

**THE EFFECT OF COMPETITIVE INTELLIGENCE ON CONSUMER
GOODS IN MANUFACTURING FIRMS, A CASE STUDY OF BIDCO
REFINERY (K) LTD**

BY

SHADRACK M. MUNGUTI

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DECLARATION

I Shadrack M. Munguti , declare that the report presented to Kampala international university is my original work and has never been submitted to any institution/ organization for any award.

Signature.....


SHADRACK M. MUNGUTI

Date.....16/12/09

RESEARCHER

APPROVAL

This work has been done under my supervision as an institution supervisor and submitted with my approval

Signature.....

MR OMARA THOMPSON.

Date.....

SUPERVISOR

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CHAPTER ONE

INTRODUCTION

1.0 Background of the Study

Most of the value-added in manufacturing or product companies is created by knowledge-based service activities such as research and development, marketing research, product design, customer service, advertising, or distribution. Winning firms are organizations that most successfully master the business issues critical to their performance, and develop the most precise understanding of definitions of value and creation of value. Competitive advantage has a lot to do with leveraging the knowledge assets of the firm, while at the same time determining how competitors are likely to leverage theirs.

Accepting the importance of competitive intelligence, major multinational corporations, such as ExxonMobil, Procter & Gamble, and Johnson and Johnson, have created formal CI units. Importantly, organizations execute competitive intelligence activities not only as a safeguard to protect against market threats and changes, but also as a method for finding new opportunities and trends. Competitive intelligence is the core of competitive strategy in that great organizations with great products, wise managers, and other successful strengths, go out of business.

Economies of scale, the foundation on which big companies have based their dominance in the Industrial Era, is no longer an advantage. Changes in information technology, in the financial system, in just-in-time production techniques, and in the rise of companies offering distribution and support systems which previously only the largest companies could afford removing the advantages of being big. The

diseconomies of scale overhead, inflexibility are becoming increasingly powerful.

Started over 35 years ago, Bidco has asserted its position as the East and Central Africa's leading most advanced edible oil and hygiene products manufacturers and marketers. The Company is the brainchild of Bhimji Depar Shah the grand patriarch of Bidco after whom the company is named. The name BIDCO is simply derived from his initials B.D. to which Co has been added making the word BIDCO.

Bidco is the leading marketer of edible oils, soaps and hygienic products in east and central Africa. The company is headquartered in Kenya and has manufacturing operations in Kenya, Uganda and Tanzania from which it is able to distribute its products to more than 14 countries in Africa. Bidco aims at achieving number one market share in Africa by the year 2030.

Organizations must be careful not to spend too much time and effort on old competitors without realizing the existence of any new competitors. Knowing more about your competitors allowed your business to grow and succeed. The research objectives of a competitive intelligence project will often involve issues such as: the manufacturing capabilities of the competitor; analysis of alliances and/or joint ventures entered into by competitors; the competitor's future plans and strategies for specific markets, or product lines; reasons behind changes in the corporate or business unit strategy, et cetera. The practice of competitive intelligence is growing every year, and most companies and business students now realize the importance of knowing their competitors

1.1 Statement of the Problem

Organizations use competitive intelligence to compare themselves to other organizations ("competitive benchmarking"), to identify risks and opportunities in their markets, and to pressure-test their plans against market response (war gaming), which enable them to make informed decisions. Most firms today realize the importance of knowing what their competitors are doing and how the industry is changing, and the information gathered allows organizations to realize their strengths and weaknesses.

As a result of observation and inquiry, there is an indication that a problem existed in Bidco Companies and industries in that it failed to prosper through lack of improvements in competitiveness therefore there is need to establish what is at the core of the objective of improving competitive advantage. The market for its products though basic has tremendously dropped. The marketing manager further indicated that there is no competitive strategy currently on place.

Intelligence is both a process and a product an analytical process that transforms tumultuously gathered competitor and market information into actionable knowledge about competitors' capabilities, intentions, performance, and position; as well as the final product of that process. It is this state of affairs that enticed the researcher to investigate the effect of competitive intelligence on consumer goods in manufacturing firm.

1.2 General Objectives of the Study

The overall objective of this study is to investigate the effect of competitive intelligence on consumer goods in manufacturing firms.

1.3 Specific Objective

It specifically were,

1. Examine the existing competitive intelligence techniques used by BIDCO Kenya Limited
2. Establish the effects of competitive intelligence techniques used on consumer products by BIDCO Kenya Limited.
3. Examine the benefits of competitive intelligence techniques used on consumer products by BIDCO Kenya Limited.

1. 4 Research Questions

1. What are the existing competitive intelligence techniques used by BIDCO Kenya Limited?
2. What are the effects of competitive intelligence techniques used on consumer products by BIDCO Kenya Limited?
3. What are the benefits of competitive intelligence techniques used on consumer products by BIDCO Kenya Limited?

1.5 Scope of the study

Geographical Scope

The study was carried out at Bidco Head Quarters in Thika, Central province, Kenya. The study involved selected employees in the department headquarters and a sample from the accessible population

from selected departments who represented the survey population. It was aim at gender sensitivity in the selection of respondents to ensure that both men and women participate equally.

Time Scope

The period of coverage in the research study was between the months of September, 2008 to September 2009.

