

Standards



Sub-contractors competing with market research firms for their clients, using the research firm's methodology: what can be done about it

INTRODUCTION

The following is a summary of an interview on the topic of sub-contractors who compete with market research firms for their clients, using the market research firm's methodology. The interview was conducted by Wayne Brighton of the Standards Committee with Lee Robinson, Compliance Officer at MRIA and a member of the Standards Committee.

Q#1

Please describe the nature of the problem of sub-contractors competing with market research firms for the firm's clients, using the research firm's methodology, based on what you have seen as MRIA Compliance Officer.

The source of the problem appears to be market researchers not having a specific contract with the sub-contractor as to the scope and ownership of the relationship, and not including a non-compete clause regarding the use of the researcher's methodology.

Just to clarify, is the problem specifically that of the sub-contractor using the research firm's methodology, or broader than that?

The problem is the sub-contractor using the research firm's methodology and attempting to poach the contractor's client. The client may be willing to have the sub-contractor provide the research services at a reduced rate.

Q#2

Is this problem very prevalent?

I cannot say that the problem is prevalent. However, it is an issue that comes up periodically.

Q#3

Is this problem dealt with adequately in the typical contract between a research firm and its sub-contractors?

Medium-size and large firms may have dealt with this issue in their contracts with sub-contractors. However, there may be firms with limited resources that have not addressed the content of contracts with their sub-contractors adequately.

Q#4

What solutions or "fixes" would you recommend to market research firms in order to eliminate/ minimize this risk of "poaching"?

One way to minimize the risk of poaching is to have a strong contract in place. This contract would not eliminate the risk, but the potential legal cost for attempting to poach an existing relationship can be very expensive.

Any others?

Another good practice is to use members of the MRIA. They must adhere to the MRIA Code of Conduct, and the MRIA adjudication process is available to members. However, MRIA cannot enforce its standards on non-members.

Q#5

What specific recourses does a market research firm have if they feel a sub-contractor has "poached", as in competing with the firm for the firm's client, using the firm's methodology?

A member of the MRIA may approach the incidence of poaching in the following ways:

1. Contact the sub-contractor and try to resolve the situation;
2. A member firm may file a complaint if the alleged offender is a member of the MRIA. The firm or individual filing the complaint against the member does not have to be a member of the MRIA; and,
3. Legal action.

Of course, there is the option of doing nothing and chalking up the incident to a lesson learned.

Q#6

To what extent is this issue dealt with in the current MRIA Code of Conduct?

The MRIA Code of Conduct deals with this issue in its Articles: "Article 1- Basic Principles" covers this.

ARTICLE 1 - BASIC PRINCIPLES

- a. Market research shall be legal, truthful and objective and be carried out in accordance with established and appropriate scientific principles.

- b. Researchers shall not knowingly act in a manner that could bring discredit to the market research profession or lead to a loss of public confidence in it.
- c. Market research shall be conducted with professionalism and ethics, and conform to the last updated December 2014 accepted principles of fair competition.
- d. Market research activities shall be clearly distinguishable and separate from non-research activities. Examples of non-research activities include, but are not limited to, any commercial activity directed at individual respondents, such as advertising, sales promotion, direct marketing, direct selling.

To what extent does the MRIA's Privacy Policy apply to this situation?

The MRIA Privacy Policy may apply if the sub-contractor is using information for purposes other than what was agreed with the original researcher. The client the sub-contractor approaches would be the one to initiate a claim of the abuse of their private information. There is also the question of fairness and ethical conduct, as noted above.

Q#7

What actions would you recommend for the MRIA itself on this topic going forward?

The MRIA has always been pro-active in taking actions to inform members about the current risk and to ensure that they have adequate sub-contractor contracts.

Any other actions by the MRIA?

The MRIA will continue to send periodic reminders to our members.

Q#8

To summarize, what is the most important advice you have for market research firms on this topic?

Members must have well-written contracts to ensure their intellectual property is protected. I would strongly suggest that members seek legal advice when drafting this type of contract.

Also, if members conduct business with other MRIA member firms, then in the event of a dispute the MRIA has a complaint adjudication process which is available to all members: a condition of membership is adherence to the Code of Conduct of the MRIA.

Q#9

Any other thoughts?

Caveat emptor: do a thorough screening of your sub-contractors. The MRIA will confirm if the firm or an individual is a member of the MRIA.

That said, please note that following these instructions is not a guarantee that the relationship between members will always be smooth.