

**COMPETITIVE INTELLIGENCE PRACTICES BY
FM RADIO STATIONS OPERATING IN KENYA.**

BY

SIMON KIPKORIR SANG'

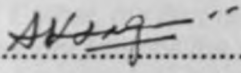
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**A MANAGEMENT RESEARCH PROJECT
SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE DEGREE OF MASTER OF
BUSINESS ADMINISTRATION (MBA), FACULTY OF
COMMERCE, UNIVERSITY OF NAIROBI.**

SEPTEMBER 2001.

DECLARATION

This Management Project is my own original work and has not been presented for a degree in any other University.

Signed..........Date.....12.11.2001.....

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This Management Project has been submitted for examination with my approval as the University Supervisor.

Signed..........Date.....12/11/2001.....

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DEDICATION.

To my Wife Joyce and my Children Faith and Fanuel, my Grandmother Leah, my Parents Samuel and Esther, my Brothers and Sisters Jane, Sarah , Zachary, Philemon, Viola, and step-family with all my love for the sacrifice that you made. And most of all to Jesus my hope and savior.

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LIST OF TABLES.

Tables	Page
4.1.1: Profiles of Stations.	22
4.1.2: Programs Offered	23
4.1.3: Level of Competition	24
4.2.1: Awareness Level of Competitive Intelligence	26
4.2.2: Factors in Competitive Intelligence	29
4.3.1: Competitive Intelligence Practices	32
<i>Factor Analysis Tables</i>	
4.4.1 - Total Variance Explained	38
4.4.2 - Pattern Matrix	38
4.4.3 – Total Variance Explained	40
4.4.4 - Pattern Matrix	41
4.4.5 – Total Variance Explained	42
4.4.6 - Pattern Matrix	43
4.4.7 –Total Variance Explained	44
<i>Summary Tables</i>	
5.1.1: Awareness of Competitor Activities.	46
5.1.2: Readiness for Competitor Activities.	46
5.1.3: Competitors Capabilities and Resources	47
5.1.4: Competitors Practices.	48
5.1.5: Industry Trends.	48
5.1.6: Competitor Strengths.	49
5.1.7: Competitor Key Advantages	50
5.1.8: Information Security Guidelines.	51

	Page.
TABLE OF CONTENTS.	
Declaration	i
Dedication	ii
Acknowledgements	iii
Abstract	iv
Abbreviations.	v
List of Tables	
CHAPTER ONE	1
1.0 INTRODUCTION	1
1.1 Background	1
1.1.1 Development of FM radio in Kenya	1
1.1.2 Development of Competitive Intelligence	3
1.1.3 Current Environment	5
1.2 Statement of Problem	7
1.2.1 Research Problem	7
1.3 Objective of Study	8
1.4 Importance of Study	8
CHAPTER TWO	9
2.0 LITERATURE REVIEW	9
2.1 Concept of Intelligence	9
2.2 Competitive Intelligence and Competitive Advantage	11
CHAPTER THREE	19
3.0 RESEARCH METHODOLOGY	19
3.1 Population	19
3.2 Data Collection Method	19
3.3 Data Analysis Method	20
CHAPTER FOUR	21
4.0 FINDINGS AND DISCUSSIONS	21
4.1 Profiles of Stations	21
4.2 Programs Offered	23
4.3: Level of Competition.	24
4.4: Characteristics of the Firms.	25
4.5: Awareness of Competitive Intelligence.	25
4.6: Factors in Competitive Intelligence	28
4.7: Competitive Intelligence Practices	31
4.8: Further Analysis	37
4.8.1: Awareness of Competitive Intelligence.	38
4.8.2: Factors of Competitive Intelligence.	40
4.8.3: Nature of Practices of Competitive Intelligence.	42
4.8.4: Legal and Ethical Issues.	44

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ABSTRACT

This study was aimed at surveying the use of competitive intelligence in gaining competitive advantage in the FM radio stations operating in Kenya. The specific objective was to establish the awareness level about competitive intelligence and the nature and extent of practices of competitive intelligence. Data was collected using personal interviews with the CEO's, Marketing Managers, and Administration Managers of the FM stations operating in Kenya. The data collected was analyzed and the following conclusions were made, that indeed the FM radio stations operating in Kenya;

- i) are aware (52.7%) of the strategy of competitive intelligence and they actually use it. That awareness represents the level of usage of the strategy. This means that 52.7% of the industry players are aware of and use competitive intelligence in trying to attain competitive advantage.
- ii) To a large extent, (59.4 %), the FM stations use the 12P's of competitive intelligence.

The 12P's, was a framework that was used in the study. These P's include:

Pedigree; name of Company, headquarters location, subsidiary or independent?

Physical Scale, number of plants, plant locations, number of employees. What geographic areas can they serve?;

Performance as an Investment, fiscal year ends on what date? Last year revenues, last year profits, performance trend of past two to three years. financial condition:- strong, satisfactory, shaky;

Pricing, their pricing attitude:- high and mighty, down and dirty. How do they respond to pricing competition?;

People, Who are the two to three most important players in the firm and what are their positions? What is their reputation as an employer?;

Positioning, what is their target market? What unique products (features) do they offer? What is this firm's short-term strategy? What is this firm's long-term strategy?;

Plans, do they want to hold position/grow aggressively? Are they targeting an acquisition or are they rumored as an acquisition/merger candidate? Are they rumored to be developing any products or services? ;

Performance as a Supplier, average delivery time, quality of service, service strengths, service weaknesses, hard/easy to resolve customer problems. What accounts would it hurt them the most to lose? Their business practices reputation are they: - Fully above board, Less than perfect? ;

Prestige in the Business Community, characterize their reputation overall. Has the firm had any legal or image problems? Does the firm (or its parent) have any strong charitable, social, or civic involvement? How about top management of the company? How is the company regarded within our industry? By our trade associations? ;

Probing for Data, do we have any employees recently recruited from them who should be debriefed? What customers either used this competitor in the past or use them in conjunction with us who are reliable information sources about this firm?

Prize Fights - Them and Us, which accounts do they have that we want? Who is their salesperson(s) for these accounts? What piece of the business (territory, market segment, etc.) do they operate in?;

Post Mortem, we will beat this competitor if we do the following five things right (list them. These stations also have put in place adequate training on ethical and legal guidelines for this purpose.

Abbreviations.

1.1 Background.

BBC- British Broadcasting Corporation.

CCK – Communications Commission of Kenya.

CI – Competitive Intelligence.

CIA – Central Intelligence Agency.

FM – Frequency Modulation.

KBC – Kenya Broadcasting Corporation.

SPSS- Statistical Package for Social Scientists.

VOA – Voice of America.

WWW – World Wide Web.

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CHAPTER ONE: INTRODUCTION

1.1 Background.

1.1.1 Development of FM Radio in Kenya.

Radio that which we know today, was introduced in Kenya during the colonial period. Then, it was just the simple not- so- far from the earlier Marconi wireless, which was of-course the prototype of all radios.

VOK (Voice of Kenya) as it was known was the first radio station in Kenya after independence. Then, radio reception was in form of Amplitude modulation (AM). Signals were received in the Short Wave (SW), Medium Wave (MW) and Long Wave (LW). VOK later became Kenya Broadcasting Corporation (KBC), which was actually the name during the colonial period before independence. It was a monopoly over airwaves until 1997.

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In the early 1990's there was glamour for liberalization of everything ranging from economic, political and even social and technological aspects of Kenya's society. Telecommunication being the heart of this was not spared. Prior to this liberalization, Kenya had only one radio station owned and run by the government. However, things changed in 1997 with liberalization of airwaves. More radio stations were licensed and allowed to operate. Most of the radio stations, which have entered the market, transmit their signal on Frequency Modulation (FM).

In the year 1997, the national broadcaster KBC set the pace with the introduction of Metro FM on 101.9 to cater for entertainment and sport. It was followed by Capital FM on 98.4, BBC on 93.7, Metro-East FM on 91.9, Citizen at 106.7, Family FM on 105.2, Nation FM on 96.4 by the end of 1999. The year 2000 has seen introduction of more

stations including Kameme FM at 101.1 and Kiss FM on 100.3. In a period of less than five years, the number of radio stations had increased to 12, which were in operation in early 2001 (Gachenga, 2000; Daily Nation, 6th June, 2001).

However, the regulatory body, the Communications Commission of Kenya in May 2001, incapacitated Capital FM. More are set to join the fray. Voice of America, the VOA FM was launched on June 14, 2001 on 107.5 (Communications Commission of Kenya, 2001) to bring the number of stations to 14. Currently, there are 22 licensed private radio stations. However there are only 13 in operation now. One was shut down. Of these stations, 10 of them operate in Nairobi (CCK, 2001).

The FM is the favorite transmission mode because of quality sound and less interference, and due to its superior frequency response. Most of these stations are broadcasting music, satires, phone-ins, and news. The traditional sources of competitive advantage have been diluted. They attack each other's competitive strategies by trying to improve on what the others are already doing rather than staying ahead of the competition.

Losing sight of the competitor will mean decimation or lagging behind in competitiveness. As Porter puts it "many companies do not collect information about competitors in a systematic fashion, but act on the basis of informal impressions, conjectures, and information gained through the tit bits of information about competitors every manager continually receives. Yet lack of information makes it hard to do sophisticated competitor analysis" (Porter, 1980). There is a great strategic need for the FM stations to know what their competitors are doing. However, I believe they have that

information. Though, they may be relying on managers' intuition or the informal assessment of its employees and marketing managers.

"Competitive analysis suffers because of the confusion between information and intelligence. Many companies have competitive fact gathering and analysis but not intelligence. They go through a ritual of collecting information, putting it in files, and writing reports, but they do not ask what the information means and whether it requires a change in strategy" (Rothschild, 1989).

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1.1.2 The Development of Competitive Intelligence.

"It is pardonable to be defeated, but never to be surprised."

-- Frederick the Great

It is true that intelligence networks of past ages were focused on military intelligence and methods used were both overt (open) and covert (secret), in many cases the later involving network of spies (Kahaner, 1996). The fourth century Chinese military theorist Sun Tzu, heavily quoted in management books, spoke of the value of "foreknowledge". And the invasion of Asia and Eastern Europe by the Mongols under Genghis Khan relied on a coordinated and extensive intelligence system to enable effective planning and execution of strategies.

Western intelligence came about with the opening of trade routes from Europe to Africa and India and later to the New World. Commercial intelligence became important to European nations with governments, large trading houses and banks developing extensive intelligence networks. In 1815, Róthschilds bank used its own network to learn about Wellington's victory of Waterloo before others and exploited this information to

their advantage (Kahaner, 1996). CIA is probably the best-known government intelligence agency in the world.

