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Competitive Intelligence and Corresponding Outcome in a Strategic Management Process: A Review of Literature

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Abstract

The strategic management literature has put a lot of emphasis on the role of intelligence in the strategic management process. However, the available literature has not been thorough in outlining the role and the potential outcome of the deployment of business intelligence. Majority of the researchers have looked at the direct relationship between business intelligence with specific reference to competitive intelligence with performance. The purpose of this paper is to review the extant literature on competitive intelligence so as to highlight its role in the different phases of strategic management process as well as the emerging phenomenon of the adoption of competitive intelligence in a firm. The authors have integrated the extant literature on competitive intelligence with that on strategic management process. The paper reviews extant conceptual, theoretical and empirical literature and raises diverse issues that present a case for a new theoretical model suitable to extend the current understanding of the phenomenon brought about by the deployment of competitive intelligence. The paper raises implications for theory and practice and suggests a theoretical model suitable to guide future research.

Keywords: Competitive Intelligence, Precision for Strategic Action, Firm Performance, Environment Business Factors, Firm Context

1. INTRODUCTION

The desire for business success has led to the business environment experiencing an increased competition both globally and domestically. The marketing environment has been portrayed as very competitive and as such, firms must be aware of their competition, competitive moves executed through products, strategic advances and competitive posture in order to succeed in turbulent environments (Johannesson, 2010). In the face of an unpredictable, volatile and competitive market place, it has been noted that a capacity for strategic thinking is needed at different levels in the organization's strategic management process (Liedtka, 1998). Strategic thinking is an important orientation within the strategic management process contributing to the achievement of the goal of strategic management of exploiting and creating new and different opportunities for the future (Branislav, Mihailovic & Marjanovic, 2014) and enhancing the organization's strategic fit in its environment. A key factor within the strategic thinking realm contributing to this aspect of fit is that of information quality. Information quality contributes to this by simply influencing the quality of strategic thinking capacity of an organization's leadership and eventually supporting organizations' decision making process for enhanced performance. This information therefore has to be supported by some intelligence and as a consequence, businesses have been

forced to establish a mechanism for intelligence gathering about the whole business environment (Gračanin, Kalac, & Jovanović, 2015).

Competitive intelligence has been indicated as that business intelligence that can be adopted by a firm. Botha and Boon (2008) have reinforced the above position by holding that competitive intelligence has come in to support the strategic management process in companies mainly by acting as a sensor to indicate to decision makers whether the organization is still competitive or not. Because of the changing nature of business environment, the subject of competitive intelligence has gained prominence in the strategic management literature as it informs the process in a way that enhances not only the quality of strategic management practices but also the quality of the outcomes of the practice in terms of the results that the management desires to achieve. Calof, Richards and Smith (2015) have held on the same observation by noting that organizations have turned to competitive intelligence in order to understand their environment and consequently develop strategies. As this happens, there has been an increased concern for more concerted efforts to integrate the construct of competitive intelligence into the strategic management process as an integral practice that entrenches strategic thinking into the firm's strategic management process. This has been emphasized by the competitive intelligence's vision which Calof *et al* (2015) have summarized as that of asking questions about an organization's plausible future as well as the choice on strategies that can be used to build resilience, create an adaptive capacity to anticipate and thrive in turbulent business environment. It therefore follows that, scholarship in this area has generated an important case for efforts to be made to entrench this practice into strategic management consequently raising a point of interest among scholars to enhance its nature, role and contribution to the process of strategic management and its outcome.

As earlier indicated, organizations today are grappling with the need to enhance and sustain their performance. This need has been attributed to what has been referred to as 'not so sure business environment' characterized by high volatility, competitiveness (Tahmasebifard, 2018), uncertainty, complexity and ambiguity (Kimani & Kilika, 2019). This has led to firms wanting to outdo each other in all spheres and therefore calling for establishment or enhancement of strategic management process in order for the organization to sustain their competitive advantage (Omalaja & Eruola, 2011). Strategic management has been positioned as a way of developing a strategic position for an organization, making strategic choices for the future and eventually implementing the corresponding plan which comprises the main phases of the strategic Management process (Omalaja & Eruola, 2011). In undertaking the relevant activities across the phases, it is important for a firm to have knowledge about its market and competition since these are projected to impact greatly on the performance of an organization. Competitive intelligence comes in handy to sift information received to meet the strategic needs of a firm. Different scholars have positioned competitive intelligence as that kind of intelligence that firms need and use to gather information about their business environment (Rapp, Agnihotri, Baker, & Andzulis, 2014) and consequently use it in the formation, choice and implementation of strategies. Calof *et al* (2015) citing support from the Global Intelligence Alliance pointed that there is growth on the number of organizations that adopt and implement a competitive intelligence function, thus confirming that there is a connection between strategic management process and activities that management undertakes in order to understand their competitive environment (Johannesson, 2010). This has become an important pillar upon which calls have been made for integration of competitive intelligence processes into the strategic management processes in organizations.

2. STATEMENT OF THE PROBLEM

Even though there have been calls to integrate competitive intelligence in strategic management, such a call faces a number of challenges due to the state of extant literature that affects both conceptualization and theory formulation. Specifically, it is observed that there are issues regarding the scope of the current understanding of competitive intelligence; the role of competitive intelligence (CI) in the strategic management phenomenon in organizations; the integration of competitive intelligence into the mainstream strategic management literature; and the theoretical justification for its adoption in strategic management (Botha & Boon, 2008).

With regard to the scope of the current understanding of CI, it is observed that most scholars and practitioners have experienced dilemmas cutting across the definition and usage of competitive intelligence. Historically, competitive intelligence has been viewed as that activity whose aim is to provide an input to a competitive strategy (Mehmet, Koseoglu, Ross & Okumus, 2015). It has done this by consistently alerting firms of changes in their competitive environment (Muller, 2005). This generic view has either been contested or improved by different scholars who have suggested different perspectives of competitive intelligence; from an individual or a joint perspective. From the individual perspective, competitive intelligence has either been looked at as a process or as a product. As a process, competitive intelligence has been summarized as a process of gathering intelligence with regards to information about the business environment with the aim of guiding the management in strategic decision making in a firm (Bulley, Baku, & Allan, 2014). Some scholars have come to critique the process perspective by observing that if competitive intelligence is a process, then how would one explain the data collected by competitive intelligence process? This has brought a new angle of viewing data collected from competitive intelligence process as a product. As a product, competitive intelligence has been expressed as that kind of information that is achieved from the competitive intelligence process (Calof et al, 2015). Some scholars however, have chosen a joint outlook of competitive intelligence. That is, they have defined competitive intelligence as both the process and the product and that, they complement each other. We therefore suggest the need for integration of the different conceptualizations of the construct to consolidate the understanding so far generated.

