COMPETITIVE INTELLIGENCE PRACTICES BY MOBILE PHONE OPERATORS IN KENYA

BY

KENNETH K. GICHUBI

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DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university for examination.

Signed: _____   Date: __14 / 11 / 2011__

KENNETH K. GICHUBI

D61/P/7081/2003

This project has been presented for examination with my approval as the appointed supervisor.

Signed: _____   Date: __15 / 11 / 2011__

MR. JEREMIAH KAGWE

DEPARTMENT OF BUSINESS ADMINISTRATION

SCHOOL OF BUSINESS

UNIVERSITY OF NAIROBI

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DEDICATION

This research project is dedicated to my dear wife Carolyne for your steadfast support during the duration of my studies, mum and dad for keeping me focused on the finish line, your faith and support have been invaluable.

ABSTRACT

Given the increasing competition among the mobile telephone companies in Kenya, it is of importance that each of the firms accurately gather, analyse and systematically use the information they gather to offer them a competitive advantage in the market. This study therefore sought to bridge the gap and offer new insights on whether the competitive intelligence practices were carried out in the industry. The objective of this study was to establish the competitive intelligence practices adopted by mobile phone operators in Kenya.

A survey method was used. The population of this study was all the 4 firms in the mobile telephony industry but only 3 firms took part in the survey. Primary data was collected using questionnaires administered to the marketing and heads of strategy using drop-and-pick later method. Descriptive analysis was used in the study with the aid of SPSS.

The study found that CI contributed to setting strategic objectives, strategy formulation, strategic analysis, and implementation and control. It is concluded that CI is a component of strategic decision making process in these organisations. The study recommends the enhancement of existing CI practices by building knowledge based information systems which would support rapid decision making as well as the continuous transfer of CI best practices in the organisations through the adoption of various knowledge transfer mechanisms.

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CI – Competitive Intelligence

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Competitive intelligence as a strategic business tool has long been proposed in an effort to increase a company's competitiveness. According to Nasri (2010), competitive intelligence 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 (Nasri, 2010). Companies should become increasingly aware of the necessity to remain informed of their competitive environment.

As Hambrick (1981) suggested, scanning for competitive intelligence is the managerial activity of learning about events and trends in the market. The effectiveness of scanning behaviors determines managerial judgmental interpretation of the market. Competitive intelligence provides knowledge of competitors, their marketing strategies, objectives, research activity, their strengths and weaknesses and other information (Nasri, 2010). This analysis helps companies in understanding their position with respect to major competitors in the global competitive environment and provides actionable business competitive intelligence. Indeed, competitive intelligence can be viewed as a process for supporting both strategic and tactical decisions, and in order to support competitive intelligence, organizations need systems and processes to gather and analyze reliable, relevant, and timely information that is available in vast amounts about competitors and markets (Cobb, 2003).

1.1.1 Concept of Competitive Intelligence

Competitive intelligence has grown in prominence since the early 1980s as the managerial focus on information and knowledge-based competition has increased (Fleicher, 2004). Organizations are increasingly seeking to better understand how they can leverage their value propositions in the marketplace. Competitive intelligence has long been recognised as a strategic tool and is one of the fastest growing in the business world (Viviers and Muller, 2004). It is rapidly becoming a major technique for achieving competitive advantage (Porter, 1980). There are many definitions of competitive intelligence. Calof and Skinner (1999), state that competitive intelligence is a set of 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 Prior (2001), competitive intelligence is defined as a systematic and ethical program for gathering, analysing and managing external information that can affect your company's plans, decisions and operations. In general, competitive intelligence is the 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) provide a summary of the benefits of competitive intelligence practice in strategic planning as: 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), namely, information that has been synthesised, analysed, evaluated and contextualised. 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 relaunch 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).

Competitive intelligence is both a product and a process (Priporac et al., 2005). 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

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information about products, competitors, suppliers, regulators, partners, and customers for the short- and long-term planning needs of an organization (Kahaner, 1997).

1.1.2 Mobile Phone Operators in Kenya

This industry in Kenya is still in growth phase, with organic subscriber expansion remaining solid, as seen from the entry of two new players in the market in 2008: France Telecom and Essar Telecom joining the already existing players Safaricom and Bharti Airtel. The Kenyan mobile phone operators industry is characterised by deteriorating marginal revenue, stiff price competition, and a dominant market leader among others. On the flip side, the operating expenditure environment is one of Africa's most favourable, making it possible for operators to push the boundaries of the mobile business model (Research and Markets, 2010).

Safaricom, founded in 1997, is a leading provider of converged communication solutions, operating on a single business driver that has a peerless understanding of voice, video and data requirements. Its products and services include pre and postpay phone services, M-pesa money transfer, 3G data bundle packages, corporate advantage hybrid, corporate direct connectivity, dedicated APN, multiple top-up, Safaricom broadband 3G, Safaricom virtual office, vehicle tracking, WiMAX broadband, postpaid Blackberry offer, and toll free service. Safaricom is currently a public company operating in the telecommunications industry with 2585 employees.

Bharti Airtel Kenya (formerly Zain, Celtel, KenCell) was launched in Kenya in 2004 as Celtel and rebranded to Zain in 2008. It is part of the Zain Group. The company offers a host

of value added services including: prepaid plans international roaming, local and international text messages, 24-hour customer care centre, internet access, directory enquires, SMS information services, mobile top up, and Me2U. The company was founded in 1983. It was formerly known as Mobile Telecommunications Company KSC and changed its name to Zain in September 2007. Zain is headquartered in Safat, Kuwait. The company was recently bought by Bharti Telecoms from India and immediately focused on acquiring new customers by being the first in the market to lower the calling and sms charges by half (Research and Markets, 2010).

In 2008, Orange Kenya became the commercial brand for Telkom Kenya, the country's historical operator, following France Telecom's acquisition of 51% of its capital in December 2007. Telkom Kenya therefore joined a worldwide community of 115 million Orange customers and becomes the first integrated operator in the country, proposing fixed and mobile telephony alongside Internet services (Research and Markets, 2010)

Essar Telecom Kenya (Yu, formerly Econet) is owned by a joint venture. Essar Communications has a joint venture with the Vodafone Group, called Vodafone Essar, which is one of India's largest cellular service providers, with over 55 million subscribers. Essar owns 'The MobileStore', India's largest national retail chain of mobile phone stores. It has a major presence in the telecom infrastructure space with one of the largest investments in telecom towers. Essar operates India's second largest outsourcing services business operating under the Aegis brand, with 31 centres in the Philippines, Costa Rica, USA and India. Essar Global Limited (EGL) is a diversified business corporation with a balanced portfolio of

assets in the manufacturing and services sectors of Steel, Energy, Power, Communications, Shipping Ports & Logistics, Construction and Mining & Minerals. Essar employs more than 50,000 people across offices in Asia, Africa, Europe and the Americas. The company currently has 273 employees (Research and Markets, 2011).

1.2   Research Problem

Organizations should strive to achieve higher value and profits through marketing intelligence gathering and sharing across departments (Qiu, 2008). Scanning for competitive intelligence is a major vehicle for organizations to obtain needed information for strategic intelligence generation and market adaptation (Patton and McKenna, 2005). Arguably, organizational competitive advantage rests on the ability of organizations to scan proactively for competitive intelligence and make effective responses (Qiu, 2008). However, scanning for competitive intelligence alone does not enable organizations to adapt to the market. It is members within organizations who construct competitive perceptions and dictate strategic responses (Wright and Ashill, 1998).