"Commercium bellum est, noscete hostem." Business is war, know your enemy.

Whether it's written on a Roman merchant's doorway or in the pages of a techno-business magazine, it still sounds forbidding. But what less do we face today in the modern business enterprise than no-holds-barred war? The fight between firms, for market-share, mind-share or all-out hegemony, competition and the quest for competitive leverage has never been fiercer, never more bloodthirsty. Competition in business is the fight for the future (Johnson, 2000).

It was only in 1980's that large corporations started using competitive intelligence (CI) techniques to help in providing more accurate information for use in strategic planning. Today true CI professional operate by a code of conduct that involves only legal methods of obtaining information (Johnson, 2000).

In 1970's and 1980's it was large corporations that adopted strategic planning as an essential management tool but now we see small companies also using strategic planning methodologies. In the same way, large corporation have been the leaders in the use of CI, but small companies are becoming aware of its application (Kahaner, 1996).

According to Futures Group survey, 82% of U.S.A. companies with revenues over \$10 billion have an organized CI system. Companies perceived to make the best use of CI are, in order of ranking, Microsoft, Motorola, IBM, Proctor and Gamble, General Electric, Hewlett-Packard, Coca-Cola and Intel (Farrell, 1999).

Competitive Intelligence can be used not only to predict and counteract your competitor's strategic moves, but also to better understand your customers and your market, allowing you to become the market innovator. In an industry where consumers are bombarded by competing groundless claims of who is the best, as the case is in FM radio stations in Nairobi, what people remember is who was first. Therefore, good, timely intelligence about the market in which you operate is critical to innovation, strategic planning and effective business decision-making (Barooshian, 1996).

According to Society of Competitive Intelligence Professionals (SCIP), smaller firms using CI is approximately 5%. Their conclusion is that if you are looking for competitive advantage, try looking into the mind of your customers and competitions through competitive intelligence (SCIP, 2000).

1.1.3 Current Environment.

The radio broadcasting on FM has many more potential competitors for waiting to enter, for example the Catholic Church. In fact, according to communication commission of Kenya report, there are frequencies which have been provisionally assigned but not to any company (CCK, 2000). This shows that the potential competition facing the firms already in the industry and in operation. Therefore there is a need for the existing and operational FM stations to have significant knowledge of the trends in the industry. "An analysis of each significant existing and potential competitor can be used as an important input to forecasting future industry conditions" (Porter, 1980). This makes a company needy for competition and puts it in a pole position to attain competitive advantage.

In competitive environment that the FM stations operate in, it is imperative for the FM stations to gird their loins. " To survive, organizations must prepare themselves to deal with uncertainty in the future. The essential question they must answer is: what must we do – in fact – what must we become – if we are to successfully navigate the treacherous waters of unpredictability" (Haeckel, 1999).

As the doyen of management, Peter Drucker puts it that traditional planning is useless in the face of great uncertainty. "Uncertainty – in the economy, society, politics – has become so great as to render future, if not counterproductive, the kind of planning most companies still practice forecasting based on probabilities" (Drucker, July 22, 1992).

Writers (Porter, 1980; Rothschild, 1984; Hamel & Prahalad, 1996) have documented the usefulness of competitive intelligence in a quest to achieve competitive advantage. The objective of competitive intelligence is "to develop a profile of the nature and success of the likely strategy changes each competitor might make, each competitors' probable response to the range of feasible strategic moves other firms could initiate and each competitors' probable reaction to the array of industry changes and broader environmental shifts that might occur" (Porter, 1980).

"The presence of the right competitors can yield a variety of strategic benefits that fall into four categories: Increasing competitive advantage, improving current industry structure, aiding market development, and deterring entry. The particular benefits achieved will differ by industry and strategy a firm is pursuing"(Porter, 1985).

This project will concern itself with commercial broadcasting as the case is with most FM stations in Nairobi.

1.2 Statement of Problem

1.2.1 Research Problem

The FM radio broadcasting industry is new and very dynamic and the operating field is small, currently Nairobi and its environs. This has translated into copying of program styles, program content, poaching of staff and even fictitious competition statistical claims each with the aim of being perceived as the best station in the field. This has led to a tough and tight competition.

The FM broadcasting sector was recently opened up for competition. More entrants into the sector are expected. Since the competition is tight and the firms are growing in number while the audience is still the same, the increase in FM radio stations has increased competition for audiences and sponsors drastically. They must devise ways of achieving competitive advantage.

Firms in the FM broadcasting business need also to understand the important role of Competitive Intelligence to their businesses. They need to put in place adequate competitive intelligence systems while taking action to counter use of competitive intelligence by their competitors.

This project therefore, was an attempt to answer the questions:

1. What is the degree of awareness of competitive intelligence as a strategy for competitive advantage in the FM radio broadcasting?
2. What are the competitive intelligence practices used by FM radio stations operating in Kenya?

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1.3 Objectives of Study

This study had a broad objective of trying present an empirical evidence of practices of Competitive Intelligence. The specific objectives were:

1. To establish the level of awareness of competitive intelligence as a strategy for competitive advantage in the FM media broadcasting.
2. To establish the competitive intelligence practices used by FM radio stations operating in Kenya.

1.4 Importance of Study.

This study will be of value to:

1. Current FM radio stations and any other firm in competitive industry, it will add knowledge to the available tools of competitive analysis. In their strategy formulation, these present alternative tools for strategies that can be used to increase competitiveness. It is a guide to competitor analysts, by presenting tools for analysis of competitors and understanding competitors' ways.
2. To the potential entrants in deciding which strategies to sue in moving in and making decision to enter. This will help potential entrants in trying to understand the environment they are getting into and for that matter they can choose strategies to use and when to use them.
3. To the academicians and researchers by providing more insight into the methods available in performing CI and competitor analysis. As the environment is very dynamic, the practitioners of management need to update themselves and the industry on the best competitor analysis tools and practices that can be available to them.

CHAPTER TWO: LITERATURE REVIEW.

2.1 Concept of Intelligence.

With the end of the cold war countries are refocusing their intelligence apparatus on commerce in an attempt to give domestic companies a competitive edge. According to Barooshian (1996) "Intelligence is uncommon information analyzed for its strategic implications. It is a combination of foresight and predictability that creates strategic advantage."

Adrian Farrell of Woodlawn Marketing Services describes intelligence as "knowledge and foreknowledge of the world around us – the prelude to management decision and action" (Farrell, 2000).

Funk and Wagnall dictionary describes intelligence as "the faculty of perceiving and comprehending meaning" (Rothschild, 1984).

Kahaner (2000) defines competitive intelligence as "the process by which information is collected and transformed into valuable intelligence for use in tactical and strategic business decisions".

Society of Competitive Intelligence Professionals defines competitive intelligence as "timely and fact-based data on which management may rely in decision making and strategy development. It is obtained through industry analysis, which means understanding all the players in an industry, competitive analysis, which is understanding the strengths and weaknesses of competitors" (SCIP, 1999).

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Prescott and Gibbons defines it as "a formalized, yet continuously evolving process by which the management team assesses the evolution of its industry and the capabilities and behavior of its current and potential competitors to assist in maintaining or developing a competitive advantage" (Prescott and Gibbons 1993).

CI tries to ensure that the organization has accurate, current information about its competitors and a plan for using that information to its advantage (McGonagle & Vella, 1990). It is the process of discovering or predicting the competitor strategic decision and/or understanding the characteristics of the business.

Farrell (1999), again asserts that Competitive intelligence "is a process using legal and ethical means for discovering, developing and delivering timely, relevant intelligence needed by decision markers wanting to make their organization more competitive in the eyes of the customer".

Competitive intelligence programs are "the foundation on which organizational objectives, strategies and tactics are built, assessed and modified. They provide input for such decisions as which products, markets and business lines to invest in and develop, which to acquire joint ventures around and which to divest themselves of or exit"(SCIP, 1996).

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Prior (2001) describes competitive intelligence as "any combination of data, information, or knowledge concerning the business environment in which you operate that, when acted upon, confers a competitive advantage or enables sound decisions to be made. It usually results from change, the unusual or the unexpected".

The business environment that is described by Prior and the other writers in strategic management includes all those factors that affect a firm's operations including customers or clients, competitors, suppliers, industry trends, social and economic factors, government activities and technological developments.

2.2. Competitive Intelligence and Competitive Advantage.

Competitive Advantage is attained when a firm has knowledge and strategies that make it stay ahead of the competition and reaps the benefits before the other competitors arrive. It is a way of differentiating between the company and its competitors by putting a distance between them and the company.

Porter (1980) says that the essence of competitive intelligence is to discover among other things "what is driving competition in industries I am thinking of entering? What actions are competitors likely to take? What is the best way to respond? How can the firm be best positioned to compete in the long run?"

CI is also used as a tool to perform internal audit. Webster (1994) says that when management appraises the strengths and weaknesses of the business to assess its competitive position, it needs to concentrate on those areas of capability that really matter". The discovery of these capabilities that matter is by taking internal audit of the organization using CI.

"A formal intelligence system which is not initiated, or at least strongly backed **and used** by top management is doomed to obscurity and lack of real influence on decisions."(Gilad, 1989)

Grundy (1995) asserts that, "When a company faces an abrupt transition in its market place it becomes of paramount importance to think not only about your own moves, but also those available to your competitors. And this should be done for all series of moves not just the next tactical steps". Porter (1980) cautions us that to answer a question about competitors creates enormous needs for data.

"Competitive intelligence is ongoing, and as long as there are important decisions to be made, the process continues." (Shaker and Gembicki, 1999)

"Forms of CI include; reverse engineering, visiting factory sites, interviewing customers, reviewing publicly available information contained in product brochures, news releases, corporate annual reports, trade shows exhibits, and other sources" Webster, 1994).

Mackay (1997) has developed what is called a 12 P's Competitive Profile, which can be used by firms to keep an eye on the competitors. This profile include: Pedigree, Physical Scale, Performance as an Investment, Pricing, People, Positioning, Plans, Performance as a Supplier, Prestige in the Business Community, Probing for Data, Prize Fight, and Post Mortem. This is the framework in which this paper is based upon.

According to Mackay, this framework works as a profile of self and the competitor. "This profile will help you keep an eye on your competitors and what they're doing. It will help you determine what you do better than them, what they do better than you, and what you need to do to get ahead of them and stay there. "

The profile is based on the following attributes, that a company should use to do a competitive intelligence profile.

1. Pedigree.

- Name of Company, Headquarters Location, Subsidiary or Independent? If Subsidiary, of Whom? Publicly or Privately Held?

2. Physical Scale

- Number of Plants, Plant Locations, Number of Employees. What geographic areas can they serve best? What geographic areas can they serve adequately?

