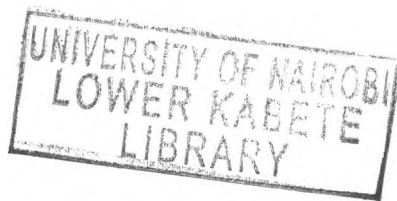


**COMPETITIVE INTELLIGENCE AS A STRATEGIC TOOL BY THE
MOBILE PHONE OPERATORS IN KENYA**

BY

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**RESEARCH PROJECT SUBMITTED TO SCHOOL OF BUSINESS IN
PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD
OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION OF
THE UNIVERSITY OF NAIROBI**

JULY, 2011

DECLARATION

This research project is my original work and has not been submitted for examination in any other university or institution

Felicity Wangui Murege

D61/75414/2009

Signed.......... Date..... 14TH NOV 2011.....

This research project has been submitted for examination with my approval as the university supervisor.

for **Mr. Jeremiah Kagwe**

Signed.......... Date..... 17/11/2011.....

DEDICATION

My dedication goes to my husband, Oluoch for his unwavering understanding and support, and my son Declan for allowing me to use part of my family time to do my studies.

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I am very grateful to the following institutions and individuals for their contribution and the guidance in ensuring the success of this project.

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ABSTRACT

Organizations are increasingly seeking to better understand how they can leverage their value propositions in the marketplace. This practice constitutes effective means, put at the disposal of the company, to supervise its environment, in search of signals likely to constitute opportunities or threats able to influence its results. Thus the companies adopt competitive intelligence which helps them to understand the forces that influence the business environment and, more importantly, to develop appropriate plans to compete successfully.

The study sought to establish the extent to which competitive intelligence was used as a strategic tool by mobile phone service companies in Kenya. In attempting to achieve the objective; a survey research design was adopted. The population of the study consisted of all mobile phone service companies operating in Kenya which are four. The study used primary data which was collected through a self administered questionnaire. The data was analyzed by the use of descriptive statistics to summarize and relate variables which were attained from the administered questionnaire.

The study established that the mobile phone companies use competitive intelligence as a strategic tool to assess current and potential market place for opportunities, assist the executive to monitor the performance of the team from time to time and setting performance targets, continues scanning competitor threats, the executive been continuously updated on the threats posed by competitors, competitor risk to be routinely evaluated to establish the impact it has on the current strategy, assist the intelligence team provide tailored responses to counter competitor risks in the environment, assist in testing the assumptions underlying the strategic plans for a period, assist the intelligence team identify the changes in the regulatory environment, the intelligence team participate in the development of the organizations strategy and continuous monitoring of customer insight and response patterns. It also assist the companies to reduce risk, avoid information overload, ensures privacy and security of information, helps in the use of corporate information strategically and development of appropriate plans to compete successfully.

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CHAPTER ONE: INTRODUCTION

1.1 Background to the Study

The present business environment is competitive, and the achievement of competitive advantage has become a strategic priority for each enterprise which desires to maintain its position on the market or, sometimes, only to survive. As a result competitive intelligence as a strategic business tool has long been proposed in an effort to increase a company's competitiveness (Montgomery and Weinberg, 1999, Porter, 1980). It is an important aspect of strategic management because it serves as the first link in the chain of perceptions and actions that permit an organization to adapt to its environment. Environments pose important constraints and contingencies for organizations, and their competitiveness depends on their ability to monitor and adapt their strategies based on information acquired through competitive intelligence activities. Companies should become increasingly aware of the necessity to remain informed of their competitive environment (Nasri, 2009).

Competitive intelligence provides knowledge of competitors, their marketing strategies, objectives, research activity, their strengths and weaknesses and other information. This analysis helps companies in understanding their position with respect to major competitors in the global competitive environment and provides actionable business competitive intelligence (Cobb, 2003). Organizations are increasingly seeking to better understand how they can leverage their value propositions in the marketplace. This practice constitutes effective means, put at the disposal of the company, to supervise its environment, in search of signals likely to constitute opportunities or threats able to influence its results. Whatever its size or its branch of industry, the company must have at the good moment of the useful information to implement and to develop strategy (Guimaraes, 2000).

According to Myburgh (2004), the objectives of competitive intelligence are to manage and reduce risk, make knowledge profitable, avoid information overload, ensure privacy and security of information, and use corporate information strategically. In essence, competitive intelligence helps strategists to understand the forces that influence the business environment and, more importantly, to develop appropriate plans to compete successfully (McGonagle and Vella, 2002).

Guimaraes (2000) further provides a summary of the benefits of competitive intelligence practice in strategic planning namely: bringing to light business opportunities and problems that will enable proactive strategies; providing the basis for continuous improvement; shedding light on competitor strategies; improving speed to market and thereby supporting rapid globalization; improving the likelihood of company survival; increasing business volume; providing better customer assessment; and improving understanding of external influences.

Thus, the guiding principles in any strategic management process, whether in the public or private sector, is about understanding what changes are needed, how to implement and manage these changes, and how to create a roadmap for sustaining improvements that lead to better performance. The difficulty in strategic management is the challenge of laying a foundation for success in the future while meeting today's challenges. Strategic planning is based on the premise that leaders and managers of public and nonprofit organizations must be effective strategists if their organizations are to fulfill their missions, meet their mandates, and satisfy constituents in the years ahead (Bryson, 1995).

1.1.1 Competitive Intelligence

Competitive Intelligence (CI) is the tool of knowledge and adequate understanding of the market's realities, of the techniques and thinking manner of the direct competitors, of the cultural context from whom they precede from, of the intentions and of its capacity of putting them in practice (Briciu and Mihai, 2009). Thus, competitive intelligence represents the enterprise's capacity to administrate the information from various sources for obtaining competitive advantages. CI represents an enterprise process of some actions of gathering, treatment and spreading of some information (only the one useful for the enterprise) with the purpose of gaining a competitive advantage. According to Mihai (2009.p.103), the concept is relatively new in appearance and is insufficiently exploited (certain dimensions), undifferentiated initially by the industrial/economic espionage, and often framed in the strategic management, the competitive management or the performance management, gained its title of fundamental discipline (without denying its profound plury – and interdisciplinary character).

An organization opportunities often center on identifying ways to modify the current strategy to add value for customers. Market intelligence plays a critical role in assessing how new opportunities can be utilized in extending to extend and leverage the current strategy. According to Kahaner (1997), a firm's intelligence team will help in identifying in detail the marketplace strategy of the dominant players in the market that are competing with the firm. This information will help an organization to develop appropriate strategies to counter the strengths of competitors and also develop appropriate strategies to compete effectively. Important information to be catered will be for example the rate of customization of their total solutions for vital customers, levels of service and the prices currently being charged.

As with competitor threats, identification and assessment of competitive risks focuses intelligence work on shaping strategy inputs that frame the executive dialogue around the three core strategy questions. Therefore an organization's strategic move is based on the understanding that a strategy based on creating and sustaining differences in products and services is subject to constant attack by imitators and subject to erosion as customers' preferences, technology, regulations and substitutes shift (Carroll and Mui, 2008). Competitive Intelligence looks for uncovering early signs of risks and opportunities stemming from the continuous shift of the balance of power in any industry.

1.1.2 Mobile Phone Service Operators in Kenya

The mobile phone service industry in Kenya has undergone can be traced to the partial privatization of Telkom Kenya Ltd (December, 2007), divestment of the government of Kenya's 25% stake in Safaricom Ltd through a public listing (May, 2008), and the launch of the fourth mobile phone operator, Econet Wireless Kenya (November, 2008). This has resulted into some of the World's best known telecommunication providers, Vodafone, France Telecom's and Essar Communication through their investment in Safaricom Ltd, Telkom Kenya Ltd, Bharti of India and Econet Limited being major players in the Kenyan market.

