COMPETITIVE INTELLIGENCE AS AN ENABLER FOR FIRM COMPETITIVENESS: AN OVERVIEW

Alexander Maune *

Abstract

The purpose of this article is to provide an overview, from literature, about how competitive intelligence can be an enabler towards a firm’s competitiveness. This overview is done under the background of intense global competition that firms are currently experiencing. This paper used a qualitative content analysis as a data collection methodology on all identified journal articles on competitive intelligence and firm competitiveness. To identify relevant literature, academic databases and search engines were used. Moreover, a review of references in related studies led to more relevant sources, the references of which were further reviewed and analysed. To ensure reliability and trustworthiness, peer-reviewed journal articles and triangulation were used. The paper found that competitive intelligence is an important enabler of firm competitiveness. The findings from this paper will assist business managers to understand and improve their outlook of competitive intelligence as an enabler of firm competitiveness and will be of great academic value.

Keywords: Competitive Intelligence; Firm Competitiveness

* CEMS, Department of Business Management, UNISA, South Africa
Tel: +27 73 200 8603
E-mail: alexandermaune6@gmail.com, maunea@unisa.ac.za

1. Introduction

In an era of globalization, competitors need to incorporate new approaches in managing their intelligence processes to remain competitive. Globalization of markets, resulting from advances in communication and transportation, rapidly changing political climates and ideologies, and the reduction in trade barriers has opened doors to new international opportunities and competition for business. With the invading of foreign firms in domestic markets, firms must aggressively identify ‘windows of opportunity’ and then institute programmes to achieve continuous improvement, creativity and innovation to enhance their competitiveness and remain relevant. Competitive intelligence (CI) has brought intelligent knowledge for decision making and strategy. According to Viviers et al., (2004), intelligence is the active use of information to guide decision making in order to reach the goals set by an organization. The business practice of competitive intelligence is the function of turning information into intelligence (Viviers et al., 2004). Literature has shown CI to be an efficient instrument for improving firm competitiveness, though its applicability in developing nations has yet to be fully examined. Sound CI practice is presented as a key element in providing organizations with appropriate “corporate radar” and actionable intelligence (Fuld, 1995; Pollard, 1999 in Bergeron and Hiller, 2002).

Fleisher and Bensoussan (2002) in Juhari and Stephens (2006) and Bergeron and Hiller (2002) regard CI as an old phenomenon in both scholarship and business practice. As in many fields of scholarship, history connects the field of CI to philosophical views and methodologies found documented by early war and economics scholars, from which CI is already thought to have originated. Hence, its employment may be traced to a long and winding history. Juhari and Stephens (2006) state that history has also shown that the evolution of CI borrowed elements and processes from the military, government administration, business administration, marketing, economics, and to some extent intelligence-driven cultures. They further state that prior to Prescott’s placement of the 1990’s as being the refined ‘modern CI’, elements of the intelligence cycle for business applications had already been in practice as formal processes in China, Japan, France, Great Britain and other parts of the world. Chin (1997) in Juhari and Stephens (2006), reports that China had records of observations and Stratagems for ensuring its sustainability as far back as 2 500 years ago, c. 500 BC. He further argues that the practice of employing, Eunuchs, as envoys, business advisors and spies to further the ‘leadership’ of Imperial China in a number of industries was a good example of intelligence. By 204 BC, Rome was known as the greatest organized military force in the world and as such thrived on trade and competition for world goods. In 1234, the Mongols had already
institutionalized their system that served to provide CI to their whole Government and business administration (Juhari and Stephens, 2006). Teo (2000) in Juhari and Stephens (2006) states that, today, CI is receiving even more attention from top management than before. The origins of CI was to give some competitiveness of some sort either militarily or business wise. Although CI is considered to be an old phenomenon (Bergeron and Hiller, 2002 and Juhari and Stephens, 2006) especially in developed countries, its slow embrace in developing countries poses it as a new phenomenon thereby creating a huge gap in the board of knowledge.

1.2 Research purpose

The purpose of this article is to provide an overview, from literature, about how competitive intelligence can be an enabler towards a firm’s competitiveness. This paper seeks to answer the question “How competitive intelligence can be an enabler towards a firm’s competitiveness?” This overview is done under the background of intense global competition that firms are currently experiencing. In light of this, the paper seeks to understand how CI enables firm competitiveness and how are firms utilizing CI as an enabler of competitiveness. It also seeks to get an overview from other researchers on their view of CI as an enabler of firm competitiveness. This paper seeks also to fill the existing knowledge gap on how CI enables firm competitiveness. This paper used a qualitative content analysis as a data collection methodology on all identified journal articles on competitive intelligence and on firm competitiveness.

