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SCIP Prague 2023 – Academic Track: What is the future direction of competitive intelligence

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1. INTRODUCTION

The last few years have seen changes in the competitive intelligence landscape which collectively could signal a potential evolution in the thinking about the definition of the field and for academic's new research opportunities and directions. The recent SCIP Prague conference, in particular the academic stream along with a special issue of Foresight in 2020 exemplify what is happening. This paper uses primarily the presentations that were part of the SCIP Prague 2023 academic track to examine were the field could be going and, in many ways, represents a call to all academics in CI and related fields about emerging opportunities.

2. METHODOLOGY

Examining conference presentation as a method to identify trends within a discipline is not new. Andersen (2016) and Gano (2015) used presentations and special issue journal articles arising from Future Oriented Technology Analysis (FTA) conferences to identify trends within the Foresight field. Mikova (2016), used five years of Global TechMining (GTM) conference to identify trends in technology mining. As SCIP Prague 2023 is the first CI academic conference in over 10 years, doing a trends approach at this point is not possible. Rather, the following looks at the academic presentation as well as selected keynote addresses to identify themes. It is hoped that this article not only serves as a summary of SCIP Prague 2023 academic track but also will be the base for a future article that will look at trends in CI using this and future CI academic tracks and the themes established in this paper. The goal of this effort is to contribute to the ongoing discourse on CI by providing valuable perspectives to improve business strategies and decision-making processes Cekuls (2023) and Cekuls (2022).

The start of the conference – Defining Competitive Intelligence and its Evolution

The opening keynotes for the conference while not being academic per se (not part of the academic track) did send a message to the field regarding expert opinions about the evolution and the future of the field.

Tanja Schindler Vice Chair of Association for Professional Futurists and Foresight Advisor to the EU commission opened up the conference with a talk titled "The

Convergence of Futures and the Intelligence Ecosystem. With the renaming of SCIP focusing on consortium of intelligence professionals, this talk reflected the concept of intelligence ecosystem rather than just competitive intelligence. Similar to Calof and Bishop (2020) this talk brought together many fields that collectively are focused on developing intelligence on the external environment including futures thinking, futures literacy, and business intelligence.

Tanja presented a look at the evolution of the intelligence ecosystem positioning the evolution as starting with the emergence of competitive intelligence as a discipline in the 1970s with its early focus on using public data to anticipate competitors moves. She saw the next stage of evolution as being a shift to Market Intelligence in the 1980's and 1990's expanding its look from just competitors to the entire market. She saw the 1990's and 2000's as the emergence of business intelligence – a discipline that focused on data-driven decisions with what she saw as the 2010's to present being futures intelligence which focuses on anticipating scenarios and shaping the future. Figure 1 presents Tanja's summary graphic. Her approach sees the broader intelligence ecosystem as the product of the combination of competitive intelligence, market intelligence, business intelligence and now futures intelligence. The model developed by Tanja is based on extensive experience within the ecosystem.

This is complimentary to the anticipatory systems concept developed by Calof and Bishop (2020) in which each of these as well as other organizational functions that looks at the external environment are integrated into one cohesive system.

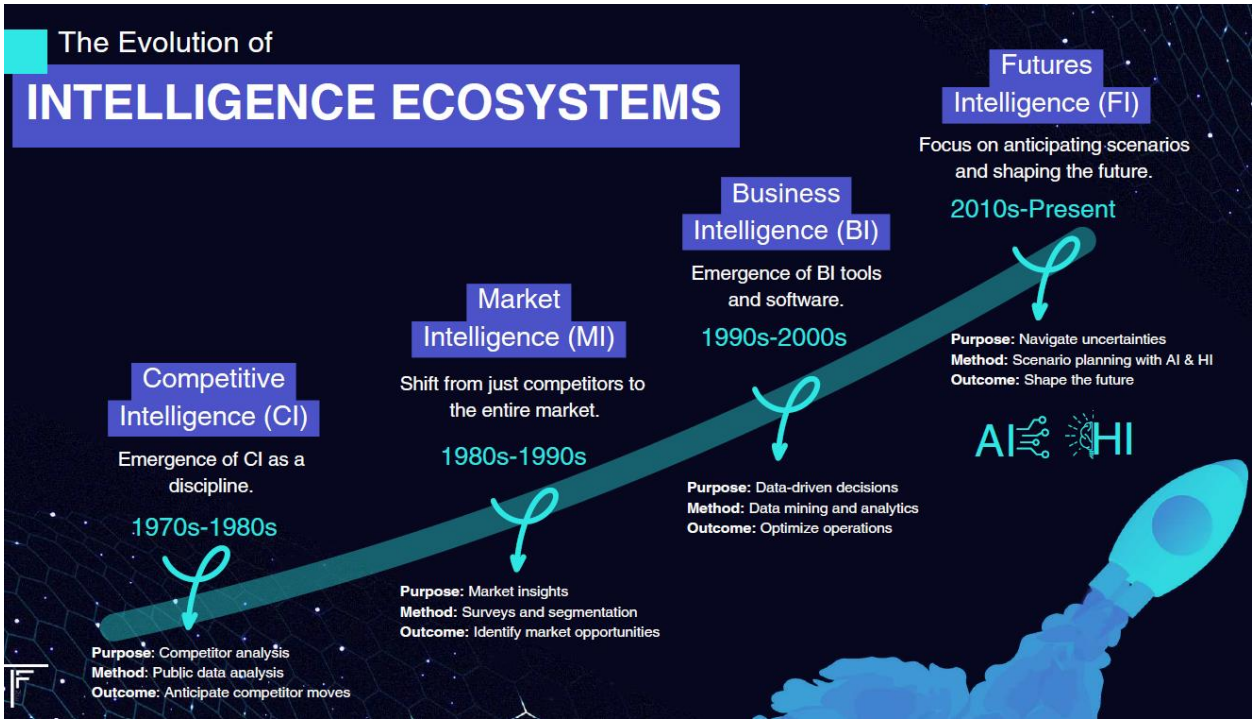

Figure 1 Intelligence Ecosystem Evolution by Tanja Schindler
Reprinted by permission of the Presenter (Tanja Schindler)

Luis Madureira, one of the organizers for the academic track made the second keynote "CI Manifesto: Past, Present and Future". While Tanja's presentation recounts her experiences and observations, Dr. Madureira looked at defining the intelligence ecosystem using extensive analysis of the literature. In defining what competitive intelligence is, how it has evolved and the possible future of the definition of CI. Luis looked at the literature surrounding terms associated with the ecosystem (for example marketing intelligence, counter intelligence, and so forth) and a clustering of the terms by years.

This produced an evolution map of the field using scholarly research. Looking as well at a timeline of competitive intelligence starting in the 1940's Madureira looked at the evolution of the field and of the definition: 1947-1959 Origins and first steps focused on informal and tactical competitive data; 1960-1969 emergence of CI as a discipline; 1970-1979 expansion of the conceptual scope; 1980-1990 systematisation and structure of CI; 1990-1999 CI as a strategic asset for decision-making and competitive advantage using quantitative and qualitative data; 2023 CI empirically validated scientific definition .

Based on the evolution within the field and the analytics of topics, the term competitive augmented intelligence (CAI) is proposed which was defined as ""Competitive Augmented Intelligence is the integrated process and forward-looking practices used in augmenting human with machine intelligence to producing knowledge on the competitive environment to improve organizational performance." Dr. Madureira has published extensively on using a scientific approach for developing a definition of CI (e.g. Madureira et al 2021 and Madureira aet al 2023).

Both opening keynotes (academic and practitioner) point to a similar view of the past, the present and to a large extent the future of competitive intelligence which involves working with and integrating within an intelligence ecosystem. Both also suggest a challenge to the field both to identify all elements of the intelligence ecosystem and to further examine emerging definitions.

The Academic Presentations

The academic presentations themselves appeared to fit into three categories: Note that the categories developed are subjective and reflected the authors perception of presentation topics.

1) The intelligence ecosystem
2) CI applications – extending the use of intelligence
3) CI evolution – new tools and skillsets.

Madureira, Sergeenko and Zaimenko (2023) looked at how competitive intelligence can assist in the international business development strategy for multinational enterprises in an industry in the midst of geopolitical turbulence. The fast-food industry is examined in the context of the Russia-Ukraine conflict. This research shows how CI can help with international business development (a use extension) within a geopolitical turbulent environment (a situation for CI extension). The primary presenters (Sergeenko and Zaimenko) are MSc students who conducted this research as part of their program. The paper based on this presentation is in the current issue of Journal of Intelligence Studies in Business.

The Soilen (2023) presentation which was assisted by OpenAI focused on artificial intelligence and its possible role within the intelligence field. In particular the emergence of new skillsets were identified. The presentation was titled "A review of the knowledge worker as Prompt engineer: How good is AI at Societal Analysis and Future Predictions?" The following is taken from the paper's introduction: "AI with good prompts is as good as or better than senior intelligence analysts at Societal Analysis and Future Predictions. From the literature and analysis, it's clear that the role of the prompter must be divided into two parts, prompt engineering and Information Quality Control (IQC), The idea of information control quality control is needed given the poor quality of much data being gathered and then analyzed using today's AI systems.

Chinyavada and Sewdass (2023) reported on a survey done by Chinyavada as part of his PhD thesis that looked atf competitive intelligence practices for Agro-food processors in Limpopo province in South Africa. Looking at competitive intelligence practices of firms is not unique nor is the South African context however the presentation distinguished between the competitive intelligence practices of CEO'S versus Managers showing very different practices including different information sources used, types of decisions made and so forth. This represents a deepening of our knowledge; segmenting intelligence use and practice within the same firm. The paper arising from this presentation is included in this issue of the Journal of Intelligence Studies in Business.

Madureira (2023) in his second presentation within the academic track examined the link between competitive intelligence and innovation in the automotive industry. In

particular the research question for this study was "What role does CI play in the innovation of the automotive industry towards electrification?" The presentation reported on interviews held with nine industry executives in which several roles for CI in innovation were identified as well as pivotal roles of CI in this process including for example anticipating market direction. While prior studies have looked at the relationship between innovation and competitive intelligence (Calof and Sewdass 2020 for example), the Madureira presentation represents an extension of the CI and innovation literature stream in that it focused on a single industry and showed specific innovation projects that can be assisted by CI.

Mashego and Sewdass (2023) presented the results of PhD candidate Mashego's research looking at how competitive intelligence can help innovativeness of SME's in emerging economies. The article arising from this presentation is included in this issue of the Journal of Intelligence Studies in Business. The study noted a causal relationship according to those interviewed between competitive intelligence practices and improve sales, improved customer visits and improved profits. This paper and presentation extend CI in several ways: 1) It looks at innovation something that has not been extensively researched in the CI literature and 2) It focuses on small and medium sized firms, again something that has been noted as a weakness in the literature (Calof 2021).

Calof and Bisson (2023) presentation looked at the relationship between organizational agility and anticipatory systems showing a statistically significant relationship between many of the agility and anticipatory system variables. This presentation and its research contribute to intelligence ecosystem research and extension of the field. The study looks at both competitive intelligence and foresight organizational variables. These are two elements of the intelligence ecosystem being looked at simultaneously in the same study. By finding a relationship between these two elements and organization agility the study suggests expanding the concepts to include agility as well.

Shita and Sewdass (2023) looked at the effect of market intelligence on marketing mix decisions in Ethiopian Brewery's finding that market intelligence played a crucial role in market mix decisions. The study was done for Tekalinga Yalew Shita's PhD thesis. The paper arising from this is also contained in this issue of the Journal of Intelligence Studies in Business. The focus on market intelligence includes yet another element of what was described earlier as the intelligence ecosystem. Along with other presentations in the academic track this says that competitive intelligence, market intelligence and foresight were examined.