Currently, there are over 19.4 million mobile phone users in Kenya which is around 50% of the population. There are four mobile phone service providers in the country which are, Safaricom which has approximately 15 million subscribers, that is around 76%, Bharti Airtel has around 13% of the subscriber base, with Orange Telkom having around 8% and Econet's Yu with 3% (African Telecom, Website – africantelecomsnews.com, accessed 18.6.2011).

Safaricom Ltd is a leading mobile phone network operator in Kenya with its headquarters based in Nairobi. It was formed in 1997 as a fully owned subsidiary of Telkom Kenya. In May 2000, Vodafone group Plc of the United Kingdom, the world's largest telecommunication company, acquired a 40% stake and also the management responsibility for the company. Recent reports indicate that Vodafone Plc of UK only owns 35% of the stake in Safaricom Limited and the remaining 5% is owned by a little known company, Mobitelea Ventures Limited.

Bharti Airtel Limited commonly known as airtel, is an Indian telecommunications company that operates in over 19 countries across South Asia, Africa and in the Channel Islands. It operates a GSM network in all countries, providing 2G or 3G services depending upon the country of operation. Airtel is the fifth largest telecom operator in the world with over 207.8 million subscribers across 19 countries as at the end of 2010. Airtel is the second largest GSM service provider in Kenya after Safaricom Limited. It started its operations in Kenya in 2010 after it bought off Zain Ltd's business interests. Essar Telecom Kenya Limited (ETKL) is a unit of India based Essar Group. ETKL launched a mobile phone service network under the brand name "Yu" in November 2008 in Kenya. They continue to build their network using the latest equipment that ensures clarity and reliability.

The mobile phone sector in Kenya still is in its infancy stage and there is growth opportunities especially in data traffic as well as voice services. This can be attested by the increased revenue and profits over the last five years among the mobile phone service providers. In addition, there is still a huge percentage of Kenyans still unbanked and with the money transfer innovation; the providers can still capture this market and thus increasing their revenue base. However, with more players coming to the market, there has been a drop of calling charges due to price

competition and this has led with a drop in revenue from the voice segment although the firms have had to diversify into other services to cushion themselves from the pricing effects.

1.2 Research Problem

The current business environment is characterized by the production of diverse forms of leverage over organizations, such as the speed of technological transformation, the acceleration of competition and demographical dynamics (Portes, 2005). Consequently, organizations need to develop strategies in order to fit into the environment, where responsiveness, alertness, decision making, and speed are all important (Rühli and Sachs, 1997). As a result of this emergence of a tougher business environment, firms and governments have increasingly recognized the significance of competitive intelligence on a global scale as a basic instrument for improving their chances of success, if not survival (Chen, 2005). A firm needs to understand market rules, its actors strategy and of the influence of other forces on the market, of the weak and strong points of each other simultaneous with the intervention in an active and advantageous manner in the prevailing competition.

The Mobile Phone Service industry in Kenya has been recognized as one of the fastest growing sectors and at the same time witnessing high level of competition in Africa (World Bank Report, 2010). With one single operator in 1990s, the sector has witnessed an increase in number of players to the current four and customer base of 19.6min the year 2010 (CCK, Annual Report, 2010). The customers have at the same time become quite enlightened and demand better services than before albeit at a lower prices. The regulator (CCK) has at the same time not made matters any better for the mobile phone service players by reducing the interconnectivity charges and allowing for porting of numbers by customers. With the change of technology, many customers are adopting the use of cheap communication means such as the internet and Voice over Internet Protocol. In such unpredictable market, the managers in a firm need to know as early as possible, what marketplace risks may be associated with the current strategy or with the potential strategy shifts intended to pursue new opportunities. Intelligence-based assessment of the implications of risks can shift the firms understanding of an opportunity or a strategy alternative and dramatically influence whether the opportunity or alternative is a “go”, a “hold” or a “fold.” (Briciu and Mihai, 2009).

A number of studies have been undertaken locally on competitive intelligence area in organizations. Wachira (2009) undertook a study on the role competitive intelligence adopted by Insurance firms in Kenya. He concluded that the intelligence system if adopted by a firm can give corporate leadership an analysis of the implications of marketplace change for the firm's current and potential strategies. He further observed that Intelligence professionals need to focus on five strategy inputs: marketplace opportunities, competitor threats, competitive risks, key vulnerabilities and core assumptions in which each type of intelligence input requires considerable judgment and value-add on the part of intelligence professionals. On her part, Kiraithe (2009) studied on the Competitive intelligence strategies adopted in the Media industry in Kenya: a case of Nation Media group. The study's observation was that competitive intelligence in the media industry was then still rudimentary and also noted that the existing intelligence gathered should be able to assess its implication for the current strategy, for potential opportunities and how to counter specific threats from rivals. Further, to be effective, market intelligence has to be reliable and well organized to be a source of competitive advantage. On the basis of the above two studies done so far on the subject area, it is evident that limited research has been done on competitive intelligence practices adopted by Mobile Phone Service Providers Company and how CI is applied as a strategic tool. This therefore leads to the research question: To what extent has competitive intelligence been used as a strategic tool among the mobile phone operators in Kenya?

1.3 Research Objective

The objective of the study was to establish the extent to which competitive intelligence is used as a strategic tool by the Mobile Phone Service Companies in Kenya.

1.4 Value of the Study

The study will aid various stakeholders in the Telecommunication industry in Kenya as follows:

The management and staff of the Mobile phone service providers will find this study an invaluable source of material in developing and harnessing their strategic intelligence in the present day competitive business environment. This study will provide insight on some of the challenges that may be faced in the development and implementation of their strategic competitive intelligence plans and how they can avoid them. The authorities will strive to avoid the pitfalls and capitalize on the strengths.

Other organizations can also find use in developing their unique strategic competitive intelligence that shall not be easily be imitable and thus create their own individual firm competitive advantages. The government and regulators of the industry will also find invaluable information in how competitive intelligence can be adopted and as a result put in place policies that will guide and encourage other organizations within and without the industry in implementing their strategies in an ethical manner.

For academicians, this study will form the foundation upon which other related and replicated studies can be based on. Investors can also gain an insight on the business and its strategic position within the environment, which can assist them in determining their investment viability.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter highlights the major issues relating to the influence of competitive intelligence as a strategic tool and covers: competitive intelligence, role of intelligence on firms strategic process encompassing; market opportunities, competitor threats, competitive risks; organizational strategy and competitive intelligence and finally competitive risks in strategy formulation.

2.2 Competitive Intelligence

Competitive intelligence has long been recognized as a strategic tool and is one of the fastest growing disciplines in the business world (Viviers and Muller, 2004) and is rapidly becoming a major technique for achieving competitive advantage (Porter's, 1980). Calof and Skinner (1999, P.23) defined competitive intelligence “is an actionable recommendations arising from a systematic process involving planning, gathering, analysing and disseminating information on the external environment for opportunities, or developments that have the potential to affect a company's or country's competitive situation”.

According to the Society of Competitive Intelligence Professionals (SCIP, 2004) competitive intelligence “is a systematic and ethical program for gathering, analysing and managing external information that can affect your company's plans, decisions and operations”. Thus competitive Intelligence can be termed as a systematic process by which organizations ethically gather and analyze actionable information about competitors and the competitive environment and, ideally, apply it to their decision-making and planning processes to improve their performance (Fleicher, 2004).

According to Myburgh (2004), the objectives of competitive intelligence are to manage and reduce risk, make knowledge profitable, avoid information overload, ensure privacy and security of information, and use corporate information strategically. In essence, competitive intelligence

helps strategists to understand the forces that influence the business environment and, more importantly, to develop appropriate plans to compete successfully (McGonagle and Vella, 2002). Guimaraes (2000) provides a summary of the benefits of competitive intelligence practice in strategic planning: bringing to light business opportunities and problems that will enable proactive strategies; providing the basis for continuous improvement; shedding light on competitor strategies; improving speed to market and thereby supporting rapid globalization; improving the likelihood of company survival; increasing business volume; providing better customer assessment; and improving understanding of external influences.

