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Article in *Marketing Intelligence & Planning* · October 2005

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Competitive intelligence practices of South African and Belgian exporters

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Received January 2005
Revised June 2005
Accepted July 2005

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Abstract

Purpose – The objective of the study was to compare competitive intelligence (CI) practices of exporters in South Africa and Belgium.

Design/methodology/approach – An e-mail and postal survey in a sample of 292 Belgian and 309 South African exporting companies was carried out in which CI-practices and opinions and attitudes towards CI were measured.

Findings – Most respondents report a “CI culture” in their companies. South African and Belgian exporters are, however, not yet well equipped and not very active to conduct effective CI, especially in the areas of planning, process and structure, data collection, data analysis, and especially skills development. In both countries CI-activities are usually not organized in a separate department and, if they are, CI is mostly done in the marketing and sales department. Managers from both countries consider similar types of information important, and they rely on similar sources of information. Although the responsibility for CI is more a top management issue in Flanders than it is in South Africa, South African companies have on average a longer tradition of organized CI-activity and more full- and part-time staff is involved in CI-activity. These differences can be attributed to the fact that, as compared to Belgium, South Africa is an emerging export country in which the need for more formalised CI-activity focusing on the collection of relevant data is more apparent.

Originality/value – This is the first comprehensive study of CI-practices in the two countries. The results lead to a number of recommendations for the exporting companies in both countries and in general add to the knowledge of the position of CI in companies.

Keywords Marketing intelligence, South Africa, Belgium, Competitive strategy, Export markets

Paper type Research paper



Introduction

This study focuses upon the competitive intelligence (CI) activities of South African and Belgian exporters. In today's environment of intensifying global competition, changing markets, the abundance of information and the fast pace of and changing

business environment, the world has truly become a global village (Fuld, 1995). Companies should become increasingly aware of the necessity to remain informed of their competitive environment. This is not only relevant for South African exporters, many of which are in the early stages of export activity, but also for Belgian companies who are often experienced exporters.

Exporters face unique challenges in terms of knowledge of the export market. Contrary to conventional wisdom, market access barriers are not decreasing. Although markets have globalised, trade barriers have remained. Contrary to conventional wisdom, market access barriers faced especially by developing countries are not decreasing, quite the contrary, for some of their most important export sectors. Many protectionist instruments (tariffs, antidumping measures, tariff quotas and a plethora of non-tariff barriers) are in evidence. (Von Kirchbach, 2003). In general, although the different GATT negotiations have globally resulted in diminished tariff barriers, non-tariff barriers have increased substantially (Fugazza and Vanzetti, 2004; Zanardi, 2004). Exporters clearly face an uphill battle. It is therefore not surprising to learn that management strategists are increasingly relying on CI to enhance competitiveness. CI is a means to gain knowledge on markets, customers, competitors, and market strategies and provides an interpreted assessment of the environment in which an exporter operates and trades. While in the past, an unsophisticated and unsystematic approach to CI has worked; it does not work well in today's increasingly complex, increasing competitive and fast changing global markets (Bensoussan, 2003).

While CI is essential to survive in an international active environment, the status of CI in general, and in South African and Belgian exporters in particular, remained largely unknown until 2002 when a research project was launched to assess the CI-practices of South African and Belgian exporters. This was the first empirical research project of its kind. The purpose of this study was to assess the level of development and deployment of CI between South African and Belgian exporters. The remainder of the paper presents a brief literature overview of CI, followed by the methodology used in the research. The results are subsequently presented. This paper concludes with recommendations on how to improve the CI-practices in South African and Belgian exporters.

What is CI?

There are many definitions of CI, but Calof and Skinner (1999) provide a simple definition: "Competitive Intelligence is actionable recommendations arising from a systematic process involving planning, gathering, analysing and disseminating information on the external environment for opportunities, or developments that have the potential to affect a company's or country's competitive situation". According to The Society of CI Professionals "CI is a systematic and ethical program for gathering, analysing and managing external information that can affect your company's plans, decisions and operations" (SCIP, 2004b).

