

Full Length Research Paper

Competitive intelligence and marketing effectiveness in corporate organizations in Nigeria

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The purpose of this paper is to assess the impact of competitive intelligence on the marketing effectiveness of corporate organizations. While much empirical works have centered on marketing effectiveness, the generalizability of its relationship to competitive intelligence in the Nigerian context has been under researched. A 36- item survey questionnaire to measure competitive intelligence and marketing effectiveness was developed and 108 corporate organizations in Nigeria were selected from the gazette of Nigeria stock exchange as sample of this study. Postal survey was conducted with key informants in the organizations. Returned instruments were analyzed using multiple regression and non-parametric correlation through the use of the Statistical Package for Social Sciences (SPSS) version 12. The results of the study reported in this paper validated the earlier instruments and finds strong association between competitive intelligence and marketing effectiveness of corporate organizations in the Nigerian context. The main finding of this study is that competitive intelligence lead to marketing effectiveness in corporate organizations in Nigeria. The implications of the results of this study are clear for scholars and managers. For managers this paper has implications on the investigation of the link between competitive intelligence and marketing effectiveness of corporate organizations in Nigeria. In the first place, this paper provides a direct test of the applicability of a western management paradigm to Nigeria marketing system different from other cultures. This paper significantly refines the body of knowledge concerning the impact of competitive intelligence on marketing effectiveness in the Nigeria context. This paper will, no doubt, contribute to the body of existing literature on competitive intelligence and marketing effectiveness.

Key words: Competitive intelligence, marketing effectiveness corporate organization, Nigeria.

INTRODUCTION

Unlike mental or cognitive and emotional intelligence, competitive intelligence focuses on monitoring the competitive environment with the aim of providing actionable intelligence that will provide a competitive edge to the organization. Competitive intelligence is a very important tool of an organization strategic planning and management process. The formal exploration process of the marketing strategy paradigm has been linked with the environmental scanning interactive as a basis for gathering and processing the information and the information processing theory paradigm (Dishman and Calof, 2008). Competitive intelligence on the other hand, pulls together

data and information from a very large and strategic view, allowing a company to predict or forecast what is going to happen in its competitive environment (Bose, 2008). It allows company to pro-actively rather than reactivity anticipates market development and remains competitive by improving its strategic decisions which leads to good marketing effectiveness.

Marketing effectiveness simply defines how companies go to market with the goal of optimizing their market spend to achieve even better results for both short-term and long-term objectives. In the study reported in this paper, we examined the influence of competitive intelligence on marketing effectiveness of a corporate organization; we adopted the Fahey's (2007) marketing intelligence model as our predictor variables and Kotler (1997) as cited by Nwokah and Ahiauzu, (2008) marketing effec-

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tiveness model as our criterion variable. We shall in this paper, described Fahey's (2007) competitive intelligence model and the concept of marketing effectiveness. We shall describe how the empirical study was undertaken; present the research results and findings as well as the discussion of the findings. The conclusions and the recommendations are stated finally.

The next section of the paper examines the origin and development of the competitive Intelligence, the major fundamental elements and issues that embody the concept, and it's interaction with organizations' marketing effectiveness.

The concepts of competitive intelligence and marketing effectiveness

Competitive intelligence, as a distinct field, started as a specialized activity nested under marketing research known as "marketing intelligence" (Walle, 1999). Wright et al. (2002) have distinguished competitor intelligence from competitive intelligence. According to them, competitor intelligence is defined as those activities by which company determines and understands its competitors, determines and understands their strength and weaknesses, and anticipates their moves. They believe that the underpinning words are identified/determined, understand and anticipate industry and competitors but this according to them only defines competitor intelligence. Competitive intelligence on the other hand extends the role to include consideration of competitor responses to consumer/customer needs and perceptions and one's own responses in the strategic decision-making process. The implication of this is that competitive intelligence is wider in scope than the competitor intelligence. Wright et al. (2002) cited Lauginie et al. (1994) in their descriptive and succinct distinction.

Competitor intelligence is not competitive intelligence but only a part of it. The focus of competitor intelligence tends to be on problems associated with the daily profitable marketing of a company's products or services. The scope of competitive intelligence is a value-added concept that associates competitor intelligence and strategic planning. Some activities concerning competitive intelligence could be traced back to the biblical creation of the universe. In Genesis 1:1-2, God created the universe after His Spirit had moved upon the surface of the earth which was without form and void. The earth was created through the intelligence of satisfying the unsatisfied needs of the void earth. A clear case of competitive intelligence actually began in the Garden of Eden. Man was given all the pleasures and good foods, in the garden to eat freely but was forbidden from eating the fruit of life. Through competitive intelligence, they were able to discover what man could do to disobey God and man was made to eat the forbidden fruits. Also, Judas Iscariot was bribed into revealing Christ's Location (Walle, 1999). In Mathew 26: 47-49, Judas Iscariot intelligently handed

Jesus Christ over to a mob that was armed with swords and clubs. Judas had given them a prearranged signal: "you will know which one to arrest when I go over and give him the kiss of greeting" (verse 48). Verse 49 recorded that Judas Iscariot went straight to Jesus, greeted him and kissed him. You notice that Judas Iscariot exhibited a high level of intelligence to be able to let the mob know which among the twelve (Jesus and the other eleven disciples) was Jesus Christ. This could be used to trace the importance of competitive intelligence.

