

**COMPETITIVE INTELLIGENCE PRACTICES ADOPTED BY COMMERCIAL  
BANKS IN KENYA**

**BY**

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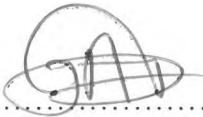
**OCTOBER 2008**

**DECLARATION**

I declare that this is my original work and has not been presented for a degree in any other university.

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Date: 21/11/08 .....

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

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## **DEDICATION**

This research project paper is dedicated to my three children namely, Sharon W Kuira, Rosetta M Kuira and Eugene G Kuira for persevering the loneliness when I was busy in campus pursuing my MBA.

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## ABBREVIATIONS

<b>CBK</b>	- Central Bank of Kenya
<b>CI</b>	- Competitive Intelligence
<b>KIT</b>	– Key Intelligence Topics
<b>R &amp; D</b>	– Research and Development
<b>SCIP</b>	- Society of Competitive Intelligence Professionals

## ABSTRACT

Competitive Intelligence (CI) is both a process and a product. The process of Competitive Intelligence is the action of gathering, analyzing, and applying information about products, domain constituents, customers, and competitors for the short term and long term planning needs of an organization. The product of Competitive Intelligence is the actionable output ascertained by the needs prescribed by an organization. Competitive Intelligence is an ethical and legal business practice.

The intelligence process consists of four major parts: decide what questions need to be answered; gather and process relevant information; analyze the information relative to the questions to be answered and disseminate the results to the people who need it. Currently, there are forty-four commercial banks in Kenya according to the CBKs statistics on its website. Thirty-five of the banks, most of which are small to medium sized, are locally-owned.

The study sought to determine the competitive intelligence practices adopted by commercial banks in Kenya and also to determine the effect of CI practices on organizational performance. The study a survey design was used and the research problem was studied through the use of a descriptive survey.

The population of study consisted of all the 44 commercial banks that were dully registered with Central Bank of Kenya and the researcher used primary data (questionnaires) to carry out the study. Data was analysed using descriptive statistics and was presented in percentages, tabulations, means and other means other central tendencies. Tables were used to summarise respondents for further analysis and facilitate comparison.

The study summary found that, CI function in most banks has developed through planned action and most employees are not extensively involved in the process. Also CI function is developed through project teams consisting of both internal and external employees. The study recommends that CI function to be undertaken, a plan of action should be established that addresses the mandatory requirements for the operations. CI department should be on the basis of what output per resources allocated in obtained.

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background

#### 1.1.1 Competitive Intelligence (CI)

Competitive Intelligence (CI) is both a process and a product. The process of Competitive Intelligence is the action of gathering, analyzing, and applying information about products, domain constituents, customers, and competitors for the short term and long term planning needs of an organization. The product of Competitive Intelligence is the actionable output ascertained by the needs prescribed by an organization. Competitive Intelligence is an ethical and legal business practice. This is important as CI professionals emphasize that the discipline is not the same as industrial espionage, which is both unethical and usually illegal. The focus is on the external business environment. There 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 (Haag, 2006).

The term 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 existing set of competitors and potential competitors. Customers and key external stakeholders define the set of competitors for the organization and, in so doing, describe what could be a substitute for the business, votes, donations or other activities of the organization. The term is often abbreviated as CI, and most large businesses now have some Competitive Intelligence's functions with staff involved often being members of professional associations such as the Society of Competitive Intelligence Professionals. CI activities often use a Competitive Intelligence Solution, usually via their Intranet and internal alerts, which can also lead to Competitive Response Solution (Porter 1980).

The Society of Competitive Intelligence Professionals (SCIP) is an organization for those who are interested in learning more about Competitive Intelligence. Established in 1986, they provide education and networking opportunities for business professionals, and provide up to date market research and analysis. "Members of the SCIP have backgrounds in market research, strategic analysis, science and technology resources, such as the Internet, have made gathering information on competitors easy. With a click of a button, analysts can discover future trends and market requirements. However competitive intelligence is much more than this, as the ultimate aim is to lead to competitive advantage.

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 will allow your business to grow and succeed. The practice of Competitive Intelligence is growing every year, and most companies and business students now realize the importance of knowing their competitors.

Many companies use competitive intelligence to take market share from known competitors. A more productive use is to use it to help formulate long term, noncompetitive strategies. In this role, intelligence can describe the current environment; forecast the future environment; challenge underlying assumptions about economic, political, technological, or market-related factors; identify and compensate for exposed weaknesses; adjust an existing strategy to the changing environment or determine when a strategy is no longer sustainable

The intelligence process consists of four major parts: decide what questions need to be answered; gather and process relevant information; analyze the information relative to the questions to be answered and disseminate the results to the people who need it.

The process can have a discrete beginning and end or it can be ongoing and iterative, designed to gather and disseminate information throughout an individual organization or, ultimately, throughout an entire business ecosystem (MultiQuest, 2004)

### **1.1.2 The structure of the Banking Sector in Kenya.**

Currently, there are forty-four commercial banks in Kenya according to the CBKs statistics on its website. Thirty-five of the banks, most of which are small to medium sized, are locally-owned. The industry is dominated by a few large banks most of which are foreign-owned, though some are partially locally-owned. Six of the major banks are listed on the Nairobi Stock Exchange.

The commercial banks offer corporate and retail banking services but a small number, mainly comprising the larger banks, offer other services including investment banking. They are faced with a lot of challenges that requires only those with the best mix of personnel and objectives to survive. Such challenge is competition. The increasing competition amongst commercial banks in Kenya has forced the management to use various tools they deem best to manage their employee performance. The choice of method to use to manage employee performance is the challenge that most of the commercial banks face (Lipe and Salterio, 2000)

### **1.1.3 Importance of Competitive Intelligence to Commercial Banks**

The ability to be pro-active and not reactive is one of the greatest techniques for creating value within an organization. This requires a continuous process of transforming information into intelligence so that you can manage the future. One of the best tools for making this process work is Competitive Intelligence which is not just about critical strategic thinking but also provide numerous other benefits to commercial banks.

Commercial banks are able to learn more about their organization - they use Competitive Intelligence to identify what should be measured within the organization. Competitive Intelligence also focuses on the same critical success factors used in the Balanced Scorecard. CI anticipate trends that are unique to the banking industry as well as monitoring competition, new products, new markets, regulatory action or other external factors critical to the success of banks (David, R.F 2001),

## 1.2 Statement of the Problem

Organizations use competitive intelligence to compare themselves to other organizations, which enables them to make informed decisions. Most firms today realize the importance of knowing what their competitors are doing, and the information gathered allows organizations to realize their strengths and weaknesses. With the right amount of information, organizations can avoid unpleasant surprises by anticipating competitors' moves and decreasing response time. Some countries, including France, Japan, Sweden and the USA are most advanced in terms of the level to which companies adopt and use CI. In these countries, CI has earned its rightful place as an acknowledged business discipline and has become a major technique for achieving competitive advantage (MultiQuest, 2004). These countries are also developed in terms of the role that government plays in supporting CI activities. Sweden, in particular, is a country that is often referred to in literature as being a leader in CI. The small number of significant Swedish international companies all share information to work towards strengthening their overall competitive situation. The banks play a significant role in this effort along with the Swedish government and its embassies around the world, which quite openly admit their information role. It was also the Lund University in Sweden that first offered a PhD in CI (Society of Competitive Intelligence Professionals, 2004).

The real value or strength of Competitive Intelligence is when these four perspectives are linked together in a cause effects relationship which provides a set of forward looking performance indicators linking strategies to performance. With such a relationship effects, commercial banks managers should consider all key measures that collectively are critical for the success of the banks. Kahaner, (1997) provides evidence that, in other industrialized countries such as Japan, Germany, Sweden and France, large enterprises adopt CI strategies in order to acquire competitive advantage. In the UK, he found that it is still in embryonic form, but gradually becoming part of the strategy of big companies.

In Kenya, research on competitive intelligence has been carried out in various industries for example; Muiva (2001) carried out a survey on competitive intelligence systems in the

Kenyan pharmaceutical industry. He found that no formal departments dealing with Competitive intelligence practices have been set up within pharmaceutical companies.

High market competition in Kenya today, among Commercial banks as well as Micro finance institution has become an order of the day, sole searching and borrowing of ideas has also increased competition and making it banks intelligence to undo the other. As a result Commercial banks have confined to more aggressive competitive to have a big share in the Market. However, no research has been done within the Kenyan banking industry in relation to competitive intelligence and organizational performance, therefore, this research intends to establish the extent to which commercial banks in Kenya are adopting competitive intelligence in gaining competitive advantage over their competitors. In addition, the research aims at determining the effect of competitive intelligence practices on organizational performance (Kahaner, 1997).

### **Research Questions**

The study will answer the following research questions:

- (i) What competitive intelligence practices are adopted by commercial banks in Kenya?
- (ii) What are the effects of competitive intelligence practices on performance

### **1.3 Objectives of the Study**

The study aims to achieve the following objectives

1. To determine the competitive intelligence practices adopted by commercial banks in Kenya.
2. To determine the effect of CI practices on organizational performance.