3. Performance as an Investment

- Fiscal year ends on what date? Last Year Revenues, Last Year Profits, Performance trend of past two to three years. Any unusual financial issues (heavy inventories, etc.)? D&B Rating, Overall financial condition:- Strong, Satisfactory, Shaky.

4. Pricing

- Their pricing attitude:- High and Mighty, Down and Dirty. How do they respond to pricing competition?

5. People

- Unionized (if so, by whom)? Who are the two to three most important players in the firm and what are their positions? What is their reputation as an employer?

6. Positioning

- What is their target market? What unique products (features) do they offer? What is this firm's short-term strategy? What is this firm's long-term strategy?

7. Plans

- Do they want to hold position/grow aggressively? Are they targeting an acquisition or are they rumored as an acquisition/merger candidate? Are they rumored to be developing any products or services?

8. Performance as a Supplier

- Average delivery time, Quality of service, Service strengths, Service weaknesses, Hard/easy to resolve customer problems. With what accounts do they have the best

relationship? What accounts would it hurt them the most to lose? What is their practice regarding entertainment, gifts, etc.? Who are their most important suppliers? Their business practices reputation are they: - Fully above board, Less than perfect?

9. Prestige in the Business Community

- Characterize their reputation overall. Has this firm (or its principals) had any legal or image problems? Does the firm (or its parent) have any strong charitable, social, or civic involvement? How about top management of the company? How is the company regarded within our industry? By our trade associations?

10. Probing for Data

- Do we have any employees recently recruited from them who should be debriefed? What customers either used this competitor in the past or use them in conjunction with us who are reliable information sources about this firm? Who else do you know who can supply information about this company? Do we know how this company perceives us (Lazy, aggressive, technically superior, etc.)? Any recent articles in the trade press? Financial or general press (If yes, make sure copies are filed).

11. Prize Fight - Them and Us

- Which accounts do they have that we want? Who is their salesperson(s) for these accounts? What piece of the business (territory, market segment, etc.) do they operate in? How can we profitably grow our share? Have we (or anyone else) ever won business from these people before? If yes, how was it done?

12. Post Mortem.

- We will beat this competitor if we do the following five things right (list them

- *Source: Copyright© 1997, Harvey Mackay, <http://strategis.gc.ca>*

CI also has to do with determining what your business rivals will do before they do it. Strategically, it is to gain foreknowledge of your competitor's plans and to plan your

business strategy to countervail their plans. As you might expect, this will involve many methods at the tactical collection level, but it will also require integration into your existing information infrastructure, analysis and distribution of the information, and finally, the calculation of business decisions on the grounds of that information and the analysis of the same. This is the "intelligence" part of the formula"(Johnson, (1999).

The reasons why firms fail, ultimately comes down to a question of how they manage the knowledge they have within and about themselves and their competitors and turn that knowledge into responsiveness and action in terms of their strategic plan and its tactical execution. Yet, a 1995 study of Fortune 500 corporations found that only 55 percent make use of competitive intelligence in formulating and executing competitive strategy! That's not to say that they all don't have concentrated CI functions, merely that the purpose behind CI is often misunderstood (Johnson, 1999).

This is further stressed by Malhotra (1996) that, " Effective implementation of CI requires not only information about the competitors, but also information on other environmental trends such as industry trends, legal and regulatory trends, international trends, technology developments, political developments and economic conditions. The relative strength of the competitor can be judged accurately only by assessing it with respect to the factors listed above. Therefore, the determination of CI information needs is based upon the firm's relative competitive advantage over the competitor assessed within the 'network' of 'environmental' factors".

Environmental scanning is the process that involves regular, ongoing monitoring of direct competitors and their initiatives, so as to avoid surprises. This includes topics such as government legislation and regulation, technological advances made outside the

industry or investments made by the various industry organizations associated with the sector. (Fuld, 1985).

"The nature of scanning one's competitive environment -- bringing together the parts of an equation that represents meaningful "foreknowledge" of where a competitor might be headed in the future, rather than where they've already been. The firm that begins to integrate the workflow processes of ad hoc, event-driven research with those of environmental scanning begins to realize the true power of CI. This involves nothing less than the ability to predict the probably futures with which a competitor will behave and formulate countervailing strategies to beat them to new opportunities" (Johnson, 2000).

The Central Intelligence Agency (CIA), describes the Intelligence Cycle as "the process by which raw information is acquired, gathered, transmitted, evaluated, analyzed and made available as finished intelligence for policymakers to use in decision-making and action." It consists of five cyclical steps, repeated over time and applied to specific business problems or objectives: Planning and direction, Collection and research, Processing and storage, Analysis and production, Dissemination and delivery.

Whatever strategic framework the firm chooses to embrace for the management of its business, no one element remains more fundamental to competitive strategy than competitive intelligence. Competitive intelligence is more concerned with doing the right thing, than doing the thing right. The goal of a competitor analysis is to develop a profile of the nature of strategy changes each competitor might make, each competitor's possible response to the range of likely strategic moves other firms could make, and each competitor's likely reaction to industry changes and environmental shifts that might take place.

Hamel and Prahalad (1989) say that it's always a matter of opinion, and that's where "strategic intent" comes in, write the authors. What unique direction will the company take? Will it have an edge of discovery and destiny? Strategic intent must contain pathos and passion, they write. Employees "don't get interested in a game if there's no scoreboard." Profits and shareholder returns exert little pull on employees several levels below top management

"The basis of competitive intelligence is knowing the difference between information and intelligence. Also, it's important to understand that competitive intelligence is not a function; it's a process. It should appear in all aspects of your business as one seamless process not relegated to one area, division or unit. Although the main job of competitive intelligence is to support management decision-making, having a formalized competitive intelligence system in place can help your company address many different issues" (Kahaner, 1996).

Mintzberg (1994) in his article "The Rise and Fall of Strategic Planning" said that the rest of the competitors are not standing still while you are strategizing. They are moving. Therefore, though important, strategic planning alone is not enough to give a company competitive advantage. Firms need to collect information about their competitors and use this information in a proactive, disciplined and systematic fashion to achieve competitive advantage.

A firm, which does not rigorously monitor and analyze key competitors, is poorly equipped to compose and deploy effective competitive strategy and this approach leaves the firm and its markets vulnerable to attack.

"Unlike manufactured products of the past, the cornerstone of today's exploding industries is knowledge -- not raw materials -- and this is clearly shown by business drivers that have changed radically since the 1940s. Turning information into actionable intelligence is what will ultimately separate successful companies from those that fall by the wayside not only in the high technology sector but every other business sector as well." (Kahaner, 1996).

Empirical studies on CI have been limited. The reason for that is because, CI being an offspring of the end of the cold war era, the field is still developing as it is being translated from a covert operation to an overt business strategy. Therefore there is actually little empirical studies that have been done on this area. So theoretical literature is currently the most available.

CHAPTER THREE: RESEARCH METHODOLOGY.

3.1 Population.

This study's population was defined as those companies that Communications Commission of Kenya (CCK) has licensed to operate FM radio stations in Kenya and which are currently in operation. The study was limited to those stations operating in Kenya. Fourteen stations are currently operational in Kenya. In total there are 24 firms licensed by the CCK to operate FM radio broadcasting in the country.

All companies licensed and in operation in Kenya were included in the study because the number was small and that a complete census was feasible.

3.2 Data Collection Method

Data was collected using a semi-structured questionnaire served on respondents through personal interview method. The target of study were the CEO's, Program Managers and Marketing Managers who are involved in day to day running and decision making in the businesses as well as strategic decisions making in those organizations.

This method was chosen because personal interviews provide the interviewer with an opportunity to probe and obtain clarification where answers given to questions are unclear and this enhanced the accuracy of information obtained. The response rate from personal interviews has been found to be higher than with mail or telephone interviews (Churchill, 1987). The questionnaire was divided into 3 sections (see appendix 1): The first section was to obtain information of the company profile. The second part sought information on the level of awareness. The third part sought information on the practices of CI and the extent of use by the respondents' firms.

3.3 Data Analysis Method.

Data was validated, edited and coded and then summarized using descriptive statistics, frequency curves, and percentages and means. Key practices, challenges and problems, awareness level, and the level of competition were identified.

Factor analysis was used to reduce data and determine the practices they use in CI. All factors were analyzed simultaneously and the absence of a dependent or independent variables made it the most appropriate tool to use to achieve the objective. Statistical package for social sciences (SPSS) was used to analyze data.

CHAPTER FOUR: FINDINGS AND DISCUSSIONS.

This chapter deals with data analysis and findings and discussions on research findings. 13 questionnaires were administered personally. Of this 11 of them were successfully administered representing a response rate of 84.6%. The other 2 stations declined to respond and this represents 15.4%. This was an in-complete census of the operating FM radio stations in Kenya.

4.1.1: Profiles of Stations.

From the descriptive statistics of the stations that participated in the project, it was found that, for the ages, the mean was 1.64. This implies that on average most stations are aged between 1 and 3 years. 63.6 % of the respondents are less than 2 years old. This indicates that the industry is quite young and the entry into the industry has been very rapid during the last 2 years.

The findings indicate that an overwhelming majority of the FM stations are locally owned. Majority also is privately owned as opposed to government ownership. The most popular mode or type of ownership is limited company. Most of the stations are very young with a mean of 1.64 where 1 was the age of 1 and below.

Majority of the stations are small sized in terms of employees. Majority of them have employed between 30 and 60. From the findings above therefore it can be explained that the industry is young in the country and the competition is intense. Since most of the stations are one year and below, it means that the competition for the few available customers in terms of advertising and audience is very intense. It was evident from the observations and interviews that most of the stations rushed into scene to occupy a perceived vacuum that was created by liberalization of the airwaves by the government.

It is evident from the findings that there is a great jostling for space. An overwhelming majority of the stations are engaged in this business only and they take this to be their core business. So it is a do or die situation

Table 4.1.1: Summary of Profile of Stations

Profile	Frequency	Percentage %	Cumulative%
1. Age			
<2yrs	7	63.6%	63.6%
2-3yrs	1	9.1%	72.7%
4yrs and above	3	27.3%	100.0%
Form of Incorporation			
Partnerships	2	18.2%	
Limited Company	5	45.5%	
Government	4	36.4%	
Company Ownership			
Local	9	81.8%	81.8%
Foreign	2	18.2%	100.0%
Both	0	0.0%	100.0%
4. No. of Employees			
1-30 Employees	3	27.3%	27.3%
31-60 Employees	4	36.4%	63.6%
61-90 Employees	1	9.1%	72.7%
Over 90 Employees	1	9.1%	81.8%
No. Response	2	18.2%	100.0%

This is an indication of the composition of the industry in terms of international business. It is a local industry with firms mostly owned as limited companies.