Though, the techniques of intelligence were not systemized and the people who performed this sort of work were not a distinctive group with unique methods and traditions. Competitive intelligence emerged as a distinct discipline in its own right in recent time. The theoretical account of the development of competitive intelligence has been recorded (Walle, 1999; Wright et al., 2002; Viviers et al., 2005).

In his work, Walle (1999) believed that the work of William T. Kelley can be used to suggest the origins of competitive intelligence as a distinct entity. Walle argues that Kelley's book marketing intelligence (1965), introduced the field of intelligence, while his influential article in the journal of marketing (Kelley, 1968) provides a short and readable account which was easily available to management of marketing. Kelley's seminal work was quickly followed up with Richard L. Pinkerton's influential five article series (Walle, 1999) in industrial marketing titled "How to develop a marketing intelligence system" Walle further argues that these documents can be seen as representatives of pioneering intellectual foundations of the field.

The next phase in the evolution of competitive intelligence as recorded by Walle (1999) seems to be the second stage of competitive intelligence as recorded in Vivier et al. (2005). These centers on the work of Michael E. Porter. Porter's (1980) well-known work on strategic management and competitive analysis which focused on tracking specific competitor behavior and linking competitor analysis to competitive strategy, created the background for the development of competitive intelligence as a business discipline (Peyrot et al., 2002) as cited in Viviers et al. (2005).

In 1980 and 1990s, practitioners while continuing to focus on how decision makers can use business intelligence in strategic ways, have begun to concentrate more and more upon the techniques of the field (Walle, 1999). Viviers et al. (2005) argue that competitive intelligence is synonymous with business intelligence, but it is believed that competitive intelligence implies true purpose of intelligence that is to gain strategic advantage. They identify the basic key factors of competitive intelligence to include competitor intelligence as well as intelligence collected in customers, suppliers, technologies, environments, or potential business relationship. Nwokah and Maclayton (2006) identify these factors as the moderating variables in the relationship between customer-focus and business performance.

Walle (1999) noted that the work of Leonard fuld, how-

ever, is perhaps, the most representative of the current state of the competitive intelligence. Fuld's (1985) definitive work is his competitive intelligence. Walle further argues that as the years went on, Fuld has emerged as a keystone figure, not merely because of his writing but also because he is the founder of a major consulting firm dedicated to competitive intelligence, which provides training, performs consulting services that are tailored to the needs of specific clients and the Fuld organization has a web site which provides a wide range of information and device.

In their own work, Wright et al. (2002) have outlined chronologic breakdown of relevant competitive intelligence articles. Though, none of these articles tested the relationship of competitive intelligence and performance measure or marketing effectiveness, Wright et al., (2002) outlined a total of 359 articles published on competitive intelligence from 1984 to 2006.

Strategic inputs of competitive intelligence

Fahey (2007) has outlined five strategic inputs an intelligence researcher needs to focus on. These are market place opportunities, competitor threats, competitive risks, key vulnerabilities and live assumptions. He argues that each type of intelligence input requires considerable judgment and value-added on the part of intelligence professionals.

Market place opportunities

A marketplace opportunity is a strategy which is concerned with creating and realizing a new market place opportunities. Opportunities define new ways of creating and developing value for customers: new products or solutions; extending existing product lines, reconfiguring existing solutions. Fahey (2007) noted that the executive team continuously addresses two types of new marketing opportunities:

- 1). Extending current opportunities. How can we extend opportunities that are the focus of our current strategy?
- 2). Potential market place opportunities. What opportunities beyond the reach of our current strategy should we be considering? What opportunities may be lurking but not yet fully evident in market place change?

In extending current opportunities, Fahey (2007) believes that short-term opportunities often centre on identifying ways to modify the current strategy to add value for customers. Highlighting how intelligence created assessments leading to new opportunities to extend and leverage the current strategy using three industries as examples, the Fahey notes that two key exchanges must occur between strategy and intelligence professionals: First, the executive team must "challenge" the intelligence team to identify and develop the contours of new opportunities. Second, the intelligence team must demonstrate that it is

fully committed to learning about the firm's strategy.

The current strategy provides the framework for identifying and shaping the extension of current opportunities.

The second strategy input of Fahey (2007) is the potential market place opportunities. The author argues that the executive team also needs to develop strategy where possible, will be a winner tomorrow's strategy. He believes that the charge for intelligence is to help identify the market place opportunities that will be focus of tomorrow's strategy. Fahey outlined some examples of how intelligence teams in a number of firms assess current and projected change to alert executives to emerging potential market place opportunities.

- 1). Follow regulatory developments as a means to project the emergence or demise of specific regulations that open up access to new markets and/or allow the sale of specific products.
- 2). Track and project research and development progress in specific research domains as one input to identify potential new product breakthroughs at some point in the future.
- 3). Conduct patent analysis to identify patterns in the transition from research technology developments likely to lead to new products or significant product modifications.
- 4). Use of projections competitor's strategy to identify potential new products and thus emerge customer needs.
- 5). Use projections of technology developments in related product areas to identify new products or solutions that could be in the market place in two or more years.

Competitor threats

In competitor threats, the author noted that opportunities would be so much easier to realize were it not for the presence of current and potential competitors. He defines competitor's threats as ways that a rival can inhibit a company's strategy from succeeding in the market place. If threats are detected too late, resources tied up in supporting a strategy may be substantially waste, if threats are detected long before coming to full friction, strategy can be adapted to eliminate, ameliorate or avoid the threat. The author believes that executive should pose the following three questions:

- 1). How might competitors most adversely affect our current strategy?
- 2). Which competitors are most likely to do so?
- 3). How might we best "handle" these threats?