Conclusions and the future

The presentations described above demonstrate that scholarship in competitive intelligence is in alignment with the integrated intelligence and intelligence ecosystem concept that is also reflected in the SCIP name change. The academic presentations were also consistent with the two opening keynotes. Future researchers are encouraged to further examine the intelligence ecosystem researching each component as well as how the ecosystem can work together.

There will be more SCIP academic conferences over the coming year, one as part of the SCIP USA conference (April 2024) and one in 2024's European conference. This will hopefully lead to more presentations which can be used to confirm if the observations described above do in fact reflect a trend.

Those reading this paper are encouraged to share it with their colleagues within what has been described in this paper as the broad intelligence ecosystem. It is hoped that those from this ecosystem will be encouraged to submit their research to the upcoming conferences and in this way build research relationships and knowledge across the intelligence ecosystem.

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Competitive Intelligence and International Business Development Strategies for Multinational Enterprises in Conflict Zones: A Study of the Fast-Food Industry During the Russia-Ukraine Conflict

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ABSTRACT This study delves into the pivotal role of Competitive Intelligence (CI) in shaping International Business Development (IBD) strategies for multinational enterprises (MNEs) operating in the fast-food industry amidst the geopolitical turbulence of the Russia-Ukraine conflict. It addresses a critical gap in existing research by examining how CI influences strategic decision-making in conflict-affected zones. The research is anchored on the premise that traditional IBD frameworks exhibit limitations when applied to unstable geopolitical contexts, necessitating a nuanced understanding of the interplay between CI and IBD in such environments. Employing a mixed-methods approach, the study integrates a comprehensive literature review with case studies and empirical data analysis. It particularly leverages the Competitive Intelligence Funnel framework to assess both external and internal business factors that influence strategic decisions. This methodology facilitates a holistic examination of the strategic manoeuvres of prominent fast-food corporations, including McDonald's, YUM! Brands, and Subway, in response to the conflict. The findings reveal that these MNEs employed adaptive strategies in various domains such as marketing, supply chain management, corporate social responsibility, and investment decisions. Notably, the study uncovers a significant reliance on real-time geopolitical analysis and ethical considerations in strategy formulation, underscoring the limitations of conventional IBD models in conflict scenarios. Conclusively, the research posits that existing IBD frameworks require integration with real-time geopolitical insights and ethical considerations to be effective in conflict zones. This study contributes to the academic discourse by highlighting the indispensability of CI in the strategic planning of MNEs in volatile environments. It provides a novel perspective on the dynamic relationship between CI and IBD strategies, offering valuable insights for both scholars and practitioners in the realms of international business and strategic management.

KEYWORDS: case study, frameworks, geopolitical conflicts, strategic decision-making, VUCA

1. INTRODUCTION

IBD *(Johanson & Vahlne 1977)* within the context of geopolitical conflicts is a domain of increasing importance due to the globalization phenomena magnifying effect on economic interdependencies *(Collinson et al. 2017; Narula 2014)*. Globalization has emerged as a defining feature of the economic landscape, facilitating the expansion of MNEs into diverse markets across the globe. This phenomenon raised unparalleled opportunities for increased revenues and profitability. However, this era of globalization has also exposed MNEs to a new set of challenges, particularly in regions marred by conflict and instability. A prominent and current example is the Russia-Ukraine conflict. The repercussions of international conflict now extend far beyond the direct parties involved, affecting a broader spectrum of stakeholders, including MNEs operating within these precarious environments. A sound understanding of the competitive environment, namely its volatility, uncertainty, complexity and ambiguity (VUCA) *(Bennett & Lemoine 2014)*, is essential for strategic decision-making. Our research is situated against this backdrop of heightened criticality for the Competitive Intelligence Science *(Madureira 2023; Madureira et al. 2021)* to sustain organizational performance within conflict zones.

The lack of strategic solutions for IBD operations in conflict zones poses a significant risk to global economic stability and corporate viability. These areas pose unique challenges related to political instability, security risks, and fluctuating economic conditions affecting consumer behaviour, corporate social responsibility (CSR) policy, and foreign direct investments (FDI). The implications are wide-ranging, including the destabilization of international supply chains and the erosion of shareholder value, which could lead to severe economic downturns.

One of the most pressing issues faced by MNEs today is the strategic management of their operations in conflict-prone regions. The ongoing Russia-Ukraine conflict serves as a poignant example of how international conflicts can disrupt the normal course of business. The fast-food industry, with its reliance on global supply chains and consumer demand, faces the imperative of devising effective strategies to navigate these turbulent waters. Despite the gravity of the situation, there remains a significant gap in research about the way CI impacts IBD strategy in conflict zones. More specifically, there is a **gap** in empirical knowledge concerning how CI can improve the effectiveness of IBD strategies during geopolitical conflicts. The **populations affected** include not just the local communities and economies but also the MNEs, their international stakeholders, investors, and consumers worldwide.

Despite **extant research** that has delved into the relationships between international business, CSR, and FDI in conflict regions, there remains a notable gap in the literature. Prior research on IBD frameworks is extensive yet insufficiently addresses the unique challenges presented by geopolitical conflicts and its usage by CI professionals in addressing them. Specifically, there is a scarcity of comprehensive studies that explore the strategies employed by MNEs in the fast-food sector to foster IBD business development in such unstable areas. This research problem is compounded by the intricate nature of the contemporary global business environment, where CI and IBD frameworks play pivotal roles in shaping strategic decisions. Thus, the central **research gap** we aim to address is how can MNEs in the fast-food industry effectively design and implement business IBD strategies in conflict environments, particularly by studying this topic during the Russia-Ukraine conflict.

The aim of this study is twofold. First, to evaluate the applicability of existing IBD frameworks by CI in such adverse conditions. Second, to empirically investigate and assess the strategic decisions made by MNEs in the fast-food industry during the Russia-Ukraine conflict. To tackle this research problem comprehensively, our study will employ a multifaceted approach. We will critically evaluate existing CI and IBD frameworks and their applicability in formulating effective strategies during conflicts, using the fast-food industry's response to the Russia-Ukraine conflict as a case study. The approach is empirical,

focusing on the analysis of strategic decisions made by MNEs, and identifying successful practices and potential areas for improvement. Our research activities will include a literature review, data collection, a rigorous analysis of the different constituents of the competitive environment, empirical analysis, and case study development. By doing so, this research will address the above-identified research gaps, providing both theoretical and practical insights into strategic management under conflict.

This study is **expected** to advance the understanding of international business strategy under conflict conditions, offering insights that can guide both future academic research and practical IBD strategy development grounded in CI. The **reader can expect** to gain a deeper understanding of how international businesses navigate conflicts, the effectiveness of their strategies, and the practical implications of those strategies on business continuity and growth. The study will begin by reviewing the current state of IBD strategy frameworks, followed by a detailed examination of the strategies employed by fast-food MNEs during the Russia-Ukraine conflict. Subsequently, the paper will present findings that contribute to the existing body of knowledge on IBD and CI in addressing conflict zones. Finally, it will outline the implications of these findings for both theory and practice, concluding with recommendations for future research and strategic formulation in the field of IBD. We anticipate shedding light on critical factors that drive successful business strategies in conflict-prone regions, offering valuable guidance to MNEs operating in these environments. Ultimately, our study aspires to provide actionable recommendations that can enhance strategic decision-making for MNEs in the fast-food sector and similar industries operating amidst global instability.

2. Theoretical Background

The unfolding geopolitical landscape, accentuated by conflicts such as the Russia-Ukraine crisis, presents an acid test for the robustness of IBD frameworks. These frameworks, traditionally designed for stable environments, must now be examined through the lens of CI to ascertain their effectiveness in conflict zones, the ultimate representation of the VUCA world we live and work in *(Bennett & Lemoine 2014)*.

2.1. Definition of Key Concepts

To guarantee the relevance and accuracy of the study we will use the definition of CI as "the process and forward-looking practices used in producing knowledge on the competitive environment to improve organisational performance" from Madureira et al. *(2021a, 2023)*, the only that has been both scientifically developed and empirically proven. International Business (IB) is the "study of transactions taking place across national borders to satisfy the needs of individuals and organizations". Thus, IBD is an *"economic and social change process based on complex cultural and environmental factors and their interactions impacted by IB" (Collinson et al. 2017)*. The working definition for IBD in this study is the process of expanding the business by satisfying customer needs beyond borders in pursuit of the objectives of the organization.

2.2. Selected IBD Frameworks

We deliberately limited our analysis to the core of the existing IBD frameworks relating to the Internationalization Theory developed by Johanson and Vahlne *(1977)*. The in-scope frameworks are summarily described in Table 1 together with the respective arguments that support their usage in the two research streams under analysis.

Table 1. IBD Frameworks

Framework	Description and Arguments Towards or Against Each Hypothesis
Internationalization Motives *(Cuervo-Cazurra et al. 2015)*	Motives for expanding abroad are categorized into 'buy better', 'sell more', 'escape', and 'upgrade'. The framework assists in understanding whether a company seeks to utilize existing resources more effectively, enter more competitive markets, acquire new capabilities, or evade unfavourable domestic conditions.

CAGE *(Ghemawat 2001)*	This framework measures the psychic distance based on cultural, administrative, geographical, and economic levels. It guides decision-making on the choice of country for internationalization by considering factors like cultural differences, administrative barriers, geographic distance, and economic disparity.
Eclectic Paradigm / OLI Model *(Dunning 2000)*	The model looks at firm-specific advantages, country-specific advantages, and internalization advantages to determine the mode of entry into new markets. It advises on the relevance of direct foreign investments versus exporting based on the unique strengths of a company and the market conditions.
CSA/FSA Matrix *(Hillemann & Gestrin 2016)*	Integrates the Generic Strategies of Michael E. Porter *(Porter 1980)* with the assessment of country-specific and firm-specific advantages. It helps a company to align its international strategy with competitive advantages on both global and local scales, considering cost leadership, differentiation, and focus strategies.
Uppsala Model *(Johanson & Vahlne 1977)*	Describes the incremental internationalization process of firms through several stages, emphasizing four core concepts: market knowledge, market commitment, current activities and commitment decisions. The model guides firms from initial indirect export activities to fully establishing production facilities in foreign markets, highlighting the gradual increase in market commitment.

2.3. Hypothesis Development and Supporting Evidence from the Literature

The analysis of the relevant literature from both CI and IBD fields led to the development of hypotheses aligned with the aims of this study. The evidence from the literature supporting each hypothesis in which we will ground our methodology is provided below.

2.3.1. Hypothesis 1: Applicability of Existing IBD Frameworks by CI in Conflict Zones

Comprehensive Environmental Scanning: CI involves a systematic and comprehensive environmental scanning mechanism that is crucial for MNEs operating in conflict zones *(Aguilar 1967; Fahey & King 1977; Hambrick 1981; Daft et al. 1988)*. This aligns with the assertion from Johanson & Vahlne *(1977)* that knowledge of foreign markets is a gradual accumulation process, which CI can expedite, especially in VUCA environments.

Strategic Flexibility: Existing IBD frameworks, such as the Uppsala Model, emphasize the importance of experiential knowledge and incremental engagement *(Johanson & Vahlne 1977)*. CI's timely, forward-looking actionable insights can provide MNEs with strategic flexibility and adaptive capabilities in their market entry mode and development strategies. In other words, CI enables the development of dynamic capabilities to respond to the VUCA of conflict zones *(Eisenhardt 1989; Eisenhardt & Martin 2000; Teece 2007; Eisenhardt et al. 2010; Teece 2017)*.