Competitive intelligence's goal is to provide "actionable intelligence" (Fahey, 1999, p.54), namely, information that has been synthesized, analyzed, evaluated and contextualized. Competitive intelligence can help your business in a lot of ways: it can identify new markets, concepts, opportunities or products; it can aid in the re-launch or repositioning of existing products; it can help generate ideas for new products, track trends and help you formulate business plans and strategies; and it can help you to identify attractive merger and acquisition candidates (Donna and Barson, 2002). Therefore competitive intelligence includes competitor intelligence as well as intelligence collected on customers, suppliers, technologies, environments, or potential business relationships (Gilad, 1989).

According to Priporac et al (2005), competitive intelligence is both a product and a process. The product is information on the competitors in the market, which is used as the basis for specific action. The process of competitive intelligence is the action of gathering, analyzing, and applying information about products, competitors, suppliers, regulators, partners, and customers for the short- and long-term planning needs of an organization (Kahaner, 1997). The systematic process used in developing competitive intelligence product is commonly known as the intelligence cycle and progresses through a recurring set of steps including planning, data gathering, analysis and dissemination (Fleicher, 2004).

2.2.1 Intelligence Cycle

Kahaner (1999) observed that the competitive intelligence process is made up of several phases which include the planning and collection of data; analysis and communication of data, process of data and finally organizational awareness.

Planning and focus define the company's requirements in terms of what information is needed? Why is it needed? When is it due? (Bose, 2008). It involves working with decision makers to discover their intelligence needs and then translating those needs into their specific intelligence requirements or "key intelligence topics" (KITs). Collection – the collection activities include identification of all potential sources of information and then research and gather the right data legally and ethically from all available sources and put it in an ordered form (Herring, 1998).

Herring (1998) observed that the analysis process is yet another crucial step that involves converting information into "actionable intelligence" on which strategic and tactical decisions may be made. After this process, the information is then communicated as finished product or the competitive intelligence communicated back to the decision makers in a format that is easily understood. Often, communication of the findings takes the form of a report, a dashboard, or a meeting. These findings are used as inputs to conduct further analyses such as competitor profiling, scenario planning, and scenario analysis. According to Viviers et al. (2005), competitive intelligence, requires appropriate policies, procedures, and a formal (or informal) infrastructure so that employees can contribute effectively to the competitive intelligence system as well as gain the benefits from the competitive intelligence process.

Indeed even if competitive intelligence was a formal program in the organization and various sources of intelligence were utilized, without the support of senior management it only has a chance of being a management resource in a reactive way. Other considerations include whether to have a centralized or decentralized competitive intelligence unit and whether competitive intelligence requires fulltime attention (Kahaner, 1997). Havenga and Botha (2000) have shown

that the function should be positioned as high up in the organization as possible and should have direct, unfiltered, access to the chief executive.

The organizational awareness and culture process is concerned with ensuring that competitive intelligence is well executed and that all should participate. There must be the right organizational awareness and a culture of competitiveness and information gathering and (Viviers et al., 2005). It is important to create the right environment for competitive intelligence. It requires continuous staff training, emphasizing the importance of competitive intelligence. Viviers et al. (2005), indicate that without proper awareness and attitudes that favor both intelligence and information sharing, it is difficult to develop intelligence within an organization. Awareness and participation can be enhanced using various methods including having incentives available to recognize or reward useful contributions (Fuld, 1995). Awareness creation is also a continuous activity.

2.2.2 Intelligence Teams

An intelligence team is a group of individuals who work together to develop a deep understanding of a specific business issue with the intent of developing strategy-relevant insights, action possibilities, and recommendations (Jakobiak, 2002). Team members are drawn from diverse functional departments or organizational units. They are typically headed by an intelligence professional whose dominant charge is to ensure that the team not only works efficiently and effectively but that it generates insights that add significant value to decision making. Intelligence teams almost always consist of both core and transient members. According to Morgan (2000) core members assume responsibility for the team's process and outputs and typically include one or more intelligence professionals who manage the analysis process and ensure that the outputs support decision making. Transient members contribute specific knowledge or expertise at a particular point in the analysis and serve the role of connecting the team to key decision makers or external sources of information (Jakobiak, 2002).

Cresswell (2004) observed that intelligence teams are not required for all facets of a firm's intelligence work. Firms create intelligence teams to address the “big” intelligence challenges. Executives and intelligence professionals thus must address an unavoidable question: What



issues and decisions give rise to intelligence challenges that warrant the creation of an intelligence team? Insights are more likely when team members bring distinctly different perspectives to exploring an issue, identifying preliminary findings, specifying tentative assumptions or challenging emerging points of view. Thus, it is often necessary to choose one or more team members who are known for their willingness to challenge the conventional wisdom or who can develop and sustain constructive tension in the early stages of idea development and hypotheses generation (Kahaner, 2007).

If appropriately structured, Phanel (2004) observed that a team can deploy many analysis frameworks to make its way through the analytics of any intelligence challenge. The uncertainties that must be addressed in most marketplace issues, for example, rivals' changing strategies or technological shifts, require many different forms of skills and expertise. Intelligence team members –like any other type of team – may suffer the usual forms of distraction that can easily inhibit the emergence of a committed and smoothly functioning team. They report to other masters; they may not fully understand the potential organizational benefits of the intelligence project; they may feel that there is little benefit in the project for their own unit or department. Thus, rare is the intelligence team that comes together “naturally” (Levet, 2004).

2.3 Role of Intelligence on Firms Strategic Process

The concept of strategy embraces the overall purpose of an organization. It is the determination of the basic long-term goals and objectives of an organization, adoption of courses of action and the allocation of resources necessary for carrying out those goals. The three core areas of corporate strategy as outlined by Gole (2005) encompasses: strategy analysis, strategy development and strategy implementation.

A firms Intelligence process need to focus on three major strategy inputs: marketplace opportunities, competitor threats, competitive risks and core assumptions (Barson, 2002). Each type of intelligence input requires considerable judgment and value-add on the part of intelligence professionals. Each input enables all members of the management team to engage in

more intelligent – that is, better informed – dialogue around the three strategy questions noted above.

2.3.1 Marketplace opportunities

Strategy is ultimately about creating and realizing new marketplace opportunities. Opportunities address new ways of creating and delivering value for customers: new products or solutions; extending existing product lines and reconfiguring existing solutions (Priporac et al., 2005). In addressing the marketplace opportunities, the organizations management team will need to extend current opportunities that are the focus of the current strategy. In addition, the strategy team should scan potential market place opportunities and establish what current opportunities are beyond the reach of the current strategy and at the same time determine opportunities that could be lurking but not yet fully evident in marketplace change.

Further, Fleicher (2004) posits that an organizations intelligence team must focus intently on assessing current and potential marketplace change to identify possibilities in both of these areas of opportunity. Short-term opportunities often center on identifying ways to modify the current strategy in order to add value for customers. To this regard the executive team must “challenge” the intelligence team to identify and develop the contours of new opportunities. For example, in the wins and losses case, the intelligence led team will need to be asked to explain more than merely why losses had occurred. Executives established the expectation that the intelligence team would identify how greater “share of pocket” of key corporate and governmental customers could be achieved. Nothing less than developing the value proposition that would win these customers would be tolerated – otherwise the opportunity would not be realized. In addition, the intelligence team must demonstrate that it is fully committed to learning about the firm's strategy (Priporac et al., 2005). The current strategy provides the framework for identifying and shaping the extension of current opportunities.