The remainder of the paper presents definition of terms, the CI process as an enabler of firm competitiveness, followed by the methodology used then followed discussion of findings and then subsequently conclusion and recommendations together with areas for further research.

2. Definition of Concepts

2.1 Competitive Intelligence definition

“Definitions,” to paraphrase Samuel Johnson (1709-1784), are like watches and none is ever exactly correct. The concept of CI is multifaceted and fuzzy. Many definitions have been given for CI (Oubrich, 2011; Weiss and Naylor, 2010). Fleisher and Wright (2009) state that most of these definitions that have emerged over the years differ only in terms of semantics and emphasis. McGonagle and Vella (2002) define CI to involve the use of public sources to develop data on competition, competitors, and the market environment. It then transforms, by analysis, that data into [intelligence]. Public, in CI, means all information you can legally and ethically identify, locate, and then access. CI is also called by a lot of other names: competitor intelligence, business intelligence, market intelligence, and technology intelligence. The most common difference among them is that, the targets of the intelligence gathering differ. Deschamps and Nayak (1995) categorise three types of competitive intelligence:

1) Market Intelligence. This is needed to provide a road map of current and future trends in customers’ needs and preferences, new markets and creative segmentation opportunities, and major shifts in marketing and distribution.

2) Competitors’ Intelligence. This is needed to evaluate the evolution of competitive strategy over time through changes in competitors’ structure, new product substitutes and new industry entrants.

3) Technological Intelligence. This is needed to assess the cost/benefit of current and new technologies and to forecast future technological discontinuities.

2.2 Business Intelligence

In the normal management practice of companies, the competitive intelligence most often given in the context of the term business intelligence (BI). Business intelligence is a field of activity, parent to all the processes of intelligence in the business segment. Here are monitored, collected, analysed and processed data about the business environment as a whole, not only about the customers, the market or competitors. The same term is used in connection with the management, analysis and evaluation of large data volumes, mostly in the context with saving raw data, their administration and data mining. The overall objective is seen in providing the management with intelligence, which helps to make better decisions that result in a better achievement of the company’s objectives. Business intelligence represents a complex of approaches and applications of information systems, which almost exclusively support the analysis and planning activities of enterprises and organizations and they are built on the principle of multi-dimension, which we understand here as ability to look at the reality from several possible angles (Novotný et al., 2004).

2.3 The meaning of firm Competitiveness

Survival and success of firms in turbulent and dynamic environments increasingly depend on competitiveness. Competitiveness has been described by many researchers as a multidimensional and relative concept. Competitiveness as a multidimensional concept refers to the ability to create sustainable competitive advantages that can be used at national, industry and firm level (Vilanova et al., 2009 cited in Marin, Rubio and Maya, 2012). Competitiveness can be looked at from three different
Competitiveness originated from the Latin word, competere (Murths, 1998), which means involvement in a business rivalry for markets. The concept of competition itself is being redefined (Cronin and Crawford, 1999a, 1999b; Shapiro and Varian, 1999; Von Krogh, Ichijo & Nonaka, 2000 all in Bergeron and Hiller, 2002) with competitor-focused strategies becoming increasingly viewed as essential for survival. It has become common to describe economic strength of an entity with respect to its competitors in the global market economy in which goods, services, people, skills, and ideas move freely across geographical borders (Murths, 1998). Firm competitiveness can be defined as the ability of firm to design, produce and or market products superior to those offered by competitors, considering the price and non-price qualities (D'Cruz, 1992). Firm competitiveness processes are those processes, which help identify the importance and current performance of core processes such as strategic management processes, human resources processes, operations management processes and technology management processes. It enhances the ability of an organisation to compete more effectively. Firm competitiveness is of great interest among practitioners. Nations can compete only if their firms can compete, argues Christensen of Harvard Business School. Porter (1998) states that it is the firms, not nations, which compete in international markets. DC (2001) states that competitiveness involves a combination of assets and processes, where assets are inherited (natural resources) or created (infrastructure) and processes transform assets to achieve economic gains from sales to customers. In today's turbulent business environment, dynamic capabilities, flexibility, agility, speed, and adaptability are becoming more important sources of competitiveness (Barney, 2001; Sushil, 2000). O'Farell et al., (1992, 1989, and 1988) have conducted a number of studies on the relationship between sources of competitiveness and firm performance, with focus on price, quality, design, marketing, flexibility, and management.