Secondly, there exists a dilemma on how competitive intelligence has been applied and expressed by different scholars. Tarek, Adel and Sami (2016) have summarized the whole idea of competitive intelligence usage into two forms as either offensive or defensive. That is, for constant alerting or for conducting risk analysis to identify threats to the organization. In line with the same, Mehmet, Ross and Okumus (2015) have given their perspective on competitive intelligence usage as either direct or indirect usage. That is to say, directly, competitive intelligence has helped in risk management while indirectly, competitive intelligence has been used in providing an organization with an ability to elicit business strategies consequently enhancing survival and business success. Botha and Boon (2008) have observed that competitive intelligence has been used to support the strategic management processes in companies in order to indicate to management whether the organization is still competitive or not. Competitive intelligence has also been used in gathering information about the business environment (Gracanin, Kalac & Jovanovic, 2015) and in making different kinds of decisions on market entry, competitor analysis, product development as well as technological developments (Calof et al, 2015). Tarek et al (2016) have summarized all these by observing that competitive intelligence mainly corresponds with the environment to provide a better response to decision needs whether offensive or defensive. Despite all these usages of competitive intelligence, it has been noted that not all interventions of competitive intelligence have led to success in strategic management process in organizations. Majority of the scholarship in this area has looked mainly at the positive relationship between competitive intelligence and performance with scanty information on the alternative (Ion & Natalia, 2013).

Thirdly, there is an issue regarding integration of competitive intelligence in strategic management. While the study takes note of the potential brought about by competitive intelligence in strategic management, there has been limited attention put wholesomely on how to integrate competitive intelligence into the strategic management process by business strategists and scholars. This has indicated that there is still much to be explored as to how this concept can be integrated into the business strategies in order to improve the competitiveness of businesses and consequently achieve sustainable competitive advantage. It is therefore important to put in much attention since the major attraction of competitive intelligence is that of providing actionable foresight regarding competitive dynamics (Du Toit, 2015). In addition, if competitive intelligence has to be embraced as a viable practice in strategic management process, the question then would be; what will be the value proposition for management to invest in its requirements? From a strategic thinking standpoint, competitive intelligence may be construed as an investment into by organizations. It is therefore, the interest of management to find what the relative contribution it will bring to the bottom line of each firm. Over and above integrating competitive intelligence into the strategic management process, another concern closely tied to the issue of integration has been on how to fit this understanding into the main stream strategic management literature. The point of interest is the fact that strategic management literature has majorly focused on the various

stages in the process which can be split into three; strategy formation, choice and implementation (Omalaja & Eruola, 2011). There is therefore need for scholarship to integrate the competitive intelligence process with the process and practice of strategic management and situate it appropriately to enhance the value of the essence of the strategic management process not only in theory but also in practice.

Lastly, there is an issue regarding the role of competitive intelligence in strategic management. There has been a lot of information on competitive intelligence within the strategic management discipline. However, business strategists and scholars have put limited attention on the integration of competitive intelligence into the strategic management process. The study has observed that firms within the developed countries appear to appreciate the need to monitor competition. This has led to realization of the ability of the business to act precisely consequently realizing successful strategic management process (Nasri, 2011). On the other hand, it has been observed that if organizations in developing countries were to embrace competitive intelligence, they would be able to gain market share (Pelliser & Kruger, 2011) as well as win economic wars (Maune, 2014) hence emphasizing the necessity of introducing competitive intelligence system into the strategic management process of a firm. Integration of competitive intelligence in strategic management process has a potential of ensuring success since the intermediate action has been seen to bring about proficiency hence leading to successful implementation of strategic management process. In addition, Sewdass (2012) found out that strategic planning activities such as environmental scanning and analysis, resources analysis, strategy formulation among others requires huge internal and external data which can only be collected through competitive intelligence.

In view of the above, the study seeks to extend and add value to the current state of knowledge on the concept of competitive intelligence by exploring how integrating competitive intelligence system into the strategic management process of organizations brings about successful strategic management in organizations. Given the limited nature of literature and glaring inconsistencies, the study has identified the need to consolidate the extant literature with a view of suggesting a relevant model that seeks to demonstrate how deployment of competitive intelligence system in strategic management process may yield desirable outcomes in the process. Thus, the paper has addressed three objectives: to review the conceptual, theoretical and empirical literatures to provide an understanding of the construct of competitive intelligence; to establish the implication of importing competitive intelligence system into the strategic management process of an organization; and to propose a suitable theoretical model indicating the relationships among the identified constructs in the emergent phenomenon.

This undertaking will be of great value to the strategic management scholarship and practitioners. First, the paper recognizes the immense potential of competitive intelligence from the practitioners' view point. Organizations will be able to enhance their strategic management process by importing competitive intelligence systems with the view of succeeding in the strategic management process. Consequently, literature is needed to inform the practice of how such strategic moves can be adopted from the understanding of the organizational leadership. Secondly, given the current state of theoretical and empirical literature, the paper recognizes the need to enhance the scholarship on competitive intelligence in order to exhibit the potential of importing competitive intelligence into the strategic management process. From this basis, the paper sees a benefit accruing to both researchers and theorists interested in identifying the gaps that may be conceptually, contextually, and methodologically explained. Lastly, the paper proposes a potential structure consisting of an intermediate and ultimate outcome within the context of operation of an organization. This goes a long way to not only provide a new theoretical model but also offer a stepping stone for the direction for future research.

3. LITERATURE REVIEW

In response to the objectives highlighted, the study has reviewed extant conceptual and theoretical literature on the construct of competitive intelligence, its adoption in strategic management and the connected phenomenon. The study has sought to provide an understanding of competitive intelligence, its perspectives, its role in strategic management, how it has been described, how it has evolved, its dimensions as well as the situations in strategic management process that require its involvement.

3.1. Perspectives and application of competitive intelligence

This section has looked at competitive intelligence perspectives, dimensions and the situations that it has applied in strategic management process. The study has observed that competitive intelligence process begins with environmental scanning activities (Nemutanzhela, 2011), and advances towards becoming complex and dynamic due to continued globalization, public accessibility of data and technological advancements (Bulger, 2016). This has brought about two views of competitive intelligence. That is, the original competitive intelligence which concentrated on data management process and the current version of competitive intelligence which has concentrated on delivery of strategic global decisions due to markets going global (Bulger, 2016).

From the reviewed literature, competitive intelligence has been expressed in three perspectives: competitive intelligence as a process, competitive intelligence as a product, and an integrated perspective. Scholarship has been developed on competitive intelligence as a process, competitive intelligence as a product and a joint approach of competitive intelligence as both a process and a product. As a process, competitive intelligence has been seen as that step of legally and ethically gathering and analyzing information about competitors and the operational markets with the aim of making better decisions (Nehenzelele, 2016a; Bulley, Baku, & Allan, 2014; Nehenzelele, 2016b; and Tahmasefibard, 2018) with regards to management concerns. It therefore suffices to point out that competitive intelligence as a process has brought in a systemic approach requirement in its operations. Du Toit (2015) has pointed out that this systemic approach includes; planning to collect information, collecting information, analyzing using several analytical tools and finally packaging the information and communicating it to the management. The data collected through competitive intelligence process has been viewed as competitive intelligence by other scholars who support the product perspective. In summary, upon successful administration of competitive intelligence as a process; the collected data is what is being considered as product and consequently coming in to support the second perspective of competitive intelligence as a product. This data has helped executives to understand their competitive market and hence make strategic decisions for the firm (Priporas, 2005).