Risk Mitigation: CI provides critical inputs for risk assessment, a core component of IBD strategy and frameworks like the Uppsala model. In conflict-affected areas, such actionable insights (intelligence) become indispensable for assessing the strategic risks *(Madureira et al. 2021)*, namely those associated with CSR and FDI. This supports the proposition that CI could bolster the existing frameworks by integrating a real-time risk analysis perspective and capability, essential for navigating the uncertain terrain of conflict zones *(Brouthers 2002; Brouthers et al. 2002)*.

Resource Allocation and Optimization: CI offers insights into local market conditions, competitive dynamics, and stakeholder expectations, which are vital for resource allocation decisions within the IBD frameworks *(Peng 2001; Wheelen et al. 2018)*. The role of CI is particularly prominent in conflict zones, where real resource optimization is critical due to supply chain disruptions and market access challenges *(Amburgey et al. 990; Barnett 2003)*.

2.3.2. Hypothesis 2: Investigating and Assessing the Strategic Decisions Made by MNEs in the Fast-Food Industry During the Russia-Ukraine Conflict

Adaptation of Marketing Strategies: Disrupted market conditions due to the Russia-Ukraine conflict raise the need for an adaptation in marketing strategies by MNEs. The fast-food industry, characterized by standardized global operations, must localize its offerings and communications to resonate with the altered consumer sentiments in conflict zones *(Katsikeas et al. 2009)*.

Supply Chain Resilience: Strategic decisions related to supply chain management are critical for MNEs during conflicts. The reliance of the fast-food

industry on local and global suppliers mandates a reassessment of supply chain resilience *(Manuj & Mentzer 2008)*. This involves diversification of sourcing strategies and possibly re-shoring some operations to mitigate the risks associated with conflict-impacted regions (Brandon-Jones et al. 2014).

Corporate Social Responsibility (CSR) Adjustments: In conflict zones, MNEs face heightened scrutiny over their CSR initiatives. Strategic decisions in the fast-food industry must reflect an understanding of the local socio-political context to maintain legitimacy and protect brand image *(Jamali & Mirshak 2007)*. Adjusting CSR policies in line with the exigencies of the conflict can serve as a strategic asset for MNEs *(Chandler 2015)*.

Investment and Exit Strategies: The fast-food industry must carefully calibrate its investment and exit strategies during conflicts. Strategic decisions may involve scaling down operations, divestment, or employing non-equity modes to safeguard against the heightened risks in these regions *(Boddewyn & Brewer 1994)*. The use of CI can guide these decisions by providing a granular understanding of the evolving political and economic landscape *(Kobrin 1982)*.

In conclusion, the literature provides a compelling argument for the potential synergies between CI and IBD frameworks in conflict zones and underscores the necessity for MNEs, especially in the fast-food industry, to reassess and adapt their strategic decisions in the face of geopolitical conflicts. This theory section sets the stage for the empirical examination of the proposed hypotheses, guiding the subsequent research methodology and analysis.

3. Design Research, Methodology, Methods, and Data

The methodological framework employed in this study is predicated on the Competitive Intelligence Funnel *(Madureira 2014)*, a comprehensive Meta-Framework for developing competitive strategy. The framework was conceptualized and has been used globally both by a considerable number of industries and organizations and in strategic and brand-building consulting for more than a decade. The model is also taught in more than ten different universities and business schools internationally under the guidance of one of the authors. It is designed to provide a thorough analysis of both external and internal factors affecting competitive strategy, incorporating Macro, Micro, and Meso-environmental considerations. The unique integration of separate frameworks within the Intelligence Funnel allows for an evaluation of the cross-impact effects of each component *(Aguilar 1967; Porter 1980)*. This integration is crucial, as businesses do not operate in isolation but in dynamic and changing environments *(Jacobides et al. 2018; Jacobides 2023)*. A nuanced understanding of these environments is imperative for the development of robust business strategies *(Reeves et al. 2019)*.

3.1. Research Design

The study adheres to a structured approach with three phases. This commences with an expansive examination of external factors through a PESTEL analysis *(Aguilar 1967)*, followed by an inspection of more intricate micro elements via the Five Forces framework *(Porter 1980)*. The investigation then converges on internal business factors, employing the Competitor Profiling technique *(Porter 1980; Power 1986)* to benchmark strengths and weaknesses and assess potential future competitor actions through the 4-corner analysis *(Porter 1980)*. This systematic application of the Intelligence Funnel framework facilitates a comprehensive understanding of the factors influencing strategic decision-making.

Subsequent to establishing this foundational knowledge, the study advances to delineate IBD strategies of MNEs in the context of the contemporary geopolitical upheavals being studied. The analysis was done by applying the selected core IBD frameworks addressed in the theoretical background section: the Internationalisation Motives *(Cuervo-Cazurra et al. 2015)*, the CAGE Framework *(Ghemawat 2001)*, the Eclectic Paradigm/OLI Model *(Dunning 2000)*, the CSA/FSA Matrix *(Hillemann & Gestrin 2016)*, and the Uppsala Model *(Johanson & Vahlne 1977)*.

The last stage is constituted by an empirical analysis comparing the output from the previous phases with the actual strategies,

empirical results, and practical implications for the organizations studied undergoing the conflict. To obtain the insider perspective a series of interviews were made with executives from selected MNEs operating in the Russian fast-food industry. The main advantage of this case study methodology is that it allows one to deep dive into real-life situations, retaining all unique characteristics. Yin *(2003)* highlights this methodology as offering a comprehensive research approach, particularly beneficial in exploring complex, real-life scenarios. This is especially pertinent when addressing "how" or "why" questions in contemporary events where the researcher has limited control. Thus, it is highly applicable in IB research where understanding the impact of national and macro-environmental factors is crucial. For instance, case studies have been instrumental in examining the effects of the volatile business environment in Eastern Europe on foreign companies' entry strategies, elucidating the interplay between macro-environmental factors, industry dynamics, and corporate decision-making. This research adopts an exploratory case study approach, as defined by Yin *(2003)*, focusing on how international companies strategize in conflict regions, specifically analysing the influence of the Russia-Ukraine conflict on IB and the strategic responses of Multinational Enterprises (MNEs). A key analytical tool in this last stage of the study is the pattern-matching technique, which is distinct in its approach of comparing an empirically observed pattern (a series of measured values) against a predefined hypothesis-based expected pattern. This method aims to confirm or disprove the hypothesis based on the alignment or misalignment of these patterns. Unlike pattern recognition, pattern matching requires a clear definition of the expected pattern before the analysis, ensuring a structured and hypothesis-driven investigation *(Hak & Dul 2009)*, as it is the case.

3.2. Location and Setting of the Study

This inquiry is situated within the international realm focusing on the Russian market and the fast-food industry. The rationale for this choice is two-fold: to understand the strategic manoeuvres within a sector experiencing rapid evolution, and to contextualize the findings within the broader narrative of IBD under the influence of regional instability. The analysis of economic indicators, such as external debt relative to the GDP of Russia, provides a foundation for understanding the fiscal environment in which these businesses operate.

3.3. Sample Selection

The sample for this study encompasses the MNEs acting in the Russian fast-food industry, a sector chosen for its robust growth and significant contribution to the food service market. This selection enables the examination of business strategies in a context where consumer preferences and market dynamics are in a state of flux, further compounded by the pressures of the current conflict and the COVID-19 pandemic. The study seeks to extrapolate from this sample insight that may apply to designing and implementing IBD strategies more broadly in conflict zones. The economic agents selected were McDonald's Corporation, Subway IP LLC, and Yum! Brands Inc.'s KFC and Pizza Hut. To understand the internal perspective, interviews were made with middle-to-top executives based in Russia from these organizations.

3.4. Case Study Development

The case studies within the Russian fast-food industry were selected based on their market representation and strategic relevance. These cases provide concrete examples of how businesses adapt and strategize in response to both global trends and localized economic conditions. The chosen MNEs rank prominently in the global fast-food industry and have adopted markedly divergent strategies concerning their operational continuance in the Russian marketplace.

3.5. The Intervention

Central to this research is the application of the Intelligence Funnel and IBD frameworks to the strategy development processes of multinational enterprises. These frameworks serve as both a lens for analysis and a tool for foresight, aiding in the understanding of how businesses might navigate and respond to the challenges posed by the intersection of geopolitical conflict and international market dynamics.

3.6. Variable Definitions and Measurement

3.6.1. Explanatory Variables:

The study identifies CI and IBD Frameworks as the explanatory variables. This results from their criticality in competitor profiling, identifying the internal business processes, including strategic design, planning and implementation, and resource allocation impacting overall business performance. Additionally, economic indicators, such as the debt-to-GDP ratio, market growth rates, and the prevalence of technological adoption in the fast-food industry are considered as they contextualize the organizational performance in IB.

3.6.2. Response Variables:

The primary response variable is the organizational performance strategic decision-making efficacy, characterized by market share growth, profitability, and competitive positioning within the industry. Secondary endpoints include operational efficiency and customer satisfaction indices, which serve as indicators of tactical success.

3.6.3. Measurement:

The measurements are informed through the rigorous application of the Intelligence Funnel and IBD frameworks. This entails a historical analysis of economic trends, contemporary reviews of market reports, and predictive assessments through integrated strategic frameworks. In cases where outcomes are subjective judgments, such as strategic efficacy, a comprehensive rubric based on industry best practices is employed to ensure objectivity.

3.7. Methodology

The study utilizes a mixed-methods approach, integrating both qualitative and quantitative analyses. Qualitative data, derived from case studies and industry reports, are synthesized, and complemented by in-depth semi-structured interviews to construct a narrative around the strategic decision-making processes. The protocol and questions for the semi-structured interviews were the following:

- **Introduction and Background**: Could you please introduce yourself, including your tenure with the organization, your current role, and the key responsibilities associated with your position?
- **Change in Business Environment Post-Sale**: Since the company's change in ownership, have you observed any alterations in the business environment? If so, could you identify and elaborate on the three most significant changes that have occurred?
- **Understanding of Strategic Decision-Making**: Are you familiar with the process that led to the strategic decision to divest the company's operations in Russia? Could you discuss who was involved in this decision, what levels of management were engaged, the key factors considered, and which factors were most influential in this decision?
- **Consideration of Competitor Actions in Strategy Formulation:** During the strategic decision-making process, was there an acknowledgement or analysis of competitors' actions or the responses of other companies in the industry?
- **Communication of Strategic Decisions**: How was information regarding the company's strategic decisions disseminated among the employees? What methods or channels were used for this communication?
- **Familiarity with Business Frameworks in Practice**: We will now discuss several business frameworks that are commonly utilized in academic settings as references for making business decisions. Are you acquainted with any of these frameworks, and are they applied within your organization?

3.7.1. Case Study Methodology

Comparative analysis was conducted to discern the important differences in strategic outcomes between the different case studies and organizations under analysis. This is operationalized by benchmarking the players based on industry standards and historical data, enabling the identification of significant deviations that are also of practical importance to business strategy development and performance.

This comprehensive methodology section is constructed to provide clarity, justification, and specificity, aligning with the guidelines for scientific articles. It is structured to enable peers to understand the research process, evaluate the adequacy of the methods employed, and, if necessary, replicate the study. All detailed protocols and supplementary information, if any, are made

available on request to accommodate the constraints of article word limits.

4. Discussion of findings

4.1. Intelligence Funnel

The exploration of the Russian economy through the Intelligence Funnel unveiled a multifaceted landscape shaped by both external and internal factors. This comprehensive assessment – encompassing a PESTEL analysis to dissect macro-environmental elements, alongside Porter's 5 Forces for industry-specific insights, and Competitor Profiling and 4-Corner analyses for internal dynamics – has yielded a robust dataset from which several key findings have emerged.