It is important to emphasize, too, what CI is not. CI is not just monitoring secondary sources such as news clippings. CI is also not a new business activity. In fact, CI as a strategic business tool has long been proposed in an effort to increase a company's competitiveness (Montgomery and Urban, 1970; Pearce, 1976; Montgomery and Weinberg, 1979; Porter, 1980). The idea of the establishment of an intelligence hub in companies has grown over the years to become an emerging business construct with

delineated job functions directly responsible for intelligence collection, analysis, and dissemination (Kahaner, 1997). Meyer (1987) states that “successful business enterprises have been collecting and using intelligence for centuries”.

The CI process

Intelligence is viewed as a process comprising a number of activities, steps or constructs that should follow on from one another without any of the steps of actions being overlooked (Kahaner, 1997). Key constructs or stages that emerge in the literature are:

- (1) planning and focus, i.e. focusing on issues of highest importance to senior management (Daft *et al.*, 1988; Herring, 1998; Gilad, 1989);
- (2) collection, i.e. the focused collection of information from a variety of sources internal or external to the company (Collins, 1997; Herring, 1998);
- (3) analysis, i.e. converting information into “actionable intelligence” on which strategic and tactical decisions may be made (Gilad and Gilad, 1985, 1986; Kahaner, 1997; Calof and Miller, 1997; Herring, 1998);
- (4) communication, i.e. packaging and communicating the results of the CI process or project to those with the authority and responsibility to act on the findings;
- (5) process and structure, i.e. those structures that ensure effective CI can be performed; and
- (6) organisational awareness and culture, i.e. to ensure that CI is well executed and that all should participate, there must be the right competitive culture and information gathering (i.e. it should be on everyone’s mind) (Kahaner, 1997).

(For more detail on the process of CI see Saayman *et al.*, 2004.)

South Africa and Belgium

The focus of this paper is the comparison between CI-practices and efforts of South African and Belgian exporters. The two countries are fundamentally different in a number of ways as highlighted in a Global Insight (2003). South Africa has 4.2 times the population size and 1.4 times the GDP (PPP) of Belgium. However, the GDP per capita of Belgium is three times as high as in South Africa, and the unemployment rate is more than three times higher in South Africa than in Belgium. South Africa is more a goods-based economy, while in Belgium the focus is more on services: 43 per cent of the output of the South African economy is goods and 9 per cent stems from agriculture and mining, while 49.5 is services. In Belgium, 56.2 per cent of the output is services, while only 33.3 per cent is goods and only 1.6 per cent is agriculture. One of the most fundamental differences between the two countries is the relative size and composition of their export activities. Exports and imports are only 22 per cent of the South African GDP, while in Belgium 79 per cent of GDP is imported and 89 per cent is exported. Belgium is a much more export-oriented economy than South Africa. However, South Africa has a more diversified regional trade and trades more with developing countries. Seventy-seven per cent of Belgian exports are directed to other European countries, 8.2 per cent to North America, and 10 per cent to Asia. For South Africa this is 47.4, 14.5 and 29 per cent, respectively (Global Insight, 2003).

The question is to what extent these differences in economic structure in general and in export activities in particular will have an impact on CI-practices and CI intensity. The empirical research on this issue is scarce, if not non-existent, and mainly focuses upon the relationship between export intensity and research practice. Some studies found that companies with a higher degree of export involvement are more active in and devote more resources to collecting and using market information (Cavusgil, 1984a), but others did not find any relationship between export intensity and research activity (Koh *et al.*, 1993). Cavusgil (1984b) found that beginner exporters search for more general information than experienced exporters who look for more specialised and specific information, but Hart *et al.* (1994) and Leonidou (1997) did not find any differences between types of exporters with respect to the types of information collected.

Based on the longer and more extensive export experience of Belgian companies, it can be expected that Belgian companies should have a longer CI tradition that they search for specific information using their vast experience in export markets, and devote more resources to transforming CI data into actionable information or intelligence. On the other hand, South Africa as a less experienced exporting country may be expected to have a shorter CI tradition and companies are expected to look for more general information using relatively more public sources. However, a lack of insight and information on the part of the South African companies may equally well lead to a more intensive CI-activity, focusing relatively more upon planning and organising the CI-effort and collecting relevant information.

Given the lack of previous research on the differences in CI-practice between a developing export country and a well-established one, this study is largely exploratory. It attempts to give an overview of a number of aspects of CI-activities and compare the CI-efforts of both countries.