In addition to the above discussed perspectives, it is important to point out that competitive intelligence is an old and a well-established function in organizations (Maune, 2014). Its application has been traced in organizations in developed and developing countries whereby, in developed countries, competitive intelligence activity has been positioned as a well-established function simply because; the management in these organizations are alive to the fact that if they fail to monitor the market and the competition, they will have their plans fail (Maune, 2014). The study has also noted that despite it being a well-established function, there has been a reduction in its contribution due to bureaucracies (Muller, 2005). Bureaucracy has made competitive intelligence to be viewed as a market research capability or knowledge management function hence nothing much to offer. On the other hand, in the developing countries, it has been observed that competitive intelligence system has not yet been widely known and should be introduced (Nasri, 2011) in order for the firms to increase their market shares (Pellissier & Kruger, 2011), win economic wars (Maune, 2014) and attain superior performance (Nasri, 2011).

While organizations seek to invest in competitive intelligence, the study has also observed that they can make or buy a competitive intelligence system and operate it formally or informally (Johannesson 2010). This need for competitive intelligence has been aggregated by the organization's need to perform business analysis. Business analysis has been proven to play a key role in the strategic management process and hence the need for more intelligence on the same. From the previous literature, competitive intelligence system has been projected as a very important inclusion in the strategic management process simply because it is this collective information about the organization and its environment that comes in to influence the strategic management process within the organization. The gained knowledge has been used to enhance the organization's own competitiveness through the strategic management process (Weiss, 2002); and develop a business strategy to counter competitors' plans (Nzewi et al., 2016).

In view of the above arguments, it is observed that a number of things stand out of the discussions on the perspectives to competitive intelligence. First, competitive intelligence aims at providing input to a competitive strategy (Muller, 2005), competitive intelligence has great relevance to strategic thinking as well as contributing greatly to the entire strategic management process. Secondly, competitive intelligence comes in to enhance scenario planning by influencing the development of assumptions with regards to the organization's future

considering the dynamism in the business environment. Schoemaker (1995) observed that Scenario planning stands out for its ability to capture a whole range of possibilities by simplifying an avalanche of data into a limited number of possibilities. Thirdly, competitive intelligence has also been projected to aid in solving organization's strategic issues. These strategic issues involve those unresolved questions that are projected to have major impact on the course and direction of the business and as such, decisions should be made on them (Bahareh, Asadolah, Hasan & Seyed, 2015). Fourthly, competitive intelligence has also been projected to support organizational strategic moves which entails taking an out of the norm action in order to gain a strategic advantage. Over and above the already highlighted significance, competitive intelligence has also been seen to impact on an organizational competitive attacks and competitive defense. Hauser and Shugan (1983) observed that attacking and defending organizations must determine the need of any response by knowing the position of its products in the market. Competitive attack entails the options available for attacking a competitor while competitive defense has to do with those strategies developed by an organization in order to retain valuable customers that can be taken away by competitors. All these are decisions geared towards success in the strategic management of an organization.

Over and above these observations, a good question at this stage to address would be; how does competitive intelligence deliver the strategic benefits that it promises to the strategic management process? This can be answered by the observation that an investment in competitive intelligence has been viewed to be of great value addition to an organization with regards to scenario planning, strategic issues identification, establishment of strategic moves, and identification of competitive attacks as well competitive defense actions. It therefore follows that there is a need to dissect it into various dimensions reflecting the various operational needs of any organization such as the market, competition, technology and the general internal aspects of an organization. These converge into the various dimensions of competitive intelligence.

3.2. Dimensions of competitive intelligence

The literature review has established that competitive intelligence has varied usage which is geared towards success in strategic management process. This usage has been viewed from two perspectives. The first perspective is that adopted by Waithaka (2016) in which competitive intelligence is seen to come in to support the development of strategy, tactics, technological and target achievement. The second perspective of the usage of competitive intelligence is about social and organizational development. This perspective is supported by various scholars such as Tahmasefibard (2018) and Petrisor and Strain (2013).

These varied usages and understandings of competitive intelligence have led to the varied dimensions of competitive intelligence such as market intelligence, competitor intelligence, economic intelligence, customer intelligence, technical intelligence (Bulger, 2016), strategic and social intelligence (Tahmasefibard, 2018); organizational intelligence (Petrisor & Strain, 2013) and Waithaka's view as strategy oriented, tactic oriented, technological oriented and target oriented competitive intelligence (2016). The study has established that there is limited scholarship with regards to the collective impact of these dimensions. Some scholars have observed that each dimension has its role towards the overall organization's outcome while other scholars such as Tahmasefibard (2018) have pointed out that dimensions such as competitor intelligence, marketing intelligence, and technological intelligence are the ones which have positive effect on the ultimate organization's outcome. However, other dimensions such as structural and social intelligence and organizational intelligence have also been projected to impact on the success of strategic management process (Petrisor & Strain, 2013; Tahmasefibard, 2018).

It is worth noting that all these dimensions have been observed to base their foundation from environmental scanning activities. Nemuntazhela (2011) lists these environmental scanning activities to include; data, information and knowledge transformation into intelligence. This information is about products, market, competition, the organization and technology among other business environment activities. This study will therefore discuss the various dimensions of competitive intelligence to revolve around the areas of market, competitors, technology and organization.

3.2.1 Market Intelligence:

This study has observed that when organizations engage in strategic management, there is need for gathering and disseminating information on the market behavior. These market behaviors include; knowledge of customer needs, preferences, and future trends in consumer behavior, new market opportunity, new and creative segmentation among others that relate to the market (Tahmasefibard, 2018). This process of gathering this information as well as the gathered information is what this study has called market intelligence or better said, it is that competitive intelligence dimension that is adopted by an organization to acquire information and necessary knowledge required to formulate current and future plans related to the organization's strategic interests within the market (Mirkhan & Abdullah, 2017). Market intelligence is important to the strategic management process as it has been projected to help in providing necessary and important information to the management by carrying out analysis about the business, its competitors and its markets. Today, this activity is being done through the help of highly developed software tools and analytical skills of highly trained people to provide and interpret the market knowledge. This dimension of the competitive intelligence enables a firm to find out information regarding its performance and that of the competition within the market. Marketing intelligence will be indicated by market analysis and market research.

3.2.2 Competitor intelligence

Occurs and is used when the focus is on competitor behavior and the general competition. For Tahmasefibard (2018), competitor intelligence implies the extent that the firm gathers and disseminates knowledge of competitor strategies, competitor structures, new products and services as well as the substitutes and new industry entrants. Need for competitor analysis has brought about this dimension. Bulger (2016) supports this by observing that competitive intelligence is all about the competitor landscape. This landscape includes; competitor's abilities, current activities, plans and intentions. This dimension is used when there is need for competitor analysis since it is the one that affects the managers of products and operations and those involved in the development of products, business, integration and acquisitions (Ngugi, 2012).