2.3.2 Competitor threats

Opportunities would be so much easier to realize were it not for the presence of current and potential competitors (Herring, 2008). In short, strategy must win against rivals. Rivals' current and potential actions pose threats to any strategy's success. Competitor threats are defined as

ways that a rival can inhibit a company's strategy from succeeding in the marketplace. If threats are detected too late, resources tied up in supporting a strategy may be substantially wasted (Burkardt, 2005).

If threats are detected long before they come to full fruition, strategy can be adapted to eliminate, ameliorate or avoid the threat. Under such a situation, the management team should pose such questions as; how might competitors most adversely affect our current strategy? Which competitors are most likely to do so, and how might we best “handle” these threats? The firm’s intelligence thus must assess current and potential competitor change for its strategy implications for threats. First, the executive team must be alerted to current or potential competitor threats and in addition it must ask intelligence to go further: to assess their implications for the current strategy, for potential opportunities, for winning against specific rivals (Burkardt, 2005).

2.3.3 Competitive risks

Organization strategy is played out over time in a marketplace or competitive context that extends well beyond competitors. Change in and around the marketplace (being driven by customers, channels, suppliers, governmental agencies, technology houses, political parties, etc) is the source not only of marketing opportunities and competitor threats but of competitive risks. These risks include any marketplace change that could negatively impact the firm's current or potential strategy (Viviers et al., 1999).

Executives need to know, as early as possible, what marketplace risks may be associated with the current strategy or with potential strategy shifts intended to pursue new opportunities. Intelligence-based assessment of the implications of risks can shift the executive team's “understanding” of an opportunity or a strategy alternative and dramatically influence whether the opportunity or alternative is evaluated as a “go”, a “hold” or a “fold.” (Fleicher, 2004).

Assessment of marketplace change always leads to the identification of strategy-related risks. Some risks may be immediate and totally evident in today's competitive landscape; others may be longer-term and only partially evident. Sometimes, intelligence truly earns its spurs by

detecting and identifying the implications of risks that may not be evident at all in today's world (Herring, 2008). An executive team therefore should always pose the following three questions to its intelligence team: What competitive risks does our current strategy face? What competitive risks might we face in the future? And how can we best manage these risks? Tailoring responses to these broad questions compels the intelligence team to look beyond competitive trends, patterns and discontinuities to isolate and assess risks and demonstrate how they might negatively impact the pursuit of specific opportunities.

2.3.4 Core assumptions

According to Burkardt (2005), strategies aim to realize marketplace opportunities and, in doing so, to handle competitor threats and competitive risks. However, any strategy is, by definition, based on assumptions about the future. Unfortunately, few organizations, as a routine part of strategy making, isolate, challenge and refine the pivotal assumptions underpinning a strategy thrust or suggested strategy shifts. Thus, a central opportunity exists for intelligence professionals to go beyond detecting and interpreting the likely direction of marketplace change: to identify, test and assess key assumptions about specific strategies that the executive team seems to be making or that they may need to make but are not (Priporac et al., 2005).

To address these questions, intelligence professionals can focus assumption analysis on the firm's current strategy, potential strategy alternatives, and "guiding" marketplace assumptions. Each of the three assumption roles noted above – identifying, testing and assessing – allow the intelligence team to transform all the data it possesses about current and potential marketplace change into one set of critical insights for the executive team: a short list of key assumptions that focuses executive attention on the change in the external world that is truly important.

2.4 Organizational Strategy and Competitive Intelligence

In many companies, it's urgent that a more productive dialogue about strategy making take place between the executive leadership and the team responsible for creating critical marketplace insights – a team composed of the competitive intelligence professionals and the managers in other functional areas who work with them (Jakobiak, 2002). Strategy is ultimately about

creating and realizing new marketplace opportunities. Opportunities address new ways of creating and delivering value for customers through development of new products or solutions; extending existing product lines or reconfiguring existing solutions. The executive team continuously addresses two types of new marketplace opportunities, namely extending current opportunities and identification of potential marketplace opportunities through answering questions such as what opportunities exist beyond the reach of our current strategy should the firm be considering? What opportunities may be lurking but not yet fully evident in marketplace change? (Barson, 2002). Intelligence professionals thus must focus intently on assessing current and potential marketplace change to identify possibilities in both of these areas of opportunity.

2.4.1 Extending current organizational opportunities

Short-term opportunities often center on identifying ways to modify the current strategy to add value for customers. The market intelligence team will play a critical role in assessing how new opportunities to extend and leverage the current strategy. According to Kahaner (1997), a firm's intelligence team will have to describe in detail the marketplace strategy of the dominant players in the market that are competing with the firm. Important information to be catered will be for example the rate of customization of their total solutions for their customers, levels of service and the prices currently being charged.

Creswell (2004) observed that a firm's intelligence team need to analyze the "wins and losses" in both corporate and governmental customers against key rivals. The present strategy adopted by competitors such as changes from the traditional industry practice such as going beyond offering superior products but to also convincing customers its ability and willingness to provide superior service and closer working relationships (even at slightly higher prices than rivals). Only by offering this broadened capability could firms hope to gain share versus rivals. Another intelligence team can be tasked with responsibility for customer insight monitors patterns in customers' responses to rivals' new product introductions. The team focuses on which customers are switching from one rival to another. One intend of this is to ascertain new customer applications. As was observed by Fuld (1995), the intelligence team "feeds" insights into how

customers are deploying specific product applications to the product development team (to improve the next product generation) and to the sales force (to augment value in specific accounts). While undertaking all this, the executive team must “challenge” the intelligence team to identify and develop the contours of new opportunities. The intelligence team must demonstrate that it is fully committed to learning about the firm's strategy (Fuld, 1995).

2.4.2 Potential marketplace opportunities

The executive team needs to develop a strategy that, where possible, will be a winner tomorrow rather than just winning today (Boss, 2008). Thus, the charge for intelligence is to help identify the marketplace opportunities that will be the focus of tomorrow's strategy, in assessing current and projected change to alert executives to emerging and potential marketplace opportunities. Further Creswell (2004), noted that the intelligence team will have to follow regulatory developments as a means to project the emergence or demise of specific regulations that open up access to new markets and/or allow the sale of specific products, track and project R&D progress in specific research domains as one input to identifying potential new product breakthroughs at some point in the future. In addition the team should conduct patent analysis to identify patterns in the transition from research to technology developments likely to lead to new products or significant product modifications and use projections of a competitor's strategy to identify potential new products and thus emerging customer needs.

According to Fleicher (2004), opportunities would be so much easier to realize were it not for the presence of current and potential competitors. In short, strategy must win against rivals. Rivals' current and potential actions pose threats to any strategy's success. Competitor threats are defined as ways that a rival can inhibit a company's strategy from succeeding in the marketplace. If threats are detected too late, resources tied up in supporting a strategy may be substantially wasted. If threats are detected long before they come to full fruition, strategy can be adapted to eliminate, ameliorate or avoid the threat. Thus in trying to check on the threats that competitors can influence an organizations strategy, the management should ask itself how might competitors most adversely affect their current strategy, which competitors are most likely to do so and finally what will be the best way of handling the threats (Fleicher, 2004).

2.4.3 Competitive Risks in strategy Formulation

A firm's strategy is played out over time in a marketplace or competitive context that extends well beyond competitors. Change in and around the marketplace (being driven by customers, channels, suppliers, governmental agencies, technology houses, political parties, etc) is the source not only of marketing opportunities and competitor threats but of competitive risks (Kahamer, 1997). These risks include any marketplace change that could negatively impact the firm's current or potential strategy. Executives need to know, as early as possible, what marketplace risks may be associated with the current strategy or with potential strategy shifts intended to pursue new opportunities. Intelligence-based assessment of the implications of risks can shift the executive team's "understanding" of an opportunity or a strategy alternative and dramatically influence whether the opportunity or alternative is evaluated as a "go", a "hold" or a "fold" (Havenga and Botha, 2000).