### **1.4 Importance of the Study**

#### **(i) To commercial Banks**

The study is important not only to Commercial bank managers but also other managers in other industry. It will help them understand the importance of competitive intelligence and how too, it helps different firms achieve success better than other. The study will also help



other managers know the methods used in gathering and applying competitive intelligence, which help them improve their management styles.

**(ii) To Academicians and Researchers**

The study will be a source of reference material for future researchers on other related topics; it will also help other academicians who undertake the same topic in their studies.

The study will also highlight other important relationships that require further research; this may be in the areas of relationships between intelligence and firm's performance.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Competitive Intelligence (CI)

Whatever strategic framework the firm chooses to embrace for the management of its business, no one element remains more fundamental to competitive strategy than competitive intelligence. Competitive intelligence is more concerned with doing the right thing, than doing the thing right.

The goal of a competitor analysis is to develop a profile of the nature of strategy changes each competitor might make, each competitor's possible response to the range of likely strategic moves other firms could make, and each competitor's likely reaction to industry changes and environmental shifts that might take place. 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 (Prescott 1995).

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 (Slater and Narver, 1995, 1998). 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 (Narver 1998)

#### 2.2 The Competitive Intelligence Practices and Transformational Marketing Model

Competitive intelligence is undertaken by corporate intelligence officers in commercial banks, and is considered a necessary activity including the formulation and implementation of marketing plans. Security related threats (the acts of counterfeiters, fraudsters and terrorists) need to be identified and dealt with, if the marketing objectives of the organization are to be realized. It is not surprising to note that senior managers are developing business

continuity programmes to ensure that the impact of both predicted and unpredicted events and their consequences are neutralized or reduced. Various issues relating to corporate security and how security measures should be planned and implemented surface from time to time, and the interlocking issues are multi-faceted, and have either a direct or indirect influence on the organization's performance. Senior managers need to bear in mind what is appropriate for the organization and how organizational policy can stay within the law (Trim, 1999), when formulating and implementing counterintelligence policies. What is clear, however, is that corporate intelligence staffs are in an excellent position to develop their area of expertise, and to work more openly with marketing staff within the organization and partner organizations. This means that competitive intelligence work needs to be viewed as highly relevant and should be undertaken by experts.

### **2.3 Embracing Competitive Intelligence Practices**

Prescott (1995) has highlighted the fact that banks have not only embraced competitive intelligence but that senior management has gone a step further and implemented counterintelligence measures. He suggests that corporate intelligence staffs need to remain open minded and critical about the appropriateness of existing organizational intelligence systems, and liaise closely with marketing staff to devise industry specific intelligence systems. Corporate intelligence staffs need to review the body of knowledge and experiment with new methodological approaches to problem solving. This is necessary in order that the decision-making process can be improved through time, and theory building can take place. This has been recognized by Prescott (1995) and Serpa (2000), both of whom encourage those involved in competitive intelligence activities (and academic researchers) to engage in theory building, as a commitment to theory building should result in new competitive intelligence tools and techniques being developed that are market focused.

It is also important to recognize that competitive intelligence work involves analyzing and interpreting multi-faceted and complex business issues. As a result, corporate intelligence staffs need to have an appreciation of the various tools and techniques that are available for studying evolving intelligence problems/situations. It also means that corporate intelligence

staff need to be abstract thinkers and this requires that they think “outside the box”. Should this be the case, it will be possible to derive new solutions for solving the existing problems. Indeed, by thinking “outside the box”, it is possible to solve the problems that are deemed not to have an immediate solution. It also means that corporate intelligence staff need to up-date their skill base and become more knowledgeable about a range of business areas/inter-functional activity (Serpa, 2000).

Strategic information planning is a necessary part of competitive intelligence work and it requires that a link is made between critical success factors and operating success factors. This means that new strategic organizational frameworks need to be designed in order to accommodate the emerging communication processes and systems. A number of these communication processes and systems will be integrated into what is becoming an interactive organizational process. The interactive, organizational intelligence process facilitates intra- and inter-organizational activities. With regard to the latter, it can be stated that regarding the business continuity planning, closer relations need to be developed between the organizations and government agencies. Firmer links also need to be made between the organizations and their respective trade associations, if, that is, relevant intelligence is to be shared with other organizations in the industry (Hussey and Jenster, 1999).

## **2. 4 Insights and Contributions to Competitive Intelligence practices**

Owing to the fact that specific developments in the business environment need to be closely monitored, it is imperative that senior corporate intelligence professionals think in terms of integrating competitive intelligence work with marketing intelligence work. Corporate intelligence staffs, therefore, need to work closely with marketing staff in order that intelligence activity occurs within a strategic marketing context. The focus of attention may remain the analysis and interpretation of potential risk and counterintelligence that protects “blind spots”, but intelligence is evolving and can be reinterpreted from a theory building perspective and a problem-solving perspective. Initiatives in corporate intelligence will result in intelligence staff being at the centre of the change process within the organization. Competitive intelligence programmes are mainly located in one of three functions within an

organization: marketing, planning and R&D (Prescott, 2001). From this it can be deduced that issues relating to new product development, launching a new product on the market, and using facilitative technology such as the Internet, need to be placed within a strategic marketing framework that encompasses the concept of relationship marketing.

This will ensure that managers remain market oriented and innovative, and embrace the benefits associated with organizational learning (Slater and Narver, 1995, 1998). Should this be the case, it should be relatively straightforward for managers to implement a strategic marketing concept as outlined by Aaker (1998), and also develop a sustainable competitive advantage for the organization. Furthermore, it should be possible to implement market driven strategies (Day, 1990) that are placed within a relationship enhancing context and this will result in the required positioning being achieved within the industry within which the organization competes (Cravens, 1998). Those undertaking competitive intelligence need to communicate with various stakeholders and references to this have been made by (Hussey ,1998). There is a large amount of published information available that can be used including legitimate intelligence gathering, and Hussey (1998) has indicated that top management within an organization need to define what competitive intelligence involves. This is necessary if corporate intelligence staffs are to have an input into the strategic decision-making process. Powell & Allgaier (1998) have made a useful observation by suggesting that in order for competitive intelligence output to be beneficial, those involved in competitive intelligence work need to make available the results of their intelligence analysis to decision makers both quickly and effectively (Allgaier, 1998).

It is useful to reflect on the various contributions a number of competitive intelligence experts have made to the subject matter. For example, Prescott and Bhardwaj (1995, p. 5) make reference to the fact that a competitive intelligence programme is composed of four interrelated components: administration, personnel, core project tasks, and outcomes. A key point to emerge from the work of Prescott and Bhardwaj (1995) is that senior managers need to think in terms of developing an organizational structure that meets the unique needs of the organization.

Other important points to emerge from the literature are that competitive intelligence programmes need to provide an understanding of the industry itself and the type of competitors operating in the industry; areas of vulnerability need to be identified; and the possible moves of competitors need to be evaluated in order to understand how industry dynamics might change (Prescott, 1995, pp. 5-6). The relevance of a competitive intelligence industry specific approach has been highlighted by Marceau and Sawka (2001).

Competitive intelligence programme should focus on the management-needs identification process and a number of companies have achieved this (for example, Motorola, Merck and NutraSweet). Herring (1999) applied the key intelligence topics (KIT) process in order to identify and prioritize the key intelligence needs of senior management and the organization itself. This ensured that intelligence operations were effective and appropriate intelligence was produced. Herring's (1999) approach is useful because it allows corporate intelligence staff to identify strategic issues and as a result senior management can ensure that actionable intelligence results. The other advantages are that an early warning system can be put in place and this will allow potential threats to be identified; and further, key players can be identified and monitored (Herring, 1999).

This type of approach can be regarded as both logical and necessary with respect to the international marketplace. For example, Tessun (2001) has outlined how staffs at Daimler-Benz Aerospace use a scenario methodology to produce a strategic early warning system that underpins the production/modification of business plans and strategies. This reinforces the point made earlier that corporate intelligence staffs need to be concerned with theory building. This view can be defended on the basis that senior managers within the organization are demanding informed/accurate intelligence, and are requesting that it is made available at the earliest opportunity.

## **2.5 Competitive Intelligence in Strategic Marketing**

Marketing staff in particular are confronted with many issues and are at present confronting such issues as speed to market and shorter product life cycles. Pepper (2001) has indicated that as well as speed to market, senior management at Procter and Gamble also had to

address the broader issue of how to innovate. It is because of such issues as these that marketing staff need to think in terms of deploying the strategic marketing concept (Aaker, 1998).

This will provide senior management with a mechanism for assessing the organization's strategic position (Lackman et al., 2000), and should ensure that market driven strategies are formulated and implemented in order to deliver "superior customer value" (Cravens, 1998). Speed of change in the business environment, as well as risk and uncertainty, have been addressed by Drew (2001). Drew (2001) has indicated that senior managers need to develop an appreciation of environmental issues, and to make sense of the issues. Marketing staff do have a fundamental role to play with respect to ensuring that market trends and new forms of business, such as electronic business, are identified (West, 2001). This means that both corporate intelligence and marketing staff need to be aware of a number of human resource management issues owing to the fact that new types of business relationships will have to be formed and managed. This should ensure that marketing intelligence and planning are integral aspects of the strategic planning process, and marketers are keen to develop competitive intelligence concepts and models. This will require that marketing staff and corporate intelligence staff work together on complex strategic problems and share sensitive data and information. One can conclude, therefore, that top management need to select a competitive strategy that will enable the organization to "meet its own corporate objectives" (West, 2001), and implement market-driven strategies (Day, 1990).