### 3. The competitive intelligence process as an enabler for firm competitiveness

#### 3.1 General perspective

According to Combs and Moorhead (1993), CI has undergone a groundswell of interest in recent years, an interest in part fueled by an increasing availability of information itself (the much-touted information explosion) and an increase reflected in the proliferation of commercial databases world-wide. In purely competitive terms, no time before ours has presented so many opportunities or dangers (Combs and Moorhead, 1993). Given this changing scene, CI has increased its importance as a source of firm competitiveness. Reliable global information has become central to national success, whether the need is for knowledge of an industry, a market, a product or a competitor. As Frederick the Great once said, “It is pardonable to be defeated, but never to be surprised” (Rouach, 1996 in Bergeron and Hiller, 2002, Kahaner, 1996). With today’s information resources, and CI programmes that reflects the needs of the corporation, surprises can be minimized since CI helps and directs firms in spotting new opportunities or avert disasters as well as empowering them to monitor their developmental cycles. CI has become a worldwide phenomenon.

CI has become a worldwide phenomenon not limited to a few countries or companies in certain industries. Calof (1998) in Viviers et al., (2005) states that most of the Fortune 500 companies use CI extensively as a source of their competitiveness and to sustain their position. Kahaner (1997) in Viviers et al., (2005) states that countries that include France, Japan, Sweden and the USA are more advanced in their embrace of CI as an enabler of firm competitiveness. CI has become an important enabler for achieving firm competitiveness in these countries. The worldwide development of the Strategic and Competitive Intelligence Professionals (SCIP) is another indicator of CI growth globally. The SCIP Chapters have taken root in almost every continent (Viviers et al., 2005). Leaders in the field of CI education are France, Japan, Israel, Sweden, and Korea while Europe is beginning to appreciate the importance of CI as an instrumental source to enhance competitiveness (Viviers et al., 2005).

CI is far from new since for centuries before marketing was a gleam in a Harvard Professor’s eye, firms have at least watched their competition, to learn and pick up useful ideas. Had one asked a Roman or Greek artisan producing spears or amphora whether they studied their competitors they would probably have said, ‘of course we do.’ West (1999) further states that it is hard today to imagine that any company, other than monopolies or the fatally arrogant, would fail to take at least some account of their competitors when developing their plans or pitching for business.

Competitiveness assumes that a firm’s strategy matches internal competencies with external opportunities to provide a source of sustainable competitive advantage through which it can reach certain goals, such as profits generated by the market share. However, for any competitive advantage to be sustainable, the strategy must be acceptable to the wide environment in which the company competes (Werther and Chandler, 2006 cited in Marín, Rubio and Maya, 2012). The concept of CI as a process has long been proposed as an effort to increase a firm’s competitiveness (Montgomery and Urban, 1970; Pearce, 1976; Montgomery and Weinberg, 1979; Porter, 1980 cited in Viviers et al., 2002). Porter (1980) cited in Cuyvers et al., (2008) states that CI is
the component of Business Intelligence (BI) aimed at gaining strategic competitive advantage. CI is an information system which many firms make use of to determine their competitiveness (Van Brakel, 2005 in Iyamu and Moloi, 2013, Guimaraes, 2000 in Iyamu and Moloi, 2013, Viviers and Muller, 2004 in Iyamu and Moloi, 2013). According to McGonagle and Vella (2002) state that CI is becoming more and more vital to firm survival in today’s dynamic markets through improved effectiveness and efficiency. In order for a firm to gain its own competitive advantage using information systems such as CI, it has to ensure that its focus is on its structural capabilities (Song and Li-Hua, 2005 in Iyamu and Moloi, 2013).

For many firms, CI is often intended to be a differentiating factor within the market, as it is able to stand in a better position within the market place. Iyamu and Moloi (2013) state that CI as a strategic business tool has long been proposed in an effort to increase a firm’s competitiveness. For a firm to utilize its CI efforts successfully there has to be firm awareness of CI and a culture of competitiveness. Effective information handling is of paramount importance within a firm.