According to Boss (2008), assessment of marketplace change always leads to the identification of strategy-related risks. Some risks may be immediate and totally evident in today's competitive landscape; others may be longer-term and only partially evident. Sometimes, intelligence truly earns its spurs by detecting and identifying the implications of risks that may not be evident at all in today's world. A firm through the intelligence team needs to establish competitive risks that the current strategy face, competitive risks that the firm might face in future and how best to manage the risks. As with competitor threats, identification and assessment of competitive risks focuses intelligence work on shaping strategy inputs that frame the executive dialogue around the three core strategy questions (Fuld, 1995).

Strategies aim to realize marketplace opportunities and, in doing so, to handle competitor threats and competitive risks. However as noted by Barson (2002), any strategy is, by definition, based on assumptions about the future. Unfortunately, few organizations, as a routine part of strategy making, isolate, challenge and refine the pivotal assumptions underpinning a strategy thrust or suggested strategy shifts. Thus, Cresswell (2004) points out that a central opportunity exists for intelligence professionals to go beyond detecting and interpreting the likely direction of

marketplace change: to identify, test and assess key assumptions about specific strategies that the executive team seems to be making or that they may need to make but are not. To address these questions, intelligence professionals can focus assumption analysis on the firm's current strategy, potential strategy alternatives, and “guiding” marketplace assumptions.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The chapter describes the research design, the target population, data collection and data analysis.

3.2 Research Design

The study adopted a survey research design. The survey was of mobile phone service providers operating in Kenya. According to Emory (1995), a survey is feasible when the population is small and variable and hence the researcher will be able to cover all the elements of the population. Therefore a survey is considered to be more efficient and economical than observation. In addition, the researcher adopted this researcher design because the study was concerned about a univariate questions in which the researcher will ask questions about the size, form distribution and existence of factors in which competitive intelligence can be used as a strategic tool among mobile phone service providers in Kenya. This method also facilitated the drawing of inferences and help in maintaining the continuity of the research process.

3.3 Population of the Study

The population of the study consisted of Mobile Phone Service Providers operating in Kenya. According to the Communication Commission of Kenya (CCK) annual report (2010), there are currently four firms offering Mobile Phone Services in the country namely: Safaricom, Airtel, Orange and Yu (Appendix II). The selection of the industry players has been necessitated by presents level of competition being experienced in the sector that has involved price wars and counter promotions among the players. In addition all the firms have their headquarters in Nairobi and thus it was easy to collect adequate data by the researcher. Because of the number of the population targeted in the study, the same target population formed the Sample size of the study.

3.4 Data Collection

The study used primary data that was collected through a self-administered questionnaire that consisted of structured questions made up of both open and closed ended questions that were designed to elicit specific responses for qualitative and quantitative analysis respectively. The questionnaires were administered in the organizations offices whereby the researcher targeted respondents in the managerial level specifically in Marketing, Business Development, Intelligence Units and the Human Resource departments. The researcher with prior arrangement, visit the target firms offices and seek to administer the questionnaires to staff in the respective departments. The respondents were expected to give an insight into competitive intelligence process adopted by the organizations. The study adopted random sampling since it was free from bias and hence more representative results were obtained. The questionnaire was made up of three sections namely: Introduction, competitive intelligence and the role of competitive intelligence as a strategic tool in the organizations.

3.5 Data Analysis

The data was analyzed by the use of descriptive statistics to summarize and relate variables which were attained from the administered questionnaires. The data was classified, tabulated and summarized using descriptive measures, percentages and frequency distribution tables while tables and graphs was used for presentation of findings. However, before final analysis was performed, data was cleaned to eliminate discrepancies and thereafter, classified on the basis of similarity and then tabulated. This method of analysis is most desirable as it enabled the researcher to have an insight on how competitive intelligence is used as a strategic tool among Mobile Phone Service providers in Kenya. In accomplishing all analysis details with efficiency and effectiveness, the researcher utilized the Statistical Package for Social Sciences (SPSS) software

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1: Introduction

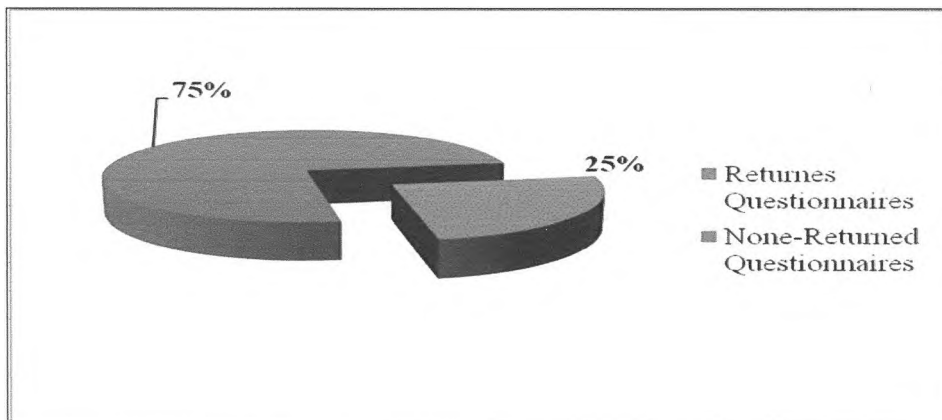
The research objective was to establish the extent to which competitive intelligence is used as a strategic tool by mobile phone operators in Kenya. This chapter presents the analysis and findings with regard to the objective and discussion of the same. The findings are presented in percentages and frequency distributions, mean and standard deviations.

4.2: Demographic and Workers Profile information

The demographic information considered in this study included the respondents' characteristics, gender, age, length of continuous service with the organization, duration of company existence, ownership structure and the number of countries operated in.

4.2.1 Characteristics of the Respondents

Figure 4.1: Respondents characteristics

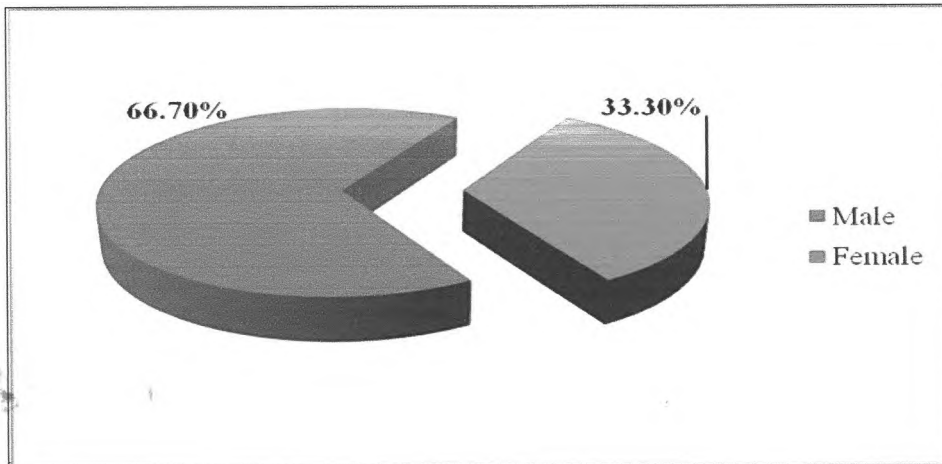


A total of 8 questionnaires were issued out. The completed questionnaires were edited for completeness and consistency. Of the 8 questionnaires issued out, only 6 were returned. This represented a response rate of 75%.

4.2.2 Respondents Gender

This is a set of characteristics that are seen to distinguish between male and female.

Figure 4.2: Respondents gender



Of the 6 respondents, 66.7 percent were male while 33.3% were female. This therefore means that majority of the respondents were men.

4.2.3 Respondents Age Bracket

The findings above indicate that 83.3% of the respondents were between 31 and 40 years while 16.7% were under 30 years old. On average, majority of the respondents are between 31-40 years. This therefore means that most of the respondents could have worked only in their respective companies since been employed.