The fact that facilitative technology such as the Internet will continue to have an impact on the way in which products and services are marketed world-wide means that new marketing models will be developed in order for marketers to better interpret what is happening in the global marketplace. Groom and David (2001) surveyed CI practice in 44 small US enterprises, finding that 32 per cent tried to collect information on competitors, using techniques and methods of CI, 36 per cent and recognized the necessity. Their research also identified obstacles to implementation. Exactly half the sample reported that their companies had no formal process for making the information available in the company, creating a problem in the flow and exchange of information. More than a third had no formal CI function because the funding was unavailable or they believed that no one in the organisation

was capable of analyzing the information. Almost two-thirds, 61 per cent, relied on their customers as sources of information.

## **2.6 Theoretical Framework**

As firms are led to utilize information and knowledge in a complex environment, they often do not act on their own. Besides, alliances between direct competitors set the trend. Indeed, horizontal inter-firm ties have grown in the shape of mergers-acquisitions, partnerships, agreements, and mostly alliances. In the face of the increasing number of strategic alliances, it is advisable to shed light on this type of tie. The number of alliances bringing competitors together, which already accounted for over 50% in 2000 (Margulis & Pekár, 2000), is increasing.

Synonymous with cooperative competition, competition is the art of competing and cooperating simultaneously with partners, including direct competitors (Brandenburger & Nalebuff, 2006). Moreover, competition fosters information and knowledge sharing, since competitors access immaterial resources in an interactive way, due the network structure of modern organizations.

Although competition strategies first aim at strategic decision making (Brandenburger & Nalebuff, 2006), adopting a competitive state of mind is not enough: it is important to manage this strategy. Admittedly, this modern strategic model supports the exchange of tacit and non tacit knowledge and information, but it can present gaps regarding the channeling of informational flows and of the decision-making process, as well at the alliance level (inter-organizational) as at the partner level (intra-organizational). Indeed, the strong propensity of competitors to exchange information makes it difficult to control information flows (Galland, 2004). It can disrupt the decision-making process and ultimately, the ability of the network to make the right decision at the right time. The publications on competition turn out to rarely tackle the informational aspect.



Now, competitive intelligence has the main function of controlling information and knowledge, whether it is within an organization or in a network of organizations. In his report, Martre (1994) refers three times to the increasingly complex modes of competition characterized by the cooperation-competition relationships to which companies must adapt. He thus recommends using competitive intelligence in order to help firms adjust their strategy to the new paradigm of competition. As for McCord (2002), she states that competition leads to collaboration and competitive intelligence.

### **2.6.1 Theory of strategic Balancing (Aliouat, 2006)**

Strategic balancing is based on the principle that the strategy of a company is partly equivalent to the strategy of an individual. Indeed, the performance of companies is influenced by the actors' behavior, including the system of leaders' values (Calori et al., 1989). Further to an empirical study on technological alliances, Aliouat deduced the principle of the strategic balancing according to which a technological alliance generates paradoxes and lives by its paradoxes. An alliance wavers between multiple antagonistic poles that represent cooperation and competition. This gives room to various configurations of alliances, which disappear only if the alliance swings towards a majority of poles of confrontation.

The strategic balancing gathers three models, namely the relational, symbiotic and deployment models. Competition proves to be part of the relational model and the model of deployment. It can be subject to alternation between the two antagonistic strategies, the one being predominantly cooperative as described by the relational model and the other being predominantly competing as characterized by the model of deployment. The company can then take turns at adopting the two strategies in order to keep their alliance balanced. This idea is very close to that of Bengtsson & Kock (2000), according to whom there are three types of competitive relationships: competition-dominated, cooperation-dominated, and equal relationships. The latter is similar to the alternation between the relational model and the model of deployment described by Aliouat, (2006).

### 2.6.2 Theory of network Organisation

The theory of the network organization, proposes the network organization as a flexible structure, unlike the traditional company which is complicated to build and maintain. In the network organization, internal cooperation and market-based competition; giving way to competition are simultaneously present (Wehrmann, 2005). The network organization theory not only emphasizes the human and relational dimension, but also operates according to a horizontal mode of organization aiming at integrating the data of its partners into its information systems. It enables this type of organization to better control the risks and to be more reactive than a traditional company. The network viewpoint underlines the need for adopting a collective and concerted approach to the strategy coordination in order to make organizations more effective. Thus, one brushes aside the individual and partitioned approach in favor of the collective and opened approach. The latter can have two complementary meanings: distributed knowledge: the network implies sharing the knowledge gained within a scientific and or technological community; the possibility of creating knowledge and know-how. The strategy coordination requires the implementation of these two meanings (Levet & Paturel, (2006).

### 2.6.3 Strategic information planning

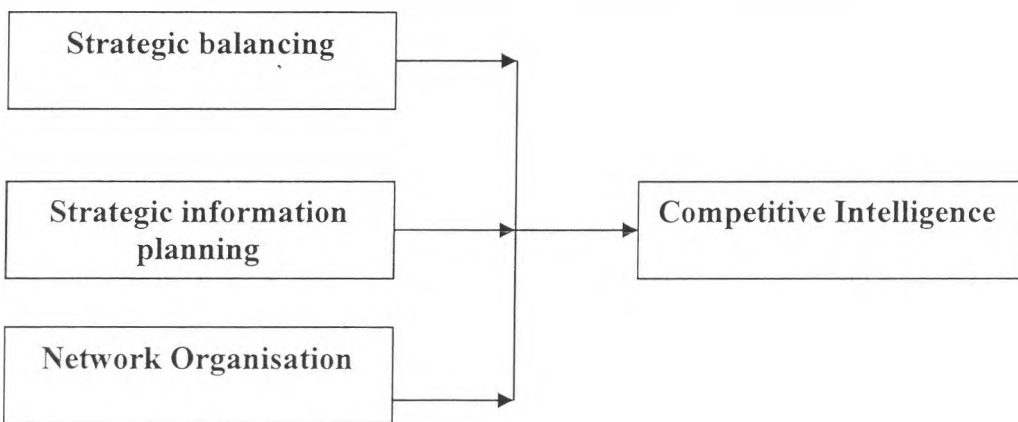
The strategic information planner must shed light on both the IIS and IF as sources of strengths and weaknesses in information processing. This analysis of the internal information processing situation must be balanced with the chances and risks provided by the changing *information* processing environment. This environment refers primarily to the markets for information, IT and related services. In particular, IT related environmental changes have to be monitored. These include the emergence of global infrastructures and standards, the diffusion of IT in relevant stakeholder segments, and its adoption by competitors.

It is commonly suggested that information strategy planning must not be isolated from strategic business thinking (Davenport (2000).

Rather, information strategy has to be mutually aligned with business strategy. On the one hand, *business strategy places requirements on the information strategy. On the other hand information technology may enable new ways of doing business which must be considered in*

the information strategy. Thus, a thorough analysis of the organisation's *business strategy* is necessary. Most authors claim that it is not sufficient to only know the business strategy (Rockar, 2004). Instead, they call for an in-depth understanding of the assumptions (internal strengths and weaknesses, external chances and risks, in particular) underlying the proposed business strategy. Good background information on critical success factors, environmental challenges, resulting opportunities and threats as well as internal strengths and weaknesses are necessary to assess the possible effects of alternative information strategies on the overall business strategy (Rockar, 2004).

**Figure 2.1: Schematic Diagram of Conceptual/Theoretical Framework**



**Independent variables**

**Dependent variable**

**Source: Author (2008)**

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### **3.1 Research Design**

In this study a survey design was used. This research problem can best be studied through the use of a descriptive survey. Descriptive research portrays an accurate profile of persons, events, or situations (Robson, 2002). Surveys allow the collection of large amount of data from a sizable population in a highly economical way. It allows one to collect quantitative data, which can be analysed quantitatively using descriptive and inferential statistics (Saunders et al., 2007). Therefore, the descriptive survey is deemed the best strategy to fulfill the objectives of this study.

#### **3.2 Population**

The population of study consisted of all the 44 commercial banks that were dully registered with Central Bank of Kenya.

#### **3.3 Data Collection**

The researcher used primary data (questionnaires) to carry out the study. The questionnaires was included structured (close-ended) and unstructured (open-ended) questions and was administered through drop and pick method to respondents who were middle managers in each bank. The structured questions was used in an effort to conserve time and money as well as to facilitate in easier analysis as they were in immediate usable form; while the unstructured questions was used so as to encourage the respondent to give an in-depth and felt response without feeling held back in revealing of any information. With unstructured questions, a respondent's response may give an insight to his feelings, background, hidden motivation, interests and decisions and give as much information as possible without holding back. At the same time, with the use of structured questions, if the researcher is after

information that he finds easier for administration purposes, he would use this method since the questionnaires and interviews are followed by alternative answers

### **3.4 Data Analysis**

Data was analysed using descriptive statistics. The descriptive statistical tools helped the researcher to describe the data and determine the extent to be used. The mode was used to analyse the responses in the questionnaires. This was used as the response/measurement that appears most in a particular question/variable among a sample of subjects.