Viviers et al., (2004) state that successful enterprises recognize the value of managing their information assets effectively and efficiently. The effective handling of critical information resources can make all the difference in the enterprise’s survival against aggressive competitors. Viviers et al., (2004) argue that making the most of available information through the CI process is a necessary activity for any business to remain competitive or even survive in a competitive world. According to Fleisher and Bensoussan (2002) in Viviers et al., (2005), the global economy is increasingly characterized as a knowledge and innovation economy where knowledge and innovation are the new currencies. The challenge is now on how to differentiate one firm from the next. Porter (2004) adds that in today’s competitive global business environment, companies need the skill to translate indicators in the competitive environment into business opportunities and to apply the intelligence in decision-making and developing competitive strategies.

3.2 African CI perspective

Limited research has been conducted or published on CI practices in African countries (Viviers et al., 2005). The state of CI remains fragmented in Africa. With the exception of South Africa, though much has not yet been done, other African countries are quite when it comes to CI. SCIP was launched in SA in the mid-1990s and albeit slowly, companies are becoming increasingly competitive minded. Until that time, research into CI in South Africa had also been limited. The first comprehensive research projects [in Africa] were launched in the beginning of the century in South Africa. Before that, only a few papers were written on CI (Viviers and Muller, 2004). Luiz (2006) in Du Toit and Strauss (2010) states that as a result of factors such as history, culture, diversity, geography, and political and institutional landscape, the business environment in Africa is highly complex, and this has affected the competitiveness of the continent and of its firms.

For CI to flourish in Africa and for the discipline to be implemented and used optimally, there has to be an appropriate awareness of CI and a culture of competitiveness. Mersha (2000) in Du Toit and Strauss (2010) points out that African society also tend to be collectivist. Collectivism, in contrast to individualism, refers to a society, in which people from birth onwards are integrated into strong, cohesive in-groups, which throughout people's lifetime continue to protect them in exchange for unquestioning loyalty (Mersha, 2000 in Du Toit and Strauss, 2010). Without proper empirical evidence of CI as a source of firm competitiveness, awareness and attitudes that favour both CI and information sharing, it is difficult to develop CI programmes within Africa (Viviers et al., 2005). With the exception of a recommendation from Dou, Dou and Manuallang (2005) in Du Toit and Strauss (2010) that developing countries should design a national competitive intelligence system (Morocco has already made progress in this regard), no other information on CI practices in other African countries is available.

4 Research Methodology

4.1 Data Collection

This paper used a qualitative content analysis as a data collection methodology on all identified journal articles on CI and firm competitiveness. Qualitative content analysis has been defined as a research method for the subjective interpretation of the content of text data through the systematic classification process of coding and identifying themes or patterns (Hsieh and Shannon, 2005). Qualitative content analysis hence involves the systematic analysis of social artefacts to provide an in-depth understanding of texts and their specific contexts. Qualitative content analysis was used to explore and identify overt and covert themes and patterns embedded in a particular text. According to Zhang and Wildemuth (2009), qualitative content analysis pays attention to unique themes that illustrate the range of the meanings of the phenomenon rather than the statistical significance of the occurrence of particular texts or concepts.

To identify relevant literature, academic databases and search engines were used. Moreover, a review of references in related studies led to more relevant sources, the references of which were further reviewed and analysed. To ensure reliability, only peer-reviewed articles were used. Trustworthiness
ensures the quality of the findings and increases the confidence of the reader that the findings are worthy of attention. Many different strategies are employed in qualitative research to establish trustworthiness (Krefting, 1991) and this paper adopted triangulation to enhance its trustworthiness. This involved the use of multiple sources and perspectives to reduce the chance of systematic bias. The paper achieved this by: source (data was collected from different published and peer reviewed journal articles from different sources), methods (the researcher believed the depth of the journal articles and the methodologies used ensured the credibility of the data), and researcher (the paper was reviewed by the mentor, critical reader and language editor).

5 Discussion of findings of literature review

The purpose of this article is to provide an overview, from literature, about how CI can be an enabler towards a firm’s competitiveness. This overview is being done under the background of intense global competition that firms are currently experiencing. To help provide this overview, a qualitative content analysis of articles from peer-reviewed journals was done. Select studies have been categorized according to the Asset-Processes-Performance (APP) framework in Table 1. Table 2 below shows that there have been few studies under Assets, and more studies under Processes and Performance. This highlights the importance of processes in firm competitiveness.

