may be viewed as mitigating science.

Qualitative Nature of Intelligence. Generally, the field of competitive intelligence applies insight, intuition, and subjective vision to weak data. Many of the key tools of intelligence stem directly from espionage: a field that extrapolates information from diverse data that is often gathered in catch-as-catch-can ways.

Scientific Tools and Intelligence. Although competitive intelligence is a qualitative discipline, much of the data that it processes has been gathered using state-of-the-art technology. Nonetheless, this scientific data tends to be analyed in qualitative ways. Competitive intelligence professionals need to forcefully remind clients of this truth so that they may be allowed to practice their subjective, intuitive, and qualitative techniques.

Soft Data. The term "soft data" can be juxtaposed with "hard data" that is empirically verifiable. Soft data is intuitive, subjective, and not gathered according to methods that satisfy the criteria of science. Scientists and quantitative researchers tend to discount "soft data." Those that use this kind of evidence, however, point out that qualitative data is often the only information available and it must be used in order to address certain questions. The humanities and qualitative social sciences, furthermore, have developed sophisticated ways to process and analyze soft data; thus, qualitative researchers cannot be dismissed as "fuzzy minded."

Specialized Intelligence. While science tends to be generalized, competitive intelligence provides specialized information about specific organizations and situations. While science seeks to study recurring patterns, competitive intelligence is often primarily concerned with unique situations and the expected responses.

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Chapter 6

Competitive Intelligence, the Planning Process, and Marketing

COMPETITIVE INTELLIGENCE: A GENERIC FORMULATION

Competitive intelligence, an umbrella term, refers to a process of gathering and analyzing an array of information that has strategic or tactical importance to the organization. There has been a tendency for some writers and practitioners to equate competitive intelligence with the gathering and manipulation of "open source" information that is readily available in public documents (via written sources and/or over the Internet). One benefit of so defining the field is the fact that this definition affirms that the vast majority of information that is needed by decision makers already exists in readily available sources, and that resourceful analysts and researchers can ferret out this knowledge and eliminate the need for more costly and time-consuming primary research. When it is possible to replace primary with secondary research, both time, effort, and money can be saved. Thus, McGonagle and Vella observe, "A key maxim of . . . competitive intelligence . . . is that 90 percent of all information that a company needs to make key decisions and to understand its markets and competitors is already public or can be systematically developed from public data" (1996, 40).

Another reason for equating competitive intelligence with open source research is the fact that practitioners emphasize that the research and analytic tasks that competitive intelligence professionals perform (as compared to what is routinely depicted as espionage) is legal and that competitive intelligence clearly operates within the parameters of law, regulation, and ethics. Since open source data, by definition, is readily accessible and freely available (both legally and ethically) to the public, concentrating upon this kind of data underscores that

Table 6.1
The Planning Process

Issue	Strategic Planning	Long-Range Planning	Operational Planning
Time Frame	Longest	Mid-range	Shortest
Role	Establish mission statements, general guidelines drawn.	Specific ways to achieve the mission of the organization are formulated.	Day-to-day operating procedures of the organization are established.
Established by	Top management, consultants, and others as required.	Division heads and others using the mission statement as a guide.	Various individuals in order to achieve ad hoc goals.

the activities of competitive intelligence operate within legal and ethical guidelines.

Having emphasized the premise that competitive intelligence is largely equated with legal techniques for analyzing open source information, observers go on to discuss the general principles that underlie the field. A key guideline that has emerged focuses on the fact that competitive intelligence, although distinctive, should be carried out on an ongoing basis and should not be considered to be an "exotic" technique to be used under special circumstances.

Once the general concept of competitive intelligence is appreciated, it becomes natural to divide the field into strategic (long-term) and tactical (short-term) variants. As will be argued below, this tends to be the way the field is perceived.

STRATEGIC INTELLIGENCE

Strategic intelligence is largely equated with the "long-term" or strategic planning process. Various models stemming from policy science deal with strategic planning in terms of upper management and having long-term implications. Other types of planning are distinguished by their increasingly short-term focus and by the fact that upper management becomes less and less involved in both the planning and the implementing processes. One typical formulation divides the planning process into Strategic, Long Range, and Operational planning. This set of discrete but interrelated activities is presented in Table 6.1.

The point being presented here is that strategic planning roughs out the future direction of the organization in general ways and that the key decision makers of the organization are actively involved in this process. As the organization's attention becomes increasingly directed at more short-term concerns, the stra-

tegic plan becomes a guide that influences (although does not totally direct) decisions that are made by specialized subordinates who lack the full strategic vision of top management. Still, these subordinates are expected to follow the strategic guidelines provided by top management when making decisions in their own areas of responsibility. Viewed from this perspective, strategic intelligence helps top management when formulating long-range plans that have a basic and significant impact upon the organization.

MARKET INTELLIGENCE

As usually developed by competitive intelligence professionals, marketing intelligence focuses around the needs of those who are involved in forging operational plans that are centered around marketing and sales. Typical of this perspective is McGonagle and Vella's observation that "market intelligence has no direct link to strategic intelligence. Its focus is almost exclusively the present, and it provides support for operational, not strategic decisions" (1996, 53).

As such, market intelligence is viewed as a special form of research and analysis that deals with short-term, operational, and tactical information that is centered around the marketplace. Although this type of intelligence and analysis may provide insights regarding customers and competitors, it is not envisioned as being truly strategic in nature. Due to this fact, it is assumed that there will be a fairly small group of people who possess an interest in market intelligence. Thus, McGonagle and Vella continue by observing that "The primary (and often the only) customer of market intelligence is the marketing department and the sales force" (1996, 53).

This useful model of competitive intelligence is phrased in ways that respond to the needs and orientations of management and policy science. It focuses on the needs of organizations to be directed by a hierarchy. Strategic intelligence helps management to forge long-term plans of basic importance to the organization. Others in the organization are expected to follow the dictates that result from long-term plans.

After long-range plans are devised, various specialized subordinates are given a variety of tasks and decision-making responsibilities. These subordinates may be given a range of decision-making authority as long as they act in conformity with the basic strategies and guidelines presented in the long-term strategic plan.

According to the basic orientation of the competitive intelligence continuum, market intelligence is a specialized form of intelligence to be used by subordinates who are associated with the marketing function. The more basic strategic plans, however, are forged by members of top management who, supposedly, are more capable of envisioning "the big picture." Marketing and sales professionals are viewed as just another subordinate group that, lacking an overarching vision of the organization and its strategies, is expected to follow the lead of the managerial elite.

While this model is widely embraced, the way in which it is articulated can

cloud the fact that the management function is increasingly controlled by marketing concepts. Although a managerial hierarchy still exists with an elite at the top, increasingly long-term (as well as tactical) plans are directly tied to marketing thought. The implications of this reality demand attention.

TYPES OF INTELLIGENCE AND THE MARKETING CONCEPT

Increasingly, the marketing function has been elevated from a subordinate to a dominant position. This book, in line with these trends, views marketing as the pivotal strategic discipline and one that should dominate the strategic planning processes of all organizations.

Since the 1960s, marketing has rejected a subordinate characterization and portrayed itself as the universal strategic science that should be given primary decision-making clout when strategies are being developed. All organizations, after all, seek to serve some group of clients or customers. The success of the organization, furthermore, is typically directly linked to the degree to which these customers or clients embrace the organization and/or the products and services that the organization provides. The basic point being made is that marketing is not a subordinate activity. As a result of the strategic commitment to serving clients and customers, the marketing profession has come to dominate the strategies of all organizations. Although marketers agree that subordinates should follow the lead of the organization's top management, they also feel that marketing principles (being centered around customers and clients) should underlie the organization's most basic strategic responses. According to this chain of thought, other business disciplines should follow the lead provided by marketing, not vice versa.

In general, the focus shifts from the needs of the organization to the demands and desires of those that it serves. Marketers insists that the best way to achieve organizational goals is to effectively and appropriately respond to the needs of its clients and customers. As a result, achieving the goals of the organization is envisioned as a side effect of providing service to others. In a nutshell, the principles and priorities of marketing are elevated to primary strategic importance.

When marketing was viewed as a tactical activity, managerial-oriented decision makers sought to forge their own strategies and policies that were centered around the needs of the organization. During this era, marketers were expected to follow managerial strategies and do so in obedient and submissive ways. The basic models of competitive intelligence appear to have evolved within this context. As a result, the traditional vision of competitive intelligence professionals tends to discount/overlook the strategic significance of marketing and views it in tactical ways. By doing so, the profession communicates in ways that are relevant to its traditional client base.

As decision makers become more influenced by marketing, the way in which

we communicate must be adjusted accordingly. In embracing such a framework, all other business functions and activities tend to be subordinated under marketing. The differences in these two philosophies are demonstrated in Table 6.2.

Although long dismissed as a subordinate and tactical discipline, in today's world (where clients and customers have a great deal of clout), marketing has been elevated to a primarily strategic role. Since today's decision makers are increasingly marketing-oriented, our profession must consciously address issues in ways that respond to the needs of marketing-oriented clients.

MANAGEMENT HAS BECOME MARKET ORIENTED

The reader may reply by observing that contemporary management theory and practice have clearly responded to changing times and, as a result, the contemporary management profession embraces relevant aspects of marketing and the marketing concept and uses them, as required, when strategies are being forged. According to such a view, modern formulations of management theory and practice have successfully embraced appropriate theories from marketing (including the marketing concept) and woven them into the overarching strategic vision that is provided by management.

One example of this tendency is the current vogue of what is called "Total Quality Management" (TQM), which focuses upon the needs and wants of customers. TQM emphasizes the importance of anticipating and responding to the needs, wants, and expectations of clients and customers. TQM emphasizes that every person in the organization needs to consciously focus on clients and customers. TQM belabors the point that great effort must be directed toward understanding clients and customers so that the organization can more effectively respond to them. Given the vogue of TQM, many management theorists and practitioners suggest that they are regaining the upper hand as the premier strategic discipline.

In this author's opinion, this state of affairs is reflective of the old adage "a rose by any other name is still a rose." Certainly, management theory has consciously embraced elements of marketing; it can be argued that management has done so to such a degree, however, that the traditional perspectives of management have covertly accepted a subordinate role. To this author's way of thinking, TQM is just marketing theory and practice rephrased in management-oriented ways. Management theorists increasingly accept that the needs of clients/customers are the stuff from which strategies must be forged. Management theorists have not merely woven isolated marketing concepts into the monolith of management theory and method; they have embraced the marketing concept and made it their own.

The general principles that underlie this transformation (represented here by TQM) stem directly or indirectly from marketing; the evolution of managerial theory and practice toward the marketplace must be viewed accordingly. By keeping the scope of this transformation in mind, it becomes easy to see how

Table 6.2
Management versus Marketing View of Strategy

Issue	Management-Oriented Paradigm	Marketing-Oriented Paradigm
Dominant Force	The managerial elite should dominate the organization. They have general skills revolving around the needs of organizations and the strategies that satisfy these needs. As such, the managerial elite should direct the organization and establish the basic strategic orientation that the organization embraces.	Those who are most familiar with the customers and clients of the organization should provide basic leadership and be responsible for establishing general strategic positions. As a result, organizational strategy should focus on providing services to distinct target markets.
Strategy Oriented Around	Organizations have needs, and these needs must be addressed if the organization is to achieve its goals. The strategies of an organization must take its needs and vulnerabilities into account. General management professionals are best able to provide leadership that is centered around these concerns.	Customers and clients have needs and wants. The organization only achieves its goals if it successfully serves customers and clients. As a result, the organization has a primary strategic need to forcefully respond to client and customer demands. Marketers are best able to provide leadership in these areas.
Role of Marketing Concept	The marketing concept provides a tactical perspective that the marketing profession uses when following the dictates of management. Although the marketing concept has an important role to play for those with marketing responsibilities, the management function is responsible for developing more general and overarching strategies.	The marketing concept is the basic strategic principle underlying the successful operation of all organizations. Activities, except those that are directly related to marketing, are tactical. The truly strategic activities of the organization center around pleasing customers and clients. These activities fall squarely in the realm of marketing.
Discussion	Historically, competitive intelligence has viewed strategy and tactics from a managerial point of view. As such, the marketing profession and concepts deriving from marketing have been dismissed as tactical and subordinate.	
	This book views marketing as the most basic and useful strategic orientation for the organization. As such, this book elevates marketing to the premier strategic science and it demotes the classic management perspectives to tactical status. Doing so meshes with marketing's increasingly dominant role within organizations. As a result, the model embraced here is clearly in line with state-of-the-art theories regarding strategies and tactics.	

marketing principles have become the primary strategic lodestar directing decision makers.

Competitive intelligence is a method of gathering and processing (largely open source) information in order to facilitate the formation of strategies and tactics. In an earlier era, when management was the dominant strategic discipline, competitive intelligence developed perspectives and paradigms that facilitated serving the decision makers of that era. Today, the key decision makers of the organization tend to embrace a marketing focus As a result, it has become necessary for analysts to communicate with clients in ways they appreciate and understand. Since the strategies of the organization typically revolve around marketing, it has become essential to gather data that is relevant for marketing decisions and to present findings in ways that mesh with the essence of marketing principles.

THE ESSENTIALLY STRATEGIC NATURE OF MARKETING THOUGHT

The reader may legitimately observe that much marketing theory and practice is tactical, not strategic in nature. This is obviously true and it cannot be responsibly denied. Nonetheless, the same can be said of any category of activities. The fact that some marketing behavior is tactical, of course, should not blind competitive intelligence professionals to the fact that, at its essence, marketing is the pivotal strategic discipline and one that has a unique strategic importance to the organization.

While some tactical elements of marketing exist, marketing principles underlie the basic strategic response of most contemporary organizations. As a result of this vital role, those who interact within the realm of competitive intelligence need to keep the strategic importance of marketing clearly in mind. For competitive intelligence professionals to do their job, they must provide decision makers with relevant data and do so in ways that jive with the needs of those who are responsible for providing strategic and tactical leadership. In order to effectively serve decision makers, today's competitive intelligence practitioners must be skilled at providing marketing assessments in ways that reflect the needs of the marketing paradigm. Marketing is the most basic strategic discipline in the contemporary world; this fact is destined to remake competitive intelligence, the techniques of analysis it uses, and the ways in which findings are communicated.

SUMMARY

Competitive intelligence seeks to provide both strategic and tactical information to clients. Increasingly, organizations embrace marketing and the marketing concept as the most basic underpinning of strategies and policies. As a result of marketing's current dominance, the perspectives of competitive intel-

ligence need to evolve in concert with the current role of marketing in strategic thought.

This chapter starts by reviewing the conventional paradigm of competitive intelligence that stems from management theory and policy science; this traditional approach views marketing and marketing intelligence in tactical ways. Transcending this passé approach, a more marketing-oriented vision of competitive intelligence, which recognizes the strategic significance of marketing, is presented.

I then provide an overview of how competitive intelligence professionals can perceive their work in terms of overarching strategic principles that are guided by marketing theory and methods.

KEY TERMS

Competitive Intelligence. Competitive intelligence is a term that refers to the profession in broad and general ways. Competitive intelligence is commonly divided into subsets of activities such as strategic intelligence and marketing intelligence.

Long-Range Planning. Policy science theorists tend to nest long-range planning between strategic planning, on the one hand and short-term, operational planning, on the other. Long-range planning is usually formulated by middle managers using the strategic plan as a guide.

Management Paradigm of Strategy. The management paradigm of strategy assumes that the managers are the most skilled and knowledgeable individuals in the organization and that they should be responsible for forging basic strategies. Those who embrace the management paradigm of strategy tend to assume that marketing is a subservient discipline and that marketing plans are tactics, not strategies.

Marketing Concept. The marketing concept is a basic underpinning of the marketing profession and marketing's assertion that it should be the organization's basic strategic discipline. The marketing concept states that the only reason for an organization to exist is to serve customers and that everyone in the firm should think in terms of service to customers and clients. While many management theorists think of marketing as a tactic, the marketing concept insists that marketing is strategic and all other decisions should be viewed as tactics.

Marketing Intelligence. According to the typical formulation of competitive intelligence thinkers, marketing intelligence is a tactically oriented activity of sole interest to the marketing and sales staffs. This book, insisting that marketing is the premier strategic discipline, believes that although some marketing intelligence may be tactical, marketing and intelligence related to it are strategic in a most basic sense.

Marketing Paradigm of Strategy. The marketing profession is the most basic strategic discipline since it helps the organization to achieve its goals by serving others. As a result, the marketing paradigm assumes that marketing is the premier strategic discipline and that everything else is really a tactic. Serving others is the mission of the organization and its leaders must not lose sight of this fact.

Marketing Revolution. Historically, due to scarcities, organizations could sell any merchandise they possessed. During that era of scarcity period, the strategies of the organ-

ization centered around raising production. Today, production methods have become so efficient that customers have a wide choice of merchandise from which to choose; due to this increased competition, the buyer has gained power. The increased power of the consumer has resulted in an environment in which strategies need to be centered around customers, not production. This phenomenon has been called the marketing revolution.

Operational Planning. Operational planning involves the day-to-day operations of the organization. Operational plans are usually made by low-level employees. These subservient employees may be given significant decision-making authority as long as they adhere to the larger strategic plans of the organization.

Strategic Intelligence. According to the prevailing models, strategic intelligence is intelligence that contributes to the basic strategic plans of the organization. As usually envisioned, strategic planning is more basic than the tactically oriented "marketing intelligence." This book challenges this view by reminding the reader that marketing is the most strategic discipline and that everything else is tactical.

Strategic Planning. In the typical planning process model developed by policy science professionals, strategic planning is the most basic planning procedure and the top leaders in the organization are directly involved in the strategic planning process. Strategic planning establishes mission statements and general guidelines. All additional planning is conducted with the strategic plan in mind and subordinates are required to act in accordance with it.

Strategic Vision of Marketing. In today's world where customers and clients have great power, marketing has emerged as the most significant strategic discipline. Marketers, being close to and having a subtle understanding of customers, are in a position to forge strategies that cater to them. Since it is almost universally acknowledged that serving clients and customers is the only reason for an organization to exist, the strategic nature of marketing has come to dominate most organizations.

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Chapter 7

The Process of Intelligence

In the last chapter, we dealt with different types of competitive intelligence in terms of the needs of strategic versus tactical planners. In view of the fact that organizations are increasingly marketing-oriented, we observed that competitive intelligence must increasingly deal with marketing (customer-related) issues and serve clients who view their job in terms of marketing issues. That chapter, however, did not deal with the actual processes of conducting competitive intelligence research and analysis. That task is accomplished here. Together, the last chapter and the present one portray a discipline that can gather either strategic or tactical information and information that can be usefully envisioned from a marketing perspective.

TWO CLASSIC VIEWS

A key area of discussion within the competitive intelligence community is the actual process by which data is gathered, refined into actionable information, and made available to those who need it. Every business function needs to think of itself as a process that contributes to the successful functioning of the organization. Writers and practitioners in the field of competitive intelligence have carefully nested the tasks and tools of their profession within a framework that combines processes and functions with actionable outputs. This has resulted in the formulation of generic or universal models and paradigms that place competitive intelligence within a relevant context; by doing so, a useful backbone that unites practitioners and their clients has been established. It also provides an easily understood framework that is shared and appreciated by all. It is useful to isolate these patterns and fine-tune them so that the traditions of competitive

intelligence can be recognized and usefully transformed as circumstances warrant.

To begin the analysis of the competitive intelligence process, this section will briefly review two conventional visions of the field and show that profound similarities exist between them. Besides the two examples showcased here, many other writers have analyzed the field in parallel ways; due to limitations of space, however, these two examples will be the primary focus. The purpose of this overview is to demonstrate that there is significant agreement among diverse writers regarding the nature of competitive intelligence and the processes of the field; these perspectives provide an overarching tradition that unifies the profession.

The first model to be discussed was originally presented by Gilad and Gilad in the late 1980s; there the writers examine the procedures of competitive intelligence (they use the term "business intelligence") in terms of collection, evaluation, storage, analysis, and dissemination (Gilad & Gilad 1988, 17). As might be expected, the authors point to the possibility of interaction between various of these steps and procedures. Furthermore, each step or procedure has its own specific array of tools that is designed to produce a specific product (or contribute to research and analytic projects in specific and/or unique ways). Once the competitive intelligence process is completed, the results are disseminated to management. Management, in turn, may request further research initiatives that may fall into the realm of either strategic or tactical research/analysis.

The second basic statement, furnished by McGonagle and Vella (1996), is also a product of the late 1980s; it provides an overview of the generic procedures of competitive intelligence that is largely parallel to the work of Gilad and Gilad, although independent of it. McGonagle and Vella speak in terms of a series of steps that lead to an orderly gathering and dissemination of competitive intelligence information. According to them, the process of competitive intelligence begins with establishing needs, proceeds through the phases of collecting and evaluating data, moves on to an analyzing function, converts raw or undigested data into actionable information, and finally distributes the results to the client.

It is significant that although these two models have their differences, they have profound similarities. Viewed in tabular form (see Table 7.1), they can be usefully juxtaposed.

These two models and their synthesis demonstrate recurring patterns in the field of competitive intelligence. By keeping these patterns in mind, it is possible to envision the basic structure of competitive intelligence that has emerged over the years. Although the model to be embraced in this book transcends these traditional constructs, it usefully builds upon them. As such, the synthesis presented above forms the skeleton upon which a broader perspective of the field will be fleshed out.

Combining these two models, it can be seen that the process of competitive intelligence begins with establishing the needs of the clients. After needs are

Table 7.1
Two Visions of the Competitive Intelligence Process

Gilad and Gilad	McGonagle and Vella	Discussion
	Establishing needs	Make a variety of decisions related to client needs and how they can best be satisfied.
Collection	Collecting	With specific needs in mind, choose methods to be used when actually gathering data.
Evaluation	Evaluating	Evaluate the quality of the data in terms of methods, rigor, timeliness, and appropriateness.
Storage		Create methods so that data and information can be retrieved in a timely, useful, and cost-effective manner.
Analysis	Analyzing	Convert raw data into actionable information. Factor in any compromising potentials (such as the possibility of being fed misinformation).
Dissemination	Distributing	See to it that the information is provided to the client in a useful and timely manner and format.

established, the process advances to the collection and analysis stages with the goal of transforming raw data into useful information. The process ends with providing useful information to clients in a manner that is appropriate and timely. Although these authors have provided useful models, they have not emphasized certain crucial issues that will be considered here.

First, competitive intelligence professionals and their clients often need to evaluate what kinds of research methods are most appropriate in a particular situation. In view of the fact that this book focuses upon adapting qualitative methodologies to realms that have been historically served by the scientific method and quantitative analysis, developing ways to systematically consider a wider array of research strategies (and one that includes qualitative methods) is especially important.

Secondly, this book suggests that competitive intelligence professionals and their clients often need to engage in "debriefing" sessions after completing assignments; by doing so, it is possible to consider if the research/analytic strategies previously utilized were most efficiently and effectively achieving the client's and the organization's needs.

These issues will be discussed below.

ESTABLISHING APPROPRIATE METHODS AND DATA SOURCES

As indicated in earlier chapters, many members of the business community are prejudiced in favor of the scientific and quantitative methods. As a result, many of these clients look at qualitative methods with a jaundiced eye and they are likely to reject them as "out of hand." This book has also argued that in many circumstances and for many reasons, qualitative methods of research and analysis actually provide superior results.

The prejudice of clients notwithstanding, competitive intelligence professionals may need to argue that qualitative methods and techniques of inference are most appropriate under a number of specific circumstances; in these situations, it may be necessary to negotiate with clients regarding the type of information to be gathered and how the research process should be carried out. Hopefully, by (1) being aware of the full range of tools that are at the disposal of the competitive intelligence professional, (2) understanding what specific tools can and cannot do, and (3) choosing ways to best serve the client, competitive intelligence professionals will be able to justify their choice of methodologies and thereby negotiate from a position of strength. If competitive intelligence professionals cannot forcefully justify their decisions, they may find themselves to be shackled to inappropriate preconceptions that are harbored by clients who gravitate toward scientific and quantitative methodologies.

THE DEBRIEFING PROCESS

Competitive intelligence professionals may find that grooming clients so that they are willing to benefit from the most appropriate methodologies and research strategies can be a long-term and difficult task that requires insight and tact. One way of conducting such a campaign is to constantly debrief both analysts and clients in order to document both the successes and failures of specific projects. There is no shame and there is no fault in pursuing projects in ways that turn out to be counterproductive. There is shame and fault, however, in not learning from past experience.

The debriefing process is a mechanism by which both competitive intelligence professionals and their clients can better understand each other, the intelligence process, and how the competitive intelligence profession can best serve in particular circumstances. A number of key issues can and should be discussed. What worked and what didn't work? How can a relationship between the analyst and the client be improved? Are there any general recommendations to be made? What specific fine-tuning can improve the services provided?

As indicated above, tools that are appropriate in one set of circumstances may not be suitable on other occasions. As a result, it is vital to constantly review past experiences in order to determine what does and does not work. Since clients may be prejudiced against qualitative methods, it is vital to document

when and where qualitative techniques and strategies are particularly effective. This track record can be used to justify future research agendas.

The more detailed, systematic, and objective the debriefing is, the greater the likelihood that these debriefing sessions will be taken seriously by clients. By conducting debriefing sessions, competitive intelligence professionals may gain the future leverage they need to negotiate with clients from a position of power and authority. This is extremely important, especially when recommending methods that "go against the grain."

A MODEL OF THE PROCESS OF COMPETITIVE INTELLIGENCE

Combining the models of Gilad and Gilad with that of McGonagle and Vella with the concerns above, the competitive intelligence process is portrayed in Table 7.2.

The process of competitive intelligence is complicated and multifaceted. Although it might be easy, in the short term, to take shortcuts and/or to sidestep certain of the procedures that are recommended, in the long term it is essential to follow the full process and proceed through it to a logical conclusion. By doing so, the competitive intelligence professional will gain insight into what techniques and methods are effective and ineffective. Educating clients regarding the most appropriate methods of conducting research and analysis is another basic goal. A formal debriefing procedure will facilitate the achievement of both goals.

A BROADER VISION

The process of competitive intelligence is complicated. On the one hand, this process needs to mesh with the contemporary view of marketing as the primary strategic discipline. Today, business leaders recognize that viable strategies must center, most basically, on pleasing customers and clients; everything else, in the final analysis, is a tactic. Competitive intelligence professionals need to adopt this stance and forcefully articulate it when interacting with clients and decision makers. Given the prestige that the marketing concept currently enjoys, doing so is a readily accomplishable task.

The actual process of intelligence has largely been codified. The process begins with envisioning needs, proceeds through gathering and analyzing data, and concludes with providing decision makers with the data they need and want. While this basic model is useful and is accepted here, it must be expanded in relevant ways. This discussion places a great emphasis on the process of choosing the methods of research and the techniques of analysis. The reason for doing so is related to the fact that this book assumes that there exists a wide array of research/analytic techniques and a number of different data sets from which to choose. A key goal of this book is to demonstrate how qualitative methods,

Table 7.2
The Process of Competitive Intelligence

Issue	Procedure	Discussion
Purpose	Competitive intelligence professionals need to understand the exact purpose of their assignments.	The CI process and the way in which information is presented needs to be determined "up front" before the project begins.
Choosing Methods	Various research/analytic methods exist. The CI professional and the client must decide what methods are most appropriate.	Both scientific/quantitative and qualitative methods are viable options. Circumstances and the needs of clients will help determine what methods are most appropriate.
Gathering Data	Data-gathering procedures must be adjusted to the circumstances faced by decision makers and the goals they harbor.	Based on the methods chosen, data will be gathered according to mutually acceptable guidelines.
Data to Information	The goal of competitive intelligence is to take data (unprocessed empirical evidence) and convert it into actionable information.	The ways in which data is processed into information must be considered by both CI analysts and clients. They need to agree on how this process will occur.
Appraisal	The quality of the data, the methods used to process it, and the appropriateness of the end product must be determined.	The CI analyst and the client must agree on what constitutes valid levels of proof. The CI process must work with this criterion in mind.
Dispersal	Data must be provided to decision makers in a form to which they can relate and respond.	CI analysis is created for clients. The needs of clients, their tastes, and decision-making habits must be factored into decisions regarding its dispersal.
Debriefing	CI analysts and their clients need to constantly evaluate the effectiveness of specific projects. Debriefing forms and meetings may lead to a greater understanding of what works and what is not effective.	CI analysts work in specific circumstances. The effectiveness of specific techniques may be an artifact of circumstance. Although analysts should stand up for what they believe, they also need to adjust to the situation.
Discussion	Although CI professionals work within a milieu that may somewhat force their hand, they should strive to embrace the full toolkit of the field as required and not be locked into only applying a part of the available array of techniques. To this end, CI professionals need to present the case for whatever kind of tool they feel is most appropriate.	

stemming from the social sciences and humanities can, and should, be viewed as legitimate research and analytic options. In order for this potential to be achieved, however, the process by which these research methods are chosen must be more fully developed.

Besides choosing methods, competitive intelligence professionals must actively and consciously evaluate the degree to which various techniques and methods are effective in specific situations. The toolkit of the competitive intelligence profession should not be a short list of cut-and-dried techniques to be "plugged into" any situation by rote. Instead, competitive intelligence professionals need to embrace a diverse set of methods, procedures, and techniques. Practitioners, furthermore, must be allowed to use judgment, insight, and intuition when choosing and applying specific techniques. Developing the wisdom required to do so requires a constant debriefing of past successes and failures as they have occurred within a specific organizational context. Analyzing the past and using it as a window to the future is a vital intellectual exercise of profound importance.

An effective vision of the field, which is centered around specific circumstances and needs, should largely be based on the process of "debriefing" both analysts and clients. By following a systematic debriefing process, certain methods will, over time, stand out as most appropriate, while others will emerge as ineffective. This debriefing process should not merely be pursued during times of overt crisis; it should be "built into" each project, that is, the time and resources required for adequate debriefing must be factored into the work routine, schedules, and budgets of both analysts and clients. Appropriate forms and mechanisms of pursuing the debriefing process should be developed. By viewing debriefing as a serious, legitimate, and ongoing part of the competitive intelligence process, a systematic and ongoing review of how the field operates in the specific context of the unique organization can be established.

DEFENDING AND JUSTIFYING THE PROFESSION

As discussed above, the process of debriefing, by which competitive intelligence professionals and their clients (1) evaluate the intelligence process and (2) forge more effective means of pursuing it, should be institutionalized and designed to provide feedback from both the analyst and the client. Only through constant communication can competitive intelligence be fine-tuned to most effectively serve in specific situations. Here, the issues involved and how competitive intelligence professionals justify themselves and their profession are discussed.

Certain key issues are involved with justifying the profession. They include:

1. The Need to Groom Clients to Accept Qualitative Methods
2. The Need to Constantly Adjust Methods to Specific Circumstances

3. The Need to Constantly Improve the Professionalism of Analysts
4. The Need to Document Successes

Each of these key issues will be discussed separately.

The Need to Groom Clients to Accept Qualitative Methods

As indicated throughout this book, the clients of competitive intelligence professionals are often prejudiced in favor of scientific/quantitative methods. As a result, these clients may discount the qualitative techniques of competitive intelligence. In addition, clients may pressure analysts to use scientific/quantitative techniques that may not be most appropriate and effective. When this is the case, competitive intelligence analysts may lack the respect of their clients and/or their hands may be tied by clients who are unsympathetic to the qualitative methodologies they use.

In all likelihood, there is no "quick fix" for these problems. In the long term, however, the analyst may be able to educate the client regarding the services that competitive intelligence can provide and how they can most effectively do so. Often, formal sessions with clients will not do the trick. Thus, Bill Meehan recently observed:

I have found that formal sessions, in which an executive meets the intelligence staff, is of little value. It is more effective to give the executive a "walking tour" of the operation. If executives see functioning analysts at their terminals, these clients can greater appreciate what we can offer them and the organization.

On such occasions, executives should be able to approach analysts who can actually explain their areas of expertise and immediately provide a nugget of information upon demand. In that way, executives can appreciate the power of the intelligence professional. There is nothing theoretical about this kind of presentation: the proof is in the pudding. (Meehan 1999, 29)

Competitive intelligence professionals will need to devise various ways to demonstrate what they can contribute. These will include both general discussions with clients and reminding clients of successful projects and how they were conducted. Grooming clients, however, is a long-term and ongoing process and analysts need to remember that fact.

The Need to Constantly Adjust Methods to Specific Circumstances

Competitive intelligence is a freestanding profession, but analysts must adjust themselves and their work to specific circumstances. Due to this fact, it is essential that analysts remain aware of the unique circumstances in which they work and the specific needs of their clients.

Just as we must groom clients to best appreciate what we can provide, we must constantly groom ourselves so that we mesh with both the corporate culture and needs of the organization. Doing so does not entail abandoning one's professionalism, but, instead, is the process of constantly adjusting oneself in ways that better serve in specific circumstances.

The Need to Constantly Improve the Professionalism of Analysts

As indicated above, many organizations seek to replace specialists with generalists and consultants. It is argued that to be most effective, competitive intelligence analysts need to gain long-term exposure and experience in specific areas. Doing so, however, goes against the grain of hiring generalists. Nonetheless, to most effectively develop the required insight and intuition, long-term specialization is vital.

In view of the fact that analysts can best justify themselves in terms of their sophisticated and specialized skills, analysts must be able to point to *ongoing* improvements in performance that are based on a constantly enhanced professionalism that is keyed to specialized knowledge and the intuition and insight it provides. If analysts cannot do so, it will be hard for them to justify not being replaced by a generic researcher.

The Need to Document Successes

Competitive intelligence professionals need to establish a track record of successes both for their profession and for the specific techniques they use. The more competitive intelligence is viewed as a distinct business function with a separate methodology, the more important it becomes to justify oneself as professional in specific and overt ways.

As a result, by documenting successes and by demonstrating how the competitive intelligence function is constantly adjusting itself to the specific organization, funding and autonomy can be protected.

Competitive intelligence professionals (like everyone else in organizations) must be able to forcefully justify themselves. Since competitive intelligence tends to embrace a methodology that many clients question, the need to justify the profession and its toolkit is especially significant. Competitive intelligence professionals may be candidates to be replaced by generic researchers; realizing this fact, they must actively promote themselves and the vital function they perform.