The number of directors indicates the size of the industry in that most firms have very small boards of directors. The industry average is between 4-6 directors. The employment factor underscores this fact that, most of the firms are small if the number of employees is used as a measure. Majority of them have less than 90 employees.

4.1.2: Programs Offered.

Table 4.1.2: Programs Offered

Program	Frequency	Percentage%
Music	11	84.6%
News	10	76.9%
Phone- Ins	11	84.6%
Humor	8	61.5%
Greetings	6	46.2%
Commercial Recording	8	61.5%
Commercial Advertising	9	69.2%
Sports	9	69.2%
Gospel/Spiritual	9	69.2%
Talk Shows	7	53.8%
Social Awareness	6	46.2%
Total No.of Respondents	11	100.0%

This part of the analysis gives the summary of the statistics of the programs offered by the FM stations that responded. Music is a program that is aired by all the stations. 90.9% of the stations offer News. All the stations have a phone-in program where audience phones to air views or requests. 72.7 % have a Humor program. 54.5% have Greetings program while 72.7 % do commercial recording. 81.8% or 9 stations offer commercial advertising. 81.8% offer a sports program while 81.8% offer a gospel or spiritual program. 63.6% or offer talk shows, 54.5% have Social Awareness programs. Most of them offer the same services and programs making it a crowded field.

The basic requirements to start and operate an FM station, the following were cited: Capital, Expertise, Government regulations such licensing and frequency allocation, comprehensive market survey, Equipment, and staff.

The motivation behind the starting of the stations were given as preaching the word of God over the radio, to tap the market, to educate public about Islam, need to provide information in a changed environment, market vacuum, unexploited market, and to curve a niche market.

4.1.3: Level of Competition.

Table 4.1.3: Level of Competition.

For this part, the respondents were asked to indicate which FM station was their greatest competitor. They indicated which ones were their greatest competitors and from the analysis the following were deduced.

FM Station	Frequency: Station is Greatest Competitor	% Response
FM1	3	27.3%
FM2	1	9.1%
FM3	4	36.4%
FM4	0	0.0%
FM5	2	18.2%
FM6	1	9.1%
FM7	1	9.1%
FM8	0	0.0%
FM9	5	45.5%
FM10	2	18.2%
FM11	0	0.0%
No. of	11	100.0%

The table above shows the stations named by the others as their greatest competitors. From the table, there is evidence that there is a stiff competition in the industry. Five of the eleven stations were indicated as the greatest competitors. These were FM1, FM9, FM3, FM10 and FM5. It is evident therefore that to gain competitive advantage in the industry, a firm must study closely the competition which is named by the highest number as their greatest competitor in order to find out why it is enjoying competitive advantage over the others.

4.4: Characteristics of the Firms.

From the findings it was also established that the firms operating in the industry have the following characteristics.

- 18.2% are engaged in other businesses apart from FM radio.
- 90.9% responded that FM radio station is their core business
- 63.6% responded that other stations offer same services as they do.
- 90.9% have knowledge of the other stations operating.
- 63.6% gather information about their competitors.
- Only 27.3% have a market analyst.

These statistics mean that, the FM stations in operation engage in this kind of business only as very small percentage is engaged in other businesses. That is, majority of them (90.9%) take this as a core business. Since majority of them have knowledge of the other stations operating, it was expected that they should have some programs and services which were closely related. The absence of a market analyst in many of the stations can be said to affect the information gathering about the competitors.

4.2: Awareness of Competitive Intelligence.

For comparison purposes, the table shows the response to the importance of the factors in gauging the awareness of competitive intelligence. The response to the important part shows the level of awareness of CI and thus when aggregated gives the level of awareness of the industry players as a whole.

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Table 4.2.1: Awareness of Competitive Intelligence.

Awareness Level of Competitive Intelligence	Important Freq.	Response %	Not Important Freq.	Response %
Keep Track of what Competitors are Doing	9	81.8%	2	18.2%
Modeled System After Another Station	4	36.4%	7	63.6%
Have Addressed Source of Greatest Competition	9	81.8%	2	18.2%
Get Surprises From Competitors	7	63.6%	4	36.4%
Know what Competitors are Planning	3	27.3%	8	72.7%
Average Awareness Rating – Industry		58.2%		41.8%

From the above table it can be deduced that on average the level of awareness of competitive intelligence, as a strategy for competitive advantage is at 58.2% on industry average. This means that the firms in the industry are only averagely aware of this fact. 81.8% of the respondents indicated that they keep track of what the competitors are doing.

For that reason only 9.1% of the respondents indicated that they have modeled their system after another station, meaning that they are aware of how the other models are. 81.8% have addressed the source of their greatest competition. This is to say that they are aware of their major competitors and where they attain their competitive advantage. This is interesting because the stations actually compete on the same programs. 63.6% get surprises from their competitors. This is maybe because the industry is aware of the competitors so highly that they try to pull a surprise and gain competitive advantage before the competitors cash in. The fact that only 27.3% know what the competitor may be planning to do is due to the fact that, since everybody knows what everybody else is, they try to keep their plans secret hence giving no chance to the competitor to know.

An overwhelming majority (90.9%) of the FM stations that participated in the study have knowledge of the other stations operating. Most of them (63.6%) gather information about their competitors. The fact that 62.5% of them did not have a market analyst, it was gathered, is because they have out-sourced that service from a media consultant. However all of them again outsource from the same analyst of consultant, which may be the reason why they offer the same programs and services.

Majority of the stations from the findings, keep track of what the competitors are doing. Cumulatively, up to 81.8% of them do so. This means that they are highly aware of competitive intelligence strategy and they use it. To actually offer further credentials to this fact, they try to do things differently. This is evidenced by the fact that only about 36.4% of them indicated that they have modeled their system after that of another station.

Cumulatively, up to 81.8% of the stations indicated that they have addressed the source of their greatest competition. This means that they are aware of the competitors' moves and have tried to seal the loopholes. They have poised themselves ready for the competitions since they know where it will strike.

Competitive Intelligence has an aim of having knowledge of the environment and using that knowledge to your advantage before the competitor. This has an element of surprising the enemy. 63.3% indicated that they get surprises from the competitors. That means that by being aware of the capabilities of the competitor, you can easily surprise it. This thus confirms to a large extent that there is a level of awareness of competitive intelligence as a strategy for competitive advantage in the FM media industry.

In the quest for competitive advantage, you can't let the competitor know what you are planning to do. Apart from the element of surprise above a mere 27.3% of the respondents indicated that they know what their competitors are planning to do. The majority 63.6% indicated that they do not know what the competitors are planning to do. This means that they keep an eye on each other while guarding themselves for they know that they are being watched.

4.2.2 – Factors in Competitive Intelligence

The following are the factors that affect the competitiveness of a firm in the industry studied. The firms studied showed varied responses. The table 4.2.2 below shows the comparisons between those firms that indicated the factors as important in analyzing the competitors and those that indicated that the factors are not important. Out of these, the industry average for the importance is calculated and the factors that are above the industry average are selected as the factors that are used by majority of the firms in competitor analysis and competitive intelligence.

Table 4.2.2: Factors in Competitive Intelligence

Factor in Competitive Intelligence	Important. Freq.	Response %	Not Importan Freq	Response %
Government Regulations	9	81.8%		18.2%
Growth Rate of Industry	9	81.8%		18.2%
Exit/Entry in the Industry	8	72.7%		27.3%
Focus of the industry	7	63.6%		36.4%
No. of Competitors	6	54.5%		45.5%
Possible New Entrants	7	63.6%		36.4%
Current Strategies of Competitors	5	45.5%		54.5%
Financial strength of Competitors	7	63.6%		36.4%
Marketing Practices of Competitors	9	81.8%		18.2%
Physical Resources of Competitors	7	63.6%		36.4%
Human Resources of Competitors	6	54.5%		45.5%
Goals of Competitors	7	63.6%		36.4%
Changes in Slogans of Competitors	6	54.5%		45.5%
Publications of Competitors	5	45.5%		54.5%
Speeches of Chief Executives	7	63.6%		36.4%
Social Functions of Competitors	6	54.5%		45.5%
Others	0	0.0%	1	100.0%
Average – Level of Awareness.		59.4%		40.6%

In trying to understand further how the FM stations get to have an awareness of competitive intelligence, there were factors that they use to scan the environment and its changes. The changes in these factors have repercussions on the stations and the industry as a whole.

Up to 81.8% indicated that government regulations are very important indicators that should be used in competitive intelligence. An overwhelming majority considers growth rate in the industry that it is important in setting strategies for growth and thus an important factor in competitive intelligence. Up to 81.8% indicated to this fact. Exit and

Entry into the industry must be monitored. This is accepted by 72.7% to be important. By gathering intelligence about this fact it will allow the FM station to adjust itself and be ready for the changes in the industry.

Majority of the FM stations interviewed indicated that it is very important in competitive intelligence to know the capabilities of the competitor. They rate highly the factors such as Focus of the industry, Number of competitors, Possible new entrants, current strategies of the competitors, Financial strength of the competitors, Marketing practices of the competitors, Physical resources of the competitors, Human resources of the competitors, Goals of the competitors, Changes in slogans of the competitors, Publications of the competitors, Speeches of the Chief Executives of the competitors, Social functions of the competitors and other factors that are relevant to the scanning of the competitive environment.

The above factors are useful tools in competitive intelligence. Majority of the respondents rated the above factors as very important to important. This means that when a firm is aware of the above factors it can use that knowledge to formulate strategies that can make it attain competitive advantage. To get to know these factors, an FM station has to engage itself in competitive intelligence. Competitive environment is made up of all or a combination of all these factors and therefore, for an FM station or any firm for that matter to understand its competitive environment it must collect information on these factors, analyze this information and use this information for putting in place strategies to attain competitive advantage. This is what is called competitive intelligence. From the findings in chapter four it's evident that this is the practice in the FM stations. They are aware of these factors and they use it.

From the above table it can be concluded that the factors favored in competitive intelligence are above the industry average of 59.4%. It can then be concluded that these are the factors that are used by the FM stations operating in Kenya. These factors can be named as the "Ten Force Factors of Competitive Intelligence". These factors in order of favor or importance include:

1. Government Regulations,
2. Growth Rate of Industry,
3. Marketing Practices of Competitors,
4. Exit/Entry in the Industry,
5. Focus of the Industry,
6. Possible New Entrants into the Industry,
7. Financial Strength of the Competitor,
8. Physical resources of the competitor,
9. Goals of the Competitor,
10. Speeches of the Chief Executives of the Competitor,

All these factors are above the industry average of 59.4% and can be rated as the important tools in competitive intelligence.