Research methodology

Survey design

The questionnaire used in this study is based on three questionnaires used in other empirical CI surveys. Calof and Breakspear (1999) completed the first survey questionnaire, testing the CI-activities of technical companies in Canada. The second questionnaire is a more comprehensive questionnaire developed by Calof (2001) in his CI Audit Guide. The third questionnaire was one used by Viviers *et al.* (2002) in a survey of the CI-activities of South African companies in 2001. Questions covered all areas of the intelligence cycle: planning and focus, collection, analysis and communications. It also covered process/structure, awareness and attitudes towards CI.

The questionnaire used in the survey drew relevant questions from these questionnaires and was adapted for exporting companies by rephrasing the questions to focus them exclusively on export activities. In total, the questionnaire consisted of 50 questions. The questions were structured as follows:

- company characteristics (questions 1-4);
- Likert scale CI questions (questions 5-42); and
- specific questions on CI-practices (questions 43-50).

Company characteristics referred to the industry, number of employees and export intensity of companies. The Likert scale questions were divided into two sections.

In the first section (questions 5-24), the respondents had to indicate to which degree they agreed or disagreed with the statement (with 1 equalling strongly disagree and 5 equalling strongly agree). In the second part, the respondents had to indicate to what extent (never or always) they implement a certain action. In this section, one equalled never and 5 equalled always. These questions were designed to test the extent to which CI actions were implemented in the company.

The more specific CI questions (questions 43-50) attempted to extract more information on how CI is practiced by the responding companies: the duration of CI-activity, how much time is spent on different CI-activities, the full- and part-time personnel dedicated to CI, the location of CI in the corporate structure, the different types of information collected and the sources of information used. The full questionnaire can be obtained from the authors upon request.

Sample selection and data collection

The questionnaire was distributed to exporting companies. In South Africa, data of exporting companies was gathered from two sources, namely the Kompas Southern African database (from Reed Business South Africa) and the directors/CEO's of the respective Export Council (supported by Trade and Industry Southern Africa). From the Kompas database, 2,442 manufacturing exporters, 1,221 international distributors, 383 service exporters and 6 exporting agents were extracted. From the export councils, company information for 1,225 companies were obtained. After eliminating double entries, the gross sample consisted of 4,612 companies.

The questionnaire was e-mailed to the whole sample. Global Insight South Africa, a multinational economic data analysis and forecasting company, provided the service to enable the electronic distribution and receipt of the questionnaire. Six hundred and twelve e-mails returned due to incorrect information and 40 recipients replied to indicate that they were non-exporters, rendering an adjusted sample of 3,960 companies. After four weeks, the questionnaire was again e-mailed to the adjusted sample. From the two e-mail distributions, 134 responses were received. This represented 3.38 per cent of the adjusted sample. To improve the response rate, telephone marketers were used to telephone companies and complete the questionnaire telephonically. After the efforts of the telemarketers, a total of 321 responses were received, representing a response rate of 8.11 per cent.

Export Vlaanderen, a governmental export promotion organisation, supplied a list of all the 5,086 manufacturing export companies in Flanders (the Dutch-speaking part of Belgium). Two thousand six hundred and sixty six were approached by e-mail, the rest by mail. Nine hundred and thirty e-mails and 20 mails returned undeliverable. A total of 182 usable questionnaires were returned. Service exporters were approached by selecting a number of industries such as banking and insurance, transport, distribution and port-related activities. One thousand seven hundred and sixty seven companies were mailed and 114 usable questionnaires were returned. In all, the response rate was 296, i.e. 5 per cent. All companies that did not complete at least 70 per cent of the questions were removed from the analysis, leaving the research team with a net sample of 601 companies, i.e. 309 South African and 292 Belgian. The nature of the data collection process did not permit measurement of potential non-response bias. This is certainly a limitation of this study. However, the sample reflects a number of characteristics of the exporting companies in both countries (see next section).

Company characteristics

Most South African respondents were from the manufacturing sector (60.2 per cent) while the services sector yielded nearly 30 per cent of the responses. The agriculture sector yielded 8 per cent of the respondents (Figure 1). In Flanders, 47 per cent of the respondents were service companies and 49 per cent were manufacturing companies. To a certain extent this reflects the difference in economic structure of the two countries: relatively more service companies in Belgium and more manufacturing and agriculture companies in South Africa.