The study has observed that organizations adopt this kind of competitive intelligence with the aim of strengthening their position and performance in the market. This has been done by carrying out analyses about the business, its competitors and its markets (Mirkhan & Abdullah, 2017). It has been observed that competitor intelligence comes in to impact on the whole three phase of strategic management process. The disadvantage of not having this dimension during strategic management is that of not knowing what your competition is doing or not doing within and without the market. This dimension has the potential of guiding the business leadership in knowing how to behave in a competitive market in order to gain competitive advantage. The role of this intelligence is mainly to help the managers within strategic business units to make strategic business decisions. Competitor intelligence has been expressed in terms of; sales win report, brand awareness and competitive differentiation feedback.

3.2.3 Technological intelligence

It is important to keep up with the industry requirements with regards to technological trends. Technology will come in to help a firm gain competitive advantage through efficiency in business management. The interest of this dimension is on gathering and disseminating knowledge on current and future technologies (Tahmasefibard, 2018). This knowledge could be on costs-benefit assessment and future technological discontinuities (Tahmasefibard, 2018). Technological changes have had great impact on all businesses and their broad environment. Technological intelligence mainly looks at the technological trends and as a result portrays to the management that broad picture with regards to the latest technological trends in the industry. Technological intelligence has often been used by strategic planning processes or by the operating managers within the business or the strategic business units. Technological intelligence has been projected to affect the managers most of whom are in charge of development of products, business, integration and acquisitions (Ngugi, 2012). Technological intelligence activities come in to enable a firm to respond fast to threats and to identify the

opportunities resulting from technical or any other scientific innovation and development within the business environment. Therefore, technological intelligence will be manifested through identification of business risks, product innovation and reduction of business expenses as a result of technological advances.

3.2.4 Organizational Intelligence

This dimension has been introduced by Petrisor and Strain (2013) who envisioned the importance about collective assemblage of benefits from organization's intangible assets like knowledge from employees, management, stakeholders and customers; that is, human capital. Organizational intelligence has been portrayed as an important necessity for an organization. It mainly enables an organization to increase its capabilities by increasing knowledge and awareness (Shahram & Sepideh, 2012). It does this through organizations analyzing their surrounding quickly and meticulously and enabling them to share the results in a useful way in order to make information available to the decision makers in appropriate times (Shahram & Sepideh, 2012). Organizational intelligence has been positioned to help an organization to recognize its weak points and to strengthen its positive points. Organizational intelligence has been observed to depend on human intelligence, hence human capital. While at this, several scholars including Calof et al (2015), Nenzhelele (2016a) and Tahmasebifard (2018) who have chosen to marry both perspectives competitive intelligence, that is, as a process and a product have brought into perspective a new concept of foresight in order to enhance their discussion of competitive intelligence. They have positioned foresight as a future intelligence due to its complementing role with competitive intelligence. For them, foresight asks what the future environment will look like while competitive intelligence looks at how the environment will affect the strategic management of the organization (Calof et al, 2015). This is important because organizations need to project their future environment in order to ready itself for the projected dynamism.

In the literature on the understanding of competitive intelligence, there seems to be varying opinions about competitive intelligence with various perspectives being highlighted. However, all these opinions have been seen to converge at complementing the understanding of competitive intelligence. One of the complementarity includes competitive intelligence's role of being a critical success factor for organizations amidst fierce competition. This is as well indicated by the below scholars; Nenzhelele (2016a) in his study on competitive intelligence practice and challenges; Petrisor and Strain in their study on the approaches of competitive intelligence conducted in 2013 have stressed on competitive intelligence's role as a key element for the success of any business especially during economic and financial turbulence period. In addition to the same, DuToit (2015) has observed that competitive intelligence has value to all the business activities of an enterprise with its major attraction being to provide actionable foresight regarding competitive dynamics. As a build up to the previous study, Nenzhelele (2016b) emphasized the need for ethical and legal factors in the practice of competitive intelligence in order to differentiate it from industry espionage.

The other complementarity has come in the form of competitive intelligence's implementation process. Scholars such as Tarek, Adel and Sami in 2016 observed that despite the various dimensions of competitive intelligence; there are only two implementation aspects; that is, the offensive aspect and the defensive aspect. This has further been enhanced by Montserrat, Alsina and Morales (2016) who have noted that within the implementation of competitive intelligence, there are contingent factors which include the size of the organization, industry, organizational culture among others that cut across the dimensions of competitive intelligence. One would therefore conclude that this complementarity can be summarized to include among others; process of collecting data, aim of competitive intelligence, and implementation of competitive intelligence as well as the usage of competitive intelligence.

3.3. *Import of competitive intelligence on the strategic management process*

This study has established that competitive intelligence practice can be formally or informally applied (Johannesson, 2010), it can be made or bought hence managers have a role to play in its advancement. Badaoui and Chettih (2019) while studying the role of competitive intelligence in the strategic management of small and

medium enterprises found out that it is very valuable to integrate competitive intelligence systems with the overall managerial systems since intelligence has a positive structural effect on strategic management. Further to the above, the reviewed literature has pointed out emerging issues as indicated by the nature of competitive intelligence. This can be seen in the works of Nenzhelele (2016a) who found out that competitive intelligence is very difficult to implement but those organizations which implement it manage to acquire a competitive advantage. This study proposes that, the deployment of competitive intelligence system in strategic management process of firms can be observed to raise three potential implications. These include; the intermediate outcomes, the ultimate outcomes and the role of the context of operation. To understand the emergence of these outcomes and the role of the context, we propose a resource based lens in identifying the effect of the import of competitive intelligence in the contexts in which firms operate.

3.3.1 The Intermediate outcome

From the resource based lens, competitive intelligence is a strategic asset; it has been projected to impact the systems of an organization consequently producing capability related outcomes. Valuable resources are termed as strategic assets (Barney, 1991). Upon the deployment of competitive intelligence into the strategic management process, there is an expectation of achieving success in strategic management. It has been observed that whenever competitive intelligence system is deployed into the strategic management process, there is an intermediate outcome that is achieved (Baker, 2014). The study has explained this outcome to touch on the ability of the organization to develop a precise ability for action. This study has called this ability the precision for strategic action, whose consequence is to enhance the organizational ability to form, choose and implement strategies. This importance of competitive intelligence has been documented by several scholars such as Rapp, Agnihotri and Baker (2014) who have emphasized on its ability to shape the strategic decision making process in organizations. In addition, some scholars have emphasized that competitive intelligence is a tool that enables competitive advantage by influencing organizations on dimensions such as customer, financial, human resources as well as the overall organizational effectiveness (Sepahvand, Nazarpouri & Veisi, 2016).

This study has indicated this construct to include; attainment of proficiency, ability to control the markets and consistently and strategically position the organization. It is therefore projected that this outcome will lead to the organization's ability to be precise in its strategic action within the strategic management process. In conclusion, the study has shared the same view with Barney (1991) that competitive intelligence will lead to a firm achieving proficiency and consequently creating, choosing and implementing a strategy that will lead to achieving success in the strategic management process. Well said, proficiency has been indicated by knowledge, competence and capability; market control has been indicated by distribution and supply; and positioning has been indicated by ownership and control of assets.