Fahey argues that intelligence thus must assess current and potential competitor change for its strategy implications for threats. The executive team must be alerted to current or potential competitor threats.

Competitor risks

In competitive risks, the author argues that strategy is

played over time in a market place or competitive context that extends well beyond competitors. Change in and around the market place (being driven by customers, channels, suppliers, governmental agencies, technology houses, political parties, etc.) is the source not only of marketing opportunities and competitor threats but of competitive risks. He explained competitive risks to include any market place change that could negatively impact the firm's current or potential strategy. He advised that an executive team therefore should always pose the following three questions to its intelligence team.

- 1). What competitive risks does our strategy face?
- 2). What competitive risks might we face in the future?
- 3). How can we best manage these risks? Tailoring response to these broad questions compels the intelligence team to look beyond competitive trends, patterns and discontinuities to isolate and assess risks and demonstrate how they negatively impact the pursuit of specific opportunities.

Key vulnerabilities and assumptions

Discussing on the issues of vulnerabilities, Fahey argues that assessment involves confronting the question: To what is our strategy (or potential strategy) most vulnerable? Or, as stated in some firms: what is it that could most critically affect our strategy and that we can least control? Such assessment forces both intelligence professionals and executives to go beyond merely listing competitor threats, competitor risks and key assumptions. It compels analysis and ranking of current and potential threats and risks to identifying those that could most severely impede a strategy's success.

Base on the forgoing, we deduce that competitive intelligence requires a complete view of competitors. But how does the emphasis on this competitive intelligence influence marketing effectiveness. First let us now briefly examine the construct of marketing effectiveness.

The concept of marketing effectiveness

The wikipedia free encyclopedia (2006) defines marketing effectiveness as the function of improving how marketers go to market with the goal of optimizing their marketing spend to achieve even better results for both the short-term and long-term objectives. There are four basic dimensions of marketing effectiveness (Nwokah, 2006; Nwokah and Ahiauzu, 2008). These are:

Corporate: Each company operates within certain bounds. These are determined by their size, their budget and their ability to make organizational change. Within these bounds marketers operate along the five factors described later in this paper.

Competitive: Each company in a category operates within a similar framework as described later in this paper. In

an ideal world, marketers would have perfect information on how they act as well as how their competitors act. In many industries, competitive marketing information is hard to come by.

Customers: Understanding and taking advantage of how customers make purchasing decisions can help marketers improve their marketing effectiveness. Groups of consumers act in similar way leading to the need to segment them. Based on these segments, they make choices based on how they value the attributes of a product and the brand, in return for price paid for the product. Consumers build brand value through information. Information is received through many sources, such as, advertising, word of mouth and in the (distribution) channel often characterized with the purchase funnel.

Exogenous factors: There are many factors outside the immediate control that can impact the effectiveness of marketing activities. These can include weather, interest rates, government regulations and many others.

Understanding the impact these factors can have on consumers can help us to design programs that can take advantage of these factors or mitigate the risk of these factors if they take place in the middle of our marketing campaigns. There are five factors driving the level of marketing effectiveness that marketers can achieve (Nwokah, 2006; Nwokah and Ahiauzu, 2008).

Marketing strategy: Improving marketing effectiveness can be achieved by employing a superior marketing strategy. By positioning the product or brand correctly, the product/brand will be more successful in the market than competitors' products/brands. Even with the best strategy, marketers must execute their programs properly to achieve extraordinary results.

Marketing creative: Even without a change in strategy, better creative can improve results. The introduction of new creative concept in an organization can increase growth rate.

Marketing execution: By improving how marketers go to market, they can achieve significantly greater results without changing their strategy or their creative execution. At the marketing mix level, marketers can improve their execution by making small changes in any or all of the 4-Ps (Product, Price, Place and Promotion) without making changes to the strategic position or the creative execution marketers can improve their effectiveness and deliver increased revenue. At the program level marketers can improve their effectiveness by managing and executing each of their marketing campaigns better. Whether it's improving direct mail through a better call to action or whether its editing web site content to improve its organic search results, marketers can improve their marketing effectiveness for each type of program.

Marketing infrastructure: Improving the business of marketing can lead to significant gains for companies. Management agencies, budgeting, motivation and coordination of marketing activities can lead to improved competitiveness and improved results.

Exogenous factors: Generally, out of the control of marketers, external or exogenous factors also influence how marketers can improve their results. Taking advantage of seasonality, interests or the regulatory environment can help marketers improve their marketing effectiveness.

The concept of marketing effectiveness has been extensively discussed because of its strong association with many valuable organizational outcomes such as stable, long-term growth, enhanced customer satisfaction, a competitive advantage and a strong marketing orientation (Webster, 1995). Although, respective researches have conducted empirical investigations involving the concept of marketing effectiveness, a few conceptual measures of the construct exist. Appiah-Adu et al. (2001) operationalised marketing effectiveness as amalgam of five components, notably: customer philosophy, integrated marketing organization, adequate marketing information, strategic orientation and operational efficiency. Appiah-Adu et al. (2001) further argued that, first it is imperative to identify the importance of studying the market, recognizing the numerous opportunities, selecting the most appropriate segments of the market to operate in and endeavoring to offer superior value to meet the selected customer's needs and wants. The firm argument must be suitably staffed to enable it perform marketing analysis, planning and implementation. Sequentially, marketing effectiveness calls for management to have sufficient information for the purpose of planning and effective resource allocation to varying markets, products and territories. Marketing effectiveness is also contingent upon the adeptness of managers to deliver profitable strategies from its philosophy, organization and information resources.