The findings were presented using graphs, histograms, bar charts and pie charts. Data analysis used of percentages, tabulations, means and other means other central tendencies. Tables were used to summarise respondents for further analysis and facilitate comparison. Percentages were used to determine the extent to which respondents engaged in strategic planning. The mean was used to determine the average number of respondents that embrace strategic planning practices.

## CHAPTER FOUR

### DATA ANALYSIS AND INTERPRETATION

#### 4.1 Introduction

This chapter presents the data analysis and interpretation, the analysis are presented in the form of tables. Frequencies and percentages have also been used to represent the data for easier interpretation.

#### 4.2 Implementation of the CI unit Function

##### 4.2.1 Involvement in implementing CI function.

The researcher sought to establish whether respondent were involved in implementing the CI function. The responses were represented as extensive involvement, little, no involvement, yet to be involved and no comment. The results show that a majority of the respondent, 49% had been involved a little in the CI function; this may indicate that the CI function in most banks is left to a given department and other employees could only be involved in giving their views. Table 4.1 shows the results.

**Table 4.1 Involvement in CI implementation**

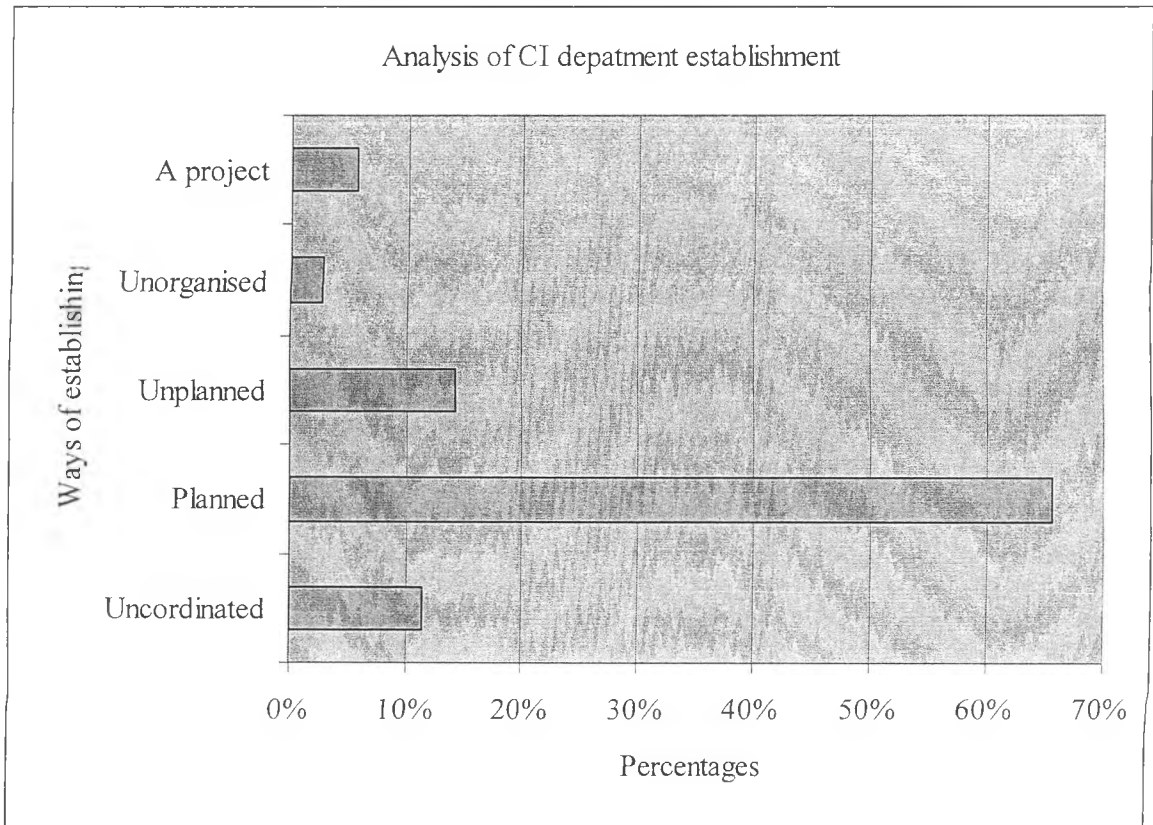
Response	Frequency	Percentage
Extensive	7	20%
A little	17	49%
No	5	14%
Will be involved	4	11%
No comment	2	6%
<b>Total</b>	<b>35</b>	<b>100%</b>

##### 4.2.2 Ways of establishing CI Department

The respondents were asked to show the manner in which the CI departments were established. Options available for choice were; uncoordinated, planned, unplanned, unorganized and as a project with external help. The majority of the respondent showed that the development of the CI function was through planned actions, this implies that the

function is very important to an organisation and proper planning may be essential to successfully implement the activities of the department. The Figure 4.1 below shows the findings.

**Figure 4.1 Analysis of CI department establishment**



#### 4.2.3 The method of CI Function Implementation

The respondent were asked to indicate the manner in which the CI function was implemented in their banks, the options for implementation were through project team consisting of internal employees, the team consisting of in house and external employees, in-house consultant and external consultant. A majority of the respondent, 51% showed that the CI function was developed through the project team consisting of internal employees, this shows that most banks developed the department and recruited employees who were experienced in the area of operation. Other significant number of the respondent, 31% also indicated that their banks used the project team made up of in-house team and external consultants. The use of external consultants was used to supplement the skills of the internal employees. Table 4.2 shows the results.

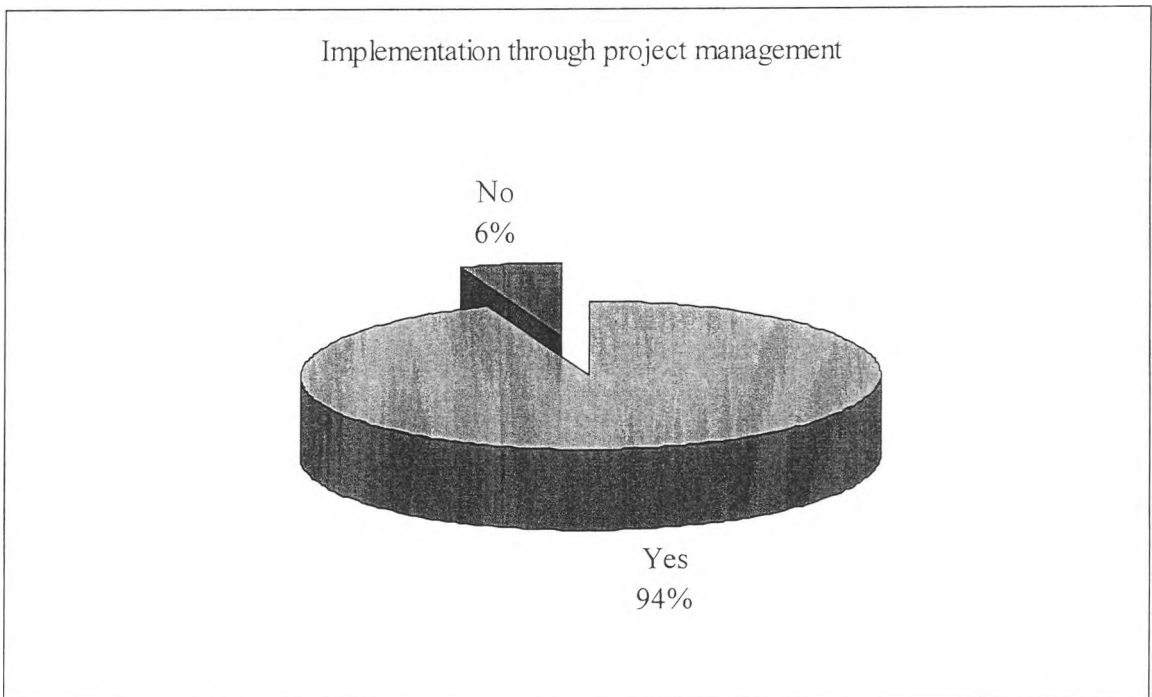
**Table 4.2 Method of implementation**

Method of Implementation	Frequency	Percentage
Project team/employees	18	51%
Project team/in-house and external	11	31%
In-house consultant	4	11%
External consultant	2	6%
Total	35	100%

**4.2.4 Opinion on implementation through project management**

The respondents were asked to indicate if they thought it would be an advantage if the CI function was implemented through project management. The results show that majority of the respondent consider the implementation of CI function through project management or a framework to be an advantage. The chart below shows the results as was established. This implies that for most of the respondent the project management process may realize good results for the CI function compared to other methods of implementation.