3.3.2 The ultimate outcome

Strategic assets have a greater role in the realization of sustainable competitive advantage and superior performance (Kyengo & Kilika, 2017). This importance has been seen and expressed in various scholarly articles. For example, Carmen, Fernando and Ramon (2003) have argued that the outcomes in an organization are dependent on the match between organization's capabilities and the multiple challenges faced in the business environment. This study has introduced competitive intelligence as a strategic asset due to its ability to fit into the VRIN perspective (Kyengo & Kilika, 2017).

In the current global competition, firms are investing in strategies in order to gain competitiveness. Firms are doing this through continuously seeking to improve their competitive advantage. With the injection of competitive intelligence which the study introduces as a strategic asset into the strategic management process, the ultimate expectation is attainment of competency that leads to attainment of sustainable competitive advantage. Barney (1991) has defined sustained competitive advantage as a non-duplicable advantage. Competitive intelligence has emerged as a viable strategic option that organizations can adopt and deploy as a source of competitive advantage in the strategic management process. This is mainly due to its ability to

influence the making of different kinds of decisions including market entry, product development, and research and development (Calof et al, 2015). These decisions have enabled a capability for strategic actions. This has justified the thinking that competitive intelligence is the connection between the strategic management process and those activities undertaken by management in order to understand their competitive environment (Johannesson, 2010).

A realization of the intermediate outcome has been projected to enhance the organization's ability to formulate, choose and implement strategies. Successful administration of competitive intelligence system into the strategic management of an organization has been projected to lead to the achievement and implementation of strategic management process. Success in strategic management has been indicated by superior performance of the organization. Performance has therefore come in as the ultimate objective of any strategic action in a firm. Performance has however been understood differently. Majority of studies have been seen to incline towards the financial perspective (Chenhall & Kim, 2007). The same scholars however have advised firms against overreliance on the financial perspective and called for employment of other non-financial indicators when measuring performance. These have been projected to provide better predictors to the organization's long term goals other than the short term goal of profit and financial measures as well as clarifying a broader role of performance measures in organizations (Chenhall and Kim, 2007). This study therefore projects the indicators of non-financial perspective of performance to include; market understanding, sustainability, environmental understanding and responsiveness.

This has been reinforced by scholars such as Gatibu and Kilika (2017) who have looked at the responsiveness understanding from the level in which individuals fulfill the expectations concerning their expected behavior, situation, context, circumstance or job; Tahmasebifard (2018) has explained market performance in form of sales growth, market share, profitability and customer retention rate. Burca, Ali and Cemre (2013) reviewed papers on performance and specifically, strategic performance measurement and observed that it is a means to: implement and reformulate strategy; communicate key objectives; provide strategic alignment; support process improvement; and encourage incremental innovation. In conclusion, this study has observed that the deployment of competitive intelligence system into the strategic management process, leads to increased capability of the organization to realize success in strategic management process indicated by achieving and sustaining superior performance.

3.3.3 The role of the Organizational context

With the deployment of competitive intelligence into the strategic management process in firms, the main projection has been the attainment and enhancement of the organization's competitive advantage and eventual superior performance. While pursuing success through deployment of competitive intelligence system, the study has observed certain factors that have enabled or disabled the adoption of competitive intelligence into the strategic management process. The study has observed that for competitive intelligence to succeed, both internal and external environmental factors have to be considered (Nenzhelele, 2016a; Ahmad, Wright & Pickton, 2004). The internal factors consist of; the size of the organization which influences the kind of resources to be allocated towards the competitive intelligence system, individual factors which influence how the organization collects and interprets information, employee dispositions and organizational culture (Montserrat et al, 2016 and Maune, 2014). The external factors have been indicated to include; operating environment where the organization operates has majorly got to do with the degree of changes in the environment. This study has observed a mixed concern with regards to the role played by these contingent factors. This study has observed that these contingent factors as indicated by the organizational context either come in to enable or disable the implication of integrating competitive intelligence system into strategic management process. This has been seen on how these factors influence the degree of information needed and used within development and deployment of competitive intelligence system in strategic management process (Montserrat et al, 2016).

The study is of the view that since adoption and deployment of competitive intelligence in strategy formation, choice and implementation leads to phenomenon of interest to scholars and the practitioners; developing a theory

based on deployment of competitive intelligence in the strategic management process reflecting its intermediate and ultimate outcomes as well as the contingent factors that condition the behavior of the phenomenon is necessary. It is also very necessary to validate the proposed theorem through an empirical approach. Hence, proposing a new theoretical model goes a long way in not only informing future empirical work but also in advancing authentic scientific knowledge in the area of strategic management involving the deployment of competitive intelligence. Therefore, there is a theoretical implications arising from the conceptualization and operation of competitive intelligence systems in organizations. Competitive intelligence can be considered as part of the organization's management information system and knowledge management system. Therefore, its integration into knowledge management system so as to derive its promised benefits raises theoretical implications on the set of suitable theories to anchor its phenomenon in an organization's strategic management process.

3.4 Theoretical Review

The previous discussion on the conceptual review has attempted to provide a comprehensive understanding of the construct of competitive intelligence highlighting its historical path and the possible outcome from its deployment in an organization's strategic management process. Strategic management requires theories meant to explain the emerging issues from the deployment of competitive intelligence system. Some of the issues that have been documented to have emerged from the conceptual review include; an emerging need for knowledge generation and management, competitive intelligence system has come out as a resource whose investment in is necessary, managerial role on strategic thinking and finally those factors that have influenced the interaction between strategic management process and competitive intelligence. Therefore, it is important to take note of some of the common bases for strategic management theories; consequently, it is needful to underpin this understanding on the appropriate theoretical grounding (Omalaja & Eruola, 2011). This paper has advanced a case for a study based on competitive intelligence and its role in the strategic management process in firms. This is because of the idea that business organizations have as their main objective the achievement of competitive advantage and profit maximization (Omalaja & Eruola, 2011). To support this, this paper will borrow much from profit-maximizing, competition and resource-based theories.

3.4.1 Resource based view

Developed by Penrose in 1959 and later initiated in mid-1980, by Wernerfelt in 1984 and Barney in 1986, this theory provides a thinking to unravel causal links among resources, capabilities and competitive advantage. The whole of competitive intelligence is aimed at collecting information necessary for strategic management whose consequence will have a lot to do with the firms' resources. Therefore, for this theory, organizations gain competitive advantage through accumulating valuable resources and capabilities at the firm's disposal (Wernerfelt, 1984) which lead to the differences in organizations' outcome could be as a result of the variances in their resources. This perspective stresses on resources of the company which could be tangible or intangible assets such as brand name, customer loyalty, reputation, research and development capabilities, managerial capabilities and skills among others (Wernerfelt, 1984). Competitive intelligence is a managerial capability system that can enable a firm to be a step ahead of the competition through enhancing the different phases of strategic management.