Therefore our purpose in this paper as stated earlier is to examine the relationship between Competitive Intelligence domain and marketing effectiveness. In doing this specific attention will be focused on the relationship between the two constructs of competitive intelligence domains, identified in the literature (Market place opportunity, competitor threat, competitor risks, key vulnerabilities and core assumptions), and the associated matrices for marketing effectiveness (consumer-philosophy, integrated marketing efforts, marketing information, strategic orientation and operational efficiency). The hypothesized relationship between emotional intelligence and Kotler's (1977, 1997) five marketing effectiveness constructs are shown in Figure 1

Based on the foregoing and the operational conceptual frame work, we hypothesized thus

H1: Competitive intelligence influences customer philoso-

phy.

H2: Competitive intelligence influences integrated marketing efforts.

H3: Competitive intelligence influences marketing Information.

H4: Competitive intelligence influences strategic orientations.

H5: Competitive intelligence influences operational efficiency.

The next section describes the empirical study which includes the methods of data collection and operationalisation of variables. The section shows that data were collected from primary and secondary sources. Primary data were collected through the use of questionnaire from key informants. The results of the analysis of data are also presented.

THE EMPIRICAL STUDY

Research methodology

Two extreme points of view can be identified in research methodology namely; quantitative and qualitative. Those who take the first approach argue that there is a similarity between social and natural phenomena and similar methods can be used to study both phenomena. They favor the positivistic quantitative methodology in social science research. Those who take the second approach believe that social and natural phenomena are different. According to them, a positivistic quantitative approach is inappropriate for studying social phenomena. They favor a humanistic, subjective or qualitative approach. Due to the nature of this study, we adopted mainly the quantitative paradigm.

Sample selection

A sample frame was compiled from 2007 edition of Nigerian stock exchange gazette. 108 corporate organizations were systematically selected from the 365 corporate organizations listed in the stock exchange gazette. The choice of the sample is rationalized as follows. Those listed organizations are indicative of the most progressive organizations in Nigeria, and have their headquarters in Lagos. The choice of Nigerian Stock Exchange is based on the fact that companies listed therein are publicly quoted companies with re-challenging responsibility and performance to their corporate stakeholders including share holders and customers. To obtain reliable information for this study, the key informant approach was used. Therefore, two key informants in each of the corporate organizations among the sample size constituted the respondents.

Validity and reliability of research instrument and measurement scales

The validity of an instrument refers to the extent to which it measures what it was intended to measure. The validity of the scales utilized in this study was assessed for content and construct (convergent) validity. A measure can be said to possess content validity if there is general agreement among the subject and researchers that constituent items cover all aspects of the variables being measured (Nwokah and Maclayton, 2006). Content validity was enhanced via the conventional process for measure development. The competitive Intelligence and marketing effectiveness scales were tested for construct (convergent) validity. A measure