In South Africa most of the respondents (46.7 per cent) were small companies (companies with less than 50 employees) while medium (between 51 and 200 employees) and large exporters (more than 200 employees) made up 27.8 and 25.5 per cent of the total responses, respectively. In Belgium, 64 per cent were small companies, 23 per cent medium-sized and 13 per cent large. Again, this reflects the different characteristics of the two economies (Figure 2). Belgium, and more particularly Flanders, is a country in which small and medium-sized companies are relatively important, also in exporting activities. This is relatively less the case in South Africa.

Of the South African respondents, only 21.8 per cent said that exports represent between 75 and 100 per cent of total sales while 43.2 per cent indicated that export sales represented less than 24 per cent of sales. Thirty-five per cent of respondents said that exports represent between 25 and 75 per cent of sales (Figure 3). This indicated that many exporters are still phase 1 or beginner exporters. In the Belgian sample, only 26 per cent of companies could be defined as beginner exporters, while 30 per cent are

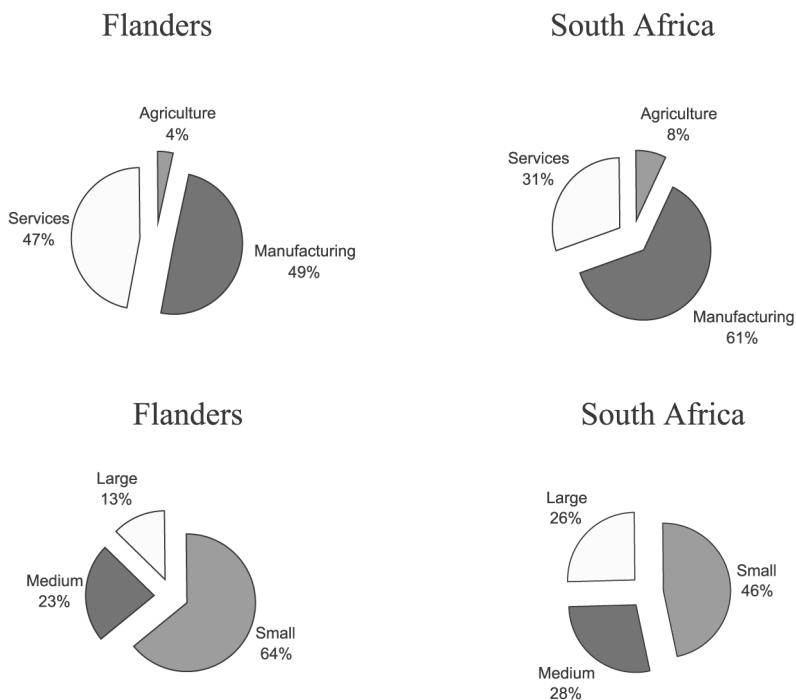
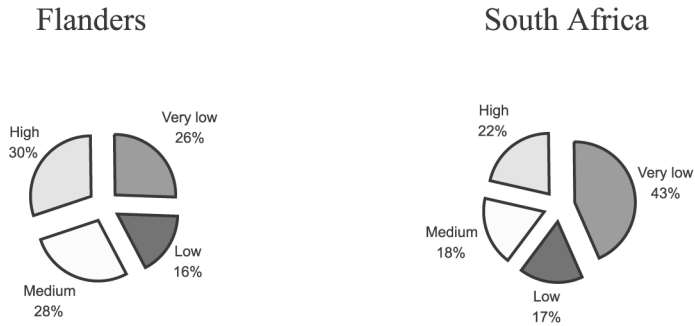


Figure 1.
Sectoral breakdown of
companies

Figure 2.
Size of companies

Figure 3.
Percentage of sales
exported



very experienced exporters. Again, this reflects the difference between the two countries in terms of export intensity. All in all, it can be concluded that the samples relatively adequately reflect the relevant differences between the two economies.

Results

How CI is conducted

The last part of the questionnaire extracted information on how CI is organised and conducted in South African and Belgian exporters. Both in Flanders and South Africa, most of the organised CI-efforts were in operation for less than five years. In the Belgian sample, 64.1 per cent of the companies declared not to have any organised CI-activity at all. This is only the case in 12 per cent of the South African companies (Figure 4).