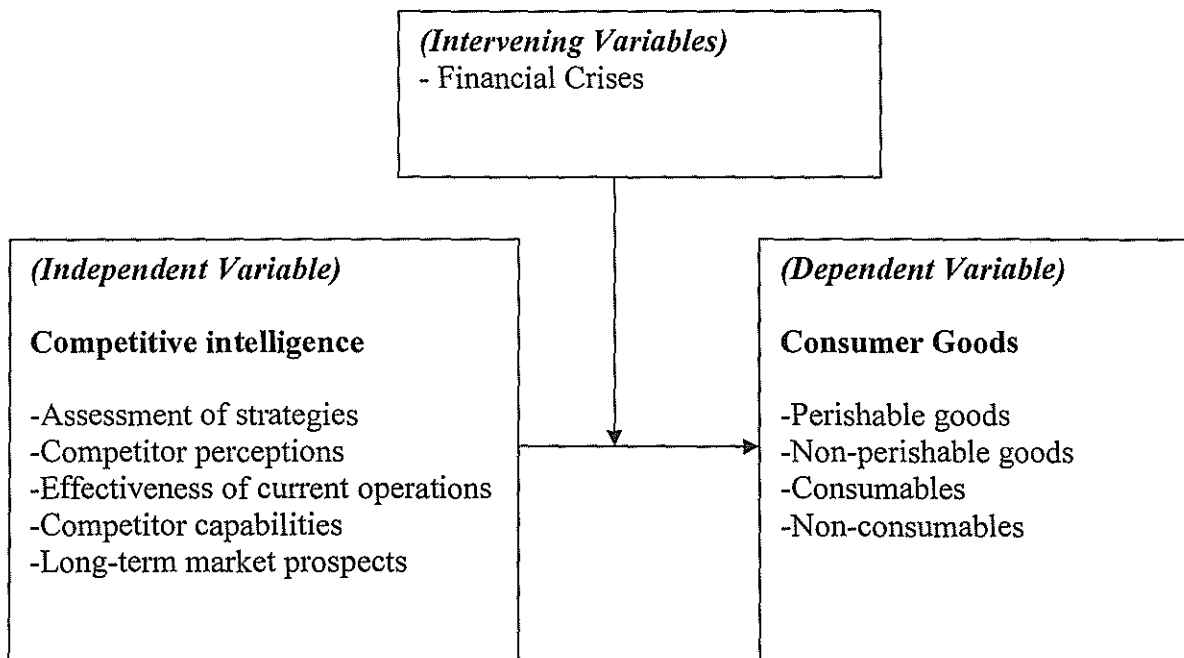
Content Scope

Content scope dwelt on Competitive intelligence, Value of Competitive Intelligence, Strategic Intelligence, Competitor profiling, competitor analysis and Media scanning

1.5 Significance of the study

1. The research findings may help managers especially those in marketing to adopt more realistic strategies and approaches.
2. The results of the study may be useful to future researchers who might be interested in a related field.
3. There is no doubt the result may contribute to the existing theories on competitive advantage and strategies.
4. There is a greater hope also that the study may be a source of a great experience and a contribution to the academic career of the researcher.

Conceptual Framework



Source: Researchers Conceptualization (2009)

The conceptual framework indicates that Assessment of strategies, Competitor perceptions, Effectiveness of current operations, Competitor capabilities and Long-term market prospects are essential in determining how consumer goods can be effectively marketed. Most businesses think it is best to get on with their own plans and ignore the competition. Competitor Intelligence has several important roles in strategic planning, To help management understand their competitive advantages/disadvantages relative to competitors, To generate understanding of competitors' past, present (and most importantly) future strategies, To provide an informed basis to develop strategies to achieve competitive advantage in the future. However financial crises can negatively have an effect on the intelligence collected on a particular product.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.0 Introduction

This chapter presents a review of literature relating to the variables under investigation. It presents the theoretical orientation of the study and review of related literature. The review of related literature is presented in line with the objectives of the study.

2.1 Competitive intelligence

A broad definition of competitive intelligence is the action of defining, gathering, analyzing, and distributing Intelligence about products, customers, competitors and any aspect of the environment needed to support executives and managers in making strategic decisions for an organization. Competitive intelligence is an ethical and legal business practice, as opposed to industrial espionage which is illegal. Frank, J.F. (2004),

This is a process involved in gathering information, converting it into intelligence and then utilizing this in business decision making. CI professionals emphasize that if the intelligence gathered is not usable (or actionable) then it is not intelligence. A more focused definition of CI regards it as the organizational function responsible for the early identification of risks and opportunities in the market before they become obvious. Experts also call this process the early signal analysis. Borern, N. H. (1992).

This definition focuses attention on the difference between dissemination of widely available factual information (such as market statistics, financial reports, newspaper clippings) performed by functions such as libraries and information centers, and competitive intelligence which is a perspective on developments and events aimed at yielding a competitive edge. The term CI is often viewed as synonymous with competitor analysis, but competitive intelligence is more than analyzing competitors it is about making the organization more competitive relative to its entire environment and stakeholders: customers, competitors, distributors, technologies, macro-economic data etc. Frank, J.F. (2004),

2.2 Value of Competitive Intelligence

Whatever strategic framework the firm chooses to embrace for the management of its business, no one element remains more fundamental to competitive strategy than competitive intelligence. Competitive intelligence is more concerned with doing the right thing, than doing the thing right. The goal of a competitor analysis is to develop a profile of the nature of strategy changes each competitor might make, each competitor's possible response to the range of likely strategic. David (2007).

Competitive intelligence should have a single-minded objective to develop the strategies and tactics necessary to transfer market share profitably and consistently from specific competitors to the company. A firm which does not rigorously monitor and analyze key competitors is poorly-equipped to compose and deploy effective competitive strategy and this approach leaves the firm and its markets vulnerable to attack. The basis for CI revolves around decisions made by managers about the positioning of a business to maximize the value of the capabilities that distinguish it from its competitors. Failure to collect, analyze and act upon competitive

information in an organized fashion can lead to the failure of the firm itself. David (2007).