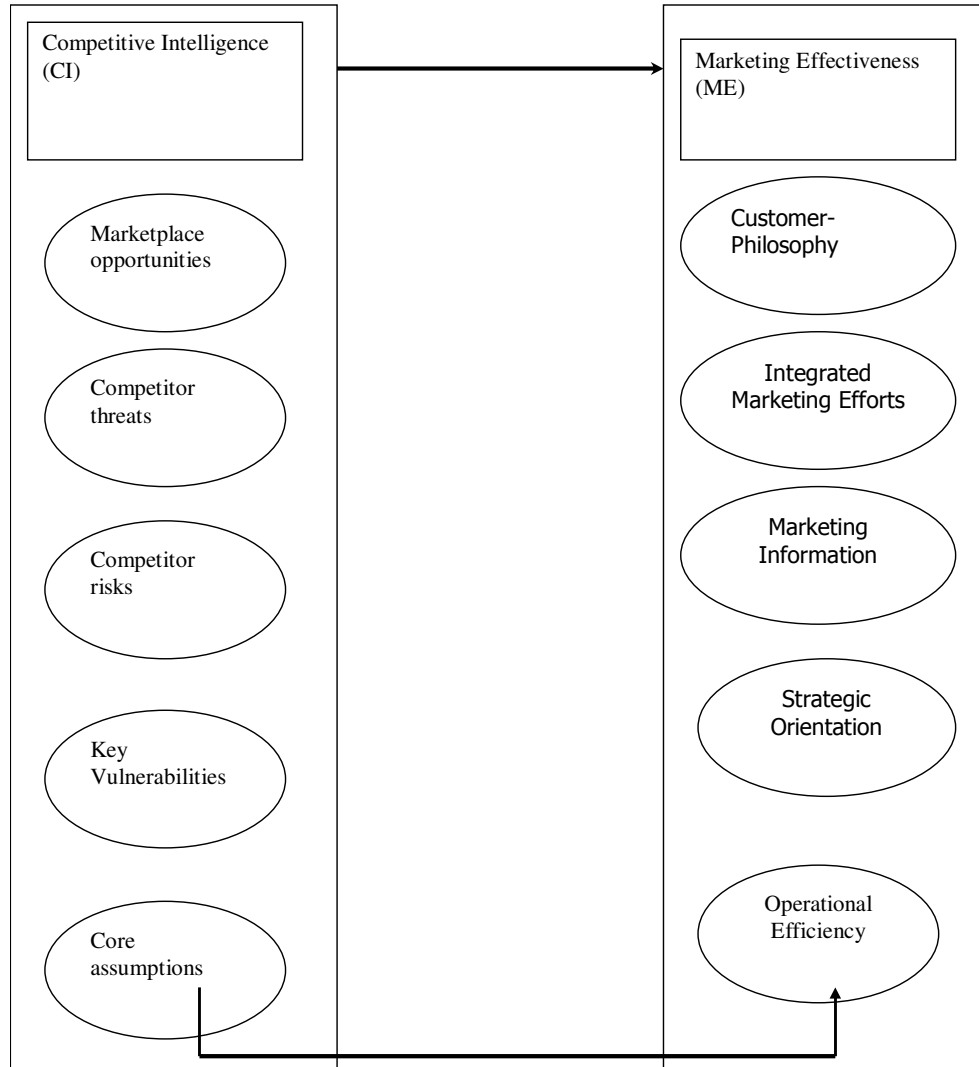


Figure 1. Operational conceptual Framework: Relationships between competitive intelligence and marketing effectiveness.

can be said to have construct validity if it measures the theoretical construct or trait that it was designed to measure. The correlation among the component of competitive Intelligence and the correlation among the components of the marketing effectiveness may provide evidence of convergent validity to the extent that they are high; that is, they are converging on a common underlying construct.

After the survey had been completed the reliability of the scales was further examined by computing their coefficient alpha (Cronbach Alpha). All scales were found to exceed a minimum threshold of 0.7 as used in previous studies (Seeman and O'Hara, 2006; Nwokah and Maclayton, 2006). Convergent validity is also suggested when the individual variable scores are combined into a single scale to give a Cronbach alpha of 0.7982. The actual results of the scale reliability analysis are reported in Table 1 and 2.

Data collection and analysis

A survey questionnaire was developed for this study to measure the study constructs. Given the nature of this study as regards data ge-

neration requirements, it was considered that responses should be elicited from sources knowledgeable in the organization's competitive Intelligence and marketing activities so as to limit measurement error (Bowman and Abrosin, 1997). In this regard, intelligence staff and head of marketing in each sample organization were treated as the key informants. With the key informants approach; data were collected from an intelligence staff on issues relating to marketing intelligence, and a marketing manager on issues relating to marketing effectiveness. Therefore two copies questionnaire were distributed to a company making a total of 168 copies of questionnaire distributed. It was assumed that such managers have the best advantage point to provide the most accurate responses. A total of 158 copies of questionnaire were returned, out of which 16 were not useable on the basis that the respondents declared no wish to take part in the study for various reasons.

To analyze our data, SPSS for windows version 12.0 was used. A total of 142 copies of useable questionnaire were returned and used in the study. Raw data were put into the spread sheet of the SPSS and were later transformed to obtain the sum of the values of competitive intelligence and marketing effectiveness. A multiple regression analysis was carried out to obtain our r^2 value, standard deviation and the sum of competitive intelligence was regressed to the sum the square of market-

Table 1. Scale reliability of competitive intelligence elements

S/No	Scale items Competitive intelligence	Item to total correlation	Scale alpha if item deleted
A	Marketplace opportunities (Coefficient alpha for scale 0.7322)		
1.	We follow regulatory developments as a means to project the emergence or demise of specific regulations that open up access to new markets and/or allow the sale of specific products	0.4187	0.7953
2.	We track and project R & D progress in specific research domains as one input to identifying potential new product breakthrough at some point in the future	0.4854	0.7717
3.	We conduct potent analysis to identify patterns in the transaction from research to technology developments likely to lead to new products or significant product modifications	0.4740	0.7797
4.	We use projections of a competitor's strategy to identify potential new products and thus emerging customer needs.	0.4545	0.7761
5.	We use projections of technology developments in related product areas to identify new products or solutions that could be in the marketplace in two or more years.	0.3965	0.77436
B	Competitor threats (Coefficient alpha for scale 0.7212)		
6.	We are usually at alert to current or potential competitor threats..	0.4126	0.7471
7.	Opportunities are not so much realize because of the presence of potential and current competitors	0.4121	0.7412
8.	Our strategies are formulated to win rivals.	0.4552	0.7554
9.	Rivals current and potential actions pose threats to any strategy's success	0.3900	0.7036
10.	Competitor's threats are defined as ways that a rival can inhibit a company's strategy from succeeding in the marketplace.	0.4690	0.7814
C	Competitive risks		
11	Competitive risks include any marketplace change that could negatively impact firm's current or potential strategy.	0.4935	0.7724
12	We usually know as early as possible, what marketplace risks may be associated with current strategy or with potential strategy shifts intended to pursue new opportunities.	0.4555	0.7797
13	Intelligence-based assessment of the implications of risks can shift the executive team's "understanding" of an opportunity of a strategy alternative.	0.4452	0.7717
14	Some risks may be immediate and totally evident in today's competitive landscape.	0.3889	0.7471
D	Core assumptions		
15	Assumptions about marketplace change underpin our current strategy.	0.4298	0.7471
16	We usually assume that no major rival would introduce a breakthrough new product for at least two years.	0.4822	0.7412
17	We often assume that over the next three years, customers would continue to purchase at the same average rate as in the prior three years.	0.4452	0.7814
18	We often assume the regulatory environments would not product any negative surprises.	0.4254	0.7614
E	Vulnerabilities		
19	We always investigate those factors that could critically affect our strategy.	0.4441	0.7824
20	We are compelled to analyze and rank current and potential threats and risks to identify those that could most severely impede a strategy's success.	0.4444	0.7826
21	Assessment forces both intelligence professionals and executives to go beyond merely listing competitor threats, competitor risks and key assumptions.	0.4242	0.7737