SUMMARY

Competitive intelligence seeks to provide both strategic and tactical information to clients. Over the years, a general model of the actual process of

competitive intelligence work has been developed. This generic view of that process was the point of departure.

Analysts and their clients need to recognize the classic process of competitive intelligence. In addition, it is important to update this process and adjust it to the needs of qualitative researchers. Initially, the kind of information that is needed must be determined. Data must be gathered and transformed into the type of information that the client requires. A key component of the work routine should be the process of debriefing. Systematic debriefing will allow the general tools of competitive intelligence to become more tailored to specific organizations and clients.

This chapter has paid especial attention to the process of choosing the methods to be used, and it has advocated debriefing activities that identify what was and what was not effective when serving a particular client or performing a specific kind of task. These added components of the process allow for a constant fine-tuning of the intelligence activities in order to better perform in specific circumstances. It is hoped that by practicing debriefing in an organized and ongoing way, analysts will become more effective in the specific circumstances in which they work. Competitive intelligence needs to evolve and gain maturity both as a general profession and in specific ways that are geared around the needs of various clients.

KEY TERMS

Appraisal. The quality of the data (and the resulting quality of any information that derives from it) must be overtly considered. There is no inherent problem in working with weak data as long as it is recognized as such, so the chance of error can be factored in the decision to use or not to use the resulting information.

Choosing Methods. Competitive intelligence professionals have a variety of methods and they often have access to other research specialists with toolkits of their own. In order to competently pursue their profession, analysts must be able to choose methodologies based on needs and circumstances and be able to justify the decision/recommendation accordingly.

Debriefing. Debriefing is a process of analyzing the successes and failures of past intelligence projects. Both analysts and their clients should build the debriefing process into their professional lives and that of their clients. The debriefing process should be used as a basic tool when refining the organization's intelligence strategies and tactics in order to make them more appropriate and effective.

Dispersal. The goal of competitive intelligence is to provide information to clients. This dispersal must take into account both the time frame and the specific needs of the client.

Gathering Data. The analyst must gather data as required and/or coordinate the research efforts of others. Competitive intelligence professionals have a unique, intuitive way of analyzing data. The data, however, may be gathered in any number of ways. The analyst has a significant role in determining the gathering process, no matter who actually does the work.

Information. Data is raw material. Information is data that has been refined so that it provides insights to the client. Competitive intelligence professionals may convert data to information even when they do not actually gather the data.

Process of Intelligence. The process of intelligence refers to the way in which the work is actually accomplished. Typically, this process includes activities such as "establishing needs," "collecting," "evaluating," "analyzing," and "distribution." This book adds the categories "choosing methods" and "debriefing."

Purpose. It is necessary for competitive intelligence professionals and their clients to overtly agree upon the purpose of the research. The agreed-upon purpose will determine the degree of rigor required, the time frame, how findings will be presented, and so on.

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Chapter 8

The Qualitative Social Sciences and Competitive Intelligence

The last chapter dealt with the process of intelligence as it is usually practiced and it was noted that intelligence, basically, is a qualitative and subjective technique of drawing useful inferences. As a result, this process is the antithesis of scientific/quantitative methods; if inappropriately evaluated in terms of these formal methods, the value and significance of the profession can be overlooked.

For many years, qualitative methods of inference were stigmatized within mainstream business. Today, however, qualitative methods stemming from the social sciences and humanities are gaining respect within business. The next two chapters will deal with these exciting developments. These discussions will be followed by discussions of how and why it is appropriate for competitive intelligence to link itself with other qualitative methods.

QUALITATIVE METHODS IN THE SOCIAL SCIENCES AND BUSINESS

The social sciences are designed to look at people, their behavior, and their social institutions in an organized, systematic, and objective way. Since much individual and organizational behavior is most appropriately interpreted from within a social or cultural context, the social sciences can be used to analyze these relationships. Furthermore, the behavior of people and organizations who purchase and consume products and services is often an artifact of social relationships and traditions; the social sciences have a contribution to make when analyzing social and cultural impacts on consumers and organizational customers.

Although the social sciences are academic and theoretical disciplines, they have a strong and sustained practitioner focus. Building upon this applied tra-

dition, marketing practitioners and theorists have been especially active in the process of merging the social sciences with practitioner-oriented business research. This chapter begins with a discussion of qualitative traditions from the social sciences and how they have impacted marketing and business thought; the discussion continues by relating these developments to the needs of competitive intelligence.

As has been observed in earlier chapters, much practitioner-oriented marketing thought has embraced a decidedly qualitative focus. Even though the scholarly community has largely championed scientific/quantitative techniques, many business thinkers continue to embrace qualitative methods. Some of these techniques, while identified in some ways as quantitative indicators or surrogate measures, are essentially intuitive or they are routinely applied in an intuitive manner. Other techniques, in contrast, are purely qualitative and subjective. Reviewing some high points of these traditions is useful. Four representative techniques will be considered including:

1. The Product Life Cycle
2. Boston Consulting Group Portfolio Analysis
3. General Electric/McKinsey Strategic Planning Grid
4. Delphi Method

By evaluating these methods, aspects of the qualitative tradition of strategic planning in business and marketing are presented; doing so demonstrates important precedents for the contemporary use of qualitative and intuitive models within strategic thought.

THE PRODUCT LIFE CYCLE

The Product Life Cycle is one of the most influential concepts of marketing thought; its intuitive nature makes it popular among practitioners, teachers, and scholars. Because it addresses an array of strategic issues in ways that can be easily understood and communicated to diverse groups, the Product Life Cycle has emerged as one of the central concepts underlying the strategies and tactics of contemporary business.

The keystone of the Product Life Cycle is the process of drawing an analogy between the career of a product and the life cycle of a living organism. Thus, products are viewed as being "born," growing, reaching maturity, declining, and "dying." Using this analogy, a number of useful strategies and tactics can be extrapolated and phased into the marketing of products as they exist at a specific time and place. According to the Product Life Cycle, when products are introduced, they have few sales and are "helpless," although they might enjoy a future potential. As a result, the products need to be nurtured and encouraged. After this "infancy," products begin to grow and sales increase. These products

Figure 8.1
Product Life Cycle Model
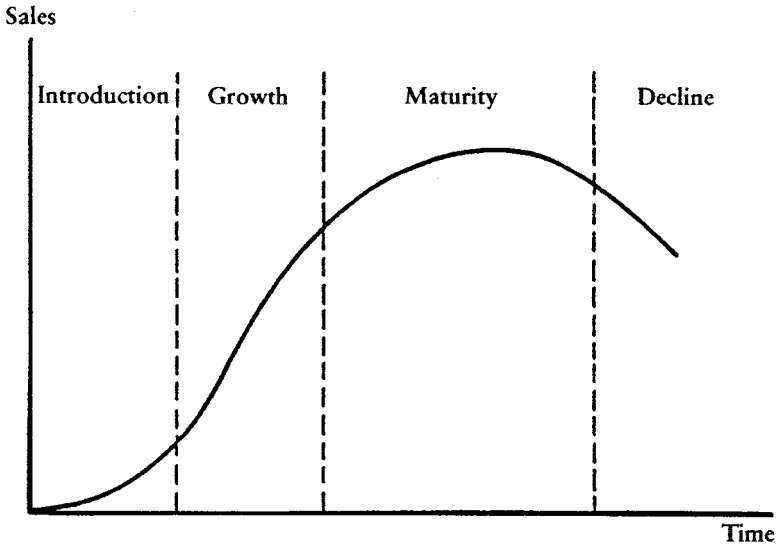
Source: Walle (2000), p. 57, based on common usage. Reprinted by permission of The Popular Press.

and their marketing are continually fine-tuned in order to mesh with consumer demand. Eventually, products reach maturity and become freestanding and profitable. Eventually, sales levels tend to peak. As time goes on, however, most products inevitably begin to grow old and decline. In some situations, sales fall off, but the product remains viable; in other cases, the product "dies."

A graphic portrayal of the Product Life Cycle model is presented in Figure 8.1. Marketing theorists, of course, are aware that variations in this process can exist and that the Product Life Cycle is not identical for all products. Thus, in a fad, the rise and fall of a product's sales is very rapid and there is no distinct or lengthy "maturity" phase. In some cases, furthermore, a product that seems to have entered the decline stage will experience a rebirth. Although purists have often debated the credibility of the Product Life Cycle model, it continues to be a popular conceptualization in both the scholarly and practitioner worlds. A key to this popularity lies in its intuitive and qualitative method of presentation.

Although this discussion of the Product Life Cycle is far from complete, it does demonstrate that the model is basically an intuitive heuristic device; marketers, nonetheless, often deal with it in essentially literal terms. The Product Life Cycle, in addition, is useful when strategies and tactics are applied at various times during a product's life since it provides ongoing qualitative judgments regarding the product and its future. The Product Life Cycle is useful, since it

intuitively codifies a wealth of strategic and tactical insights. As a result, it has won recognition as one of the most valued models in modern business theory and practice.

BOSTON CONSULTING GROUP PORTFOLIO ANALYSIS

In order to fully appreciate the implications of the Product Life Cycle, it is useful to consider it in relation to the Boston Consulting Group's Portfolio Analysis (Boston Consulting Group 1970). According to Portfolio Analysis, commodities, services, and so on should be viewed as distinct "strategic business units" that are usually envisioned as specific products or product lines. In addition to merely dealing with the products and services that the firm makes available, Portfolio Analysis analyzes the current and future roles of products within the marketplace and within the organization's overall strategy. Some products, for example, might currently be popular/profitable while others may not, as yet, have reached their potential, but constitute the wave of the future. Another group of products may have faded to such an extent that they should be discontinued. By understanding the current role of specific products and services (or types of products and services), it becomes possible to consider each in relationship to the needs of the organization and the marketplace.

To facilitate such an evaluation of products, the Boston Consulting Group recommends focusing on two separate factors: (a) the growth rate of the product type, and (b) the total market share of the particular firm. Using these criteria (which can be quantified), products are divided into four categories which are defined below:

Stars. The product category is rapidly growing and the individual firm is a strong competitor with a significant market share.

Cash Cows. The product category is low growth, but the firm is a strong competitor within that industry.

Question Mark. The product category is high growth, but the firm is a fairly weak competitor.

Dogs. The industry is low growth and the firm is a weak competitor.

Although the criteria (growth rate and market share) are quantitative measures, the model is usually employed in an intuitive manner.

Based upon this depiction of products and the quantitative analysis that leads to it, each product is evaluated in terms of the long-term goals of the firm (see Figure 8.2).

What is most important here is the fact that Portfolio Analysis suggests specific strategic or tactical orientations regarding specific products and services. Cash cows are mature products that are currently profitable, but may be on the brink of decline. Stars are high-growth products that, although not yet highly

Figure 8.2
The Portfolio Analysis Model
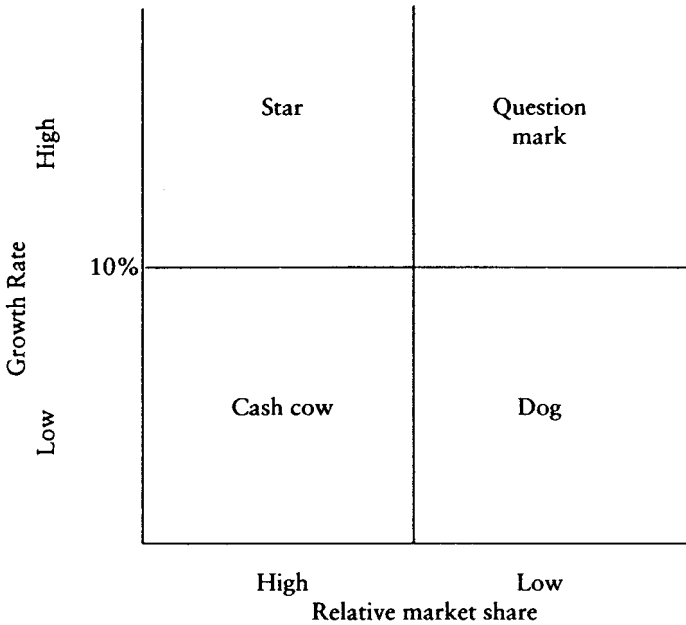
Source: Walle (2000), p. 63, based on common usage. Reprinted by permission of The Popular Press.

profitable, should be groomed as the wave of the future, because (if they successfully mature) Stars may evolve into lucrative cash cows. Question mark products are weak competitors, but the product category is rapidly growing; as a result, they, too, might be transformed into popular and lucrative cash cows. Dogs, in contrast, are weak, low-growth products and are likely candidates for elimination.

The key principle of the Product Life Cycle (and parallel models) is that products are viewed as having a distinct role at a specific point in history and it is assumed that this role continues to evolve through time. Analysts need to be concerned with both the present and the future of the products/services that are provided by the organization.

GENERAL ELECTRIC/McKINSEY STRATEGIC PLANNING GRID

As indicated above, Portfolio Analysis is derived from quantitative measures involving the growth rate of the product and the strength of the organization in the marketplace. Although the analysis is based on quantitative measures, the model tends to be used in intuitive and qualitative ways.

In addition, strategic planners using Portfolio Analysis often need to rely upon their own intuition and qualitative analysis in order to effectively benefit from the Portfolio Analysis. Harley-Davidson Motor Cycle Company, for example, once controlled over 50 percent of the total motorcycle market, but today its market share has shrunk to 5 percent or 10 percent. Using Portfolio Analysis, it could easily appear that Harley-Davidson motor cycles are "Dogs" and that the company is in trouble. If, on the other hand, Harley-Davidson is viewed as a manufacturer of large, expensive motorcycles, it emerges as a dominant and powerful player within that particular market segment. As a result, the analyst needs to apply intuition and judgment when using Portfolio Analysis; quantitative measures must be mated with qualitative insights. Should Harley-Davidson's products be viewed as "motorcycles" or "large, expensive motorcycles"? If this question is answered in an inappropriate way, the use of Portfolio Analysis can lead to wrong and profoundly hurtful evaluations.

While analysts may have the option of utilizing a quantitatively based Portfolio Analysis and then simultaneously veneering a qualitative and intuitive appraisal onto this formal evaluation, other methods overtly build intuition and judgment into the method by which products are investigated and evaluated.

The General Electric "Strategic Planning Grid" developed in conjunction with McKinsey and Company, a major consulting firm, provides a method that is outwardly similar to Portfolio Analysis, while being based upon qualitative measures of evaluation. The Strategic Planning Grid has a superficial resemblance to Portfolio Analysis in that its findings are presented in a matrix format in which different cells represent distinct circumstances faced by products. In the case of the Strategic Planning Grid, however, the matrix has nine components instead of the four in Portfolio Analysis (Hofer 1978). Still, at first glance, the two models seem to be obvious variants of one another.

Looking more deeply, however, the Strategic Planning Grid can be seen to be based on broad intuitive/subjective categories while Portfolio Analysis relies on quantitative measures. Thus, while Portfolio Analysis deals with the quantitative measures of "Market Share" and "Product Growth Rate," The Strategic Planning Grid makes evaluations based on the more intuitive categories of "Business Strength" and "Industry Attractiveness." These evaluative criteria are centered around the intersection of many different factors that must be evaluated using insight and judgment; they are not merely quantitative measures that are calculated in a routine and formulaic manner.

Once these intuitive evaluations are made, the measures of "Business Strength" and "Industry Attractiveness" are intuitively ranked as "strong," "average," or "weak." When plotted on the grid, these two measures converge on one cell; this cell provides a thumbnail sketch of the attractiveness of the opportunity. Rival products can also be plotted in an identical manner; doing so provides the analyst or strategic planner with an intuitive view of the attractiveness of the opportunity of the product and the strength of the competition. The classic form of presentation is shown in Table 8.1. The Strategic Planning

Table 8.1
Strategic Planning Grid

		Strong	Average	Weak
Business Strength				
Industry Attractiveness	High	Strong	Strong	Medium
	Medium	Strong	Medium	Weak
	Low	Medium	Weak	Weak

Grid, therefore, embraces the basic orientation and format of the quantitative Portfolio Analysis while smuggling qualitative insight and intuitive judgment back into the analysis.

The obvious goal of the organization is to choose to compete in areas where a high (or at least a medium) overall rating can be derived. The weaker the rating, of course, the less desirable and more risky the opportunity. Since the Strategic Planning Grid is based on intuitive judgment, however, there is much more leeway for individual subjective opinion. This makes the method more flexible and opens up the criteria that can be used when evaluations are made. As a result, different people can look at the same data and come up with significantly different evaluations.

Consider the tobacco industry, for example. On analyst might observe that a great outcry against tobacco currently exists. Government controls are on the rise. Lawsuits against the tobacco industry are running rampant. Many powerful people and organizations are avowed enemies of the tobacco industry. The industry is beset with profound moral and ethical problems. As a result, this analyst might consider the tobacco industry to be a very unattractive opportunity.

Another analyst may note that due to its current bad image, it may be possible to expand into the tobacco industry very cheaply; and since nicotine is addictive, millions of people will continue to buy and use the product. This analyst, furthermore, may believe that legal settlements, destined to limit the liability of the

tobacco companies, are on the verge of materializing. In addition, the international market for tobacco products appears to be growing as people in third world countries gain discretionary income. Viewing these factors, the tobacco industry may appear to be a very attractive opportunity. *Since both evaluations are intuitive judgments based on qualitative measures, the Strategic Planning Grid can lead to divergent interpretations of the same data.*

Both Portfolio Analysis and the Strategic Planning Grid consider products in terms of the total environment and how the role of the product evolves over time, and both methods chart the progress of products in relation to other alternatives. The Strategic Planning Grid, however, tends to be more subjective and intuitive.

What is crucial for competitive intelligence analysts to remember is that marketing scholars and practitioners tend to look at products and their "place in the world" as evolving and ever-changing. In addition, strategic planners believe that most products tend to eventually fade from the marketplace or at least become redefined in the public mind. It must be acknowledged, of course, that formulaic "matrix models" can be misused and they have been severely criticized as a result. Furthermore, they can be costly and time-consuming, and, as we saw in the Harley-Davidson example, appropriately defining the strategic business unit ("motorcycles" versus "large, expensive motorcycles") can be difficult.

Nonetheless, Portfolio Analysis and the Strategic Planning Grid are convenient means of operationalizing the Product Life Cycle when evaluating product lines and their evolving role in the marketplace. Like the Product Life Cycle model, Portfolio Analysis and the Strategic Planning Grid can be intuitively understood by the non-specialist. This type of approach, furthermore, employs various analogies that are potentially useful when interacting with the diverse groups of people that make up organizations.

DELPHI METHOD

Experts have opinions, and these opinions have value. Experts, furthermore, are prone to reliance upon intuition and subjective judgment, usually based on many years of observation and/or participation in an industry. But this raises an important issue: how much trust should we place in experts and their subjective/intuitive opinions?

In an often quoted study of technological forecasting over a 50-year period, George Wise found that in predictions that go at least ten years into the future, less than half were correct. Indeed, Wise continues, the predictions of experts tend to be only slightly more accurate than those made by non-experts (1976). Thus, although experts have a vast wealth of intuitive and qualitative insights, they don't typically provide actionable information that gives organizations a competitive edge. The Delphi Method is a technique that attempts to harness the subjective insights of experts in useful and productive ways.

The Delphi Method begins when a panel of experts are provided with an array of questions about some issue, problem, or situation. To prevent a clash of strong personalities, the participants (supposedly) do not know who else is taking part in the project. After the results of the first round have been generated, they are shared among the group. Having read the responses of their colleagues, the participants revise their evaluations. Those with atypical responses are asked to elaborate and more fully justify their positions. This process continues until a consensus is reached or until the group fits into rival camps and their positions solidify. Sometimes the Delphi Method can give impressive results; thus, the American Hoist and Derrick Company reported that it used the method and experienced only 1 percent error (Anderson et al. 1988, 173).

Even if there is no uniform agreement, documenting a structured divergence of opinion may prove useful. Thus, if a member of a Delphi Method was evaluating research methodologies, he/she (and like-minded colleagues) would tend to emphasize qualitative techniques while another faction would favor scientific and quantitative alternatives. In all likelihood, at some point "battle lines" would be drawn and the positions of the two groups would solidify; as a result, a consensus would never be reached. Nonetheless, the very fact that two distinct and unyielding factions exist is a valuable piece of information.

Although there have been attempts (such as the Delphi Method) to more effectively benefit from intuition and qualitative judgments by providing a structure to the way people view issues and juxtapose their opinions of different observers, these methods tend to be awkward, time-consuming, and highly complicated. Nonetheless, the rise of these methods demonstrates the need to use qualitative insights in carefully measured ways.

A STRONG QUALITATIVE TRADITION

There exists a strong tradition of using qualitative measures within business. Historically, strategic planners relied on "instinct" and used "seat-of-the-pants" techniques when evaluating opportunities. In the post–World War II era, the decision-making processes of organizations became increasingly routinized. Quantitative and scientific methods provide a standardized style of decision making; in addition, various techniques for using qualitative judgment exist. A key aspect of the qualitative methods that has emerged is the attempt to codify qualitative and intuitive judgments in a stereotyped way that could be duplicated, replicated, and applied in a systematic manner.

Specific tools (such as the Product Life Cycle, Portfolio Analysis, and the Strategic Planning Grid) rely upon qualitative judgments and the intuitive opinions of individuals, but nest these inferences within a focused framework. In doing so, an attempt is made to harness the qualitative and intuitive thoughts of individuals and deploy them in ways that achieve organizational goals. The basic orientation of these models is to take divergent thought and codify it in systematic ways that can be easily integrated into the decision-making process.

Although the qualitative and intuitive judgments of experts provide valuable insights, they can also be viewed as an obstacle course since, as Wise (1976) has observed, the opinions of experts are not much more accurate than those of the non-specialist. As a result, techniques like the Delphi Method attempt to tease insights from groups of experts in ways that lead to the development of useful information.

QUALITATIVE METHODS IN MARKETING SCHOLARSHIP

As was argued above, although quantitative and scientific thought has tended to dominate business thought since World War II, a strong quantitative tradition has continued. This situation has been viewed by marketing scholars as both a justification for alternative qualitative research methods and as a window of opportunity for using them. The existing qualitative traditions within marketing thought underscore the value of subjective and intuitive judgments using methods that might not be able to be duplicated by others. The systematic nature of most qualitative research, however, embraces guidelines that can be usefully applied in a number of important circumstances. As a result of these needs and opportunities, marketing scholars have developed their own unique means of conducting qualitative research and they have done so by embracing and adapting relevant aspects of the qualitative social sciences.

In the last 15 years, marketing research has increasingly embraced qualitative models. The reason for doing so stems from the fact that highly structured scientific/quantitative methods have proved to be incapable of effectively dealing with a range of crucial issues that impact marketing strategies and tactics. One qualitative stream of marketing research, for example, seeks to embrace the qualitative techniques of anthropological fieldwork. Here, the discussion will focus on that tradition and argue that it provides a useful means of applying qualitative insights in ways that can deal with unique and circumscribed situations that are of interest to marketing professionals. Parallel methods can also serve competitive intelligence analysts.

MARKETING ETHNOGRAPHY: BORROWING FROM ANTHROPOLOGY

Modern marketing research has actively sought to embrace methods from the qualitative social sciences in order to more effectively interpret the situations being investigated. Nonetheless, the qualitative researchers who embrace this tradition are not willing to compromise the rigor and/or the intellectual respectability of their work merely to simplify or expedite the analytic process. Thus Wallendorf and Brucks observe that while consumer researchers are willing to embrace a wider range of techniques (including qualitative methods), they must still adopt a stance "that insists on carefully executed research" (Wallendorf & Brucks 1993, 355).

This specific observation, of course, is but the tip of the iceberg (Belk, Sherry, & Wallendorf 1989; Seigel 1988; Locander & Pollio 1989). Today, a vital qualitative research tradition, pursued by careful and serious researchers, is rejecting the canons of science as the be-all and end-all of legitimate research, and it is accepting a wide array of qualitative alternatives.

A key tradition that is emerging is the adaptation of the methods of ethnography that are most associated with anthropological fieldwork, in ways that can be related to the needs of business and marketing. The ethnographic method (as discussed above) is a technique for viewing how people act in the real world. Research does not take place in a controlled laboratory setting, but occurs within the social realities where behavior actually takes place. The justification for embracing this research strategy is based upon the realization that social life is profoundly complex and that it cannot be adequately replicated with the use of experiments or laboratory environments that have been contrived by the investigator. As a result, research takes place in a real-world cultural milieu and, as a result, it more accurately reflects reality.

There are, of course, certain inherent problems with this research decision. The investigator, for example, may (by mere chance) view phenomena that are atypical; if this occurs, the researcher may confuse unusual behavior for the norm; to whatever degree this error occurs, the findings of the research will be skewed.

In addition, if researchers are interested in observing particular phenomena, they might be subjected to a long wait (until these events occurred by chance); these long waits could make the use of the ethnographic method inefficient. On the other hand, the ethnographer may control the social situation by actively interacting within it. Thus, if researchers wanted to see if women were treated differently than men when having their cars repaired, they could send an array of women and men with broken cars to mechanics and record the results. The resulting evidence would constitute real-life empirical findings that largely replicate the ethnographic method. Still, advocates of strict scientific research could complain that the researcher exerted an influence upon the result and, therefore, the research is compromised. In addition, the quantitatively oriented critic could object that the examples studied were so few that they cannot be viewed as a random sample whose behavior is typical of the larger reality.

Overcoming these objections, an increased number of contemporary marketing researchers have employed the ethnographic method (see Arnould and Wallendorf 1994 for a literature review). This outpouring of a specific type of qualitative investigation represents a trend that will be extended into the future.

Actually, as Arnould and Wallendorf indicate, two separate but closely interconnected research streams are emerging. One is the "market-oriented ethnography [that] refers to an ethnographic focus on the behavior of people constituting a market for a product or service" (Arnould & Wallendorf 1994, 484). The second involves "ethnographies of marketing [which] study people in organizations carrying out the activities of marketing management: planning,

product development, and strategy execution" (Arnould & Wallendorf 1994, 484).

Although two different research streams exist, the goals and strategies of ethnographic research are uniform: understanding people and their behavior by viewing them as they actually live their lives and/or pursue their professions. A key aspect of marketing ethnography is that it recognizes that marketing takes place within a sociocultural milieu (Sherry 1990) and that it must be evaluated accordingly. Although ethnography may include supplemental materials that are gathered in rigorous and scientific ways, the forte of the method is its embrace of qualitative, humanistic traditions of investigation. In ethnography, informants (the subjects being investigated) are often asked for their opinions and the responses they provide are entered into the pool of evidence that is used by the researcher to interpret the phenomena being investigated.

On some occasions, the researcher may actually join into the behavior being investigated and become an active participant. The rationale for doing so is that, in the process of interaction, the researcher gains an intuitive understanding of the behavior being studied. Nonetheless, as mentioned above, proponents of rigorous and scientific analysis are likely to conclude that such evidence is tainted and unusable. On the one hand, some critics argue that the observer, through participation, loses the objective and detached perspective that is essential for legitimate scholarship. On the other hand, since the observer becomes a part of what is being investigated (and may actually influence the outcome), the reliability and replicability of the observed phenomena is drawn into serious question.

Nonetheless, such methods have a proven value. Arnould and Wallendorf, speaking in general, observe: "Ethnography gives primacy to observation of behavior in context to provide a perspective in action and relies on verbal reports of interviewees" (1994, 501). These methods are so powerful that they have rapidly established themselves as a key component of the toolkit of marketing research.

As shown by Wallendorf and Brucks (1993), marketing ethnographies are more complicated than merely being examples of sloppy research conducted in the heat of the moment. Instead, many modern marketing scholars insist that profound and significant questions cannot be adequately explored using the strategies of science and the "rigorous" research methods associated with it. In order to address the crucial issues that marketing seeks to explore, researchers need to employ a broader toolkit. Certainly, all research needs to be pursued in a serious and legitimate manner; nonetheless, respectable and legitimate researchers often find that it is useful to expand beyond scientific methods. Alternative research methods are being embraced because key questions cannot be answered using methodologies that are modeled after disciplines such as chemistry and physics.

Especially significant in this regard is the ethnographic work of scholars such as Russell Belk, John Sherry, and Melanie Wallendorf. A few years ago, these

scholars and their colleagues collaborated on a research project known as the "Odyssey" which overtly applied qualitative ethnographic methods (that were developed in anthropology) to situations involving consumer research. Since then, marketing scholars have used variants of the ethnographic method to examine patterns of consumption involving events including holidays such as Thanksgiving.

These scholars and their research have demonstrated the value of using the techniques of the qualitative social sciences within marketing research. By viewing behavior as it actually unfolds, the findings of researchers are less likely to be artifacts of the questions asked. Just as the focus group method allows people to respond in authentic and genuine ways and not merely answer the queries of the investigator, the ethnographic method views people in the actual act of buying and consuming products. Even if the observed phenomena may not be "replicable" in a manner preferred by scientific/quantitative researchers, this method is useful because it actually records and analyzes a true slice of life.

Basically, ethnography seeks to understand people by observing their behavior and by intuitively interpreting it as it unfolds in a real-life setting. In ethnography, the researcher studies life as it is really lived and does not usually establish a contrived or artificial environment in which to conduct research. Researchers, however, may choose to interact within the cultural milieu being studied (participant observation) and they may even create situations in order to study the response to specific circumstances that are of particular interest. Proponents of the ethnographic method insist that the value of viewing people as they actually live outweighs the limitations and drawbacks inherent in doing so. Ethnographers also remind their critics that the ethnographic method is a long-established and well-respected intellectual tradition and, therefore, it cannot be written off as sloppy or unprofessional.

Ethnographers seek to discover recurring patterns in society in ways in which people actually respond. These patterns are viewed as clues regarding the underlying mainsprings that impact people's behavior. Admittedly, much of the resulting interpretation tends to be subjective in nature. As we saw in earlier chapters, scientifically oriented researchers often discount this style of research because it does not meet the methodological standards they set up for their own work. Ethnography, however, is a well-established research tradition with its own criteria of rigor, and it has proved to be of value in many important circumstances.

Innovative marketing scholars have turned to ethnography because they recognized that scientific/quantitative methods are incapable of dealing with a number of vital problems that impact the marketing profession. People live and interact within a specific social context; in order to understand their patterns of behavior and response, therefore, people must be studied from within a relevant and real-world context. Not believing that artificial experiments adequately reflected reality, these researchers made the decision to study people as they ac-

tually interacted within society and as they lived their lives. The results of this research agenda have been highly praised.

THE QUALITATIVE SOCIAL SCIENCES AND COMPETITIVE INTELLIGENCE

As has been argued throughout this book, competitive intelligence stems from the qualitative, intuitive, and subjective traditions that derive from the traditions of espionage. As such, competitive intelligence has long offered an alternative to scientific/quantitative methods of analysis that long dominated business research. A number of qualitative traditions have emerged within business research; however, they sought to look at broad and general patterns and codify the qualitative insights of diverse people in systematic ways.

These trends created a niche for qualitative methods from the social sciences such as ethnography. The methods of ethnography tend to focus on the insights of the individual researcher (or research team). The ethnographic method, furthermore, focuses unique circumstances, not broad patterns. This style of research closely reflects the needs of competitive intelligence professionals. As a result, they have much to offer the profession.

In many cases, competitive intelligence professionals function as individual researchers who are assigned to pursue a specific research project. Competitive intelligence is typically viewed as an alternative to more formal analysis and investigation. The ethnographic method provides a method that fits in with the traditions of qualitative and subjective analysis that are usually embraced by the competitive intelligence profession; embracing it expands the range of options available to competitive intelligence professionals. This method is especially useful because it focuses broad and long-term patterns of response that impact people and organizations.

Much of the work of competitive intelligence has tended to be ad hoc and tactical. By exploring long-term structures/patterns of response and how they operate, the work of competitive intelligence can begin to influence long-term strategies, not merely short-term tactics. By uncovering specific and recurring patterns in the behaviors of organizations (as well as what causes them), competitive intelligence professionals can most effectively serve their clients.

In a parallel way, the ethnographic method is concerned with specific circumstances, not with broad patterns that are disclosed by studying a random sample. Even though the specific occurrence may provide clues regarding general patterns of response, the ethnographic method is geared around understanding specific circumstances and why they occur. As a result, the phenomena studied by competitive intelligence analysts and ethnographers are directly parallel. Since marketing researchers have adapted the ethnographic methods to the needs of business, competitive intelligence professionals can benefit from examining and building upon this tradition.

While these parallels point to significant uses of ethnographic methods within

competitive intelligence, they must be tailored to the circumstances of the profession. Due to practical and ethical considerations, it is not often easy for competitive intelligence professionals to apply the ethnographic method in its entirety. This is because entering organizations and interacting within them in ways that replicate ethnographic method are usually impossible or, at least, illegal. Nonetheless, it may be feasible to embrace the essence of the ethnographic approach and apply it to the analysis of open source documents. Ethnography views behavior within a social context. By viewing the social context and actual responses to it, it becomes easier to understand and predict behavior. There, of course, is no reason why a competitive intelligence professional cannot apply these ethnographic principles (of viewing behavior from within a social context) to whatever data becomes available. Given the wide array of data available from a diverse array of open sources, it may be possible to employ the analytic style of ethnography even though a true ethnographic situation does not exist. Specific ways of doing so will be more fully discussed in Chapters 10 and 11.

LINKING SOCIAL ANALYSIS AND COMPETITIVE INTELLIGENCE

Although the reader may have followed this chain of thought and agreed with it, questions still remain. Even though methods from the qualitative social sciences may be applied to diverse data, how do these techniques pertain to the actual work performed by competitive intelligence analysts? If this question cannot be answered in a forthright manner, the observations above are mere musings that cannot be operationalized.

Here, the qualitative social sciences will be discussed with reference to a number of basic tasks that are routinely performed by competitive intelligence professionals. The goal is to demonstrate how the concepts and principles discussed earlier in this chapter can be readily integrated into the professional life of competitive intelligence analysts. The specific tasks to be discussed include:

1. Shadowing/Surveillance
2. Benchmarking
3. Reverse Engineering
4. Crisis Management

By analyzing these tasks in terms of the qualitative social sciences, the practitioner value of these tools and concepts will be demonstrated.

