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INFLUENCE OF COMPETITIVE INTELLIGENCE ON SUSTAINABILITY OF SMALL AND MEDIUM ENTERPRISES (SMEs) IN NIGERIA

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Abstract

This paper examined the influence of competitive intelligence on sustainability of small and Medium Enterprises (SMEs) in Nigeria. As Nigeria marketing environment is enmeshed in escalating competition arising from the effects of globalization and other marketing dynamics among others. The paper examined the concept of competitive intelligence, Sustainability of small and Medium Enterprises in Nigeria, the effect of competitive intelligence on the sustainability of small and medium enterprises in Nigeria. Conclusion were made and the study recommended among others that to stem the sustainability of the competitive in the market, Small and Medium Enterprises (SMEs) should study the consumer's needs and wants by developing innovate products capable of providing them with value and satisfying benefits rather than those offered by the competitors. Also, that the SMEs should take holistic assessment of the competitive intelligence strategies in the environment and develop different and unique design to earn them a competitive edge over and above competitors.

Keywords: Influence, Competitive Intelligence, SMEs, Sustainability, Nigeria

Introduction

The Nigeria marketing environment is enmeshed in escalating competitive, arising form the effects of globalization and other marketing dynamics such that Small and Medium

Enterprises (SMEs) sustainability has become survival of the fittest to keep peace with the changing competitive forces and come to terms with the realities on the ground. According to Ngboawaji and Nduka (2021) Small and Medium Enterprises (SMEs) has remained a significant intervening variable for economic growth and development of nations of the world. They are the engine of economic growth and development, wealth creation and employment generation and almost all the economics in the world today depends solely on the invaluable contribution of SMEs especially in the developing countries like Nigeria. Oladimeji, Eze and Akanni (2017) states that SMEs are highly valuable and not robust strong and rugged to with stand the environment dynamics arising from the onslaught of economic and global competitions and the need to improve Small and Medium Enterprises (SMEs) competitiveness in the market becomes imperative. It is now a matter of necessity to enable SMEs to closely monitor their business and making judicious use of all available resources in order to survive and stand the test of time among competing firms' in the market place and space.

However, competitive intelligence involves gathering and analyzing information about your competitors. According to Nduka, Ezem and Ngboawaji (2020) competitive intelligence is the analysis of data, information gathering and sharing that facilitate tactical and strategic decision making and has enhanced firm competitive advantage. Sara and Firdaous (2017) states that competitive intelligence is a business practice and proactive approach of identifying challenges, gathering information analysis and disseminating intelligences about product, customer, competitors, market and other functional area of an enterprises which include the business assisting managerial tactical and strategic decision for the enterprises. The consequences of these activities and other marketing dynamics are geared towards increasing the need and pressure for efficiency productive in an aggressive environment, the need for better understanding and knowledge of the competitive force that enhance and reshape the domains character and behaviour is imperative. In view of the above, Small and Medium Enterprises (SMEs) remain an important subsector of Nigeria economy. The contribution of SMEs has been recognized as substance of the economy because of their capacity in enhancing the economy's output and human welfare or development. According to Akingunole (2011) turbulent and competitive nature of business environment occasioned by technology advancement and need for competitive advantage necessities SMEs to work out sustainable development strategies. However, since early 1990s government policies of SMEs through competitive intelligence and application of technology advancement have attracted attention due to its importance as a means to enhance performance, growth and productivity of firms, as such the establishment and proper management of SMEs Have positive effects on Nigeria economic development.

The sustainability of Small and Medium Enterprises (SMEs) for economic growth and development in Nigeria cannot be overemphasized. Indeed SMEs have been described as a catalyst for economic growth development in many countries including developing countries such as Nigeria (Nenzheuk, 2014). Due to these importance roles, successive Nigeria government policies to encourage the establishment of new SMEs and ensure the success and long-term sustainability performance of the existing ones and most of these policies are financial in nature aimed at improving the access of SMEs to low-cost capital (Sanusi, 2003). Sustainability of companies enables SMEs to formulate and eventually implement a value creating strategy. Every sustainable competitive advantage can only be maintained for a

certain amount of time depending upon the speed with which competitors are able to duplicate or substitute. The pursuit of sustainable competitive advantage enables commitments, decision and actions by the entrepreneur (Igbaekemen, 2014). Competitive intelligence may affect competitive advantage measured by cost reduction and market expansion, cost reduction entails condition's that allows enterprises to produce goods and services of equal value at lower cost. Oladimenji, Eze and Akanni further states that market expansion on the other hand is the process of offering goods and services to wider section of an existing market or a new demographic or geographic market, thus sustainability strategies aimed larger SMEs in competitive target market becomes imperative. This will enable Small and Medium Enterprises (SMEs) to respond quacking to the changing behavioural patterns in the market to enhance revenue growth, increase sales and return on investment. This consideration has necessitated two of study to identify and put in place competitive intelligence on the sustainability that enhances Small and Medium Enterprises (SMEs) productivity and performance in Nigeria.