Overall, the duration of organised CI-activity is significantly longer in South Africa than in Flanders ($\chi^2 = 98.386, p < 0.001$). Consistent with this finding is the fact that in South Africa significantly more staff is devoted to CI than in Belgium ($\chi^2 = 74.931, p < 0.001$) (Figure 5). In 69.5 per cent of the Flemish companies no full-time CI-staff are employed, while all South African companies have full-time staff members. In 32.2 per cent of the South African companies three or more full-time staff members are exclusively engaged in CI-activity. This is only the case in less than 10 per cent of the Belgian companies.

A similar picture emerges with respect to part-time staff ($\chi^2 = 53.981, p < 0.001$). This is much lower than the percentages reported by Lackman *et al.* (2000) in their

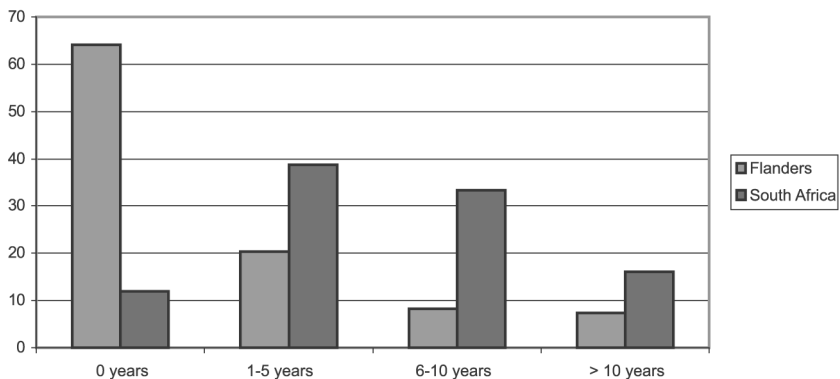


Figure 4.
Duration of organised
CI-activity in Flanders and
South Africa

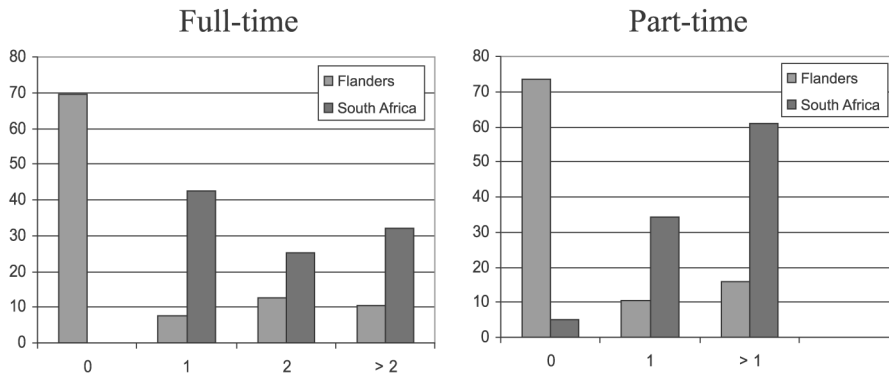


Figure 5. Number of full-time and part-time staff devoted to CI-activity

study of 50 US firms, about three quarters of which had (marketing) intelligence employees, most of them full-time.

In Flanders, the top management level is significantly more responsible for CI-activity than in South Africa (64.5 versus 49.3 per cent), in which other departments more often take the lead ($\chi^2 = 13.086, p < 0.001$) (Figure 6). This importance of senior and top management was also highlighted by Wright *et al.* (2002) in their in-depth study of a CI-typology of UK firms. Although CI is assumed to be a strategic activity, both in Flanders (62.9 per cent) and in South Africa (55.6 per cent) in the majority of the cases CI is practiced in the marketing and sales department. This difference between the two countries is not statistically significant ($\chi^2 = 0.985, p = 0.321$). This is in line with the results reported by Lackman *et al.* (2000). Furthermore, Trim (2004) even argues that it is advisable to integrate CI work with marketing intelligence work. Apparently, this point of view is also shared by exporters in both South Africa and Flanders. Only in a minority of the cases, CI is practiced in a separate department (in 27.3 per cent of the Flemish and 35.4 per cent of the South African companies). Again, this difference is not statistically significant ($\chi^2 = 0.794, p = 0.373$). Wright *et al.* (2002) in their UK study found much higher percentages of companies with separate CI-departments. However, this could be due to the sampling frame of the latter study that mainly consisted of CI-professionals.