Shadowing/Surveillance

The concept of shadowing/surveillance essentially involves observing an organization in order to gain a better understanding of how it works, thinks, and

operates. Typically, the analyst views whatever data is available and uses it to deduce patterns of response that are likely to occur in the future. Doing so is one of the classic tasks of competitive intelligence. Depending on the needs of the client, these activities can be pursued on an ad hoc basis or be part of a long-term study that seeks to identify both stability and change in the responses of the organizations being investigated.

Various of the models discussed earlier in this chapter have a direct relevance to competitive intelligence because they provide clues regarding how the organization thinks and reacts. Thus, if an analysis of a firm's patterns of response demonstrates that its actions are consistent with the tenets of Portfolio Analysis, it may be possible to predict future behaviors by assuming that the organization will continue to respond according to that approach.

The analyst, under these circumstances, will evaluate the opportunities available to the targeted organization using data and indicators that reflect the decisions of the past; having done so, certain kinds of responses suggest themselves as being probable future reactions. Thus, according to Portfolio Analysis, "Cash Cows" should be milked while "Dogs" should be liquidated, and so on. If the organization being analyzed really does use Portfolio Analysis when making decisions, a shadow Portfolio Analysis conducted by the competitive intelligence professional will mirror (or shadow) the actual future behavior of the organization being studied.

There are, of course, two keys to this kind of shadowing. First, the analyst must perform an analysis of the past behavior of the organization in order to identify patterns in the decisions that have previously been made. In all likelihood, of course, the organization does not merely apply a well-known concept (such as Portfolio Analysis) in a "knee-jerk reaction" sort of way. Indeed, extrapolating the thought processes that underlie decisions is likely to be difficult and time-consuming.

Furthermore, once the decision-making process has been identified, it becomes necessary for the analyst to envision the types of data that the organization will use when making decisions. The analyst must then consult the same data (or utilize adequate surrogate measures). Once this process has been completed, the analyst will be able to predict the future behavior of the organization being shadowed.

Social science methods, such as ethnography, also have a significant role to play in evaluating how decisions are made and what decisions are most likely to be made. Consider a company that wants to sell 20-ton punch presses to two different firms. Let's say that the competitive intelligence team has studied the available data regarding both clients and has discerned a difference in the way that purchase decisions are made. The first client is very financially oriented and, as a result, the accountants and financial officers are given a major role when capital items (such as punch presses) are being bought. By alerting the sales staff of this structuring of power and decision making within the organi-

zation, the presentation could be directed toward financial issues (terms of the sale, payment schedules, lease versus purchase arrangement, etc).

In the case of the second firm, the production people may have the upper hand when purchases of capital equipment are being made. Indeed, the actual "decision maker" might not be on the client's "organizational chart" and may be an old and trusted blue-collar employee who will supervise the use of the new equipment. In this case, the presentation should emphasize the technical aspects of the equipment; the sales personnel should make a special point to spend significant time on the production floor and, if possible, interact directly with this de facto decision maker.

The point is this: organizations are social systems that are patterned in specific ways. If the competitive intelligence analysts can recognize these patterns, they can more effectively predict the behavior of the organization (and recognize ways to influence it). The perspectives of ethnography can be very useful in this regard; this is true both in cases where actual ethnographic analysis is performed and where ethnographic perspectives are applied to whatever data is available.

Benchmarking

Benchmarking is the process of viewing the behavior of organizations in order to discover either the norms for the industry or the competitive advantage of particularly successful organizations. By understanding how others pursue their business, competitive intelligence practitioners can provide clients with useful and actionable suggestions that can be used to improve the organization's performance. Depending on circumstances, benchmarking may be able to indicate a baseline of accepted practice or, in contrast, focus on organizations that excel above the norm.

By centering on universally accepted standards of performance, the organization may discover a way in which it can be distinctive and successful. A classic example of this potential involves the early tenure of Vince Lombardi as coach of the Green Bay Packers. Lombardi inherited a team that was the laughingstock of the National Football League because the players, although talented, were underachievers. Sticking with many of these same players, he was able to mold them into a legendary dynasty.

Lombardi, however, noted a number of benchmarks that typified the league. According to the traditions of evaluation that had evolved in professional football, a certain amount of "misplays" were accepted as long as their numbers did not rise above a certain level. Perhaps, for example, two fumbles a game was considered "normal" and as long as a team did not exceed this quota, its performance did not attract the attention of the coach. Lombardi, in contrast to the norm of the league, instituted a "zero tolerance" for avoidable errors. Although Lombardi did not punish players (with modest talents) if they did not perform as superstars, they did have a significant price to pay if they consistently made avoidable errors.

As a result, Lombardi was able to reduce the number of avoidable errors well below the league norm; and as any football fan knows, the Green Bay Packers of the Lombardi era quickly emerged as one of the legendary dynasties in the history of the sport. By discerning commonly accepted benchmarks and then by strategically excelling beyond them, Lombardi and his team met with epic success.

Benchmarking can be used by competitive intelligence professionals who are providing actionable information to clients. Let's say, for example, that the industry (or a key competitor) has a benchmark that indicates that a member of the sales staff should visit each client or customer once every three months, or that there is a benchmark that failed equipment will be repaired within three working days. If the competitive intelligence analyst can discern these benchmarks, the client will be in a position to know that by visiting customers every two months and by repairing failed equipment in two days, the firm will be outstripping the competition. Thus, some benchmarks tend to be industry standards while others are the standards of a particular competitor. By knowing what these benchmarks are, clients will be in a position to decide if they want to "up the ante" by providing better service than the competition.

Benchmarking, as usually employed, however, entails looking at the performance of particularly effective competitors and then determining ways to be more effective by emulating them. In some cases, a competitive intelligence analyst may look at the performance of an effective firm that does not compete against the analyst's organization. The goal is to isolate specific activities that make that organization successful and then determine ways to replicate this effective behavior.

Benchmarking can be employed in various ways. If a firm is a large conglomerate, for example, it might have numerous divisions. Perhaps one of these subsidiaries is very successful in a particular area; under these circumstances, its performance may provide a useful benchmark by which the performance of other corporate divisions can be judged. If this is true, the organization can quickly gain access to a wide array of proprietary information as well as the cooperation of those who have developed the effective techniques in question.

In most circumstances, however, the competitive intelligence analyst will be examining outside firms that are typically competitors. The analyst may be aware of a particularly competitive organization and seek to understand how it operates. In these cases, of course, the organization being investigated will not willingly reveal information to a competitor; as a result, the analyst must ferret out the benchmarks using whatever data is available.

What is crucial here is that organizations have structures that impact the benchmarking criteria, and these structures can be discerned by the inventive analyst. The orientations of ethnography are centered around discerning social patterns and how they impact performance. Because the social context of behavior often influences the effectiveness of the organization, methods that deal with this social context have a vital role to play in benchmarking. As a result,

the orientations provided by the ethnographic method are significant to this form of competitive intelligence.

Reverse Engineering

As originally envisioned, reverse engineering is a technical activity. It involves gaining examples of a particular product and then dismantling them in order to better understand how they were made and/or how they operate. Having gained this technical knowledge through the dismantling process, the firm may be in a position to devise ways to make a clone of the product and, thereby, compete in the marketplace. If the firm does not want to clone the competition's products, reverse engineering may reveal the degree of sophistication that has been mastered by the competitor. These are important considerations that provide hints regarding the future strategies and/or capabilities of the rival organization.

While reverse engineering has tended to be technical in nature, much of it can, and should, involve social analysis. In the final analysis, modern business is driven by the marketing concept that focuses upon pleasing customers and clients above all else. While a portion of pleasing customers and clients involves the "product" itself, the competitive edge of many organizations hinges around their ability to more effectively interact with their clients and customers. Much of this interaction is an artifact of an organization's philosophy or corporate culture. As a result, understanding the organization's philosophy or corporate culture is a vital component of the reverse engineering process.

The methods and orientations of ethnography have a vital contribution to make in this regard. Ethnography explicitly deals with the social context of organizations and how these structures impact the behavior that is observed. In order to understand how organizations respond, it is vital to comprehend the underlying structures that give rise to these behaviors. Methods inspired by ethnography are clearly able to provide insights and, therefore, they have a valuable role to play in reverse engineering.

Crisis Management

Crisis management is a strategic activity that anticipates possible disruptive events and then seeks ways to quickly and effectively mitigate them. In an earlier era, organizations waited for disaster to strike and devised a means of coping after the fact. Today, crisis management has become much more effective and proactive. Instead of waiting for a crisis to develop and then forging responses, organizations are anticipating possible problems and devising solutions before they are needed.

Thus, firms are anticipating disruptive activities (such as fires that destroy facilities or strikes that idle them) and establishing strategies of overcoming the challenges they present. Let's say, for example, that a production facility is taken

out of service for whatever reason. How will the organization react? Basically, an alternative source of supply for the product will need to be found, but will the organization be able to make informed decisions and negotiate from a position of strength?

Using ethnographic and other forms of analysis, the organization may be able to determine which suppliers are eager for business and, therefore, will be willing to provide attractive terms. Without this information, the firm, out of desperation, may be forced to grant concessions that are not in its best interest.

If, for example, the competitive intelligence analyst keeps records regarding how the sales staffs of various suppliers approach the organization, it may be possible to isolate some firms that are hungry for business. This data is the result of actual contacts and the impression that they had on the company's own employees. If this information is routinely gathered, constantly updated, and properly filed in an easily retrievable way, decision makers will be able to generate a list of candidates who will offer attractive deals. In this case, a form of "participation observation" between the candidate's sales staff and the firm's purchasing agents could provide guidance in time of trouble. If the competitive intelligence staff coached the purchasing agents to provide this type of information and if it was routinely reported and stored in an easily retrievable manner, a means of dealing with the crisis would exist.

This example, of course, is but the tip of the iceberg. When disasters arise, organizations are especially vulnerable since decisions must be quickly made. If the organization does not have relevant data, it may be forced to make decisions "on the spot" without adequate reflection. If, on the other hand, competitive intelligence professionals have kept tabs on relevant facts, decision makers can be provided with relevant information and their decisions will be more effective. By systematically gleaning and processing this information on a regular basis, competitive intelligence professionals can work hand in hand with crisis management teams to prepare guidelines for future response.

DISCUSSION

In recent years, marketing researchers have begun to embrace a number of subjective and intuitive techniques that stem from the qualitative social sciences. These tools, although qualitative, stem from a completely different tradition than those of espionage. By combining the existing toolkit of competitive intelligence with that of the qualitative social sciences, a more robust framework for analysis can be embraced. In view of the fact that marketing scholars have devised ways to embrace the qualitative social sciences, competitive intelligence professionals can use the precedents they provide to upgrade their qualitative methodologies.

Competitive intelligence analysts can benefit (as do marketing ethnographers) from focusing upon the fact that people respond in patterned ways that stem from their cultures coupled with the predicaments being faced. By recognizing that behavior derives from circumstances linked to culturally induced percep-

tions and protocols of response, competitive intelligence professionals can better predict how other people and organizations will conduct themselves.

The work of competitive intelligence can be enhanced by embracing an array of ethnographic tools and perspectives, even though these tools may be employed in a non-ethnographic research environment. Although it may be possible for the competitive intelligence professional to conduct some legitimate ethnographic work, in many situations employing the ethnographic method would be illegal and unethical. After all, it is not easy for the intelligence profession to interact in an ethnographic/participant observation capacity in anonymous and clandestine ways. As a result, the actual methods of ethnography are not readily adaptable to most assignments given to competitive intelligence professionals.

More generally, however, the strategy of ethnography involves intuitively extrapolating patterns of response that are based on observation and then generalizing these patterns in ways that lead to useful inferences. By examining recurring patterns (and possibly their genesis) future behavior can be more accurately predicted. Organizations develop traditions and patterns that are usually referred to as "corporate cultures." These patterns provide a blueprint by which the response of the organization can be interpreted. By discerning these patterns, future behavior can be more effectively predicted.

It is important to note that ethnographic analysis is not usually "ad hoc"; the purpose of ethnography is not to predict a specific future event, but to isolate recurring patterns. Once these recurring patterns have been identified, however, the resulting insights can be applied to any future analysis of how people are likely to respond in that cultural or social setting.

Remember, the ad hoc information (which competitive intelligence professionals tend to provide) has a very limited "shelf life." Understanding broad general influences and responses, in contrast, provides a long-term competitive edge to the organization. By developing ethnographic skills and perspectives and by applying them to whatever data is at hand, the competitive intelligence professional will be in a better position to provide truly strategic counsel, not merely tactical information. By providing this kind of long-term strategic input, competitive intelligence professionals may be able to enhance their status within their organizations.

KEY TERMS

Ad Hoc Research. Ad hoc research is conducted for specific purposes. As such, problems are closely defined and the significance of the research is limited to specific issues and circumstances.

Anthropological Fieldwork. Anthropology is a discipline that makes significant use of qualitative methods in which researchers use judgment and intuition to infer what cannot be "proved" scientifically. In recent years, business scholars have increasingly borrowed fieldwork methods from anthropology.

Benchmarking. Benchmarking is the process of looking for the "norm" of excellent be-

havior in order to be aware of what is and what is not effective. Thus, benchmarking provides a standard of comparison by which the effectiveness of the organization can be evaluated.

Business Strength/Attractiveness. Business Strength/Attractiveness are the intuitive and subjective criteria that are used by the General Electric Strategic Planing Grid.

Cash Cows. According to Portfolio Analysis, Cash Cows are mature products that are currently profitable but may be on the brink of decline, although the firm is a dominant force in that market.

Crisis Management. Crisis Management is the discipline of determining, beforehand, what problems may occur in the future and then determining methods of mitigating them.

Delphi Method. The Delphi Method is an organized means of harnessing and benefiting from the intuitive and subjective opinions of individuals who have a "feel" for a particular situation.

Dogs. According to Portfolio Analysis, Dogs are declining products in which the organization is a weak competitor.

General Electric Strategic Planning Grid. A subjective and intuitive method of evaluating products that is outwardly similar to the more quantitative Portfolio Analysis.

Growth Rate/Market Share. Growth Rate/Market Share are the quantitative measures that are used when employing Portfolio Analysis.

Marketing Ethnography. A method currently popular among marketing scholars and consumer researchers that involves borrowing anthropological techniques deriving from the ethnographic method and applying them to the marketplace.

Participant Observation. Participation Observation is a research method in which the researcher actually interacts within a social situation in order to intuitively understand the situation being examined.

Portfolio Analysis. A method developed by the Boston Consulting Group which focuses upon the quantitative measures of "Rate of Growth" and "Market Share."

Product Life Cycle. A model that assumes that products are analogous to living creatures in that they are "born," grow, reach maturity, decline, and "die."

Reverse Engineering. Dismantling a product in order to see how it works. Long used for physical products, it can also be used to determine how an organization treats it customers, suppliers, and employees.

Shadowing/Surveillance. Shadowing/Surveillance is the process of carefully watching an individual or organization in order to understand what it does and/or to predict its future actions.

Stars. According to Portfolio Analysis, Stars are products in which the firm is a strong competitor and the product category is in a high-growth mode.

Wise's Failure Rate. George Wise's research has indicated that experts are not much better at predicating the future than non-experts. As a result, it is important to more effectively channel intuition and subjective judgment.

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Chapter 9

The Humanities and Competitive Intelligence

The last chapter considered the qualitative social sciences and how they can be linked with competitive intelligence in useful and productive ways. In this chapter, the humanities are considered in a parallel way that, pointing to precedents in contemporary business research, demonstrates how the profession can benefit from this intellectual tradition. Ultimately, the knowledge gained will be used to develop a more appropriate vision of how to use qualitative methods in business research and in competitive intelligence.

THE QUALITATIVE VISION OF THE HUMANITIES

The humanities view people, their behavior, and their institutions in ways that overtly and consciously transcend purely rational, scientific, and quantitative analysis. These disciplines do so in an organized, systematic, and objective way that benefits from well-established analytic traditions; humanistic research is not (as many scientifically oriented researchers tend to assert) fuzzy-minded and lacking in rigor and intellectual respectability. Basically, the humanities view people (and the world in general) as being so complex and multifaceted that the methods of science and quantitative analysis are unable to grasp mankind, its behavior, and its artifacts in all their complexity.

Scientists often pride themselves on their refusal to examine phenomena that cannot be investigated in "scientific ways"; as a result, questions that are inappropriate for scientific investigation are not pursued. Thus, the attention to "formal rigor" demanded by science can prevent many vital topics from being investigated; nonetheless, issues that cannot be scientifically examined are often so important that they cannot be responsibly ignored. Thus, scientifically oriented researchers can "paint themselves into a corner" if they refuse to conduct

important research merely because their methods cannot address a particular question.

Much behavior (of both people and organizations) is most appropriately interpreted from within a multifaceted humanistic perspective that transcends scientific/quantitative analysis. In this sort of situation, qualitative alternatives stemming from humanistic disciplines (such as literary criticism) are more productive than their scientific counterparts.

The foundation for this chapter begins with a thumbnail sketch of relevant traditions from the humanities. Furthermore, in recent years, an array of humanistic perspectives has been embraced by business researchers. Due to the author's background (coupled with the importance of innovations that stem from marketing), much of this discussion centers around humanistic approaches to marketing research. This strategy is appropriate because, in recent years, marketing has provided leadership in merging qualitative research traditions from the humanities with business thought and practice.

HUMANISTIC PERSPECTIVES: AN OVERVIEW

Humanists, such as literary critics, have long been concerned with the public's response to artistic and cultural products. Why a particular plot formula proves to be popular (marketable) at a specific point in time is of obvious interest to those who study the demands and preferences of target markets. Changes in the popularity of specific plotlines and/or heroic types have long constituted an important form of empirical evidence that has routinely been examined by both literary critics and marketing researchers. This basic technique can be traced back to the ancient world. Aristotle, for example, based his theories of literary criticism on empirical evidence (i.e., literature with a track record of being either effective or ineffective). As a result, Aristotle was very concerned with what was and was not popular in the "marketplace" and he interpreted literature accordingly. Aristotle's emphasis upon actual examples of literature anticipates the techniques of later humanists (and marketing thought that builds on their work) which examine why certain products (i.e., examples of literature) have an impact on their audiences while others are ignored.

In the 18th and 19th centuries, the industrial revolution triggered a profound transformation in the way people viewed the world and themselves. Indeed, the dilemmas that accompanied the industrial revolution demanded a rethinking of the way in which people related to society and to each other. The humanities played a major role in the process of reexamining the world and people's relationships to it. Two complementary positions emerged: one focuses on the power and dominance of culture and society, the other centers upon the individual.

Karl Marx devoted his life to studying massive and impersonal socioeconomic forces which he felt were primary and paramount. According to Marx:

The mode of production in material life determines the general character of the social, political, and spiritual processes of life. It is not the consciousness of men that determines their existence, but, on the contrary, their social existence determines their consciousness. (1859)

This assertion, stripped of all qualifying digressions, distills the essence of classic Marxist thought.

Indeed, as is commonly acknowledged, Marx's view of social evolution almost completely downplays the power of the individual as a force in history. Instead, individuals are viewed as being mere products of the socioeconomic situation into which they, by chance, are thrust.

Some observers, of course, have argued that Marx is inconsistent since, on the one hand, he urges people to action while, on the other hand, he asserts that since people are products of the social and economic milieu within which they exist, their responses are inevitable and need not be prompted by him. A classic explanation of this inconsistency, of course, is to point out that Marx simultaneously pursued a dual career path. On the one hand, Marx was a professional political activist and, as such, he attempted to sway public opinion and influence behavior; on the other hand, Marx is an important social theorist who presents a powerful model of social determinism.

While socially deterministic models (such as those represented by classic Marxism) are useful, they also have their intellectual blind spots. As a result, various Western Marxists (such as members of the Frankfurt school) came to balance social/economic determinism against the ability of people to control their own destiny. People, after all, can influence society and they often make decisions and evaluations without a complete reliance upon the beliefs and ideologies that their culture provides. As a result of this embellishment of the model, Marxism ceased to be a purely deterministic paradigm and it emerged as a broad humanistic method of analysis that takes both the forces of society/economics and the power of individual response into account when cultural history and human response are evaluated.

Thus, one way to understand how thinkers responded to the industrial revolution and the massive social influences that it represented is to begin with a paradigm of social determinism. Useful in many ways, classic and unadulterated social determinism inevitably underemphasizes the autonomy of specific people and the power of individual thought and action. As a result, more sophisticated revisions of determinism added an individualistic component that tempers the deterministic vision and, thereby, more accurately reflects reality.

The alternative paradigm, in contrast, begins by emphasizing that even in the collective and industrial world, individual differences and the distinctiveness of circumscribed groups continue to survive and, perhaps, even to dominate. While the 19th century was impacted by the industrial revolution (a collective influence), it also saw the rise of the romantic movement which celebrated both the individual (the cult of the romantic hero) and the viability of circumscribed

groups (typified by the vogue of romantic nationalism). And while Marx advocated models of economic determinism, other intellectuals such as Søren Kierkegaard and Friedrich Nietzsche focused on the plight and power of the individual.

Although influenced by the same pressures as Marx, Kierkegaard and Nietzsche were concerned with individual response. Indeed, although they exhibit profound differences (Kierkegaard embraced religion while Nietzsche repudiated it), both rejected deterministic models that did not adequately take the individual into account.

Living and writing "before his time," Kierkegaard insisted that individual people should follow their own vision. This position is very different from deterministic paradigms which assume that people have little power to actually control how they will inevitably think and act. Thus, Kierkegaard urges people to embrace their unique vision of society and the world, while determinists, such as Marx, ignore this individualist potential, which is the focus of Kierkegaard's thought.

Moving from Kierkegaard to Nietzsche, a further emphasis upon the individual is advocated. Somewhat influenced by the theory of evolution and the concept of the survival of the fittest, Nietzsche asserted that all people have an innate desire to gain power. Embracing what he felt was an inherent need for power, Nietzsche celebrated the hero as a "superior" individual who is able to achieve his goals through personal strength and prowess.

Indeed, Nietzsche criticizes social institutions (such as religion) because they deemphasize the individual; in doing so, Nietzsche points to personal power and individualistic choice as an alternative to the collective responses that are provided by the culture.

Kierkegaard and Nietzsche have had their greatest impact in the post–World War II era because they significantly influenced existential philosophy and its offshoots. Impacted by the social milieu of Europe in the post–World War I era, a significant transformation away from an optimistic belief in cultural "progress" rose to the forefront in intellectual circles. In America, this phenomenon is generally known as "the lost generation." Facing the negative impacts of collective cultures and the horrific implications of their wars and conflicts, many intellectuals sought an alternative to society, technology, and the modern collective world. Because they advocated an individualistic perspective, Kierkegaard and Nietzsche provided a means of countering and overcoming the deterministic and collective paradigms that initially dominated the era. Because they promoted more individualistic thought, Kierkegaard and Nietzsche anticipated and exerted a profound influence upon the development of existential thought.

Although existentialism is a complicated and multifaceted phenomenon, in the final analysis it focuses on the individual, and since existentialism and its offshoots suggest that it is useful and legitimate to go beyond arbitrary and

socially defined identities, methods that focus on the individual emerge as most appropriate when dealing with human response. Although these individualistic orientations provide concrete ways for considering a number of vital issues, they also suffer from the same limitations that bedevil classic Marxism: they are so centered around one perspective that other valuable viewpoints and qualifying considerations are ignored. Just as strictly deterministic models overlook the individual, strictly individualistic models are not designed to deal with the overarching impact of society, culture, and economics. As a result, existentialism and related paradigms were doomed to being simplistic until they developed ways to acknowledge social, cultural, and economic influences. In the final analysis, choosing to focus primarily on the individual does not relieve the researcher of the obligation to consider more collective influences.

A classic response in this direction is the assertion by Jean-Paul Sartre, in his *Critique of Dialectical Reason* (1960), that Marxism constitutes the essential philosophy of his era. Tracing the philosophic chain of thought since Kant and Hegel, he concludes: "[Marxist] dialectical reason can assert certain totalising truths—if not the whole truth" (1960, 23).

Having made this shift toward Marxist thought, existential philosophy and later developments (such as deconstructionism) came to integrate aspects of social determinism into their analysis of individuals and circumscribed groups. This fusion continues to represent the current transformations and embellishments of existential thought (such as deconstructionism and poststructuralism).

Thus, the industrial revolution and the collective orientation that it fostered has influenced social and philosophical thought in at least two different ways. Determinist models view the individual as mere putty in the hands of social and economic forces; nonetheless, these paradigms need to be fleshed out by adding an individualistic perspective. Existentialism and its later refinements, in contrast, are individualistic in essence, but their advocates must embrace relevant deterministic perspectives if their models are to reflect reality. Sartre attempted to provide this deterministic thrust when he linked existentialism with Marxism. Thus, both naive Marxism and vulgar existentialism have transcended their original one-sidedness and both have established sophisticated and multidimensional models that involve both the impacts of society and those stemming from the individual. Yet, the two paradigms (and what they are primarily designed to accomplish) continue to be very different.

The modern industrial world has exerted a profound impact upon humanistic thought. Nonetheless, these influences have led to opposite paradigms. One is deterministic and concentrates upon the impact of society; the other is primarily concerned with the realm of the individual and/or the circumscribed group and acknowledges the freedom of action and thought that individuals possess. Each model, if embraced in a dogmatic fashion, is simplistic; to overcome these limitations, each has systematically embraced key aspects of its rival in order to more accurately reflect reality.

INDIVIDUALISTIC HUMANISTIC METHODS IN MARKETING RESEARCH

The field of marketing has, in recent years, become preoccupied with target marketing. The essence of target marketing involves perceiving how a group of possible customers or clients differ in their needs, desires, and expectations from the larger world. Having grasped the distinctiveness of the target market, the marketer adjusts the product or service to best cater to this target. As a result of appropriately adjusting the firm's offerings to the demands of the target market, the organization hopes to achieve its own goals.

The key to this method, of course, is to focus on the distinctiveness of the specific target market. Not surprisingly, marketing scholars have responded by systematically developing techniques that accomplish this goal. Perhaps the best known humanistic marketing researcher to pursue this research agenda is Barbara Stern. The primary goal of Stern's research appears to be the adapting of a range of individualistic humanistic methods in order to better perceive the distinctiveness of specific target markets.

Stern (1989) initially provided a most general treatment of humanistic traditions and their relevance to marketing research by reviewing a number of scholarly traditions within literary criticism and by providing a discussion of how she felt they could be employed by marketing scholars. Over the years, however, Stern's research has come to focus on individualistic research agendas (Stern 1993, 1996).

In "Feminist Literary Criticism and the Deconstruction of Ads," Stern deals with one of the classic techniques of methodology that is derived from the existential tradition. Arguing, via deconstructionist analysis, that individual people and circumscribed groups view the world in their own distinct ways, Stern suggests that there is no "universal" or "correct" way to interpret a text. As a result, advertisements are most appropriately viewed in terms of the response of specific circumscribed groups. Furthermore, most deconstructionist research has centered upon an analysis of various groups that are set apart, in some way, from society at large. On many occasions, this kind of research analyzes groups that form various "underclasses" or groups that can be interpreted as such; much research that deals with women in Western society as an "underclass" and as a specific "circumscribed group" with its own vision falls into this category. By viewing target markets in this sort of way, advertisers may find it easier to effectively communicate with them.

In "Deconstructive Strategy and Consumer Research: Concepts and Illustrative Exemplar," Stern (1996) continues this chain of thought and makes a more thorough use of the deconstructive methods, as advanced at the English Department of Yale University. This work, in essence, applies the techniques of Jacques Derrida to an analysis of the Joe Camel advertising campaign. Stern's strategy is to argue that the advertisements within this campaign possess an inherent ambiguity and that they must be interpreted with reference to the spe-

cific groups and individuals who view and read the ads. Again, a more "individualist" analysis replaces a "collective" orientation that is centered around the uniform responses of mass society.

Stern's work has introduced key aspects of formal criticism (which are largely linked to extensions of existential philosophy) into consumer research in a number of highly regarded and well-received articles. As mentioned above, the achievements of this research stream are many; Stern's success in applying the methods of individualistic humanistic research to marketing, however, has been so successful that other viable tools of criticism have tended to be overshadowed.

One reason that Stern's individualistic agendas has been so well received seems to be the fact that since much marketing thought centers upon understanding and catering to specific circumscribed groups (target markets), her style of analysis has been immediately recognized as valuable by other scholars. This acknowledged value, however, should not be allowed to draw attention away from other methods that examine the culture as a collective entity which impacts all or most people in parallel ways.

COLLECTIVE HUMANISTIC METHODS IN MARKETING RESEARCH

In recent years, a new research stream has begun to de-emphasize the distinctiveness of specific groups and concentrate upon the culture as a holistic entity that predictably impacts most members of a culture in parallel ways. In many circumstances, researchers are primarily concerned with why people, as members of a specific culture or society, respond in uniform ways to the influences they face. Even the most casual analysis of human behavior will reveal many significant circumstances where similar responses prevail. Due to these tendencies, research agendas that analyze the overarching influence of a culture upon its members are legitimate and have a long and illustrious history.

The above observation, of course, does not deny that many circumstances exist where more individualist models are useful or even superior to more collective alternatives. This is merely an observation that an analysis which focuses on broad social and cultural influences is often the most appropriate. Where this is true, individualistic research strategies, such as those advocated by Stern, are likely to be counterproductive.

A key means of pursuing collective cultural/social analysis is to analyze shared beliefs, behavior patterns, tastes, preferences, and so on. Having identified common patterns of response that exist in the culture or society, it becomes possible to investigate the preferences and behaviors of its members in a more systematic way. By doing so, the scholar can gain a better understanding of the culture and the social milieu in which consumption takes place. Changes in society over time, furthermore, can provide useful clues regarding the cultural

evolution of the society, what triggers these changes, and how they influence transformations in consumer responses and demands.

Although people may be members of smaller circumscribed groups, they are also a part of their larger society/culture and, on many occasions, they respond accordingly. Much of this author's research, for example, stems from the discipline of folklore (which concentrates on the distinctiveness of various cultural and social enclaves). Folklorists, however, consciously recognize that a specific person may simultaneously be a part of a "folk culture" as well as the larger society, and, on many occasions, they respond in accord with the trends of the mass culture, not the mores of the circumscribed enclave.

The key issue being advanced here is that in many circumstances, people react and behave as members of a larger social entity. By studying this behavior, it becomes possible to explore aspects of culture and social response that could not be conveniently pursued if the research centered upon the individual or the distinctiveness of the circumscribed group.[1] There exist many situations both in marketing research and in competitive intelligence where examining the impact of the larger culture (or corporate culture) is most useful and productive, and where this is true, collective analysis is the most appropriate analytic tool.

In order to demonstrate the benefits of examining the collective culture, a brief overview of the myth and symbol method will be presented. Literary critics often seek to understand the nature of North American civilization in general; to do so, they often investigate literary products and their acceptance by the public. This scholarly tradition provides a focused and well-established research stream concerning society, culture, and behavior patterns that stem from them.

The myth and symbol method is a classic means of examining broad cultural trends. The approach is based on the belief that an overarching entity (which is usually envisioned as "national character") exists and that it predisposes many, if not most, people in a society to respond in roughly parallel ways to certain examples of art, literature, and popular culture. A favorite technique of the myth and symbol method is to suggest that American literature and popular culture embody distinctively American themes (myths and symbols). As a result, a large number of Americans respond to these artifacts in parallel, if not in identical, ways. By examining literature and the public's response to it, aspects of American culture come into clearer focus. Those seeking an overview of the method may want to consult Smith (1957), Slotkin (1986), and Sklar (1975).

Due to the fact that many researchers are primarily concerned with the behavior of specific circumscribed groups, however, the collectively oriented myth and symbol method has fallen from fashion in recent years. This decline in popularity is not due to a fatal flaw in the method, but has occurred because research tastes have changed. Since contemporary research interests are often directed toward individuals or circumscribed groups, the myth and symbol method (which is centered around investigating broad aspects of the collective culture) is inappropriate; as a result, models influenced by poststructuralism and deconstructionism are more suitable for this kind of research. The decision of

these scholars to abandon the myth and symbol method, however, is based on the research questions being asked; the myth and symbol method is not inherently flawed, although it does not conveniently address the issues that concern many contemporary researchers.

The myth and symbol method, therefore, represents a number of strong traditions that deal with the culture as a broad and pervasive force which is larger than the individual and as an influence that impacts most people in parallel ways. This method, although not universally applicable to all research problems, has a long and prestigious history and, although not as fashionable as it once was, it continues to be legitimate and respectable.

A DUAL TOOLKIT

When specific researchers embrace a particular methodology, they often do so without reservations; this is a general tendency of those who commit themselves to a certain view of the world. As a result of this tendency, many thinkers have come to embrace either one method or the other in rather rigid and chauvinist ways. Earlier in this book, it was seen that when scientific/quantitative researchers were blinded by a prejudice in favor of formal research methods, other useful and legitimate options were ignored. In reality, both scientific/quantitative and qualitative methods are legitimate options and they are most appropriately viewed as part of a wide range of alternatives, not as rivals that seek to discredit each other.

The same situation exists when juxtaposing collective and individualist methods. Many individualistic researchers (such as deconstructionists) tend to view their method as inherently superior, more rigorous, or more highly developed than other, more collective, alternatives. As a result, these scholars sometimes discount collective methods and they may assert that their individualistic approach has transcended everything that came before it. Embracing this sort of chauvinistic perspective is very dangerous because doing so limits the ability to choose the *most* appropriate analytic technique, without prejudice, from a wide array of methodological alternatives.