Competitive intelligence system is a resource that when incorporated into the strategic management process would lead to formation and implementation of a value creating strategy not simultaneously being implemented by any current or potential competition (Barney, 1991). It is this value creating strategy that will lead to an organization attaining a competitive advantage and the eventual outcome of superior performance. This is so because when an organization develops knowledge, it is able to offer competitive advantage due to it being valuable, rare, inimitable and non-substitutable (Barney, 1991). Barney, (1991) has pointed out that a resource must meet the VRIN criterion in order to provide competitive advantage. The VRIN criterion means that a resource must be valuable; this happens when it provides a strategic value to the firm. A resource must be rare; when the resource is difficult to find among the existing and potential competitors of the firm. The resource must be inimitable, meaning that it's not easy to copy or imitate it. And finally, the resource has to be non-

substitutable. Gary, Wood, and Pillinger, (2009) point out that recent research suggests that managers often make strategic choices in novel situations by utilizing their knowledge derived from past learning and experiences. With competitive intelligence being a resource, it has been anchored and supported by this theory.

3.4.2 Knowledge based theory

This is a theory that was brought to perspective by James Grant in 1996 as growth from resource based view. This theory holds that knowledge is a strategic resource in an organization (Kaplan, Schenkel, Krogh & Weber, 2001) and Sveiby (2001). This is justified from its non imitability quality of resources from the resource based view. The competitive intelligence perspective of a product defines data collected as knowledge which is therefore accumulated and protected by the management for strategic management processes (Nickerson & Zenger, 2004). It therefore follows that competitive intelligence as a system has come in to support organizations with their strategic management by increasing the potential of an organization's performance through knowledge management and improvement (Gisela, Gomez, Fernandez & Palomo, 2019). From the perspective of competitive intelligence as a product, the data produced by the process has been positioned as kind of knowledge that is strategic in an organization due to its inimitability quality. The gathered knowledge plays an important role towards the success of strategic management in an organization. In summary, competitive intelligence can be used to create knowledge which will enable an organization to highlight its strengths and improve the weakness of their competitor (Johannesson, 2010). It is this usage of competitive intelligence that brings in the relationship between competitive intelligence and knowledge based theory. This knowledge comes in to enhance an organizational capability and hence an organizational ability to be precise in action.

3.4.3 Managerial Cognition Theory

The Human resource component is very important in the administration of competitive intelligence system in the strategic management process. It is so because; the success of this activity is dependent on the managers and their managerial cognition. Strategic management is a managerial function and hence factors such as the executive's personalized interpretation, personal interpretation of a function, their values and personalities cannot be ignored. The essence of managerial characteristics within the strategic management process is seen in its influence on the intermediate and ultimate outcome of the firm. As the role of knowledge in organizations has dramatically expanded, the focus has turned on the ways on how we interpret our surroundings. This has led to the studies focusing on the way managers in organizations interpret both external and internal organizational environment (Uotila, 2015). Managerial cognition is all about how managers attend and interpret the business environment to determine their strategic actions. Buyl, Boone, and Matthyssens, (2011) have pointed out that managerial cognition refers to cognitive structures such as the top management team's beliefs about environment and strategy and cognitive processes such as scanning, sense making and interpretation. The knowledge developed by the organization will enable the management to be able to make strategic decisions with the aim of succeeding in the strategic management process. Because managers devise strategies based on their cognitions and perceptions, it is critical to understand how such managerial cognition leads to actual outcomes of environmental strategies (Yang, Wang, Zhou, & Jiang, 2018). To Sucheta and Narayanan, (2004) managerial cognition is one of the drivers of strategic actions. Managerial cognition can therefore be explained to be all about how managers notice and interpret changes in their organizational contexts, greatly shapes a firm's strategic decisions and actions. This theory has been positioned to support strategic management process.

3.4.4 The open systems theory

The open systems theory was introduced by Ludwig Von Bertalanffy. According to Bertalanffy (1950), open systems theory states that firms are strongly influenced by their environment. Strategic management process borrows a lot from the influence of the business environment. The environment consists of all players that exert forces that are economic, political, technological and social in nature. Harcourt and Cornell, (2015) observe that, for a successful strategic management process, a firm should operate in open system and not closed system. This

is to say that, management should be cognizant of the environment in the strategic management process. It therefore follows that it is necessary for any firm to interact with its external environment in order to survive and succeed. During the administration of the competitive intelligence system into the strategic management process, there are various factors within the context of operation that influence the achievement of competitive advantage and the ultimate outcome. These factors come from the open system and as such, this theory will come to have the operational context of administration of competitive intelligence anchored on it.

3.5 The case for new theoretical framework

In view of the discussions so far advanced, scholarship in strategic management needs to respond to the calls made by the observations emanating from the literature to address the emerging issues. One way of doing this is by pointing to the direction for future research in which new models would be investigated to study a phenomenon involving deployment of competitive intelligence in a firm context. Taking this route would require scholars to confront two implications arising namely; providing a philosophical justification for such a move and; identifying the specific components of the phenomenon.

In terms of the philosophical justification required, we point out the role of theorizing in knowledge advancement in a discipline. Omalaja and Eruola (2011) describe a theory as a set of principles on which the practice of an activity is based; or better said, an idea used to account for a situation. Thus, a theory plays an important role in the advancement of knowledge in spite of the raging debates as to its exact place whether it should inform empirical research or should be informed by empirical research. In proposing a new theory, the study needs empirical evidence to support the flow of the logic proposed in the conceptual and theoretical literature. This study therefore will aim at playing a key role towards advancing knowledge in strategic management with regards to the administration of competitive intelligence. In terms of the philosophy of knowledge, we need to import the role of the constructs of ontology and epistemology. Ontology entails the object of investigation while epistemology entails the stance toward the meaning and process of obtaining knowledge (Hathcoat, Meixner & Nicholas, 2018).

Research philosophy can embrace a positivism paradigm which has a deductive view and a theory testing approach. This philosophy embraces an objectivism ontology; whose objective is to explain how things happen (Moon & Blackman, 2013). That is, what could happen with the introduction of competitive intelligence system in the strategic management process? This will be contrary to the interpretivism philosophy which embraces subjectivism ontology in which an inductive and theory building approach is taken by a study (Moon & Blackman, 2013). Thus, we find a reliable basis that ontologically and epistemologically stand justified to propose a new model based on: Clear emergence of constructs associated with competitive intelligence in the context of an organization; Supporting conceptual and theoretical reasoning and Supporting empirical evidence.

3.5.1 Clear emergence of constructs

This literature has identified several concepts associated with the phenomenon brought out by the deployment of competitive intelligence. In this phenomenon, competitive intelligence has been expressed as the antecedent construct being introduced as a strategic asset whose integration into the strategic management process has been proposed to lead to unobservable action which the literature has introduced as intermediate construct. This study has identified this unobservable action to entail precision for strategic action and has been expressed as proficiency with the ability to bring in a capability into the firm. While at this, there are those factors which have been observed to have a contingent effect on the relationship between the antecedent construct and the intermediate construct; the relationship between the intermediate construct and the ultimate construct as well as the relationship between the antecedent construct and the ultimate construct. This gives the study a clear path with regards to the constructs associated with competitive intelligence within an organization.