2.3 Strategic Intelligence

Strategic intelligence is concerned mainly with competitor analysis or gaining an understanding of a competitor's future goals, current strategy, assumptions held about itself and the industry, and capabilities diagnostic components. Intelligence about the firm's major customers, suppliers and partners (in marketing or research and development alliances) is often also of strategic value. Cox et.al . (2004).

Tactical intelligence is generally operational and on a smaller-scale, not so centered on being predictive. Tactical issues include competitors' terms of sale, their price policies and the plans they have for changing the way in which they differentiate one or more of their products from yours. Middle-level marketing and sales managers number among some of the main users of tactical intelligence. They want to know how to win the day, today. Cox et.al (2004).

Counter intelligence is defending company secrets. Every firm has competitors as interested in knowing your plans as you are in knowing theirs, maybe even more so. Often, this area of endeavor will involve security and information technology, but others are often overlooked, such as hiring and firing strategies, to contain competitor opportunities within the firm. Cox et.al . (2004).

2.4 Competitor analysis

Competitor analysis in marketing and strategic management is an assessment of the strengths and weaknesses of current and potential

competitors. This analysis provides both an offensive and defensive strategic context through which to identify opportunities and threats. Competitor profiling coalesces all of the relevant sources of competitor analysis into one framework in the support of efficient and effective strategy formulation, implementation, monitoring and adjustment. Cox et.al. (2004).

Given that competitor analysis is an essential component of corporate strategy, it is argued that most firms do not conduct this type of analysis systematically enough. Instead, many enterprises operate on what is called “informal impressions, conjectures, and intuition gained through the tidbits of information about competitors every manager continually receives.” As a result, traditional environmental scanning places many firms at risk of dangerous competitive blind-spots due to a lack of robust competitor analysis .

2.5 Competitor profiling

The strategic rationale of competitor profiling is powerfully simple. Superior knowledge of rivals offers a legitimate source of competitive advantage. The raw material of competitive advantage consists of offering superior customer value in the firm’s chosen market. The definitive characteristic of customer value is the adjective, superior. Customer value is defined relative to rival offerings making competitor knowledge an intrinsic component of corporate strategy. Profiling facilitates this strategic objective in three important ways. First, profiling can reveal strategic weaknesses in rivals that the firm may exploit. Second, the proactive stance of competitor profiling will allow the firm to anticipate the strategic response of their rivals to the firm’s planned strategies, the strategies of other competing firms, and changes in the environment.

Third, this proactive knowledge will give the firms strategic agility. Offensive strategy can be implemented more quickly in order to exploit opportunities and capitalize on strengths. Similarly, defensive strategy can be employed more deftly in order to counter the threat of rival firms from exploiting the firm's own weaknesses. Cox et.al (2004).

Clearly, those firms practicing systematic and advanced competitor profiling have a significant advantage. As such, a comprehensive profiling capability is rapidly becoming a core competence required for successful competition. An appropriate analogy is to consider this advantage as akin to having a good idea of the next move that your opponent in a chess match will make. By staying one move ahead, checkmate is one step closer. Indeed, as in chess, a good offense is the best defense in the game of business as well. David (2007).

2.6 Media scanning

Scanning competitor's ads can reveal much about what that competitor believes about marketing and their target market. Changes in a competitor's advertising message can reveal new product offerings, new production processes, a new branding strategy, a new positioning strategy, a new segmentation strategy, line extensions and contractions, problems with previous positions, insights from recent marketing or product research, a new strategic direction, a new source of sustainable competitive advantage, or value migrations within the industry. It might also indicate a new pricing strategy such as penetration, price discrimination, price skimming, product bundling, joint product pricing, discounts, or loss leaders. It may also indicate a new promotion strategy such as push, pull, balanced, short term sales generation, long term image creation, informational, comparative, affective, reminder, new

creative objectives, new unique selling proposition, new creative concepts, appeals, tone, and themes, or a new advertising agency. It might also indicate a new distribution strategy, new distribution partners, more extensive distribution, more intensive distribution, a change in geographical focus, or exclusive distribution. Little of this intelligence is definitive: additional information is needed before conclusions should be drawn. Sharp (1958).

A competitor's media strategy reveals budget allocation, segmentation and targeting strategy, and selectivity and focus. From a tactical perspective, it can also be used to help a manager implement his own media plan. By knowing the competitor's media buy, media selection, frequency, reach, continuity, schedules, and flights, it is possible to arrange your own media plan so that they do not coincide. Other sources of corporate intelligence include trade shows, patent filings, mutual customers, annual reports, and trade associations. Some firms hire competitor intelligence professionals to obtain this information. Richard (1959).

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter highlights on the research design that was used, area of the study, population of the study, sample selection methods and size, data collection methods, validity and reliability, procedures of data collection and data analysis methods that was used.

3.1 Research design

This study adopted a descriptive survey design. This research design meant that it would be exploratory in nature where several respondents were interviewed at one point in time (Emory and Cooper 1995). Macmillan and Sally (2001) contends that descriptive survey techniques are considered the most appropriate businesses and research approaches as they seek to find out factors associated with certain occurrences ,outcomes and conditions of behaviors. This study design enabled the researcher to gain understanding on the effect of competitive intelligence on consumer goods in manufacturing firms. This enabled the researcher avoid bias on the findings from the study which reflected a fairly true prevailing situation relating to the effect of competitive intelligence on consumer goods in manufacturing firms.