Table 4.1: Respondents age bracket

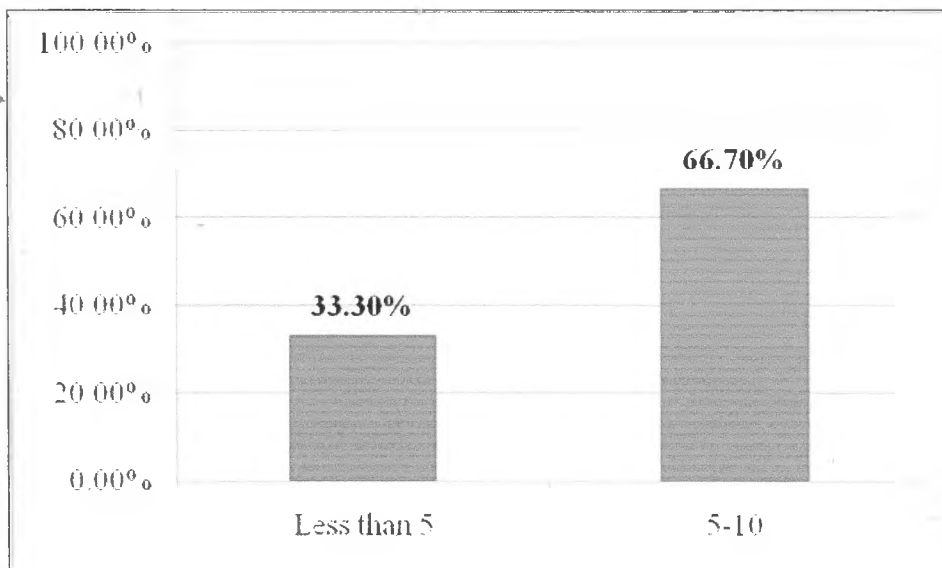
Years	Frequency	Percent	Cumulative Percent
Under 30	1	16.7	16.7
31-40	5	83.3	100.0
Total	6	100.0	

4.2.4 Continuous Service with the Organization

This is the duration of service in the mobile phone company by the respondents.

The findings below indicates that majority of the respondents (66.7%) have been working in the organization for a period of between 5 and 10 years while 33.3% said they have been working for a period of less than 5 years. Majority of the respondents have worked in their organization for over 5 years, thus there is high level of understanding of organization.

Figure 4.3: Continuous service with the organization



4.2.5 Duration of Company Existence

The results indicates that 66.7% of the respondents have been in existence for a period of between 11 and 15 years, 16.7% said theirs has been in existence for 6 to 10 years while 16.7% said their company has been in existence for a period of less than 5 years. The mobile phone company existence in the country depends on the period when the company was licensed to operate in the country.

Table 4.2: Duration of company existence

Years	Frequency	Percent	Cumulative Percent
Less than 5	1	16.7	16.7
6-10	1	16.7	33.4
11 - 15	4	66.7	100
Total	6	100.0	

4.2.6 Ownership Structure

The findings on the ownership of the mobile phone companies indicate that, 50% of the respondents are government/private ownership while 50% said their company was a private one. The ownership of the companies varied due to the fact that some companies have been transformed from parastatals to mobile phone companies.

Table 4.3: Ownership structure

	Frequency	Percent	Cumulative Percent
Government/private ownership	3	50	50
Private ownership	3	50	100
Total	6	100	

4.2.7 Operations in other Countries

The findings on whether the mobile phone companies operate in other countries, all the respondents indicated that the companies which they work for operate in other countries, although some of them do not operate as the same company but through the shareholding companies.

Table 4.4: Operate in other countries

	Frequency	Percent	Cumulative Percent
Yes	6	100.0	100.0
No	0	0	
Total	6	100	

4.3 Competitive Intelligence Level

Competitive intelligence represents the enterprise's capacity to administrate the information from various sources for obtaining competitive advantages. It represents an enterprise process of some actions of gathering, treatment and spreading of some information (only the one useful for the enterprise) with the purpose of gaining a competitive advantage. Market intelligence plays a critical role in assessing how new opportunities can be utilized in extending to extend and leverage the current strategy.

4.3.1 Role of Competitive Intelligence Appreciated

The results above indicates that all the respondents (100%) said that their companies appreciate the role being played by the competitive intelligence in their company as it enabled them to gain competitive advantage through administration of information from different sources.

Table 4.5: Role of competitive intelligence appreciated

	Frequency	Percent	Cumulative Percent
Yes	6	100.0	100.0
No	0	0	
Total	6	100	

4.3.2 Existence of Department dealing with Competitive Intelligence

All the respondents (100%) indicated that in their companies, there exists a department dealing with competitive intelligence and therefore it will ensure that the company puts in place efficient strategies which will counter the challenges brought about by competitors.

Table 4.6: Existence of department dealing with competitive intelligence

	Frequency	Percent	Cumulative Percent
Yes	6	100.0	100.0
No	0	0	
Total	6	100	

4.3.3 Extent to which Competitive Intelligence has helped the Organization

The respondents were to give their independent opinion on the extent to which competitive intelligence has helped the companies achieve some of its objectives in a five point Likert scale. The range was 'Strongly agree (1)' to 'strongly disagree' (5). The scores of strongly agree/agree have been taken to present a variable which had a mean score of 0 to 2.5 on the continuous Likert scale; ($0 \leq S.E. < 2.4$). The scores of 'moderately extent' have been taken to represent a variable with a mean score of 2.5 to 3.4 on the continuous Likert scale: $2.5 \leq M.E. < 3.4$) and the score of disagree/strongly disagree have been taken to represent a variable which had a mean score of 3.5 to 5.0 on a continuous Likert scale; ($3.5 \leq L.E. < 5.0$). A standard deviation of > 0.8 implies a significant difference on the impact of the variable among respondents.

Table 4.7: Extent to which competitive intelligence has helped the organization

	Mean	Std. Deviation
Helps in reduction of risk	1.5000	.5477
Makes knowledge profitable	2.1667	.9831
Avoids information overload	2.4000	1.0488
Ensures privacy and security of information	2.0000	.6324
Helps in the use of corporate information strategically	1.5000	.5477
Helps in developing appropriate plans to compete successfully	1.3333	.5164

The results above shows that all the factors were below a mean of 2.4 (moderate extent). The respondents indicated that competitive intelligence has helped their companies to; develop appropriate plans to compete successfully (mean 1.3333), reduce risk (mean 1.5000), use corporate information strategically (mean 1.5000), ensures privacy and security of information (mean 2.0000), makes knowledge profitable (mean 2.1667) and avoids information overload (mean 2.4000). There was a low variation on the extent to which competitive intelligence has helped the company as indicated by low standard deviation except information overload which had a high standard deviation.

4.3.4 Qualities of Competitive Intelligence and the Role it plays in the Organization

The respondents were to give their independent opinion on the extent to which competitive intelligence has helped the companies achieve some of its objectives in a five point Likert scale. The range was 'Strongly agree (1)' to 'strongly disagree' (5). The scores of strongly agree/agree have been taken to present a variable which had a mean score of 0 to 2.5 on the continuous Likert scale; ($0 \leq S.E < 2.4$). The scores of 'moderately extent' have been taken to represent a variable with a mean score of 2.5 to 3.4 on the continuous Likert scale: $2.5 \leq M.E. < 3.4$) and the

score of disagree/strongly disagree have been taken to represent a variable which had a mean score of 3.5 to 5.0 on a continuous Likert scale; $3.5 \leq L.E. < 5.0$). A standard deviation of >0.8 implies a significant difference on the impact of the variable among respondents.