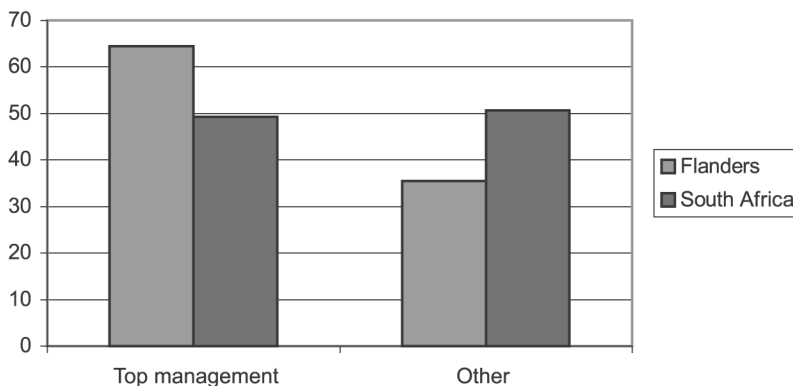


Figure 6. Department/unit responsible for CI

Respondents were asked what percentage of CI-time they devoted to five different CI-activities: planning, data collection, analysis and interpretation, evaluating results, and communicating results. The resulting percentages are given in Table I. In both countries, companies spend most of their time collecting information and analysing and interpreting it. Although planning what and how to collect information receives relatively less attention than suggested in past intelligence literature, these figures are not far off (Calof and Breakspear, 1999; Prescott and Bhardwaj, 1995). In South Africa, significantly more time is spent on the collection of information and significantly less on the evaluation of results.

The questionnaire furthermore aimed to determine the information needs of respondents (types of information) and where they looked for information (sources of information). Respondents were presented with 12 types of information and they were asked to indicate on a three-category scale (unimportant, important, very important) to what extent they considered these types of information important. One remarkable result was that the South African respondents on average scored all types of information as more important than the Flemish respondents. Additionally, they had to indicate the two most important types of information.

In Table II, the percentage of respondents is indicated that ranked the particular type of information between the two most important ones. The types of information that rank between the two most important ones appear to be more diverse in South Africa than in Flanders. Exchange regulations are of relative importance to South African exporters (11.7 per cent) and not at all to Flemish exporters, while

CI-activity	Flanders (per cent)	South Africa (per cent)
Planning	11.9	12.9
Collection (*)	34.9	46.0
Analysis and interpretation	21.5	20.6
Evaluating results (*)	14.9	11.0
Communicating results	13.2	11.1

Table I.
Time spent on different
CI-activities

Notes: Percentage per column do not add up to 100 per cent due to differences in sample size per row; (*) indicates significant difference between South Africa and Flanders at the 5 per cent level (χ^2 test)

Type of information	Flanders (per cent)	Rank	South Africa (per cent)	Rank
How to penetrate on world markets	22.4	4	16.8	7
Profiles of potential customers	35.9	2	19.0	5
Opportunities in new markets	35.0	3	42.2	1
Reputation and activities of competitors	21.3	5	17.0	6
Potential partners or agents	46.5	1	29.7	2
Distribution channels	13.9	6	22.3	3
Culture	2.5	10	1.1	12
Political situation	2.5	10	2.1	11
Statistical information about markets	3.8	9	11.7	8
Regulations, barriers	7.6	8	4.2	10
Trade fairs	8.9	7	22.3	3
Exchange regulations	–	–	11.7	8

Table II.
Importance of types of
information in South
Africa and Flanders

potential partners and opportunities in new markets are in the top two types of information in both countries, although market opportunity information is more important in South Africa (42.2 per cent) than in Flanders (35.0 per cent). Again, this reflects the more emerging nature of South African exports. This result is not in line with the SME-study of Chaudhry and Crick (1998) in which these types of information did not appear in the top five of the most important information items.