Both collective and individualistic methods have a significant role to play when people and organizations are being analyzed. On some occasions, competitive intelligence professionals may be interested in how all the members of an organization respond in parallel ways that are suggested by the "corporate culture." Where this is true, the analyst will probably benefit from some kind of collective model. Facing other conditions, however, the analyst may be primarily interested in how specific individuals or subgroups within the organization think, react, and evaluate phenomena in a distinctive manner that is not typical of the larger corporate culture of which they are a part. Both types of analysis are significant, respectable, and warranted under a variety of circumstances. It is vital for the competitive intelligence analyst to perceive both col-

Table 9.1
Individualistic versus Collective Humanistic Methods Compared

Issue	Collective	Individual
Strength	Collective methods investigate how people function in similar or parallel ways. Some collective models are concerned with the inherent nature of humanity and how all people are similar. Other collective models concentrate on culture, society, and how they mold the behavior of their members.	Individualist methods are designed to deal with how and why specific people act and think in the way that they do. Individual methods de-emphasize collective influences in order to concentrate on the plight of specific people and groups.
Weaknesses	Concentrating on broad collective forces, pressures, and responses, collective methods are not designed to deal with specific groups and conflicts between the collective group and the individual/specific enclaves.	Designed to deal with individuals and circumscribed groups, these methods are not tailored to examine the larger collective forces that influence the individual. As a result, the method can become reductionary.
Discussion	While both of these methods have inherent limitations, modern variants of each consciously adopt a more robust posture that is able to account for all the key influences affecting collective and individual behavior. As a result, individualist models add a cultural component, while collective/cultural models actively deal with individuals and circumscribed groups. As a result of this broadening, both models more accurately reflect reality. Each approach, however, remains distinctive and is designed to accomplish certain specific goals.	
Uses	Collective and individualist models both have their uses in business research. Collective models are useful in discerning broad patterns that impact all those who are members of specific social groups (such as corporate cultures). Individual models, in contrast, are able to explore how specific people and circumscribed groups have their own feelings, needs, and responses. Both of these orientations have a vital role in competitive intelligence.	

lective and individualist methodologies to be legitimate options which should be embraced at appropriate times.

In order to demonstrate the fact that both collective and individualistic methods are viable, useful, and appropriate, Table 9.1 compares their strengths and weaknesses.

Competitive intelligence is a profession that embraces a wide array of problems and research issues. As a result, the profession needs a broad and varied toolkit. Due to the nature of the profession and the assignments faced, this author

advocates an eclectic set of tools that can be tailored to the particular problems at hand. Earlier in this book, the embrace of both scientific/quantitative and qualitative methods was championed and it was emphasized that each should be employed as required. By doing so, it was argued that analysts would, thereby, gain a wide array of options from which to choose. Here, a similar plea is made; although it may be easy to discount either individualistic or collective methods, both have a significant role to play. Methodological decisions need to be made in view of the circumstances and the purpose of the particular research assignment; analysts will unduly undercut their options if they write off specific methods as inherently inappropriate.

The basic premise underlying all these methods is that by studying what people choose to say and how others respond to their communications, it becomes possible to better understand both individuals and the organizations within which they function. Literary critics (and marketing researchers who embrace the methods they have developed) provide clues that competitive intelligence professionals can use to better understand the analytic options that are available to them. These methods can concentrate either on the larger society or the plight and situation of the individual and/or circumscribed groups.

Competitive intelligence professionals can make use of these methods if they adjust to them in order to more effectively examine the corporate culture being investigated. In doing so, it becomes possible for competitive intelligence analysts to apply these humanistic techniques in ways that illuminate the interworkings of the organizations that are being investigated.

COLLECTIVE PATTERNS AND CORPORATE CULTURES

The term "corporate culture" is designed to draw attention to the fact that organizations have structured and patterned ways of viewing the world and responding to threats and opportunities. Certainly, all the implications of "culture" (when viewed from a sociological or anthropological point of view) are not present in the corporate culture model; nonetheless, there are enough parallels to make the metaphor or analogy useful and productive.

Many of the roles, responses, and aspects of cultural life can be likened to what is found in an organizational setting. Corporate cultures often embrace a covert set of traditions that impact the behavior of their members, and they have methods to educate and indoctrinate their members so that personnel mesh well within the organization. Corporate cultures inevitably elevate some aspects of behavior to high levels while being little concerned with others. When researchers observe and analyze such patterns, the behavior of the organization becomes more predictable.

Competitive intelligence analysts are most interested in the fact that where a strong corporate culture exists, it may be possible to predict how its members will respond in the future and why they will do so. By carefully analyzing the corporate culture, certain kinds of responses may emerge as established and

recurring conventions; if the analyst can perceive these patterns, the future behavior of the organization will become less of a mystery.

Consider a firm, for example, that has a corporate culture which is hinged around quality. The firm's literature touts the quality of its products. Employees are indoctrinated accordingly. Large sums of money are spent to insure high standards. The corporate headquarters is a showpiece of high-quality architecture and furnishings. Everything the organization does smacks of "class." Under these circumstances, quality is a key component of the corporate culture and, in all likelihood, the quest for quality would dictate the firm's response in almost all of its actions.

If a client wanted to compete against this quality-minded corporate culture, how could this best be accomplished? Perhaps by providing lower quality and cheaper alternatives. Since the corporate culture dictates quality, it may not be willing to market economy versions of its products. As a result, the client may be able to do so without facing "head-on competition" against this quality-conscious organization.

In this simplistic example, the competitive intelligence analyst developed a profile of a rival corporate culture. Having done so, certain patterned responses emerged. By generalizing these patterns of response, certain protocols presented themselves, and they suggested viable strategic options that the client effectively deployed. Corporate cultures create overarching patterns that can be observed and recognized. These patterns include general orientations regarding how the organization functions, what it views as important, and how it responds to circumstances. By paying attention to these phenomena, the analyst can more effectively predict the future behavior of the organization being examined.

INDIVIDUAL AND CIRCUMSCRIBED RESPONSE AND CORPORATE CULTURES

While corporate cultures may reveal generalized patterns of response, every organization is made up of various components. These subgroups may be as small as one person (or small office) and may be as large as a major division (or multidivision coalition). Rivalries, tensions, and private interests abound in any organization, and, as we all know, corporate cultures are not immune to this kind of internal tension. As a result, on many occasions the competitive intelligence analyst will profit from understanding how specific individuals and circumscribed groups within an organization harbor beliefs, positions, and priorities that are distinct from (and, perhaps, at odds with) those of the larger corporate culture.

As indicated above, an array of methods have developed within literary criticism that are specifically designed to deal with the distinctive visions of specific individuals and circumscribed groups. The methods of the deconstructionists and poststructuralists are specifically designed to explore the distinctiveness of particular groups of people and why they think in the way they do. Since these

methods use the written word as the primary empirical evidence examined, these tools can be easily adapted to the competitive intelligence investigations of open source information.

These methods look at both what is said and how it is interpreted. If we can begin to see how different groups interpret the same document in divergent ways, we will be in a better position to understand the internal stresses that exist within an organization. As we all know, a key part of organizational gamesmanship is interpreting phenomena in ways that are most attractive to the individual or circumscribed group. On many occasions, orders from superiors contain a certain degree of ambiguity; on some occasions a technical ambiguity may exist even though those receiving the message clearly understand what is being communicated.

Ultimately, a calculated misunderstanding (or feigning to not understand) is one of the routine stalling devices that people in organizations employ. If specific members of an organization can present the case that they did not understand what was requested, they can make themselves immune from retaliation when they do not follow orders; if organization members are at odds with their superiors, misinterpreting instructions is one of the key tactics that is routinely employed. If examples of this kind of gamesmanship can be discovered by searching through various open source information or from anecdotes at cocktail parties, the analyst may discover key information of value to the client.

Let's say, for example, that a review of a company reveals confusion and misunderstanding regarding a particular product group. If this is true, it would appear that the managerial elite is providing instructions that the subdivision seeks to circumvent. Ultimately, what does this mean? Perhaps there will be a reduction of funding to the division; this could indicate that the product would not be as competitive as it had been in the past. Perhaps corporate headquarters is interested in eliminating the product. As a result, the division may be available for purchase and if quick action were taken, the product could be bought before a bidding war commenced.

The point is, much modern literary analysis is concerned with the fact that different people and groups have their own vested interests and, as a result, they interpret communications in their own specific ways. These critical tools are of potential value to competitive intelligence professionals. Indeed, the kinds of examples provided above are commonplace within the professional life of competitive intelligence analysts. By embracing a wealth of critical theory that deals with such phenomena, analysts will be able to tap a wealth of method and technique and apply it to their work.

These techniques, of course, can be employed when analyzing either customers or competitors. In either case, organizations possess both unifying "corporate cultures" and specific enclaves that are distinct and have their own needs, wants, and perspectives.

Competitive intelligence professionals can serve their clients by providing

both sorts of analysis when customers and competitors are being evaluated. By being aware of these options and the divergent analytic tasks to which they can be put, competitive intelligence analysts can more effectively pursue their profession.

THE HUMANITIES AND COMPETITIVE INTELLIGENCE: USEFUL LINKAGES

The humanities form a wide array of qualitative methods that have a profound value to business research and to competitive intelligence. Contemporary advances in marketing research are demonstrating specific ways in which humanistic research strategies can be applied to the needs of the business community. At first glance, it may appear that the humanities are so "ivory tower" and "other worldly" in nature that they cannot be easily applied to the needs of the practitioner world. Nonetheless, humanistic methods are directly relevant to the needs of business research and competitive intelligence and they have a significant contribution to make. Here, some specific recommendations on how competitive intelligence professionals can operationalize the humanities in relevant and actionable ways are provided.

As in the last chapter on the social sciences, I will discuss the humanities in terms of some common tasks that are routinely performed by competitive intelligence professionals. The discussion usefully illustrates how the traditions of humanistic thought can be readily integrated into the toolkit employed by competitive intelligence professionals. The array of topics to be discussed encompasses a number of tasks that are routinely performed by competitive intelligence professionals, including:

1. Shadowing/Surveillance
2. Benchmarking
3. Reverse Engineering
4. Crisis Management

By analyzing these tasks in terms of humanistic research strategies, the practitioner value of these methods and orientations is discussed.

Shadowing/Surveillance

Shadowing/surveillance is essentially a process of noticing how an organization functions and behaves. Through this process of observation, the analyst gains a better perception of (among other things) what impacts the organization, what it ranks as important, and how it operates. When pursuing shadowing/surveillance, analysts typically view whatever data happens to be available; from

this array of raw facts, patterns of response are deduced in order to predict what is likely to occur in the future. This predictive ability can constitute valuable information of significant strategic value.

This process of analysis and prediction constitutes one of the classic tasks of competitive intelligence. Depending upon the needs of the client, the analyst may want to discover recurring patterns that typify the organization as a holistic entity or the analyst may want to understand how specific parts of the organization stand apart from the organization as a whole. Either type of information (or both) may provide valuable strategic insights to the client.

Thus, the shadowing/surveillance research project may be charged with finding patterns of response that typify the entire organization. If this is the case, the analyst will attempt to identify recurring systems of response that occur in a number of different circumstances.

On other occasions, the analyst may be primarily concerned with identifying ways in which a specific component (or components) of an organization is distinctive. Furthermore, some segments of the organization might be treated as "second-class citizens" and their behavior, attitudes, and loyalty may reflect this stigmatized status. Under these conditions, the behavior of the subgroup is more than a mere reflection of the patterns of the overarching corporate culture. Let's say, for example, that the client is considering the purchase of a division or product groups of another corporation. Although it is a part of an overarching corporate culture, the circumscribed division is distinctive in some specific ways. In addition, although the responses and attitudes of the segment may reflect the broader corporate culture in some ways, these overarching patterns of the corporate culture may mask a covert distinctiveness of the subdivision that is of vital interest to the client.

Thus, let's say that the division under consideration has been "written off" as a "Dog" that is a prime candidate to be liquidated or sold at the first possible opportunity. Although the behavior of the subunit may outwardly reflect the corporate culture of the parent, it will maintain its own opinions and positions. By carefully examining the documents and communications of this subdivision, it may be possible to discern its distinctiveness; by focusing on these differences, the analyst can help the client to best appraise the opportunity.

Humanistic methods, such as literary criticism, may have a significant role to play when evaluating both overarching similarities in organizations and how specific segments are distinct. The point is that while organizations are social systems possessing recurring patterns and similarities, they are also made up of distinctive subgroups that think and respond in their own ways. If the competitive intelligence analyst can recognize both homogeneous patterns and the distinctiveness of specific and circumscribed enclaves, the resulting analysis can help clients to more effectively predict the reactions of both the corporate culture and the smaller, more centered, subunit. Humanistic perspectives can be very useful when dealing with both similarities and differences.

Benchmarking

Decision makers seek to perceive the norms that typify both effective organizations and entire industries. By understanding how other organizations operate, competitive intelligence analysts can extrapolate useful information that can be incorporated into the client's strategic plans. As mentioned in the last chapter, benchmarking can disclose a baseline of accepted practice within an industry, or focus upon specific organizations that are especially effective and competitive.

Much of the evidence available via open sources is written materials that are intended to be read and processed by specific groups of people, and on many occasions this written information can disclose valuable evidence regarding benchmarking. By centering on how an organization communicates, both internally and externally, the analyst may be able to perceive how an effective organization gains its competitive edge. Thus, if an organization constantly communicates regarding quality control or just-in-time delivery, the content of open source documents may reveal this pattern. If so, the analyst may be able to extrapolate the strategies that have led to success. By understanding how the firm operates, the analyst can provide useful information to the client.

Humanistic disciplines, such as literary criticism, are geared around the information being communicated and what can be gleaned by an examination of what people choose to reveal and how they do so. Thus, in literary criticism, scholars view popular literature as a lens by which the culture, as a whole, can be better understood. By the same token, by observing patterns in the communications within (and by) organizations, the underlying structure of the organization (and its probable responses) may come into clearer focus. This evidence, if carefully analyzed, may disclose an insider's view of the workings and strategies of the organization that is being investigated.

In benchmarking, analysts are typically looking for clues regarding what an organization is doing right. The goal is to better understand a successful organization in order to emulate it. In most cases, firms constantly reinforce what they are doing right. In addition, they may constantly harp about their shortcomings. Even if the organization does not disclose proprietary information or trade secrets in the process, the simple fact that an organization devotes considerable attention toward specific phenomena may be enough to provide the analyst with invaluable clues. For many years, of course, competitive intelligence professionals have intuitively used this kind of approach and research strategy. By embracing humanistic traditions of analysis, however, doing so can become more systematized and linked to long-standing traditions of research and analysis.

The vital point is that organizations have structures that impact the benchmarking criteria under investigation, and the way in which organizations communicate may help reveal these structures. Humanistic analysis that focuses either on (1) the collective group or (2) distinctive subgroups may reveal patterns

that can provide useful information to clients. Because communications often mirror and reveal the social context in which the message took place, humanistic methods have a vital role to play in benchmarking. As a result, the orientations provided by humanistic methods, such as literary criticism, have a vital role to play in a variety of benchmarking situations.

Reverse Engineering

Reverse engineering, as mentioned in the last chapter, is a not just a technical activity; this is true because many products are best viewed in social terms. The ways in which organizations interact with their customers and clients is often vitally important. As a result of the importance of social relationships, the process of reverse engineering often deals with management styles, sales terms, and so on, as well as the actual "product" being sold. Social or organizational aspects of business are vital facets that often provide clues regarding the strategies of the organization and how it serves and satisfies its customers.

As discussed throughout this book, contemporary business theory centers around the marketing concept that is geared around pleasing customers. While customers must be given products that they want, the competitive edge of many organizations hinges around the ways in which customers and clients are treated. As a result, much reverse engineering does not merely envision the product as a tangible item, but concentrates on the ways in which organizations interact with those they serve. This kind of phenomenon can often be best analyzed in humanistic ways. As a result, understanding the organization's philosophy or corporate culture is a vital component of much reverse engineering. Just as benchmarking may make use of humanistic techniques such as those suggested by literary criticism, reverse engineering can apply the same basic tools, and humanistic tools provide a ready way to isolate key areas where organizations excel.

The same can also be said of the internal operations of organizations. People are motivated by intangible rewards that do not show up on a balance sheet. Nonetheless, these intangible aspects of organizational life may provide a competitive edge. Reverse engineering seeks to isolate the variables that make a product distinctive and competitive. On many occasions, firms gain a competitive edge from their social arrangements with customers, suppliers/partners, and employees. Humanistic research strategies, such as those deriving from literary criticism, have a significant role to play in understanding these relationships.

Crisis Management

Crisis management anticipates disruptive possibilities and it seeks to mitigate them in systematic and preconceived ways. Thus, firms beset by problems such as massive product failures and a loss of prestige in the marketplace may have preconceived solutions "on the shelf" that provide well-thought-out methods for

dealing with these challenges. Let's say, for example, that a product is recalled for safety reasons. How will the organization react? Basically, it will need to mitigate the problem as quickly as possibly and put the episode behind it. But how will the organization's rivals respond to this misfortune? Will they immediately respond like sharks that have had a taste of blood and seek to use someone else's misfortune to gain market share? If so, what exact strategies can we expect them to use?

Using humanistic analysis and other forms of analysis, the organization may be able to determine probable ways in which its key competitors will respond. Do any competitors have a tradition of striking quickly when competitors face troubles? Do competitors have the ability to respond immediately or is the rival organization structured in ways that will prevent a prompt response to opportunity?

If competitive intelligence researchers constantly analyze competing firms, they will be in a better position to anticipate the responses of competitors in case their organization faces a crisis. If this kind of information is routinely gathered, provided to the crisis management team, and/or stored in an easily retrievable way, decision makers will be in a better position to anticipate the responses of competitors if and when a crisis arises. By anticipating these responses, the crisis management team can devise techniques for countering the gambits that result from crisis. In many cases, clues regarding this type of response can be gained if sought and if they are analyzed using humanistic methods, such as literary analysis. If the competitive intelligence staff employs these humanistic tools, they can more effectively provide counsel to the crisis management team. By routinely gathering information that helps clients to anticipate the responses of competitors to opportunities created by crises that may be faced in the future, competitive intelligence professionals can best serve the crisis management function.

The humanities offer a diverse array of options of significant value to competitive intelligence professionals. Although the humanities are "ivory tower" disciplines that are not centered around the practitioner world, in recent years marketing scholars have developed ways to employ humanistic methods in actionable ways. By grafting appropriate humanistic tools (such as literary criticism) onto their traditional toolkit, competitive intelligence professionals will gain flexibility and a valuable set of perspectives. By doing so, the methods available will be significantly broadened and competitive intelligence will be better able to link qualitative methods with strategic and tactical thought.

SUMMARY

While the humanities tend to be "ivory tower" disciplines, in recent decades business researchers have begun to adjust humanistic methods in practitioner-oriented ways. Various humanistic disciplines, such as literary criticism, provide techniques for analyzing cultures and organizations though a study of the doc-

uments that they produce and consume. Competitive intelligence professionals can embrace these techniques and link them to their own preexisting toolkit which largely stems from espionage. The result is a more robust and flexible methodology and one that benefits from the synergism of truly cross-disciplinary analysis.

KEY TERMS

Benchmarking. Benchmarking is discerning the norms that typify the effectiveness of specific organizations, business functions, and industries.

Corporate Cultures. In recent years business researchers have embraced a wealth of social theories and applied them to the study of organizations. This research stream is facilitated by the concept of the Corporate Culture that deals with an organization as a culture and, thereby, applies social theory to its analysis.

Crisis Management. Crisis Management is a profession that seeks to determine, in advance, what crises an organization may face and forge future strategies designed to mitigate the crisis if and when it occurs.

Deconstructionism. Deconstructionism is a method of analysis that stems from existential philosophy. It deals with the phenomena from the perspective of the individual, not the larger, overarching culture.

Economic Determinism. A paradigm of social and organizational life that presupposes that economic influences impact the entire culture/organization and transform both the individual and social life.

Existentialism. A school of philosophy that gained dominance after World War II. It focuses on the individual, not the larger collective culture.

Frankfort School. A school of Marxist/Economic Determinism that attempts to account for the impact of individuals, not merely the impersonal forces of economics.

Humanities. Disciplines that focus on the uniqueness of human beings and transcend the methods of science when investigating mankind and its products.

Kierkegaard, Søren. 19th-century philosopher whose individualistic leanings influenced existentialism.

Lost Generation. A group of post–World War I intellectuals who rejected the collective view of mankind.

Marxist Analysis. Marxist analysis tends to de-emphasize the individual and focus on cultural and economic influences.

Myth and Symbol Method. A method of literary analysis that looks at artistic products in terms of the larger "national character."

Nietzsche, Friedrich. 19th-century philosopher who emphasized the individual, not the collective culture.

Postmodernism. Another individualistic paradigm stemming from existential philosophy.

Reverse Engineering. Dismantling existing products to see how they work. Long used for physical products, the method can also be applied to social relations.

Shadowing/Surveillance. Carefully watching individuals or organizations to see how they work.

Social Determinism. A paradigm that, discounting the individual, focuses on the culture or society and assumes its influence is paramount.

NOTE

1. Here I am thinking in terms of certain intuitive concepts such as "mainstream society," "circumscribed groups," and "folk enclaves." I, of course, am aware that these are slippery terms and that the lines dividing them are blurred. And, as indicated in my reference to folk cultures, a person may simultaneously have one foot in two worlds. Although using these terms may lead to a certain ambiguity, they have served well in the past in disciplines such as folklore and, therefore, will be employed here in an informed and guarded way.

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Chapter 10

Culture at a Distance:
A Lesson from World War II

BEYOND THE WARFARE MODEL

During World War II, prominent civilian social scientists entered governmental service and worked in important positions that dovetailed with the work of the intelligence community. Their efforts resulted in sophisticated analyses of the cultures of both the United States and its enemies. After the war, these noted scholars returned to civilian life and the tools that they had developed were allowed to atrophy. Today, the successes of that era are all but forgotten.

It is important to note that although these techniques were overtly created to help with the war effort, their intellectual underpinnings are in no way related to warfare, conflict, or strife. Instead, these methods use the tools of the social sciences and humanities in order to intuitively understand people, societies, and organizations as collective and cooperating entities. By comprehending cultures as homogeneous entities, the responses of their members became more predictable, and when the behaviors of others became more predictable, decision makers gained a competitive edge.

This chapter begins the process of rehabilitating the qualitative methods of intelligence that were developed in World War II by important social scientists through a review of the achievements of that era. First, a "golden age" of applied anthropology and its role in World War II intelligence are discussed. After the war, however, the methods that had been developed fell into disuse and subsequent advances in the social sciences and humanities rendered many of the earlier methods unfashionable. Here, the value of these classic anthropological approaches is justified and updated in strategic and actionable ways. The goal is to embrace these methods and make them a significant part of competitive intelligence.

These tools (if properly updated and deployed) can return to useful service. Since they augment the existing toolkit of competitive intelligence, they can help analysts to provide useful information to clients. By melding this paradigm with the techniques discussed in the last two chapters, a more robust methodology results.

CULTURAL CONFIGURATION

The evolution of American social anthropology bears the imprint of focusing upon the uniqueness of specific societies and the value of viewing them as distinct entities that function according to their own rules and internal logic. To a large extent, this approach is the lengthened shadow of Franz Boas, who (after coming in contact with the Eskimo) moved from Germany to the United States, joined the faculty of Columbia University, and went on to become the father of North American anthropology.

The late 19th century was an era in which broad and general theories of cultural evolution (Social Darwinism) dominated the intellectual landscape. Although Boas clearly believed in biological evolution, he did not feel that the concept was appropriate when analyzing cultures and societies. Instead of focusing on general evolutionary models, Boas and his students concentrated on how cultures developed in specific ways due to the unique pressures that they faced. These adaptations, Boas emphasized, did not reflect the general patterns of evolutionary development that were the central focus of the theories that then dominated. As a result, the Boasian school is typically referred to as "historical particularism" since it was primarily concerned with specific and isolated developments, not with universal evolutionary patterns. As shall be seen, this type of approach has much to offer to competitive intelligence and to clients who seek to understand the specific kinds of responses that can be expected from the members of certain cultures and/or organizations.

While historical particularism offered a useful alternative to general evolutionary theory, some of the movement's leaders began to realize that historical particularism left gaps that potentially compromised the method. Noted anthropological linguist Edward Sapir, for example, complained that historical particularism did not deal with the emotional lives that people experienced. This limitation led to the development of a school of anthropology that is usually referred to as "culture and personality": a subdiscipline that combines the theories of anthropology and psychology in order to understand both cultural/social life and people's emotional and spiritual lives. As we shall see, the method Sapir advocated has much to contribute to competitive intelligence.

Eventually, Ruth Benedict (a student of both Boas and Sapir) developed a sophisticated and eclectic method in which these diverse sets of data were usefully intermingled. Benedict came to anthropology late in her intellectual development and she had previous training in writing and literary criticism. As a result, she possessed a diverse outlook and one that was profoundly influenced

by the broader humanistic tradition, not merely by the social sciences. A key premise unifying Benedict's work emphasizes that the human spirit is very flexible and moldable; she argued that due to this flexibility, successful cultures could emphasize a wide variety of orientations. Nonetheless, each culture could be fully embraced by its members.

A classic statement of this potential is found in Benedict's classic article "Anthropology and the Abnormal" (1934), where she argued that what is "abnormal" is defined as such by the culture and does not constitute an objective diagnosis to which all "normal" people will inevitably agree. In other words, what constitutes "sane" and "insane" behavior is culturally defined, and these definitions (which are embraced by a society and its members) reflect the degree to which behavior proceeds in accordance to the norms and mores of the culture. Those who act according to the rules and the perceived needs of society are viewed as normal; others are not.

Those concerned with establishing policies and strategies will be interested in Benedict's assertion that specific people tend to respond according to the dictates of their culture or organization. By understanding the subtleties of a specific culture, observers can better anticipate how its members will react to circumstances. Benedict's *Patterns of Culture* (1934) is a tour de force of that method; it accomplished its goal by suggesting that cultures can best be envisioned as holistic and synergistic "patterns" that orient their members to think, feel, and behave in certain predictable ways. By understanding the overarching cultural pattern or configuration, a wide variety of behaviors can be more effectively predicted and/or explained.

A basic premise of *Patterns of Culture* is that at birth people are very flexible and that they have the potential to develop in innumerable ways. Benedict argues, however, that each culture possesses a particular "configuration" and that members of that culture are socialized to behave and respond in accordance with it. Thus, patterns of personality and response are, in large measure, artifacts of unique cultures that have been molded by historic circumstances. Cultures, in turn, emphasize and encourage certain personality types and patterns of response. By understanding the influences that impact the culture and its members, the future responses of both the individual and the collective society can be more accurately predicted.

In *Patterns of Culture*, Benedict presents sketches of three cultures: the Zuni of New Mexico, the Dobu of Melanesia, and the Kwakiutl of the northwestern coast of North America. In the process, Benedict also provides her visions of the inherent cultural configurations of the different cultures she analyzes. Benedict goes on to argue that these cultural patterns, in turn, impact both the personalities of specific people and their reactions to circumstances and pressures. Thus, Benedict saw personality and human response as historical products and she viewed the culture as a patterned response to historical pressures. Benedict (writing in 1934) is very clear about how the culture and the individual are intertwined: "There is no proper antagonism between the role of society and

that of the individual. . . . Society . . . is never an entity separable from the individuals who compose it" (1959, 251).

Quickly following Benedict's *Patterns of Culture* was Margaret Mead's *Sex and Temperament in Three Primitive Societies* (1935), a book which suggested that aspects of personality that are usually assumed to be linked to the biological fact of one's sex (such as aggressive behavior among males versus passive responses among females) are actually learned by children during the socialization process and, therefore, they are based on culture, not on biology. Studies such as Mead's (connected, as they are, to the historical particularist perspective) point to the impact of culture upon the human personality and they underscore that human response varies widely in different cultures. These insights regarding the flexibility of mankind (and the fact that people are largely products of historical circumstance) have a clear value to competitive intelligence, since they point to patterned responses that are not "rational" and calculated in a strategic or game theoretic sense; yet, they may be the mainsprings driving behavior.

Since many human responses are not thought out in tactical ways, but constitute structured reactions that are dictated by the underlying patterns of a culture, investigating these overarching influences provides decision makers with invaluable insights. The work of the historical particularistic anthropologists and culture and personality specialists (such as Benedict and Mead) provides a systematic means of dealing with this phenomenon. During World War II, these scholars (and the methods they represent) attracted the interest of the State Department, which commissioned Benedict and Mead to provide advice on how to conduct the war effort.

MASS SOCIETY AT A DISTANCE

As indicated above, under Franz Boas, American anthropology consciously provided an alternative to general evolutionary theory. In doing so, anthropologists began to investigate the distinctiveness of specific societies and how specific cultures evolved in unique ways; in addition, researchers began to emphasize the value of investigating the emotional lives of people, not merely material culture. The result was the "cultural configuration" method that suggested that every culture could be viewed as a unique configuration that molded its members in specific ways. As a result, cultures and the people who comprise them must be evaluated on their own terms, not in some sort of generic way.

It is obvious that this approach has value to competitive intelligence analysts and their clients because understanding patterned responses to threats and opportunities provides a profound competitive edge. Nonetheless, the model that had been developed by Benedict in the 1930s was theoretical in nature and it could not be easily applied to many practical problems (such as those faced by intelligence professionals and military leaders during World War II).

Anthropologists, although they are truly interested in small-scale societies, do not study these cultures merely for their own sake. Instead, anthropologists often

believe that small-scale societies are essentially analogous to large, industrial cultures (although their small size makes their analysis less complicated and costly). Just as aerospace engineers may use a small model plane to envision the behavior of a large jumbo jet, anthropologists study tribes in order to conveniently view an entire culture and the diverse interrelationships between its various parts "in action." Having completed the analysis of their microcosm, these social scientists hope to establish general laws of society and culture. As a result, mass/industrial society is studied indirectly via smaller cultures which are assumed to be miniature representations of the modern world. These circumscribed studies are conducted in ways that substitute for a full analysis of a larger, more complex culture.

Because many ivory tower anthropologists tended to be as concerned with general social theory as with the particular society being investigated, their analytic techniques tended to sidestep the modern industrial world because investigating it was costly and time-consuming. As a result, fieldworkers sought out primitive societies that were so small that one researcher could intuitively envision them as holistic entities. The nature of this method, however, made this strategy unwieldy when applied to complex organizations or societies. As a result, fieldworkers tended to gravitate toward research subjects that could be subjectively investigated using the methods of participant observation.

The threats and needs of World War II, however, created the necessity of analyzing complex societies and organizations. Acclaimed anthropologist Margaret Mead states the situation as it appeared to her in 1942:

Six times in the last seventeen years I have entered another culture, left behind me the speech, the food, the familiar postures of my own way of life and sought to understand the patterns of life of another people. In 1939, I came home to a world on the brink of war, convinced that the next task was to apply what we [anthropologists] knew as best as we could, to the problems of our own society. (1965, 33)

Mead's efforts were an application of anthropological fieldwork methods to her own culture and to the developed, industrial world. Her work, furthermore, is not a mere theoretical musing and it was clearly centered around the requirements of decision makers and the practical needs of those who were directing the war effort. Anthropology was striving to become a policy science capable of dealing with the contemporary mass/industrial society.

The end result of Mead's efforts was her highly acclaimed *And Keep Your Powder Dry* (1965), a book that provided a strategically oriented analysis of American culture. The goal of the book, in a nutshell, was to apply the principles developed in Benedict's *Patterns of Culture* to a full-scale analysis of a mass, industrialized society: the United States. The findings of this book were delivered in the belief that by understanding the "cultural configuration" of the United States, it would be easier to predict the response of its citizens to future developments as well as provide clues that would be useful when devising appropriate

strategies for motivating and leading the nation in a time of profound international crisis.

In her analysis, Mead distilled key aspects of the American psyche that have emerged as conventional wisdoms. Americans, we are told, are forward-looking and they have little concern with the past (1965, 37). Mead, in addition, was also able to point to differences in the response of Americans when compared to their European counterparts. Mead argued, for example, that "The point of a negotiated peace [for traditional Europeans] is so that everybody can stop, have a breathing spell, and fight more effectively in the future. War to the finish is never the slogan." (1965, 215) Mead goes on to suggest, however, that "leaving the job undone" does not make sense to the average American. Instead, she observes:

And we must see it as our duty—if we are to call ourselves good—to fight for the right to do this next big job uninterrupted [by a negotiated peace] . . . It lies within the American character to see a job as so important [that it must be completed] . . . we can only win the war if we fight it in terms that do make sense to Americans. (1965, 215–216)

In essence, *And Keep Your Powder Dry* was a national character study that provided decision makers with the insights and tools they needed in order to effectively control and lead the members of a modern industrial society. Although these efforts are not exactly in the realm of intelligence, they do clearly dovetail with it and they were commissioned by intelligence analysts. Competitive intelligence professionals can easily see the practitioner value of such research agendas.

While Mead's book has justifiably won high praise, the actual writing was probably relatively easy for her. First, Mead was writing about her own culture. Second, she was free to conduct research as she saw fit. As a result, Mead faced minimum obstacles when conducting her research and fieldwork.

Other researchers, however, were not as lucky. Those directing the U.S. war effort did not merely need to understand its own citizens; in addition, they also needed to strategically envision the culture of its enemies. These societies, however, could not be investigated using the usual anthropological research techniques of participant observation. Because enemy cultures were obviously closed to the researchers of their foes, alternative techniques of analysis had to be developed. With direct fieldwork impossible, researchers began to broaden the array of evidence they used when analyzing other societies. Films, literature, and other cultural products were analyzed. Informants (prisoners of war, expatriates, etc.) were interviewed on a "catch-as-catch-can" basis. Any and all sources were examined and gleaned of the information they could provide. Due to the fact that researchers could not visit the cultures being examined, this type of research eventually came to be known as the "culture at a distance" method.

The classic example of this method is Ruth Benedict's *The Chrysanthemum and the Sword* (1946). Written and researched during the war, the book provided

insights to decision makers. After the war, the public developed a fascination with Japan, and as a result the book emerged as a best-seller and as a classic cultural analysis. Essentially, Benedict returned to the methodology that she had developed in *Patterns of Culture* and she sought to distill the unifying principles (or cultural configuration) that underlay Japanese society.