Concept of Competitive Intelligence

The origin of competitive intelligence could be traced to a move made by William Fair in 1966 that projected for formation of a corporate "Central Intelligence agency within the firm in order to collect, screen, organize, record retrieve and disseminate information (Fair, 1966). Since then, this proposition has developed to become an increasing business plan with defined job functions directly responsible for intelligence collection, analysis and dissemination about rival competitors. Yap and Raslid (2011) states that intelligence consists of information that has been analyzed for tactical decision making and competitive intelligence is both a process and product. As a process, it is a set of legal and ethical procedure for collecting, developing, analyzing and propagating actionable information concerning the competitors, suppliers, customers, the organization itself and business environment that can affect a company plan, decision operation and profitability. Moneme, Nzewi and Mabemena (2017) highlights four distinct categories of competitive intelligence practices namely; product intelligence, new market intelligence, technology intelligence and strategic alliance intelligence. The combination of these factors leads to profitability which enhance financial base of SMEs. These competitive intelligence strategies enhance the sales and profitability pattern of the Small and Medium Enterprises (SMEs). This is as a result of their widespread use in strategic management and sufficient level of abstraction applied across a variety of organization and industries. By achieving the above stated goals, competitive intelligence serves the following purpose according to Ukairo, Igwesi and Ijeh (2021):

i. Competitor background, benchmarking, assessment and tracking
ii. Market, industry, political, customer, supplier and technological profiling benchmarking and assessment.
iii. Timely warning on opportunities and threats.
iv. Support for tactical planning and implication
v. Support of strategic decision making.

Competitive intelligence provides a structure that helps to Small and Medium Enterprises (SMEs) break away from their group. Muthama and Karaji (2012) identifies the need for competitive intelligence as a means for scrutinizing rival organizations for threats hereby allowing the organization to be well prepared and positioned to confront threats and adopt instantly to possible changes in the competitive environment.

Sustainability of Small and Medium Enterprises (SMEs)

Sustainable growth is such a development that meets the needs of the present without compromising the ability to meet the future needs. Long-term perspective is characteristic of this growth. Any decision should be considered in terms of long-term impacts. Successful business development is conditioned by many factors. The most important are clarified strategy and the company's ability to respond flexibly to varying market situations. Therefore, we can say that the competitiveness and sustainability are mutually supportive concepts. In the context of today's business environment, companies compete on the basis of what they know, how quickly they learn and how well they used it in the past, when access to resources such as capital, labor and material had a decisive effect (Fleisher, Bensoussan, 2003). Herrying names this enterprise environment such as competition based on knowledge. This environment is based not only on data, information and knowledge but also on its intelligence system (Herrying, 2003). Currently, companies collect large amounts of data and information that are losing importance in this volume. Therefore, enterprises to maintain a competitive advantage must clearly establish a system of data transformation to intelligence. This process is called competitive intelligence and requires unique skills, experience, knowledge of the industry and organizational conditions, decision-making and management skills.

The sustainability of Small and Medium Enterprises (SMEs) for economic growth and development in Nigeria cannot be overemphasized. Indeed, SMEs have been described as a catalyst for economic growth development in many countries, including developing countries such as Nigeria. Sustainable growth is such a development that meets the needs of without compromising the ability to meet the future needs. Long-term perspective is characteristic of this growth. Any decision should be considered in terms of long-term impacts. Successful business development is conditioned by many factors. The most important are clarified strategy and the Small and Medium Enterprises ability to respond flexibly to varying market situations. Therefore, we can say that the competitiveness and sustainability are mutually supportive concepts. In the context of today's business environment, SMEs complete on how the basis of what they known, how quickly they earn and how well they used it in the past, when access to resource, such as capital, labour and material had a decisive effects (Poblano-Ojinaga, 2019). Therefore, Small and Medium Enterprises (SMEs) to maintain a competitive advantage must clearly establish a system of data transformation to intelligence. This process is called competitive intelligence and requires unique skills, experience, knowledge of the Small and Medium Enterprises conditions decision-making and management skills.