<table>
<thead>
<tr>
<th>Main category</th>
<th>Subcategory</th>
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<tbody>
<tr>
<td>Assets</td>
<td>• Human resources</td>
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<td>• Firm structure and culture</td>
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<td>• Technology</td>
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<td>• Resource Based View (RBV)</td>
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<td>Processes</td>
<td>Strategic management processes</td>
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<td></td>
<td>• Competency</td>
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<td></td>
<td>• Competitive strategy</td>
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<td>• Flexibility &amp; adaptability</td>
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<td>HR processes</td>
<td>• Design and deploy talents</td>
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<td>Technological processes</td>
<td>• Innovation</td>
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<td>• Systems</td>
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<td>• Quality</td>
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<td>Marketing processes</td>
<td>• Marketing</td>
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<td></td>
<td>• Managing relationships</td>
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<td></td>
<td>• Persuading power</td>
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<td>Performance (Financial and non-financial)</td>
<td>• Productivity</td>
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<td></td>
<td>• Finance</td>
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<td></td>
<td>• Market share, differentiation, customer satisfaction</td>
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<td>• Profitability, Cost, price</td>
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<td></td>
<td>• Variety, product range, new product development</td>
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<td>• Efficiency, Value creation</td>
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Source: Adapted from Ajitabh & Momaya (2004)
### Table 2. Literature review and findings of how CI is an enabler of firm competitiveness

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Themes/elements</th>
<th>Key Findings</th>
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</table>
| Sewdass and Du Toit (2014); Heppes and Du Toit (2009); Pellissier and Nenzhelele (2013); Du Toit (2004); Lackman et al., (2000); Viviers et al., (2004); Heppes and Du Toit (2008); Mugo et al., (2012); Alstrup (2000); Du Toit and Strauss (2010); Viviers et al., (2005) | **Assets** (HR, firm structure, firm culture, technology, resource based view) | • Firm competitiveness is realized through enhanced CI culture and awareness amongst all employees.  
• Firm awareness of CI information needs and an enhanced culture of competitiveness through constant sensitization of employees as to their role and function in CI.  
• Participation of all employees from top management to the lowest personnel to gather intelligence.  
• Through huge capital investment in technology and sufficient CI analytical resources.  
• Properly developed CI functions and enhanced firm structures enhance firm competitiveness.  
• The prominent CI resource requires cultivation and training in how to use internal and external human networks to benefit the firm.  
• Research has shown sustained level of awareness of CI and a CI culture.  
• Through RBV. |
| Cory (1996); Bartes (2012); Agnihotri and Rapp (2011); Taib et al., (2008); Weiss & Naylor (2010); Haataja (2011); Muller (2005); Cucui (2009); Peltoniemi & Vuori (2008); Wright et al., (2009); Heppes & Du Toit (2008); Du Toit & Strauss (2010); Pellissier & Nenzhelele (2013); Thompson & Strickland (2003); Bateman & Suell (2002); West (2001); Viviers et al., (2005); SCIP (2004); Mugo et al., (2012); SCIPAST (2004); Du Toit (2004); Muller (2009); Swedass & Du Toit, 2004; Calof & Viviers (2001); Muller (2002); Fleisher and Bensoussen (2002); Mohan-Neill (2006); Nwokah & Ondukwu (2009); Teo & Choo (2001); Vedder and Guynes, (2000 & 2002); Culver (2006); Salvetat and Laarraf (2013); Dishman & Calof (2008); Gilad (2004); Trim & Lee (2008); Courtney et al., (2009) | **Processes** (strategic management, HR, technology, operational, marketing) | • Benchmarking, business process reengineering, competitor profiling, core competence analysis, critical success factor analysis, customer satisfaction surveys, divestment analysis, experience curves, financial statement analysis, five forces industry model, industry scenarios, industry segmentation, issue analysis, management profiles, market signaling, merger and acquisition analysis, multipoint competition analysis, political and country risk analysis, portfolio analysis, reverse engineering, stakeholder analysis and assumption, surfacing and testing, case studies, strategic alliance, strategic group analysis, strengths and weaknesses, synergy analysis, technological assessment, value chain analysis.  
• Supporting strategic decision-making, supporting strategic planning and implementation, especially in the fields of marketing, IT and R&D  
• Supporting competitor assessment and tracking  
• For providing customers with greater value and satisfaction than their competitors, firms must be operationally efficient, cost effective, and quality conscious.  
• Using advanced CI software provides a
vital added value to firms.  
- Identifying early warning and blind spot of threats and opportunities  
- CI in strategic business activities also include uncovering business opportunities and problems, providing the basic for continuous improvement, improving speed to market and supporting rapid globalization, improving the likelihood of company survival, increasing business volume, providing better customer assessment, and aiding in understanding of external influence.  
- Firm awareness of competitors’ actions and activities. CI has been described as a strategic tool that helps enterprises to be aware of their competitors’ behaviors and plans.  
- CI in implementation of robust IT systems.  
- CI has led to high technological innovations in the banking sector. It has led to high complicated banking systems which have seen the introduction of ATMs with functionalities to receive and count cash and credit customer accounts instantly without human intervention.  
- CI improves the competency and competitive strategy through alerting a firm constantly of changes in the competitive environment.  
- CI enhances firm’s CA through better predictions of the business environment’s evolution.  
- Providing better support for the strategic decision making processes. Revealing opportunities and threats by surveying weak signals and early warnings.  
- Processing and combining data and information to produce knowledge and insights about competitors. Satisfying the information needs of decision making.  
- Successful strategic management depends on an accurate and thorough evaluation of the external environment. Competitor awareness, competitor sensitivity and competitor intelligence, intelligent exploitation of market developments rather than merely react to them. Monitoring industry and market trends and assessing the impact of political and economic changes, collecting information on competitors and own company’s strengths and weaknesses. Through strategic alliances, i.e., mergers and acquisitions to penetrate other markets and cross-borders.  
- Through outsourcing CI aspects or total outsourcing.  
- CI is used for firms to remain cognizant
with government legislative trends.
- Allows firm flexibility and adaptability of information for decision making.
- Predicting with high level of trust customers’ requirements and devising marketing strategies. Allows honing marketing efforts to quickly respond to consumers. Mixing of target markets and skillful market segmentation. Through successful market positioning.
- Decreasing reaction time in operational processes exerts a significant influence on the ability to innovate and is viewed both as a major source of CA and of new product innovation.
- Through skills development as training is conducted on how to conduct different responsibilities. Through well-defined role and responsibilities of CI champion, CI manager and CI analyst.
- Through proper analytical skills to integrate a variety of factors internal and external to firms.
- Training of CI staff to afford them the skill required to engage at top level and debate or dialogue.
- Networking skills proved to be the most important skill that a CI professional should have as well as research skills.
- Analytical ability is of great importance especially in the analysis phase of the CI cycle, which in turn is the ‘central nervous-system’ of the CI process.
- It was found that not all CI activities are equally capable of generating competitive advantage (CA).
- It was suggested that sustainable CA has the highest probability of being generated from the analysis component of CI activities.
- CI plays one of the most important roles in the preparation of the decision of the company when management create new conditions for securing the future success of the company in a demanding business environment, and it is considered as one of the most powerful prospective weapons in the hands of the company management.
- Finally companies which actively use CI, show better results.