**Figure 4.2 Implementation through project management**





#### 4.2.5 Duration taken to establish CI department

The respondents were asked to indicate the length of time taken to establish the CI function. The majority of the respondents showed that the development of CI function took three months; this may be attributed to the fact that both human and financial resources for use in the department were readily available in most of the banks interviewed. Table 4.3 shows the results of the study.

**Table 4.3 Duration of service**

<b>Duration</b>	<b>Frequency</b>	<b>Percentage</b>
< 3 months	22	63%
< 6 months	5	14%
< 9 months	4	11%
< 1 year	3	9%
< 2 yrs	1	3%
Total	35	100%

#### 4.3 Internal Positioning of the CI Function

##### 4.3.1 Manner of Operation of CI Function

The respondent were asked to indicate how the CI function in their bank operates, several definitive options were that the departments use definitive framework, ethical guidelines, full time manager, has a product and service portfolio and internal promotion of CI function. The majority of the respondent, 51%, showed that in their banks, the CI function employs ethical guidelines, to undertake their activities as well as internal promotion of CI function. The respondent also showed that a defined framework and/or processes exist for the CI function; the function in addition has a full time manager showing that it is a strategic position in the firm. Table 4.4 shows the responses as was established.

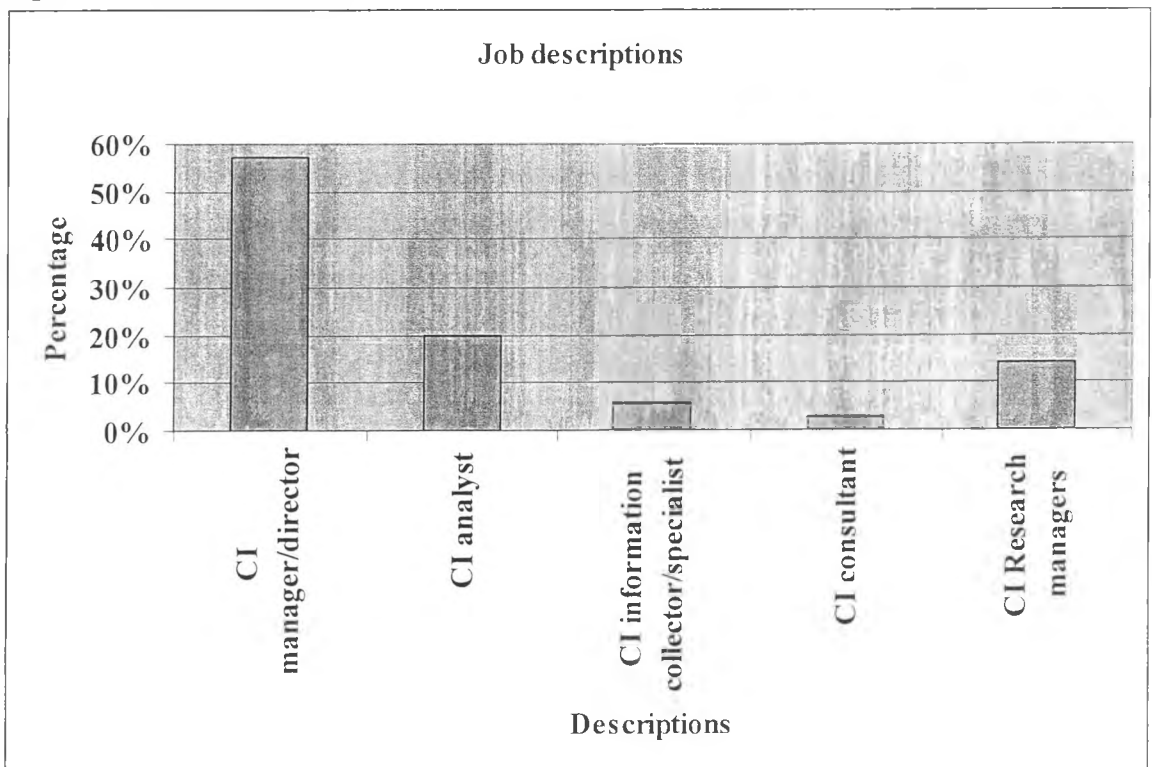
**Table 4.4 CI function uses**

CI function uses	Frequency	Percentage
Ethical guidelines	18	51%
Defined framework	8	23%
Full time manager	6	17%
Product and service portfolio	2	6%
Promotes CI internally	1	3%
Total	35	100%

**4.3.2 Job Descriptions for CI Function**

The respondents were asked to show which job descriptions exist for the CI function. The results show that a majority of banks use the CI manager/director descriptions; this matches the expected definition of the job that is to collect and make available information from the competitors and the market. The Figure 4.3 shows the results.

**Figure 4.3 Job descriptions**



### 4.3.3 Important skills for the CI Person

The respondent were asked to show the important skills for the CI function, the results showed that for a majority of the respondent all the skills presented were important for the CI employee. Strategic thinking enables the specialist to plan for the long term. After collecting information the specialist would require presentation skills to present the data as was obtained. IT/computer skills are a basic skill that is required for every job given the current trend of information technology. Analytical and research skills would assist the CI employee in taking the most important information.

### 4.3.4 Whether CI is used to monitor/predict changes

The researcher wanted to establish whether CI is used to monitor or detect changes in technology, competitors, customer/buyer side, social/sociological and legal areas. The results show that the function is mainly used to monitor changes in competitors. The results also show that some banks use CI to monitor changes in customer sides and technology. Table 4.5 shows the results.

**Table 4.5 Uses of CI function**

Uses of CI function	Frequency	Percentage
Technology	6	17%
Customer/buyer side	9	26%
Competitors	16	46%
Social/socialological	2	6%
Legal	2	6%
Total	35	100%

### 4.3.5 The functions Affected by CI Function

The researcher sought to establish the departments that were influenced by the CI function. The results show that for most of the respondent, the functions in the CI department affects the marketing management meetings to a large extent, this is because marketing management includes all activities that a firm undertakes to out do the competitors, marketing

management therefore includes all the other activities that were listed. The results are as shown below.

**Table 4.6 Functions affected by CI function**

Functions affected by CI function	Frequency	Percentage
Marketing	25	71%
Product management	3	9%
Sales meetings	2	6%
Senior management	1	3%
Board meetings	4	11%
Total	35	100%

#### 4.3.6 The uses of the CI Function

The respondent were asked to indicate the uses of the CI function, the results show that the function is used mainly for market positioning, this may be because, the essence of CI function is to provide necessary information to assist in eliminating competition. Other respondents also indicated that the CI function is used also for product and service development. The results are presented in table 4.7.

**Table 4.7 Functions supported by CI**

Functions supported by CI	Frequency	Percentage
Decision making	2	6%
Strategic planning	4	11%
Tactical planning	1	3%
Marketing positioning	18	51%
Product & service development	10	29%
Total	35	100%

#### 4.3.7 Important sources for the CI Function

The researcher wanted to establish the important sources of the CI function, the functions listed were from customers, market research, and analysis of competitors' products, annual/quarterly reports and exhibitions/road shows /trade shows. The majority of the

respondent considered customers, market research and analysis of competitors' products to be the three most important sources of information. The results are shown in Table 4.8.

**Table 4.8 Important sources of CI Function**

Important sources of CI function	Frequency	Percentage
Customers	8	23%
Market research	15	43%
Analysis of competitive products	7	20%
Reports review	2	6%
Exhibitions/road shows/trade shows	3	9%
Total	35	100%

#### 4.4 CI at work

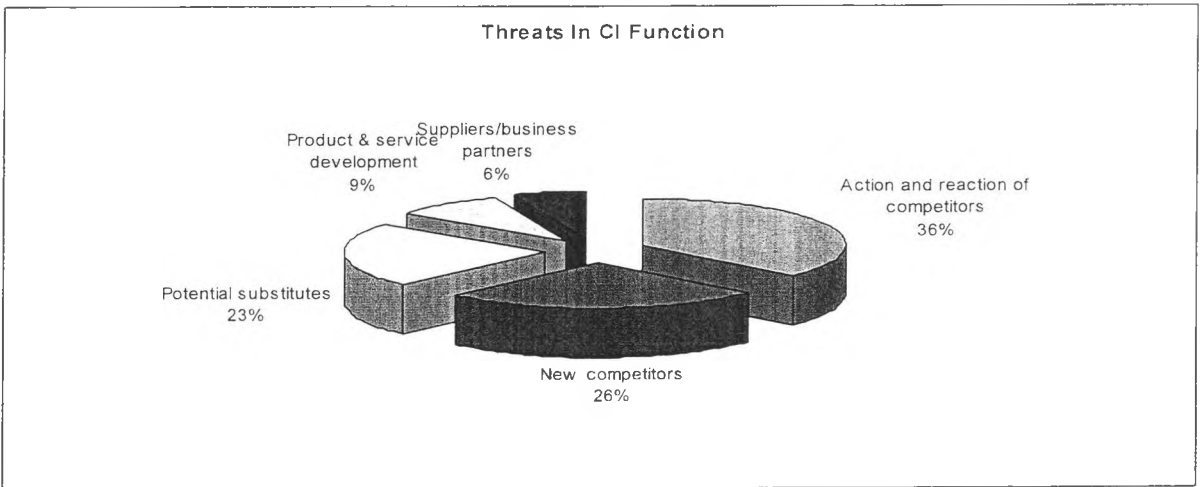
##### 4.4.1 The potential threats Identified