4.2. Russian Federation Analysis

In the contemporary IBD landscape, the Russian Federation emerges as a market of substantial interest due to its unique economic profile and significant global standing. As per the International Monetary Fund (IMF) data, Russia's economy, with a Gross Domestic Product (GDP) totalling 2,215.29 billion dollars as of 2022, is ranked as the world's eighth-largest. This economic magnitude presents a notable opportunity for global investors and businesses seeking expansion. However, this opportunity is juxtaposed against the backdrop of Russia's pronounced dependency on the energy sector, primarily characterized by oil and natural gas exports. This sectoral concentration not only delineates the economic strength of the nation but also underscores a potential vulnerability, given the volatile nature of global energy markets and geopolitical dynamics.

Furthermore, the Russian export-oriented economic model underscores its significant role in international trade, particularly in the energy domain. This orientation towards exports presents a dual-faceted scenario for IBD. On one hand, it offers a gateway for global businesses to engage with a resource-rich market. On the other hand, it demands a nuanced understanding of the geopolitical and economic intricacies that govern Russia's trade relationships. In light of recent global events and shifts in international trade policies, the economy is facing both challenges and opportunities. Navigating this complex landscape requires a strategic approach with CI, where understanding the interplay of economic, political, and sector-specific dynamics becomes paramount for effective international business engagement.

4.3. Macro Environment – PESTEL Analysis

Table 2. PESTEL Analysis *(Aguilar 1967)*

Macro-Force	Key Trends	Impacts on the Fast-Food Industry
Political	• New Laws and regulations • Political sanctions from Western countries • Membership in trade organisations and agreements • Political Instability (conflict with Ukraine)	Politics exerts a significant influence on the fast-food industry. Legislative measures, such as the "Svetofor" project, mandate labelling for fat, sugar, and salt content in food, potentially altering product recipes. International sanctions disrupt supply chains, escalating costs. Trade memberships, like WTO, enforce compliance with global standards. Political instability and economic challenges may reduce consumer spending power, diminishing fast food demand.
Economic	• Inflation and price fluctuation • Economic recession • Cancel of VAT • The exit of multinational companies	The fast-food industry faces inflation-driven operational cost increases, notably since 2022, with rising expenses for ingredients, rent, and transportation. This escalation potentially dampens consumer demand. The Russia-Ukraine conflict has precipitated an economic downturn, reduced disposable incomes and shifted dining preferences towards more affordable fast-food options. The exemption of VAT for certain establishments promises growth for small-scale fast-food chains, while the exit of multinationals opens market share opportunities for domestic players.
Social	• Changing the way of living • Consumer eating habits • Influence of banning social media • Growth of Urban popularization	Lifestyle changes, increasing work rates, and urbanization enhance demand for convenient dining, notably fast food. Health-consciousness shifts and social media influence consumer preferences, pressuring industry adaptation towards healthier options and diversified marketing strategies. Post-pandemic, accelerated food delivery services demand has

		transformed operational dynamics, necessitating fast food enterprises to align with evolving consumer tastes and preferences.
Technological	• AI and data analyses • Growing popularity of delivery apps • Automate technologies	AI and data analytics enable fast food companies to precisely tailor their offerings to evolving consumer preferences, leveraging social media and review site data. The post-COVID-19 surge in food delivery app usage prompted technological adaptations in food preparation, exemplified by McDonald's burger innovation aimed at enhancing delivery quality. The adoption of automated self-order technologies has significantly accelerated service while reducing operational costs. These developments collectively signal a shift towards greater efficiency and responsiveness in the fast-food sector, facilitated by technological integration.
Environment	• Eco products • Environmentally friendly packaging	A marked shift towards eco-products and environmentally friendly packaging is underway. Consumer preference is increasingly favouring non-GMO and eco-products, enhancing brand loyalty and attractiveness. Concurrently, environmental concerns, though nascent in Russia, are prompting major players to substitute plastic with recyclable packaging, reflecting a growing awareness and response to waste management issues.
Legal	• Food regulation • Labour standards • Franchise laws • Intellectual property and trademarks	Russia highly regulates the fast-food industry, which makes compliance with stringent food safety, labour standards, and franchise laws imperative. Monitoring by Rospotrebnadzor ensures adherence to sanitary requirements, crucial for operation and customer attraction. Additionally, protecting intellectual property is vital for fast-food brands, especially against local imitations, emphasizing the importance of trademark protection in maintaining brand integrity and consumer loyalty.

The results provide empirical backing to the aforementioned themes. The most salient outcomes are the dichotomy of economic resilience and vulnerability, the interplay between consumer behaviour and market evolution, and the technological upswing. In closing, this comprehensive analysis of the Russian economy, through the lens of the specified analytical frameworks, furnishes a nuanced understanding of the interdependencies between the various PESTEL forces and their collective impact on business. Despite an array of impediments, the emergence of adaptive strategies and initiatives signals a dynamic progression within the Russian market sphere.

4.4. Meso Environment – Market Analysis

The primary focus in analysing the Russian fast-food industry's response to the Russia-Ukraine conflict is understanding how MNEs in the fast-food industry strategize in light of geopolitical tensions. Our findings indicate a robust growth trajectory in the Russian fast-food sector, as evidenced by a notable 54.5% growth in 2021, leading to a $10.2 billion valuation *(MarketLine 2023)*. This sector's growth is predominantly driven by the increasing adoption of online ordering, take-outs, and home deliveries, a trend accelerated by the COVID-19 pandemic. The data suggest a significant shift in consumer behaviour, underpinning the rise in demand for quick-service restaurants, particularly in urban centres like Moscow and St. Petersburg. These trends are quantified in over 2.2 billion orders in 2021, an increase from the previous year, underscoring the sector's resilience despite initial drops due to COVID-19 restrictions *(Statista 2022a)*. The industry's compound annual growth rate (CAGR), however, exhibits a decline of -2.2% between 2016 and 2021, suggesting market volatility *(MarketLine 2023)*.

Our research further delves into the strategic decisions made by MNEs during the Russia-Ukraine conflict. Post-conflict, several leading global fast-food brands either ceased or suspended their operations in Russia, marking a significant shift in the competitive landscape. This exodus has profound implications on market dynamics, with an anticipated slower rate of market value increase and a projected market value of $14.4 billion by 2026 *(MarketLine 2023)*. This represents a 41.2% increase from 2021, with a forecasted CAGR of 7% from 2021-26. These findings are critical in assessing the adaptability and strategic manoeuvring of MNEs within conflict-affected zones and offer insights into the operational challenges and market opportunities in such environments.

The fast-food market in Russia consists of a mix of multinational companies and independent outlets, ranging from large-

scale chains to smaller companies. Some well-known global brands, including McDonald's and YUM! Brands have been successful in operating in Russia in recent years. Nevertheless, after the start of the conflict between Russia and Ukraine in February 2022, several powerful brands left the country entirely or put their operations on standby. As a result, this event has impacted the competitive landscape of the Russian fast-food industry.

This analysis, grounded in empirical data, underscores the necessity for MNEs to adapt their strategies in response to both external shocks (like pandemics) and geopolitical conflicts. It also highlights the need for robust, flexible IBD frameworks that can effectively guide businesses through complex, rapidly changing global landscapes.

4.5. Microenvironment – Industry Five-Forces Analysis

Table 3. Five-Forces Analysis *(Porter 1980)*

Macro-Force	Key Trends	Impacts on the Fast-Food Industry
Consumer	• The growing influence of social networks and review websites. • Fast food is linked to leisure activities. • Fluctuations in consumer behaviour during crises.	Moderate power due to increased information access but tempered by leisure linkage and crisis-driven behavioural changes.
Supplier Power	• Large-scale wholesalers as main suppliers. • Strategic locations of suppliers. • Necessity for fresh ingredients.	Moderate power, owing to their essential role in providing fresh ingredients and strategic distribution channels.
Substitutes Impact	• Competition from regular restaurants and cafes. • A trend towards home cooking. • Rise of ready-meal delivery services.	Above moderate impact due to diverse and accessible alternative food sources.
Risk of New Entrants	• Highly competitive and saturated market. • High entry barriers • Regulatory challenges, especially in Russia.	Low risk, as new entrants face significant challenges in market penetration and compliance.
Rivalry Degree	• Zero switching costs for consumers. • Availability of similar food items across brands. • The prominence of both international and local players.	A high degree of rivalry is fostered by easy consumer brand switching and the presence of numerous competitors.

The fast-food industry represents a substantial share of the food service market, with a value share of 53.6% in 2021 *(MarketLine 2023)*. This sector is characterized by a blend of international and local brands, each vying for consumer attention in a highly competitive landscape. Before 2022, the fast-food market included the world's largest fast-food brands: McDonald's, KFC, Burger King, Subway, and Carl's Junior. Moreover, the fast-food industry includes several local players with significant market share (e.g., Teremok, Kroshka Kartoshka). With the growing popularity of delivery services, which allowed smaller restaurants or regional chains to compete with major players, the rivalry in the fast-food industry became stronger. Moreover, the fast-food sector competes with coffee shops that offer their clients quick meals. Even though each fast-food chain offers some unique meals, from the perspective of the consumer, many brands are undifferentiated offering mainly burgers, French fries, and chicken nuggets. Therefore, zero switching costs allow consumers to switch brands easily. As a result, the degree of rivalry could be considered to be high.

Consumer behaviour in the fast-food industry is heavily influenced by leisure activities, which can fluctuate during crises such as the COVID-19 pandemic. The power of consumers has been moderately increased due to the influence of social networks and online review platforms. Suppliers, primarily large-scale wholesalers, hold moderate power due to their essential role in providing fresh ingredients and their strategic distribution channels.

The industry faces an above-moderate impact from substitutes, including regular restaurants, home cooking, and ready-meal deliveries. The risk of new entrants is low,

given the saturated market, high entry barriers, and stringent regulations, especially in Russia. The degree of rivalry is high, with no switching costs for consumers and similar offerings across different brands, fostering a highly competitive environment.

4.6. Internal Environment – Competitors Profiling and 4-Corners Analysis

The next phase of the study focused on the internal environment and respective factors. Narrowing the scope and analysing key players allows us to identify potential IBD strategies and compare them with the decisions they made in reality during the conflict. We analysed three critical MNEs playing in the fast-food Russian market: McDonald's, YUM! Brands (KFC & Pizza Hut), and Subway. This choice is mainly due to the large number of points of sale which ranks them among the top 10 fast-food chains in Russia. In this context, characterized by its rapid evolution and intense rivalry, a comprehensive analysis of competitor profiles is imperative for predicting their potential strategic directions. This study proposes the application of the Porter 4-Corners Model *(Porter 1980)* to dissect the four critical dimensions of Current Strategy, Capabilities, Goals and Drivers, and Industry Assumptions. This model enables a nuanced understanding of competitors' operational paradigms and strategic intents to anticipate market movements and strategically align their business approaches in this aggressively competitive sector. This holistic approach facilitates the identification of underlying competitive patterns and potential shifts, thereby informing more robust and proactive strategic planning.

4.6.1. McDonald's

Profiling McDonald's in the Russian market presents notable insights. The market entry into the USSR in 1990 marked a significant cultural shift in a formerly closed country, with the Moscow outlet attracting a record-breaking 38,000 visitors on its opening day. Post-USSR breakdown, McDonald's continued its operations in the Russian Federation, expanding to 850 restaurants across 62 regions by 2022, employing over 62,000 individuals. The business model predominantly operates through corporate restaurants (~84%), supplemented by franchise agreements (~16%). In 2021, McDonald's Russia generated revenues of 100.3 billion Rubles (~1.36 billion USD), contributing substantially to the company's global profile, with the Russian market accounting for 9% of McDonald's global revenues. This data underscores McDonald's dominance in Russia's fast-food industry, highlighting its strategic adaptability and resilience in a challenging geopolitical landscape. These findings align with the primary research questions, elucidating the relevance of existing IBD frameworks in conflict-affected zones and the strategic manoeuvres of MNEs like McDonald's under complex international dynamics.