Table 4.8: Qualities of competitive intelligence and the role it plays in the organization

	Mean	Std. Deviation
It brings to light business opportunities and problems that will facilitate proactive strategies	1.0000	.0000
Provides basis for continuous improvements	1.6667	.8165
Sheds light on competitor strategies	2.0000	.6324
Improves speed to market the firms products	1.1667	.4082
Improves the ability of the company to survive	1.3333	.8165
Provides a means of better assessment of customers	1.5000	.5477
It improves the understanding of the external customers	1.5000	.5477

The findings on the qualities of competitive intelligence and the role it plays on the organization was that it; brings to light business opportunities and problems that will facilitate proactive strategies (mean 1.000), improves the ability of the company to survive (mean 1.3333), improves speed to market the firms products (mean 1.1667), provides a means of better assessment of customers (mean 1.5000), improves the understanding of the external customers (mean 1.5000), provides basis for continuous improvements (mean 1.6667) and sheds light on competitor strategies. The results indicate that competitive intelligence plays a major role in the operations of the companies as it helps strategists to understand the forces that influence the business environment and, more importantly, to develop appropriate plans to compete successfully

4.3.5 Extent to which the Organization practices Competitive Intelligence Process

The respondents were to give their independent opinion on the extent to which competitive intelligence has helped the companies achieve some of its objectives in a five point Likert scale.

The range was 'Strongly agree (1)' to 'strongly disagree' (5). The scores of strongly agree/agree have been taken to present a variable which had a mean score of 0 to 2.5 on the continuous Likert scale; ($0 \leq S.E. < 2.4$). The scores of 'moderate extent' have been taken to represent a variable with a mean score of 2.5 to 3.4 on the continuous Likert scale: $2.5 \leq M.E. < 3.4$) and the score of disagree/strongly disagree have been taken to represent a variable which had a mean score of 3.5 to 5.0 on a continuous Likert scale; $3.5 \leq L.E. < 5.0$). A standard deviation of > 0.8 implies a significant difference on the impact of the variable among respondents.

Table 4.9: Extent to which the organization practices competitive intelligence process

	Mean	Std. Deviation
There is consultation with decision makers to discover their intelligence needs	1.5000	.83666
Information is communicated back to decision makers frequently	1.5000	.54772
Organizations employees are encouraged to contribute to competitive intelligence system	2.0000	.63246
The competitive intelligence system is positioned high in the organization structure	1.5000	.83666
The CI team have unfiltered access to the chief executive	2.3333	1.03280
The organizations awareness and culture process is concerned with ensuring that CI is well executed	2.5667	.51640
The intelligence team are drawn from diverse functional departments	2.4000	1.04881

The respondents agreed that their organization practices competitive intelligence process which includes; consultation with decision makers to discover their intelligence needs (mean 1.5000), information is communicated back to decision makers frequently (mean 1.5000), competitive intelligence system is positioned high in the organization structure (1.5000), employees are encouraged to contribute to competitive intelligence system (2.0000), that the competitive

intelligence team have unfiltered access to the chief executive (2.3333) and the intelligence team being drawn from diverse functional departments (2.4000). On the other hand, the respondents' moderately agreed that the organizations awareness and culture process is concerned with ensuring that competitive intelligence is well executed. The results indicates that the companies practices various and these boost its competitive advantage as it is involving and therefore the whole organization is working towards a common objective.

4.4 Competitive Intelligence and the Firm's Strategic Process

The competitive intelligence assists in focusing assumption analysis on the firm's current strategy, potential strategy alternatives, and "guiding" marketplace assumptions. Identification, testing and assessing assumptions allow the intelligence team to transform all the data it possesses about current and potential marketplace change into one set of critical insights for the executive team: a short list of key assumptions that focuses executive attention on the change in the external world that is truly important.

4.4.1 Role of Competitive Intelligence as a Strategic Tool

The staff respondents were to give their opinion on the role of competitive intelligence as a strategic tool. The range was 'strongly agree (1)' to strongly disagree (4). The scores of strongly agree have been taken to present a variable which had mean score of less than 1.5. The scores of disagree have been taken to represent a variable with a mean score of 1.6 to 2.5 and the score of strongly disagree have been taken to represent a variable which had a mean score of above 2.5 A standard deviation of >0.5 implies a significant difference on the impact of the variable among respondents.

Table 4.10: Role of competitive intelligence as a strategic tool

	Mean	Std. Deviation
Organizations intelligence team focus in assessing current and potential market place change for opportunities	1.3333	.5164
The intelligence team participate in the development of the organizations strategy	1.5000	.5477
The executive monitors the performance of the team from time to time and setting performance targets	1.3333	.5164
Competitor threats are continuously scanned by the intelligence team	1.3333	.5164
The executive are continuously updated on the threats posed by competitors	1.3333	.5164
Competitor risk is routinely evaluated to establish the impact it has on the current strategy	1.3333	.5164
The intelligence team provides tailored responses to counter competitor risks in the environment	1.3333	.5164
The intelligence team play an important role in testing the assumptions underlying the strategic plans for a period	1.3333	.5164
Customer insight monitors and response patterns are continuously evaluated by the intelligence team	1.1667	.4082
The changes in the regulatory environment to identify opportunities that come with it are always identified by the intelligence team	1.3333	.5164

The respondents indicated that the role of competitive intelligence as a strategic tool in the companies included; Organizations intelligence team focusing in assessing current and potential market place change for opportunities (mean 1.3333), the executive monitors the performance of the team from time to time and setting performance targets (1.3333), competitor threats are continuously scanned by the intelligence team (mean 1.3333), the executive are continuously

updated on the threats posed by competitors (mean 1.3333), the competitor risk is routinely evaluated to establish the impact it has on the current strategy (mean 1.3333) and the intelligence team provides tailored responses to counter competitor risks in the environment (mean 1.3333).

The respondents indicated that the intelligence team plays an important role in testing the assumptions underlying the strategic plans for a period (mean 1.3333), the changes in the regulatory environment to identify opportunities that come with it are always identified by the intelligence team (mean 1.3333), the intelligence team participate in the development of the organizations strategy (mean 1.5000) and that customer insight monitors and response patterns are continuously evaluated by the intelligence team. The analysis indicates that the mobile phone companies have used the competitive intelligence in order to position themselves by tracking the trends and formulating business plans and strategies with the intent of looking coming up with opportunities to address new ways of creating and delivering value for customers through development of new products or solutions, extending existing product lines or reconfiguring existing solutions.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter highlights the summary and conclusion of the study

5.2 Summary of the Findings

The study established that majority of the respondents are over thirty years and they have worked in the organization for a period of more than five years thus they understand the use of competitive intelligence in the organization. Majority of the respondents indicated that their company has been in existence for more than ten years. However, there are some mobile phone companies which have been licensed in the past few years and therefore the duration of existence depends on the period when the company was licensed to operate. The ownership structure of the mobile phone companies differed with some of the respondents indicating that it was government/private ownership while others said it was private. The ownership of the companies differs due to government interest after some companies which were parastatals initially were given the license to operate as mobile phone companies. The respondents unanimously agreed that the companies they work for operate in other countries outside Kenya through the shareholding company without using the same name.

The results established that companies appreciate the role of competitive intelligence as it enables the companies to understand the market they serve, the techniques and the thinking manner of the competitors. The respondents indicated that they have a section undertaking competitive intelligence. The findings established that competitive intelligence has helped the mobile phone companies develop appropriate plans to compete successfully, reduce risk, use corporate information strategically, ensures privacy and security of information, makes knowledge profitable and avoid information overload.

On the qualities and the role competitive intelligence plays, the respondents indicated that it brings to light business opportunities and problems that will facilitate proactive strategies, improves the ability of the company to survive, improves speed to market the firms products,

provides a means of better assessment of customers, improves the understanding of the external customers, provides basis for continuous improvements and sheds light on competitor strategies. This indicates that competitive intelligence plays a key role in the development of the company.