3.5.2 Supporting conceptual and theoretical reasoning

Competitive intelligence has been positioned as a strategic asset and hence a resource whose import is bound to introduce a proficiency brought by the knowledge gained from the competitive intelligence itself and the information collected through the competitive intelligence process. Resource based view theory has been positioned to anchor the antecedent construct of competitive intelligence with the knowledge based view theory anchoring the intermediate construct of precision for strategic action. The study has also established that there is a major role played by the organizational context with regards to the whole model of importing competitive intelligence system into an organization. This has been observed to be guided by the fact that businesses learn from each other through influencing each other in order to enhance their performance. Therefore, this contingent construct has been anchored on the open systems theory with the ultimate construct of performance being supported by the managerial cognition theory.

3.5.3 Supporting empirical evidence

In addition to the extant conceptual and theoretical literature that supports the existence of a phenomenon involving competitive intelligence, there are diverse empirical attempts that add support to the conceptual and empirical literature. These studies may generally be categorized into three streams that cut across understanding competitive intelligence, adoption of competitive intelligence into strategic management and the environmental impact on the adoption of competitive intelligence.

3.5.3.1 Understanding competitive intelligence

This stream has reviewed studies done by Nenzhelele (2016a), (2016b) and Petrisor and Strain (2013). The studies focused on competitive intelligence and the understanding of it as an intervention within the strategic management process. The studies established that competitive intelligence is a critical success factor for all businesses amidst fierce competition and economic and financial turbulence. In a study on competitive intelligence practice and challenges; Nenzhelele (2016a) noted that competitive intelligence is a critical success factor for all businesses amidst fierce competition. Further to the same, Petrisor and Strain in their study on the approaches of competitive intelligence conducted in 2013 stressed on competitive intelligence and viewed it as a key element for the success of a business especially during economic and financial turbulence period. As a build up to the previous study, Nenzhelele (2016b) emphasized the need of ethical and legal factors in the practice of competitive intelligence in order to differentiate it from industry espionage.

3.5.3.2 Adoption of competitive intelligence into the strategic management

Studies done by Adidam, Banerjee, & Shukla, (2012) and DuToit (2015) were also reviewed. Adidam, Banerjee, & Shukla, (2012), while studying the relationship between competitive intelligence practices and market performance of firms and DuToit (2015) while looking at the historical development of competitive intelligence had their focus on the potential brought about by the deployment of competitive intelligence system into the strategic management process. DuToit (2015) found out that performance is not the immediate outcome of competitive intelligence. For this scholar, the immediate outcome could only be indirectly captured as indicated by an ability to enhance performance. The scholar supported this argument by pointing out that competitive intelligence system is a valuable venture with its major attraction being that of providing actionable foresight regarding competitive dynamism. On the other hand, Adidam et al (2012) found out that there is a direct outcome with the deployment of competitive intelligence system into the strategic management process. This study indicated the role of competitive intelligence as that of ensuring performance. For these scholars, upon the deployment of competitive intelligence, organizations should expect a direct and measurable outcome.

3.5.3.2 Business environmental impact on the adoption of competitive intelligence

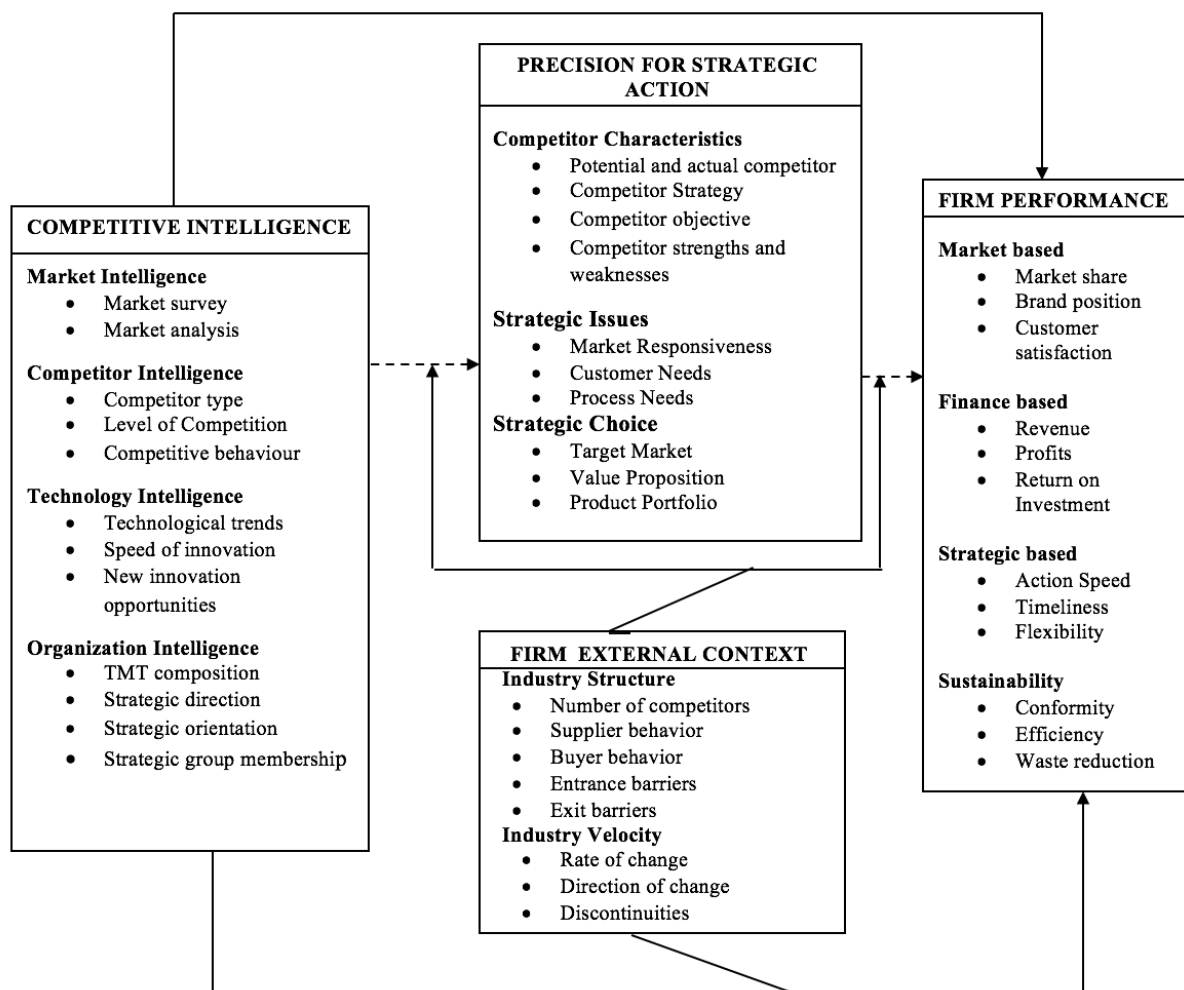
This branch of empirical studies comprises those done by Montserrat, Alsina and Morales (2016); Petrisor and Strain (2013). The studies found out that while adopting competitive intelligence system into the strategic management process of firms, there are those factors whose role is to moderate the relationship between competitive intelligence and its outcomes. This study therefore summarized those factors as organizational

context factors. In addition, the study found out that as a result of the pressure within the business environment, competitive intelligence cannot be administered as a universal intervention. Consequently, competitive intelligence has to differ from one environment to another in order to achieve and sustain performance.