3.2 Area of study

The study was carried out at Bidco Head Quarters in Thika, Central province, Kenya. The study involved selected employees in the department headquarters and a sample from the accessible population from selected departments who represented the survey population. It

aimed at gender sensitivity in the selection of respondents to ensure that both men and women participate equally.

3.3 The study population

The study population mainly targeted management (10) ten, marketing department(20) twenty and BIDCO clients (30) thirty who were sum to (60) sixty in number. The management heads was only used as informants on the effect of competitive intelligence on consumer goods in manufacturing firms which critically needed to be investigated.

3.4 Sampling and Sample Size.

This current study sampled (60) sixty respondents from a total of (150) one fifty respondents in the target population. The researcher arrived at this sample size using purposive sampling technique. Kothari (1993) argues that purposive sampling design is used on the basis of the researcher's judgment that the key respondents are relevant for the study. Polit (1990) affirms that purposive sampling practice is used in qualitative study because of its flexibility in selecting information-rich cases.

3.5 Data collection methods

Data collection was from two main sources; primary and secondary. Secondary sources included relevant documents and reports. Secondary data was collected by reviewing available literatures/publication in relation to the topic. The researcher employed the technique to pick information that is available from these reports. In using Primary sources data was collected from selected respondents. Primary data was gathered using Interviews Guides and Questionnaires.

3.6 Instruments for data collection

The questionnaire

The semi –structured questionnaire and structured questionnaire are the main instrument of the study to be administered to the respondents. It involved both qualitative and quantitative approaches. The use of the two approaches at the same time in basic research was recommended by Gay (1996) as the best way to get sufficient results. Both approaches will be adopted to enable the researcher to get relevant information concerning the effect of competitive intelligence on consumer goods in manufacturing firms. The researcher prefers to use this method because of its ability to solicit information from respondents within a short time as supported by Gupta (1999). Moreover, respondents were given time to consult records so that sensitive questions can be truthfully answered as supported by (Proctor 1997:40-45)

Both Open and closed ended questionnaires were administered, this is because Close ended questionnaires are easier to analyze since they are in an immediate usable form and again each item was followed by alternative answers. Open ended questions permitted a great depth of response, when a respondent is allowed to give a personal response, usually reasons for the response given may be directly or indirectly included. They are simpler to formulate mainly because the researcher will not labour to come up with appropriate response categories.

Structured interviews

Interviews were administered to the department's heads and management officials concerning the effect of competitive intelligence on consumer goods in manufacturing firms. Structured interviews were designed in such a way that more specific and truthful answers that relate to the topic were got. Interviews have been preferred because according to Amin (2003), they give an opportunity to probe detailed

information on an issue. Interviews made it possible to obtain data required to meet specific objectives of the study. Interviews were more flexible than questionnaires because the interviewer can adapt to the situation and get as much information as possible.

3.7 Validity and reliability of instruments

The validity of the questionnaire was established by expert judgment method proposed by Gay (1996). Two experts in the field of research were contacted to judge the materials. The researcher adjusted the materials according to the expert's recommendation and analysis.

3.8 Data Processing and Analysis

Fully filled and completed questionnaires formed the basis of quantitative analysis. Data was collected from the field then edited for completeness and accuracy to ensure that maximum data quality is achieved. Data analysis was used descriptive statistics including frequency tables, measures of central tendencies (mean), and cross tabulations to describe, analyze and present the study findings.

3.9 Limitations of the Study.

1. In the course of the research, the researcher may be faced by some limitations which may include non response where the underwriters are unwilling to participate.
2. Budget constrains and lack of enough time is also a limitation. This is to be caused by lack of the necessary equipments for the completion of the research in the time allocated.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF THE RESULTS

4.0 Introduction

This chapter of the study systematically presents the results that were obtained from the research that was conducted, results are quantitatively presented. The analysis and interpretation follows tabular presentation at some stages and the interview results from the respondents are also presented to supplement the quantitative presentation.

The presentation of the study is guided by the research questions that guided the study. The background information of the respondents however is also presented. Hence forth, the presentation is divided into two sections where section one presents the background information of the respondents, while section two, represents the results of the study according to the interview guide and the research questions that guided collection. The presentation of the data follows in the following discussion.

4.1 Section One: Background Information

The presentation of this data as already pointed out is done in two sections. The current section presents the background information of the respondents. The researcher felt this information was important because the respondents, background with the organization determines their ability to posses the required information and subsequently determined the necessity of the researcher to probe for any detail and establish sufficient rapport with the respondents.

On the respondents, gender distributions the researcher established the situation as presented in Table (1).

Table (1): Gender distribution of the respondents

	Respondents	Percent
Male	40	67
Females	20	33
Total	60	100.0

Source: Primary Data

As can be observed from Table (1), the majority of the respondents were males. That is 40 (67%) of the total respondents as compared to 20 (33%) who were the females. The results indicate that during the survey, the males were more accessible than the females.

Even during the face to face interviews however, respondents expressed that in BIDCO Industries, the males in all the departments were more than the females. The distribution however indicates that, there was adequate participation of both males and females in the study, which gave the researcher the opportunity to solicit varying views from both gender settings.