Early in the book, Benedict indicates the importance of understanding the culture of the enemy and how culture influences the behavior of its members:

The Japanese are the most alien enemy the United States had ever fought in an all out struggle. In no other war with a major foe had it been necessary to take into account such exceedingly different habits of acting and thinking. . . . We were fighting a nation fully armed and trained which did not belong to the Western cultural tradition. Conventions of war which Western nations had come to accept as facts of human nature obviously did not exist for the Japanese. It made the war in the Pacific more than a mere series of landings on island beaches, more than an unsurpassed problem of logistics. It made it a major problem in the nature of the enemy. We had to understand their behavior in order to cope with it. (1946, 1)

Some of Benedict's observations have become conventional wisdoms regarding Japanese culture. Most of us, for example, are familiar with the notion that the Japanese tend to be "collectively oriented" (while Americans are more individualistic) and that the Japanese want to "fit into" their society and not stand above or sink below it. We are familiar with Japanese proverbs such as "the nail that sticks up is nailed down" and the analogy these sayings have regarding the importance of fitting into one's culture in a manner that does not attract attention to one's self.

Benedict dealt with these phenomena by observing that while people in the United States tended to be concerned with inherent and universal concepts of "right" and "wrong," the Japanese were more preoccupied with other people's opinions of them, and these feelings tended to dictate their behavior. As a result, Westerners had difficulty understanding the Japanese and their behavior. According to Benedict, however, once the cultural configuration was understood, it became possible to understand the Japanese and to accurately predict their behavior.

Although *The Chrysanthemum and the Sword* is a classic study of Japan, certain flaws and limitations do exist. For one thing, Benedict tended to rely primarily upon information provided by members of the upper middle classes and her work was not based on a true cross-section of society. As a result, certain patterns of behavior were overemphasized (or underemphasized), and the distinctions between specific social classes were blurred or ignored. Furthermore, Benedict depicted Japanese culture at a specific snapshot in time; as a result, the implications of social change were not addressed, and when working "at a distance" Benedict inevitably made numerous errors and oversimplifications.

Nevertheless, Benedict was able to produce a useful cultural analysis under inhibiting conditions. Her work was accurate enough to provide decision makers with a decided edge when forging strategies and tactics.[1] Critiques of Benedict's analysis notwithstanding, she presented invaluable insights and she did so using readily available sources of information and "catch-as-catch-can" interviews. This is exactly the type of information that competitive intelligence professionals can cull from the available "open source" data.

During World War II and immediately thereafter, the culture at a distance method thrived. After the war, however, those who had developed the method left government service and returned to their universities. Eventually, other scholars began to question the ability of the cultural configuration model to usefully serve in situations where complex cultures are composed of many (and often conflicting) segments. As a result, the use of the method eventually declined. The basic approach, however, did not completely die out and parallel methods have become popular among humanists, such as literature critics and American studies scholars.

Paralleling the configuration approach, for example, is the "myth and symbol method" (briefly discussed in an earlier chapter) that has long been an established technique of literary critics; this tradition will be discussed both to demonstrate a continuation of core ideas/methods inherent the culture at a distance approach, and to demonstrate how analogous techniques from the social sciences and the humanities can be of value to the intelligence community.

MYTH AND SYMBOL METHOD: EXTENDING CONFIGURATIONISM

Although the use of the cultural configuration/culture at a distance method was abandoned by the intelligence community, and although it eventually declined in popularity within anthropology, the basic approach is a powerful analytic device that possesses great explanatory value. Cultures are seen as having a consistency that can be used as a basic clue when predicting decisions and reactions. In the post–World War II era, humanistic disciplines (such as American Studies and related disciplines) conducted research that closely parallels the cultural configuration model. The goal of these scholars has been to deal with a specific culture as a corporate, collective entity that is unified by an overarching pattern which molds all (or most) of the population and its behavior in parallel ways. The classic tool used in this research is generally known as the "myth and symbol method."

In the post–World War II era, American Studies scholars often sought to understand the nature of North American civilization, in general, and they argued that it possessed a unique ethos (national character) which made it distinctive. These scholars typically investigate national character through an examination of America's artistic products and the public's response to them. Using this evidence, myth and symbol scholars are able to investigate a society

without conducting formal fieldwork. In general, the evidence that has been employed by myth and symbol scholars parallels the same types of information that had been analyzed by those pursuing the culture at a distance method. Both scholarly traditions are focused and well-established research streams that deal with homogeneous aspects of culture

The myth and symbol method is a classic means of adapting "configuration-orientated" research methods to literary and "cultural" analysis. The method is based on the belief that an overarching entity (which is usually envisioned as "national character") exists and that it predisposes many (if not most) people in a society to respond in roughly parallel ways to certain examples of art, literature, and popular culture. A favorite technique of the myth and symbol method is to suggest that American literature and popular culture embody distinctively American themes (myths and symbols). As a result, a large number of Americans respond to these artifacts in parallel, if not in identical, ways. Those seeking an overview of the method may want to consult Smith (1957), Slotkin (1986), and Sklar (1975). In the minds of many observers (including the present writer), literary critic Leslie Fiedler is a grand master of this method and he and his classic books on American life and literature are highly regarded, even if Fiedler and his vision are sometimes accused of being eccentric.

Two classic examples of the myth and symbol school are Henry Nash Smith's *Virgin Land* (1950) and Leo Marx's *The Machine in the Garden* (1964). Here, for the sake of space, only a brief overview of Smith's work will be presented. As the title suggests, *Virgin Land* is primarily concerned with the image of the frontier and its impact upon American self-identity. Smith forcefully argues that the image of the 19th-century West profoundly impacted American culture and the worldview that Americans embraced.

Essentially, Smith suggests that the image of the West provides a number of myths and symbols that have been worked and reworked for generations. By examining these symbols (in artifacts such as literature), Smith argues that the essence of American society can be better understood. Thus, literature is a "secondary variable" that is impacted and influenced by a "primary variable" consisting of American national character. By examining the secondary variable, the primary variable (the culture) can be usefully analyzed. Note the degree to which this method parallels the culture at a distance approach.

Being primarily concerned with his subject matter, not with ad hoc methodological issues, Smith has been attacked on the grounds that he lacked a systematic theory and a coherent methodology. Other scholars, however, have come to Smith's defense and extrapolated the methodology that is implicit in his work (Marks 1963; Trachtenberg 1977).

For a number of reasons, the myth and symbol method (paralleling the fate of the culture at a distance method) has fallen from fashion. This decline in popularity, however, is not due to a fatal flaw in the method; the shift in methodology has primarily occurred because research tastes have changed. Today, many contemporary scholars are concerned with the unique vision or the pre-

dicament of individuals or specific, circumscribed groups. These scholars tend to concentrate on distinctive subgroups (often defined by race, sex, social class, sexual orientation, etc.) and how these groups view the world in their own unique way, not merely according to the vision provided by the generic national character. Given these research interests, the myth and symbol method (which is centered around investigating overarching aspects of culture that almost all members of a culture embrace) is inappropriate; as a result, many contemporary scholars find models that focus on individuals and circumscribed groups to be more appropriate for their work. The decision of these scholars to abandon the myth and symbol method, therefore, is basically strategic in nature and it is an artifact of research questions that are currently fashionable within the scholarly community. The myth and symbol method is not fatally flawed; it is, however, designed to deal with a specific type of issue. In an era in which researchers typically pursue questions that are not intimately related to national character (and, thereby, appropriately investigated via the myth and symbol method), its popularity has declined. The myth and symbol method is not a "period piece" that has been rendered obsolete by later intellectual advances; in actuality, it is a specialized tool that is suitable for certain kinds of questions. Since the myth and symbol approach does not deal with today's "hot topics," however, the use of the method has tapered off.

A key means of pursuing collective cultural/social analysis is to analyze shared beliefs, behavior patterns, tastes, preferences, and so on; this is the forte of the myth and symbol method. Having identified common patterns that exist in a culture or society, it becomes possible to envision the culture's inherent patterns and configurations. By doing so, the researcher can gain a better understanding of the culture and the social milieu in which decisions and responses take place. Doing so closely parallels the interests and the techniques of the culture configuration approach and the culture at a distance technique.

Changes in the public's response, furthermore, can provide clues regarding the cultural evolution of the society and what triggers its transformations. A difficulty faced by competitive intelligence professionals who wish to embrace humanistic techniques (such as the myth and symbol method) lies in the fact that these methods have tended to be used in situations involving "ivory tower" scholarship. As a result, they might not be easily applied to practitioner-oriented situations (such as those of interest to intelligence professionals and their clients). Dealing with social change is a specific problem that has often been tactically ignored. Just as the static nature of her method proved to be a limitation in Benedict's work, ignoring change continues to haunt the method in many circumstances.

These obstacles, however, are also being overcome by the current research stream, which is adapting these techniques to the needs of marketing and consumer research: fields which (like competitive intelligence) are practitioner-oriented. By embracing the advances being made in marketing, it becomes easier to adapt the myth and symbol method to the needs of competitive intelligence.

Competitive intelligence professionals need to understand both the ingrained patterns of organizations and cultures and how they change through time. As observed above, a limitation of Benedict's work is that it tends to be static and depict cultures as unchanging entities. (Indeed, this is a major complaint of many of the social sciences.) Although a static model may be useful and legitimate in some contexts, competitive intelligence professionals often need methods that overtly deal with and account for change. It is fortunate that the contemporary advances in marketing are developing techniques that merge models of national character with dynamic perspectives which can appropriately deal with cultural change.

The purpose of this author's recent book on the history of the cowboy hero (Walle 2000), for example, is to merge the myth and symbol method with practitioner-oriented marketing theories. By linking changing worldviews with the popularity of different plotlines, it showed how authors adjusted their communications in order to respond to an ever-changing audience. In doing so, the book demonstrated how the humanities and contemporary business theory could be usefully combined.

From the point of view of competitive intelligence professionals, that book is a test case regarding how writing styles and methods of expression which are employed within a specific social context can be used as evidence regarding the beliefs and responses of a social group. While it dealt with national character, competitive intelligence professionals can apply the same techniques to specific and more circumscribed "corporate cultures."

Thus, the myth and symbol method can be viewed as an expansion and further development of the cultural configuration/culture at a distance approaches which are so useful when drawing national character profiles. In addition, this method does not depend on "fieldwork" and it uses readily available cultural products as alternative forms of open source information. As a result, the method is appropriate when research projects are conducted by competitive intelligence professionals who must rely upon less time-consuming and less invasive methods than traditional fieldwork. Thus, the myth and symbol method is a valuable tool when overarching aspects of a culture/organization (and their transformation through time) are being investigated. These phenomena have profound implications for competitive intelligence professionals.

EXISTENTIALISM AND DECONSTRUCTIONISM: FOCUSED ALTERNATIVES

The myth and symbol approach has significant value when the investigator seeks to distill similarities and parallels that unite all (or most) members of a particular culture. This kind of analysis has an obvious value when competitive intelligence professionals want to identify similarities between many members of a group and their influences.

Other situations exist, however, in which the focus of interest is not the sim-

ilarities shared by all (or most) members of a culture, but, instead, centers upon the differences between various segments of society/organizations. Many cultures/organizations (although they may have a collective ethos) are also composed of subgroups, enclaves, subcultures, and so on, that are distinctive and, perhaps, at odds (to a greater or lesser extent) with the overarching culture or the national character. Thus, a parent company and a subsidiary that is being downsized may share a corporate culture, on the one hand, and have distinctive views, on the other. The differences between them may be of profound importance to the competitive intelligence analyst.

On many occasions, intelligence professionals and policy makers are primarily interested in the distinctiveness of such groups. Not only is an understanding of homogeneous aspects of national culture/corporate culture important, the diversity of its various subgroups (and their special needs and wants) also demands attention. Depending upon the question or problem being faced by decision makers, either collective similarities or specific variations between individuals and groups may be of primary interest.

The more "individualist" approaches that are currently dominant can largely be identified with existentialist philosophy which emerged in France after World War II. Although existentialism is a complicated and multifaceted phenomenon, in the final analysis it tends to focus on the individual (or the distinctive enclave), not the collective society or the homogeneous national character. Existentialism also focuses on the fact that society often assigns identities and roles to people that are arbitrary and, perhaps, inappropriate or exploitative. These, of course, are issues that center around the plight of the individual and/or groups that are distinctive from the national culture, and the beliefs and emotional lives of specific groups may not reflect the overarching patterns of the society or organization (if, indeed, a homogeneous core of behavior and belief actually exists at all).

Such orientations, furthermore, have a great value for those who seek to emphasize or champion the uniqueness and the self-determinism of specific circumscribed groups (and/or to exploit these feelings). Thus, policy makers who are concerned with the needs and feelings of certain groups (and, perhaps, seek their support) can benefit from methodologies that derive from existentialism because these analytic strategies can more easily distinguish the needs and wants of (1) individuals and (2) circumscribed groups that are distinct from those of the national or corporate culture. This method also makes it easier to juxtapose the interests of these circumscribed groups with those of the larger society/organization, and since existentialism and its offshoots suggest that it is useful and legitimate to go beyond arbitrary and socially defined identities, this method and techniques that derive from it provide tools that can be used when attempting to understand and/or influence the responses of individuals and circumscribed groups. These methods are particularly useful in situations where it is important to understand the partisan perspectives of vested interest groups within

organizations and/or where attempts are being made to influence these groups in distinctive ways.

In the field of marketing and consumer research, approaches influenced by existentialism have been particularly prevalent. The scholar who is most identified with this method is Barbara Stern (although other scholars such as Barbara Hirschman and Morris Holbrook have also made notable contributions).

One reason for the concern with individuals and circumscribed groups is the fact that the marketing profession tends to strategically cater to the needs of specific "target markets" and focus on how they are distinctive. When catering to target markets, it is important to understand how they are unique and to discern specific ways in which they can be influenced. Whenever intelligence professionals and decision makers seek ways to influence specific target populations, methods drawn from existentialism have an obvious applicability.

Although orientations deriving from existentialism provide a useful avenue for considering a number of vital issues, they also suffer from being so centered around one perspective (the distinctiveness of individuals and circumscribed groups) that other valuable viewpoints and considerations tend to be ignored. Just as national character/corporate culture approaches can overlook the individual, classic existentialism (and perspectives that spring from it) is not designed to deal with unifying influences (such as national character or corporate culture).

Thus, studies of national character or corporate cultures may need to "flesh out" their collectively oriented perspectives by adding an individualistic component in order to more accurately account for empirical reality. Existentialism and its analogues, in turn, tend to focus on the individual; advocates of these methods, however, may still need to embrace a more collective perspective in order to adequately reflect what they observe. Although the specific forms of these methodologies (which originally developed within the humanities) might not be easily employed by competitive intelligence practitioners, advances within the marketing and consumer research literatures prepare the way for them and their clients to benefit from these paradigms. In the contemporary world, dealing with national character/corporate culture is sometimes important while in other circumstances evaluating individuals and circumscribed groups (as discrete phenomena) is more relevant. Competitive intelligence professionals must have a toolkit that is capable of both alternatives.

SPECIALIZED OPTIONS: NOT RIVALS

In order to benefit from both (1) the cultural configuration/national character/ corporate culture method and (2) existential philosophy/deconstructionism, it is important to view them as separate tools and not as rival or competing methods. Doing so may be difficult, however, because many of the scholars who embrace these methods have done so in polemical ways. As a result, advocates often speak in terms of deconstructionism going beyond the earlier structural method

and, thereby, providing an inherently more appropriate view of the world that should be universally embraced. By speaking in terms of a universal advance, of course, the continued value of older methods is discounted.

The position taken here, in contrast, is that each of these methods is ideally suited for a range of important questions. As a result, the myth and symbol method and deconstructionism are not in direct competition with each other; instead, they are specialized tools designed for specific tasks. By focusing on the controversy surrounding them, unfortunately, practitioners risk losing important options since it becomes necessary for the researchers to embrace one method and, in the process, abandon the other. The intelligence profession must forcefully reject this seductive temptation, view both methods as legitimate, and make tactical decisions that are based on the particular problem being addressed.

With this goal in mind, Table 10.1 is offered in order to clarify the benefits and the limitations of both methods.

So viewed, it becomes apparent that the humanities offer a varied toolkit that can serve the competitive intelligence analyst in a variety of ways. On many occasions, for example, competitive intelligence professionals and their clients are primarily concerned with similarities that unify all or most members of a society or organization. When this type of information is being sought, methods represented by national character/corporate culture studies and the myth and symbol method are most appropriate. Using these techniques, the investigator is able to discern recurring patterns and, thereby, predict behavior. By extrapolating these similarities, investigators and their clients are able to focus on overarching aspects of the culture and how they can be strategically manipulated.

On other occasions, competitive intelligence practitioners and their clients are more interested in specific groups and how they differ from the larger organization. The methods of existentialism and deconstructionist analysis facilitate an investigation of these differences. By focusing on their distinctiveness, it becomes possible for the researcher or decision maker to envision tactics that uniquely respond to the needs, hopes, and expectations of these circumscribed enclaves. On many occasions, the competitive intelligence professional is interested in analyzing or catering to distinct groups, not distilling the overarching corporate culture; deconstructionist methods, deriving from existentialist philosophy, provide a lens with which to discern these opportunities.

Thus, a diverse toolkit from the social sciences and humanities exists. Both the national character or corporate culture and circumscribed groups can be analyzed. Competitive intelligence professionals need to be aware of the full range of research opportunities at their disposal and how to mate them to specific research projects in appropriate ways.

Table 10.1
Myth and Symbol Method and Deconstructionism Compared

Issue	Myth and Symbol Method	Deconstructionism
Intellectual Pedigree	Closely parallels the cultural configuration approach, coupled with the culture at a distance method of using eclectic evidence instead of formal fieldwork.	A refinement of existentialist philosophy that focuses on the individual. Developed as an alternative that supercedes structuralism.
Valuable When	The investigator wants to understand how certain recurring aspects of the culture/ organization impact large segments of the population in parallel ways.	The investigator wants to understand how various groups or individuals within a society/corporate culture have their own specific visions, opinions, and beliefs.
Limitations	Because the method centers around shared beliefs, attitudes, and needs that make members of society/corporate culture homogeneous in some way, it is not designed to deal with differences between various subgroups.	Because the method centers around the distinctiveness of specific groups, it is not designed to deal with overarching similarities between all members of a society/ corporate culture.
Discussion	Although these methods have often been the objects of fierce partisan debate by rival scholars, each is a valuable and legitimate method. Intelligence professionals and their clients may be interested in either how people are similar or where they are different. As a result, both methods need to be available to intelligence practitioners and decision makers.	

CULTURE AT A DISTANCE: THE GREAT QUALITATIVE SYNTHESIS

During World War II, the culture at a distance method embraced the qualitative social sciences and humanities in a profound and robust way. In addition, the method was especially geared toward the use of secondary, "open source" information. Various other forms of information (although, perhaps, compromised) were used in a "catch-as-catch-can" way. The whole agenda of the 1940s culture at a distance research stream parallels the tactics that are being embraced by today's competitive intelligence professionals.

The example of the culture at a distance method is particularly relevant to contemporary competitive intelligence analysts because it provides relevant clues regarding strategies and tactics when conducting research and analysis. Although the culture at a distance method focused primarily on broad cultures/societies while competitive intelligence typically centers on more circumscribed organizations, similar analytic strategies unite them both. By understanding the issues involved in the culture at a distance method, we can better understand the situation that currently faces competitive intelligence.

Here, key aspects of the culture at a distance method are briefly examined and competitive intelligence with reference to them is discussed. It is hoped that, by doing so, the reader will be able to better perceive the options that are available to and the challenges faced by the field. Specifically, five separate issues will be discussed:

1. Research Often Takes Place at a Distance
2. Competitive Intelligence Must Often Rely upon Open Source Information
3. Cultures/Organizations Can Often Be Viewed as Systems
4. Systems Often Exhibit Uniform and Patterned Responses
5. Individual Responses Still Can Occur in Cultural/Organizational Systems

Each of these issues will be discussed separately before a general analysis unites them.

Research Often Takes Place at a Distance

For a variety of reasons, the research projects of competitive intelligence analysts must often take place at a distance. When analysts are researching a client or competitor, for example, they do not have full access to proprietary information and they must infer probable patterns of response using whatever information is available.

Increasingly rigid legal and ethical guidelines are limiting the tools that competitive intelligence analysts can legitimately employ when researching organizations. As a result, many of the techniques that are centered around infiltrating organizations are no longer practiced. As a result, the competitive intelligence analyst must increasingly conduct research at a distance.

The current situation faced by competitive intelligence professionals parallels the situation faced during World War II when intelligence analysts were unable to conduct primary research involving their enemies. During that period, elaborate methods of viewing cultures at a distance and extrapolating actionable information from afar were developed. The problems facing World War II intelligence analysts and those of modern competitive intelligence professionals are directly parallel. By embracing and updating the techniques that served so well in World War II, competitive intelligence professionals can significantly augment their toolkits.

Competitive Intelligence Must Often Rely upon Open Source Information

In view of the fact that much primary research is either too costly/time-consuming and/or unethical/illegal, secondary and open source information (typically available over the Internet) must often be substituted. As with any other uses of secondary information, when competitive intelligence analysts use secondary/open source data, they are, typically, putting it to uses for which it was not intended. As a result, the data must be massaged and interpreted using intuition and insight.

The established tools of competitive intelligence can be usefully combined with methods of literary analysis (such as the "myth and symbol method" and "deconstructionism"). These techniques offer suggestions regarding how to interpret communications in ways that tease out information about the communicator and/or the intended audience. Since competitive intelligence analysts routinely examine and interpret secondary/open source information, they require organized and systematic methods when interpreting what they analyze. Humanistic tools that build upon (and/or offer alternatives to) the culture at a distance method are particularly useful in this regard.

Cultures/Organizations Can Often Be Viewed as Systems

The responses of cultures/organizations are not random. Instead, they are (to a large degree) artifacts of systematic cultural/organizational patterns that underlie behavior. If the competitive intelligence professional can isolate relevant patterns of response that are exhibited by the culture/organization, future behaviors can be more effectively predicted.

Existing secondary/open source data provides examples of how the organization has responded. If these responses can be abstracted into routines or patterns of response, the underlying system that impacts decision making can be inferred. By viewing cultures/organizations as patterned systems, this kind of generalized analysis can best be pursued. Competitive intelligence professionals have long employed this technique. They, however, have typically not utilized state-of-the-art techniques from the humanities when doing so. By embracing these techniques, competitive intelligence professionals can more effectively pursue one of their traditional analytic tasks and do so in ways that mesh with other researchers, in and outside of the business community.

Systems Often Exhibit Uniform and Patterned Responses

Competitive intelligence professionals are often interested in isolating systems that underlie behavior because by doing so it becomes possible to see how these patterns will continue to impact future behaviors. Systems lead to patterns of

response, and patterns of response can be used to predict future behavior; adequate predictions of future behavior is the information that the client wants.

Although much competitive intelligence work is geared toward answering particular ad hoc questions, attention can (and should) also be centered around more general considerations. Understanding the underlying structure of organizations and how it impacts future behavior is one such general body of valuable information. Competitive intelligence professionals need to negotiate with clients so they will have the resources to deal with broad, systematic issues, not merely ad hoc concerns. By pursuing this general work, competitive intelligence analysts will be in a position to provide information and predictions that have long-term value to their clients.

Individual Responses Still Can Occur in Cultural/ Organizational Systems

While organizations have "corporate cultures" that lead to patterned responses, different segments, divisions, and vested interest groups within organizations may have their own patterns of response. On some occasions, understanding variations, not merely similarities, is most useful to the client.

When these variations occur, they also tend to exhibit patterns. Thus, both similarities and differences in behavior can be viewed as structured and predictable behavior, and these patterns can often be extrapolated by analyzing secondary/open source information.

Competitive intelligence analysts need to master both (1) the techniques of recognizing homogeneous patterns and (2) isolating distinctive responses by specific subgroups. By compiling both sets of information, competitive intelligence analysts will provide decision makers with a complex and robust analysis. Table 10.2 presents these issues.

The example of the culture at a distance method, therefore, has much to contribute to contemporary competitive intelligence. Although there are, or course, differences between the intelligence efforts of World War II and the work of contemporary competitive intelligence professionals, there are also profound similarities. These similarities provide suggestive clues regarding how the profession can best adjust to current needs.

Furthermore, currently there are a large number of skilled professionals who are capable of providing these research services. The field of literary criticism, for example, has a high rate of unemployment/underemployment and many of these professionals would be strong candidates for the types of research positions suggested here. These professionals tend to possess Ph.D.'s and they have both a methodological speciality and an advanced knowledge of a specific cultural area. Combined, their skills provide these candidates with exactly the tools that are required to conduct sophisticated analysis and to work with a minimum of supervision.

Table 10.2
Culture at a Distance: Key Considerations

Issue	Characteristic	Discussion
Research at a Distance	Research must often be conducted at a distance. As a result, analysts cannot ask many important questions and they are denied many important sources of data.	It is a fact of life that when researching organizations, the analysis typically takes place at a distance. As a result, tools of analysis that anticipate this reality must be employed.
Open Source Techniques	Open source data must often be the prevailing source of information when analyzing the internal workings of organizations.	Due to legal/ethical issues, many forms of gathering information have fallen into disuse. In addition, primary research may be so costly and time-consuming that it is not conducted.
Organizations Are Systems	Organizations are not random. Instead, they exhibit patterns. If these patterns can be discerned, a greater understanding of the organization results.	Since organizations are not random, they exhibit patterns. These patterns, if identified, are of great value to decision makers.
Patterned Responses	The behavior of organizations is often a reflection of the underlying patterns. By understanding the underlying pattern, future behavior becomes more predictable.	Patterns within organizations lead to patterned responses. By understanding the pattern, responses that stem from the pattern become more predictable.
Individual Responses	While organizations exhibit homogeneous patterns, various subgroups may have their own distinctiveness. These differences are also the result of patterns that can be discerned by competitive intelligence analysis.	Competitive intelligence analysts often need to isolate subgroups within organizations and determine how their responses will be distinct from the corporate culture. Doing so can be a valuable contribution to the decision-making process.

SUMMARY

During World War II, acclaimed social scientists helped the intelligence community to develop an array of techniques that analyzed cultures/organizations in order to make their responses more predictable. The "culture at a distance" method that these scholars developed largely depended upon open source information; combined with "catch-as-catch-can" information that happened to become available. The method was able to provide decision makers with a useful means of predicting probable responses of the culture/organization being studied.

After the war, the innovative scholars involved in this project returned to their universities and the methods they had developed were abandoned by the intelligence community. Nonetheless, post–World War II humanists folded the essence of these techniques with their own research agendas and developed analytic tools such as the myth and symbol method.

While the myth and symbol method deals with cultures/organizations as collective entities, other scholars using methods stemming from existentialism and deconstructionism came to focus on individuals and circumscribed groups. As a result, this combined research tradition provides useful ways of dealing with either the homogeneous nature of cultures/organizations or the distinctiveness of their various parts. Both of these approaches have invaluable contributions to make to competitive intelligence.

KEY TERMS

Corporate Culture. Management theorists have developed methods for dealing with organizations that treat them as cultures. These theorists observe that organizations possess certain unifying beliefs and patterns of behavior that resemble those of cultures and societies. Drawing this analogy, the corporate culture model is able to apply a wealth of social theory to the study of specific organizations.

Cultural Configuration Approach. Based on the historical particularism approach that viewed cultures as unique responses to historical circumstances, the cultural configuration approach theorizes that cultures possess an overarching configuration of attitudes and beliefs that run through all aspects of the culture. As a result, if the configuration can be grasped, a wide range of behaviors can be readily predicted.

Culture and Personality. The historical particularism school that dealt with cultures/societies as unique responses to historical pressures concentrated primarily on material culture. As a result, the psychological or emotional component of life was largely ignored. The culture and personality movement linked psychological perspectives with the essence of historical particularism.

Culture at a Distance Method. The culture at a distance method is a means of conducting cultural configuration research using open source and "catch-as-catch-can" information. It was developed for intelligence purposes during World War II by internationally acclaimed social scientists. After the war, the method fell into disuse.

Deconstructionism. Deconstructionism is a form of philosophy and literary criticism that

stems from existential thought. It focuses on the individual, not the collective culture. As a result, it provides an alternative to models that focus on the culture as a collective entity.

Existentialism. A philosophical school that concentrates on the dilemmas and choices made by individual people. Influencing deconstructionism, it centers upon specific people, their opinions, and the choices they make.

Historical Particularism. Historical particularism deals with cultures as unique responses to historical pressures. It is an alternative to general evolutionary theories that focus on broad cultural transformations through time that impact all (or many) cultures. This method is especially useful for those who want to predict the unique responses of specific people. As a result, the method has much to contribute to competitive intelligence.

Individualist Approaches. While cultural approaches deal with the society as a collective entity, individualist approaches concentrate on the individual or circumscribed group, and how it and its responses differ from that of the collective culture. This research agenda became increasingly popular in the 1960s and thereafter it gave rise to methods such as deconstructionism.

Myth and Symbol Method. The myth and symbol method adopts the basic model of the cultural configuration/culture at a distance method and applies it to literary and cultural criticism. Popular immediately after World War II, it became less fashionable as "individualist" research agendas came into vogue. Nonetheless, the method continues to be respectable and legitimate.

National Character Study. Anthropologists using the culture at a distance method prepared profiles of the national characters of different cultures. National character studies can be seen as practitioner-oriented applications of the historical particularism method.

NOTE

1. Although published as a popular book in 1946, Benedict conducted her research during the war and provided advice to decision makers.

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Part III

Operationalizing the Social Sciences and the Humanities

The social sciences and the humanities offer exciting possibilities. During World War II, these disciplines were of profound use to the intelligence community. Throughout this book, it has been argued that the kinds of thought represented by the humanities, social sciences, and the culture at a distance method have a significant contribution to make to competitive intelligence. Even though the focus has been on practitioner issues, these discussions have largely involved general and theoretic analyses.

The final discussions, however, are increasingly practitioner-oriented. Chapter 11 provides a keystone that adapts the culture at a distance method into the "competitive intelligence at a distance" method that is geared toward the unique needs of the private sector. This transformation is designed to encourage competitive intelligence professionals to employ the social sciences and humanities in appropriate and useful ways.

The book concludes with a discussion of what the author calls the "qualitative audit." Analogous to the marketing and management audits, the qualitative audit analyses the degree to which an organization is in a position to benefit from qualitative methods. To assess this ability, it is necessary to consider both the qualitative skills of competitive intelligence analysts and the degree to which qualitative methods are respected by clients.

An epilogue considers the fact that although qualitative methods may never dominate in the world of private sector research and analysis, qualitative insights may provide the competitive edge that set dominant organizations apart from the pack. Various appendixes provide relevant, albeit specialized, discussions. In providing these commentaries, the practitioner value of qualitative methods is reviewed in a number of relevant discussions.

Chapter 11

Competitive Intelligence at a Distance: Learning from World War II

A USEFUL BUT DATED METHOD

The last chapter provided an introduction to the World War II era "culture at a distance" method which combined the techniques of the social sciences and the humanities with the orientations of the intelligence community. This linking of diverse disciplines provided decision makers with an invaluable array of information that could not be produced in other ways. During that era, skilled social scientists joined with intelligence professionals in order to create strategies by which valuable intelligence information concerning rival organizations could be extrapolated from a diverse set of open sources of data. A key constraint faced by these analysts was the fact that, due to circumstances, they were unable to perform their research at a close range; countries at war, of course, do not allow enemy intelligence professionals free access to the regions and cultures that they control. Rival organizations actively strive to keep their key strengths, vulnerabilities, and decision-making processes hidden from sight. As a result, the architects of the culture at a distance method developed ways to analyze cultures and organizations using diverse forms of open source data (combined with other forms of "catch-as-catch-can" facts and insights). Using this conveniently available data, sophisticated cultural and organizational analyses were inferred. The results of this merging of the social sciences and the humanities with the needs of the intelligence community were profoundly effective.

Not only is the intelligence community generally oblivious to these achievements, intellectual progress in the humanities and social sciences has continued unabated. Thus, the intelligence community turned its back on the culture at a distance method (and its use of the social sciences and humanities), on the one hand, while the techniques that were borrowed in the 1940s have been super-

ceded by state-of-the-art theories and methods that are products of the post–World War II era. These methods have proved to be of significant benefit to other business researchers.

Thus, while the culture at a distance method provides vital clues of profound value to all intelligence professionals (be they in public service or the private sector), techniques that are 50 years old cannot merely be dusted off and returned to service as if nothing had happened. Nonetheless, the successes of the 1940s provide proof that the intelligence profession can be merged with a wide range of tools and methods that derive from the social sciences and humanities. Furthermore, these instruments of analysis can be used in situations where the analysis of complex organizations must be conducted at a distance. By using available open source data in order to extrapolate needed information about the structure and behavior of organizations, the culture at a distance method suggests potentials that need to be rediscovered by contemporary analysts and applied to the needs of competitive intelligence and its clients.

COMPETITIVE INTELLIGENCE AT A DISTANCE: PRIVATE SECTOR APPLICATIONS

This chapter will accomplish two distinct tasks. First, it will discuss specific strategies for updating the culture at a distance method in order for it to more fully reflect advances in the social sciences and humanities which have taken place since World War II. Second, the culture at a distance method will be adjusted to serve the needs of competitive intelligence professionals. In order to distinguish the resulting model from its precedents, the resulting technique will be referred to as "the competitive intelligence at a distance method."

The scholars who, in the 1940s, merged intelligence with the humanities and the social sciences were aware that they were breaking new ground; to a large degree these intellectuals possessed a vision that has not become obsolete, even if the specific methods they used may have become dated. Thus, if we merely look at the specific techniques employed in the 1940s, the legacy of the culture at a distance method cannot be fully appreciated.

Perhaps by recapturing the atmosphere of those times it will be possible to more fully grasp the significance of that movement. The culture at a distance method was a self-conscious effort to apply state-of-the-art methods from the social sciences and the humanities to the needs of the intelligence community. In essence, the key of the method is to take readily available open source data and analyze it in order to reveal information about the organization being studied that is not overtly obvious. By doing so, analysts substituted relatively cheap and simple open source secondary research conducted at a distance for more costly and time-consuming primary research. Much of the research conducted by the culture at a distance method could not be performed at any price or in any way; using open secondary sources to study the organization from afar, therefore, was the only available alternative.

It should be obvious to the reader that the scholars who developed the culture at a distance method dealt with an array of problems and opportunities that are directly parallel to the situations faced by today's competitive intelligence professionals. In the current era, the field of competitive intelligence has come to rely more and more on open source information. Indeed, one of the most popular slogans of the profession states that 80 percent or 90 percent of the information that is needed for decision making can be gleaned from readily available open source materials. Increasingly, competitive intelligence is positioning itself as the discipline that is most able to extract useful information from this wide array of open source data. Thus, the focus of the culture at a distance method is centered around the gathering and manipulating of open source data; this method is very relevant to the work of contemporary competitive intelligence.