Despite the achievements on the empirical investigation on competitive intelligence, the diversity of the scholars has pointed at the need to extend this level of scholarship into new frontiers. Several suggestions have been made pointing at the need to focus future research on competitive intelligence towards; the need to carryout competitive intelligence legally and ethically; identifying critical information needs and relevant information that are a challenge when practicing competitive intelligence, and to establish ways of measuring return on investment for competitive intelligence (Nenzhelele, 2016a) and towards establishing factors that may influence ethical and legal practice of competitive intelligence (Nenzhelele, 2016b); investigating the positive relationship between competitive intelligence practices and firm's market performance whereby there is an opportunity to undertake longitudinal research to investigate the organizational experience and level of maturity in the adoption and use of competitive intelligence practices for strategic and tactical pursuits (Adidam *et al*, 2012) and finally towards; competitive intelligence practices to give insights about which organizational formula is more convenient as well as defining integral procedures to manage information in order to avoid duplicate data and coordinate the different efforts allocated to competitive intelligence (Montserat *et al*, 2016). Thus, as part of our contribution to this growing body of knowledge in competitive intelligence in strategic management, we move next to propose a theoretical model.

4. PROPOSED THEORETICAL MODEL

Figure 1: Proposed theoretical model



4.1 *Competitive intelligence and firm performance*

Competitive intelligence has been expressed as a process or a product. This study has looked at process and the product of competitive intelligence and performance in terms of ability to scenario plan, identify strategic issues, identify competition and action and finally growth in market share since the entire strategic management process is all about business performance and as ably pointed out by Johannesson (2010), strategic management has a task of designing and implementing winning strategies. From the resource based view approach, the logic is that deployment of strategic assets leads to enhanced firm performance. The conceptual literature advocating adoption of competitive intelligence in strategic management is premised on the same logic of enhancing the impact of firms' strategies on their performance. Several empirical studies give evidence to this (Adidam et al, 2012; Waithaka, 2016 and Tahmasebifard, 2018). From the literature reviewed, it is evident that when a firm introduces a competitive intelligence intervention into the strategic management process, there is a potential of achieving growth in revenue, market share, sustainability and environmental impact realization. Competitive intelligence has been positioned as a very important system simply because it has been observed to be the connection between strategic management process and the activities undertaken by management in establishing a competitive advantage (Johannesson, 2010). In view of this evidence, we propose that:

Proposition 1: Investment in a relevant competitive intelligence system in a firm's strategic management process will positively affect the various dimensions of the firm's performance.

4.2 *The role of precision for strategic action*

With the introduction of competitive intelligence within the strategic management process of an organization, an intermediate outcome has been observed to be felt by the organization. It has been projected that competitive intelligence application can lead to an organization attaining an ability to be precise in its action. This ability has been indicated by the organization attaining proficiency and positioning. This is likely to bring about an advantage for the organization in engaging in its strategic management process. Gisela, Gomez, Fernandez and Palomo (2019) have echoed this by observing that competitive intelligence supports organizations with their strategic management consequently achieving great knowledge that leads to proficiency and eventually achieving or sustaining organization's performance. Therefore, the study proposes that:

Proposition 2: There is a correlation between the deployment of competitive intelligence and the corresponding firm's precision for strategic action.

Proposition 3: The strength of the relationship between the firm's investment in competitive intelligence and its corresponding dimensions of performance is dependent upon the firm's level of acquired precision for strategic action derived from the investment in competitive intelligence.

4.3 *The role of firm context*

The adoption and subsequent deployment of competitive intelligence by organizations is considered a strategic decision that should enhance the firm's responsiveness to its external environment to attain a strategic fit. Thus, the prevailing conditions of the firm's external environment have a role in determining not only the intensity of the intelligence gathering but also the anticipated intermediate and ultimate outcomes the firm expects to enjoy from its investments in competitive intelligence. The requirement for the strategic fit introduces contingent effects of the external context of the firm into the phenomenon arising from deployment of competitive intelligence into a firm's strategic management process. With the deployment of competitive intelligence system in the strategic management process of a firm, there are other unprecedented factors around the business environment that come in to influence the projected outcome. Nenzhelele (2016a), Montserrat et al (2016) and Ahmad et al (2004) have cited both internal and external environmental factors such as organization size, individual and organizational factors, organizational culture and self-perception and the operational sector of the firm and bureaucracies. These factors come at different levels as described by the theoretical model. These factors influence the realization of the intermediate construct, as well as the realization of performance from the

intermediate construct and finally affect the direct relationship between competitive intelligence and firm performance. Simply put, their influence may be experienced in a two-fold manner. First, from unforeseeable events that competitive intelligence may not have been able to capture and avail to decision makers, thus leading to surprises. This may depend on the level of turbulence in the firm context. Secondly, in the case of a highly turbulent context, it may take a while for an organization to integrate competitive intelligence brought to its attention as well as configure its resource preparedness to respond to the emerging demands of the market. In this case, both the precision for strategic action and the ultimate response will be conditioned by the state of the firm context. Thus, the relative contribution of CI and the precision for strategic action to the level of firm performance will depend on the prevailing state of the conditions of the firm's context. Thus, the paper proposes that:

Proposition 4: Even though investments in competitive intelligence by firms is proposed to positively affect the various dimensions of its performance, such an effect will be contingent upon the condition of the firm's external context.

Proposition 5: The existing correlation between the deployment of competitive intelligence and the corresponding firm's precision for strategic action will be moderated by the state of the firm's external context.

Proposition 6: The anticipated mediating effect of precision for strategic action on the existing relationship between competitive intelligence and firm performance will be contingent upon the state of the firm's external context.

5. CONCLUSION

The purpose of the paper was to explore the nature of the construct of competitive intelligence and indicate the phenomenon that it brings about when deployed in a firm's strategic management process. Competitive intelligence has its place in strategic management process through its role in strategy formulation, choice and implementation. When the competitive intelligence system is deployed in a firm's strategic management process, it is projected to bring about a phenomenon whose intermediate outcome is precision for strategic action with the ultimate outcome being performance. Since this conceptualization entails aspects of strategic thinking, the process is conditioned by factors both within and without the organizational context which include both external and internal environment of the firm. The proposed theoretical model describes the emerging phenomenon at abstraction level which opens an avenue for empirical investigation based on the nature of the constructs and their operational indicators. In doing this, the study points towards a suitable direction for future research by highlighting the nature of constructs suitable for the empirical investigation and the roles they are expected to play. The stated propositions indicate the possible lines of relationships that future research may find suitable to test using appropriate statistical techniques so as to guide decision making and policy guidelines. The future research should however, develop suitable measurements and contexts for study in order to move to the empirical state. The authors cite the lack of testable empirical data to validate the claims of the propositions as limitations which future scholarship can overcome by developing measurement instruments, applying them to collect primary data and application of robust statistical techniques to confirm the hypotheses.

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