The researcher also endeavored to explore the level of education of the respondents. This variable was deemed worth establishing by the researcher because the education level of the individual determines his or her ability to possess adequate information. The results on the level of education of the respondents are presented in table (2)

Table (2): The distribution of respondents by their level of education

Level of Education	No. of respondents	Percentage
Other Certificates	11	18.3
Diploma	15	25
Degree	16	26.7
Masters	18	30
Total	60	100

Source: Primary Data

Table (2), the researcher inquired details from the respondents, it was revealed that, the majority were the staff with various certificates this was reflected by 11(18.3%) of the respondents. 15 (25%) of the respondents were diploma holders. According to table (2) 18(30%) of the respondents had completed a Masters Degree level while 16(26.7%) had completed the level of a degree. The distribution in table (2) however indicated to the researcher that the study involved respondents of various academic levels which gave her the opportunity to obtain information at different levels of the respondents, understanding and perceptions of the situation.

The researcher also investigated the time the respondents had spent in their employment with Bidco Industries. This information was regarded important by the researcher because the time spent in employment would incidentally relate to the respondents ability to possess adequate information. The results are presented in Table (3) of the study.

Table (3): Distribution of the respondents experience with the organization

Years of experience	Respondents	Percent
1-3 years	16	26.7
4-7 years	14	23.3
7-10 years	13	21.7
Over 10 years	17	28.3
Total	60	100.0

Source: HR department

As expressed by Table (3), the respondents experience with Bidco Industries was evenly distributed. That is, 16(26.7%) had spent a period between 1-3 years as compared to 14(23.3%) who had spent 4-7 years in employment. Those who had spent 7-10 years were 13(21.7%) of the total participants. This distribution left 17 (28.3%) to have worked with Bidco Industries for a period of over 10 years. The results generally indicate that the respondents had varying experiences in the organization.

During the face-to-face interviews most of the respondents indicated that it is not easy to spend more than 10 years with Bidco Industries. They basically attributed this to lack of motivation by the organization this included both incentive wise and financial.

4.2 Section Two: Verification of Research Questions

This study was basically guided by three research questions that were derived from the specific objectives of the study. The verification of the research questions was guided by the conditions that described the data. After presentation of results of the questions, the results from the Face to face interviews are also presented for clarity.

4.3 Research Question One

The first research question of this study was derived from the first Research objective. The research question sought to establish the existing competitive intelligence techniques that were used by the organization. In order to get answers to ascertain this Research Question, the researcher inquired from the respondents their perceptions on a number of issues. These issues included: existing competitive intelligence techniques employed, products and markets to deal with, who implements competitive strategy. Descriptive statistics of the study were also analyzed and indicated results. For example, the researcher was interested in investigating the existing competitive intelligence techniques employed and the results are presented in table (4)

Table (4) The existing competitive intelligence techniques employed

	Respondents	Percent
Strategic intelligence	14	23.3
Tactical intelligence	28	46.7
Counter intelligence	18	30
Total	60	100.0

Source: Primary Data

According to table (4) the 28 (46.7%) respondents felt that the existing competitive intelligence techniques employed was tactical intelligence, this left a distribution of 18(30%) of the respondents who thought that counter intelligence was employed by the organization. However 14(23.3%) of the respondents felt that strategic intelligence was employed by the respondents.

During the Face to face interviews the respondents stated that strategic intelligence was concerned mainly with competitor analysis or gaining an understanding of a competitor's future goals, current strategy, assumptions held about itself and the industry, and capabilities

diagnostic components. They emphasized that it was quite difficult to get all his information unless there was a mole in that organization who could divulge such information.

Respondents further stated that Tactical intelligence was generally operational and on a smaller-scale, not so centered on being predictive. Tactical issues include competitors' terms of sale, their price policies and the plans they have for changing the way in which they differentiate one or more of their products from yours. Middle-level marketing and sales manager's number among some of the main users of tactical intelligence.

Other respondents stated that Counter intelligence was defending company secrets and that to their best of their knowledge every committed worker defended the secrets of their company. The researcher was enticed to enquire from the respondents which products and markets they deal with, the results are depicted in table (5)

Table (5) products and markets they deal with

	Respondents	Percent
edible oils	60	100
soaps	-	-
hygienic products	-	-
Total	60	100.0

Source: Primary Data

According to table (5), the respondents 60(100%) unanimously agreed that Bidco industries dealt with edible oils, soaps and hygienic products .Where as they had entered the regional market and recently expanded into central Africa.

During the Face to face interviews the researcher noted that all the respondents were conversant with the products and the markets that they had penetrated. The researcher further sought from the respondents on how they implemented their competitive strategy, the results are depicted in table (6)

Table (6) who implements your competitive strategy?

	Respondents	Percent
Marketing manager	12	20
Sales scouts	18	30
All employees	16	26.7
No Idea	14	23.3
Total	60	100.0

Source: Primary Data

According to table (6) the respondents' distribution depicted that 12(20%) of the respondents felt that marketing managers implemented competitive strategy in the organization. 18(30%) of the respondent felt that it was sales scouts who implemented competitive strategy. However 16(26.7%) of the respondents felt that all employees were tasked in implementing competitive strategy leaving a distribution of 14(23.3%) of the respondents who had no idea.

During the face to face interviews the respondents felt that sales scouts were generally tasked with implementing the company's competitive strategy. This is because they were always on the ground comparing the organization products and other products in terms of sales, pricing and packaging.

4.4 Research Question Two

From the second objective of the study, the researcher delivered a research delivered question. In order to get to get appropriate answers to

this research, a number of elements were subjected to the respondents to solicit for the variables in question. For instance, the researcher solicited respondents, opinion on the effects of competitive intelligence techniques used on consumer products by BIDCO Kenya Limited the results are depicted in table (7)

Table (7) Effects of competitive intelligence techniques

	Respondents	Percent
Positive	14	23.3
Moderate	16	26.7
Negative	18	30
No idea	12	20
Total	60	100.0

Source: Primary Data

According to the respondents on table (7) 14(23.3%) of the respondents felt that the effects of competitive intelligence techniques were positive, this left a distribution of 18(30%) who felt that the effects were negative. 16(26.7%) felt it was moderate however 12(20%) of the respondents had no idea.