This is generally a new research area at international level and several studies have been concentrated in US firms (Wright et al., 2002). The needs for competitive intelligence in organisations are growing and decision makers are starting to recognise the role and importance of competitive intelligence. Studies in Kenya on competitive intelligence include Muiva (2001) on the use of competitive intelligence systems in the pharmaceutical industry; Sang (2001) on competitive intelligence practices by FM radio stations in Kenya; Gathumbi (2008) on CI practices adopted by commercial banks in Kenya; Kiraithe (2009) on

competitive intelligence strategies adopted by Nation Media Group; Wachira (2009) on competitive intelligence in the insurance industry; and Mutua (2010) on competitive intelligence practices by Essar Telkom. The latter study proposed an enquiry into the practice in the industry hence the basis upon which the present study is build.

Given the increasing competition among the mobile telephone companies in Kenya, it is of importance that each of the firms accurately gather, analyze and systematically use the information they gather to offer them a competitive advantage in the market. Whatever may be happening in the industry may just be gathering of information which may be called industrial espionage and not competitive intelligence. This study therefore sought to bridge the gap and offer new insights on whether the competitive intelligence practices were carried out in the industry. The study sought to answer the question: what competitive intelligence practices were carried out by firms in the telecommunications industry in Kenya? This was done by focusing on all the four mobile phone service providers in Kenya in order to come up with the industry practice on the same.

1.3   Research Objectives

The objective of this study was to establish the competitive intelligence practices adopted by mobile phone operators in Kenya.

1.4   Value of the Study

The study adds onto the growing body knowledge of research on competitive intelligence and competitive advantage. The insights from Kenya and especially the telecommunications

industry will be useful in discussing the practice in the industry as well as in developing countries.

The study will be important to the management of various mobile phone companies included in the study. The results will give an insight into the extent to which the companies have adopted competitive intelligence practices in their organizations. As such, it would help in reinforcing the practice in the industry in order to achieve competitive advantages.

The results of the research can be used by marketers and strategists especially in the telecommunications sphere in order to better understand the concept of competitive advantage.

The study will also be useful to those interested in carrying out more studies as far as the application of competitive advantage practices is concerned. Thus, future researchers will find this study a useful guide as it forms a basis upon which other studies will be done on other industries in Kenya.

CHAPTER TWO: LITERATURE REVIEW

2.1   Introduction

This chapter presents the literature review. First the theoretical literature is provided. Here, the competitive intelligence process is explained as well as the approaches towards the same. This is followed by an empirical literature and finally a summary of the chapter with the research gap identified.

2.2   Competitive Intelligence

Competitive intelligence has grown in prominence since the early 1980s as the managerial focus on information and knowledge-based competition has increased (Fleicher, 2004). Organizations are increasingly seeking to better understand how they can leverage their value propositions in the marketplace. Competitive intelligence has long been recognised as a strategic tool and is one of the fastest growing in the business world (Viviers and Muller, 2004). It is rapidly becoming a major technique for achieving competitive advantage (Porter, 1980). There are many definitions of competitive intelligence. Calof and Skinner (1999), state that competitive intelligence is a set of 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 Prior (2001), competitive intelligence is defined as a systematic and ethical program for gathering, analysing and managing external information that can affect your company's plans, decisions and operations. In general, competitive intelligence is the

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).

Competitive intelligence is both a product and a process (Priporac et al., 2005). 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).

2.2.1 Types of Competitive Intelligence

Competitive intelligence can be categorized into four different yet overlapping types (McGonagle and Vella, 2002). Strategy-oriented CI is provided in support of long term strategic decision making. This means providing higher levels of management with information on the competitive, economic, legal, and political environments in which an organization and its competitors operate now and in the future. In some instances, it also may involve developing CI on candidates for potential mergers and acquisitions as well as for alliances and partnerships. Tactics-oriented CI is developed on current activities and focuses on short term plans identifiable in the marketplace. It encompasses market or sales-and-marketing intelligence. Firms increasingly are tracking what is going on in the market place, that is, where competitors face off for customers and consumers. This type of CI permits organizations to fine-tune marketing efforts, including field-force support, to respond to market changes faster. Technology-oriented CI permits an organization to respond to threats

from, as well as to identify and exploit opportunities resulting from. technical and scientific change. Technology-oriented CI encompasses much of what has been referred to as technology intelligence (TI) or competitive technical intelligence (CTI). Target-oriented CI focuses on competitors, their capabilities, current activities, plans, and intentions. It is most often used when CI efforts are best focused on a small number of competitors that a firm faces in several market niches. It encompasses elements of what is sometimes called business intelligence or competitor intelligence.

2.2.2 Importance of Competitive Intelligence

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). provide a summary of the benefits of competitive intelligence practice in strategic planning as: 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), namely, information that has been synthesised, analysed, evaluated and contextualised. Competitive

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intelligence can help your business in a lot of ways: it can identify new markets, concepts, opportunities or products; it can aid in the relaunch 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).

2.2.3 Competitive Intelligence Phases

Competitive intelligence is a logical process of testing, validating assumptions and solving critical business problems, therefore it is organized around certain specific steps that relate to the following actions: identifying the intelligence needs of the company, collecting information, analyzing and synthesizing collected information and disseminating results (Colibasamu, 2008). Due to the short amount of time given, the sequence of the activities must be precisely followed. Besides the four steps that need to be undertaken on key issues and regard specific needs of the company, CI process requires a constant and continuing monitoring process that helps the company to know what the competition is doing and how the business environment changes (Xu, 2007).

Planning is the first step ahead for an effective CI process requires a correct identification of the company's intelligence needs. This translates into a good understanding of the industry the company activates in. Michael Porter's Five Forces Model is used as the main analysis tool at this phase (Boone and Kurttz, 2005). Indirect forces that influence the business fall

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under a separate and very important category of factors that needs to be well described. While analyzing the industry characteristics and trends, CI must understand the company it serves. This particular goal is served by a wide range of techniques that use internal data from financial, marketing, human resources' departments and external data collected through the monitoring process. Except Michael Porter's Model, there are about nine other analytical models that need to be tested on the company before the information collection starts. These include product life cycles, SWOT, Value Net Model, Supply Chain Analysis, Customer Segmentation Analysis, Strategic Business Units, Four Corner Analysis, PEST, and STEEP (Colibasamu, 2008).

The second phase of the CI process is information collection. This stage is divided into two main phases: the first is taking the smallest amount of time possible to get the most of the published information while the second phase is taking the time needed to get the available and pertinent information using a direct approach – interviewing sources. Time management is therefore the key for the effectiveness of this stage.

The third phase of the CI process is analysis of the data collected. For the first part, the "technical" part of CI – business intelligence – brings in the Web 2.0 technologies that make the information flow instantly into the company's warehouse (Xu, 2007). This is when raw data is transformed into information. Currently it is considered that there are three generations of business intelligence solutions: Host Based Query and Reporting – that could be used only by information providers, Data Warehousing – that is used both by information providers and consumers, but still mostly by the providers and Business Intelligence Systems

that focus on improving the access and delivery of business information to both information providers and consumers. Using techniques as Data Mining, OLAP (On Line Analytical Processing) or GIS – Geographic Information System, business intelligence transforms data into useful information that, through analysis becomes knowledge (Muntean and Brandas, 2007).