As emphasized above, the culture at a distance researchers faced the constraint that their research had to be conducted at a distance because pursuing an analysis "up close and personal" was not a viable option. As a result, the culture at a distance method devised alternative research strategies that were based on open sources, on the one hand, while employing state-of-the-art social and humanistic theories/methods, on the other. The result was a composite form of analysis that provided actionable information regarding the social and cultural context of the organizations being investigated.

Today's competitive intelligence professionals face a directly analogous situation. Both competitors and customers typically strive to keep "their cards close to their chest" in order to prevent others from gaining information that will provide a competitive and/or a negotiating edge. In addition, the hands of competitive intelligence professionals have become increasingly tied by laws and regulations that forbid a wide array of intelligence techniques that previously served the profession. While it is often said that "all's fair in love and war," in the private sector and in the arena of free enterprise there are a wide number of constraints that must be followed. All is not fair within the business world; in recent years, the competitive intelligence profession has had to adjust itself accordingly, and a large part of that adjustment has entailed devising ways to manipulate open source (and legally available) data in order to infer useful information from it.

Having had a taste of the innovations of the 1940s, it becomes easier to see how and why updated variants of the techniques of that era can be adapted to serve the needs of the contemporary private sector. The basic tasks that competitive intelligence professionals perform tend to center around open source information. On many occasions, methods from the humanities and social sciences are of great significance when data is being analyzed and transformed into actionable information. What is needed, therefore, is to update the tools of the culture at a distance method and apply them to the needs of the private sector.

The method that arises from doing so will be referred to as the "Competitive Intelligence at a Distance" method. As discussed earlier in this book, competitive intelligence began as an array of qualitative methods which derived from the

traditions of espionage. While this sort of analysis has vital uses, on many occasions the social sciences and humanities also have a significant role to play. It was also shown how the techniques of espionage developed in order to gain specific nuggets of ad hoc information that typically have a short shelf life. The humanities and social sciences, in contrast, are ideally suited to uncovering long-term patterns of response that have an enduring value to the decision-making process. The competitive intelligence at a distance process is most appropriate for projects that revolve around these long-term patterns.

As indicated above, although the culture at a distance method provides invaluable clues regarding how to envision the role of the social sciences and humanities within the intelligence profession, the actual tools employed are somewhat obsolete and need to be updated. Suggestions on how to do so are provided here. This chapter, therefore, provides a discussion of how to both adapt the culture at a distance method to the needs of competitive intelligence and update the profession by embracing state-of-the-art theories and methods.

SOCIAL SCIENCE AND COMPETITIVE INTELLIGENCE AT A DISTANCE

The ultimate goal of the competitive intelligence at a distance approach is to better understand the inner workings of organizations that are being investigated. The information resulting from this kind of analysis may be as valuable (or even more consequential than) as "hard facts," such as those found in a financial analysis or in a careful analysis of an organization's production capabilities, and so on.

On some occasions, this kind of organizational analysis may be used to answer specific ad hoc questions such as "will a competitor withdraw the product from the market?" or "Who will actually make the decision regarding the purchase of a particular piece of capital equipment?" In situations such as these, the client may need specific, self-contained pieces of information as ends in themselves.

Providing this ad hoc information can be either (1) an independent project or (2) conducted in tandem with more basic research that seeks to understand the organization as an entity that possesses its own unique patterns of interaction and response. In either case, the basic strategy is to gain an understanding of how a specific organization functions, evolves, and solves its problems. The techniques of the social sciences and humanities have a significant role to play in providing this understanding. In a broad, general way, the culture at a distance method demonstrates strategies that can be used in this regard.

As indicated earlier in this book, in recent years the concept of "corporate culture" has come to the forefront as a useful construct that allows business researchers to embrace the theory and methods of the social sciences and apply them to circumscribed organizations, not merely to overarching cultural traditions. By doing so, business researchers have become better able to inherit

a wealth of theory and method of the social sciences and deploy them around the practitioner needs of the business community. The competitive intelligence at a distance method continues in that tradition. By assuming that corporate cultures embody recognizable patterns of response, the competitive intelligence at a distance method seeks to extrapolate predictable configurations of reactions that typify specific organizations. By isolating the probable patterns of response of specific organizations, the competitive intelligence professional provides decision makers with a competitive edge.

The key goal of the corporate culture model/analytic strategy is to identify specific styles within an organization that encourage most of its members to respond in, more or less, predictable ways. The corporate culture, of course, does not typically exert as strong an influence as the national or ethnic culture; nonetheless, understanding the corporate culture may provide invaluable clues that make the behavior of the organization and/or its members more predictable. Inferring predictions, of course, is the stock and trade of competitive intelligence professionals.

Stripped to their essence, the social sciences seek to understand the structured ways in which people and social organizations interact. These structures may be overt or covert. Although overt structures may provide an "official" description of the organization, covert, informal, and even spontaneous patterns of response often have a profound impact upon how the organization actually operates.

Equally important is the fact that these patterns of response may become so ingrained that social actors are not overtly aware that they are acting in structured and predictable ways. When responses become entrenched to this degree, people are often unable to recognize that a uniformity in their behavior exists (or at least they are unaware that they are acting in accordance with it). Thus, using a physiological example, people are rationally aware that they breathe, but on a moment-to-moment basis they don't think about it. Certain kinds of responses within organizations may become as common as breathing and people may be just as unaware of them. But if analysts can grasp this consistency of response, they can begin to infer patterns of which the social actors are not conscious. Thus, a swimmer will come up for air every 30 to 45 seconds and a food company may not release a new product until at least four months after test marketing research has been conducted.

A key and essential point, of course, is that people cannot protect themselves against patterns of which they are not conscious. This, of course, is one of the basic premises of police work. Over a period of years, a particular criminal develops a personal style. As a result, certain crimes that are committed have a particular suspect's "signature" on them. Furthermore, these criminals have specific patterns in their social or personal (as well as in their professional) life. By keeping careful records and searching for recurring patterns, specific modus operandi can be isolated, and by studying recurring patterns of behavior, it also becomes easier to find specific suspects if they need to be questioned.

Although extrapolating this kind of pattern is largely an intuitive activity, innovative companies such as I_2 Inc.[1] are developing software packages that can discern consistencies of response and what they actually mean. A specific example of this sort of innovation is I_2 Inc.'s Link Charting software, which is capable of taking a diverse array of data regarding the behaviors of a group of people and quickly extrapolating subtle relationships between its members. This software can even identify relationships that are not important for a particular investigation. Thus, a criminal might phone his girlfriend on a regular basis; she, however, may have no connection to his illegal activities. In most cases, the Link Charting software can help the analyst to recognize that the contacts with the girlfriend are not relevant to the investigation.

It appears that there is (and will continue to be) a convergence between this kind of law enforcement surveillance/analysis and the competitive intelligence profession. Indeed, many of the same needs exist in both professions. Both law enforcement officials and competitive intelligence professionals seek to extrapolate patterns of response made by the subjects under investigation. By discerning patterns, the analyst seeks to (1) understand what has happened in the past and (2) be able to more accurately predict the future. Thus, in an October 1999 conversation, Shepherd Smith, I_2 Inc.'s Director of Marketing, told the author that competitive intelligence professionals are showing an increasing interest in the type of product provided by his firm; indeed, he feels it is only a matter of time before this kind of technology becomes an established part of the toolkit of competitive intelligence. As a result of this interest by the private sector, I_2 Inc., and presumably its competitors, are gearing up to serve the profession.

This kind of software innovation represents a concrete way in which the intuitive and qualitative social sciences can be mated with modern innovations in computer technology. Certainly, computer software will not and cannot replace the insights of a professional analyst who has a long-term exposure to a particular industry or competitor. By the same token, a word processor cannot replace one's insights regarding the topic an author happens to be writing about. In both cases, however, computer technology can both speed up the creative process and lead to a more professional and useful product, and that is what software such as Link Charting seeks to accomplish.

Certainly, in order to adapt these methods to the needs (and constraints) of the competitive intelligence industry, certain adjustments will need to be made. Much of the empirical evidence used by law enforcement applications of Link Charting involves tracking the calls made to and from certain "bugged" telephones. This kind of surveillance, of course, is illegal when pursued within a private sector context. Looking beyond the data processed in order to concentrate on the analytic procedures used, however, the same basic techniques are employed and for the same reasons. Given an array of data, what patterns can be discovered? And how can an understanding of these patterns lead to better predictions regarding the future behavior of the target under investigation?

In another example of state-of-the-art methodologies, Veridan-ERIM Inter-

national[2] is a company that has long been involved in providing information and information-generating technology to military clients; in recent years, however, it has begun to see how these tools can also serve the private sector. Regarding competitive intelligence, it has observed in a piece of promotional literature:

Information superiority is not a concept that is narrowly applicable to national security. Today's corporations do battle in a global marketplace where success is measured in profits and even survival. Gaining information superiority over its competitors will be a vital success factor in a company's struggle to achieve competitive advantage in the international marketplace. (ERIM International 1998)

Veridan-ERIM International's Ed Walsh clearly believes that all intelligence (be it centered around national security or gaining a competitive advantage) is largely the product of the intuitive insights of skilled and knowledgeable analysts. Nonetheless, Walsh also sees the need for some sort of "artificial intelligence" software that can help analysts to become more efficient and effective. It appears that these developments will have to walk a thin line between controlling thought and permitting individual insights to surface; nonetheless, computer applications appear to be the wave of the future.

A significant intelligence researcher who agrees with this assessment is David Schum, who observes that there are several problems inherent in research where conclusions are inferred from various data sources. Specifically, the data upon which inferences are drawn are typically incomplete, the findings are inconclusive, and the data is somewhat unreliable (1987, 2). Having pointed to these limitations, Schum observes:

You would be hard-pressed to identify a more difficult intellectual task than that of combining a mass of incomplete, inconclusive, and unreliable information in order to arrive at a defensible conclusion. It seems quite likely, therefore, that we may never see a serious work entitled "Inference Made Simple." (Schum 1987, Vol. 1, 2)

While this book does not assert that it attempts to make inference "simple," it is hoped that it can demonstrate some ways in which qualitative researchers can more effectively analyze the social milieu of the organizations they investigate. It is also hoped that the discussions demonstrate the value of doing so.

The evolution of the model used here has followed a specific path of development. During World War II, innovative social scientists applied social theories in order to understand the cultures of military foes and became better able to infer the decisions of these enemies. After being successfully deployed during the war, these techniques were abandoned as the key researchers returned to their universities because the crisis subsided. Today, competitive intelligence is picking up the threads of the culture at a distance tradition of intelligence and merging them with the concept of the corporate culture. That is the current state-

of-the-art of competitive intelligence. The next wave of development will inevitably be the process of adding the benefits of computer analysis and artificial intelligence to this emerging tradition.

Doing so provides an effective means of discerning and understanding patterns of response which organizations exhibit on an ongoing and recurring basis. We are just now reaching the capability of phasing in computer analysis in ways that can significantly aid this intuitive processes. The development and deployment of computer-assisted qualitative intelligence techniques, however, is the next logical and inevitable step in the development of modern competitive intelligence methods. Thus, the next few years will probably provide major breakthroughs in the use of the social sciences via digital assistance. Systematic methods that merge individual intuition with computer-assisted learning is destined to be the wave of the future.

HUMANISTIC RESEARCH AND COMPETITIVE INTELLIGENCE AT A DISTANCE

As discussed throughout this book, for a number of reasons, humanistic methods are emerging as vital techniques of competitive intelligence. First, for diverse reasons, competitive intelligence, as a profession, has become increasingly interconnected with the analysis of open source information. Competitive intelligence professionals, for example, point to the fact that most of the information that is needed to make decisions already exists in open source materials. As a result, organizations often do not need to conduct costly and time-consuming primary research. Instead, if they pursue a sophisticated analysis of readily available secondary sources, they can accomplish their goals and gain the same insights. Today's competitive intelligence professionals are positioning themselves as skilled secondary researchers who are capable of inferring actionable information from secondary sources quickly, efficiently, and legally.

Furthermore, in recent years, the toolkit of competitive intelligence has become significantly contracted due to new laws that protect companies from illegitimate surveillance and espionage. As a result, a wide array of the assignments that traditionally fell to competitive intelligence analysts can no longer be legally conducted. As a result of the emerging statutory environment, competitive intelligence professionals are becoming increasingly "locked into" using open sources and manipulating them to infer information. Although the types of data that can legally be used have become restricted in recent years, competitive intelligence professionals continue to employ their full range of analytic techniques when generating inferences from these open sources.

Coupled with this trend, of course, is the recognition that qualitative methods are valuable and, on some occasions, they surpass more formal scientific and quantitative research. Increasingly, marketing researchers must justify their budgets; in this environment, a decision is often made to pursue open source secondary research because it is cost-effective. The frequency of this type of decision creates a potential niche for the competitive intelligence analyst. Mar-

keting researchers are increasingly being asked to perform secondary open source research, but many professional marketing researchers lack the skills required to effectively perform this function.

Thus, just as competitive intelligence professionals have had to redefine themselves in terms of an evolving legal environment and structure their mission in view of the fact that the legal environment in which they operate has changed, a wider variety of open source searches need to be performed. Competitive intelligence professionals are in a position to affirm that they (and not traditional marketing researchers) should perform this work. As has been shown, marketing scholarship has pointed the way toward the use of qualitative humanistic methods within marketing research. Nonetheless, thus far, these advances have not been adequately transformed into an array of practitioner tools. The value of qualitative humanistic research is recognized, but the marketing profession has been unable to capitalize on the opportunity that it provides.

As a result, a profound window of opportunity exists for the competitive intelligence profession. Competitive intelligence is currently better suited to perform secondary/open source research than traditional marketing researchers. By filling this void, competitive intelligence can gain a higher profile and serve in new capacities. By doing so, the profession can overcome a possible shortfall of assignments created by the new legal environment which eliminates key roles and tasks that the profession previously performed.

As discussed in the chapter on humanistic research, a vital tradition exists. Furthermore, humanistic research can be used to discern overarching organizational patterns and to show how specific groups behave in distinctive ways. Both of these tasks are of significant value.

This dual thrust of humanistic analysis provides a way for the competitive intelligence at a distance method to significantly advance beyond the culture at a distance prototype which developed during World War II. The pioneering wartime research focused almost entirely on patterns of behavior that typify the members of a culture or society. The method, as originally developed, did not concentrate on internal tensions within a culture, society, or organization and it did not actively concentrate on the distinctiveness of specific circumscribed groups. As a result, a major series of issues were left unaddressed.

Today, the models of the humanities and the social sciences are geared to deal with tensions and differences as well as with harmony and similarities, and the humanities are especially well suited to deal with both. Also, since humanistic disciplines, such as literary criticism, are designed to extract information from secondary sources, they are ideally suited for today's open source research.

OPERATIONALIZING THE SOCIAL SCIENCES COMPONENT

The social sciences interpret behavior from within a social or cultural context. Cultures are viewed as structured milieus which provide a consistent framework that nests behavior within a relevant context. In addition, when people are so-

cialized into cultures, they develop a personal pattern of orientations, beliefs, attitudes, and values that are a reflection of their culture. The fact that people come to think and act in ways that reflect the larger group leads to predictable patterns of response that make their behavior easier to anticipate.

While culture is a powerful influence and while cultural and social analysis can lead to profoundly useful revelations, the World War II culture at a distance researchers were primarily concerned with broad, overarching cultural configurations (such as German or Japanese culture). Typically, however, today's competitive intelligence professionals are responsible for discerning the behaviors of smaller organizations (corporations) that exist within a culture (or multicultural environment) and how these smaller groups differ in distinct ways from other organizations and the cultural milieu in which they exist. Techniques geared around analyzing a national culture are clearly inappropriate for this kind of task.

The concept of corporate culture provides a useful way to operationalize the competitive intelligence at a distance method in a manner that focuses on the more circumscribed group. The corporate culture construct was developed in order to concentrate on specific organizations and in order to employ a diverse array of social theories when conducting an analysis. Although the cultural framework of a society or ethnic group is distinct from that of a small group (such as a corporation, where people participate on a part-time basis and where they can quit at will), much social theory can still be employed when investigating these smaller and circumscribed entities. The concept of the corporate culture provides an analytic device that facilitates research directed at these smaller groups.

By melding the culture at a distance's preoccupation with the cultural milieu and the concept of the corporate culture, the competitive intelligence at a distance method can be operationalized in a way that applies a wealth of social theory to the analysis of circumscribed organizations. By doing so, competitive intelligence professionals will be able to employ the basic strategies of the culture at a distance method within assignments involving corporate cultures.

OPERATIONALIZING THE HUMANISTIC COMPONENT

A key limitation faced by both the culture at a distance method and competitive intelligence at a distance analysts is the fact that conducting empirical research is typically not a practical possibility. As a result, both of these methods rely heavily upon a diverse set of open source materials. These methods may be either collective or individualistic.

Collective Analysis

Because the World War II culture at a distance method was primarily concerned with the general, basic, or overarching culture, general secondary sources

were appropriate. These sources included newspapers, novels, motion pictures, and so on. By studying an array of a culture's popular motion pictures, for example, it may be possible to understand that culture's perceptions of "honesty," "fair play," "heroics," and so on. Having grasped these cultural ideals it becomes easier to predict the behavior of particular social actors because, as members of their culture, they have largely embraced these overarching patterns of belief and response. In this way, humanistic disciplines, such as literary criticism and film criticism, are able to provide information about the expected response of social actors in real-life situations.

As mentioned above, however, the competitive intelligence at a distance model is not centered around the general culture, but involves the analysis of patterns of thought and response that come from smaller and circumscribed groups such as the members of specific corporate cultures. Still, it may be possible to analyze the creative products of these smaller groups in order to better understand them. This sort of analysis is facilitated by, among other things, the wealth of secondary and open source materials that are commonly available for viewing. While these documents may provide relevant ad hoc information, by studying an array of documents and by comparing them with observed patterns of response, it may also be possible to infer aspects of the corporate culture that provide valuable clues regarding how the client can most effectively respond. This is true because many corporate cultures have fairly distinct styles which impact their strategic responses in pronounced ways.

For example, for many years IBM was known as a company in which employees acted and interacted in a rather conventional and conservative manner. Thus, "white shirts" at IBM came in only one color: white. They were not "pale blue" or "mauve" and they didn't have stripes, and IBMers tended to wear dark, conservatively cut business suits. Wing-tip shoes were preferred. This was all a part of a corporate culture that was overtly acknowledged. Having gained information about these traits of the IBM corporate culture using open source data and empirical observation, a client may be able to forge strategic plans around these facts. Perhaps the client believes that there is a target market that would be more comfortable interacting with salespeople who exhibited a more relaxed style. Following the dictates of the marketing concept, this client could encourage a dress code and an employee persona that would be attractive to the target market being courted. By the same token, the client may believe that by relaxing the dress code, and so on, more desirable employees could be hired because they prefer a more casual lifestyle. In both cases, by noting a specific corporate culture, it becomes possible to forge strategic plans that enhance the competitiveness of the organization.

This type of analysis seeks overarching parallels and similarities between all or most members of a corporate culture. By studying various open source materials, it might be possible to see reflections of this corporate culture. As a result of the inferences that could be made, the future responses of the organization may become more predictable. The resulting expectations regarding the

future behavior of the organization could be of significant value to clients who are forging strategic plans.

Individualist

While it is possible to distill consistencies in the thought on behavior of all or most members of a corporate culture, it may also be possible to identify ways in which specific components of organizations are distinctive, have their own agendas, or how they may even be at odds with the broader corporate culture. As discussed above, these distinctive patterns may prove to be of significant value to the client for a number of reasons.

The contemporary social sciences clearly acknowledge that tensions and divisions exist in all large organizations/societies/cultures. Nonetheless, the humanities provide ways of easily addressing these issues. Specific methods, such as deconstructionist analysis, provide a means of accomplishing these goals. How they can be applied to competitive intelligence has been briefly discussed above.

The basic goal of this research is to discern ways in which the organization being examined is not a monolithic entity, but can be better conceptualized as a number of discrete units each with its own characteristics. Of course, an overarching corporate culture and the distinctiveness of specific groups can exist simultaneously. Determining the degree to which each dominates is a vital activity.

By searching open source materials for evidence of how specific components of organizations are distinctive (or even have corporate cultures of their own), analysts will be able to point to ways in which a particular corporate culture is not homogeneous. This kind of analysis may also be used to identify tensions within the organization that might prove to be of strategic value to the client.

Although discussing collective and individualistic analysis is useful, no discussion of how to operationalize the competitive intelligence at a distance method will be complete without a discussion of the various types of data that can be analyzed. Following is a brief overview of several representative types of data with suggestions regarding how they can be converted into actionable information. Four general types of communication will be discussed. The list is meant to be illustrative and not exhaustive. They include:

1. Serious Communications
2. Humorous Communications
3. Formal Communications
4. Informal Communications

Hopefully, by briefly considering each one, analysts will be reminded of specific tactics they have used in the past and, thereby, become better able to view them as merging into a larger method of analysis.

Serious Communications

On many occasions, a competitive intelligence analyst will survey communications that are of a highly serious nature. These documents are intended to be taken seriously and they discuss matters that are of crucial significance to the organization. Thus, if a company felt that the infringement of trade secrets was a major concern, it and its employees might issue various communications regarding the need for legislation to protect intellectual property and/or remind employees to be vigilant against revealing secrets. Various in-house documents, house organs, and so on might also focus on protecting trade secrets. The fact that the organization devotes so much attention to the protection of intellectual property may be evidence of the fact that it has invested heavily in research and development and, therefore, has much to lose from corporate piracy. Not only could the analyst learn about the company's plans to protect itself through an analysis of these communications; the simple fact that protecting intellectual property is a major concern might provide vital clues regarding the structure, strategy, tactics, and competitiveness of the organization.

Thus, the analyst's client may want to buy a company that it is preoccupied about protecting its intellectual property. Perhaps this is the result of the fact that the firm is particularly vulnerable and/or under attack from pirates. This vulnerability may create a situation where the firm's earning record of the last five years may not be an accurate indication of future profit margins. If this is true, perhaps the price offered to buy the company should not merely be geared toward past earnings and should be lowered to reflect this vulnerability. By bringing this company's own concerns about intellectual property violations to the table during negotiations, it might be possible to obtain a more attractive price.

This simple example can be duplicated by a wide range of competitive intelligence campaigns. People and organizations tend to "talk up" what they feel is important. Most loyal employees, of course, will carefully avoid revealing proprietary information; nonetheless, the simple fact that they discuss certain topics may reveal important general information. By carefully scanning the kinds of topics that are seriously discussed, the analyst can "get into the mind" of the communicator. By combining the resulting insights with other available data, a more complete profile of the organization may be inferred.

Humorous Communications

As we all know, humor typically contains a grain of truth within it. If a comedian performs a humorous imitation of a famous person, the depiction will be overblown, but still reflect a kernel of truth or, at least, a common public perception. If this were not the case, the communication would not be funny.

Many people, furthermore, may communicate very serious information in humorous ways. Doing so, of course, is an age-old technique of softening criticism

and presenting it in a non-threatening and socially acceptable way. Thus, if the staff members of an organization felt that they were underpaid, depicting the boss as Ebenezer Scrooge at the annual Christmas party may be a good-hearted way to address these concerns. By depicting an important concern in a frivolous manner, the issue can be gotten out in the open without "formally addressing" it in ways that could be hurtful and disruptive. If a competitive intelligence analyst learned that the management of an organization was routinely portrayed in humorous ways as Ebenezer Scrooge and similair depictions, this data may combine with other findings to demonstrate that certain tensions regarding compensation exist within the organization; it may also provide valuable clues regarding the corporate style of the organization. A careful analysis of this phenomenon may suggest strategic responses that could be tailored to the situation.

At the annual meeting, a vice president might introduce the president with a few "light" opening remarks. No doubt this vice president would reveal no trade secrets in the process. On the other hand, in order to be funny, the vice president might, in a humorous way, point to some of the achievements of his superior. He might, for example, make reference to the fact that he had to lose 30 pounds since the new president took office because the seats in "coach" are so much smaller than those in "first class." The analyst, upon hearing this humorous remark, may infer that the new president is cost-conscious and that he is attempting to make the organization more competitive by running a "tight ship" and saving money where possible. Doing so, however, may be creating morale problems and a situation where key executives may be willing to "jump ship."

While official humor that is presented in structured ways may provide useful insights, much humor is unofficial and takes place out of reach of the censor's blue pencil. Loyal employees, who would never consciously divulge proprietary information, may have a sense of humor that can be mined for valuable insights and contents, and these loyal employees might be very unguarded regarding their humor.

Employees, for example, often tape cartoons on their office doors. Various forms of copy machine lore (such as the picture of the angry duck hitting a computer with a sledge hammer) abound. By studying the humor that appears within a particular organizational context, it may be possible to infer a profile that could not be compiled in any other way.

Furthermore, Internet sites abound and many of them may contain humor. Many individuals, for example, have their own private web sites, and, on many occasions, people discuss themselves and their lives on these sites. Perhaps a particular web site discusses a person's professional life with obvious sarcasm. What valuable information is nested within that humor? Whatever is there, an alert analyst will attempt to ferret it out.

Formal Communications

Competitive intelligence professionals are familiar with the process of examining an organization's formal communications in order to gain insights regarding the basic overall strategy that the organization employs. This kind of communication may provide an overarching view of how the organization views itself and how it sees itself evolving in the future. These formal communications may provide a baseline by which the company can be evaluated.

In some cases, however, an organization may be undergoing significant changes. Let's say, for example, that a conglomerate has just purchased a new division. This transition, of course, is likely to involve significant change. We can expect a wide range of formal documents to be issued regarding the new structure. As any analyst knows, these documents may provide valuable clues regarding the weaknesses or strengths inherent in the organization as well as transitions that may be expected to take place in the future.

Informal Communications

While formal communications provide the "party line," informal communications may provide alternative views and evidence regarding how some members of the organization are seeking to circumvent the formal structure. Let's say, for example, that a sales person indicates that although sales are important, he is increasingly being judged on other criteria. This "old school salesman" states that although he is great on the road, his future compensation will be linked to Internet communications. As a result, he indicates he'll be e-mailing customers on a regular basis. He may even complain that he is being forced to take an array of courses in computers and that he is expected to complete them by a certain date.

Vital information can be inferred from such data. Upper management is intent upon upgrading the sales staff's mastery of computer technology. This might be done in order to communicate cheaply (via the Internet) and/or in order for the sales staff to appear to have "state-of-the-art" expertise. This initiative might result in the sales staff being divided into rival camps of older/less computer literate verses younger/more computer literate employees. All of these facts may be of immense value to the client. Having seen this pattern, the analyst might go to the company's web site and/or newspapers in order to view the want ads for employees. How have the requirements for sales personnel changed over time? How can these changes help the analyst to draw a profile of how the company is evolving and how its competitive edge is changing? How can the client use this information when forging competitive strategies?

As indicated, qualitative methods from the humanities and social sciences can be used in order to identify either similarities in a corporate culture or areas where specific subgroups differ from the larger entity. By viewing an organi-

zation from both perspectives, a more robust view of the organization can be inferred.

Most analysts are, no doubt, well aware of various of these analytic activities. What they may need to develop is an understanding of how these commonly known techniques parallel established methods of the social sciences and humanities. The profession can clearly benefit from being consciously aware of the linkages that can be developed. By tapping existing methodologies that derive from the humanities and social sciences, it may be possible for analysts to increase their efficiency and to more effectively combine their research with other forms of analysis. This chapter, through the use of the competitive intelligence at a distance method, has provided a discussion regarding some ways in which this can be done.

Competitive intelligence is a qualitative discipline that derives from the traditions of espionage. The social sciences and humanities provide alternative qualitative methods. By merging competitive intelligence and its espionage-related framework with the qualitative social sciences and humanities, a range of new options and opportunities arise. These options can lift the profession of competitive intelligence in relevant and practical ways. By doing so, the profession can best meet the challenges created by a legal structure that has eliminated a significant range of activities that were previously performed by competitive intelligence. Doing so can also help competitive intelligence analysts to acquire a variety of assignments that otherwise would gravitate toward traditional marketing researchers.

QUALITATIVE THOUGHT AND THE DIGITAL REVOLUTION

Terry Kirkendall, from San Diego, California, is a noted computer artist. In her particular case, modern technology has opened potentials of expression that previously did not exist. Being one of the pioneers who carved out a new art form that mates the intuition of the human mind with the unyielding precision of the computer, Kirkendall has seen the process of this new art form unfold before her eyes.

This author recalls talking with Terry a few years ago about what she described as a most improbable marriage of human creativity and the machine. Initially, there was a tendency for artists to resist modern technology out of the fear that, by embracing it, a key part of their humanity would be lost and, in the process, the ability to truly express oneself would atrophy. Ultimately, however, the opposite phenomenon occurred; technology has eased and simplified the mechanical aspects of art which has, in turn, permitted creativity to flower in exciting and unexpected ways.

The same is true of writers; this author, for example, long resisted the onslaught of the word processor and somehow believed that by eliminating scribbled notes and portable typewriters, he would lose a good part of the style he

had labored so hard to develop. There are still those among us (such as noted author Wendell Berry) who celebrate the fact that writing is a manual, not a digital process; thus, Berry avoids computers like a badge of honor; and who can forget Truman Capote's scathing dismissal of Jack Kerouac's work by asserting "It's not writing . . . It's typing."

Many people are still troubled about technology; this author is reminded of this fact every time he sees a "Rage Against The Machine" bumper sticker. Nonetheless, human creativity and intuitive insight go on, and they are showing signs of growth, not atrophy, as computers increase the speed with which data can be manipulated and the volume of records that can be stored, scanned, and evaluated.

SUMMARY

Modern technology is finding ways to automate the creative process. By doing so, it is becoming possible to more efficiently and effectively link social behaviors in ways that have a predictive potential; today's options eclipse earlier methods and options. Social scientific and humanistic research strategies provide clues regarding how veiled information can be teased out of data that is readily available. In an age when many tasks that were previously performed by competitive intelligence analysts have been declared illegal, the profession needs new and legitimate ways to aid its clients. Using qualitative methods from the social sciences and humanities to find actionable information from open source secondary data is a vital contribution that the field is poised to make. The competitive intelligence at a distance method is a systematic way to conceptualize the methodologies that will most effectively perform this significant task.

The World War II culture at a distance method can and should be updated and adapted to the needs of the contemporary private sector. Doing so will result in a broad toolkit that can both deal with the recurring patterns within cultures/corporate cultures and recognize the distinctiveness of specific groups and subgroups. By merging the culture at a distance method with recent contemporary advances in both the social sciences and the humanities, these advances can be readily accomplished.

The resulting set of techniques is referred to as the competitive intelligence at a distance method. By embracing this set of tools, competitive intelligence practitioners will be able to employ state-of-the-art perspectives when serving clients.

KEY TERMS

Artistic Fears of Technology. Many artists and humanists fear technology because they suspect it may result in a less human vision. This fear is largely ungrounded.

Competitive Intelligence at a Distance Method. The culture at a distance method, updated

and focused around the needs of the private sector, is referred to as the competitive intelligence at a distance method.

Culture at a Distance Method. The World War II melding of the social sciences and humanities.

Digital Revolution. The digital revolution refers to the profound impacts of computers and "artificial intelligence." It is the position of this book that in spite of technological advances, intelligence continues to be an intuitive and subjective method of inferring from weak, flawed, and incomplete data sets.

Humanistic Principles. The humanities are disciplines that insist that humanity and human products are so complicated that they can only be dimly and incompletely understood via formal, scientific methods. Humanistic principles provide methods of analysis that depend upon subjective and intuitive understanding.

Humorous Communications. On many occasions, humorous communications contain a covert message of value to competitive intelligence professionals who seek to understand an organization.

Informal Communications. Many communications are informal. Nonetheless, they may reveal important aspects of the people and organizations being investigated.

Serious Communication. While humorous communications may contain covert information, serious communications are overt. Nonetheless, serious communications may contain both covert and overt components.

Social Scientific Principles. The culture at a distance method was largely based upon social theories and methods that explore social groups. These theories and methods can be adapted to examining questions of interest to competitive intelligence and the private sector.

Weak Data. On many occasions, competitive intelligence professionals must process weak, compromised, and incomplete data in order to provide clients with useful information. Doing so is one of the routine tasks of the profession.

Window of Opportunity (enjoyed by CI). Competitive intelligence is better suited to processing open source information than traditional marketing researchers. This creates a window of opportunity for the profession.

NOTES

1. I_2 Inc., 6551 Loisdale Court, Suite 600, Springfield VA 22150.
2. Veridan-ERIM International, P.O. Box 134008, Ann Arbor, MI 48113–4008.

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Chapter 12

The Qualitative Audit

THE CONCEPT OF THE QUALITATIVE AUDIT

In recent years, business leaders have sought specific benchmarks with which to evaluate the performance of their organizations. By using benchmarks as a standard with which to measure effectiveness, the ability of the organization to efficiently compete in relevant ways is discussed and analyzed. In addition, once the benchmarking process is completed, the organization's strengths and weaknesses can be assessed. As a result of this knowledge, a program of action that is tailored to the current situation faced by the organization can be designed to revolve around the resources and abilities of the organization (as they currently exist).

The "marketing audit" and the "management audit" are widely known concepts that are commonly employed within the private sector. In both cases, the ability of an organization to utilize a range of managerial and marketing tools is analyzed and assessed. Having performed this appraisal, appropriate plans can be devised that enhance the organization's ability to perform its mission. In today's world, the contemporary theories and methods of management and marketing have become benchmarks with which organizations are evaluated; the performances of the specific organization (as audited) emerge as measures of effectiveness that are based on these benchmarks.

In such a spirit, this chapter introduces the concept of the "qualitative audit." Just as marketing and management audits measure the degree to which important concepts from those fields have been internalized by the organization, the qualitative audit assesses the degree to which an organization is equipped to profit from state-of-the-art qualitative theories and methods and enjoy the benefits they provide.