4.3 Competitive Intelligence Practices.

Data on competitive intelligence practices was collected via personal interview. This was done using a questionnaire. These are the practices used in gathering information about

competitors to be used in competitive intelligence and are commonly called the 12 P's. The table 4.3.1 shows sorted weighted response on the 12 P's of Competitive Intelligence.

Table 4.3.1: Competitive Intelligence Practices.

Competitive Intelligence Practices (sorted)	Important. Freq.	Response %	Not Important Freq.	Response %
Pricing	8	72.7%	3	27.3%
Positioning	8	72.7%	3	27.3%
Plans	8	72.7%	3	27.3%
Performance as Supplier	8	72.7%	3	27.3%
Prize Fights – You and Them	8	72.7%	3	27.3%
Physical Scale	7	63.6%	4	36.4%
Performance as an Investment	7	63.6%	4	36.4%
Prestige in Business Community	7	63.6%	4	36.4%
Post Mortem	7	63.6%	4	36.4%
Pedigree	6	54.5%	5	45.5%
Probing for Data	5	45.5%	6	54.5%
People	3	27.3%	8	72.7%
Other	0	0.0%	0	0.0%
Average Practice Rating – Industry		57.3%		35.0%

From the table 4.3.1 above, it can be concluded that all the practices that have a cumulative importance rating of above the industry average of 57.3% are the favored practices in the FM industry. These practices are used by the stations and therefore are rated highly. The practices that are below the industry average do not mean that they are not used, but they are not favored by the firms in information gathering. The practices that are favored include:

1. Positioning,
2. Pricing,
3. Plans,

4. Performance as a Supplier,
5. Prize Fights – You and Them,
6. Physical Scale,
7. Performance as an Investment,
8. Prestige in the Business Community,
9. Post Mortem,

The above practices can be termed as the "Nine Favored P's of Competitive Intelligence". These factors are all above the industry average of 57.3% importance rating. This then measures the Extent of use of competitive intelligence practices by the FM stations operating in Kenya.

The practices that are used in gathering information about competitors is the standard that is used in developed world. These practices are called the 12 P's of competitive intelligence. In the findings, the 12 P's are ranked by the FM stations as important practices in gathering information about the competitors. In cumulative terms it summarized as follows:

- 1) **Pedigree.** 54.5% consider it to be important. The profile of a competitor gives clues as to the capabilities of that competitor and the potential competitiveness. It can tell an FM station the strengths and the weaknesses of the competitor. However the FM stations averagely appreciate it.
- 2) **Physical Scale.** 63.6% consider the practice of collecting information about a competitor's physical scale to be important. The physical scale implies the number of stations it operates, the number of employees etc. This can tell an FM station about the strength and capabilities of the competitor. This is also appreciated moderately above average.

- 3) **Performance as an Investment.** Gathering information about a competitor's performance as an investment will yield findings as to whether the FM station is strong or dwindling. This can signal takeover and chance to grow. It can also signal inheritance of the customers and targeting of the audience. If the station is doing well then it means that the competition between your station and the competitor is going to be tough. 63.6% of the FM stations interviewed use this analysis tool.
- 4) **Pricing.** The pricing of the competitor according to the findings during interviews, can really affect the competitiveness of an FM station. Most of them actually indicated that there is a battle in terms of pricing. Therefore an FM station needs to know how the competitors fix their prices. That accounts for the reason why 72.7% of the respondents find it important to gather information about pricing methods of the competitors.
- 5) **People.** The greatest asset an organization can have walks in and out of the firm every day. People are the greatest asset an FM station can have. Since it is an industry where it is valued in terms of program presentation and entertainment, the people that an organization have must be able to maximize on this. During the data collection period it was evident as to what some FM stations would be without some of their people. Therefore to gather information about a competitor's people is very important. 63.6% of the FM stations studied use this practice. It is slightly above average in terms of appreciation.
- 6) **Positioning.** 72.7% of the FM stations appreciate the fact that gathering information about the positioning of a competitor helps to guide the FM station in positioning itself too. As data collection and interviewing for this project were going on, there was a jostling for position in the FM industry about the breakfast show. Positioning is important because it helps the FM station to capture a

market niche. This practice of gathering information is therefore highly appreciated.

- 7) **Plans.** The plans of the competitor can be a recipe for your downfall. For this reason 72.7% of the FM stations collect information about their competitors plans to help them counter these plans.
- 8) **Performance as a Supplier.** Competitors' performance as a supplier tells an FM station about the satisfaction level of the customers. For that reason, knowledge about the performance of a competitor as a supplier is important to 72.7% of the respondents. They collect information about their competitors' performances as suppliers to help them to target certain markets and to gauge the level of popularity of their competitors. It gives hints about quality of products or service.
- 9) **Prestige in the Business Community.** A competitor's image can destroy or enhance your own image. For that reason to collect information about the prestige of a competitor in the business community is important in understanding your own image. 63.6% of the FM stations studied think this is important information collection practice.
- 10) **Probing for Data.** This means debriefing former employees of a competitor, recent articles in the press about the competitor, etc. This practice of information gathering tells an FM station about the other stations intentions and plans. 72.7% of the FM stations say this method is important.
- 11) **Prize Fights -You and Them.** Major accounts, super salespeople and territory of audience is very important. 72.7% of the FM stations studied collect information about their competitors using this method. They accept it is an important practice.
- 12) **Post Mortem.** This means after collecting of the other information, an FM station has to find out what it can do to beat the competitor. This can be done by finding information on the sensitive customers, personnel and even reputation that can

be grabbed away from the competitor and be able to subdue it. 63.6% of the FM stations admit this is very important.

13) Other. There are no other factors as important as these.

Therefore, from the findings which have been discussed above. It is evident that most FM stations use these practices to a great extend (57.3%). It is applicable and the findings therefore confirm that these are practiced in the FM media broadcasting. The extend of practice is great.

Further, there are other important factors in competitive intelligence, which were being studied. The findings to these were also taken into consideration. From the statistics it was found that on average the stations gather information on competitors on a yearly basis. It was found that 72.7% of the respondents gather information on competitors continuously. 27.3% do not gather information on competitors at all. 54.5% of the respondents stated that Marketing department handles competitor analysis. 27.3% stated that the Corporate Planning department handles competitor analysis. 18.2% however stated that they use other means. 45.5% of the respondents indicated that they have established legal and ethical guidelines for analysis. 27.3% indicated that they have established the guidelines, 27.3% however stated that they have never established legal and ethical guidelines for competitor intelligence.

72.7% of the respondents, indicated that information restrictions, antitrust laws, trade secret laws affect them. 27.3% indicated to these factors do not affect them.

36.4% of the respondents indicated that the senior management motivates the employees to get information on competitors at all cost. 64.6% indicated that senior management never motivate the employees to that extend.

Analysts are trained in legal and ethical guidelines is a factor that 72.7% of the respondents indicated to favor. 27.3% stated that they never train their analysts on legal and ethical guidelines.

9.1% indicated time as the constraint in gathering information. 18.2% indicated financial, 9.1% indicated likelihood of obtaining data and 27.3% indicated relative priority of data as constraint.

4.4: Further Analysis.

Factor analysis tool was used to reduce data and find out the dominant factors and therefore come up with major factors and practices of CI applied in the FM stations.

Initial Statistics; the measures in the initial statistics table indicate how well each of the identified statements fit the data from all the respondents. The output measure consists of the eigen values, which is the sum of the squares of its factor loadings. Since the responses to the statements are standardized, the variance associated with the responses to any statement equals 1.0. For example in the table 4.8.2 below, factor 1 explains 58.533% of the total variation while factor 2 explains 22.405% of the total variation and so on.

Rotated Factor Matrix; the rotated matrix gives the revised initial factor matrix after it had been orthogonally rotated using Promax. It attempts to simplify the columns of factor matrix by making all values close to either 0 or 1. This matrix represents the terminal solution of factors. Since it is an orthogonal factor matrix, it stands for both a pattern and structure matrix. That is, the coefficients in the matrix represent both regression weights and correlation coefficients of factors that describe a given variable.

4.4.1: Awareness of Competitive Intelligence.

Table 4.4.1 – Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings (a)
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	2.927	58.533	58.533	2.927	58.533	58.533	2.514
2	1.120	22.405	80.939	1.120	22.405	80.939	2.349
3	.557	11.149	92.088				
4	.267	5.341	97.428				
5	.129	2.572	100.000				

Extraction Method: Principal Component Analysis.

A When components are correlated, sums of squared loadings cannot be added to obtain a total variance.

	Component	
	1	2
5.Know What Competitors Are planning to do.	.885	-.119
2.Modeled System after another station?	.881	-9.704E-02
1.Keep Track of What Competitors are Doing.	.712	.324
4.Get Surprises From Competitors	-.207	1.033
3.Have addressed Source of Greatest Competition.	.172	.857
Extraction Method: Principal Component Analysis.		
Rotation Method: Promax with Kaiser Normalization.		
A Rotation converged in 3 iterations.		

The Factors.

In the pattern matrix above, from the final rotated matrix, 2 factors were extracted whereby statements 5, 2, 1 load heavily on factor 1, while statements 4 and 3 load heavily on factor 2. The implications are thus summarized below.

This means that the following statements make **Factor 1**.

Station knows what competitors are planning to do, Station has modeled its system after another station, and that Station keeps track of what competitors are doing.

From the above statements it can be concluded that, since the FM stations keep track of what their competitors are doing, they can be able to know what the competitors are planning to do. For that reason they can model their system after that other station which they find more competitive than their system.

Factor 2 arises from the following statements.

Station gets surprises from competitors, and that station has addressed the source of greatest competition. This means that the station has addressed the source of their greatest competition but since there is a lot of intelligence going on in the environment, most stations often find that the competitor has pulled a surprise. This is because, they know what the other station is planning to do. Surprises comes in because of constant intelligence that tells a station of what to do to have competitive advantage.

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4.4.2: Factors of Competitive Intelligence.

Component

Table 4.4.3 – Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings (a)
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	9.861	61.634	61.634	9.86	61.634	61.634	9.172
2	2.076	12.973	74.607	2.07	12.973	74.607	6.364
3	1.880	11.752	86.359	1.88	11.752	86.359	4.128
4	.922	5.764	92.123				
5	.610	3.815	95.938				
6	.365	2.282	98.220				
7	.210	1.314	99.534				
8	7.449E-02	.466	100.000				
9	2.117E-15	1.323E-14	100.000				
10	3.328E-16	2.080E-15	100.000				
11	2.630E-16	1.644E-15	100.000				
12	3.144E-17	1.965E-16	100.000				
13	2.895E-18	1.809E-17	100.000				
14	-7.471E-17	-4.669E-16	100.000				
15	-2.723E-16	-1.702E-15	100.000				
16	-8.820E-16	-5.513E-15	100.000				

Extraction Method: Principal Component Analysis.

A. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.

	Component		
	1	2	3
H: Financial strength of Competitors.	1.017	-4.229E-02	-6.193E-02
J: Physical Resources.	.959	-9.955E-02	.122
E: No. of Competitors.	.959	8.440E-02	-.271
K: Human Resources.	.950	-.106	.127
P: Social Functions.	.924	.248	-.397
D: Focus of The Industry.	.898	-2.781E-02	2.170E-02
M: Changes in Slogans.	.820	3.916E-03	5.108E-02
N: Publications of Competitors.	.665	-.423	.603
F: Possible New Entrants.	.662	.319	-7.763E-02
O: Speeches of Chief Executives.	-.171	1.072	-.126
L: Goals of Competitors.	.177	.918	-.266
A: Government Regulations.	-.108	.727	.429
I: Marketing Practices.	.128	.650	.443
B: Growth Rate of Industry.	.343	.433	.400
C: Exit/Entry	.324	.431	.423
G: Current strategies of Competitors.	-.285	5.712E-03	1.001
Extraction Method:	Principal Component	Analysis.	
Rotation Method:	Promax with Kaiser Normalization.		
A Rotation converged in 5 iterations.			

From the table 4.4.3 above 3 factors were extracted. These are rotated using Promax and extracted by principal component matrix to give us the summary in table 4.4.4. They are shown below.

H, J, E, K, P, D, M, N, F, load heavily on factor 1 and O, L, A, I, load heavily on factor 2 while B, C, and g load heavily on factor 3.

The implications of this are then shown below.

The Factors.

The following statements make **Factor 1**.

Physical resources of competitors, No. of competitors, Human resources of competitors, Social functions of competitors, Focus of the industry, Changes in slogans of the competitors, Publications of the competitors, Possible new entrants. These factors explain the resources that a competitor has. For a station to get meaningful intelligence

data it has to understand the competitors resources and capabilities. This is because a competitor's resources and capabilities may be a source of competitive advantage.

Factor 2 is a result of the following statements.

Goals of competitors, Exit and Entry in the industry, Growth of the industry, Government regulations, and Marketing practices of competitors. These sometimes gives the FM station the general direction in which the competitor is heading.

Factor 3 arises out of the following statements.

Growth rate of the industry, Exit/ Entry in the industry, Government Regulations, and Marketing practices of the competitors. These sometimes gives the station a light into the trends in the industry as a whole and the environment in which it is operating.

4.4.3: Nature of Practices of Competitive Intelligence.

Table 4.4.5 - Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings (a)
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	8.399	69.993	69.993	8.399	69.993	69.993	7.833
2	1.590	13.251	83.244	1.590	13.251	83.244	6.125
3	.747	6.227	89.471				
4	.652	5.433	94.904				
5	.374	3.113	98.017				
6	.180	1.500	99.517				
7	5.790E-02	.483	100.000				
8	4.450E-16	3.709E-15	100.000				
9	2.787E-16	2.322E-15	100.000				
10	-1.973E-18	-1.644E-17	100.000				
11	-1.401E-16	-1.168E-15	100.000				
12	-2.126E-16	-1.772E-15	100.000				

Extraction Method: Principal Component Analysis.

a When components are correlated, sums of squared loadings cannot be added to obtain a total variance.

	Component	
	1	2
B: Physical Scale.	1.099	-.298
I: Prestige in Business Community.	1.075	-.229
C: Performance as an Investment.	1.038	-.146
H: Performance as a Supplier.	.888	.149
F: Positioning.	.702	.386
J: Probing for Data.	.575	.217
L: Post Mortem.	.572	.236
K: Prize Fights- You and Them.	.516	.494
E: People.	-.307	1.063
A: Pedigree.	-.153	.999
D: Pricing.	.460	.609
G: Plans	.485	.536
Extraction Method: Principal Component Analysis.		
Rotation Method: Promax with Kaiser Normalization.		
A Rotation converged in 3 iterations.		

From Table 4.4.5 above 2 factors are extracted. This shows that, B, I, C, H, F, J, L, K load heavily on factor 1 while E, A, D, G load heavily on factor 2, as seen in table 4.4.6

The implications are then summarized below.

The Factors.

The following factors will make **Factor 1**.

Performance as a supplier, Positioning, Probing for Data, Post Mortem, Prize Fights – You and Them. These factors explain the competitor strengths. The Performance as supplier and the positioning shows whether a competitor is either a good supplier and positioned well or the vice versa. By debriefing former employees and grabbing some of its current employees can give an organization good intelligence reports about the competitor.

Factor 2 is made up of the following statements.

Pedigree, Pricing, Plans. These presents a competitor's key advantages that make it achieve competitive advantage. These therefore give intelligence on areas where an FM station needs to improve on to attain competitive advantage.

4.4.4: Legal and Ethical Issues.

Table 4.4.7 - Total Variance Explained.

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.871	71.781	71.781	2.871	71.781	71.781
2	.791	19.769	91.549			
3	.288	7.209	98.759			
4	4.966E-02	1.241	100.000			

Extraction Method: Principal Component Analysis.

From the table 4.4.7 we can see that only one factor was extracted. The implications are then given below. See appendix for further tables.

The Factor.

Factor 1 therefore is made up of the following statements.

Information restrictions affect the industry, Analysts are trained in Legal and Ethical guidelines, Stations have established Legal and Ethical guidelines, Staff is motivated to get data at all costs. These statements give a guideline to FM stations when contacting intelligence that, some information is regulated and thus the collectors should follow rules laid down. Some ways of collecting intelligence information are unethical and thus the firm should put in place ethical guidelines to be followed.

CHAPTER FIVE: SUMMARIES AND CONCLUSIONS.

The strategy of competitive intelligence has been practiced in the developed world. Due to the recent changes in the local environment by way of liberalization, it became necessary to study this area to find out the extent of awareness of this strategy and the practices which the local FM stations use from the standards that have been set in Australia and U.S.A. This study was not a replica of any other but was attempt to bring out the strategy into view in a closely competitive industry.

This chapter includes the conclusions drawn from the study, recommendations, limitations of study and suggestions for further research.

5.1 SUMMARY ON FACTOR FINDINGS.

Summary of factors on level of awareness shows us that the two factors generated point towards specific factors in awareness of competitive intelligence.

Factor 1 which has been named Awareness of Competitor Activities, addresses the FM stations' awareness of the actions and plans that the competitors are undertaking and even taking a cue from them by copying them. In this factor the loadings are

- ◆ Station knows what competitors are planning to do - 88.5%
- ◆ Station has modeled their system after another station - 88.1%
- ◆ Station keeps track of what the competitors are doing - 71.2%

Table 5.1.1: Awareness of Competitor Activities.

Factor.	Factor Loading
Station knows what competitors are planning to do	88.50%
Station has modeled their system after another station	88.10%
Station keeps track of what the competitors are doing	71.20%

Factor 2, which has been named Readiness for Competitor Activities, addresses the extent to which the FM stations are ready to face strategies of the competitors. Loadings are as follows.

- Station gets surprises from competitors
- Station has addressed the source of greatest competition

Table 5.1.2: Readiness for Competitor Activities.

Factor.	Factor Loading
Station gets surprises from competitors	32.40%
Station has addressed the source of greatest competition	85.70%

Summary of factors on extend of practices of competitive intelligence shows that the factors, which were extracted, were 3. These factors explain the important factors that are looked into by an FM station in gathering information about the competitors.

Factor 1 has been named Competitors Capabilities and Resources, shows that to have significant intelligence about a competitor, an FM station needs to understand the competitors' capabilities and resources. There were many statements in this factor and the loadings are summarized as follows.

Factor loadings.

- ◆ Physical resources of competitors
- ◆ No. of competitors
- ◆ Human resources of competitors
- ◆ Social functions of competitors
- ◆ Focus of the industry
- ◆ Changes in slogans of the competitors
- ◆ Publications of the competitors
- ◆ Possible new entrants

Table 5.1.3: Competitors Capabilities and Resources.

Factor.	Factor Loading
Physical resources of competitors	95.90%
No. of competitors	95.90%
Human resources of competitors	95.00%
Social functions of competitors	92.40%
Focus of the industry	89.80%
Changes in slogans of the competitors	82.00%
Publications of the competitors	66.50%
Possible new entrants	66.20%

Factor 2 has been named Competitors Practices tells us that for an FM station to understand competitors, it has to gather information about the competitor from the following statements. The factor loadings are given to show the significant levels.

- ◆ Growth of the Industry
- ◆ Exit / Entry in the industry
- ◆ Goals of competitors
- ◆ Government regulations

- ◆ Marketing practices of competitors

Table 5.1.4: Competitors Practices.

Factor	Factor Loading
Growth of the Industry	43.30%
Exit/Entry in the industry.	43.10%
Goals of competitors.	91.80%
Government regulations.	72.70%
Marketing practices of competitors.	65.00%

Factor 3 has been named Industry Trends, which means that for the FM station to also understand the competition it has to look into the industry trends to decipher information useful for its strategies. The factor arises out of the following statements and loadings.

- ◆ Growth rate of the industry
- ◆ Exit/ Entry in the industry
- ◆ Government Regulations
- ◆ Marketing practices of Competitors

Table 5.1.5: Industry Trends.

Factor	Factor Loading
Growth rate of the industry	40.00%
Exit/ Entry in the industry	42.30%
Government Regulations	42.90%
Marketing practices of Competitors.	44.30%

Summary of factors on the 12 P's of Competitive Intelligence gives us the following. The factors extracted were 2. These factors give us understanding into the practices used by FM stations in gathering information about their competitors.

Factor 1 has been named Competitors Strengths. This factor shows that for an FM station to gather information that will be used to attain competitive advantage, then it has understand the competitors' strengths. The statements and their loadings are as follows.

- ◆ Performance as a supplier
- ◆ Positioning
- ◆ Probing for Data
- ◆ Post Mortem
- ◆ Prize Fights – You and Them

Table 5.1.6: Competitor Strengths.

Factor	Factor Loading
Performance as a supplier	88.80%
Positioning	70.20%
Probing for Data	57.50%
Post Mortem	57.20%
Prize Fights – You and Them	51.60%

Factor 2 has been named Competitors Key Advantages. This factor is made up of the following statements which tell us the key advantages that a competitor has that an FM station needs to gather information about in order to use to its advantage and gain competitive advantage.

The loadings are as follows.

- ◆ Pedigree
- ◆ Pricing
- ◆ Plans

Factor Loading

99.90%

60.90%

53.60%

Table 5.1.7: Competitor Key Advantages.