<table>
<thead>
<tr>
<th>Yap et al., (2013); Wanjau et al.,(2012); Adidam et al., (2012); Karim (2011); Du Toit and Strauss (2010); Santos and Correaia (2010); Viviers et al., (2005); Cappel and Boone (1995); Jaworski and Wee (1992); Ngugi et al., (2012); Thompson &amp; Strickland (2003); Mugo et al., (2012); Comai &amp; Joaquin (2007);</th>
<th><strong>Performance</strong> (Financial and non-financial)</th>
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<tr>
<td>Results reveal a positive relationship between CI practices and firm performance.</td>
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<td>All strategic intelligence practices lead to greater profitability &amp; also reduction in costs for banks, with technology intelligence being the highest contributor.</td>
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<td>Firms that exhibit higher levels of CI activities indeed achieve better financial</td>
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- There is a highly significant relationship between CBIS strategic plan, cooperation, information, and effective decision making and improved business performance and gained competitive advantage.  
- There is a positive relationship between CI and financial performance. CI companies outperformed other companies by all three key financial measures in this study.  
- Results demonstrate clear evidence of how CI contributes to strategy development and corporate performance.  
- Adoption of CI practices affects the profitability of the banking sector.  
- Studies have shown that technology, product, market and strategic alliance intelligence practices affect the profitability.  
- Investing aggressively in CI is a firm’s single most dependable contributor to above average profitability.  
- Bank profitability realized through product differentiation intelligence, market intelligence, technology intelligence and strategic alliances.  
- Combining customer value innovation and technology intelligence increased the chance of enjoying sustainable growth and profitability.  
- Profitability is realized through early identification of risks and opportunities in the market before they become obvious.  
- Rigorous monitoring and analyzing key competitors also results in profitability.  
- CI results in increased revenues and profits.  
- External use of Internet for competitive intelligence practices positively related to quality of competitive intelligence which in turn positively influenced firm performance in terms of revenue generation, cost reduction, and managerial effectiveness.  
- Productivity has often been termed as a surrogate of competitiveness and good indicator of long-term competitiveness of a firm by many authors.  
- Competitiveness was defined at the organisational level as productivity growth that is reflected in either lower costs or differentiated products that command premium prices. |
5.1 Discussion and analysis