The respondents were asked to show what potential threats were identified effectively by the CI function, the respondents were asked to name the top three. The results show that most respondents consider threats of potential substitutes, new competitors and the action and reaction of competitors to be the top three threats as presented in the table 4.9 and pie chart Figure 4.4

**Table 4.9 Threats Identified by CI Function**

Threats identified by CI function	Frequency	Percentage
Action and reaction of competitors	13	37%
New competitors	9	26%
Potential substitutes	8	23%
Product & service development	3	9%
Suppliers/business partners	2	6%
Total	35	100%

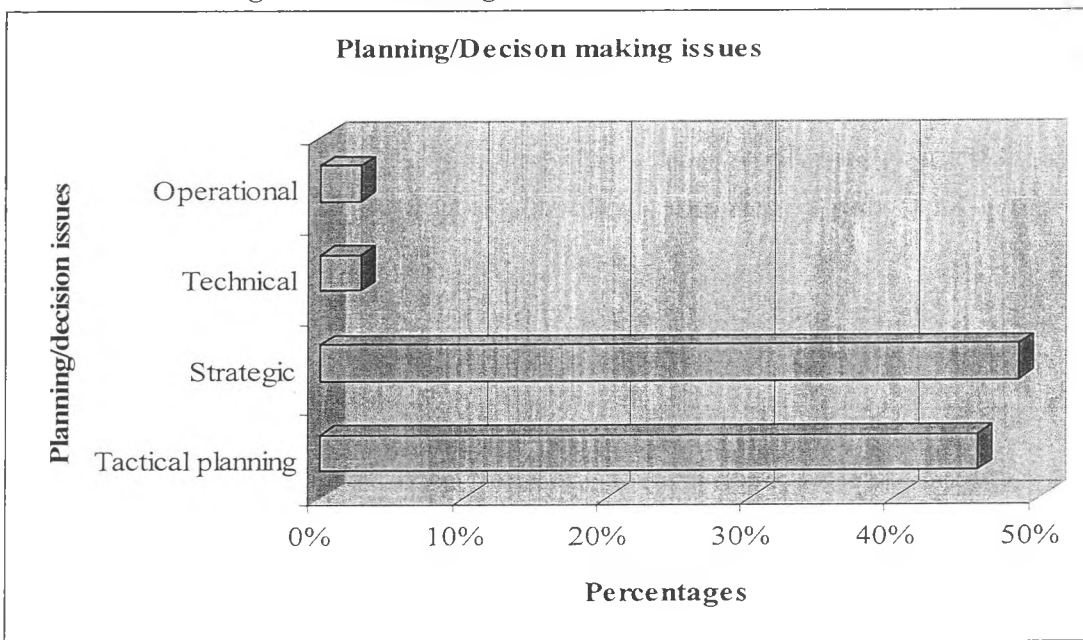
**Figure 4.4 Threats in CI Function**



**4.4.2 The planning aspects Affected by CI Function**

The respondents were asked to show the decision making or planning issued supported by the CI output. The results show that for a majority of the respondent, CI output supports tactical and strategic planning aspects, this may be because the two aspects of planning addresses all the planning activities that take place in an organisation. The results are shown Table 4.10.

**Table 4.10 Panning/decision making issues**



#### 4.4.3 Measurement of CI Department Performance

The researcher wanted to establish the way performance of the CI department or function was measured. The results show that in a majority of the banks, performance of the CI function is measured through effectiveness measures. Effectiveness refers to the ability of a department to use the little available resources to produce above par output. The other methods of performance measurement such as return on investment and costs were not popular because in the CI function, it is not possible to relate the specific financial returns to the CI function. The results are shown in Table 4.11.

**Table 4.11 Performance measures**

Performance measures	Frequency	Percentage
ROI	1	3%
Effectiveness	28	80%
Output of intelligence	3	9%
Reaction time for requested intelligence	2	6%
Cost for the department	1	3%
	35	100%

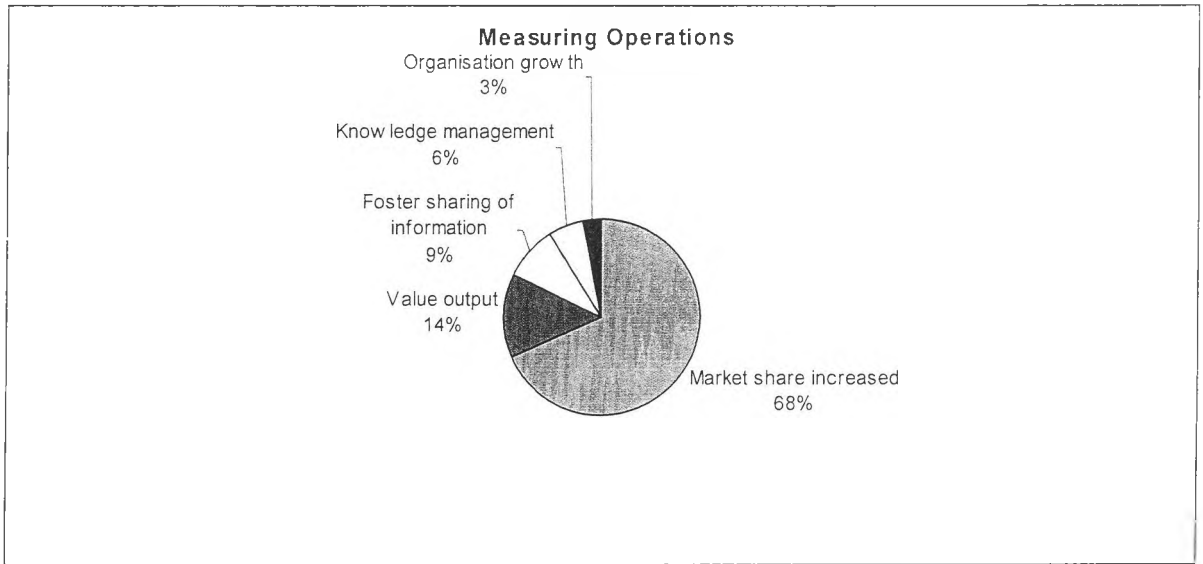
#### 4.4.4 Measuring operations of CI Function

The respondents were asked to indicate how the operations of the CI function were measured. The results show that operations of the CI function in most banks was mainly measured through market share increased. This may be due to the fact that a properly operating CI department should provide valuable information that can assist the bank in obtaining and retaining the customers. Results are as shown in the Table 4.12 and Figure 4.5.

**Table 4.12 Measuring operations**

Measuring operations	Frequency	Percentage
Market share increased	24	69%
Value output	5	14%
Foster sharing of information	3	9%
Knowledge management	2	6%
Organisation growth	1	3%
Total	35	100%

**Figure 4.5 Measuring Operations**



**4.4.5 Whether the Bank uses external Resources for Research**

The respondents were asked to indicate the extent to which their banks used external resources for market research. The results show that for a majority of the respondent, they extensively used the external resources to undertake market research. This may be attributed to the fact that external resources provide the needed information to assist in market intelligence and competitor information. The results are as presented in Table 4.13.

**Table 4.13 Use of external resources**

Extent of use of external resources	Frequency	Percentage
Yes, extensively	29	83%
Yes a little	2	6%
No	2	6%
Don't know	1	3%
No comment	1	3%
Total	35	100%

**4.4.6 Services/Products offered by CI Function**

The respondent were asked to show the services offered by the CI function, the majority of the respondent showed that the CI function offers market research analysis and benchmarking services. This is the core function of the CI department and it is designed to



assist organizations in obtaining market information through research and using that to benchmark the organisational performance. The results are as show in table 4.14.