However, even if technology helps a lot, the human capital is still essential for CI. There are persons that filter the information and sources and not computers. The second phase is even more intense in human capital as it involves the unique human touch, as it focuses on getting the pertinent information through interviews (Xu, 2007). The spirit of an intelligence directed interview is driven by the art of the negotiation and not by journalism. Soft, trustful questions come first while the 'offensive' ones are asked later and always with attentive and intensive care so that the level of trust between the two parties doesn't diminish. Analyzing and synthesizing the collected information is the next step in the process. The clarity and the impact of the information must be taken into account during the analyzing process. The higher the impact of a certain piece of information, the clearer it has to be understood (Colibasamu, 2008). Reliability and timeline are also very important. While relevant information must also come from a reliable source, it has to be available 'in time'. All these factors are filtering the information while under analysis.

The fourth phase of the CI process is dissemination of results. Competitive Intelligence is dependent on communication with end-users of its products as much as the decision making process depends on the intelligence provided. This is profoundly related to the fourth step of

the CI process – disseminating results. Getting feed-back from decision-makers makes the CI analysts more efficient and effective (Xu, 2007). However, there are some rules that the analysts who are processing data and are issuing results must follow in order to make the dissemination profitable for both parties involved. Knowing the end-user of the intelligence provided is always a must as the analyst needs to adjust its results' presentation accordingly. The intelligence analyst needs to focus on the meaningful findings of his work and include information about sources and the way he or she has arrived to the conclusions presented. The golden rule is however related to the relationship between the CI process and strategic management: CI must be neutral, should speak the truth and let the management decide. It should not support in any way the existing management strategies as it should not look in the past but in the future when issuing results. This is why CI must be an independent function of the company, accessible to the others and interconnected with knowledge management and strategic planning (Colibasamu, 2008).

2.2.4 Intelligence Process Model

Dishman and Calof (2008) proposed a model of intelligence process shown in Figure 1. The model provides additional insight as to significant factors related to the various phases of competitive intelligence. The intelligence process and structure as well as the organizational awareness and culture are seen as having direct impact on all of the various phases in the intelligence course. From the intelligence process and structure, there are two factors: (1) the existence of a formal infrastructure; and (2) the level of employee involvement. These factors contribute to the effectiveness as well as the efficacy of the intelligence effort within the

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firm. There are two factors within the planning and focus phase: (1) the existence of intelligence; and (2) the focus of intelligence.

Competitive Intelligence Process and Structure				
- Formal Infrastructure		- Employee Involvement		
Planning and Focus	**Collection**	**Analysis**	**Communication**	**Decision**
-Existence of CI -Focus of CI	-Source variety -CTI collection -Secondary as primary	-CTI analysis -Competitive analysis -Advanced analytical techniques		
Organisation Awareness and Culture				
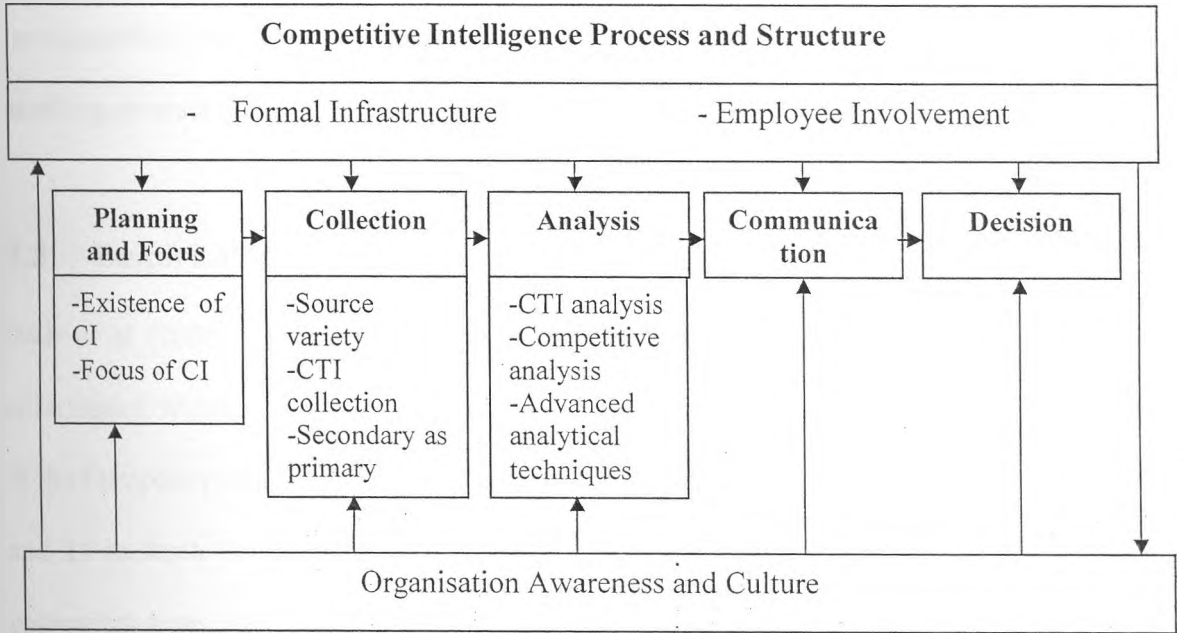
Figure 1: **Model of Competitive Intelligence**
Source: Dishman and Calof (2008).

Dishman and Calof (2008) noted that there are three factors in the collection phase: (1) source variety; (2) competitive technical intelligence; and (3) using secondary sources as the principal information resource. The authors noted that a variety of information sources are usually utilized, including internal and external sources, sources that are both qualitative and quantitative in nature, as well as using both textual and human information sources. Of particular note is the usage of competitive technical intelligence collection.

The authors note that there are three factors in the analysis phase. These are (1) competitive technical intelligence analysis; (2) competitive analysis; and (3) the usage of advanced

analytical techniques. The discovery of competitive technical intelligence analysis is logical as it corresponds with the competitive technical intelligence collection factor. The existence of competitive analysis was also detected as this is the predominant activity of competitive (or competitor) intelligence efforts. The activities under this factor may include competitor profiling, product line comparisons, war-gaming and competitive move prediction.

2.3   Empirical Literature

Badr et al (2006) reported on a specific sub-set of the overall CI activity, namely the contribution which CI makes to the strategic decision making (SDM) process. CI managers in the European pharmaceutical industry were selected and the results from 79 questionnaires and 14 in-depth interviews were provided. The results indicated that the CI activities in respondent firms were reasonably well established and also that the pharmaceutical industry appeared to appreciate both the benefits, and requirements of a modern day CI function. However, the industry was not taking full advantage of the CI effort at every stage of the SDM process.