Table 2. Scale reliability of marketing effectiveness elements

S/No	Scale items Marketing effectiveness	Item to total correlation	Scale alpha if item deleted
A	Customer philosophy (Coefficient alpha for scale 0.7842)		
	Management recognizes the importance of designing the company to serve the needs and wants of chosen markets.	0.4965	0.77536
	Management develops different offerings and marketing plans for different segments of the market	0.4965	0.77436
	Management takes a whole marketing system view (suppliers, channels, competitors, customer, and environment) in planning its business.	0.4138	0.7468
B	Integration and control of the major marketing functions (Coefficient alpha for scale 0.7564)		
	There is high-level marketing integration and control of the major marketing functions	0.4187	0.7953
	Marketing management work well with management in research, manufacturing, purchase, physical distribution, and finance.	0.4854	0.7717
	New product development process in our company is well organized	0.4740	0.7797
C	Gathering adequate marketing information (Coefficient alpha for scale 0.7252)		
	We regularly conduct marketing research to study customers, buying influences, channels and competitors.	0.3965	0.77436
	Management usually have full knowledge of the sales potential and profitability of different market segments, customers territories, products, channels and other sizes.	0.3965	0.77436
	Effort is expended to measure the cost-effectiveness of different marketing expenditures.	0.4138	0.7468
D	Existence of strategic orientation (Coefficient alpha for scale 0.7312)		
	Management develops an annual marketing plan and a careful long-range plan that is updated annually.	0.4187	0.7953
	The quality of current marketing strategy is clear, innovative, data-based and well-reasoned.	0.4854	0.7717
	Management formally identifies the most important contingencies and develops contingency plans	0.4740	0.7797
E	Operational efficiency (Coefficient alpha for scale 0.7223)		
	Marketing thinking at the top are communicated and implemented down the line	0.3965	0.77436
	Management is doing an effective job with the marketing resources?	0.3965	0.77436
	Management show a good capacity to react quickly and effectively to on-the-spot development	0.4138	0.7468

SPSS output version 10.0 on research data.

ing effectiveness to obtain the regression (r^2) values. The analysis however, reveals (as shown in Table 5) that there is a relationship between Competitive Intelligence and marketing effectiveness.

RESEARCH RESULTS AND FINDINGS

Scale construction

Competitive intelligence: The descriptive findings of the Competitive Intelligence are reported in Table 3. It can be observed that the mean scores range from 3.12 to 3.81 with a reasonable dispersion about this measure of cen-

tral tendency. It was found that the Cronbach Alpha coefficient for market place opportunities is 0.7322, competitor threat is 0.7331, competitive risks is 0.7221, core assumption is 0.7231 and vulnerabilities is 0.7212. Also item total scale correlation analyses calculated all variables to be positive and highly statistically significant in their relationship with competitive intelligence index. Marketing effectiveness: Factor Analysis was conducted in this section to determine the dimensionality of marketing effectiveness measurement scales and item purification. Principal analysis with varimax rotation was carried out to

Table 3. Competitive Intelligence Scale statistics

S/No	Competitive intelligence	Mean	St. Dev	Item-total scale correlation
A	Marketplace opportunities (Coefficient alpha for scale 0.7322)			
1.	We follow regulatory developments as a means to project the emergence or demise of specific regulations that open up access to new markets and/or allow the sale of specific products	3.12	1.03	0.4615
2.	We track and project R & D progress in specific research domains as one input to identifying potential new product breakthrough at some point in the future	3.45	1.11	0.4868
3.	We conduct patent analysis to identify patterns in the transaction from research to technology developments likely to lead to new products or significant product modifications	3.66	1.21	0.4833
4.	We use projections of a competitor's strategy to identify potential new products and thus emerging customer needs.	3.00	0.98	0.4545
5.	We use projections of technology developments in related product areas to identify new products or solutions that could be in the marketplace in two or more years.	3.50	0.99	0.4852
BB	Competitor threats (Coefficient alpha for scale 0.7212)			
6	We are usually at alert to current or potential competitor threats	3.80	1.05	0.5004
7.	Opportunities are not so much realized because of the presence of potential and current competitors	3.11	0.97	0.4562
8.	Our strategies are formulated to win rivals.	3.81	1.06	0.5005
9.	Rivals current and potential actions pose threats to any strategy's success	3.52	0.97	0.4925
10.	Competitor's threats are defined as ways that a rival can inhibit a company's strategy from succeeding in the marketplace.	3.55	0.99	0.4771
C	Competitive risks Coefficient alpha for scale 0.7221			
11.	Competitive risks include any marketplace change that could negatively impact firm's current or potential strategy.	3.62	0.93	0.4887
12	We usually know as early as possible, what marketplace risks may be associated with current strategy or with potential strategy shifts intended to pursue new opportunities.	3.70	0.96	0.4781
13	Intelligence-based assessment of the implications of risks can shift the executive team's "understanding" of an opportunity or a strategy alternative.	3.52	0.97	0.4925
14	Some risks may be immediate and totally evident in today's competitive landscape.	3.55	0.99	0.4771
	Core assumptions (Coefficient alpha for scale 0.7231)			
15	Assumptions about marketplace change underpin our current strategy.	3.21	0.93	0.4871
16	We usually assume that no major rival would introduce a breakthrough new product for at least two years.	3.33	0.98	0.4772
17	We often assume that over the next three years, customers would continue to purchase at the same average rate as in the prior three years.	3.55	0.99	0.4771
18	We often assume the regulatory environments would not produce any negative surprises.	3.52	0.97	0.4925
	Vulnerabilities (Coefficient alpha for scale 0.7212)			
19	We always investigate those factors that could critically affect our strategy.	3.81	1.06	0.5005
20	We are compelled to analyze and rank current and potential threats and risks to identify those that could most severely impede a strategy's success.	3.88	0.96	0.5514
21	Assessment forces both intelligence professionals and executives to go beyond merely listing competitor threats, competitor risks and key assumptions.	3.81	0.93	0.5441