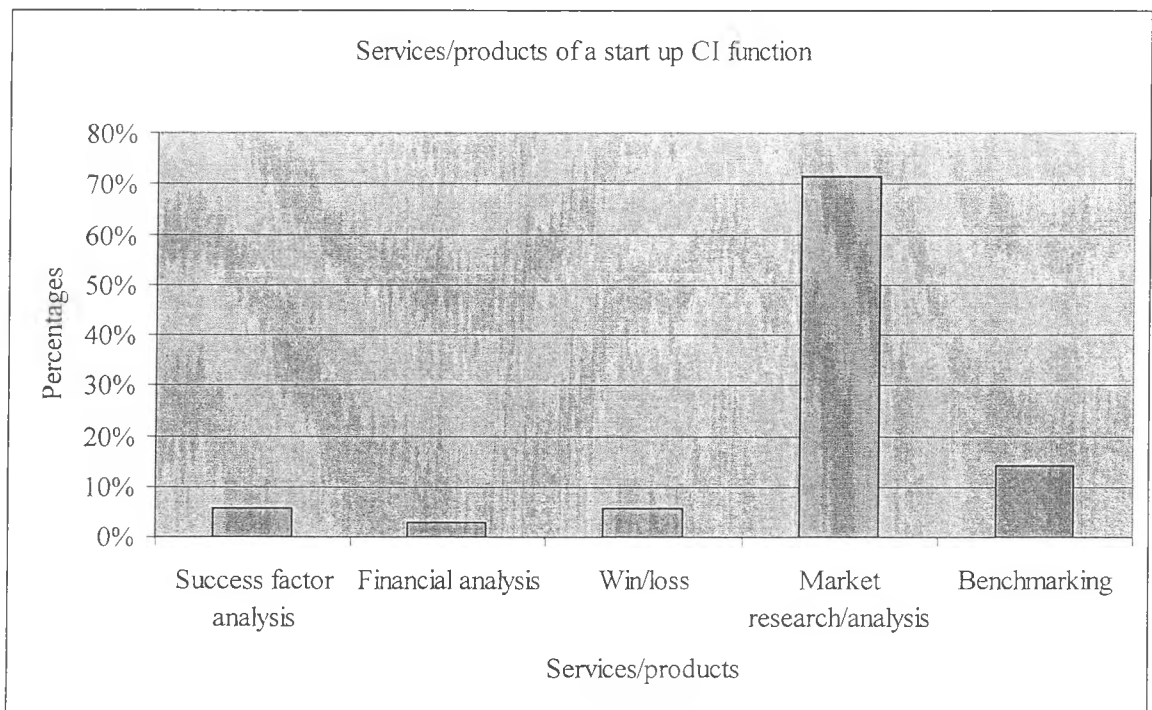
**Table 4.14 CI services offered**

CI services offered	Frequency	Percentage
Success factor analysis	2	6%
Financial analysis	1	3%
Win/loss	2	6%
Market research/analysis	25	71%
Benchmarking	5	14%
Total	35	100%

**4.4.7 Services/Products Offered by a Start up CI Function**

The respondent were asked to show what CI services should be offered by CI department. The results show that a majority of the respondent consider market research analysis and benchmarking to be offered by a start up CI function. The Figure4.6 shows the results

**Figure 4.6 Services/products**



#### 4.4.8 Processes/Services used by CI Function

The researcher sought to establish the processes or services used in the CI function, the results as shown below indicate that the CI functions use newsletters presented weekly or fortnightly, this ensures that the required information is available at the required time. In addition, the CI function also provides in-depth analysis to help the users of the information have a deeper understanding of the results. The table 4.15 shows the results.

**Table 4.15 Processes/services used**

Processes/services used	Frequency	Percentage
CI alerts	1	3%
Providing a forum	1	3%
CI newsletter	21	60%
CI Ad-hoc	2	6%
In depth analysis	10	29%
Total	35	100%

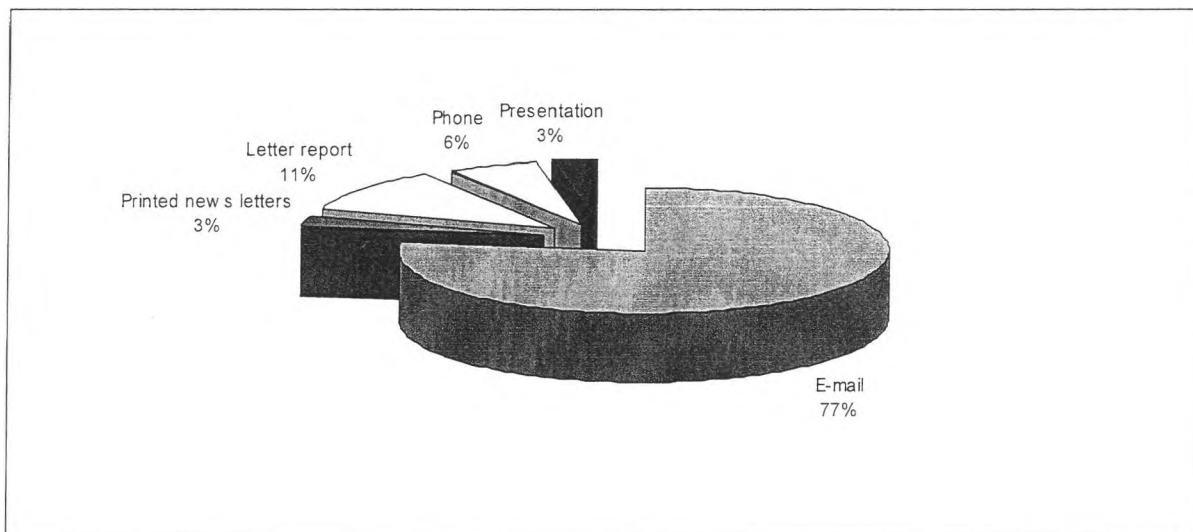
#### 4.4.9 Methods of Distributing Services/Products

The respondents were asked to indicate how they distributed their services or products, the results show that the email was ranked top in as the most used method of distribution. This may be attributed to the fact that it is a faster method of distribution and can be used in most areas. The results are shown in the Table 4.16 and Figure 4.7.

**Table 4.16 Method of distributing information**

Method of distributing information	Frequency	Percentage
E-mail	27	77%
Printed news letters	1	3%
Letter report	4	11%
Phone	2	6%
Presentation	1	3%
Total	35	100%

**Figure 4.7 Method of distributing Information**



## CHAPTER FIVE

### SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Introduction

This chapter presents the summary of findings, conclusions and recommendations. The above are derived from the objectives of the study.

#### 5.2 Summary of Findings

The objective of the study was to establish the competitive intelligence practices adopted by commercial banks in Kenya. In relation to the implementation of the CI function, the results show that a majority of the respondent had been involved a little in the CI function; this may indicate that the CI function in most banks is left to a given department and other employees could only be involved in giving their views. The majority of the respondent showed that the development of the CI function was through planned actions, this implies that the function is very important to an organisation and proper planning may be essential to successfully implement the activities of the department.

Regarding method of implementation of the CI function, a majority of the respondent, showed that the CI function was developed through the project team consisting of internal employees, this shows that most banks developed the department and recruited employees who were experienced in the area of operation. Other significant number of the respondent also indicated that their banks used the project team made up of in-house team and external consultants. The use of external consultants was used to supplement the skills of the internal employees. In relation to implementation through project management, the results show that majority of the respondent consider the implementation of CI function through project management or a framework to be an advantage.

In relation to the duration taken to establish the CI department, the majority of the respondents showed that the development of CI function took three months; this may be attributed to the fact that both human and financial resources for use in the department were

readily available in most of the banks interviewed. Regarding the internal positioning of the CI function, the majority of the respondent, showed that in their banks, the CI function employs ethical guidelines, to undertake their activities as well as internal promotion of CI function. The respondent also showed that a defined framework and/or processes exist for the CI function; the function in addition has a full time manager showing that it is a strategic position in the firm. The study established that a majority of banks use the CI manager/director descriptions; this matches the expected definition of the job that is to collect and make available information from the competitors and the market.

Considering the important skills for the CI specialist, the results showed that for a majority of the respondent all the skills presented were important for the CI employee. strategic thinking enables the specialist to plan for the long term. Presentation skills assist the specialist to present the data as were obtained. IT/computer skills are a basic skill that is required for every job given the current trend of information technology. Analytical and research skills would assist the CI employee in taking the most important information.. It was also established that CI is mainly used to monitor changes in competitors. The results also show that some banks use CI to monitor changes in customer sides and technology. The departments affected by CI function were established to be the marketing management meetings this was because marketing management includes all activities that a firm undertakes to out do the competitors, marketing management therefore includes all the other activities that were listed.

The uses of CI function were established to be for market positioning, this may be because, and the essence of CI function is to provide necessary information to assist in eliminating competition. Other respondents also indicated that the CI function is used also for product and service development. The important sources of the CI function were established to be customers, market research and analysis of competitors' products to be they were the three most important sources of information. The three top threats to CI function were established to be threats of potential substitutes, new competitors and the action and reaction of competitors. The planning aspects affected by CI function were established to be tactical and

strategic planning aspects, this may be because the two aspects of planning addresses all the planning activities that take place in an organisation

The performance of the CI function in most banks is measured through effectiveness measures. Effectiveness refers to the ability of a department to use the little available resources to produce above par output. Regarding the use of external resources for the CI function, the results show that external resources are extensively used to undertake market research. This may be attributed to the fact that external resources provide the needed information to assist in market intelligence and competitor information. The CI function offers market research analysis and benchmarking services. This is the core function of the CI department and it is designed to assist organizations in obtaining market information through research and using that to benchmark the organisational performance.

In relation to the services or processes used by CI function, the study established that the CI functions use newsletters presented weekly or fortnightly, this ensures that the required information is available at the required time. In addition, the CI function also provides in-depth analysis to help the users of the information have a deeper understanding of the results. The main method of distribution was established to be the emails; this may be attributed to the fact that it is a faster means of distribution

### **5.3 Conclusions**

The objective of the study was to establish the competitive intelligence practices adopted by banks in Kenya. It can be concluded from the summary of findings above that, CI function in most banks is developed through planned action and most employees are not extensively involved in the process. It can also be concluded that in most banks, the CI function is developed through project teams consisting of both internal and external employees. The implementation of CI function through project management and framework was considered to be an advantage. Regarding the important skills for the CI specialist, it was established that skills required include, analytical, presentation skills as well as research skills. Regarding positioning of the CI function, it can be concluded that in most banks, internal

promotion of CI is undertaken; in addition, established code of conduct addresses the operations.