Pirttimaki (2007) reported on a survey of the CI activities of large firms in Finland and compared these to the findings from previous intelligence studies. Global surveys were conducted in 17 countries in tandem with Finland in 2005. The results suggested that large Finnish companies viewed intelligence activities not only as a defensive tool to ward off perceived threats and changes but also as a proactive management tool for uncovering new business opportunities, trends, and weak signals in the business environment. Most of the companies interviewed utilized their own resources for intelligence activities and operated an

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development. Using both objective and subjective measures, survey data was analyzed and hypotheses tested using a structural equations model. The results showed that competition, organizational support and accounting knowledge led to greater use of accounting information in competitive intelligence activities. Accounting information was found to be positively associated with competitive intelligence unit effectiveness that, in turn, is positively associated with organizational performance. Finally, the evidence suggested that accountants within the firm should extend their work beyond traditional, internally focused activities to contribute to the firm's competitive intelligence effort, providing assistance with competitor cost assessment and financial statement analysis.

Nasri (2010) investigated the degree of knowledge of competitive intelligence in Tunisian companies. This exploratory study was conducted using semi-in-depth interviews and focus group with six executives in six companies in Tunisia. Three sectors were chosen for this study: communication technologies, manufacturing and commercial retailing. The results showed that Tunisian managers were conscious of the importance of competitive intelligence in the management of their companies. Second, managers believed that internal sources of information were more valuable than external sources information and personal source information was deemed most valuable. Third, the results of the process and structure questions indicated that companies may not yet be investing appropriately in building the internal infrastructure required for fully effective intelligence efficacy. Finally, this practice was not organised in a separate department and, if it was mostly done in the marketing department.

Franco et al (2011) evaluated the practices of economic intelligence used by Portuguese firms and identified the attributes that may increase the probability of their adoption. A questionnaire was designed and addressed to the CEOs of Portuguese firms. The authors used the mixed logit method to select a number of significant variables that influence the use of economic intelligence by firms in the sample. From the results, the authors concluded that firm size, information and environmental scanning connected to the markets, social networks, economic diplomacy and public policies, namely clusters and industrial policies in the context of competitive intelligence, were some of the attributes relevant in this study. It was concluded that the probability of firms adopting competitive intelligence practices lay in two spheres: in orientations of business policy and strategy and in public policies that improve business context in the perspective of competitive intelligence.

A number of studies on CI in Kenya also exist. They have focused on the pharmaceutical industry (Muiva, 2001), media industry (Sang, 2001; Kiraithe, 2009), insurance industry (Wachira, 2009); banking industry (Gathumbi, 2008); and the telecommunication industry (Mutua, 2010). As can be observed from the number of studies, there is little done in the area and much needs to be done especially in the telecommunications industry. The existing study in the industry was a case study and the results may not apply to all other firms in the industry.

2.4   Summary of Literature

The review above has clearly outlined the process and practice of competitive intelligence. The process has been discussed based on various models by various scholars. Further, two

theories relevant in this area have also been discussed. The empirical review has outlined some of the recent related studies in this area. It has also shed some light on the studies done in Kenya and competitive intelligence. The conceptual gap that the present study covers given the gap identified in literature is also shown. The next chapter outlines how this study was carried out.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the method that was used to carry out the study. It contains research design to be used in the study, the target population, sample size and sampling method, data collection and analysis methods and tools.

3.2 Research Design

The survey method of research was the most appropriate to this study. Creswell (2008) explains that this type of research involves the collection for data in order to test hypotheses or to answer questions concerning the status of the subjects of the study. This method makes room for flexibility and was chosen by the researcher in order to collect data which allowed the development of reasonable conclusions and suggestions for further research on the topic.

3.3 Population

The population of this study was all the firms in the mobile telephony industry. There were four (4) companies in this industry in Kenya as at October 2011. These were Safaricom, Bharti Airtel, Orange, and Essar Telecoms. These firms formed the target population for this study. Given that only four firms were in the industry, all the firms were selected for the sample size for the study.

3.4 Data Collection

The study used primary data. This data was collected from the respondents using structured questionnaires (appendix A). Given that it was not clear what department the CI functions

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were incorporated, both the Marketing Managers and the Heads of Strategy were targeted as

respondents *through purposive sampling technique. The sample size for the respondents was*

two (2) managers from each of the firms giving a total of eight (8) managers. It was also

recognized that the CI information normally generates from the employees of an

organisation. Therefore, the employees from both departments were targeted for the study.

Simple random sampling technique was used to select five (5) respondents from each

department in each firm giving a total of forty (40) employees. Thus, the final sample size

was 48 respondents. The questionnaires were administered *using drop-and-pick later method.*

A period of 2 weeks was given after which the questionnaires were collected for analysis.

The questionnaires helped collect empirical data on the practice of CI. The evaluation

instrument was designed to determine the level at which the CI practices were carried out

based on the CI process represented in chapter 2.

The questionnaire was divided into six parts (appendix A). The objective of part 1 is to

collect general information relevant to the study. The second part sought to establish if a CI

department/unit exists in the target population, the staffing level of the department/unit and

reporting relationship in the organizational structure. Parts three through to six contain

detailed questions on the CI practices in relation to the four step approach to CI (planning,

information collection, analysis and dissemination) presented in chapter two.

3.5   Data Analysis

The results of this research were tabulated using graphs and tables. The empirical data

collected were analyzed based on the evaluation criteria of the CI cycle phases. The data

collected was entered into the SPSS version 19 and analysed using percentages and mean scores.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the results of data analysis. The chapter is organized as follows. Section 4.2 presents the results of sample characteristics; section 4.3 presents the results on competitive intelligence practices while section 4.4 is a discussion of findings.

4.2 Sample Characteristics

The analysis is based on responses from three mobile phone companies in Kenya as one firm did not wish to participate in the study. Two respondents from each of the companies were used in the study for purposes of analysis. This eliminated the problem of skewness of results to a specific company. Thus a total of six respondents were used. Table 1 shows that 75.0% of the organisations in the industry accepted to take part in the study.

Table 1: Participating Organisations

	Frequency	Percent
Accepted	3	75.0
Declined	1	25.0
Total	**4**	**100.0**

Source: Research Data (2011)

Table 2 shows the market value of the respondent organisations in Kenya Shilling (KES) terms. The results show that 66.7% of the organisations had a market value less than KES 50 billion and 33.3% had a market value of more than KES 100 billion.

Table 2: Market Value of Organisations

	Frequency	Percent
KES 0 - 50 billion	2	66.7
KES 50 – 100 billion	0	0.0
More than KES 100 billion	1	33.3
Total	3	100.0

Source: Research Data (2011)

4.3 Competitive Intelligence Practices

4.3.1 Competitive intelligence department

The respondents were asked to state what name was given to the department or unit responsible for competitive intelligence in the organisations. The study found that the unit/department was called various names such as market research (16.7%), marketing and strategy (33.3%), and revenue planning (16.7%). These results are summarized and presented in table 3.

Table 3: Competitive Intelligence Department/Unit Names

	Frequency	Percent
Market research	1	16.7
Marketing and strategy	1	16.7
Revenue planning	1	16.7
No response	2	33.3
Total	6	100.0

Source: Research Data (2011)

The CI unit/department was stand-alone in 66.7% of the firms while it was not in 33.3% of the firms. The results are shown in table 4. For the firms in which the CI function was not stand-alone, it was incorporated into the marketing department.

Table 3:   Status of Department/Unit

	Frequency	Percent
Yes	4	66.7
No	2	33.3
Total	6	100.0

Source: Research Data (2011)

Table 5 shows the results on the number of employees in the CI department/unit. As shown, half of the respondents cited that the department/unit had less than 5 employees while another half noted that the department/unit had more than 15 employees. It can therefore be deduced that the companies with CI units incorporated within the marketing function had less than 5 employees responsible for the CI function while those with stand-alone CI departments had more than 15 employees responsible for the function.