A key component of a qualitative audit, of course, entails determining the degree to which the organization and its researchers are capable of professionally dealing with qualitative methods. In the case of competitive intelligence, to what degree have analysts mastered qualitative methods? To what degree can qualitative methods that stem from espionage be meshed with those that derive from the social sciences and humanities? Can all three be merged into a seamless and integrated toolkit? Have the principles represented by the concept of "competitive intelligence at a distance" been employed and integrated into the process of analysis?

While the research team needs to master a wide range of qualitative tools in order to provide clients with a professional product, clients also need to possess sophistication regarding qualitative methods; otherwise these tools cannot fulfill their legitimate role in the decision-making process. Unfortunately, as has been noted, many organizations tend to be biased in favor of scientific and quantitative methods; where this is true, qualitative methods face an uphill battle. Thus, a qualitative audit entails a twofold analysis:

1. Assessing the qualitative skills of competitive intelligence researchers/analysts
2. Evaluating the ability of clients to perceive the value of qualitative research

Each will be discussed below. It will be followed by an analysis of the challenges faced by competitive intelligence professionals and how they can be recognized and overcome.

THE SKILLS OF COMPETITIVE INTELLIGENCE RESEARCHERS AND ANALYSTS

A basic premise of this book is that competitive intelligence, in essence, is a qualitative method. In many different situations, qualitative methods are the most effective and efficient techniques available. To most professionally accomplish their goals, however, analysts typically need to merge the traditional tools of espionage with qualitative techniques that derive from the social sciences and humanities. The qualitative audit addresses these, among other issues. Specifically, the following facets of the profession are considered:

1. Are Analysts Allowed to Gain Expertise in Specific Areas?
2. Are Analysts Allowed to Use Appropriate Qualitative Tools?
3. Have Analysts Mastered the Traditional Tools of Espionage?
4. Have Analysts Mastered Other Qualitative Methodologies as Appropriate?
5. Can Analysts Integrate the Full Range of Qualitative Methods into an Analysis?

Each of these considerations is discussed separately.

Are Analysts Allowed to Gain Expertise in Specific Areas?

As indicated earlier in this book, today's management strategies are often centered around reducing an organization's staff to a minimal level. When this strategy is utilized, the remaining employees are expected to develop "generic skills" that can serve multiple roles. When the organization needs specialized services, temporary consultants are hired.

While this arrangement may work well in many contexts, it can undermine the effectiveness of the organization's competitive intelligence program. Competitive intelligence, although it possesses a specialized toolkit, is not a generic activity. In many circumstances, analysts need to develop a sophisticated grasp of the circumscribed area in which they work. Only then can they most effectively accomplish their tasks. There is no "quick fix" and there are no "generic solutions" that can be conveniently "plugged in" to any situation. Instead, analysts need long-term exposure to the areas they investigate; only in that way can they cultivate the specific, subjective, and intuitive insights that are needed to professionally conduct a complicated competitive intelligence assignment.

This long-term investment in developing specific areas of expertise in analysts, however, goes against the grain of organizational strategies that insist that staff members should "wear many hats" and be able to shuffle from one project to the next without losing a step. Unfortunately, this is not the way in which competitive intelligence is most effectively pursued; analysts often need time in order to develop a specific area of specialization.

The competitive intelligence staff may need to forcefully remind its clients that getting optimum and cost-effective results may well require a long-term investment in analysts so they can gain the experience and exposure required to develop the specialized insight and intuition, and an ability to draw appropriate inferences. Only then can analysts most professionally pursue their mission. Analysts can't be turned out in "cookie cutter" fashion. This truth needs to be understood and articulated.

Are Analysts Allowed to Use Appropriate Qualitative Tools?

When mechanics request torque wrenches, upper management seldom debates the point. Mechanics are professionals who are hired, in large part, because of their skill and judgment in their area of specialization. Respecting their opinions is usually in the best interest of the organization. Even if a particular executive, with a flair for mechanical things, would personally perform the work in a different manner, the mechanics will still be allowed to perform their tasks in the way they prefer; as the saying goes, "too many chefs spoil the broth."

Competitive intelligence professionals need to be treated with the same respect as the mechanics. Unfortunately, clients may have such a bias in favor of scientific and quantitative techniques that they can't resist dictating the types of tools to be used when research projects are being conducted. Because qualitative

methods continue to be stigmatized in some circles, analysts may have trouble justifying qualitative research strategies that are appropriate for a particular assignment. As a result, analysts must be skilled at justifying their methods and in asserting that they, not their clients, should determine the most appropriate ways of analyzing and attacking a problem.

Justifying qualitative methods may be a long-term process that cannot be performed at once, and when dealing with clients who have strong egos, considerable tact must be used. That is why, in an earlier chapter, it was suggested that analysts should quietly but carefully document their successes when using qualitative methods (and they should also record the shortcomings experienced in scientific/quantitative projects). In that way, the analyst can build up, over time, a "war chest" of examples that are keyed to the specific organization and/or the client.

Have Analysts Mastered the Traditional Tools of Espionage?

As discussed above, espionage is, basically, a qualitative methodology. As was also seen, the vogue of scientific/quantitative methods has created a situation where those in the private sector may not possess an adequate appreciation for qualitative methods. That is as true of competitive intelligence professionals as anyone else. Due to rapid technological advances, furthermore, some analysts may envision their profession in technological terms and with reference to the sophisticated hardware that often accompanies investigations.

In spite of the fact that much competitive intelligence is accomplished with the aid of high technology, analysts need to remember that no matter how their data came into existence, the techniques of espionage (which convert data to information) continue to revolve around intuition, personal judgment, and inference. Unfortunately, many of today's younger analysts may have lost track of that vital fact. Nonetheless, the essential orientations of espionage are qualitative in nature and analysts need to acknowledge that fact; otherwise, the competitive intelligence profession can devolve into just another covey of "also ran" marketing researchers and the unique purpose of competitive intelligence will go unrecognized. By mastering the qualitative methods of espionage and by understanding their value and mission, however, the uniqueness of the profession and its contributions can be maintained.

Colleagues often depict competitive intelligence professionals in humorous, albeit "pigeonholing" ways as "spooks" or "spies," and many competitive intelligence professionals hope to live down this image. The "spook" persona tends to develop when others in the organization do not recognize the techniques of qualitative thought and inference that espionage represents. Competitive intelligence takes diverse data of questionable accuracy and melds it into an inference which helps guide decisions; applying these tools does not require long trenchcoats and clandestine operations. Competitive intelligence professionals need to underscore the fact that they are experts in applying qualitative methods of inference that other business researchers have not adequately mastered.

Have Analysts Mastered Other Qualitative Methodologies as Appropriate?

This book has focused on the fact that while competitive intelligence is a qualitative analytic tradition with roots in espionage, other vital qualitative techniques exist, and these techniques have already been successfully embraced by business researchers. Competitive intelligence analysts can benefit by mastering these techniques and by integrating them into their toolkits. By broadening the qualitative skills at their command beyond those that derive from espionage, analysts will be better able to effectively integrate a full range of qualitative techniques into their work. As a result, competitive intelligence professionals will be better equipped to collaborate with a variety of colleagues. By expanding their toolkits to include the social sciences and humanities, the competitive intelligence function will be better able to mesh within the organization and not merely be viewed as a strange and exotic activity that is destined to remain at the fringes of business and business research.

Can Analysts Integrate the Full Range of Qualitative Methods into an Analysis?

The World War II culture at a distance analysts subtly combined a full range of qualitative methods, including those that derive from espionage, the social sciences, and the humanities. By doing so, they created robust analyses that benefited from the power of synergism. For competitive intelligence to meet its full potential, the field must continue this tradition and strive for a parallel degree of synthesis and synergism. The full power of qualitative methods will only result when a number of different techniques reinforce each other in powerful analytic ways. As a result, the analyst needs to be able to combine the use of diverse tools within a single research assignment.

A key component of the qualitative audit, therefore, examines the ability of analysts to both embrace the essence of their profession and profit from other qualitative methods. Once both considerations have been addressed, competitive intelligence analysts will be able to perceive the degree to which they are capable of embracing qualitative methods in appropriate ways (see Table 12.1).

Competitive intelligence professionals embrace a specific qualitative tradition. Other qualitative traditions exist, however, and competitive intelligence should phase them into its toolkit.

CLIENT ABILITY TO APPRECIATE QUALITATIVE RESEARCH

As has been discussed, the business world has come to largely revolve around scientific and quantitative information. This bias creates a situation where clients may not envision the value of qualitative methodologies and/or recognize the

Table 12.1
Qualitative Audit: The Competitive Intelligence Professionals

Issue	Description	Significance
Can Analysts Gain Long-Term Expertise in an Area?	Are analysts allowed to develop long-term expertise in a specific area? Does management accept a long apprenticeship as a legitimate cost of business?	The profession will be held down unless it is allowed to develop to its full potential. Doing so includes being able to develop relevant levels of expertise in specific areas.
Are Analysts Allowed to Use Appropriate Tools?	Is the judgment of competitive intelligence analysts trusted and are they allowed to choose the methods that they use? Or do clients insist on the use of certain methods?	Analysts are the professionals who should make decisions regarding how they do their work. If not, it will be impossible for them to act in a truly professional way.
Have Analysts Mastered Tools of Espionage?	The distinctiveness of competitive intelligence lies in the fact that it has applied methods deriving from espionage to the private sector. Have analysts maintained that tradition?	Competitive intelligence stems from the traditions of espionage and the style of inference that derives from them. It is important for the analyst to be aware of these traditions and the distinctiveness they create.
Have Analysts Mastered Other Qualitative Tools?	Today, a full range of qualitative tools are embraced by business. Have analysts kept up with these developments or are they locked into using a small subset of options?	Other business researchers have mastered a full range of qualitative tools. To maintain a "state-of-the-art" status and to collaborate with others, analysts need to be familiar with these tools.
Can Analysts Integrate a Full Range of Qualitative Tools?	Are analysts able to integrate a full range of qualitative tools into the same project?	Analysts will have a distinctive edge if they can provide a truly holistic analysis that combines the qualitative methods of intelligence with other qualitative techniques.
Discussion	In today's world, a full range of qualitative methods exist. Some stem from espionage and are, basically, a unique asset of intelligence. Others that stem from the qualitative social sciences and humanities have already been embraced by business researchers. Multifaceted, robust analysis within intelligence is a practice that goes back to the World War II culture at a distance tradition. Competitive intelligence should aim at continuing such a multifaceted tradition.	

circumstances where qualitative techniques are superior to other, more formal research methodologies.

Ultimately, the ability of our profession to apply qualitative methods is directly connected to the willingness of clients to accept this work. Thus, Margaret Mead, one of the anthropologists who innovated the culture at a distance method during World War II, once observed (with reference to clients who did not see the value in qualitative research) that

We only do . . . [qualitative research] if somebody is going to apply it. [In the 1950s] Everybody who could have used the [qualitative] material or insights anthropologists could have produced went home or got fired. By 1952, there was no one in the government to ask for [qualitative] information of the sort anthropologists would have provided or to use it if it had been provided. (Eddy and Partridge 1978)

Qualitative researchers in business have largely faced the same kind of unsympathetic environment. Sometime in the 1950s, most of the decision makers who relied upon qualitative data within the private sector "went home or got fired." They were replaced by scientific/quantitative–oriented decision makers who, typically, had little regard for qualitative methods and neither commissioned such work nor made use of qualitative findings, even if they were available.

Today, American business is beginning to more fully embrace qualitative methods, but the degree to which this has occurred is spotty. As a result, the qualitatively oriented competitive intelligence analyst needs to evaluate the degree to which clients will be responsive to qualitative research initiatives, fund such projects, and use the resulting information when making decisions. Specific areas to be discussed include:

1. Do Clients Recognize the Limitations Inherent in Scientific/Quantitative Analysis?
2. Do Clients Acknowledge the Analyst's Choice of Methods?
3. Do Clients Acknowledge the Tradeoffs Inherent in Methodological Decisions?
4. Do Clients Rely upon Scientific/Quantitative Research to Protect Themselves?
5. Is the Organization Willing to Invest in Qualitatively Oriented Analysts?

Each of these measures will be discussed below.

Do Clients Recognize the Limitations Inherent in Scientific/ Quantitative Analysis?

Science and quantitative methods are specialized tools and, when properly deployed, they have profound contributions to make to an organization. Nonetheless, all tools are specialized solutions to specific problems; if applied outside of their proper range, any tool can be counterproductive. This book has empha-

sized that both scientific/quantitative and qualitative methods should be viewed as viable methods that are equally respectable, although their uses and applications may differ.

Some clients, however, may embrace a chauvinistic attitude toward scientific/quantitative methods and relegate qualitative research to a second-class status. Since competitive intelligence is, basically, a qualitatively oriented profession, this attitude will result in a loss of status for our profession.

Competitive intelligence analysts must be able to point out that "formal methods" have their limitations. Scientific/quantitative methods, for example, are designed to identify patterns of behavior by studying a sample and generalizing from that point. In much competitive intelligence work, the goal is not to understand general patterns of response, but, in contrast, to better perceive and predict the behavior of a specific organization or its personnel. Thus, the qualitative methods of competitive intelligence are designed to provide specific findings that can be used in actionable ways by decision makers. Scientific/quantitative methods do not typically conduct research with this degree of focus. As a result, the qualitative methods of competitive intelligence have a significant role to play in helping clients to devise strategies and tactics. To whatever degree this potential is unrecognized, the profession and its clients will suffer.

Do Clients Acknowledge the Analyst's Choice of Methods?

When it comes to conducting competitive intelligence, the analyst should be allowed the freedom to choose and deploy the methods to be used. If this autonomy is compromised, a key aspect of professionalism will be forfeited. In addition, the flexibility that is required to serve in appropriate ways will be sacrificed.

The analyst should be the professional in charge. If this is not the case, it will be impossible to properly conduct an investigation. Due to the fact that many clients may be biased in favor of scientific/quantitative methods, however, the potential exists for outsiders to meddle in the professional life of analysts and do so in counterproductive ways.

Certainly, competitive intelligence analysts should be tactful when they deal with clients; nonetheless, analysts must also affirm that they are specialized professionals and that they should be the decision makers when research strategies are being chosen. Analysts cannot be responsible for the results of a research project if they cannot conduct it in the most appropriate way. By having a full range of options at their disposal, in contrast, analysts will be in a position to most professionally do their job. Otherwise, the quality of their work is likely to be jeopardized.

Do Clients Acknowledge the Tradeoffs Inherent in Methodological Decisions?

As indicated above and throughout this book, any methodological choice involves the tradeoff of not employing other methods. As a result, choosing a

research technique includes the "opportunity cost" of abandoning other, unemployed options. There are a number of tradeoffs inherent in utilizing scientific/quantitative analysis, including both the costs of time and money that are typically involved. Scientific/quantitative analysis, furthermore, is not equipped to serve in a number of situations where reality is too complex to be abstracted in ways that satisfy the scientific method. The fact that scientific/quantitative methods are designed to provide general information while competitive intelligence is able to provide a specific and focused analysis is another major consideration that may tip the scales in favor of qualitative competitive intelligence.

Do Clients Rely upon Scientific/Quantitative Research to Protect Themselves?

Part of the gamesmanship of business is being able to justify one's actions, after the fact, in case things go wrong. Due to the scientific/quantitative bias of many organizations, decision makers often want to be able to point to scientific/quantitative analysis in order to justify a particular decision or strategy. If this is true, the position of competitive intelligence will be unfairly undercut merely because of the ploys of organizational life.

As a result, the competitive intelligence professional must lobby for criteria of evaluation that transcend scientific/quantitative methods. Unless this battle is won, the profession will never be allowed to play on a "level field," and competitive intelligence will suffer the fate of "second-class citizenship" as a result.

Is the Organization Willing to Invest in Qualitatively Oriented Analysts?

As indicated above, in today's "lean and mean" organizations, generic skills and the flexibility of employees are highly touted assets. This ethos works against the best interests of competitive intelligence because analysts need long-term exposure to specific areas of analysis in order to develop an ability to draw inferences involving specific cirucmstances.

By providing a long-term apprenticeship and by allowing employees to specialize in fairly circumscribed areas of analysis, organizations will be "going against the grain." Is the particular organization in question willing to do so? If not, the ability of analysts to mature professionally will be denied and the profession will underachieve as a result.

The qualitative audit, therefore, must include assessing the respect (or disrespect) that clients have for qualitative researchers and their products. As Margaret Mead observed, we're only going to do qualitative work if someone is going to commission us to do it; as a result, our clients must be groomed to have a respect for us and our qualitative methodologies (see Table 12.2).

Clients, therefore, may not be responsive to the needs of competitive intelligence professionals. Since this is likely to be the case, the profession may deteriorate and atrophy. In addition, the limitations of the field may emerge as a

Table 12.2
The Qualitative Audit: Assessing the Client

Issue	Analysis	Significance
Limitations of Scientific/Quantitative Methods Acknowledged?	All methods have their limitations. Strategically accepting the right limitations is the key to effective research. Scientific/quantitative methods have limitations that, on occasion, should not be accepted.	Scientific/quantitative methods are not always suited for the specific problem at hand. As a result, alternative qualitative methods may be more appropriate.
Do Clients Respect Analysts' Methodological Choices?	For analysts to professionally do their job, they need to be able to make key methodological decisions. Are they allowed to do so?	For professionals to do their job, they must have the authority to make key decisions, Otherwise they have no control over their work.
Do Clients Recognize the Tradeoffs in Methodological Decisions?	Methodological choices are tradeoffs in which benefits are gained by accepting limitations. Does the client recognize that by choosing limitations in qualitative methods, benefits may derive?	Qualitative research decisions must not be evaluated in universal ways, but with reference to the circumstances of the research and the goals of the researcher and the client.
Do Clients Embrace Formal Methods to Protect Themselves?	Due to the rules of corporate gamesmanship, decision makers often key their decision to scientific/quantitative research. Is this a tradition of the organization in question?	Research should be conducted to gain information, not as a tactical ploy. Analysts must lobby for a more eclectic array of techniques and insist that they are given parity.
Will Organizations Invest in Qualitative Research?	In today's "lean and mean" corporate cultures, generic skills are emphasized. This conflicts with the need of competitive intelligence analysts to gain long-term exposure in specific areas. Will the organization allow analysts to gain the specific expertise they need to be effective?	If analysts are not allowed to mature and to master the subject they study, the results of their efforts will be lackluster. Such a fate, however, would be due to circumstances and would not be a reflection of the profession and what it has to offer.
Discussion	Clients need to be groomed in order to appreciate the full value of competitive intelligence and the range of qualitative methods they have at their disposal. Unless treated with respect, competitive intelligence professionals will be handicapped and the quality of their work will suffer as a result.	

self-fulfilling prophecy. Thus, if analysts are not allowed to spread their wings and deploy their skills in the most effective way, their product may suffer. The profession must actively fight against these potentials.

THE QUALITATIVE AUDIT: A HOLISTIC APPROACH

The qualitative audit involves both an analysis of the skills of the analyst and the ability and willingness of clients to accept the use of qualitative research methodologies. Each of these components is freestanding and needs to be considered independently.

Although these are different issues, they are likely to be interconnected. Thus, if clients are not willing to accept qualitative research, in all likelihood the competitive intelligence staff will be weak in providing these services. Organizations (and business functions within organizations) evolve over time and they largely reflect the pressures that have been faced in the past. Thus, if competitive intelligence staffs do not have a strong ability to employ qualitative methods, this fact is probably a reflection of the organizations in which they exist and the priorities and prejudices of the corporate culture.

Hopefully, however, competitive intelligence staffs will be allowed to evolve in tandem with advances in the profession at large and not merely with reference to the internal structure of the circumscribed organizations of which they are a part. Today, there is a recognition that the qualitative and intuitive nature of competitive intelligence needs to reassert itself. By doing so, the field can reassert its distinctiveness in powerful, positive, and productive ways. In addition, since qualitative methods are on the cusp of innovation within business research, a qualitative orientation is well within the mainstream of business.

SUGGESTIONS FOR CONDUCTING A QUALITATIVE AUDIT

The term "audit" implies a detailed look at both assets and deficits; doing so with reference to qualitative competitive intelligence is suggested here. The purpose of this particular type of audit is to determine the assets that a specific competitive intelligence staff exhibits and the challenges it faces within a specific organizational setting. In general, the audit is made up of two separate but interconnected parts: (1) the qualitative skills of the staff and (2) the degree to which qualitative work is respected within the corporate culture where it exists. By seeing how these two phenomena intersect with one another, a qualitative audit, keyed to the unique competitive intelligence staff, results.

In order to conduct an audit, it is necessary to gather information that can be specifically analyzed. Asking a specific range of questions and gaining definitive sorts of information is a basic part of that process. In this discussion, the earlier analysis will be used as a skeleton which can be fleshed out by a range of relevant *sample questions* that are representative of what may be asked during

a qualitative audit. When a qualitative audit is applied to a particular organization, of course, it might be appropriate to adjust the questions and/or create new ones in order to reflect circumstances. Thus, the model presented here is meant to be illustrative and is presented in that spirit.

First, each category will be discussed separately. At the end of each section, a discussion will provide an overview of how to view and deal with the findings. This will be followed by a more holistic analysis that deals with both the level of skill of analysts and how they are evaluated by their colleagues.

SKILLS OF COMPETITIVE INTELLIGENCE RESEARCHERS AND ANALYSTS

A qualitative audit needs to include a detailed discussion of the particular skills that the competitive intelligence staff currently possesses. In some cases, the intelligence staff may not have been allowed to develop expertise in these areas. When this is true, the audit may demonstrate some ways in which the staff can and should enhance its qualitative skills. In other cases, the staff may have a sophisticated grasp of a wide range of qualitative techniques. Where this is true, an audit will demonstrate the tools that are available and indicate ways to negotiate from a position of strength. In most cases, a mosaic of strengths and weaknesses will be observed; understanding this unique pattern is vital as the intelligence staff seeks to upgrade itself in a systematic way and to document its achievements.

This discussion will start with general categories concerning researchers and analysts. For each general category, a number of representative questions will be presented. After each question, the rationale for asking it will be presented.

Are Analysts Allowed to Gain Expertise in Specific Areas?

As discussed, organizations often seek to hire people with generic skills that can be shuffled from one project to the next. The rationale is "get the most bang for the buck" by having a versatile staff that can wear many hats. We also saw how this strategy can work against the best interests of competitive intelligence because analysts need long-term exposure to specific areas to be truly effective in many circumstances.

The following questions can measure the degree to which analysts are able to gain this expertise.

1. Are most analysts young and with minimal corporate experience?

   If most analysts are young and inexperienced, they will not have the background required to provide them with an intuitive and subjective vision.

2. Are analysts given a wide range of assignments that are not interconnected?

   If analysts flip from one project to the next with little or no continuity, they will not

gain expertise in a specific area. Without this focused experience, they will not be able to apply a professional subjective and intuitive analysis of qualitative data.

3. Does management expect analysts to "quickly get up to speed" or does it acknowledge that gaining expertise in competitive intelligence is a long-term goal?

Gaining the skill and knowledge required to make intuitive and subjective analyses of qualitative data requires a backlog of knowledge that is not gained overnight. If management is impatient, the opportunity to gain this knowledge may not be made available.

4. Does management seem to think that anyone with a brain can get on the Internet and quickly conduct a professional open source search on any subject?

If management believes that an ability to do the work of competitive intelligence is merely based on general skills, there will be no motive to allow analysts to gain long-term sophisticated knowledge of specific areas.

5. Do people quickly cycle in and out of competitive intelligence positions?

If people cycle in and out of the competitive intelligence staff with great frequency, they will not develop expertise in specific areas of research. This is true with both seasoned analysts and entry-level recruits.

6. Do clients view analysts as mere technicians? Or do they view analysts as specialists with a diverse array of specialized information?

Analysts should have the status of skilled employees who possess a level of expertise that is greater and more sophisticated than the clients they work for. And this expertise should go beyond technical skills and blend into substantive knowledge of specific areas.

Gaining expertise in specific areas is a significant component in the life of a competitive intelligence analyst. Doing so, however, may not fit in with the corporate culture or seem to be important to clients. These tendencies can militate against the professionalism of the competitive intelligence staff and its ability to utilize qualitative tools and information.

Are Analysts Allowed to Use Appropriate Qualitative Tools?

Analysts are specialized professionals who should be hired because of their ability to accomplish certain tasks. In order to be able to effectively function, professionals need to be allowed to make decisions in their specific realm of expertise. If this autonomy is denied, it will be impossible for them to function professionally. The following questions address that issue.

1. Does the client favor scientific/quantitative methods?

If the client favors particular methods, the hands of the analyst may be tied and it will be difficult to employ relevant and appropriate qualitative methods.

2. Does the client respect qualitative methods?

Many members of the business community are unaware of the sophistication of qual-

itative methods and may dismiss them as fuzzy-minded. If this is true, their use will be held back. If the client has a respect for qualitative methods, in contrast, it will be open to suggestions to use these tools in relevant ways.

3. To what degree does the client attempt to influence the type of tool to be used?

   Some clients cannot resist influencing everything around them. If so, analysts may not be in a position to make professional decisions regarding what method should be utilized in a particular research assignment.

4. Are analysts given a free range of options when research strategies are being developed?

   Any unwarranted limitation upon methodological options undercuts the profession. When professionals cannot make key decisions about their work, they cannot be held responsible for the results.

5. Does the client trust the analyst? If not, is this due to the particular analyst (inexperience, poor track record, etc.) or due to some other factor (such as an inherent distrust of the judgment of others or a reluctance to embrace qualitative methods)?

   Clients will, understandably, keep a tight reign on subordinates if their judgment is not trusted. If the client does not trust the qualitative decisions of analysts, is this because of the relationship with the particular researcher or does it go deeper than that?

6. Are analysts brought in after the project has been "carved in granite" or are analysts involved in the full planning stages as equal partners (or at least as respected specialists)?

   On many occasions, an analyst or researcher is brought in after the client has decided what needs to be done and how the work will be accomplished. When this is true, the professionalism of the analyst has no impact upon the nature of the project. As a result, qualitative options might not be pursued. In addition, the project may be ill conceived.

To professionally pursue their tasks, researchers and analysts need to be able to make decisions regarding the tools they will use. Any blanket curtailment of qualitative methods (or any other technique) will limit the professionalism of the analyst. This tendency should be fought. If not, analysts will degenerate into mindless technicians.

Have Analysts Mastered the Traditional Tools of Espionage?

The field of intelligence is a qualitative discipline that derives from the traditions of espionage. Various qualitative methods stem from espionage and they help provide competitive intelligence with a distinctiveness and with a specific and unique mission. As a result, analysts need to master the basic traditions of espionage. The following questions deal with this issue.

1. Are analysts aware of the traditions of espionage as an intuitive/subjective discipline that generates information from questionable, weak, incomplete, and inconclusive data?

The bedrock role of espionage involves drawing inferences from weak, incomplete, and inconclusive data in order to provide actionable information to decision makers. Analysts need to be aware of this tradition in order to perceive the unique contribution that competitive intelligence has to make to the organization.

2. Have analysts mastered the techniques of inference that stem from espionage?

Since the traditions of espionage center around the qualitative analysis of flawed data sets, competitive intelligence professionals need to have mastered these techniques. Otherwise competitive intelligence will be indistinguishable from other research methods.

3. Even when analysts are dealing with data gathered via state-of-the-art technology, do they still recognize that they should process it using intuition and judgment?

Espionage often processes data that was gathered using state-of-the-art methods. Nonetheless, espionage tends to manipulate this data in qualitative ways using insight and judgment. To best portray competitive intelligence and to most effectively pursue their careers, analysts need to emphasize this fact.

4. Do analysts envision their job primarily in terms of mining open source data largely from Internet sources?

Today, much of the work of competitive intelligence involves the analysis of open source Internet data. Nonetheless, the profession is much more complicated than that, even if Internet research is their primary task. In order to most effectively do their jobs, analysts need to envision themselves as competitive intelligence professionals who happen to be doing research on the Internet and not merely as "Internet researchers."

5. Do analysts overtly recognize that they are not just marketing researchers, since their discipline stems from another tradition?

Competitive intelligence largely evolved out of its relationship with marketing research. Nonetheless, there is a big difference. Competitive intelligence takes the strategies and methods of espionage and applies them to the private sector. This gives the field a distinctiveness that is unrecognized if the connection with marketing research is viewed as paramount. Competitive intelligence is a distinct profession and analysts and clients need to be overtly aware of that fact.

The traditional tools of espionage provide competitive intelligence with a distinctiveness and with a special role and mission within organizations. To whatever degree this significant mission is ignored, the distinctiveness of the profession and its status as a freestanding business function is compromised.

Have Analysts Mastered Other Qualitative Methodologies as Appropriate?

While competitive intelligence evolved from the qualitative traditions of espionage, business researchers have recently embraced an array of other qualitative traditions. These methods blend with the qualitative techniques of

competitive intelligence to provide a complex and robust toolkit. The analyst, however, needs the skills and knowledge to be able to benefit from the synergism that potentially results. These questions deal with these issues.

1. To what extent does the analyst recognize that the work of competitive intelligence is unique?

   In order to most effectively borrow concepts and methods from others, it is first necessary to have a firm ideas of one's own uniqueness and mission.

2. To what extent is the analyst aware of the qualitative traditions of the social sciences and humanities?

   The social sciences and humanities are vital traditions in their own right. Today, some marketing and business researchers have borrowed a small portion of their concepts and methods and applied them in rather circumscribed ways. To fully benefit from these traditions, however, it is necessary to understand these intellectual traditions on their own terms.

3. To what extent is the analyst aware that various business analysts (such as marketing researchers) have independently applied a variety of qualitative methods?

   While it is vital to understand outside disciplines on their own terms, it is also vital to be aware of how other business researchers have embraced these traditions. By doing so the analyst will (1) benefit from past efforts and (2) give the appearance of being an informed "insider."

4. To what extent does the analyst perceive a possible value in applying other qualitative methods to competitive intelligence analysis?

   Outside disciplines have long had and will continue to exert a profound influence on competitive intelligence. Truly professional analysts will recognize this fact and act accordingly.

5. To what extent does the analyst perceive that applying the qualitative tools of competitive intelligence to other forms of business research can be a productive strategy?

   Competitive intelligence has remained on the fringes of business research. In order to more fully integrate itself into organizations, the ability to work with colleagues in collaborative projects is essential. Competitive intelligence can do so without losing its own distinctiveness.

While competitive intelligence is a specific qualitative methodology, others have embraced a variety of qualitative techniques and applied them to business research. In order to professionally pursue their careers, analysts need to be aware of these other qualitative options, their origins, and how they can be melded with competitive intelligence.

Can Analysts Integrate the Full Range of Qualitative Methods into an Analysis?

Even if analysts are aware of a wide array of qualitative methods, they may not possess the skill and insight needed to combine them into a multifaceted

analysis. Nonetheless, this kind of multipronged attack may be most effective in addressing certain kinds of problems. Thus, analysts need to develop the ability to integrate various qualitative methods, including those stemming from intelligence and those that derive from the social sciences and humanities. The following questions address this issue.

1. Do analysts have the ability to combine the use of various qualitative methods into the same analysis?

   Combining diverse methods requires more skill than using specific techniques in the usual manner. This is because that kind of contribution involves innovation. Competitive intelligence professionals can establish themselves within their organizations if they can provide innovative solutions that others cannot duplicate.

2. Are analysts comfortable working with qualitative researchers from other business disciplines when deploying qualitative methods?

   Competitive intelligence is a fairly small and circumscribed business function that is often viewed in stereotyped ways. In order to "break out of the box," it is essential to be able to interact with a range of colleagues and do so as an equal.

3. Do analysts understand that their work can sometimes be improved by melding other qualitative traditions with competitive intelligence methodologies?

   The work of competitive intelligence can, on occasion, be enhanced by embracing the techniques and methods of others. Analysts need to be able to do so without losing track of the distinctiveness of their profession.

4. Do analysts perceive how their qualitative tradition can benefit other researchers?

   The techniques of competitive intelligence have a contribution to make to other types of research. By being aware of how the profession can aid others, analysts can gain a higher profile within the organization.

5. Do analysts view qualitative methods as embracing a specific philosophy of knowledge and not merely constituting so many ad hoc techniques?

   The field of espionage is distinct and it views data in a way that is different from those of other fields. This distinctiveness derives, in part, from the traditions of espionage. Analysts need to envision their profession as a greater entity than merely the sum of its parts.

A full range of qualitative methods exists. If analysts are to portray themselves as qualitative researchers, they need to be able to bring a full toolkit to the table. In addition, they need to be able to discuss various options with colleagues, including why and why not to embrace specific techniques.

Skills of Competitive Intelligence Researchers and Analysts: A Conclusion

Basically, competitive intelligence professionals are qualitatively oriented researchers. As a result, they need to master the full range of qualitative techniques

at their disposal. To most effectively and innovatively pursue their careers, analysts need to directly embrace a variety of qualitative disciplines and develop techniques based upon them. In addition, analysts need to be aware of existing innovations involving qualitative methods that already exist in business. By mastering both sets of methodological options and by melding them with the traditions of the profession, competitive intelligence can most effectively provide decision makers with actionable information based on qualitative methods.

CLIENT ABILITY TO APPRECIATE QUALITATIVE RESEARCH

While competitive intelligence professionals must show (and be in a position to show) their professionalism, they also need to be respected by their colleagues and clients. Thus, the ability of the client to appreciate the value, significance, and role of qualitative research is essential. If this respect does not exist, qualitative methods will not be allowed to flower in appropriate ways. Here, we will consider some questions that are designed to assess the degree to which the organization and the clients of competitive intelligence professionals are friendly or receptive to qualitative research. Five specific types of issues will be considered, including:

1. Do Clients Recognize the Limitations Inherent in Scientific/Quantitative Analysis?
2. Do Clients Acknowledge the Analyst's Choice of Methods?
3. Do Clients Acknowledge the Tradeoffs Inherent in Methodological Decisions?
4. Do Clients Rely upon Scientific/Quantitative Research to Protect Themselves?
5. Is the Organization Willing to Invest in Qualitatively Oriented Analysts?

Each will be dealt with separately. This will be followed by a more general discussion.

Do Clients Recognize the Limitations Inherent in Scientific/ Quantitative Analysis?