The performance of CI function was measured through effectiveness measures, this was because the financial measures were not easy to allocate and apply on the CI function. Considering the uses of the CI function, it can be concluded that CI is used to monitor changes in the products and services as well as competitors. The planning aspects affected by CI function can be concluded to be tactical planning and strategic planning.

#### **5.4 Recommendations**

The study recommendations draw from the findings of the study. For effective CI function to be undertaken, a plan of action should be established that addresses the mandatory requirements for the operations. A firm should be able to set objectives for the CI department and establish job descriptions for every responsibility center. The performance of a CI department should be on the basis of what output per resources allocated is obtained. The CI function objectives and aspirations should be incorporated into the overall strategic plan for the whole organisation, this would position the CI function as one of the top departments.

#### **5.5 Areas of Further Research**

The study suggests that additional research should be undertaken in the area of competitive intelligence regarding the factors that lead to successful CI function in a firm. Additional studies can also be undertaken in areas such as the perception of employees on the CI function and its contribution to firm performance.

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## Appendix 1: Commercial Banks in Kenya

1. African Banking Corporation
2. Bank of Africa
3. Bank of Baroda
4. Bank of India
5. Barclays Bank of Kenya
6. CFC Bank
7. Charterhouse bank
8. Chase bank
9. Citibank
10. City Finance bank
11. Co-operative bank of Kenya
12. Commercial Bank of Africa
13. Consolidated bank
14. Daima bank (Statutory)
15. Development bank of Kenya
16. Diamond Trust bank
17. Dubai bank
18. EABS bank
19. Euro Bank
20. Equatorial Commercial bank
21. Equity bank
22. Family bank
23. Fidelity Commercial
24. Fina bank
25. Giro commercial bank
26. Guardian bank
27. Habib A.G.Zurich
28. Habib bank
29. Imperial Bank

30. Investment and Mortgages bank
31. K-Rep bank
32. Kenya Commercial bank
33. Kenya Post Office Savings Bank
34. Middle East bank
35. National bank of Kenya
36. National Industrial Credit bank
37. Oriental Commercial bank
38. Paramount Universal bank
39. Prime Bank
40. Southern Credit bank
41. Stanbic bank
42. Standard Chartered bank
43. Trans-National bank
44. Victoria Commercial bank

## Questionnaire

### Section One: Organisation Profile

1. Bank Name.....
2. Years in Operation.....
3. How many employees does your bank have.....

### Section Two: About the Implementation of CI unit / function

1. Have you been involved in implementing the CI function  
Yes, extensively ( )  
Yes, a little ( )  
No ( )  
Will be involved ( )  
No comment ( )
2. Way of implementing or establishing the CI department / function  
Developed uncoordinated ( )  
Planned ( )  
Unplanned ( )  
Unorganized ( )  
As a project (with external help) ( )
3. The CI function implementation was done through  
Project team / employees ( )  
Project team / in-house and external ( )  
In-house consultant ( )  
External consultant ( )
4. Do you think it would be an advantage to implement a CI function by having a framework (project management)  
Yes ( )

- No ( )
- Don't know ( )

5. How long did it take to establish the CI department / function

- < 3 month ( )
- < 6 month ( )
- < 9 month ( )
- < 1 year ( )
- < 2 years ( )

**Section Three: Information about the internal positioning of the CI unit / function**

1. The CI function in your bank

- Uses a defined Framework / Process ( )
- Uses Ethical Guidelines ( )
- Has Full Time Manager ( )
- Has a Product & Services Portfolio ( )
- Promotes CI internally ( )

2. For the CI function the following Job Descriptions are available

- CI Manager / Director ( )
- CI Analyst ( )
- CI Information Collector / Specialist ( )
- CI Consultant ( )
- CI Research Managers ( )

3. Important Skills for a CI person are (Name Top 3)

- Strategic Thinking ( )
- Presentation ( )
- IT / Computer ( )
- Analytical ( )
- Research ( )

4. CI is used to monitor / detect changes in

- Technology ( )
- Customer / Buyer side ( )
- Competitors ( )
- Social / sociological ( )
- Legal ( )

CI is used to

- Monitor the external environment ( )
- Analyze and understand the competition ( )
- Identify economic trends ( )
- Identify political and regulatory issues ( )
- Select relevant markets ( )

5. The CI function is attending and influencing

- Marketing management meetings ( )
- Product management meetings ( )
- Sales meetings ( )
- Senior Management Meetings ( )
- Board Meetings ( )

6. The output of the CI department / function is used for / supports

- Decision making ( )
- Strategic planning ( )
- Tactical planning ( )
- Market positioning ( )
- Product & service development / design ( )

7. Which are important sources for a CI function (name Top 5)

- Customers ( )



- Market Research ( )
- Analysis of competitive products ( )
- Annual / Quarterly Reports / SEC ( )
- Exhibitions / Road Shows / Trade Shows ( )

**Section Four: CI at work**

1. Which potential threats can be identified effectively by the CI function (name Top 3)

- Potential Substitutes ( )
- New Competitors ( )
- The Action / Reaction of Competitors ( )
- Suppliers / Business Partners ( )
- Product & Service development / Design / Technology ( )

2. Which planning / decision making issues are supported by the CI output

- Tactical ( )
- Strategic ( )
- Technical ( )
- Operational ( )

Others.....

3. What / how is the CI department / function measured (Part 1)

- Return on investment ( )
- Effectiveness ( )
- Output of intelligence ( )
- Reaction time for requested intelligence ( )
- Cost for the department / function ( )

4. What / how is the CI department / function measured (Part 2)

- Value of the output ( )
- Foster sharing of information ( )
- Knowledge management ( )
- Market share increased ( )
- Organizational Growth ( )

5. Does your bank use external (re)sources for market research

- Yes, extensively ( )
- Yes, a little ( )
- No ( )
- Don't know ( )
- No comment ( )

6. What CI services / products does your CI function offer

- Success Factor Analysis ( )
- Financial Analysis (e.g. via SEC Data) ( )
- Win / Loss ( )
- Market Research / Analysis ( )
- Benchmarking ( )

7. What CI services / products should a start up CI department / function offer first (name Top 3)

- Success Factor Analysis ( )
- Financial Analysis (e.g. via SEC Data) ( )
- Scenario planning / Simulation & Models ( )
- Market Research / Analysis ( )
- Benchmarking ( )

8. Which Processes / Services is your CI function using / providing

- CI Alerts ( )
- Providing a Forum for exchange of CI relevant Information ( )

- CI Newsletters (e.g. weekly, fortnightly) ( )
- CI Ad-hoc research / on demand ( )
- In-depth analysis ( )

9. What methods do you use for distributing your services / products?

- E-mail (directly to user) ( )
- Printed news letter (subscription) ( )
- Letter / report (directly to user) ( )
- Phone (urgent information or ad hoc calls) ( )
- Presentation / face to face (e.g. periodic / scheduled) ( )

*Thank you very much for working your way to the end of this questionnaire.*

**Appendix: 2 Letter of Introduction**

**LETTER OF INTRODUCTION**

**Date:** .....

**TO WHOM IT MAY CONCERN**

Dear respondent,

**RE: REQUEST FOR RESEARCH DATA**

The bearer of this letter **Alubreta Gathumbi** registration No: D61/P/8566/04 is a Masters of Business Administration (MBA) student of the University of Nairobi.

She is required to submit as part of her coursework assessment a research project report on the some management problem. We would like the student to do competitive intelligence practices adopted by commercial banks in Kenya. We would, therefore appreciate if you assist her to collect data in your organisation for the research.

The result of the report will be used for academic purpose s a copy of the same will be available to the interviewed banks on request

**Alubreta Gathumbi**  
**D61/P/8566/04.**  
**Researcher / MBA student**

**F.K. MUINDI**  
**University Supervisor**  
**University of Nairobi**

# Appendix 3: letter of Authorization

## Appendix 3: Letter of Authorization



**UNIVERSITY OF NAIROBI**  
**SCHOOL OF BUSINESS**  
**MBA PROGRAM - LOWER KABETE CAMPUS**

Telephone: 011 (44) 760 Ext. 204  
Telex: 23092 Varkis  
Telefax: 23093 Varkis

P.O. Box 30197  
Nairobi, Kenya

DATE: 5th October 2007

### TO WHOM IT MAY CONCERN

The bearer of this letter: Ms. Alubreda Gathumbi

Registration No: D.G.V.P. 2556/04

is a Master of Business Administration (MBA) student of the University of Nairobi.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate if you assist him/her by allowing him/her to collect data in your organization for the research.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

  
UNIVERSITY OF NAIROBI  
SCHOOL OF BUSINESS  
J.T. KARIUKI, MBA OFFICE  
P.O. Box 30197  
CO-ORDINATOR, MBA PROGRAM  
NAIROBI