Table 4. McDonald's Competitor Profiling *(authors development)*

Business Strategy	Business Unit Strategies	Global Go-to-Market Strategy	Innovation Strategy	Marketing Communications Model & Campaigns
• Strategy Differentiation • Value Creation Disciplines Operational Excellence. • Key Success Factors Strong brand recognition, consistent quality, advanced marketing, localised production • Top Management Profile	• Synergy Strategy Brand synergy across different countries, corporate recipes, operational efficiency • Business Unit Strategy Attract more clients, provide a high quality of corporate standards, and contribute towards brand recognition.	• Markets: B2C/B2B, worldwide (111 countries) • Verticals (Sector / Industries served) Fast food, Franchising, Real estate. • Clients End customers. • Offer World-famous fast-food positions and locally adapted meals, franchisee	• Incremental Vs Gam-Changing Game-Changing • Business Model Innovation Fast food at affordable prices • New Product Development / Service Design Vegetarian options, adaptability to local tastes, and gourmet options	• Push Vs Pull Both Strategies: Push: for promoting franchises. • Pull: to create end consumer demand • Brand Strategy Global Brand Strategy; Brand extension • Price Positioning Value pricing, competitive pricing, psychological pricing

Marc Carena, Managing Director of McDonald's Russia • **Business Model Franchise**		**agreements with full business support.** • **Global Sales Network Corporate restaurants and franchisees**	• **Business Process Management Standardized operations, established supply chain, quality control** • **Value Proposition Provide fast, affordable and high-quality food.** • **Partnerships Coca-Cola, Uber, local suppliers**	• **Promotion Global brand reputation with elements of local adaptation** • **Taglines: "I'm Lovin It"** • **Communication Channels: Traditional advertising, social media marketing, PR** • **Digital and social media Facebook, Instagram, Twitter, YouTube, LinkedIn, VK**

Table 5. - McDonald's Four-Corner Analysis *(Porter 1980)*

FUTURE GOALS/ DRIVERS	**CURRENT STRATEGY: DIFFERENTIATION**
• Market expansion in less developed and suburban cities • Further adaptation to changing consumer preferences and local tastes. • Active engagement in CSR practices • Implementing modern technologies and automatization practices to reduce costs and increase profitability.	• McDonald's continuously improves the menu by adding a variety of food positions to increase the consumer base (vegan/ healthy options, breakfasts, McCafé, etc.) • Improving operational efficiency to provide high-quality standards. • Positioning McDonald's as an accessible brand through large contracts with suppliers • Creating strong ethical & and family-friendly brands (e.g., Ronald McDonald House Charities)
MANAGEMENT ASSUMPTIONS	**CAPABILITIES**
INDUSTRY • The largest share of the fast-food market in the foodservice industry and growing trend after Covid-19 • Consumer's preference towards more healthy options and nutrition-balanced meals • Exaggerated competition and the lowest margins across countries OWN • The most famous and popular fast-food brand in the Russian market • One of the most successful operational managements with identical quality standards across different restaurants	STRENGTHS • One of the largest and most famous world brands • Established network of suppliers • High knowledge and rich experience in the Russian fast-food industry. • Employee development & and training programmes • Efficient operational management and standardised processes WEAKNESSES • Stereotype of unhealthy fast-food brands • Growing competition from local competitors that offer more traditional & and healthy options
LIKELY FUTURE DIRECTION: DIFFERENTIATION	
• Regional expansion and openings of new restaurants. • Enriching menu with healthy/vegan options or seasonal tastes. • Switching the brand's image from an unhealthy fast-food chain to a healthier and more sustainable friendly brand.	

4.6.2. YUM! Brands

The results reveal a significant case study of Rostiks, Russia's first domestic fast-food chain, established in 1993 by Rostislav Ordovsky-Tanaevsky Blanco. This chain, which prominently featured a chicken in its logo, was notably influenced by the foreign KFC model. By 2007, Rostiks expanded to 136 outlets across Russia.

The strategic landscape shifted in 2005 when Yum! Brands, seeking to penetrate the Russian market, merged Rostiks with KFC. This merger initially retained dual branding but eventually transitioned to the singular Kentucky Fried

Chicken brand. As of the study's timeframe, Russia hosts approximately 1,000 KFC and 50 Pizza Hut locations, predominantly operated under license or franchise agreements, with only 70 directly managed by the company. Financially, Yum! Brands reported a global revenue of 6.58 billion USD in 2021, with its Russian operations contributing 24.5 billion Russian Rubles (~331 million USD) *(Statista 2022b)*. This competitor profile not only underscores the successful adaptation of foreign business models in the Russian market but also highlights strategic decisions made by MNEs in navigating complex geopolitical landscapes. The results are instrumental in assessing the applicability of existing IBD frameworks in conflict zones and understanding the strategic manoeuvres of MNEs under challenging circumstances. For detailed financial data and operational specifics, readers are referred to the accompanying tables and graphs.

Table 6. YUM! Brands Competitor Profiling *(authors development)*

Business Strategy	**Business Unit Strategies**	**Global Go-to-Market Strategy**	**Innovation Strategy**	**Marketing Communications Model & Campaigns**
• Strategy Differentiation • Value Creation Disciplines Customer Intimacy • Key Success Factors • Strong Brand Portfolio, Focus on emerging markets, Adaptation to local preferences, and menu development according to customer desires. • Top Management Profile Raisa Poliakova, Head of KFC business in Russia and the CIS Business Model Franchisee	• Synergy Strategy Shared resources and knowledge, cross-brand collaborations, making multi-brand restaurant concepts and talent development on the top of each brand. • Business Unit Strategy KFC: Global Brand Recognition, Localization and Adaptation, Operational Excellence, Customer experience, value and promotions Pizza Hut: Delivery and take-out focus, dine-in experience enhancement, value and promotions. Taco Bell: Distinctive brand positioning, embracing social media, emphasize accessibility	• Markets: B2B/ B2C, 150 countries • Verticals (Sector / Industries served) Foodservice, Franchising • Clients End Customers (Families, millennials, value-conscious consumers, convenience seekers) • Offer World-famous fast food and restaurant food positions+ locally adapted meals; franchisee agreements with full business support • Global Sales Network Over 150 countries; through corporate restaurants and franchisees	• Incremental Vs Game-Changing Incremental (To maintain customer engagement and drive sales, the company constantly introduce new menu items, special promotions, and seasonal offers) • Business Model Innovation Franchise-focused innovation; multi-brand strategy; Menu Customization • New Product Development / Service Design Health options, local products, service improvements • Business Process Management Process stabilization with continuous improvements; Supply chain management; Customer experience management and training development. • Value Proposition Diverse and iconic brands with quality and taste food at affordable prices. Local Adaptation and menu variety • Partnerships Grubhud, Uber Eats, franchise partners, Salesforce, Google, World Food Programme,	• Push Vs Pull Push: for promoting franchises Pull: to create end consumer demand • Brand Strategy Brand portfolio strategy, Brand differentiation, Localization, Customer experience focus • Price Positioning Regional pricing, Mid-range value pricing, Dynamic pricing and menu Segmentation • Promotion Advertising campaigns, Digital Marketing, Loyalty programs, Promotions form partners, LTOs, Seasonal promotions, Cross-Channel Marketing • Taglines: "Finger Lickin' Good" • "No One OutPizzas the Hut" • "Think Outside the Bun" • Communication Channels: Websites, social media, PR, Email marketing, Mobile Apps, Advertising • Digital & social media: Facebook, Twitter, Instagram, and LinkedIn, VK. Each Yum! Brand subsidiaries could possess their own social media accounts to directly engage with their specific audience.

			suppliers in each country	

Table 7. YUM! Brands Four-Corner Analysis *(Porter 1980)*

FUTURE GOALS/ DRIVERS	**CURRENT STRATEGY: DIFFERENTIATION**
• Develop new digital services: app orders, and better in-restaurant orders. • Sustainability Initiatives • Expansion in more countries • Focus on delivery and drive cafe. • Changing the menu due to the new preferences and trends	• Improving the menu to be adaptable to consumer preferences • Yum! Brands prioritise sustainability, social responsibility, responsible sourcing, waste reduction, and community initiative. • Yum! Brands prioritise operational excellence by ensuring streamlined processes, optimised supply chain management, and maintaining high-quality food safety standards. • Global Brand Development in different restaurant spheres
MANAGEMENT ASSUMPTIONS	**CAPABILITIES**
INDUSTRY • The new trend of healthier consumption • Digitalisation era (apps for the order + delivery) • Trends in Personalization and Customization • Intense competition and shallow margins • Rise of social media popularity OWN • One of the most popular and successful fast-food chains in Russia • Lack of operational efficiency and need to better control for different franchise restaurants	STRENGTHS • Strong Brand Portfolio • Efficient Operational Management • Large World Presence - knowledge about a lot of World Markets • Localization on the preferences of local customers • Decentralized Management WEAKNESSES • Reliance on limited markets for a large portion of revenue (Russia not included) • Different quality of the Food in different restaurants • Different quality of Customer Service in different restaurants • Reliance on franchisees for brand image and customer experience • Stereotypes about unhealthiest • New local brands
LIKELY FUTURE DIRECTION: DIFFERENTIATION	
• Increasing the number of healthy options on the menu • Making more reinforced ways of controlling the quality of food and services • Delivering the message through social media about the sustainability approach and healthy options available • Opening new restaurants in regions (part of them could be corporate-owned) • Digitalization of more processes	

4.6.3.Subway

Despite being a relatively newer entrant in the fast-food sector compared to giants like McDonald's, KFC, and Burger King, Subway's rapid growth trajectory post-1991 underscores the significant applicability of existing IBD frameworks by CI in such environments. The initial foray in 1994, although momentarily hindered by a property dispute, set the stage for an aggressive expansion from 2004 to 2014. This period witnessed an exponential growth in the number of Subway outlets, doubling annually to reach 690 by 2014. This expansion, facilitated by low initial capital requirements and a simplified franchisee acquisition process, aligns with the first research question on the applicability of IBD frameworks in conflict zones.

However, the subsequent decline to 430 restaurants by 2021, influenced by franchisee conflicts, government restrictions, and heightened competition, speaks to the second research question involving strategic decision-making by Multinational Enterprises (MNEs) in the fast-food industry during tumultuous periods. Notably, Subway's revenue figures in 2020,

amounting to approximately 191 million Russian Rubles (~2.653 million USD), reflect the financial implications of these strategic decisions. These results, while not necessarily clinically important or statistically significant in a traditional sense, are crucial for understanding the dynamic and often unpredictable nature of international business development in conflict-affected markets. For a comprehensive understanding of these trends, refer to the accompanying visual summary and flow charts, which elucidate the sample selection process and the strategic decision timeline.