Table 4:   Number of CI Employees

	Frequency	Percent
Less than 5	3	50.0
More than 15	3	50.0
Total	6	100.0

Source: Research Data (2011)

The respondents were asked to state what level in the organisation the CI department/unit reported to. Table 6 shows the results. As shown, 66.7% of the respondents noted that the department/unit reported to the executive committee (especially the head of function and/or the CEO). It was also noted that 16.7% of the respondents cited that the unit/department reported to the head of department while 16.7% noted that the department/unit reported to other levels.

Table 5:   CI Reporting Level

	Frequency	Percent
Executive committee (Heads of function and CEO)	4	66.7
Head of department	1	16.7
Other	1	16.7
Total	**6**	**100.0**

Source: Research Data (2011)

4.3.2 Planning and Focus of Competitive Intelligence

The respondents were asked to state what competitive intelligence meant to them. One of the respondents noted that competitive intelligence was:

> "… Defining, collecting, analyzing and disseminating confidential information about products, customers, competitors, and any aspect of the environment needed to make strategic decisions"

Another responded noted that CI was:

> "…. Gathering and knowledge of your competitive environment and use of that information to your benefit"

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One other respondent still noted that CI is:

> "…. gathering of information about your competitors in terms products and services, turnover, market share, and the market segment in which you operate and compete in"

And yet another one noted:

> "[Competitive intelligence is] …. Knowledge of competitor products, plans and numbers (customer numbers, revenues, market share etc …"

These definitions show that most of the respondents knew what competitive intelligence is and what it seeks to accomplish in an organisation. Table 7 shows the results on the reasons why the companies practice competitive intelligence. As shown, the reasons included industry awareness purposes, to help in strategic planning process, to develop new marketing strategies and tactics, to identify new customer requirements, and get feedback on implementation of strategies. Other reasons are shown in the table.

Table 6:   **Reasons for Practicing CI**

	Percent of Cases
Industry awareness	100.0%
Strategic planning process	100.0%
Develop new products	80.0%
Develop new marketing strategies and tactics	100.0%
Develop new technologies	60.0%
Identify new customer requirements	100.0%
Get feedback on implementation of strategies	100.0%
Support tactical activities	80.0%
Maintain market position	16.7

Source: Research Data (2011)

The study sought to determine whether competitive intelligence was a component of strategic decision making process in organisations. The results shown in table 8 reveal that 16.7% of the respondents cited that this was often the case while 83.3% said that this was very often.

Table 7:   Whether CI is a component of Strategic Decision Making Process

	Frequency	Percent
Often	1	16.7
Very often	5	83.3
Total	6	100.0

Source: Research Data (2011)

Table 9 shows the results on the contribution of competitive intelligence to strategic decision making process. From the mean scores, the results show that CI contributed to setting strategic objectives, strategy formulation, strategic analysis, and implementation and control.

Table 8:   CI's Contribution to Strategic Decision Making Process

Variables	Sometime	Often	Very often	Mean	SD
Setting strategic objectives	0	33.3	66.7	4.67	0.52
Strategy formulation	0	33.3	66.7	4.67	0.52
Strategic analysis	0	50	50	4.50	0.55
Implementation and control	33.3	66.7	0	3.67	0.52

Source: Research Data (2011)

The results in table 10 shows the contribution of competitive intelligence to setting strategic objectives in organisations. They include: understanding competitors strategies and objectives, better understanding of the business environment, and in providing useful

intelligence which helps to set achievable marketing objectives. Other reasons are listed in the table below:

Table 9: CI's Contribution to Setting Strategic Objectives

Element	Response
Understanding competitors strategies and objectives	100
Better understanding of the business environment	100
Providing useful intelligence which helps to set achievable marketing objectives	83.3
Providing information that can be a platform to develop marketing objectives	83.3
Ensures that strategic objectives are developed within a reality perspective	83.3
Helps managers to develop sensible and achievable strategic objectives	*66.7*

Source: Research Data (2011)

Table 11 shows CI's contribution to strategic analysis in an organization. The contributions include: helping in a better understanding of the business environment, providing intelligence on aspects of the competitive environment, helping to look at the big picture regarding business environment, and helping managers to identify opportunities in the market and anticipate competitor's move. Others are listed in the table below:

Table 10: CI's Contribution to Strategic Analysis

Element	Response
Helps in a better understanding of the business environment	100
Provides intelligence on aspects of the competitive environment	100
Helps to look at the big picture regarding business environment	100
Helps managers to identify opportunities in the market and anticipate competitors' move	100
Informs and supports marketing analysis	83.3
Provides clear understanding of the market and adds value to the analysis	83.3

Source: Research Data (2011)

The results in table 12 shows the contribution of competitive intelligence to strategy formulation. The contributions are: providing up to date intelligence regarding business environment which helps managers to make their decisions, assesses and evaluates likely competitors reaction, providing intelligence and suggestion to the senior managers, predicting the future position of products and markets, and focusing on what to achieve in the market and how to go about it.

Table 11:   CI's Contribution to Strategy Formulation

Element	Response
Up to date intelligence regarding business environment which helps managers to make their decisions	66.7
Assesses and evaluates likely competitors reaction	100
Provides intelligence and suggestion to the senior managers	50
Predicts the future position of products and markets	83.3
Focuses on what to achieve in the market and how to go about it	66.7

Source: Research Data (2011)

Tabulated below in table 13 is the contribution of CI to strategic implementation and control. The contributions are: indicators from CI are used as an early warning system to assess success or failure, CI provides information about competitors' reaction to the strategy, it checks the validity of the strategy, provides the feedback to enable adjustments to be made, and lastly, it provides feedback about the strategy performance in the market.

Table 12:   CI's Contribution to Strategic Implementation and Control

Element	Response
Indicators from CI are used as an early warning system to assess success or failure	60
Provides information about competitors' reaction to the strategy	100

Checking the validity of the strategy	40
Provides feedback to enable adjustments to be made	80
Provides feedback about the strategy performance in the market	80

Source: Research Data (2011)

4.3.3 Collection of competitive intelligence

Table 14 shows the types of competitor intelligence that mostly interests an organisation. Customers interests 100% of the organisations, competitors interests 83.3%, suppliers interests 16.7%, economic interests 50.0%, regulatory interests 16.7%, where as technological interests 83.3% of the organisations.

Table 13:   Types of CI

	Percent of cases
Customers	100.0%
Competitors	83.3%
Suppliers	16.7%
Economic	50.0%
Regulatory	16.7%
Technological	83.3%

Source: Research Data (2011)

Table 15 shows the sources that companies monitor recorded competitive intelligence data. 66.7% of the respondents cited that the companies monitor recorded competitive intelligence using data from annual reports, 83.3%of the respondents claimed the companies uses data from press releases, 66.7 % of the respondents cited that the companies uses data from newspaper articles, 83.3 % of the respondents cited the companies uses data from analyst reports, 50% of the respondents cited the companies uses data from government reports whereas 66.7% of the respondents claimed the companies uses the data from presentations.