All methods have their limitations. Some scientific/quantitative chauvinists, however, seem to have lost track of that fact. As a result, they see their methods of choice as being the best of all worlds and they discount other methods accordingly. The following questions deal with the degree to which clients have fallen into that trap.

1. Do clients embrace scientific/quantitative methods like the "Holy Grail"?

   Some clients may believe that scientific/quantitative methods are inherently superior to other alternatives. If this is the case, qualitative methods will face an uphill battle in their attempt to gain parity.

2. Do clients understand that scientific/quantitative methods are designed to isolate general patterns while the qualitative methods of competitive intelligence may be more effective in gaining specific information?

Competitive intelligence tends to be geared around gaining specific ad hoc information. Scientific/quantitative methods, however, look for patterns that occur in many different circumstances. As a result, scientific/quantitative methods are often not appropriate for the assignments performed by competitive intelligence professionals.

3. Do clients recognize that scientific/quantitative methods are so rigid that many important questions cannot be pursued using them?

The techniques of scientific/quantitative methods tend to be rigid; as a result, they cannot easily pursue many important questions. Are clients aware of these limitations and the fact that employing qualitative methods may be a more viable option under such circumstances?

4. Are clients aware of the opportunity costs inherent in employing scientific/quantitative methods?

Opportunity costs are sacrifices that must be accepted to pursue a particular course of action. By embracing scientific/quantitative methods, the costs of not embracing qualitative methods must be accepted. Are clients aware of these costs?

5. Do you sense that clients feel that qualitative methods are "second-class"?

Some clients may feel that qualitative methods are inherently second-class and reject them in a "knee jerk reaction" sort of way. Doing so is irrational and unfair and this fact needs to be tactfully, but forcefully, addressed.

Scientific/quantitative methods are not universally appropriate procedures. All methods are designed to perform certain tasks. Outside of their realm, they can become compromised and counterproductive. That is true of both scientific/quantitative and qualitative methods. The goal of the researcher should be to embrace the proper method for a project. Doing so requires that the client has an open mind.

Do Clients Acknowledge the Analyst's Choice of Methods?

Methodological chauvinists who prefer scientific/quantitative analysis may want the research they commission to utilize these methods. Doing so, however, can tie the hands of the competitive intelligence professional. To professionally do their job, analysts need to be able to make decisions based on the situation and not merely cater to the whims of the client. The following questions deal with this issue.

1. Do clients demand that certain methods be used when researching and analyzing a particular project?

Professionals should be allowed to pursue their tasks with a minimum of interference. To whatever degree others dictate the strategies to be used, the analyst's professionalism is compromised.

2. Do clients treat analysts like they are mere technicians who should do their bidding without question?

"Technicians" are merely functionaries who do the bidding of others, in more or less routine ways. If analysts are treated in this manner, they will not be allowed to make a maximum contribution to their organization. Analysts are professionals and they should be treated as such.

3. Do clients continually second guess the analyst?

If clients routinely second guess analysts, that is a clear sign that the analysts and their judgments are not respected.

4. Are analysts fearful of standing up for what they feel is right?

All professionals should be encouraged to do their job and to take a stand regarding what they believe is right. If, strategically, it is unwise for analysts to do so, their position is severely compromised and the quality of their work undercut.

5. Do clients seem to have respect for analysts and their work?

While some clients may have little respect for analysts and for qualitative techniques, others may show respect and confidence. To what degree do clients respond in this positive way? Is there a pattern throughout the organization or do individual clients respond in their own specific manner? How does the corporate culture function in this regard?

To be effective, analysts need the respect and support of their clients. Part of this respect and support involves affirming that analysts have the ability to make a decision to use qualitative methods when doing so is appropriate. Without this authority, the professionalism of competitive intelligence will be severely compromised.

Do Clients Acknowledge the Tradeoffs Inherent in Methodological Decisions?

All methods have their strengths and weaknesses. Methodological choices should be made with a recognition that certain benefits are gained by incurring certain costs. Thus, the choice of a method is strategic and tactical. No method is perfect; the use of specific tools must be assessed in terms of the goals of the research and the circumstances that are faced. The following questions address the degree to which clients act in accord with this basic truth.

1. Do clients see both the costs and the benefits of various decisions?

Decisions need to be made based on some sort of cost/benefit analysis. As a result, it is vital that the client envision both the costs and the benefits of a particular decision.

2. Do clients understand that to receive certain benefits, other specific costs must inevitably be incurred?

Choices are tradeoffs. Accepting the proper tradeoff is the name of the game. That is true in research just like everything else.

3. Do clients understand the costs and benefits of scientific/quantitative research?

In order to perceive the value of choosing qualitative methods, it is necessary for the client to focus on the cost and benefits of scientific/quantitative methods. Are clients able to objectively do so?

4. Do clients understand the costs and benefits of qualitative research?

Just as it is necessary to understand the costs and benefits of scientific/quantitative methods, it is also necessary to be able to perform a similar evaluation of qualitative options.

5. Does the client believe that the analyst can also perceive the cost and benefits of specific decisions and that the analyst is making a decision that is in the best interest of the client?

Clients need to trust the judgment of their subordinates. If this is not the case, analysts will not be given the authority to act in a truly professional way.

Being able to objectively understand the tradeoffs inherent in various methodological decisions is, perhaps, most crucial when projects are being planned and implemented. By affirming that all methods have their costs and benefits, it becomes easier to justify whatever technique is most appropriate.

Do Clients Rely upon Scientific/Quantitative Research to Protect Themselves?

Some clients may rely upon scientific/quantitative methods in order to be able to justify their actions (especially if attacked by rivals or when a project goes sour). In these cases, methodological decisions are not made in view of the research problem at hand, but as a ploy of corporate gamesmanship. Analysts should not be forced to waste time and compromise their work for such trivial reasons. These questions assess the possibility of being subjected to such a fate.

1. Are scientific/quantitative methods an unassailable litmus test within the organization?

Many organizations tend to place a very high emphasis upon scientific/quantitative research. Where this is true, decision makers might exhibit an unhealthy tendency to rely on this kind of analysis as a tactic to protect themselves.

2. Are qualitative methods clearly used for preliminary research and not for definitive research that will impact policy and strategy?

Many decision makers use qualitative research in order to define problems that can later be tested in more scientific/quantitative ways. If this is true, qualitative methods may not be respected.

3. Does the client need "numbers" when giving a presentation?

Many clients tend to be "number conscious" and want "numbers" (quantitative ev-

*idence) when making presentations. These clients either have little respect for qual-
itative research or doubt that it will be taken seriously within the organization.*

4. Does the client commission scientific/quantitative research even when it is obvious
   what the course of action will be?

   *If this is the case, the client is probably conducting research in order to justify an
   action to win acceptance. This is evidence that qualitative research is not taken se-
   riously within the organization.*

5. Does the client demand scientific/quantitative findings when rivals are proposing pro-
   jects?

   *By answering this question, the analyst can come to grips with the degree to which
   the client uses scientific/quantitative evidence as a measure of accuracy and rigor
   when evaluating the work of others. A tendency to do so will probably indicate that
   scientific/quantitative methods are dominant.*

In many organizations, scientific/quantitative methods are the standard by
which all other analysis is judged. Where this is true, clients may be forced to
conduct scientific/quantitative research in order to protect themselves. While
doing so may be a good tactic of organizational gamesmanship, it can also waste
time and money, and it dilutes the effectiveness of the research staff.

Is the Organization Willing to Invest in Qualitatively Oriented Analysts?

Although organizations may "talk the talk" of qualitative methods, they might
hesitate to "walk the walk." For analysts to gain the expertise required to pro-
fessionally do their job, it might be necessary for them to gain long-term ex-
posure in specific areas. This "on-the-job training" may entail significant costs
to the organization, and these skills are not readily transferrable. Is the organi-
zation willing to support qualitative research if it means this kind of commit-
ment? The following questions deal with that issue.

1. Is the organization "lean and mean"?

   *In today's corporate world, downsizing is a key strategy. A tactic of this downsizing
   is to have employees perform many tasks and outsource tasks that are not performed
   on a routine basis.*

2. Are employees expected to "wear many hats"?

   *Does the organization expect people to do many things and be versatile? To what
   degree are employees not allowed to specialize? Can specialization be the "kiss of
   death" to one's career? If so, investing in specialized skills will not be a priority.*

3. Is there a pattern of analysts cycling in and out of the organization quickly?

   *Do people quickly join and leave the organization? If so, they might not be in a
   position to gain the specialization they need to effectively deploy qualitative methods.*

If employees do not stay with an organization for long periods of time, the organization will not be willing to invest heavily in them.

4. Do clients feel that competitive intelligence is a set of techniques that can be routinely applied to any project at hand?

   Although competitive intelligence is a complicated profession, this fact might not be obvious to the client. If the client does not recognize the distinctiveness of competitive intelligence, it might appear that anyone with minimal computer savvy can perform the basic tasks of competitive intelligence professionals. If so, the client and organization will probably not be willing to invest heavily in competitive intelligence analysts.

5. Does the organization believe that providing analysts with specific and long-term exposure to the subjects they research is a legitimate and expected cost of business?

   If the organization believes that its interests are served by providing long-term and specialized training to analysts, it will be willing to invest. Without this belief, it will not be willing to do so.

Not all organizations are willing to invest in analysts in ways that allow them to gain the expertise they need to most effectively do their job. Because competitive intelligence involves applying intuitive and subjective analysis to a diverse data set, analysts need a long-term and sophisticated exposure to the phenomena they analyze. Unfortunately, some organizations are not willing to provide this support. When organizations do not, the competitive intelligence function suffers and their product degenerates.

The responsiveness of clients and organizations to qualitative methods, therefore, is a key issue that needs to be considered. Competitive intelligence professionals do not live and work in isolation. What they do and how they do it will be closely tied to the orientations of their organizations and clients.

INTERCONNECTEDNESS OF BOTH

While the two measures discussed above—(1) skills of analysts and (2) respect of clients—are independent, they are closely interconnected. Thus, if clients have little respect for qualitative methodologies, the people that the organization has hired in the past will probably not be particularly strong in that regard. As a result, clients who have never been offered professional qualitative analytic services will probably not think of using them, and analysts who are seldom allowed to employ qualitative methods will not develop sophisticated expertise in that area; the cycle goes on.

This is a cycle, however, that needs to be broken. Competitive intelligence staffs need to develop their qualitative toolkits and clients need to make use of qualitative methods when they are appropriate. If not, both the competitive intelligence function and its clients will suffer.

HIRING NEW STAFF AFTER AN AUDIT

Having completed a qualitative audit, it should be possible to assess if there is a need to acquire additional qualitative skills by hiring individuals with qualitative expertise. In addition, the audit should provide a "feel" for the organization and the degree to which qualitative methods will be treated with respect.

Ideally, adding new staff members with qualitative skills should be done in tandem with efforts to help clients to recognize the benefits to be derived from qualitative methods. Hiring humanists and social scientists with the required abilities should be fairly easy because many skilled candidates with advanced training are underemployed. The "care and feeding" of these atypical recruits, however, may be a challenge for those who usually deal exclusively with business school graduates and/or veterans of the private sector. Nonetheless, the rewards of doing so can be many.

UPGRADING STAFF AFTER AN AUDIT

"Upgrading staff" means taking the existing analysts and helping them to gain the skills they need in order to more effectively employ qualitative methods. Some of this upgrading may include academic work. In business schools, graduate courses in consumer research and marketing research may be particularly useful. If courses on qualitative methods exist, they will be particularly appropriate. Other disciplines (such as education departments) are also striving to embrace qualitative methods and they might offer courses on qualitative techniques.

Analysts may also want to go straight to the qualitative disciplines. An anthropological methods course would be a logical choice. Various seminars in the theory and methods of disciplines such as literary criticism would be appropriate. The fields of American studies and popular culture will also provide much useful information and valuable techiques.

The goal here is to upgrade the qualitative skills of researchers in order to take full advantage of qualitative techniques. In many organizations, qualitative methods have not been emphasized. As a result, the qualitative skills of analysts who work within such organizations have, no doubt, atrophied. Nonetheless, these are proven professionals and they may merely need an injection of state-of-the-art qualitative methods to return to peak form.

CONCLUSION

In order for competitive intelligence professionals to understand the degree to which qualitative methods are a vital part of the organization, assessing analysts' skills and determining the degree to which the organization respects qualitative methods must be considered. By addressing these questions, it is possible

to conduct a qualitative audit that measures the situation within a particular organizational setting.

Once the audit is conducted (formally or informally), analysts will be in a position to plan a course of action that may include upgrading skills and grooming clients so they can better appreciate the benefits of qualitative research.

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Epilogue: The 10 Percent Edge

Qualitative methods in business will probably always constitute but a fairly small percentage of the total research efforts which are conducted when seeking to understand customers, competitors, and collaborators. These statistics, however, should not lull us into underestimating the importance of qualitative research. Due to the fact that qualitative research is often not appropriately and professionally pursued, its relevant and strategic use can easily emerge as the "wild card" of competitive effectiveness.

Most organizations are skilled in gathering and assessing scientific and quantitative data. As a result, these tools, being universally available, do not provide a distinctive competitive edge to those who have mastered them. Although the organization may be handicapped if it lacks scientific and quantitative research skills, it will also be at a disadvantage if it has not mastered qualitative methods.

Organizations that are skilled at using qualitative methods, however, may find that they do enjoy a distinct advantage because many of their competitors, customers, and collaborators have not learned to use these techniques and, therefore, they will not be in a position to benefit from the insights they offer.

The reader may rebut that qualitative intelligence may only account for 10 percent of the data that is used to make decisions, but if an athlete loses a footrace by a 10 percent margin, the defeat is devastating. The same is true of strategists who miss 10 percent of the information that they need when making decisions.

Appendix 1

The Use and Abuse of Warfare and Sports Analogies

Warfare and sports analogies are among the most seductive metaphors used in the business world. The basic orientation of these illusions is to equate the conflicts an organization faces with warfare and athletic competition. In terms of game theory, warfare and sports constitute what may be considered to be "zero-sum games"; the goal is victory and the only way to achieve it is for the competitor to lose.

Certainly, circumstances exist where the zero-sum game model legitimately depicts the relationship between an organization and its competitors, and many occasions exist where warfare and sports analogies that are hinged around winning and losing are appropriate analogies by which an organization can view itself and its predicament.

Many organizational leaders, furthermore, are comfortable being compared to military warlords or sports heroes, and the strategies of combat may parallel the tactics that businesses use when they struggle with competitors. Certainly, warfare and sports analogies have their uses.

Nonetheless, these analogies can be abused or overworked. A basic limitation of warfare and sports analogies is that they draw attention away from the fact that, strategically, organizations basically exist to serve, not to compete. Providing goods and services that customers and clients want is the most essential essence of strategy; other decisions are, in the final analysis, tactical. Organizations and their leaders need to remember this profound truth.

It is useful to juxtapose the warfare/sports analogy with the perspectives (stemming from marketing) that organizations exist, primarily, to serve. Focusing around clients or customers draws attention to the most basic strategic decisions that organizations must make. In addressing this perspective, specific issues need to be discussed. They include:

In the discussions to follow, the warfare/sports paradigm will be juxtaposed with marketing perspectives that center upon service, not competition.

THE NATURE OF STRATEGY

Those who embrace warfare/sports analogies think of strategy in terms of competing against a rival. To these people, competition is the main strategic consideration. The main focus is on defeating others.

To those who are primarily influenced by marketing, the most basic strategy of the organization is serving others. Certainly, the organization may face competition. Confronting rivals and competitors is a very real activity; doing so must be pursued in conscious and forceful ways. Nonetheless, according to marketing theory, the essence of strategy revolves around service, not competition.

THE PRIMARY GOALS OF ORGANIZATIONS

According to the warfare/sports analogy, the primary goal is to compete for profits (that are equated with victory). Profits are viewed as the major purpose for competition, just as winning is the primary purpose of playing a game or fighting a war. According to these perspectives, the success of the organization is measured in terms of successfully confronting others.

According to marketing theory, the purpose of an organization is to serve. The better an organization serves its chosen target market, the more effective it is, and effective organizations tend to enjoy profits. Thus, according to marketing, profits (the underlying goal driving the organization) are actually a beneficial side effect of service. By providing legitimate service at a fair price, profits accrue; thus, profits are tangible evidence of a job well done. This vision of organizational effectiveness is not primarily based on conflict, but is keyed to providing service in cooperative and mutually beneficial ways.

Indeed, in many cases, organizations systematically seek to avoid conflict. Thus, an organization may choose not to compete against a potential rival and, instead, respond to the needs of a target market that is not presently being adequately served by anyone else. In these cases, conflict is overtly avoided and the organization relies primarily upon providing service in order to achieve its goals.

By transcending the warfare/sports analogy and by embracing the marketing

perspective, competitive intelligence professionals can most effectively embrace the modern philosophy of business that service is the key to success.

THE KEY TACTIC USED TO ACHIEVE THE STRATEGY

According to warfare/sports analogies, the key tactic organizations use is to actively and forcefully compete against rivals. By competing, organizations seek to become more effective and to win business at the expense of rivals. According to this metaphor, the most successful organization wins because it competes more effectively. Although marketers recognize that competition may take place, marketing theory focuses primarily on providing customers and clients with sought-after options. All strategists need to acknowledge both the threats and weaknesses of their competitors and the wants and preferences of their customers/clients. Nonetheless, those who embrace the warfare/sports analogy concentrate on competition while those influenced by marketing view service as primary. In many ways the popular warfare/sports analogy, seductive though it may be, draws attention away from the importance of service and it can emerge as counterproductive for that reason.

Organizations exist, basically, to serve customers and clients. As a result, paradigms that focus on service should underlie the most basic strategies and tactics of organizations.

MEASURES OF SUCCESS

Those who embrace the warfare/sports metaphor measure success and failure in terms of how well organizations compete against rivals. Assuming that the fact of winning implies that someone else has to lose, victory and defeat are seen to be linked in inevitable ways.

According to marketing theory, success is measured in terms of service, not victory. Marketers believe that all stakeholders should benefit from an exchange. According to this perspective, the key relationship is not competition, but involves cooperation and mutual benefits that accrue to all involved parties. Thus, marketers measure success in terms of service while the warfare/sports analogy thinks in terms of successful competition against a rival.

These considerations are depicted in Table A1.1.

For a number of reasons, warfare and sports analogies are very popular within the business world. This popularity stems, in part, from the fact that organizations often are in conflict. In addition, leaders and decision makers find analogies that are based on sports and military leaders to be attractive.

Useful though the warfare/sports analogy may be, it draws attention away from the fact that organizational strategy basically seeks to provide services to customers and clients. Everything else, ultimately, is a tactic. It is hoped that competitive intelligence professionals will keep this fact in mind when negotiating with clients and pursuing analysis.

Table A1.1
Warfare/Sports versus Marketing Paradigms

Issue	Sport/Warfare/Competition	Marketing/Service
Nature of Strategy	Organizations achieve goals by defeating others.	Success is a side effect of service and cooperating with others.
Prime Goal of Organization	Successfully compete.	Successfully serve.
Measure of Success	Defeating others.	Mutual benefits to all.
Key Tactic	Undermine opposition.	Build loyalty.

Appendix 2

The "Care and Feeding" of Humanists

A basic theme of this book is that the qualitative tools, techniques, and perspectives that stem from the social sciences and humanities have a significant contribution to make to competitive intelligence. Earlier, it was mentioned that, in the case of humanists, many well-trained professionals are unemployed or underemployed; as a result, recruiting candidates with the appropriate skills and areas of specialization is a realistic goal.

Nonetheless, humanists tend to be very different from job candidates and employees who are products of practitioner-oriented disciplines (such as business and the social sciences); although candidates from the humanistic disciplines may have the skills and knowledge that are required to be of service to the competitive intelligence profession, they may not possess the temperament and/or personal style that are required for effective involvement within the private sector. Because humanists tend to be different from typical private sector employees, strategies of recruitment and motivation must take their distinctiveness into account. Here are a few thoughts on how to do so.

THE HUMANISTIC CHARACTER

It is, of course, impossible to accurately characterize a large number of people in a uniform way. Nonetheless, it is useful to draw a general, albeit an imperfect and incomplete, profile of humanists as a distinct and somewhat homogeneous group. In general, humanists who have completed a complex course of graduate study are mature individuals who have gained extensive training in a specific area. They are also dedicated individuals who consciously chose to pursue careers in areas where they realized that their opportunities were few and not very

lucrative. In addition, the humanist disciplines have their own elan and they often shun the private sector and the "work-a-day" practitioner world.

In order to draw an appropriate profile of humanists, it may be useful to think in terms of seven different characteristics that may exist (in varying degrees) within specific humanist employees and job candidates. A collection of humanists, of course, is not a covey of clones; each person is distinctive. Nonetheless, discussing some common characteristics may provide clues of value when evaluating humanists. They include:

1. Humanists Planned/Trained for a University Career
2. Humanists May Feel that They Are Failures
3. Money/Power May Not Be Yardsticks of Success for Humanists
4. Humanists Tend to Possess Intellectual (Not Practitioner) Pride
5. Humanists Tend to Be "Loners" at Work
6. Humanists May Be Distrustful/Resentful of Practitioners and the Private Sector
7. Humanists May Feel Abused and Misunderstood

Each will be briefly discussed.

Humanists Planned/Trained for a University Career

In today's world, there is but one primary career path for individuals who seek a humanities Ph.D.: the academic world. To be more specific, these individuals tend to seek a position at a "research institution," although the realities of the job market often require that even highly motivated and talented individuals expand their job search to include "teaching institutions" where research and publications, while officially praised (and possibly required to gain tenure), are not supported or rewarded in meaningful ways.

In general, younger candidates and those who come from the more prestigious universities will tend to be more stubbornly committed to a "research institution" job (or at least a university position). Older candidates and those who were trained in what are referred to as "second tier" graduate programs will probably be more receptive to offers from the private sector because they will realize that their primary goal of joining a research university probably won't be achieved. Frustrated faculty at "teaching institutions" who are poorly paid and overworked may be particularly open-minded regarding private sector opportunities.

Humanists May Feel that They Are Failures

Because humanist job candidates will tend to have been unsuccessful in pursuing their chosen career path (at a research university), they are likely to feel that they are unsuccessful. Besides feelings of failure, many candidates will taste a bitter loss as cherished dreams of an academic career fade. The pain may be

all the more acute if these humanists feel they are being cut off from what they hold dear; after all, a humanities career was probably planned because of strong emotional needs for a particular lifestyle, which drove talented people to spend many years gaining a Ph.D.

In addition, humanists may fear being shunned by their peers and former colleagues if they choose to join the private sector. (The author, for example, has often been treated like a leper at humanistic professional conferences, when it was revealed he was working in marketing.)

Money/Power May Not Be Yardsticks of Success for Humanists

The vast number of people want "the better things in life" that money will buy and the security that a good salary will bring. That is as true of humanists as it is of anyone else. Many people in the private sector, however, also look at money and power as yardsticks of success; such people seek money not merely for its tangible benefits, but also for the image it creates, and the "bragging rights" that go with affluence.

For humanists, however, money, conspicuous consumption, and the trappings of power and prestige associated with wealth are less likely to be major motivators that influence behaviors and decisions. Perhaps, in time, humanists may come to conform to the norms of a corporate culture and begin to value money for the status it bestows; initially, however, to use Thoreau's words, humanists will probably "listen to the beat of a different drummer." Furthermore, many humanists will probably never embrace money and material goods as status symbols and they will never primarily judge themselves in terms of corporate accomplishments or organizational rewards. They are more likely to do their jobs as well as possible, attain a measure of satisfaction from professionally accomplishing their tasks, and judge themselves using other criteria.

Humanists Tend to Possess Intellectual (Not Practitioner) Pride

While many in the private sector are motivated by money, power, and the image bestowed by them, humanists tend to be more influenced by prestige within a fairly small peer group; this prestige, furthermore, tends to stem from intellectual prowess, not material affluence or "mainstream success." Humanists are just as prideful as anyone else, but their pride tends to stem from very personal achievements (intellectual pursuits or clout), not from the status symbols provided by the organization.

Humanists, as a group, tend to relish intellectual "one-upsmanship" in ways that are analogous to others buying a new car in order to "keep up with the Joneses." If this tendency is recognized, organizations that hire and motivate humanists can create a work environment that appeals to them. In so doing, the organization can provide meaningful challenges that have an ability to motivate humanists.

Humanists Tend to Be "Loners" at Work

Humanists tend to work in relative isolation, even if they have their own networks and support groups. Drawing an idiosyncratic interpretation of 19th century Russian novels, for example, is hardly a group exercise. Thus, humanists tend to be self-motivated, love to work alone, do not typically respond well to supervision, and often shun collaboration. By being aware of these preferences and work habits, the organization can create an organizational milieu in which humanists can feel at home.

Humanists May Be Distrustful/Resentful of Practitioners and the Private Sector

To paraphrase British intellectual C. P. Snow, many humanists believe that there are two conflicting "cultures" in the modern world, that of the mind versus that of the applied, practitioner world. Many humanists feel that they represent the world of the mind and that their world is superior to its more practitioner-oriented counterpart. Nonetheless, these humanists also recognize that their "world" has lost status and power in today's cultural, social, and economic milieu. As a result, they may feel superior, on the one hand, and distrustful and/or resentful of the "rival" practitioner world, on the other.

Humanists May Feel Abused and Misunderstood

Part of the perception of being abused and misunderstood that is sensed by humanists may be directed at the university system which they were unable to join. In addition, humanists may feel that they are misunderstood and abused by anyone who seeks to channel their future development and their careers away from the ivory tower. As a result, it is important to be aware of this potential and take active steps to mitigate these feelings.

Although it is difficult to depict a "cut-and-dried" humanistic personality and pigeonhole all humanists according to it, organizations can benefit by striving to understand the humanist worldview and how it differs from "mainstream business people" (another intellectual construct). By doing so, the organization can better understand and become more responsive to this atypical group.

RECRUITING HUMANISTS

Since humanists tend to be different in significant ways from more "mainstream" job candidates, they must be recruited with these differences clearly in mind. By approaching humanists in relevant and informed ways, the recruiting process can more effectively attract candidates and more appropriately evaluate those who show an interest. In providing advice in this area, six specific cate-

gories of suggestions are made. By thinking in these terms, it may be possible to more effectively recruit humanistic candidates. They include:

1. Be Wary of Those Who Reject Their Old Life in Hyperbolic Ways
2. Be Wary of Those Who Are too Connected to Their Old Life
3. Look for a Flexible Personality
4. Look for Specific Tools and Skills
5. Look for an Ability to Adapt to the Private Sector and Its Needs
6. Look for Candidates Who Are Not at Odds with the Practitioner World

Each will briefly be discussed below.

Be Wary of Those Who Reject Their Old Life in Hyperbolic Ways

There are humanists who, having made a transition to the private sector, hyperbolically dismiss their earlier life as laughable, immature, and totally un-related to adulthood. Their view of themselves seems to paraphrase the verse in the Bible that speaks of "becoming a man and putting away childish things."

One can both wonder about these people and feel sorry for them. People who spend many years pursuing an elaborate graduate program acquire a set of spe-cific skills and perspectives. Although these skills and perspectives may not completely fit the current job market, they can often be adjusted or fine-tuned in innovative ways that serve organizational needs. It is this type of innovation and initiative that recruiters should seek. Those who are intent upon rejecting and transcending their earlier life may lack the ability to do so.

Furthermore, there should be concern about people who will completely turn their backs on their formative years and on a personal and professional quest merely because they are unable to gain a coveted university appointment. This kind of rejection seems to be inappropriate and unhealthy and may be an indi-cation of possible trouble down the road.

Be Wary of Those Who Are too Connected to Their Old Life

It is reasonable (and a sign of being a well-adjusted individual) for humanists to continue to pursue their interests even if their lives and careers change. This author, for example, spends his spare time helping to produce folk festivals and doing sound work for the Rock and Roll Hall of Fame (with longtime friend John Reynolds), and, in many ways, feels happiest in that milieu. I realize, however, that this kind of work is merely an avocation pursued for pleasure alone, and that it is unhealthy to think of it in any other way.

Some humanists, however, may be so closely connected to their old life that it continues to dominate them in inappropriate and counterproductive ways.

While it is good for people to maintain their interests throughout their lives, if they join the private sector, they need to mentally adjust themselves and to place these interests in a proper perspective. There have been many cases where this adjustment could not or did not take place. The results of this inability can be profoundly negative.

Look for a Flexible Personality

The private sector is very different from university life. Some people are so rigid in their goals and expectations that they cannot adequately adjust to the private sector. If they cannot, any successes or potentials these candidates show may turn out to be "flashes in the pan."

Look for Specific Tools and Skills

The humanistic professions are not uniform any more than the business disciplines are. It would be a mistake to hire a cost accountant when what you really need is an advertising copywriter. The skills of different categories of humanists are just as distinctive; it is important to assess your exact needs and then recruit accordingly. In the chapter on humanists, for example, it was indicated that some literary critics tend to focus on the larger, overarching culture while others concentrate on the distinctiveness of individuals and circumscribed groups. Each critical style has its own traditions and the two are not readily interchangeable. The recruiter must determine exactly what is required and then recruit with those needs in mind.

Look for an Ability to Adapt to the Private Sector and Its Needs

As indicated above, humanists who enter the private sector may experience the traumatic transition of abandoning a long-cherished goal and embracing a new way of life that may be at odds with highly valued priorities. Not all humanists can successfully make this transition. Attempt to assess the degree to which specific candidates can do so.

Look for Candidates Who Are Not at Odds with the Practitioner World

Many humanists feel that their preferred way of life is at odds with the private sector. As a result, they may always feel uncomfortable working in the private sector and be ineffective in that environment. Look for any clues that may indicate that the candidate will be unable to be happy and "at home" in the private sector. If such clues exist, attempt to determine the degree to which these

feelings will be transitory or permanent. Remember, you want candidates who will fit into the private sector as well as possessing the required analytic skills.

In general, examining these criteria can provide a means of better understanding and predicting how specific humanists will probably respond to a private sector environment. The transition from the university to the private sector is not appropriate for all humanists. As a result, many such individuals will be ineffective in the private sector and they will underachieve (or actually be counterproductive) in such a setting. Hopefully, this discussion will help recruiters to focus on the most appropriate candidates.

MOTIVATING HUMANISTS

Although it is important to recruit humanists who have an ability and a flexibility to adjust to the private sector in positive and productive ways, it is also true that humanists are different from "mainstream" employees and that these differences need to be recognized. Here, a few suggestions on how to motivate humanists and keep them happy are provided.

This discussion will make use of Fredrick Herzberg's well-known "2 factor theory" of motivation. Herzberg (1968) suggests that two different types of factors influence behavior. The first are called "maintenance factors"; they do not truly motivate people although their absence negatively impacts people. The second are what Herzberg calls "hygienic factors that truly motivate people." Somewhat parallel to Abraham Maslow's (1970) hierarchy of needs, maintenance factors are at the lower end of Maslow's continuum (such as safety needs), while hygienic factors tend toward the higher end of Maslow's hierarchy (such as self-actualizing). Herzberg's model provides a useful way of discussing how to motivate humanists.

Maintenance Factors

As with any other employees, humanists need some sort of job security and adequate financial compensation for their efforts. In addition, it is important that great care is taken so that humanists will feel they are being equitably treated. This is especially important because many humanists will suspect that they will not be fairly treated or given opportunities that parallel those provided to others. If humanists feel they are not being fairly and equitably treated, they will find it hard to maintain the morale that is required to consistently do top quality work.

Hygienic Factors

One can motivate humanists by recognizing an array of hygienic factors that uniquely influence them. Three representative motivators will be discussed including: achievement, recognition, and comradery.

Humanists seek to achieve in ways that are meaningful to them. They typically seek to individually work and rework ideas in order to explain how and why people act in the way they do. Futhermore, humanists often pit themselves and their methods against the more formal methods of science and quantitative analysis, and they take pride in inferring data from diverse sources. Ultimately, these work styles and measures of achievement are closely akin to those of espionage/intelligence professionals; supervisors can easily link such needs for achievement with the work of competitive intelligence.

Like other people, humanists typically seek to be recognized for their accomplishments. In view of the fact that, historically, the business world has had little respect for qualitative methods, organizations may need to devise meaningful ways to provide appropriate recognition for those who provide qualitative contributions. Hopefully, this adjustment will be part of a larger campaign to recognize and benefit from all qualitative researchers and their accomplishments. Humanists are distinctive. They may respond to specific maintenance and hygienic factors in their own unique ways. As a result, it might be necessary to devise methods of satisfying their needs in a distinctive manner that takes them and their motivations into account.

Building an environment where humanists will be comfortable and where they will experience a sense of comradery with like-minded colleagues is an important task. In organizations with large competitive intelligence divisions, creating this atmosphere may not be particularly difficult. In many organizations, however, a lone humanist may be "marooned" among a covey of mainstream "business types." In these circumstances, humanists may be vulnerable to significant morale problems merely because they can easily become alienated and lonely.

One possible way of dealing with this situation is to locate a humanist close to other like-minded colleagues even if this necessitates placing his/her office somewhat removed from direct supervisors and colleagues. Humanists, for example, will probably feel a kindred spirit toward advertising copywriters even though the competitive intelligence staff would be in another corporate division. By locating the office of the humanist close to these "creative types," however, he/she would be provided with the companionship required to feel "connected" with others of similar interests.

DISCUSSION

Humanists have significant contributions to make to competitive intelligence. Nonetheless, since they are markedly different from "mainstream" business employees, they may need to be treated in substantially different ways. Here, observations were made regarding the humanistic character, how to recruit humanists, and how they can be motivated. Hopefully, the suggestions made will provide clues on how to most effectively recruit humanists and benefit from the significant contributions they are poised to make to the competitive intelligence effort.

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About the Author

ALF H. WALLE III (John Wiley Jones School of Business, SUNY Geneseo) has moved between college-level teaching (business, anthropology, English, tourism) and consulting in business and marketing. He has also worked for the Smithsonian Institution. Among his significant contributions to his fields has been the development of ways to merge the qualitative social sciences and humanities with marketing theory and practice. This is the first of three books that Dr. Walle plans for Quorum, all of which will explore the relationship between marketing and the social sciences.