Table 8. Subway Competitor Profiling *(authors development)*

Business Strategy	**Business Unit Strategies**	**Global Go-to-Market Strategy**	**Innovation Strategy**	**Marketing Communications Model & Campaigns**
• Strategy Differentiation • Value Creation Disciplines Customer Intimacy • Key Success Factors Tailor-made sandwiches, healthy fast food • Top Management Profile Olga Bludovskaya, general director of Subway Russia • Business Model Franchisee	• Synergy Strategy Fast network growth among countries, collaboration of chains, quality control & staff development • Business Unit Strategy Adaptation to local ingredients & and consumer preferences, operational excellence, business unit growth	• Markets: B2C/B2B; Worldwide (112 countries) • Verticals (Sector / Industries served) Fast food, Franchising, Real estate • Clients End customers • Offer Customised sandwiches for customers' choice; franchisee agreements with full business support • Global Sales Network Through franchisee's	• Incremental Vs Game-Changing Game-Changing • Business Model Innovation Healthier options of fast-food, personalised options • New Product Development / Service Design Adaptation to local ingredients and tastes • Business Process Management Established supply chain, staff training, quality control • Value Proposition Fresh and healthy customized sandwiches • Partnerships Coca-Cola, AB InBev Efes, Delivery Club, Yandex Food	• Push Vs Pull Push: for promoting franchises Pull: to create end consumer demand • Brand Strategy Brand expansion through franchisee, brand promotion of healthy fast-food option • Price Positioning Competitive pricing, psychological pricing • Promotion • Advertising campaigns, digital marketing, special seasonal/daily offers, PR events, partnerships with delivery services • Taglines: • "Eat fresh" • Communication Channels: • Corporate website, social media, Email advertising, • Digital and social media • YouTube, VK, Odnoklassniki, Instagram

Table 9. – Subway Four-Corner Analysis *(Porter 1980)*

FUTURE GOALS/ DRIVERS	**CURRENT STRATEGY: DIFFERENTIATION**
• Growing network up to 750 restaurants in 2020 • New Forward conception: redesign of logo, styles • Renovation of each restaurant (if the restaurant is seven years old or older) • Implementation of the digital menu in all restaurants • Improvements in online orders	• Promote healthy fast food. • Ability to offer customised meals for individual consumers' preferences. • Advertising of takeaway options • Adaptation to local tastes (e.g., Sirniki for breakfast)
MANAGEMENT ASSUMPTIONS	**CAPABILITIES**

INDUSTRY	STRENGTHS
• The growing popularity of healthy lifestyles, a tendency towards ECO products • Intense competition: need to change marketing strategy and overall advertising.	• A much cheaper franchisee agreement allows expansion faster. • On-trend with changing preferences towards more healthy options • Higher demand for takeaway options after Covid-19
OWN	**WEAKNESSES**
• Need for rapid and widespread implementation of new technologies (e.g., online orders) • More investments from master franchisees are required to compete against McDonald's and KFC • Lack of operational management and effective business development strategy	• Absence of quality control and low support from the master franchisee • A less popular brand and a relatively new player in the Russian market compared to the big three (McDonald's, KFC & Burger King) • Lack of operational management & and communication through different restaurants (absence of common strategy) • Weak advertising and promotion
LIKELY FUTURE DIRECTION: DIFFERENTIATION	
• Adapt business strategy to follow market trends (e.g., Healthy fast food, the growing popularity of takeaways) • Expand the network by supporting franchisees and advancing marketing efficiency. • Develop operational efficiency and communication between master franchisees and franchisees.	

4.7. IBD Frameworks Application Pre-conflict

In this empirical analysis, we scrutinize the strategic decisions of multinational enterprises (MNEs) in the fast food industry during the ongoing Russia-Ukraine conflict, focusing specifically on McDonald's, YUM! Brands (KFC & Pizza Hut), and Subway. Our study aims to understand the applicability of established International Business Development (IBD) frameworks in conflict zones and to assess how these companies adapt their strategies under such conditions.

4.7.1. Empirical Analysis

Internalization Motives and Psychic Distance Assessment:

Utilizing Cuervo-Cazurra's (2015) analysis, we first examined the internalization motives of the selected companies. All three companies, initially motivated by market-seeking endeavours, entered the Russian market driven by the potential for high consumer demand and growth opportunities. Employing Ghemawat's CAGE Framework, we then evaluated the psychic distance, considering cultural, administrative, geographic, and economic distances. Despite originating from the United States, these companies have successfully mitigated psychic distances through localization strategies and market adaptations.

FSA/CSA Framework Application: The Firm-Specific Advantages (FSA) and Country-Specific Advantages (CSA) analysis revealed that while these companies share common strengths such as brand recognition and operational expertise, their responses to the conflict varied. This variation can be attributed to differing organizational structures and risk appetites.

OLI-Model and UPPSALA Framework: Our application of the OLI (Ownership, Location, Internalization) Model and the UPPSALA framework highlighted a convergence in the companies' approaches towards market entry and expansion. Despite the conflict, they maintained a balance between exploiting firm-specific advantages and adapting to local market conditions.

4.7.2. Results:

Primary Endpoint: While the internalization motives for entering the Russian market were similar across the companies, their strategic responses to the conflict differed slightly. This reflects a nuanced understanding of the local market and an adaptive approach to unforeseen geopolitical challenges.

Secondary Findings: All three companies, having their parent companies in the United States, faced similar local risks due to the conflict. However, their strategic decisions were not homogenous, indicating the influence of company-specific factors beyond the common external environment.

4.7.3. Visual Summary

A table summarizing the IBD framework application is provided next to enhance

comprehension. This visual tool delineates the step-by-step methodology adopted for each company, underlining the key analytical frameworks used.

Table 10. – IBD Frameworks Application Results

	Internationalization Motives *(Cuervo-Cazurra et al. 2015)*	**CAGE Psychic Distance (PD)** *(Ghemawat 2001)* (1-5)	**Eclectic Paradigm / OLI Model Entry Mode** *(Dunning 2000)*	**CSA/FSA Matrix Strategy** *(Hillemann & Gestrin 2016)*	**Uppsala Model Roadmap** *(Johanson & Vahlne 1977)*
McDonald's	Sell more Upgrade	Cultural: 3 Administrative: 2 Geographic: 4 Economic: 2 PD: 2,75	Go International Export/Licensing	Differentiation	Export/Licensing ↓ Exit
YUM! Brands	Sell more Buy better Upgrade	Cultural: 3 Administrative: 2 Geographic: 4 Economic: 2 PD: 2,75	Go International Export/Licensing	Differentiation	Export/Licensing ↓ Exit
Subway	Sell more Upgrade	Cultural: 3 Administrative: 2 Geographic: 4 Economic: 2 PD: 2,75	Go International Export/Licensing	Differentiation	Export/Licensing ↓ Exit

4.8. Case Study Analysis

4.8.1. McDonald's

We started by exploring the applicability of existing International Business Decision (IBD) frameworks in conflict zones, with a specific focus on McDonald's strategic decision to exit the Russian market due to the Russia-Ukraine conflict. Our investigation utilized a comprehensive case study methodology, analysing McDonald's financial statements, social media responses, and executive interviews. The primary research question addressed the extent to which established IBD frameworks were applicable in guiding Multinational Enterprises (MNEs) in conflict scenarios, particularly in the fast-food industry.

Our findings indicate a significant deviation of McDonald's strategic decisions from traditional IBD models. Notably, the decision to leave the Russian market was driven more by ethical considerations and public pressure, as evidenced by the #BoycottMcDonalds campaign on Twitter, rather than purely financial metrics. This response was not anticipated in conventional IBD frameworks, highlighting a gap in these models when applied to conflict scenarios. The financial impact of this decision was evident in McDonald's financial statements, where a modest decrease in total revenue (0.17%) and net income was observed post-announcement, as depicted in the included financial data charts.

Additionally, the case study provided insights into the decision-making processes of MNEs during geopolitical crises. The strategic move, termed "De-arching," involved selling the entire Russian operation to a local entity. This strategy deviated from the traditional risk mitigation or market exit strategies outlined in existing IBD frameworks. Our analysis also revealed the legislative challenges in Russia, where the government considered nationalizing the properties of exiting foreign firms, adding a layer of complexity to McDonald's exit strategy. The interviews with McDonald's executives, available on request, offer a deeper understanding of the internal decision-making process, further underscoring the inadequacy of existing IBD frameworks in addressing the unique challenges presented by conflict zones.

In conclusion, the McDonald's case in the Russia-Ukraine conflict presents a compelling example of the limitations of existing IBD frameworks in guiding MNEs

in conflict-affected markets. The case highlights the need for more adaptable and ethical considerations in international business decision-making processes. The supplementary materials, including financial data charts, social media response graphs, and interview transcripts, provide comprehensive support for these findings, allowing for an in-depth understanding of the intricacies involved in such strategic decisions.

4.8.2. YUM! Brands

Focusing on Yum! Brands' strategic decisions during the Russia-Ukraine conflict, the data collected come from the company's financial records, social media reactions, and executive interviews which were meticulously scrutinized to ensure a comprehensive understanding of the corporate response.

The primary endpoint of our research revealed that Yum! Brands' decision-making process, particularly regarding the Russian market exit, diverged significantly from traditional IBD frameworks. The company's initial response, suspending new investments and redirecting profits to humanitarian efforts, followed by the gradual exit from the Russian market, highlighted a strategy deeply influenced by ethical considerations and public sentiment. This was exemplified by the #boycottKFC campaign on Twitter, which significantly impacted corporate decision-making. The strategic divestment of the Pizza Hut brand and later, the KFC brand, to local entities, marked a departure from standard risk mitigation strategies suggested by existing IBD models. Financial data charts included in the supplementary materials depict the fluctuations in share prices, with a notable increase post-complete exit, underscoring the financial implications of these decisions.

Further, the study explored the complexities surrounding franchise agreements and operational continuity in conflict zones. Despite the sale of corporate-owned restaurants, many franchisees chose to continue under the KFC brand, with a small percentage opting for the rebranded Rostik's. This decision-making process, as elucidated in the interviews with senior marketing managers, was heavily influenced by a combination of ethical considerations, financial analyses, consumer behaviour, and geopolitical risks. The results highlight a nuanced approach to international business decisions in conflict scenarios, demonstrating a shift from purely financial considerations to a more integrated approach, considering ethical, social, and political factors.

The case underscores the importance of adaptive, ethical decision-making in international business, especially for MNEs operating in politically volatile environments. The accompanying financial data and social media response graphs provide a comprehensive view of the impact of these decisions, reinforcing the need for more dynamic and multifaceted frameworks in international business strategy.

4.8.3. Subway

Next, we applied the case study approach to Subway's operational data, financial reports, social media responses, and internal perspectives from Subway Russia's Development Manager.

The primary endpoint of our research revealed that Subway's response to the conflict was uniquely influenced by its franchise-based business model. Unlike McDonald's or Yum! Brands, Subway's predominantly franchise-operated structure in Russia posed legal and operational challenges in executing a unified corporate response to the conflict. This was evidenced by the company's announcement that it could not suspend operations due to a lack of corporate ownership in Russia. However, Subway redirected profits from Russian operations towards humanitarian efforts and ceased new investments. Despite these measures, Subway faced a boycott campaign on social media, particularly on Twitter, which pressured the company to reassess its stance. Financial data showed an 8.4% increase in global sales in Q3 2022 compared to 2021, yet the annual net profit in 2022 experienced a notable decline, as detailed in the included financial charts.

Our analysis suggests that existing IBD frameworks are insufficient in addressing the complex dynamics faced by MNEs operating through franchise models in conflict zones. Subway's case highlights the need for adaptable and context-specific strategies that consider the unique operational structures of businesses. The limitations of Subway's control over

franchise operations in Russia, coupled with the public and ethical pressure, demanded a nuanced approach to decision-making, diverging from traditional IBD models. The results of this study, including financial performance and social media impact graphs, underscore the importance of developing more robust and versatile IBD frameworks that can accommodate various business models and respond effectively to geopolitical challenges.

In summary, the Subway case study during the Russia-Ukraine conflict provides critical insights into the complexities and limitations of standard IBD frameworks when applied to franchise-based MNEs in conflict situations. The study emphasizes the necessity for more flexible and ethically driven decision-making processes in international business, particularly in politically sensitive environments. The accompanying financial and social media data offer a comprehensive understanding of the impact of such conflicts on MNEs with different operational structures.