Table 14:   Recorded Sources of CI

	Percent of cases
Annual reports	66.7%
Press releases	*83.3%*
Newspaper articles	66.7%
Analyst reports	83.3%
Government reports	50.0%
Presentation/speeches	66.7%

Source: Research Data (2011)

Other sources that companies monitor recorded competitive intelligence data include: focus groups and competitor intelligence reports from research companies and market research. Table 16 shows the sources that the companies monitor observable competitive intelligence data.83.3 % of the companies uses pricing source, 100% of the companies uses advertising with distributors as the source, 83.3% uses promotions as the source, 33.3% uses tenders as the source whereas 16.7% uses patent applications as the source.

Table 15:   Observable Sources of CI

	Percent of cases
Pricing/pricing lists	83.3%
Advertising with distributors	100.0%
Promotions	83.3%
Tenders	33.3%
Patent applications	16.7%

Source: Research Data (2011)

Tabulated below are the sources that the companies monitor opportunistic competitive intelligence data. 50% of the companies uses meeting with suppliers as the source, 100% of the companies uses social contact with the competitors, 83.8% uses recruiting ex-employees of competitors, 33.3% uses discussion with shared competitors, 16.7% uses meeting with

distributors, 50% uses sales force meetings, 33.3% uses seminar and conferences, whereas 50% uses trade shows.

Table 16:   Opportunistic Sources of CI

	Percent of Cases
Meeting with suppliers	50.0%
Social contact with competitors	*100.0%*
Recruiting ex-employees of competitors	83.3%
Discussion with shared competitors	33.3%
Meeting with distributors	16.7%
Sales force meetings	50.0%
Seminar/conferences	33.3%
Trade shows	50.0%

Source: Research Data (2011)

Table 18 shows the person tasked with the responsibilities of scanning the environment for competitive intelligence in the companies. 83.3% of the respondents cited that the task is given to the employees, all the respondents cited that the task is given to market research firms, 16.7% of the respondents claimed the task is given to risk management firms whereas another 16.7% of the respondents cited that the task is given to management consulting firms.

Table 17:   Responsibility for CI

	Percent of Cases
Management/Employees of the company	83.3%
Market research firms	100.0%
Risk management firms	16.7%
Management consulting firms	16.7%

Source: Research Data (2011)

Table 19 shows the extent to which companies scan the listed sectors for competitive intelligence. From the means, technology sector was the most scanned(4.40), followed by

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competitor sector (4.33), then the customer sector (4.47), then the regulatory sector (4.00), then supplier sector (3.17), and company resources was the least scanned (2.83).

Table 18:   Sector Scan for CI

	Mean	SD
Technology sector	4.40	0.89
Competitor sector	4.33	0.82
Customer sector	4.17	1.17
Regulatory sector	4.00	1.26
Supplier sector	3.17	1.47
Company resources	2.83	1.17

Source: Research Data (2011)

Table 20 shows the frequency of scanning of the listed areas. From the means, competitors introduction of new products (4.50), new operational technology (4.50), new product technologies (4.50), local political conditions (4.50) were the most scanned. Global political conditions were the least scanned (1.67). Others are shown in the table below:

Table 19:   Frequency of Environmental Scanning for CI

	Mean	SD
Competitors' introduction of new products	4.50	0.55
New operational technology	4.50	0.55
New product technologies	4.50	0.55
Local political conditions	4.50	0.84
Competitors' product improvements	4.40	0.55
Competitors' prices	4.17	0.75
Competitors' entry into new markets	4.00	0.89
Company's research and development capabilities/resources	4.00	0.89
Customers' product preferences	3.67	1.51
Company's advertising/promotion capabilities/resources	3.67	0.82

Customers' buying habits	3.5	1.52
Company's sales capabilities/resources	3.50	1.05
Local social conditions	3.50	0.55
Local economic conditions	3.50	1.38
National economic conditions	3.50	1.38
Company's financial capabilities/resources	3.33	1.37
Global economic conditions	3.33	1.63
Competitors' improvements in operational processes	3.17	1.17
National social conditions	3.17	1.17
Customers' suppliers and demands	3.00	1.22
Company's operational capabilities/resources	3.00	1.09
National political conditions	2.83	1.33
Availability of human resource	2.67	1.21
Availability of external financing	2.60	1.34
Availability of raw materials or components	2.33	1.37
Global political conditions	1.67	0.82

Source: Research Data (2011)

4.3.4 Analysis of competitive intelligence

Table 21 shows the extent to which the listed techniques are used by companies to analyse competitive intelligence. The means show that competitor profiling was the most used (4.83), followed by SWOT Analysis(4.50), then key success factors (4.33), then financial analysis (4.17), then win/lose analysis (3.50), then STEP analysis (3.00), and war gaming/role was the least used (2.50).

Table 20:   CI analysis techniques

	Mean	SD
Competitor Profiling	4.83	0.41
SWOT Analysis	4.50	0.84
Key Success Factors	4.33	1.21
Financial Analysis	4.17	0.98
Win/lose Analysis	3.50	1.64
STEP Analysis	3.00	1.87

War gaming/role	2.50	1.73

Source: Research Data (2011)

Table 22 shows that 83.3% of the companies use IT systems for competitive intelligence purposes while 16.7% of the companies did not respond. .

Table 21:   Use of IT in CI

	Frequency	Percent
Yes	5	83.3
Missing response	1	16.7
Total	6	100.0

Source: Research Data (2011)

For the companies that use IT systems for competitive intelligence, roles of the IT systems in the competitive intelligence are shown in table 23. From the table, all the respondents cited that the companies use IT system to collect information. Further, the respondents cited that the companies use .IT for information storage and information analysis. 40% of the respondents cited that the companies use IT for information dissemination.

Table 22:   Role of IT in CI

	Percent of Cases
Information collection	100.0%
Information storage	100.0%
Information analysis	100.0%
Information dissemination	40.0%

Source: Research Data (2011)

4.3.5 Information Dissemination

Table 24 shows the people who utilize the information and knowledge gained through CI. From the table, the respondents cited that all the information and knowledge gained are

utilized by the top management. 80% of the respondents cited that the information and knowledge gained are utilized by the middle management. 40% of the respondents cited that the information is utilized by experts while another 40% of the respondents cited that the information gained is utilized by other employees within the company.

Table 23:   **Utilization of CI Information**

	Percent of Cases
Top management	100.0%
Middle management	80.0%
Experts	40.0%
Other employees	40.0%

Source: Research Data (2011)

Table 25 shows what the CI department regularly attends and influences. From the table, 83.3% of the respondents cited that the CI department attends and influences strategic management meetings, marketing management meetings, and product development meetings. 33.3% of the respondents cited that the CI department attends and influences sales review meetings while 50% of the respondents cited that the CI department attends and influences senior management meetings.

Table 24:   **Influence of CI in Organisations**

	Percent of Cases
Strategic management meetings	83.3%
Marketing management meetings	83.3%
Product development meetings	83.3%
Sales review meetings	33.3%
Senior management meetings	50.0%

Source: Research Data (2011)

Table 26 shows which decision the output of the CI department/unit is used for. From the table, all the respondents cited that the output is used for deciding on the strategies of the organisation. The respondents further claimed that the output is used for shaping the direction of new products development. 66.7% of the respondents cited that the output is used for identifying new customer segments and their needs, adoption of new technologies, and operational issues. 83.3% of the respondents cited that the output is used for identification of appropriate responses to threats.