SPSS output version 10.0

out to identify a set of underlying dimensions of the construct using factor loadings greater than 0.5 and Cronbach's alpha greater than 0.6 as the cut off criteria. The

scales used to capture dimensions of organization's marketing effectiveness are displayed in Table 4. It indicates that there are five factors to measure marketing effec-

Table 4. Principal component analysis of marketing effectiveness

S/No	Scale items Marketing effectiveness	Factor loading	Item to total correlation	Crombach
A	Customer philosophy			0.7842
1	Management recognizes the importance of designing the company to serve the needs and wants of chosen markets.	0.992	0.8498	
2	Management develops different offerings and marketing plans for different segments of the market	0.994	0.8477	
3	Management takes a whole marketing system view (suppliers, channels, competitors, customer, and environment) in planning its business.	0.973	0.8039	
B	Integration and control of the major marketing functions			0.7564
4	There is high-level marketing integration and control of the major marketing functions	0.993	0.8498	
5	Marketing management work well with management in research, manufacturing, purchase, physical distribution, and finance.	0.993	0.8482	
6	New product development process in our company is well organized	0.944	0.7982	
C	Gathering adequate marketing information			0.7252
7	We regularly conduct marketing research to study customers, buying influences, channels and competitors.	0.994	0.8498	
8	Management usually have full knowledge of the sales potential and profitability of different market segments, customers territories, products, channels and other sizes.	0.948	0.8479	
9	Effort is expanded to measure the cost-effectiveness of different marketing expenditures.	0.914	0.7982	
D	Existence of strategic orientation			0.7312
10	Management develops an annual marketing plan and a careful long-range plan that is updated annually.	0.976	0.8498	
11	The quality of current marketing strategy is clear, innovative, data-based and well-reasoned.	0.972	0.8459	
12	Management formally identifies the most important contingencies and develops contingency plans	0.995	0.7907	
E	Operational efficiency			0.7223
13	Marketing thinking at the top are communicated and implemented down the line	0.979	0.8498	
14	Management is doing an effective job with the marketing resources?	0.993	0.8429	
15	Management show a good capacity to react quickly and effectively to on-the-spot development	0.995	0.8152	

SPSS output version 10.0.

tiveness, as previously conceptualized by Kotler (1977, 1997).

Principal components analysis was used to assess the underlying relationship of each dimension within marketing effectiveness. Table 4 illustrates that in all cases; a single factor was extracted, suggesting the homogeneity within each factor. The dimension most emphasized by organizations in their overall marketing effectiveness appears to be customer philosophy.

Regression analysis

Competitive intelligence and customer philosophy

Table 5 shows the multiple regression results of the competitive intelligence dimensions on perceived marketing effectiveness. The findings on Table 5 indicate significant and positive associations between market place opportunity, competitor threat, competitor risks, core assump-

Table 5. Multiple regressions of competitive intelligence and marketing effectiveness

Competitive intelligence	Marketing effectiveness	Spearman correlation	Significance	Multiple R² values
Marketplace opportunity	Customer Philosophy	0.623	0.904	0.691
	Integration and control of the major marketing functions	0.608	0.904	
	Gathering adequate marketing information	0.654	0.771	
	Existence of strategic orientation	0.566	0.777	
	Operational efficiency	0.688	0.825	
Competitor threats	Customer Philosophy	0.661	0.908	0.688
	Integration and control of the major marketing functions	0.612	0.908	
	Gathering adequate marketing information	0.625	0.586	
	Existence of strategic orientation	0.612	0.862	
	Operational efficiency	0.622	0.820	
Competitive risks	Customer Philosophy	0.651	0.931	0.677
	Integration and control of the major marketing functions	0.654	0.908	
	Gathering adequate marketing information	0.608	0.931	
	Existence of strategic orientation	0.622	0.908	
	Operational efficiency	0.642	0.773	
Core assumptions	Customer Philosophy	0.632	0.775	0.667
	Integration and control of the major marketing functions	0.621	0.742	
	Gathering adequate marketing information	0.632	0.861	
	Existence of strategic orientation	0.621	0.877	
	Operational efficiency	0.622	0.854	
Vulnerabilities	Customer Philosophy	0.621	0.956	0.659
	Integration and control of the major marketing functions	0.633	0.899	
	Gathering adequate marketing information	0.621	0.879	
	Existence of strategic orientation	0.621	0.845	
	Operational efficiency	0.623	0.855	

Source: SPSS 10.0 output.

and vulnerability and customer philosophy. These results provide strong support for H1

Competitive intelligence and integrated marketing efforts

The findings on Table 5 indicate a significant and positive association between all elements of competitive intelligence and integrated marketing efforts. These results again provide support for H2

Competitive Intelligence and Information gathering

The findings on Table 5 indicate a significant and positive association between all elements of competitive intelligence and adequate information gathering, these results provides strong support for H3.