During the face to face interviews the majority of the respondents felt the effects of competitive intelligence techniques were negative in that it created stiff, risky competition within the market because what started out as fair competition has ended up being unfair as a result of sabotages by competitors. The researcher felt the need to enquire whether there were any strengths or weakness of their competitors; the results are presented on table (8)

Table(8)Are their any strengths and weaknesses of your competitors

	Respondents	Percent
Strongly agree	16	26.7
Agree	18	30
Neutral	14	23.3
Disagree	12	20
Total	60	100.0

Source: Primary Data

According to table (8) 16 (26.7%) of the respondents strongly agreed to the fact there are weakness and strengths of their competitors, this left a distribution of 18(30%) of the respondents who agreed that their were strengths and weakness however 12(20%) of the respondents disagreed leaving a distribution of 14(23.3%) of the respondents who were neutral on the matter.

During the face to face interviews the respondents stated that just like any organization that was struggling to survive in the current global economical crisis most of their competitors had their strengths and weakness especially in new markets within the region Rwanda was cited as an example of a market that was had to infiltrate.

Table (9) Does competitive intelligence fit into the strategic planning process?

	Respondents	Percent
Very much	11	18.3
Much	12	20
Moderately	14	23.3
Not much	16	26.7
No idea	7	11.7
Total	60	100.0

Source: Primary Data

According to the above table (9) 11(18.3%) of the respondents felt that competitive intelligence was very necessary in the strategic planning process. 12(20%) of the respondents felt that it was necessary. 14(23.3%) of the respondents felt that it was moderately required leaving a distribution of 16(26.7%) of the respondents who felt that it was not need much. 7(11.7%) of the respondents had no idea.

During the interviews the respondents state that competitive intelligence does fit in the strategic planning process in that before laying a strategy one had to know about his competitors so as to prepare how to tackle them competitively in the market. They further stated that competitive intelligence aids management understand their competitive advantages/disadvantages relative to competitors thus generating understanding of competitors' past, present (and most importantly) future strategies.

It equally provides an informed basis to develop strategies to achieve competitive advantage in the future and forecast the returns that may be made from future investments (e.g. how will competitors respond to a new product or pricing strategy. This enticed the researcher to enquire from the respondents whether there was need to develop strategies which are successful and sustainable the results are presented in table (10)

Table (10) developing strategies which are successful and sustainable

	Respondents	Percent
Strongly agree	16	20
Agree	18	40
Neutral	12	13.3
Disagree	14	26.7
Total	30	100.0

Source: Primary Data

According to table (10) 16(20%) of the respondents strongly agreed that their was need to develop strategies that are successful and sustainable. 18(40%) of the respondents equally agreed, this left a distribution of 12 (13.3%) of the respondents who were neutral on the matter however 14 (26.7%) of the respondents totally disagreed. During the interviews respondents, stated that there was need to develop strategies which are successful and sustainable in order for the organization to survive in the market.

4.5 Research Question Three

From the third objective of the study, the researcher derived research question three. It is this research question that guided the study in a bid to get answers towards its verification. The Research Question sought to establish the benefits of competitive intelligence techniques used on consumer products by BIDCO Kenya Limited. The results to this study were analyzed by generating tables and percentages which were used to make the comparison of the perception as the following presentation depicts. On the Benefits of competitive intelligence techniques, the results are presented in table (11)

Table (11) Benefits of competitive intelligence techniques

	Respondents	Percent
Increased Clientele	22	36.7
Same Market base	17	28.3
Decreased clientele	11	18.3
No idea	10	16.7
Total	60	100.0

Source: Primary Data

According to table (11) the majority of the respondents 22(36.7%) felt that competitive intelligence techniques increased clientele, 17 (28.3%) of the respondents felt that competitive intelligence did not increase the

market base this left a distribution of 11 (18.3%) respondents who felt that the number of clientele decreased. 10 (16.7%) of the respondents had no idea.

During the face to face interviews the respondents stated that the benefit of competitive intelligence is far broader. Competitive intelligence is a value-added concept that layers over the top of business development, market research and strategic planning. The respondents felt that it was cheaper and strategic for the organization to conduct competitive intelligence than market research because it incorporated it. The researcher further sought to establish the role of management and how does it relate to competitive intelligence the results are presented in table (12)

Table (12) What is the role of management and how does it relate to competitive intelligence

	Respondents	Percent
Formulating	25	41.7
strategies	15	25
Implementing	8	13.3
Strategies	12	20
Supervise		
No idea		
Total	60	100.0

Source: Primary Data

According to table (12) the majority of the respondents 15(25%) felt that the role of management was to formulate competitive intelligence strategies . 15(25%) felt that the role of management was to implement competitive strategies. This left a distribution of 12(20%) who had no idea at all while 8(13.3%) of the respondents felt that the managements role was to supervise.

During the face to face interviews the researcher sought to establish the view of the respondents on the view of management and how does it relates to competitive intelligence, they had different views but appreciated the that it formulated and implemented strategies. The researcher was enticed to enquire from the respondents their view on whether the companies they competed with engaged in competitive intelligence the results are depicted in table (13)

Table (13)Do the companies you compete with engage in competitive intelligence

	Respondents	Percent
Very much	15	25
Much	17	28.3
Fairly	10	16.7
Not Much	18	30
Total	60	100.0

Source: Primary Data

According to table (13) 15(25%) of the respondents felt that companies they competed with engaged in competitive intelligence, 17(28.3%) did not believe this was much leaving a distribution of 18 (30%) of the respondents who over confidently stated that companies they competed with did not engage in competitive intelligence.10 (16.7%) of the respondents felt that most companies did not engage in competitive intelligence much.