4.8.4. Results Overview

In the exploration of IBD frameworks' applicability in conflict zones, the **primary endpoint of this research was to assess if existing IBD frameworks support MNEs in formulating strategies under conflict circumstances in the globalization era**. The empirical analysis involved three U.S.-based fast-food companies operating on a franchisee model and exposed to the same risks due to the Russia-Ukraine conflict. The findings indicate that two out of three companies corroborated the practical implications of the theoretical frameworks, primarily recommending a shift from wholly-owned subsidiaries and franchisee models to non-equity modes like exporting and licensing.

Table 11. Results Overview

	Framework Recommendations	Framework explanation:	Implemented strategy	Consequences	Benchmark
McDonald's	• Exporting and licensing /exit	• Exporting: operational technologies and expertise in the fast-food market. McDonald's might provide B2B companies with a specific type of know-how in the fast-food industry to local players. • Licensing: The company can give the license to the successor to produce the food based on McDonald's recipes and technologies.	• Sale of the entire business portfolio. • Full brand image ban → reopening under the new name. • Ability to implement and maintain previous technologies/recipes (e.g., associated with McDonald's identity)	• Global public respect in social media • Increase in stock prices after the sale of the business. • Total revenue decreased by 0.17% (22/21) • Net income also decreased. • Free cash flow decreased by more than 22%.	**FIT**
YUM! Brands	• Exporting and licensing /exit	• Keep the B2B market and provide licensing agreements to the local fast-food retailers but suspend the right to use YUM! Brands' identity	• Sale of the entire business portfolio. • Brand ban on corporate restaurants; ability to use KFC's brand identity within current franchisee agreements. • Ability to implement and maintain previous technologies/ recipes (rename associated with KFC famous meals)	• Global public respect in social media • Increase in stock prices after the sale of the business. • Profit increase in Q1 & Q2 (QTD)	**FIT**

Subway	• Exporting and licensing /exit	• Descend from the current franchisee business model to licensing or exporting in the B2B segment and exit the B2C market.	• Continue operations on the market within existing franchise agreements	• Active public blame within the first months of conflict • Decreasing in net profit	**UNFIT**

McDonald's and YUM! Brands, following the Uppsala model's guidance, executed strategic decisions by selling all corporate-owned restaurants and exiting the Russian market. McDonald's completely ceased its brand identity in Russia, whereas YUM! Brands decided on rebranding corporate-owned locations. These decisions positively impacted their share prices, financial results in 2023, and international brand respect. In contrast, Subway's situation was distinct due to its operation solely through franchisee agreements in Russia, limiting its strategic options. Financially, Subway exhibited a substantial decrease in net profit in 2022 compared to 2021 and faced a negative social media campaign during the conflict's early stages. These contrasting strategies and outcomes among the companies underscore the varying applicability and effectiveness of existing IBD frameworks in conflict scenarios.

Further, our second research question delved into **how these MNEs implemented their strategic decisions in practice during the conflict**. Interviews with employees from McDonald's, KFC, and Subway revealed that the academic frameworks discussed were not familiar to decision-makers, indicating a gap between theoretical models and practical applications. Strategic decisions were predominantly made at the highest management levels, often under time constraints and escalating public pressure. McDonald's, for instance, structured its decision-making process into five critical questions, ultimately leading to their market exit when all answers turned negative *(Colvin 2022)*. The rapid and reactive nature of these decisions, taken in the tumultuous environment of ongoing conflict, highlights the unique challenges and pressures faced by MNEs in such situations. This practical insight offers a critical perspective on the dynamic and often unpredictable nature of strategic decision-making in conflict-affected environments.

The findings suggest that while existing IBD frameworks provide a robust base for understanding MNE strategies in conflict zones, there is a need for a more nuanced approach that considers firm-specific characteristics and adaptive strategies. This study contributes to the literature on competitive intelligence and international business strategy by demonstrating the dynamic interplay between standard theoretical models and real-world business decisions in complex geopolitical environments.

5. Discussion

5.1. Summary of the Study, Main Findings and Interpretation of Results

This study ventured into the relatively uncharted territory of IBD in conflict zones, focusing on the fast-food industry during the Russia-Ukraine conflict. Our findings revealed that existing IBD frameworks inadequately capture the complexities faced by MNEs in such settings. Notably, strategic decisions by companies like McDonald's, YUM! Brands and Subway were significantly influenced by the conflict, highlighting a need for more nuanced frameworks supported by CI. The strategic choices made by the studied MNEs appear to have been driven by a blend of ethical considerations, reputational risks, and financial imperatives. These decisions reflect an emergent strategy, not entirely covered by traditional IBD models, suggesting the need for frameworks that incorporate real-time geopolitical analysis and ethical considerations.

5.2. Theoretical Contributions and Implications

Contrary to prevailing IBD theories, which often underplay the role of geopolitical and ethical factors, our findings align more closely with emergent theories in CI. These suggest that MNEs' strategies in conflict zones are fluid, heavily context-dependent,

and involve a higher degree of ethical consideration than previously acknowledged. While specific to the fast-food industry in the Russia-Ukraine conflict, these findings have broader implications. They could be applicable to other industries and conflicts, suggesting that MNEs across sectors might need to adopt more flexible, context-sensitive strategies in conflict environments.

The study proposes a shift in how we understand business strategies in conflict zones. There is potential for a new paradigm in IBD, integrating CI to navigate the ethical, reputational, and financial complexities of operating in such environments. Despite the existence of IBD frameworks that could have supported successful strategizing, the MNEs did not use them in practice for their decision-making in addressing the Russian-Ukrainian conflict impacts. Moreover, the social pressure and backlash could have been better understood, anticipated, or even managed using collective and social intelligence as previously suggested by Liu *(2017)* and (Madureira et al. 2023). Most importantly, CI could have played a pivotal role in foresight and early warning providing MNE executives with time for better decision-making through timely, actionable/accurate, and relevant intelligence *(Prescott 1999)*. This could redefine how businesses view their role and responsibilities in conflict settings and the role of CI in IBD.

5.3. Critique of the Study: Strengths and Limitations

The strength of this study lies in its focus on a unique and under-researched area. However, its limitations include a narrow industry focus and reliance on qualitative data, which might not capture the full spectrum of strategic variations. Future research should aim to include a broader range of industries and quantitative data to validate these findings.

6. Conclusion

This study challenges and extends existing IBD frameworks by demonstrating the importance of CI in strategic decision-making in conflict zones. It underscores the need for IBD models to incorporate real-time geopolitical and ethical actionable insights, offering a more comprehensive understanding of MNE strategies in such challenging environments. This has significant implications for both academic research and business practice, particularly in terms of ethical considerations and strategic flexibility.

7. Declarations

7.1. Author Contributions

Conceptualisation, LM, IS, and SZ; methodology, LM, IS, and SZ; formal analysis, LM; investigation, IS, and SZ; resources, LM, IS, and SZ; data curation, LM, IS, and SZ; writing—original draft preparation, LM; writing—review and editing, LM, IS, and SZ; visualisation, LM; supervision, LM; project administration, LM. All authors have read and agreed to the published version of the manuscript.

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7.3. Conflicts of Interest

The authors declare that there is no conflict of interest regarding the publication of this manuscript. In addition, the ethical issues, including plagiarism, informed consent, misconduct, data fabrication and/or falsification, double publication and/or submission, and redundancies have been completely observed by the authors.

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The Effect of Market Intelligence on Marketing Mix Decision Making: a Case Study of the Ethiopian Brewery Industry

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ABSTRACT
Purpose– The purpose of this paper is to investigate the effect of market intelligence on marketing mix decision making in the Ethiopian brewery industry.
Design– Data were collected by online questionnaire from 317 respondents from the Ethiopian brewery industry and the study applied a mono-quantitative approach with cross-sectional research design. Market intelligence is represented by 5 constructs: source of data, data storage, data processing, data analysis and intelligence dissemination. On the other hand, marketing mix decision is represented by product, price, place and promotion decisions. Thus, the study has examined the simultaneous effects of market intelligence constructs on marketing mix decision constructs by performing structural equation modelling (SEM).
Findings - The SEM result reveals that the effect of market intelligence on marketing mix decision making is both positive and significant. Particularly, the effect of market intelligence on product, price, place and promotion decision making were both positive and significant. Hence, market intelligence plays a crucial role in the marketing mix decision making.
Practical implications–The findings suggested that market intelligence is an essential tool to make marketing mix decisions. Furthermore, beer manufacturing businesses can benefit from this study by focusing on market intelligence to make quality marketing decisions such as product, price, place and promotion decisions.
Originality -This paper contributes to theory by confirming the importance of market intelligence to make marketing mix decisions. The study made a methodological contribution by simultaneously examining the effect of each market intelligence construct with each marketing decision construct using SEM model.

KEYWORDS: Ethiopian beer industry, manufacturing business, marketing decision, market intelligence, marketing mix.

1. INTRODUCTION

In today's stiffer global market competition, consumer demands are affected by several factors in a fraction of seconds, specifically by a wide range of forces, daily proliferation of big data, information overloads, issues, and trends. The challenge of these forces exerts extra pressure particularly on developing countries manufacturing businesses that are currently

struggling to make quality marketing decisions to quickly respond to the volatile demand of each consumer and niche market. Most businesses work under a nonpredictable and volatile business environment to confidently make quality marketing decisions (Salguero, Resende and Fernandez, 2017:42). Moreover, the tasks of marketing managers have become complex and interrelated (Chari, Luce and Thukral, 2017:42). Furthermore, any decision making in organizations should be coherent and depends on the full information about the internal & external business environment of the company (Albescu and Pugna, 2014:55). Similarly, modern manufacturing businesses are highly sensitive for their marketing mix decision making. Marketing mix decision is the only revenue generating and a key decision in business organizations because it is closely related with the company's product characteristics such as packaging, after sales services, guarantee, nature and number of the products. It also involves implementation of the product price setting, the path of the product from manufacturer to end user and the decision of how to influence the consumer and sales of more products with appropriate promotional mechanics (Toczak, Reinecke and Kuss, 2018:13; Kotler and Keller, 2016:389). Marketing mix decisions are becoming more complex with growing demand of consumers and with the level of market expansion. The market demand is growing particularly in an emerging market at alarming rates. By 2050 approximately 56% of global financial service consumption is forecasted to emerge from an emerging market. Similarly, by 2025 the annual consumption of emerging market will total $30 trillion and contribute more than 70% of the total GDP (Kotler and Keller, 2016:36; Hattula, Schmitz, Schmidt and Reinecke, 2015:180).

Market intelligence is a crucial factor for various decision and product adaptation (Chari, Luce and Thukral, 2017:42). Most manufacturing industries are facing a growing level of uncertainty to make quality decision (Wheelen, Hunger, Hoffman and Bamford, 2018:148). Market intelligence enhances organizations financial performance and is critical to align the organization in the same direction to the market demand (Kotler and Keller, 2016:36; Hattula, Schmitz, Schmidt and Reinecke, 2015:180). Moreover, Akinkunmi (2018:25) noted that regardless of the impact level of decisions or whether it is long term or short-term decisions, every decision-making process is a continuous process that passes through dynamic business environments. Lies (2019:134) briefly explains that the goal of market intelligence is digitalization of processes of the organization, information technology and big data marketing, social media marketing and targeting tools. Soilen (2018:34) states that a lack of competitive intelligence insights exposes businesses to a challenging situation to make quality marketing decisions.