The importance of the implementation of competitive intelligence

A well-designed system of competitive intelligence can help balances in the strategic planning process, as well as in determining of intent and ability of its competitors, and also determine the extent of the risks to which enterprise may be exposed. Muthama and Karaji (2012) confirm that by stating that competitive intelligence in the enterprise serves as a catalyst in the decision making process. It is also part of the value chain, which converts the component data into unable information and the results of strategic decisions. Nduka, Ezem and Ngboawaji (2020) maintain that there are basically three reasons why companies conduct intelligence. He lists them as curiosity, has emulation and anticipation. Of these, curiosity has least value to an organization. Curiosity can easily be satisfied by low-level information gathering and it evolves normally around trade gossip, public media and informal contact. No attempt is made to verify the information that fed by inaccurate rumors in the marketplace. Intelligence or

information gathering, merely to satisfy curiosity, can be fatal if it is not recognized for what it is; unreliable gossip. Unreliable gossip is normally unverified, and if it goes unchecked for too long it becomes "fact. This could lead to wrong decision based on fictious rumors. Information should always be verified before it is used. Emulation begins to move closer to what a competitive intelligence programme actually entails. Emulation recognizes that all organizations have something to learn from one another. The learning process can cover the full scope of a given organization's operation.

Nigerian SMEs

Compared to large enterprises, SMEs are small economic units with limited human and financial resources. The key criteria used to define SMEs depend on countries global economies and their level of development. According to Elujekwute (2019) SMEs,whose workforce does not exceed 200 people and with a total annual balance sheet limited to #500,000.00. SMEs play an important role in the enhancement of competitiveness. They play a dual economic and social role, first by developing the economy in terms of productivity and diversification and socially through the creation of employment and poverty reduction. In Nigeria and in a context of globalization, a few SMEs have the capacity to ensure their sustainability to risks, the majority plunges at the quickest rate and a high percentage disappears after a few years. In this regard, the government has implemented plans to promote SMEs, this by providing material and financial support and encouraging productivity and innovation. The focus of these efforts is increasingly turning toward the industrial acceleration strategy 2015-2020, its main objective is too create an efficient, innovative and responsive fabric of SMEs. The diversification of SMEs is a lever of competitiveness and performance. To this end, a number of integrated measures and initiatives have been endorsed as the injection of funds directly into equity of SMEs, the coordination between small, medium and large businesses to form a balance ecosystem and the promotion of entrepreneurship through access to funds and training to encourage entrepreneurship.

Risks for SMEs

Alongside all the measures undertaken by the government, SMEs must also act internally to ensure their sustainability on the market. This ongoing investment begins with the mastery of the environment in which they operate and goes all the way to the implementation of a Cl process. The risk is by definition a combination of the probability of occurrence and the extent of the consequences related to a potential threat. A risk may be a practical event that the company is facing or a deviation of reality from what is expected. For all companies and regardless of their sizes, the risks can be classified into two main categories internal and external, in each category; we can find several types related to operational, strategic and financial processes. However, some risks remain specific to the firm's structure. In a context of strong competitiveness and globalization, risks are increasingly unpredictable. The complexity of the risks and the probability of their deviation from forecasts reduce the tolerance of SMEs and threaten their sustainability, SMEs need to invest in CI, which allows mainly by its monitoring activities, to anticipate and act against risks and threats. The processing of information available allows SMEs to draw a detailed map of risk and set strategies in the form of corrective and/or preventive measures to limit the consequences. The aim is to react timely, optimize performance and reduce costs.

Benefits of Market Intelligence

Market intelligence helps businesses analyze the overall environment in which they are operating. This helps your business spot potential risks and identifies new opportunities for growth. Most companies do this by looking at these four criteria

Competitor Intelligence

Competitor intelligence involves gathering and analyzing information about your competitors. Analyzing your competitors' strengths and weaknesses can help you gain valuable information about your own company and why customers don't always choose your product or service. For examples, a competitive analysis report is a regular tool in most marketing operations, assessing the level of service a product provides. A competitive analysis report could include everything from pricing and product features, all the way down to target audiences and key demographics. Once compiled, all of this information can be used to create a formidable product that caters to the customer, while avoiding problems other businesses have faced.

Product Intelligence

Product intelligence involves analyzing the quality of your product or service. If you sell a physical product, it involves looking at the manufacturing process and whether you're building the product as efficiently as possible. The information you gather will help you improve the value of your product. Gathering this type of Intelligence is fairly straightforward, as it requires you to look at other products on the market and assess their strengths and weaknesses. That assessment covers everything from the product itself and its packaging, how it's displayed in stores, and production processes and costs.