During the face to face interviews the respondents stated that each organization had its strategies this was because the market was very competitive and in order to survive they had to engage in competitive intelligence.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

The Chapter presents the summary of the results derived from the data presented in Chapter four. The discussion leads into varying conclusions and a number of recommendations are subsequently derived

5.1 Summary

The following are the summaries on the findings based on the three research questions that guided the study. The results are also cross referenced with the findings of other scholars in related organizational environments that have got a supportive element of the current study.

5.2 Research Question One

The first research question of this study was derived from the first Research objective. The research question sought to establish the existing competitive intelligence techniques that were used by the organization.

According to Cox et ,al (2004) Strategic intelligence is concerned mainly with competitor analysis or gaining an understanding of a competitor's future goals, current strategy, assumptions held about itself and the industry, and capabilities diagnostic components. Intelligence about the firm's major customers, suppliers and partners (in marketing or research and development alliances) is often also of strategic value. Cox et.al . (2004).

Tactical intelligence is generally operational and on a smaller-scale, not so centered on being predictive. Tactical issues include competitors' terms of sale, their price policies and the plans they have for changing the way in which they differentiate one or more of their products from yours. Middle-level marketing and sales managers number among some of the main users of tactical intelligence. They want to know how to win the day, today. Cox et.al (2004).

Counter intelligence is defending company secrets. Every firm has competitors as interested in knowing your plans as you are in knowing theirs, maybe even more so. Often, this area of endeavor will involve security and information technology, but others are often overlooked, such as hiring and firing strategies, to contain competitor opportunities within the firm. Cox et.al . (2004).

5.3 Research Question Two

The Second Research Question of this study was derived from the Second Research Objective. The Research Question sought to establish the effects of competitive intelligence techniques used on consumer products by BIDCO Kenya Limited

Different authors state that whatever strategic framework the firm chooses to embrace for the management of its business, no one element remains more fundamental to competitive strategy than competitive intelligence. Competitive intelligence is more concerned with doing the right thing, than doing the thing right. The goal of a competitor analysis is to develop a profile of the nature of strategy changes each competitor might make, each competitor's possible response to the range of likely strategic. David (2007).

Competitive intelligence should have a single-minded objective to develop the strategies and tactics necessary to transfer market share profitably and consistently from specific competitors to the company. A firm which does not rigorously monitor and analyze key competitors is poorly-equipped to compose and deploy effective competitive strategy and this approach leaves the firm and its markets vulnerable to attack. The basis for CI revolves around decisions made by managers about the positioning of a business to maximize the value of the capabilities that distinguish it from its competitors. Failure to collect, analyze and act upon competitive information in an organized fashion can lead to the failure of the firm itself. David (2007).

5.4 Research Question Three

From the third objective of the study, the researcher derived research question three. It is this research question that guided the study in a bid to get answers towards its verification. The Research Question sought to establish the benefits of competitive intelligence techniques used on consumer products by BIDCO Kenya Limited.

According to Cox et al (2004) the strategic rationale of competitive intelligence is powerfully simple. Superior knowledge of rivals offers a legitimate source of competitive advantage. The raw material of competitive advantage consists of offering superior customer value in the firm's chosen market. The definitive characteristic of customer value is the adjective, superior. Customer value is defined relative to rival offerings making competitor knowledge an intrinsic component of corporate strategy. Profiling facilitates this strategic objective in three important ways. First, profiling can reveal strategic weaknesses in rivals that the firm may exploit. Second, the proactive stance of competitor profiling will allow the firm to anticipate the strategic response of their

rivals to the firm's planned strategies, the strategies of other competing firms, and changes in the environment. Third, this proactive knowledge will give the firms strategic agility. Offensive strategy can be implemented more quickly in order to exploit opportunities and capitalize on strengths. Similarly, defensive strategy can be employed more deftly in order to counter the threat of rival firms from exploiting the firm's own weaknesses. Cox et.al (2004).

Clearly, those firms practicing systematic and advanced competitor intelligence have a significant advantage. As such, a comprehensive profiling capability is rapidly becoming a core competence required for successful competition. An appropriate analogy is to consider this advantage as akin to having a good idea of the next move that your opponent in a chess match will make. By staying one move ahead, checkmate is one step closer. Indeed, as in chess, a good offense is the best defense in the game of business as well. David (2007).

5.5 Conclusions

1. From the study the results from Research Question One proved there are several existing techniques of competitive intelligence this included strategic intelligence, Counter intelligence and Tactical intelligence. Strategic intelligence is concerned mainly with competitor analysis or gaining an understanding of a competitor's future goals, current strategy, assumptions held about itself and the industry, and capabilities diagnostic components. Whereas Tactical intelligence is generally operational and on a smaller-scale, not so centered on being predictive and finally Counter intelligence is defending company secrets.

2. From the study the results from Research Question Two concluded that the effects of competitive intelligence are two folded and therefore

Competitive intelligence should have a single-minded objective to develop the strategies and tactics necessary to transfer market share profitably and consistently from specific. The basis for CI revolves around decisions made by managers about the positioning of a business to maximize the value of the capabilities that distinguish it from its competitors to the company.