5.1.1 Assets

Results has shown that CI Asset perspective has attracted less research attention as an enabler for firm competitiveness when compared to CI process perspective. Sources of competitiveness are those assets and processes within an organisation that provide competitive advantage. The resource based view (RBV) analyzes and interprets internal resources of the organization, emphasizes resources and capabilities in formulating strategy to achieve sustainable competitive advantages. Resources may be considered as inputs that enable firms to carry out its activities. Internal resources and capabilities determine strategic choices made by firms while competing in its external business environment. According to RBV, competitive advantage occurs only when there is a situation of resource heterogeneity and resource immobility (the inability of competing firms to obtain resources from other firms). CI plays a greater role in RBV analysis and interpretation of resources of an organization to achieve sustainable competitive advantage. Research has shown that for a firm to achieve superior performance and competitive advantage, CI should focus on the concept of difficult-to-imitate attributes of the firm as a source of its competitiveness (Barney, 1986; Hamel and Prahalad, 1996). Resources that cannot be easily transferred or purchased, that require an extended learning curve or a major change in the organization climate and culture, are more likely to be unique to the organization and, therefore, more difficult to imitate by competitors. According to Conner (1991), performance variance between firms depends on possession of unique CI capabilities. The RBV takes an ‘inside-out’ view or firm specific perspective on why organizations succeed or fail in the market place (Dicksen, 1996). CI maximizes on resources that are valuable, rare, inimitable and non substitutable (Barney, 1991) to make it possible for businesses to develop and maintain competitive advantages for superior performance (Collis & Montgomery, 1995; Grant, 1991; Wernerfelt, 1984).

According to RBV, an organization can be considered as a collection of physical resources, human resources and organizational resources (Barney, 1991; Amit and Shoemaker, 1993). RBV competencies can be achieved through highly instituted CI processes and activities. These levels, according to research can be achieved through full embracement of the CI process. Research has shown that firms can achieve high levels of competitiveness to sustain themselves in turbulent and harsh economic environment through the embracement of CI.

To utilize CI efforts successfully, there needs to be an appropriate organizational awareness of competitive intelligence (Viviers, 2005) and culture of competitiveness. Awareness of the importance of CI needs to be created in organizations. Without proper awareness and attitudes that favour information sharing, it is difficult to develop intelligence within an organization and competitiveness. CI is the ability to fully understand, analyse, and assess the internal (RBV) and external environment associated with customers, competitors, markets, industry and use the acquired knowledge to find new opportunities and stay competitive. The heightened awareness of a firm’s competitive environment tends to be one of the bases for organizational learning theory (Garvin, 1993; Sinkula, 1994; Slater and Narver, 1995). To be successful, managers must create a culture within their organisations that promotes a culture of competitiveness and of exchanging knowledge and ideas among individuals and departments (Viviers, 2005). The success of firms requires appropriate policies, procedures, and a formal (or informal) infrastructure allowing employees to contribute effectively to the CI system (Viviers et al, 2005).

Competitiveness is achieved through visible support by management of the CI function’s existing initiatives. A formal CI structure would involve dedicating a CI manager to guide and drive the collection, analysis and dissemination of intelligence within organization. Such a person needs to be trained in developing and running CI and should be well respected at all levels in the company, preferably be a member of the executive team and needs to have an understanding of the industry and organization to also benefit from his/her contact network. Furthermore, CI as a strategic management tool should therefore be situated as close as possible to the strategic decision makers and not in a line functional department (Viviers et al, 2005). An organization’s structure is supported by the appropriate organisational culture. Indeed, research undertaken by Wright et al., (2002) suggest that the overriding influence on firm competitiveness rests on CI activities that facilitates appropriate competitive culture and structure which encourages trust, facilitate communication and encourage the easy flow of information.