Market Understanding

Market understanding is your sense of the different markets where you're selling your product or service. This type of research helps you get a feel for how well you're performing in those markets, and whether there are additional markets to which you could expand. Gathering the intelligence to gain a solid grasp of the market is a combination of competitive analysis and product intelligence along with identifying top performers in the space. With an understanding of what's selling on the market, you can start gathering your end-user intelligence to figure out why customers prefer those top performers. Customer understanding involves learning more about your current customers and why they buy from you. It can also help you understand any challenges you face with those customers to improve satisfaction and customer retention rate. The information you gather can also help you succeed in future marketing campaigns. It's common for a marketing department to put together customer personas that offer details like demographics, interests, problems they face and the solutions a business can provide to them. Those customer insights can often help an entire operation, from those in product development to the quality assurance engineers.

Influence of Competitive Intelligence on the Sustainability of Small and Medium Enterprises (SMEs) in Nigeria

The moderating role of competitive intelligence in addressing the sustainability of Small and Medium Enterprises in Nigeria can be overemphasized, to rightly identify the possible opportunities and threats in the business environment. According to Lubica, Martina and Katarina (2015) competitive intelligence is seen as the company's mechanisms used to

transform the competitor's information into external actions, hence the small and medium enterprises can further gain business outcomes and stay ahead with the market competition. Due to the role of competitive intelligence on business performance, it adds more innovative force to the exploratory forces of the organizational sustainability in enhancing promoting required business outcomes. Competitive intelligence has gained some attention among the different practitioners and it has appealed various focus resulting its key effects and role in shaping the business enterprises strategic decision making and outcomes. The key objectives of competitive intelligence including general understand of the company's competitors and identifying the aspects of competitive vulnerabilities, hence access the important actions of the competitors' reactions. Understanding the organizational generated data is one of the critical business strategies to gain competitive sustainability through the business context. Competitive intelligence may affect competitive advantage measured by cost reduction and market expansion cost reduction entails conditions that allows enterprises to produce goods and services of equal value at lower cost. Market on the other hand is the process of offering goods and services to wider section of an existing market or a new demographic market (Tariga and Thabert, 2013).

Competitive intelligence is also a positive catalyst for analyzing needed information towards delivering. The initiatives for tactical and strategic business decision across functional area of an enterprise and the types of competitive intelligence are market intelligence, customers' intelligence, competitor's intelligence, technological intelligence and strategic alliance (Marko, 2009). To understand the environment, there must be available and pertinent information about customer's needs, wants and expectations, such information gathering and sharing is critical for the sustainability of the Small and Medium Enterprises (SMEs) because it determine the nature of the new products and service, so that the new product offering be more valued and satisfying than the existing ones that are offered by the competitors. Therefore, the need to sustainability in this in friendly environment such as Nigeria requires SMEs to be more proactive and learn to weather the storms of competition to surmount the aggressive market forces and volatility. To accomplish the sustainability objectives, Small and Medium Enterprises (SMEs) must strive to provide quality products with distinct features and well packed capable of adding value and satisfying customer's needs wants and expectations at affordable prices with effective and efficient promotional undertaking. In environmental monitoring, competitive intelligence is a set of activities that aim to establish the environment frame in which small and medium operate; thus enhances the ability of SMEs to identify the risks that affect their operational and managerial processes and then act accordingly. Small and Medium Enterprises through competitive intelligence and application of technological advancement have attracted attention, due to importance as a mean to enhance performance, growth and productivity of firms. SMEs is one of indices of measuring economic development, and as such the establishment and proper management of Small and Medium Enterprises (SMEs) have a positive effect on the nation's economic development.

Conclusion

It was therefore, concluded that, competitive intelligence positively affected the sustainability of Small and Medium Enterprises (SMEs) in Nigeria, through firms growth and competitive advantage. Competitive intelligence is an active process that aims to secure a competitive advantage through the improvement of internal strategic decision-making and control of the

external environment. Competitive intelligence provides solid and accurate information about risk that may turn into crises and threaten the sustainability of SMEs.

Recommendations

The following recommendations are therefore made:

1. To stem the sustainability of the competition in the market, Small and Medium Enterprises should study the customer's needs and wants by developing innovative products capable of providing them with value and satisfying benefits better than those offered by the competitors.
2. The Small and Medium Enterprises should take holistic assessment of the competitive strategies in the environment and develop different and unique design to earn them a competitive edge over and above competitors.
3. Cost reduction enhances productivity, profitability, a significant return on investment therefore, Small and Medium Enterprises should identify and prove unwarranted business expenses without impacting the firm's operations negatively.
4. For the sustainability of Small and Medium Enterprises and stand the test of time, there should be holistic review and evaluation of manager's competitive forces and innovate different proactive strategies and products to enhance competitive advantage.
5. A well-designed system of competitive intelligence should be put in place so as to assist businesses in the strategic planning process as well as in determining of intent and ability of its competitors and also determine the extent of the risk to which enterprise may be exposed.

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