The competitive intelligence process helps the company make both short and long term needs of the company by gathering, analyzing, and applying information about products, competitors, suppliers, regulators, partners and customers. The results indicate that the company practices competitive intelligence process which includes consultation with decision makers to discover their intelligence needs, communicating information back to decision makers frequently, positioning high competitive intelligence system in the organization structure, encouraging employees to contribute to competitive intelligence system, enabling the competitive intelligence team have unfiltered access to the chief executive, drawing competitive intelligence team from diverse functional departments and that the organization's awareness and culture process is concerned with ensuring that competitive intelligence is well executed.

The respondents indicated that the firms' competitive intelligence plays a significant role in strategy development in the mobile phone companies as it enables; organization's intelligence team focus in assessing current and potential market place change for opportunities, the executive to monitor the performance of the team from time to time and setting performance targets, the intelligence team continues scanning competitor threats, the executive been continuously updated on the threats posed by competitors, competitor risk to be routinely evaluated to establish the impact it has on the current strategy, assist the intelligence team provide tailored responses to counter competitor risks in the environment, assist in testing the assumptions underlying the strategic plans for a period, assist the intelligence team identify the changes in the regulatory environment, the intelligence team participate in the development of the organization's strategy and continuous monitoring of customer insight and response patterns.

5.3 Conclusion

Competitive intelligence is vital for any organization in order to compete effectively in changing and turbulent environment in which they operate in as it assist the mobile phone companies in

their decision-making and planning processes in order to improve their performance and that was proved by the appreciation and existence of competitive intelligence department in the mobile phone companies. The competitive intelligence has helped the company to achieve great objectives and therefore the management of the companies should ensure that they empower the department by availing all the necessary resources and enlarging their scope to ensure that they cover all business operations of the company and plan for long term.

The qualities and the roles played by competitive intelligence indicates that it covers the whole sectors in which the company deals with and therefore there should be proper coordination by all departments with the competitive intelligence department in order to know the current trends and be able to come up with each departments current and future trends. The companies should invest on competitive intelligence practices which fulfills the current conditions prevailing in the company's working environment so that they do not invest a lot in collecting information which are not relevant to the company operations thus end up incurring losses. The results indicated that the mobile phone companies' competitive intelligence plays a critical role in their strategic goals as it assists the organizations realize and create new market opportunities which address new ways of creating and delivering value for customers through development of new products or solutions and extending existing product lines or reconfiguring existing solutions.

5.4 Recommendations for Policy and Practice

The appreciation by the mobile phone companies of the role played by competitive intelligence should be enhanced by employing more employees to serve in the department so that it can carry out its task of ensuring the companies competent effectively without any hindrance. The agreement by the respondents that competitive intelligence has helped the company achieve its objectives underlies the need by the management of the mobile phone companies to expand the role which is played by the competitive intelligence.

The findings indicates that the competitive intelligence plays a major role in the mobile phone companies and it is therefore recommended that they should not relent on the quest to ensure efficient running of the company in order to gain competitive advantage. The company should practice only competitive intelligence practices which suit the companies operating environment in order to reduce unnecessary costs. The results indicate that competitive intelligence was used

by the mobile phone companies as a strategic tool and it is recommended that they should continue using the Competitive Intelligence as it enables the company to design strategies which will give the company competitive edge over its competitors.

5.5 Recommendations for further research

The study confined itself to companies operating in mobile telephony industry. This research therefore should be replicated in other sectors of the economy in the country where competition is intense and the results be compared so as to establish whether there is consistency among all the sectors on the use of competitive intelligence as a strategic tool.

5.6 Recommendations for the Policy

The study further shows how important competitive intelligence is and should be incorporated in the telecommunication policy. The regulators of the industry will find invaluable information in how competitive intelligence can be adopted and as a result put in place policies that will guide and encourage other organizations in implementing their strategies in an ethical manner.

It will most likely stimulate research and development in the telecommunication industry.

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APPENDIX II QUESTIONNAIRE

Please give answers in the spaces provided and tick (√) in the box that matches your response to the questions where applicable.

PART A: DEMOGRAPHIC AND RESPONDENTS PROFILE

- 1) Name of the company:.....

2. What is your designation at the organization.....

3. Gender: male () Female ()

4. What is your age bracket? (Tick as applicable)
 - a) Under 30 years ()
 - b) 31 – 40 years ()
 - c) 41 – 50 years ()
 - d) Over 50 years ()

5. Length of continuous service with the organization?
 - a) Less than five years ()
 - b) 5-10 years ()
 - c) Over 10 years ()

6. For how long has your company been in existence?
 - a) Under 5 years ()
 - b) 6 – 10 years ()

- c) 11 – 15 years ()
- d) Over 16 years ()

) What would you say is the ownership structure of the company?

- a) Government Owned ()
- b) Government/ Private ownership ()

) Do you operate in other countries outside Kenya? Yes () No ()

yes, please give the countries that you operate in.....

ART 2 Competitive Intelligence level in the organization

1.) As an organization do you appreciate the role of competitive intelligence?

- Yes ()
- No ()

2.) If yes does the organization have a section/ department tasked with undertaking competitive intelligence?

- Yes ()
- No ()

3.) Please indicate the extent to which competitive intelligence has helped your organization in achieving the following objectives;

Key

- 1) Strongly Agree 2) Agree 3) Moderate extent 4) Disagree 5) Strongly Disagree

FACTORS	1	2	3	4	5
Helps in reduction of risk					
Makes knowledge profitable					
Avoids information overload					
Ensures privacy and security of information					
Helps in the use of corporate information strategically					
Helps in developing appropriate plans to compete successfully					

4) Please indicate the extent to which you agree with the following statement on the qualities of competitive intelligence and the role it plays in the organization.

Key

1) Strongly Agree 2) Agree 3) Moderate extent 4) Disagree 5) Strongly Disagree

FACTORS	1	2	3	4	5
It brings to light business opportunities and problems that will facilitate proactive strategies.					
Provides basis for continuous improvements					
Sheds light on competitor strategies					
Improves speed to market the firms products					
Improves the ability of the company to survive					
Provides a means of better assessment of customers					
It improves the understanding of the external customers					

5. Please mark the number that best describes the extent to which your organization practices the following competitive intelligence process.

1) Strongly Agree 2) Agree 3) Moderate extent 4) Disagree 5) Strongly Disagree

FACTORS	1	2	3	4	5
There is consultation with decision makers to discover their intelligence needs					
Information is communicated back to decision makers frequently.					
Organizations employees are encouraged to contribute to competitive intelligence system					
The competitive intelligence system is positioned high in the organization structure					
The CI team have unfiltered access to the chief executive					
The organizations awareness and culture process is concerned with ensuring that CI is well executed					
The intelligence team are drawn from diverse functional departments					

PART 3: Competitive Intelligence and the Firm's strategic process

1.) The table below presents statements regarding the role of competitive Intelligence as a strategic tool. Indicate the extent to which you agree or disagree with each statement by ticking on the appropriate column, using the scale below.

SA – Strongly Agree

A – Agree

D – Disagree

SD – Strongly Disagree

Statement	SA	A	D	SD
1. Organizations intelligence team focus in assessing current and potential market place change for opportunities.				
2. The intelligence team participate in the development of the organizations strategy.				
3. The executive monitors the performance of the team from time to time and setting performance targets.				
4. Competitor threats are continuously scanned by the intelligence team.				
5. The executive are continuously updated on the threats posed by competitors				
6. Competitor risk is routinely evaluated to establish the impact it has on the current strategy.				
7. The intelligence team provides tailored responses to counter competitor risks in the environment.				
8. The intelligence team play an important role in testing the assumptions underlying the strategic plans for a period.				
9. Customer insight monitors and response patterns are continuously evaluated by the intelligence team.				
10. The changes in the regulatory environment to identify opportunities that come with it are always identified by the intelligence team				

APPENDIX III

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