Competitive intelligence and strategic orientation

The findings on Table 5 indicate a significant and positive

association between all elements of competitive intelligence and strategic orientation, these results again provides support for H4

Competitive intelligence and operational efficiency

The findings on Table 5 indicate a significant and positive association between all elements of competitive intelligence and operational efficiency. These results again provide support for H5.

In the following section of this paper, each of the findings is discussed and conclusions are made based on the findings

DISCUSSION

Table 5 demonstrates clearly, that where Competitive Intelligence is deemed to be effectively taking place in this exploratory study, there is evidence to suggest that it is contributing to overall marketing effectiveness of corporate organizations. Moreover, the underpinning hypotheses, as stated earlier are clearly substantiated by the results of this study. In general, there is a strong relationship between the competitive intelligence of a corporate organizations and its marketing effectiveness. Each competitive intelligence component contributes to the marketing effectiveness measure examined, although their relative influences vary according to the specific marketing effectiveness dimension.

As can be seen from Table 5, the most significant predictor of the competitive intelligence based marketing effectiveness measure is information gathering. Furthermore, from the findings, there are implications regarding possible linkages amongst the five marketing effectiveness dimensions utilized. These tentative results lend credence to the propositions advanced by both scholars and practitioners that there is a relationship between competitive intelligence and organizational performance (Ahiauzu, 2006). Customer philosophy is conceived as the key component underlying the relationship between one of the five effectiveness measures in this exploratory paper and this is obvious in the marketing effectiveness dimensions for all the results. In essence; this paper reinforces the need for corporate organizations in Nigeria to emphasis the nurturing of a sound competitive intelligence if they are to benefit fully from increased marketing effectiveness rates.

The implications of the results of this study are clear for scholars and managers. For managers, this paper has implications on the investigation of the link between competitive intelligence and marketing effectiveness of corporate organizations in Nigeria. In the first place, this paper provides a direct test of the applicability of a western paradigm to Nigeria economic system different from other culture. The marketing effectiveness rating scales (Kotler, 1977, 1997) were developed in the context of the Western cultural setting. Even though the continued interna-

tionalization of business operations has led to the conjecture that marketing theories and models might well be transportable across national and cultural borders (Sin et al., 2001), the direct application of these model to subjects from another culture without any validation might create a "category fallacy".

Moreover, an uncritical emulation and extrapolation of the experiences of USA marketing practices to country with different cultures and economic environments might lead to inefficient and ineffective performances of organizations in those countries. Our findings increase our confidence in the cross-cultural applicability of Kotler's scale and model in studying marketing effectiveness. Of course, this research must be replicated in other diverse market environments and overtime to increase the generalizability of the theory. For managers, this paper helps to assess the effectiveness of competitive intelligence and marketing effectiveness in the transitional economy of Nigeria. The inconsistent growth of the Nigeria economy has caught worldwide attention in recent years. Understanding more about business strategies in Nigeria can be enormously helpful for foreign organizations interested in collaborating and / or competing against Nigeria enterprises. This paper represents the first of a series of studies investigating competitive intelligence and marketing effectiveness in the context of corporate organizations in Nigeria. Given the theoretical and managerial significance of this research, it will not be the last study of its type.

Conclusions and Recommendations

The survey results suggest that a valid instrument for measuring the competitive intelligence and marketing effectiveness of corporate organizations in Nigeria has been developed. Competitive intelligence seems to consist of five dimensions (Fahey, 2007) and be measured using 21 questionnaire items.

Marketing effectiveness appears to consist of five dimensions (Kotler, 1977, 1997) and be measured using 15 questionnaire items which demonstrate content, criterion and construct validity. A customer philosophy includes management recognition of the importance of designing the company to serve the needs and wants of chosen markets, management development of different offerings and marketing plans for different segments of the market and management decision to take a whole marketing system view (suppliers, channels, competitors, customer, environment) in planning its business. An integration and control of the major marketing functions include a high level of marketing integration and control of the major marketing functions, marketing management working well with management in research, manufacturing, purchase, physical distribution, and finance; and Management usually having full knowledge of the sales potential and profitability of different market segments, customers territories, products, channels and

other sizes. Adequate marketing information include regularly conducting marketing research to study customers, buying influences, channels and competitors; management having full knowledge of the sales potential and profitability of different market segments, customers territories, products, channels and other sizes; effort is expanded to measure the cost effectiveness of different marketing expenditures. Strategic orientation consists of management developing an annual marketing plan and a careful long range plan that is updated annually; the quality of current marketing strategy is clear, innovative, data based and well reasoned; management formally identifies the most important contingencies and develops contingency plans. Operational efficiency include marketing thinking at the top are communicated and implemented down the line; management doing an effective job with the marketing resources and management showing a good capacity to react quickly and effectively on the spot development.

This paper has sought to contribute further to the knowledge concerning competitive intelligence and marketing effectiveness by applying the established marketing effectiveness model to corporate organizations in Nigeria under some what unique circumstances. However, in furtherance to the realization of set objectives, we make the following recommendations:

- 1) Organizations in Nigeria should always create a competitive Intelligence unit to regularly monitor the activities of competitors and to evaluate the organizations actions in line with that of competitors
- 2) Management must consistently motivate its intelligence team so that it will analyze the customer's needs, seek to satisfy them, and try to adapt the products to these needs, react to competitors' actions and responses.
- 3) Management should also work in collaboration with other workers in the company and share information about customers and competitors with these workers.
- 4) Research efforts in the future should consider certain themes and issues that have emerged from this paper. In line with this, attention could be devoted to examine the relationship of these constructs in other cultural environments other than Nigeria.

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