5.1.2 Processes

Results show that processes perspective has attracted more research attention as an enabler for firm competitiveness. Researchers like, Ghoshal and Westney (1991); Trim and Lee (2008) and analysts Courtney et al., (2009) agree that gathering intelligence is necessary for strategic planning and decision making hence firm competitiveness. CI plays a very crucial role in directing firms to spot new opportunities or averts disasters as well as empowering firms to monitor their own development cycles. Studies have shown that vast majority of the conceptual development of the CI literature is from the developed market perspective. The studies as
5.1.3 Performance (Financial and non-financial)

Financial and non-financial elements of a firm have been identified as sources of firm competitiveness. Literature has shown little empirical work linking the impact of a firm’s CI activities on a firm’s performance (Hughes, 2005). However, most literature addressing this issue has been either anecdotal and/or case-based research in the context of the developed markets of USA and Europe (Pirttimaki, 2007; Smith and Kosso, 2008; Subramanian and IsHak, 1998). Nothing much has been done to measure this relationship outside USA and Europe because the concept is perceived new. A study by Adidam et al., (2012) clearly identifies that firms that deploy CI practices are achieving better performance in the market. Researchers agree that better CI improves a firm’s overall performance in the marketplace (Glueck and Jauch, 1994). Studies by Daft et al., 1988; Gordon, 1989; Teo and Choo, 2001 have identified a positive relationship that exists between CI and firm performance. Also a study of 85 US firms by Subramanian and IsHak (1998) has shown that firms having advanced systems to monitor market trends exhibited great profitability. However, Adidam et al., (2012) argue that the positive relationship that exists between CI and firm performance has been empirically tested in the western developed markets context. This study further reveals that Indian firms with high levels of CI activities do perform better, thus indicating a positive linkage between a firm’s performance and level of CI activities. Literature has also revealed that perceived strategic uncertainty relates positively to CI practices, which in turn, relates positively to firm performance and subsequently to firm competitiveness. Scanning activities in terms of frequency, interest and time spent on particular environmental sectors are linked to higher firm performance in accounting and market performance measures, which results support findings by Daft et al., (1988). To support this Analogli and Karami (2002) found that high performance firms put more emphasis on environmental scanning and thus have a formal scanning system with higher frequency of scanning activities. This supports findings from studies by Subramanian et al., (1993) and Subramanian and Kumar (1994). Yap et al., (2012) highlighted the results from a study by Cappel and Boone (1995) that compared performance of 152 CI companies and 1 396 non-CI companies and found that those companies employing CI, on average, outperformed those companies with no apparent CI activities in terms of average sales, market share and profitability. Taney and Bailetti (2008)’s research findings support those by Cappel and Boone (1995).
6 Conclusion and recommendations

The objective of this paper was to provide an overview of how CI can be an enabler towards firm competitiveness. The paper found that CI plays a very crucial role in enabling firm competitiveness and this was found to be achieved through enhancing the factors that affect firm competitiveness as was categorized through the APP framework for firm competitiveness. Furthermore, the hyper-competitive situation that has characterized the last few decades has created the need for an explicit management of firm competitiveness and has provided enough tests on CI as an enabler of firm competitiveness. This period has credited CI as an important and sole enabler of firm competitiveness. CI has managed to provide solutions to many business challenges. Research has shown that those firms that have embraced fully the CI process managed to sustain their competitiveness in turbulent and dynamic environments. Research has also shown that process perspective CI has attracted more research attention when compared to assets and performance perspectives.

The paper recommends the use of the competitiveness process as a key coordinating process among key management processes such as strategic management, human resources management, technology management, and operations management may provide a powerful tool.

The paper also recommends necessity for a firm to define competitiveness as part of its strategy. Competitiveness as a multi-dimensional concept has dynamic weightages of different factors. A systematic evaluation of competitiveness will be of great help to firms. There is need for a research network that can develop better tools to improve competitiveness processes in collaboration with industry.

It is also recommended that the CI unit or function should assist management in developing and reviewing its strategies. The reviews should be ongoing considering the dynamism of the operating environment as well as alerting top management on issues not on the agenda. In the same way that sages kept turning over the Talmud to find new answers, businesses very often find that the solution to a gnawing business problem is right in front of them if they continue to turn it over (Kahaner, 2003).

6.1 Areas for further Research

The field of CI and firm competitiveness is rich in potential future research opportunities. Commentators, business managers and consultants alike are continuously searching for a better way of doing things. For the same reason the subject continues to provide a rich field for future research on almost any element thereof. Some of the current topics that could provide both research stimulation and academic value might include; CI positioning and firm competitiveness, CI as a contributor to knowledge base in firms as well as a review of the methods of CI measurement, measures of CI effectiveness, techniques which firms use to analyse CI, and tools used by firms to acquire, access, store and share CI.

References