Respondents also had to rank their three most important information sources (Table III). The important sources of information are quite similar in both countries: company staff, personal contacts outside the company, and external distribution channels rank among the most important ones. This is consistent with the findings of Crick and Katsikeas (1995) in their study on the export practices in the UK clothing and knitwear industry, with the results of Chaudhry and Crick (1998) in their large-scale SME-study, and to a certain extent also with the conclusions of Lackman *et al.* (2000). A remarkable difference is that the internet is far more important in South Africa (52.2 per cent) than in Belgium (29.6 per cent) ($\chi^2 = 69.143$, $p < 0.001$), while published information is more prominent in Flanders (57.3 per cent) than in South Africa (41.1 per cent) ($\chi^2 = 31.747$, $p < 0.001$).

Dimensions of CI-activity

The core of the questionnaire was a scale containing 39 five-category Likert type items to measure the degree to which a large number of CI-activities and principles were practiced. The scores on these 39 items were subjected to an exploratory and confirmatory factor analysis and this resulted in the identification of five basic and uncorrelated dimensions (for Cronbach α s, Table IV), namely:

- (1) process and structure;
- (2) planning, focus and collection;
- (3) data analysis and quality control;
- (4) culture and awareness; and
- (5) skills development (new dimension) (see Saayman *et al.*, 2004 for a detailed description of the analyses leading to the five constructs).

The dimensions derived are similar to the ones *a priori* hypothesized in the literature. This research also uncovered a new dimension in CI-practices, that of skills development. It is a new dimension in terms of the theoretical CI constructs, but not “new” in the sense that the literature often refers to the nexus between human resource

Source of information	Flanders (per cent)	Rank	South Africa (per cent)	Rank
Information of company staff	65.4	1	56.7	2
External distribution channel	52.3	4	64.4	1
Personal contacts outside company	53.8	3	34.5	5
Internet and electronic databases	29.6	5	52.2	3
Published information	57.3	2	41.1	4
Government organizations	13.2	7	11.1	8
Export organizations	18.6	6	19.9	6
Internal documentation	9.9	8	20.0	7

Table III.
Importance of sources of information in South Africa and Flanders

management and CI and how competitive advantage can be built through the skills of the people in the firm (Buttery and Tamaschke, 1995; Hannon, 1997; Bartlett and Ghoshal, 2002; Pole *et al.*, 2000).

In Table IV, the average scores of the South African and Flemish sample on the five constructs are presented. For two dimensions, the results are significantly different between Flanders and South Africa: planning, focus and data collection scores higher in Flanders, and data analysis and quality control receives a higher score in South Africa. All in all the scores on the five dimensions are remarkably similar between the two countries. The culture and awareness construct scores very high. This indicates that in the companies in this sample, CI is considered to be of primary importance. Skills development scores very low, suggesting that, on average, companies in both countries do not feel the need for well-trained CI professionals.

In both countries, process and structure, planning, focus and data collection, and data analysis and quality control, result in a slightly less than average score of 2.40-2.95. Although culture and awareness is reported to be relatively high, practice does not seem to match this self-reported importance. This is consistent with Simkin's (1997) observation that in practice companies only have a superficial interest in their competitors' strategies and actions. Also Buttery and Tamaschke (1996) in their study of SMEs conclude that, although managers recognize the value of information systems, they do little to develop them.

Conclusions and recommendations

Conclusions

The objective of this study was to assess the current state of CI in South African and Belgian exporters. To reach this goal, a questionnaire was designed based on previous CI questionnaires, and distributed to South African and Belgian exporters. Some interesting insights into the CI-activities could be made following the response of the exporters.

To a certain extent the CI-practices of South African and Flemish companies are highly comparable. In both countries CI-activities are usually not organised in a separate department and, if they are, CI is mostly done in the marketing and sales department. Although there are some differences, on average, managers from both countries consider similar types of information important, and they rely on similar sources of information. Information on market opportunities is more important to South African companies, and they also rely more upon the internet and less upon publicly available publications as sources of information. However, there are some remarkable and significant differences. Although the responsibility for CI is more a top

CI dimension	Cronbach's α	Flanders	South Africa
Process and structure	0.801	2.68	2.68
Planning, focus and data collection*	0.754	2.95	2.57
Data analysis and quality control*	0.801	2.40	2.66
Culture and awareness	0.813	3.83	3.75
Skills development	0.700	2.07	2.02