Factor	Factor Loading
Pedigree	99.90%
Pricing	60.90%
Plans.	53.60%

Summary of factors on Legal and Ethical issues of Competitive Intelligence shows that 1 factor was extracted. This factor gives an overview of the ethical and legal issues that must be considered by FM stations in gathering information about the competitors. It also tells the FM stations the need to have information security. The factor has been named Information Security Guidelines. It states the guidelines required for overt information gathering that will not jeopardize an FM stations' competitive intelligence program. The statements and loadings are as follows.

Factor 1.

- ◆ Information restrictions affect the industry
- ◆ Analysts are trained in Legal and Ethical guidelines
- ◆ Stations have established Legal and Ethical guidelines
- ◆ Staff are motivated to get data at all costs

Table 5.1.8: Information Security Guidelines.

Factor	Factor Loading
Information restrictions affect the industry	95.60%
Analysts are trained in Legal and Ethical guidelines	90.30%
Stations have established Legal and Ethical guidelines	88.90%
Staff are motivated to get data at all costs	59.20%

5.2 CONCLUSION.

This study sought to determine the use of competitive intelligence to gain competitive advantage by FM radio stations operating in Kenya. The issues addressed were, first, the awareness level of the use of competitive intelligence as a strategy to gain competitive advantage by the stations. Secondly, it was to find out the nature of practices that they use to gather information about competitors to be used to formulate strategies that will give an FM station an edge over the competitors.

The conclusions can then be summarized as follows.

- i) That indeed the FM radio stations operating in Kenya are aware of the strategy of competitive intelligence and they actually use it. The extent of use is satisfactory though they can still do better. The level of awareness on average in the industry is 52.7% rating.
- ii) That the FM stations operating in Kenya to extent use the 12P's of competitive intelligence. The extent of use is an industry average of 59.4%. They also have put in place adequate training on ethical and legal guidelines for this purpose. All the factors that are important in competitive intelligence were found to be practiced though in varying degrees.

iii) That the use of competitive intelligence is a strategy that if used maximally and well can make a company attain competitive advantage. That is, so long as the information gathered is used in strategy formulation then it will help a firm attain competitive advantage.

They should therefore collect information about the competitors in order to achieve the following.

- ◆ Awareness of Competitor Activities.
- ◆ Readiness for Competitor Activities.
- ◆ Competitors Capabilities and Resources.
- ◆ Competitors Practices.
- ◆ Industry Trends.
- ◆ Competitors Strengths.
- ◆ Competitors Key Advantages.
- ◆ Information Security Guidelines.

The above factors can be summarized in one phrase, that they are "The Eight Competitive Intelligence Tools for Competitive Advantage". These factors can greatly enhance a firm's chances of attaining competitive advantage.

5.3: LIMITATIONS OF STUDY.

A major limitation of this study was the sensitive nature of the topic. It took a long time to persuade the respondents that it was just an academic endeavor, which meant no harm to the organization. Another limitation was the fact that some of the FM stations refused completely to participate in the study. Time was another limiting factor because the respondents were senior policy makers in the organizations and hence were too busy.

Resources constraint was another limitation since the FM stations are spread at long distances from one another.

5.5: SUGGESTIONS FOR FURTHER RESEARCH.

From the findings of the study, it is recommended that further research should be done in the following areas.

- ◆ Strategy formulation for competitive advantage in the FM industry.
- ◆ Competitive Intelligence should be extended to the whole media industry including both print and broadcast media.
- ◆ The competitive intelligence in the TV industry.

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APPENDIX 1.

QUESTIONNAIRE

PART I.

Please answer the following questions by giving the necessary details in spaces provided.

1. Year the station was established.....

2. Company Ownership

- Local []
- Foreign []
- Other (specify)[]

1. Type of Ownership

- Sole proprietorship []
- Partnership []
- Limited Company []
- Other (specify) []

2. Is your company engaged in any other business? Yes [] No []

3. If yes, which are these other Businesses?

.....
.....
.....

4. Is this your core business? YES [] NO []

5. Number of Directors.....

6. Number of Employees.....

7. What types of programs do you offer (Tick as many as applicable).

- Music []
- News []
- Phone- Ins []
- Humor []
- Greetings []
- Commercials Recordings []
- Commercials= Advertising []
- Sports []
- Other (Gospel)

8. In your opinion what are the basic/minimum requirements to enter and operate an FM station?.....

.....
.....
.....
.....
.....
.....

9. What motivated you to start this business?.....

PART II

10. In your opinion do the FM stations in operation offer the same services as you do?

Yes []

No []

11. How do you make your programs?

Our station looks at other stations' programs and copy their style []

Our station looks at other stations programs and changes to suit our strategies. []

We focus on the needs of the audience. []

Other(please specify).....

For the following questions rate where applicable.

1 = Strongly Agree, 2 = Agree, 3 = Agree to some extent, 4 = Disagree to some extent, 5 = Never.

1 2 3 4 5

12. Do you keep track of what your competitors are doing? [] [] [] [] []

13. Have you modeled your system after that of any other station? [] [] [] [] []

14. Have you addressed the source of your greatest competition? [] [] [] [] []

15. Do you get surprises from your competitors? [] [] [] [] []

16. Do you know what your competitors are planning to do? [] [] [] [] []

If yes, how many years in advance do you to forecast market and competitor activity.....

17. Who are your three greatest competitors?

a). _____

b). _____

c). _____

18. (a) When you started your operations did you know how many FM stations were in operation? If affirmative, How many were they?.....

(b) Since then how many have joined?.....

19. Do your company gather information about your competitors?

- Yes []
 No []

If yes what do you do with the information?

20. What does your FM station do so that it can perform better than others in the industry?.....

PART III.

For the following items choose the appropriate practice and the extent at which it is appropriate to your station.

21. Please indicate the level of importance that your company attaches to the following.

1= Very important, 2= important, 3= Moderately important, 4 = Least important, 5 = Not important at all.

- | | 1 | 2 | 3 | 4 | 5 |
|--|-----|-----|-----|-----|-----|
| a. Government Regulations | [] | [] | [] | [] | [] |
| b. Growth rate of the industry | [] | [] | [] | [] | [] |
| c. Exit/Entry into the industry | [] | [] | [] | [] | [] |
| d. Focus of the industry | [] | [] | [] | [] | [] |
| e. No. of Competitors | [] | [] | [] | [] | [] |
| f. Possible new entrants | [] | [] | [] | [] | [] |
| g. Current strategies of your competitors | [] | [] | [] | [] | [] |
| h. Financial strength of your competitors | [] | [] | [] | [] | [] |
| i. Marketing practices of your competitors | [] | [] | [] | [] | [] |
| j. Physical resources of your competitors | [] | [] | [] | [] | [] |
| k. Human resources of your competitors | [] | [] | [] | [] | [] |
| l. Goals of your competitors | [] | [] | [] | [] | [] |
| m. Changes in the slogans of your competitors | [] | [] | [] | [] | [] |
| n. Publications of your competitors | [] | [] | [] | [] | [] |
| o. Speeches by the Chief executive of your competitors | [] | [] | [] | [] | [] |
| p. Social functions of your competitors | [] | [] | [] | [] | [] |
| q. Other(s) (please specify) | [] | [] | [] | [] | [] |

22. Which of these do you use to gather information about your competitors? If you do. **1= Very important, 2= important, 3= Moderately important, 4 = Least important, 5 = Not important at all.**

- | | 1 | 2 | 3 | 4 | 5 |
|--|-----|-----|-----|-----|-----|
| i. Pedigree (Profile) | [] | [] | [] | [] | [] |
| ii. Physical scale
(Number of stations, employees etc) | [] | [] | [] | [] | [] |
| iii. Performance as an investment
(Financial issues) | [] | [] | [] | [] | [] |
| iv. Pricing (High, moderate, Down etc) | [] | [] | [] | [] | [] |
| v. People
(Unionized, Quality, reputation as employer) | [] | [] | [] | [] | [] |

- vi. Positioning
(Target market, unique products etc) [] [] [] [] [] []
- vii. Plans
(Growth, Hold, Merger, Acquisition etc) [] [] [] [] [] []
- viii. Performance as a supplier
(Quality service, service strengths, accounts that would hurt them if taken, etc) [] [] [] [] [] []
- ix. Prestige in the Business community
(Image problems, reputation etc) [] [] [] [] [] []
- x. Probing for Data
(recent articles in the press, debrief former employees, etc) [] [] [] [] [] []
- xi. Prize Fight – You and Them
(Territory, Accounts, Salespersons, etc) [] [] [] [] [] []
- xii. Post mortem
(What things will you do to beat them, etc) [] [] [] [] [] []
- xiii. Other(s) (Please specify)..... [] [] [] [] [] []
..... [] [] [] [] [] []
..... [] [] [] [] [] []

23. How often do you do these things [**Tick where applicable**].

- Continuously []
- Yearly []
- Semi-annually []
- Quarterly []
- Not at all []

24. Which department handles your competitor analysis?

- Marketing []
- R & D []
- Corporate Planning []
- Finance []
- Other(specify)

27. Do you have a market analyst?

- Yes []
- No []

28. For the following where applicable: **1= Strongly agree, 2= Agree, 3= Agree to some extent, 4= Disagree to some extent, 5= Never**

- | | 1 | 2 | 3 | 4 | 5 |
|---|-----|-----|-----|-----|-----|
| i. Have you established a set of legal and ethical guidelines for your analysis? | [] | [] | [] | [] | [] |
| ii. Does trade secret, antitrust, and other information restrictions affect your industry? | [] | [] | [] | [] | [] |
| iii. Is your staff motivated by seniors management to get information at all costs? | [] | [] | [] | [] | [] |
| iv. Have your analysts and the organization at large received training in ethical and legal guidelines surrounding the gathering and analysis of information? | [] | [] | [] | [] | [] |

APPENDIX 1

29. What are your constraints in gathering information and analysis activities?

- Time
- Financial
- Staffing
- Likelihood of obtaining data
- Relative priorities of data

Thank you very much for your time and your cooperation..

APPENDIX 2.

LIST OF RADIO STATIONS OPERATING IN KENYA.

CCK has licensed and assigned frequencies to 23 companies to operate TV and FM sound broadcasting stations in the country. Apart from the Kenya Broadcasting Corporation (KBC), which is the national broadcaster, the other private licensees have been allocated regional frequencies. Of these, firms 14 radio stations only are in operation.

PRIVATE BROADCASTERS

NAME OF BROADCASTER FM SOUND FREQUENCY (MHz).