Table 25:   CI Output Decisions

	Percent of cases
Deciding on the strategy of the organisation	100.0%
Identification of new customer segments and their needs	66.7%
Shaping the direction of new products development	100.0%
Identification of appropriate responses to threats	83.3%
Adoption of new technologies	66.7%
Operational issues (e.g. distribution capabilities)	66.7%

Source: Research Data (2011)

4.4   Discussion of Findings

The study found that the CI unit/department is a stand-alone department in most of the firms while in others it is part of the marketing department. This is inconsistent with Nasri (2010) who found that CI was not organised in a separate department and that it was mostly done in the marketing department.

The study concludes that the reasons for companies to practice competitive intelligence include industry awareness purposes, to help in strategic planning process, to develop new marketing strategies and tactics, to identify new customer requirements, and get feedback on

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implementation of strategies. This is consistent with the findings of Pirttimaki (2007) who noted that large Finnish companies viewed intelligence activities not only as a defensive tool to ward off perceived threats and changes but also as a proactive management tool for uncovering new business opportunities, trends, and weak signals in the business environment.

The study found that CI is a component of strategic decision making process in these organisations. For instance, CI contributed to setting strategic objectives, strategy formulation, strategic analysis, and implementation and control. This is consistent with Badr et al (2006) who reported on specific sub-set of the overall CI activity, namely the contribution which CI makes to the strategic decision making process.

The study found that companies used a number of techniques to analyse competitive intelligence and the most used methods were competitor profiling, SWOT Analysis, key success factors, and then financial analysis. The use of financial analysis mirrors the findings of Hesford (2008) who investigated the use of competitors' accounting information by individuals engaged in competitive intelligence.

The study found that most of the companies use IT systems for competitive intelligence purposes. The CI information is utilized by the top management and middle management. The CI department attends and influences strategic management meetings, marketing management meetings, and product development meetings. The study also found that CI output is used for deciding on the strategies of the organisation.

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of findings, conclusions, and recommendations.

5.2 Summary of Findings

The study found that companies practice competitive intelligence for industry awareness purposes, to help in strategic planning process, to develop new marketing strategies and tactics, to identify new customer requirements, and get feedback on implementation of strategies.

The study sought to determine whether competitive intelligence was a component of strategic decision making process in organisations. The results showed that 16.7% of the respondents cited that this was often the case while 83.3% said that this was very often.

The study found that CI contributed to setting strategic objectives, strategy formulation, strategic analysis, and implementation and control. CI contributed to setting strategic objectives in organisations in terms of understanding competitors strategies and objectives, better understanding of the business environment, and in providing useful intelligence which helps to set achievable marketing objectives.

The study found that when collecting CI these organisations were interested in customers interests 100% of the organisations, competitors interests 83.3%, and technological interests 83.3% of the organisations.

The study found that companies monitored recorded competitive intelligence data. These were monitored using annual reports (66.7%), press releases (83.3%), newspapers (66.7 %), analyst reports (83.3 %), government reports (50%), and presentations (66.7%). Observable data was collected from pricing/pricing lists (83.3%), advertising with distributors (100%), and promotions (83.3%). Opportunistic competitive intelligence data was gathered from social contact with competitors (100%), meeting with suppliers (50%), recruiting ex-employees of competitors (83.8%), sales force meetings (50%) and trade shows (50%). Other sources that companies monitor recorded competitive intelligence data include: focus groups and competitor intelligence reports from research companies and market research.

On the techniques used by companies to analyse competitive intelligence, competitor profiling was the most used (4.83), followed by SWOT Analysis(4.50), then key success factors (4.33), then financial analysis (4.17), then win/lose analysis (3.50), then STEP analysis (3.00), and war gaming/role was the least used (2.50).

From the results, all the respondents cited that the CI output is used for deciding on the strategies of the organisation. The respondents further claimed that the output is used for shaping the direction of new products development. 66.7% of the respondents cited that the output is used for identifying new customer segments and their needs, adoption of new technologies, and operational issues. 83.3% of the respondents cited that the output is used for identification of appropriate responses to threats.

5.3   Conclusion

The study found that competitive intelligence practices are adopted by a majority of the mobile phone operators in Kenya primarily for the purpose of industry awareness, strategic planning, development of new marketing strategies, identification of new customer requirements, and to get feedback on implementation of strategies.

The study concludes that whereas the organisations may differ in their degree of sophistication of CI process, CI forms an integral component of strategic decision making process in these organisations. CI contributes to setting strategic objectives, strategy formulation, strategic analysis, and implementation and control. The study concludes that companies monitored recorded competitive intelligence data, observable data, and opportunistic competitive intelligence data.

The study concludes that the companies used a number of techniques to analyse competitive intelligence and the most used methods were competitor profiling, SWOT Analysis, key success factors, and then financial analysis. The study also concludes that CI output is used for deciding on the strategies of the organization with regards to new product development, new customer segments and their needs and new technological developments.

5.4   Recommendations for policy and practice

Competitive Intelligence is an enabler of long term sustainable competitive advantage. The study recommends that the organisations should enhance existing CI practices by building knowledge based information systems which would support rapid responses to market changes through faster, informed decision making.

The study also recommends the continuous transfer of CI best practices in the organisations through the adoption of knowledge transfer mechanisms such as CI discussion forums, setting up of CI databases, appointment of CI champion teams in the various funtions and embedding staff from business partners (research firms) in their own businesses.

5.5   Limitations of the study

The study is based on the results of the mobile firms in the telecommunications industry in Kenya. These results may therefore not be applicable in other industries as they are unique to this industry.

The study also focused on three firms as one firm refused to participate. As this may limit the sample size for the study, it is a good exploratory start for a study of this nature in the industry.

5.6   Suggestions for further research

This study can be replicated in other industries for purposes of comparing these results across industries. A wider study with a combination of methods would also be important for the same industry.

In-depth case studies can be done in order to come up with the practices of competitive intelligence in other industries. The use of interviews would be a better start for such case studies.

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APPENDICES

Appendix 1:   Competitive Intelligence (CI) Practices Questionnaire

Part 1: Demographic Information

Questions 1-3 relate to your gender, experience and position in the organisation. Mark appropriately against the choice or fill in the information that best describes you.

1. Your gender

    [   ] Male

    [   ] Female

2. Your experience in the industry

    [   ] Less than 2 years

    [   ] 2-3 years

    [   ] 3-4 years

    [   ] 4-5 years

    [   ] 5-10 years

    [   ] More than 10 years

3. Your position in the organisation

    ....

The following questions (4-6) relate to the company information on market value, revenue, and number of employees. Fill in the information that best describes you.

4. Company market value

....

5. Company annual gross revenue

....

6. Number of employees

....

7. What name is the department/unit that carries out competitive intelligence in the organisation given?

   ....

8. Is this division/unit stand-alone?

   [   ] Yes

   [   ] No

9. If No in 8 above, please specify the department to which the department/unit reports to.

   ....

10. How many employees work in the department/unit?

    [   ] less than 5

[　] 5 - 10

[　] 10 - 15

[　] More than 15

11. What level in the organization does the department/unit report to?

[　] Board of Directors

[　] Executive Committee (Heads of Function and CEO)

[　] Head of Department

[　] Other (please specify)

....