3. From the study the results from Research Question three concluded that amongst the many benefits of competitive intelligence include establishing the strategic weaknesses in rivals that the firm may exploit. Thus allowing the firm to anticipate the strategic response of their rivals to the firm's planned strategies, the strategies of other competing firms, and changes in the environment. Offensive strategy can be implemented more quickly in order to exploit opportunities and capitalize on strengths and give the firms strategic agility.

5.6 Recommendation

1. It is therefore recommended that
2. It is recommended that
3. It is recommended that
4. It is equally recommended that

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APPENDIX A

INTERVIEW GUIDE

1. What are the existing competitive intelligence techniques that you use?
2. What are the effects of competitive intelligence techniques that you use?
3. What are the benefits of competitive intelligence techniques that you use?
4. What do you need to know to develop and to select strategies which are not only successful, but sustainable?
5. What new products should you build and which markets should you enter and how?
6. How do you implement your competitive strategy?
7. How does competitive intelligence fit into the strategic planning process?

THE EFFECT OF COMPETITIVE INTELLIGENCE ON CONSUMER GOODS IN MANUFACTURING FIRMS. A CASE STUDY OF BIDCO KENYA LIMITED

Dear respondents as part of my requirements to the award of a Degree in Business Administration at Kampala International University. I am

administering this questionnaire to collect information on the effect of competitive intelligence on consumer goods in manufacturing firms.

INSTRUCTIONS:

- 1 Do not sign your name anywhere on this questionnaire.
- 2 For Section A, and B, Just tick and fill in for other sections.

QUESTIONNAIRE FOR EMPLOYEES

SECTION A: RESPONDENT BACKGROUND (TICK WHERE APPROPRIATE)

1.1 Gender: Male ☐ Female ☐

1.2 Age: 20-29 ☐

30-39 ☐

40-49 ☐

50-59 ☐

60-above ☐

1.3 Number of years in the Firm

2-5 ☐ 5-10 ☐ 10-above ☐

1.4 Educational Level

O-Level ☐ A-Level ☐

SECTION B:

1. Is there any existing competitive intelligence techniques that you use?

Yes ☐ No ☐

2. What are the effects of competitive intelligence techniques that you use?

a).....

3. Is there any benefits of competitive intelligence techniques that you use?

Yes ☐ No ☐

4. What do you need to know to develop and to select strategies which are not only successful, but sustainable?

a).....

5. What new products should you build and which markets should you enter and how?

a).....

6. How do you implement your competitive strategy?

a).....

7. Does competitive intelligence fit into the strategic planning process?

Yes ☐

No ☐

8. What is the role of knowledge management and how does it relate to competitive intelligence?

a).....

9. Do the companies you compete with engage in competitive intelligence on you and what is the effectiveness of their competitive intelligence process?

a).....

10. How do you measure the effectiveness of your own competitive intelligence process?

a

).....

11. What questions should be asked when undertaking competitor analysis?

a).....

12. What strategies are your competitors pursuing and how successful are these strategies?

a).....

13. are there any strengths and weaknesses of your competitors?

Yes ☐

No ☐

13.1 if yes what are they.....

14. How are your competitors likely to respond to any changes to the way you do business?

a).....

THE EFFECT OF COMPETITIVE INTELLIGENCE ON CONSUMER GOODS IN MANUFACTURING FIRMS. A CASE STUDY OF BIDCO KENYA LIMITED

Dear respondents as part of my requirements to the award of a Degree in Business Administration at Kampala International University. I am administering this questionnaire to collect information on the effect of competitive intelligence on consumer goods in manufacturing firms.

INSTRUCTIONS:

- 3 Do not sign your name anywhere on this questionnaire.
- 4 For Section A, and B, Just tick and fill in for other sections.

QUESTIONNAIRE FOR BIDCO CLIENTS

SECTION A: RESPONDENT BACKGROUND (TICK WHERE APPROPRIATE)

1.1 Gender: Ma ☐ Female ☐

1.2 Age: 20-29 ☐

30-39 ☐

40-49 ☐

50-59 ☐

60-above ☐

1.3 Number of years dealing with the organization

2-5 ☐ 5-10 ☐ 10-above ☐

2.0. How long have you used BIDCO Products

a) More than 20 years ☐

b) 10 -20 years ☐

c) 1-10 years ☐

d) Less than 1 year ☐

2.1 How do you view the products of BIDCO Kenya Limited

Very Good ☐

Good ☐

Fair ☐

Poor ☐

3.0 If fair or poor what do you suggest

a).....

3.1 How long do you take on a normal day before seeing a BIDCO advert?

a) Over 60 minute

b) Within 30-60 minute ☐

c) Within 1-30 minute ☐

d) Less than 30 minute ☐

3.2 Do you feel satisfied with the products offered by BIDCO Kenya limited

Yes ☐ No ☐

3.2.1 If No state the reasons why

a).....

3.3 Have you ever used products from other Companies

Yes ☐ No ☐

3.3.1 What difference if any do you see between the products offered by BIDCO and other companies

a).....

4.0 In your opinion what is the way forward

a).....

APPENDIX B

TIME SCHEDULE OF ACTIVITIES

TIME IN MONTHS	ACTIVITIES
AUGUST-SEPTEMBER 2009	Research proposal writing
SEPTEMBER-OCTOBER 2009	Data collection
OCTOBER-NOVEMBER 2009	Dissertation writing
NOVEMBER-DECEMBER 2009	Submission of dissertation

APPENDIX C

PROPOSED BUDGET ESTIMATE

ITEM	TOTAL COST (Ush.)
Stationeries including internet	80,000
Printing and binding	120,000
Data collection instruments and transport	140,000
Compilation and analysis of data expenses	50,000
TOTAL	390,000