1. Sauti ya Rehema RTV Network Eldoret : 98.800
P.O. Box 4139,
Eldoret
Tel. 0321-62130
Fax 0321- 62130
2. Kitambo Communications Ltd.(Family FM & TV) Nairobi : 105.200
P.O. Box 56155, Nairobi Mombasa 100.800
Tel. 331770 Kisumu 87.800
Fax 212847
NSSF Building 22nd Floor
Nairobi
3. Capital Group Ltd. (Capital FM) Nairobi : 98.400
P.O. Box 74933, Nairobi Mombasa: 94.700
Tel. 210020
Fax 332349
Lonhro House
4. IQRA Broadcasting Network Garissa:41
P.O. Box 45163, Nairobi Marsabit: 30
Tel. 447624 Wajir: 23
Fax 443978 Nairobi: 95.100
Bandari Plaza, Woodvale Groove, Mombasa: 90.700
Westlands, Garissa: 99.500
Nairobi Marsabit: 98.800
Wajir: 102.900
5. Regional Reach Broadcasting Ltd.(Kameme) Nairobi :101.100
P.O. Box 49640, Nairobi Nyambene: 88.400
Tel. 217963/ 332543 Nakuru: 94.400
Fax 33129 Nyeri: 92.300
Longonot place, 3rd Floor
Kijabe street
6. Feba Radio (Baraka FM) Mombasa :95.500
P.O. Box 49262,
Nairobi Tel. 718283
Kilimani, Kayaghwe Rd.
7. African Broadcasting Ltd. Nairobi :96.400
(Nation Media Group)

P.O. Box 49010, Nairobi
Tel. 337710, 221222
Fax 217112, 215611
Nation House
Nairobi

8. Sirwo Enterprises Ltd
(Radio Africa Ltd - Kiss FM)
P.O.Box 45897 Nairobi
Tel: 447403/4/7
Lion Place, 3rd Floor, Waiyaki Way, Westlands
Nairobi :100.300

9. BBC World Service
P.O. Box 58621, Nairobi
Tel. 214437, 229110
Fax 214435
Longonot Place,
Kijabe street.
Nairobi :93.700
Mombasa: 93.900

12. KENYA BROADCASTING CORPORATION (KBC).
(NATIONAL BROADCASTER)
KBC owns 3 stations in operation.
1. **Metro FM. 101.9**
2. **Cioro FM.**
3. **Pwani FM.**
Harry Thuku Road
Tel: 334567
P.O.Box 30456
Fax: 220675
Nairobi

13. VOICE OF AMERICA (VOA). 107.3 Nairobi.

14. EAST FM,
Baricho Rd.
Industrial Area,
Nairobi.

Therefore there are 14 FM radio stations in operation in Kenya.

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Appendix 3

Profile of Stations.

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Age of Station.	11	1	3	1.64	.92
Company Ownership	11	1	2	1.18	.40
Type of Ownership.	11	2	4	3.18	.75
No. of Directors.	8	1	3	2.00	.53
No. of Employees.	9	1	4	2.00	1.00
Valid N (listwise)	8				

Legal and Ethical Guidelines

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Established Legal and Ethical Guidelines.	11	1	5	2.36	1.75
Information Restrictions affect.	11	1	5	2.82	1.72
Staff motivated to get data at all cost.	11	1	5	3.64	1.57
Analysts Trained in Legal and Ethical Guidelines.	11	1	5	2.91	1.64
Valid N (listwise)	11				

Level of Awareness.

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Keep Track of What Competitors are Doing.	11	1	5	2.36	1.57
Modeled System after another station?	11	2	5	4.09	1.14
Have addressed Source of Greatest Competition.	11	1	5	2.09	1.58
Get Surprises From Competitors	11	1	5	2.73	1.74
Know What Competitors Are planning to do.	11	2	5	4.18	1.25
Valid N (listwise)	11				

Key

- L1=Keep Track of What Competitors are Doing.
- L2=Modeled System after another station?
- L3=Have addressed Source of Greatest Competition.
- L4=Get Surprises From Competitors
- L5=Know What Competitors Are planning to do.

Factor Analysis- Awareness Level

Correlation Matrix						
		L1	L2	L3	L4	L5
Correlation	L1	1.000	.654	.673	.444	.575
	L2	.654	1.000	.330	.216	.480
	L3	.673	.330	1.000	.776	.447
	L4	.444	.216	.776	1.000	.117
	L5	.575	.480	.447	.117	1.000

Component Matrix(a)		
	Component	
	1	2
Keep Track of What Competitors are Doing.	.893	.157
Have addressed Source of Greatest Competition.	.858	-.403
Modeled System after another station?	.694	.476
Know What Competitors Are planning to do.	.679	.490
Get Suprises From Competitors	.671	-.683
Extraction Method: Principal Component Analysis.		
a 2 components extracted.		

	Component	
	1	2
Keep Track of What Competitors are Doing.	.859	.647
Modeled System after another station?	.837	.303
Know What Competitors Are planning to do.	.831	.283
Get Suprises From Competitors	.263	.939
Have addressed Source of Greatest Competition.	.561	.935
Extraction Method: Principal Component Analysis.		
Rotation Method: Promax with Kaiser Normalization.		

Structure Matrix			
	Component		
	1	2	3
Financial strength of Competitors.	.968	.489	.354
Physical Resources.	.957	.452	.498
Human Resources.	.947	.442	.498
Focus of The Industry.	.892	.463	.392
Social Functions.	.891	.636	6.136E-02
No. of Competitors.	.890	.526	.156
Changes in Slogans.	.844	.460	.397
Possible New Entrants.	.801	.654	.290
Growth Rate of Industry.	.745	.729	.665
Exit/Entry	.734	.723	.679
Speeches of Chief Executives.	.354	.945	.100
Goals of Competitors.	.561	.940	6.381E-02
Marketing Practices.	.665	.842	.678
Government Regulators.	.465	.789	.586
Current strategies of Competitors.	.139	.130	.882
Publications of Competitors.	.691	.104	.765

12P's – Practices of Competitive intelligence.

Factor Analysis Correlation Matrix													
		P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12
Corr elati on	P1	1.000	.229	.390	.741	.725	.681	.588	.529	.241	.652	.588	.530
	P2	.229	1.000	.906	.702	.175	.817	.602	.844	.872	.448	.638	.644
	P3	.390	.906	1.000	.767	.259	.877	.692	.901	.905	.710	.632	.535
	P4	.741	.702	.767	1.000	.701	.955	.911	.844	.644	.563	.816	.709
	P5	.725	.175	.259	.701	1.000	.602	.630	.444	.265	.268	.630	.213
	P6	.681	.817	.877	.955	.602	1.000	.870	.933	.815	.696	.838	.732
	P7	.588	.602	.692	.911	.630	.870	1.000	.866	.679	.550	.902	.662
	P8	.529	.844	.901	.844	.444	.933	.866	1.000	.919	.733	.900	.685
	P9	.241	.872	.905	.644	.265	.815	.679	.919	1.000	.664	.739	.493
	P10	.652	.448	.710	.563	.268	.696	.550	.733	.664	1.000	.550	.455
	P11	.588	.638	.632	.816	.630	.838	.902	.900	.739	.550	1.000	.692
	P12	.530	.644	.535	.709	.213	.732	.662	.685	.493	.455	.692	1.000

Key.

- P1=Pedigree.
- P2=Physical Scale.
- P3=Performance as an Investment.
- P4=Pricing.
- P5=People.

- P6=Positioning.
- P7=Plans
- P8=Performance as a Supplier.
- P9=Prestige in Business Community.
- P10=Probing for Data.
- P11=Prize Fights- You and Them.
- P12=Post Mortem.

	Component	
	1	2
Positioning.	.987	2.078E-02
Performance as a Supplier.	.972	-.170
Pricing.	.937	.219
Plans	.902	.170
Prize Fights- You and Them.	.897	.137
Performance as an Investment.	.874	-.384
Prestige in Business Community.	.842	-.443
Physical Scale.	.809	-.489
Post Mortem.	.741	-2.857E-02
Probing for Data.	.728	-4.040E-02
Pedigree.	.669	.621
People.	.574	.703
Extraction Method: Principal Component Analysis.		
a 2 components extracted.		

4.4.1: Factor Analysis Findings – Awareness of Competitive Intelligence.

	Initial	Extraction
1.Keep Track of What Competitors are Doing.	1.000	.822
2.Modeled System after another station?	1.000	.709
3.Have addressed Source of Greatest Competition.	1.000	.899
4.Get Surprises From Competitors	1.000	.916
5.Know What Competitors Are planning to do.	1.000	.702
Extraction Method: Principal Component Analysis.		

Component	1	2
1	1.000	.454
2	.454	1.000
Extraction Method: Principal Component Analysis.		
Rotation Method: Promax with Kaiser Normalization.		

	Initial	Extraction
A: Government Regulations.	1.000	.774
B: Growth Rate of Industry.	1.000	.838
C: Exit/Entry	1.000	.836
D: Focus of The Industry.	1.000	.796
E: No. Of Competitors.	1.000	.856
F: Possible New Entrants.	1.000	.716
G: Current strategies of Competitors.	1.000	.844
H: Financial strength of Competitors.	1.000	.941
I: Marketing Practices.	1.000	.932
J: Physical Resources.	1.000	.933
K: Human Resources.	1.000	.916
L: Goals of Competitors.	1.000	.946
M: Changes in Slogans.	1.000	.714
N: Publications of Competitors.	1.000	.877
O: Speeches of Chief Executives.	1.000	.940
P: Social Functions.	1.000	.957

Extraction Method: Principal Component Analysis.

Component	1	2	3
1	1.000	.539	.421
2	.539	1.000	.278
3	.421	.278	1.000

Extraction Method: Principal Component Analysis.
Rotation Method: Promax with Kaiser Normalization.

	Initial	Extraction
A: Pedigree.	1.000	.834
B: Physical Scale.	1.000	.893
C: Performance as an Investment.	1.000	.912
D: Pricing.	1.000	.926
E: People.	1.000	.823
F: Positioning.	1.000	.975
G: Plans	1.000	.842
H: Performance as a Supplier.	1.000	.974
I: Prestige in Business Community.	1.000	.906
J: Probing for Data.	1.000	.531
K: Prize Fights- You and Them.	1.000	.824
L: Post Mortem.	1.000	.550

Extraction Method: Principal Component Analysis.

Component	1	2
1	1.000	.615
2	.615	1.000

Extraction Method: Principal Component Analysis.
Rotation Method: Promax with Kaiser Normalization.

	Initial	Extraction
A: Established Legal and Ethical Guidelines.	1.000	.791
B: Information Restrictions affect.	1.000	.914
C: Staff motivated to get data at all cost.	1.000	.351
D: Analysts Trained in Legal and Ethical Guidelines.	1.000	.815

Extraction Method: Principal Component Analysis.