Part 3: Planning and Focus of Competitive Intelligence

12. What does competitive intelligence mean to you?

....

....

....

....

13. For what reasons does the company practice competitive intelligence? You can mark

more than one response.

For industry awareness purposes	[　]
To help in strategic planning process	[　]
To develop new products	[　]
To develop new marketing strategies and tactics	[　]

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To develop new technologies   [   ]

To identify new customer requirements   [   ]

To get feedback on implementation of strategies   [   ]

To support tactical activities   [   ]

Other(s) (Specify)   [   ]

....

....

....

14. Is competitive intelligence a key component of the strategic decision making process
in your organisation?

Never   [   ]

Rarely   [   ]

Sometimes   [   ]

Often   [   ]

Very often   [   ]

15. To what extent does competitive intelligence contribute to the following stages of
strategic decision making process in the organisation? Use the key below the table.

Variables	1	2	3	4	5
Setting strategic objectives					
Strategic analysis					
Strategy formulation					
Implementation and control					

Key: 1 = "Never", 2 = "Rarely", 3 = "Sometimes" 4 = "Often", 5 = "Very often"

16. What is the contribution of CI to setting strategic objectives in your organisation? You can mark more than one choice.

Element	Response
Understanding competitors strategies and objectives	
Better understanding of the business environment	
Providing useful intelligence which helps to set achievable marketing objectives	
Providing information that can be a platform to develop marketing objectives	
Ensures that strategic objectives are developed within a reality perspective	
Helps managers to develop sensible and achievable strategic objectives	
I do not know	
Other (specify)	

17. What is the contribution of CI to strategic analysis in your organisation? You can mark more than one choice.

Element	Response
Helps in a better understanding of the business environment	
Provides intelligence on aspects of the competitive environment	
Helps to look at the big picture regarding business environment	

Helps managers to identify opportunities in the market and anticipate competitors' move	
Informs and supports marketing analysis	
Provides clear understanding of the market and adds value to the analysis	
I do not know	
Other (specify)	

18. What is the contribution of CI to strategy formulation in your organisation? You can mark more than one choice.

Element	Response
Up to date intelligence regarding business environment which helps managers to make their decisions	
Assesses and evaluates likely competitors reaction	
Provides intelligence and suggestion to the senior managers	
Predicts the future position of products and markets	
Focuses on what to achieve in the market and how to go about it	
I do not know	
Other (specify)	

19. What is the contribution of CI to strategy formulation in your organisation? You can mark more than one choice.

Element	Response
Indicators from CI are used as an early warning system to assess success or failure	
Provides information about competitors' reaction to the strategy	
Checking the validity of the strategy	
Provides feedback to enable adjustments to be made	
Provides feedback about the strategy performance in the market	
I do not know	
Other (specify)	

Part 4: Collection of Competitive Intelligence

20. What types of competitor intelligence interests your organization most? You can tick more than one choice.

[   ] Customers   [   ] Competitors   [   ] Suppliers

[   ] Economic   [   ] Regulatory   [   ] Technological

[   ] Other(s) (specify)

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21. From which sources does the company monitor recorded competitive intelligence data? You can tick more than one choice.

[   ] Annual reports   [   ] Press releases   [   ] Newspaper articles

[   ] Analyst reports   [   ] Government reports [   ] Presentation/speeches

[   ] Other(s) (specify)

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22. From which sources does the company monitor observable competitive intelligence data? You can tick more than one choice.

[   ] Pricing/pricing lists   [   ] Advertising campaigns   [   ] Promotions

[   ] Tenders   [   ] Patent applications

[   ] Other(s) (specify)

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23. From which sources does the company monitor opportunistic competitive intelligence data? You can tick more than one choice.

[   ] Meeting with suppliers   [   ] Meeting with distributors

[   ] Social contact with competitors   [   ] Sales force meetings

[   ] Recruiting ex-employees of competitors   [   ] Seminar/conferences

[   ] Discussion with shared competitors   [   ] Trade shows

[   ] Other(s) (specify)

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24. Who is tasked with the responsibility of scanning the environment for competitive intelligence for your company? You can tick more than one choice

[   ] Management/Employees of the company   [   ] Market research firms

[   ] Risk management firms   [   ] Management consulting firms

[   ] Other(s) (specify)

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25. To what extent does the company scan the following sectors for competitive intelligence? Use the key below the table.

Sector	1	2	3	4	5
Customer sector					
Competitor sector					
Supplier sector					
Company resources					
Technology sector					
Regulatory sector					

Key: 1 = "to no extent", 2 = "to a very little extent", 3 = "to a little extent" 4 = "to a great extent", 5 = "to a very great extent"

26. How often does the company scan the following? Use the key below the table

	1	2	3	4	5
Customers' buying habits					
Customers' product preferences					
Customers' suppliers and demands					
Competitors' prices					
Competitors' introduction of new products					
Competitors' product improvements					
Competitors' entry into new markets					
Competitors' improvements in operational processes					
Availability of raw materials or components					
Availability of external financing					
Availability of human resource					
Company's operational capabilities/resources					
Company's research and development capabilities/resources					
Company's advertising/promotion capabilities/resources					
Company's sales capabilities/resources					
Company's financial capabilities/resources					
New operational technology					

New product technologies					
Local social conditions					
National social conditions					
Local economic conditions					
National economic conditions					
Global economic conditions					
Local political conditions					
National political conditions					
Global political conditions					

Key: 1 = "Never", 2 = "Seldom", 3 = "Occasionally" 4 = "Frequently", 5 = "Always"

Part 5: Analysis of Competitive Intelligence

27. Kindly indicate the extent to which the following techniques are used by your company to analyse competitive intelligence. Use the key below the table.

	1	2	3	4	5
SWOT Analysis					
Key Success Factors					
Competitor Profiling					
Financial Analysis					
Win/lose Analysis					
STEP Analysis					

War gaming/role					
Other (specify)					

Key: 1 = "Never", 2 = "Rarely", 3 = "Sometimes" 4 = "Often", 5 = "Very often"

28. Does the company use any IT systems for competitive intelligence purposes?

[   ] Yes

[   ] No

29. If Yes in 22 above, what role do the IT systems play in the competitive intelligence process? You can tick more than one choice

[   ] Information collection   [   ] Information storage

[   ] Information analysis   [   ] Information dissemination

[   ] Other(s) (specify)

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Part 6: Information Dissemination

30. Who utilizes the information and knowledge gained through CI in the organisation? You can tick more than one choice.

Top management   [ ]

Middle management   [ ]

Experts   [ ]

Other employees   [ ]

31. The CI department/unit is regularly attending and influencing the following. Tick as appropriate.

[ ] Strategic management meetings   [ ] Marketing management meetings

[ ] Product development meetings   [ ] Sales review meetings

[ ] Senior management meetings   [ ] Board meetings

[ ] Other(s) (specify)

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32. For which decisions is the output of the CI department/unit used for?

Deciding on the strategy of the organisation   [ ]

Identification of new customer segments and their needs   [ ]

Shaping the direction of new products development   [ ]

Identification of appropriate responses to threats   [ ]

Adoption of new technologies   [ ]

Operational issues (e.g. distribution capabilities)   [ ]

Other(s) (Specify)   [   ]

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Thank you for taking part in the survey