Notes: Cell entries are average scores on five-category scales; *indicates a significant difference at the 5 per cent significant level (*t*-test)

Table IV.
Average scores on CI dimensions for the South African and the Belgian sample

management issue in Flanders than it is in South Africa (possibly due to the larger number of small companies in Flanders), South African companies have on average a longer tradition of organised CI-activity and more full- and part-time staff are involved in CI-activity. This may be due to a higher export experience in the Belgian sample, leading to a more intuitive and organic collection and dissemination of market knowledge, while in an emerging exporting country like South Africa, the tendency may exist to more formally organise CI-activity in view of the perceived substantial lack of market knowledge.

South African companies devote more time to collecting information, but less time to evaluating the results. Again, this may be due to the greater experience of Flemish exporters in which information may be more readily available from more intensive contacts with foreign markets, as a result of which relatively more time can be devoted to the interpretation of the information. In relatively less experienced South African exporters, obtaining information in the first place appears to be a relatively more time-consuming effort. Most types of information are also considered to be more important by the South African managers. These differences can be attributed to the fact that compared to Belgium, South Africa is an emerging export country in which the need for more formalised CI-activity focusing on the collection of relevant data is more apparent. This reflects the fact that for the relatively less experienced South African exporters finding CI information, any information, is more of a top-of-mind challenge than for the Flemish companies. The fact that exchange regulations are of relative importance to South African exporters and not at all to Flemish exporters is due to the fact that most Flemish companies export to Europe, in which exchange regulations are not really an issue.

The fact that South African companies rely more on the internet as a source of information than the Belgian companies while among the latter published sources feature more prominently probably reflects the fact that published information is more readily available in Belgium, while “distant sources” like the internet have to be explored in South Africa to obtain the necessary information.

On the positive side, there was a high level of awareness of CI and what it can do for an exporter in terms of enhancing competitiveness and a clear CI culture in both countries. Managers of the South African and Belgian exporters believed that CI could be used to create a competitive advantage and that CI is a legitimate and necessary activity for increasing their intelligence. However, in many aspects, the CI-activities of South African and Belgian exporters can clearly improve. CI-activities are perceived as only moderately important, and are only practiced to a moderate degree. Of particular concern was the low score on “skills development” among employees in exporting companies.

Recommendations

The success of any competitive management group is a function of its operational processes and capabilities. CI as a way of thinking in a company takes a long time to evolve. “It is not possible to put an intelligence group in place that will satisfy all customers or be able to answer all their questions”. It is a long-term, continuous activity – the longer the CI tradition, the better the results.

The research has shown that larger companies are more inclined to have decentralised CI capabilities that are mostly found in sales and marketing.

Decentralisation might lead to less top management involvement and a loss of focus on the right things. CI is a strategic management tool and should be primarily used as such. Prescott and Bhardwaj (1995) have found that the activities of CI units are strongly influenced by where they are located. A degree of centralisation is recommended, as a CI function could then gain an overall view of the business operations (Prescott, 1999). The ideal structure is a strong empowered centralized structure with function or specific groups more closely aligned to those functional teams (Best Practice LLC, 2004).

The time spent on the various activities of CI plays an important role in the ultimate success and efficiency of CI. In order to fulfil the main aim of providing a constant flow of focused, timely and accurate intelligence that answers the information or key intelligence needs (KIN) of the users (managers), companies practising CI should rather spend more time planning the activity and providing focus than on collecting, analysing and interpreting the information. More focused collection will result in less time spent on collection activities (of unimportant information). CI is also a fulltime continuous activity. A CI expert, Ben Gilad, states that part-time CI is no CI. CI requires staff to be dedicated to the activity. On sources of information, the research has shown that exporters most often use company staff is most often used as sources of information. This is a positive result. Using company staff and personal contacts outside the company renders the best proprietary information available (Fleisher and Blenkhorn, 2003). Published and internet sources are valuable but less proprietary. Although skills development was identified as a new activity in CI, the study has shown a low score on skills development. Effective CI requires people involved in CI to have the right skills. In-house training programmes and training at specialist training institutions could improve CI skills levels.

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