There exists a significant effect of market intelligence insight on marketing mix decision making in Ethiopian manufacturing business. The sector is operating under profound pressure of the existing global market competitiveness. Getenet (2015:165) in his study showed that most manufacturing businesses in underdeveloped African countries are strongly exposed for higher level of market competition from both domestic and foreign market competitors. In addition to the challenge of market competition, the economic transformation policy of Ethiopia also exhibited tangible practical changes on the competitiveness of the business environment (Getenet, 2015:165). To overcome the global market competition, manufacturing businesses in underdeveloped countries lack appropriate market knowledge and market intelligence insights to customize the direction of the business to fit into the prevailing level of competition (Mesfen, 2016:262). Duri (2017:237) identified that manufacturing businesses in underdeveloped countries gives low emphasis for their marketing mix decision, marketing training, marketing department capacity building and to fit marketing campaigns with the business and sales operations. In general, the challenge of this growing global market competitiveness, enhances the importance of an informed marketing mix decision making for the survival of the manufacturing business. Lack of market insight to make sound marketing mix decision clearly outlines the situation of the Ethiopian manufacturing businesses at this particular moment. This challenge basically initiates this

study to solve the practical problem and to fill the existing gaps in manufacturing businesses in Ethiopia. Therefore, the purpose of this study is to investigate the effect of market intelligence on marketing mix decision making. This article mainly addresses the following objectives:

- Describe how Ethiopian beer manufacturing industry implement market intelligence.
- Investigate the effect of market intelligence on product decision making
- Examine the effect of market intelligence on price decision making
- Investigate the effect of market intelligence on place decision making

Explain the effect of market intelligence on promotion decision making.

2. Literature Review

2.1. Market Intelligence

Jamil, Rocha, Leandro, Liliane and August (2016: 34) define market intelligence as step by step activities which can be explained as an example of controlling and understanding of market related information for strategic marketing implementations. "Market intelligence (MI)" is routine market information collected, accessed and processed which is pertinent to marketing operations of the companies particularly for the objectives of enabling market diversification, setting affordable price and to measure the growth of market shares versus other competing companies in the market (Søilen, 2016:28). More widely, Hedin, Hirvensalo and Vaarnas (2014:226) define MI as a tool for organizations to compete and grow as a result of understanding their business environment by collecting information about strategically important topics to support organizations decision making. From these definitions, market intelligence is defined as "any market information collected, gathered and analyzed from the market to support marketing decision making" and this is the definition that has been applied in this study.

Rakthin, Calantone and Wang (2016:557); Hattula et al (2015:18) indicate market intelligence as "firm's ability to acquire, assimilate, transform, and apply knowledge. It is the main indicator of firms' performance". The authors also agree that customer intelligence, competitor's intelligence and technological knowledge as main drivers which empowers firms to make quality decisions in uncertain business environments. Kotler and Keller (2016:92) posit that market intelligence is a system which supplies the current market data to managers, collected from various internal and external source.

According to Jeffry et al (2017:18), market intelligence is practiced both in financial and non-financial organizations. It adds value to the qualitative data financial analysis from publicly available data. Maheshwari (2015:27) noted the benefits of essential customer knowledge gained by market intelligence for decision making. Farias and Holzner (2017:6) noted the potential consumer role to provide essential basis for market intelligence. Selvarasu and Filipe (2017:1253) identified the importance of market intelligence to test market opportunities and market development facts.

2.2. Marketing Mix Decision Making

Navarro-García, Peris-Oritz, and Barrera-Barrera (2016:375) noted that to create impact on the business growth performance and customer satisfaction, strategic decisions intended to adapt marketing mix plays a critical role. Adaptation of marketing mix decisions to the needs and wants of the customers require clear market intelligence insight, particularly for those managers who are making decisions under uncertain business environments. Kotler and Armstrong (2017:100) noted that customer information, particularly deep insights regarding customer demand enable companies to develop competitive advantage and to build meaningful relationship with customers. Customer satisfaction is the main reason behind any marketing decision making. The decisions of the marketing mix are intended to fulfil the customer's needs and the company's business objectives. To sustain profitably in the business, companies must provide products and services that best meet the needs of their customers.

Finger et al (2021:3411) noted that decisions made on marketing significantly affect operational area of marketing decision such as product, price, and market dimensions. Another recent study by Wichmann et al (2022:516) found the effect of the marketing

mix and its role in the customer value creation process as a main tool. Current technological advancements have enabled companies to adapt each element of the marketing mix to the specific individual consumer and niche market level. Wichmann et al (2022:502) also explain that marketing mix (MM) as an essential portion of a firm's marketing strategy formulation which serves as the main bridge to connect between the company and marketplace.

Darmawan and Grenier (2021:79) asserted that marketing mix and competitive advantage play a key role for the survival of companies in competitive market environments. The authors also argue that product and service providers required to have clear market insights to formulate organizational strategy, because the marketing concept guides the entire organizational activities. Similarly, the recent study done on adaption of a game theory approach to the marketing mix as a decision-making tool in an industrial sector by Abedian et al (2022:150) asserted that 'choosing a strategy from the 4P components is not the pure application of that specific strategy, but it is about focusing on that proposed strategy to gain more profit, especially adaption of a game theory approach to the marketing mix as a decision-making tool in an industrial sector for planning and adopting optimal marketing strategies, as well as customer preferences'. The empirical study done by Lahtinen, Dietrich, and Rundle-Thiele (2020:369) identified the benefit of using the full commercial marketing mix (product, price, place and promotion) instead of using promotion approach alone in social marketing campaign context to achieve greater behavior change. From this perspective, the following hypothesis was proposed for this study:

H: *The effect of Market intelligence on marketing mix decision making is positive and significant.*

2.2.1. Product Decision Making

Lamb, Hair and McDaniel (2018:25) stated that marketing mix typically starts with the product. The heart of the marketing mix, the starting point, is the product offering and product strategy. It is hard to design a place strategy, decide on a promotion campaign, or set a price without knowing the product to be marketed Kotler and Armstrong (2017:53) defined the concept of product as a combination of goods and services that company offers to the market and mainly includes: product variety, quality, design, features, brand name, packaging, and services. Išoraitė (2016:30) also explained product as a general concept which comprises of natural product and services, experience, people, places, property right, organization, information and ideas. The author also identified five levels of product namely: the real benefits, main and expected product, added to the product, the potential of the product, and classification of product as minimum, valuable, exclusive, and unmarketable.

Several studies (Zhan et al. 2021:119; Darmawan and Grenier 2021:76; Durmusoglu; Atuahene-Gima and Calantone 2022:19; Hoskins and Griffin 2023:592; Tookanlou and Wong 2020:29; Abdullah and Rosliyati 2020:16) investigated the concept of product decision making. Business should take place in the form of products that have value for customers, namely, the product core benefits and the price that will be paid to afford it (Darmawan and Grenier 2021:76). Zhan et al. (2021:119) found that product sales are periodic in which consumers search and tag products into their list of bundles for current and future purchase decision. Consumers mostly use their cart as a set of main considerations to store their own brand selection and to monitor any price changes that can affect their purchase decision at the point of sale. Durmusoglu; Atuahene-Gima and Calantone (2022:19) asserted that when market information acquired is time sensitive, comprehensive decision making develops the quality and speed of decision making, mainly meaningfulness of a new product's marketing strategy. Hoskins and Griffin (2023:592) identified the important aspect of considering product positioning during product launch. The authors asserted that the 'product launched into larger subcategories experiences stronger short-term performance that does not directly translate into long-term performance gains'. Tookanlou and Wong (2020:29) explained that to expand the market share and revenue from the sales volume, most managers make

the decision of product line extension. However, the decision to expand the product line vertically versus horizontally is mostly debatable. The study done by Abdullah and Rosliyati (2020:16) reveals that product-market strategy, value creation, and competitive advantage significantly influence the marketing performance of the companies. Hence, this study proposed to test the following hypothesis in the Ethiopian beer manufacturing industry:

H1: *The effect of market intelligence on product decision making is positive and significant.*

2.2.2. Price Decision Making

Price is the amount of money customers must pay to obtain the product, and it broadly incorporates price list, discounts, allowances, payment period, and credit terms provided for buyers. It is the only revenue-generating material among the four elements of the marketing mix, all other elements of the marketing mix involve cost (Kotler and Armstrong, 2017:53; Kotabe and Helsen 2017:366). Tomczak, Reinecke and Kuss (2018:190) state that setting a unique price is an essential element of price which can generate considerable revenue. Equally, setting a unique price for a product negatively harm the price goal of the company, consumers trust and price satisfaction. Companies pricing policy is impacted by cross-functional processes and inputs obtained from various company departments such as finance, sales, legal division, accounting, production and tax (Kotabe and Helsen 2017:366; Išoraitė 2016:30). Tomczak, Reinecke and Kuss (2018:183) posits that unlike, other marketing mix element, price change has stronger and extremely rapid effect on the sales volume and market share of companies. Price decision requires critical thinking to make insightful decisions. Išoraitė (2016:31) noted that price decision considerably affects consumers because it is directly associated with the product value

A business can pursue their own pricing strategies based on their own price objective such as cost-oriented pricing strategies, customer-oriented pricing strategies and competitor-oriented pricing strategies. Cost, customer and competitors are the central forces that impact companies pricing strategies (Darmawan and Grenier 2021:78). Furthermore, Baidun et al (2022:79) asserted that price decision affect customer satisfaction positively and significantly. Almeida, Porto and Coelho (2020:1276) found price decision as a relevant decision of marketing mix element mainly in an emerging country by accommodating with the market competitors. Amron (2018:237) revealed that price has a significance effect on consumers in influencing their buying decision. To establish the effect of market intelligence on price decisions the following hypothesis has been proposed:

H2: *The effect of market intelligence on price decision making is positive and significant.*

2.2.3. Place Decision Making

Place decision is a holistic concept that enables companies to make their market offer available at the point of sales. The decision mainly comprises of channel decision, market coverage, location, inventory, transportation and logistics (Kotler and Armstrong 2017:53). Companies pricing practice are most dominantly affected by variation in trade margin and the length of the channel structure selected to deliver the product from the manufacturer to the final end user. The power of balance between manufacturer and product distributors require special attention during place decision making (Kotabe and Helsen 2017:372). Kotabe and Helsen (2017:4570) and Kotler and Armstrong (2017:62) noted that manufacturing companies should avail the product to the consumers at best convenient place effectively and efficiently to enhance cost-efficient delivery system.

Most consumer products pass through either direct or indirect product distribution system. Currently, with the introduction of various Internet buying and selling schemes, channels of distribution for business marketing are typically shorter and direct in which a product flows from manufacturer directly to the consumer. The advancement of technologies and internet are interrupting the channel structure of most manufacturing companies (Green and Keegan, 2015:129).

In making quality place decision making, most companies face dilemma to have an intensive distribution channel in which companies achieve strong presence of products in most relevant markets versus

exclusive and selective product distribution by using few numbers of middlemen (Tomczak, Reinecke and Kuss, 2018:202). Mostly channel of distribution serves not only as a canal of product but also serves as a pipeline for product ownership, communication, financing and risk transfer (Green and Keegan, 2015:233).

In certain market environments, the individual interest of product distribution channel members such as producers, distributors, brokers, consumers and independent traders are significantly varying. A good functioning distribution channel brings these varying interests in one page for common objective and this makes the distribution function more complex (Išoraitė 2016:32). The wide range of strategic and operational decisions involved in place decision relate with product availability at the point of sales with optimal cost is a challenging decision (Darmawan and Grenier 2021:79). Nuanmeesri (2023:19) identified that the problem of poor supply chain system in marketplace makes most business companies to fail and go bankrupt. During place decision making processes companies have to consider factors required to motivate the entire forward supply chain members. The study done by Tookanlou and Wong (2020:29) reveals that manufacturing firms depends on distribution channel members to sell their final products. As a result, they should 'have a stronger incentive to offer the customized product to their existing product line'. Consideration of this factor enables companies to target the highest market segment during place decision making. In this study, the following hypothesis regarding the effect of market intelligence on place decisions are proposed:

H3: *The effect of market intelligence on place decision making is positive and significant.*

2.2.4. Promotion Decision Making

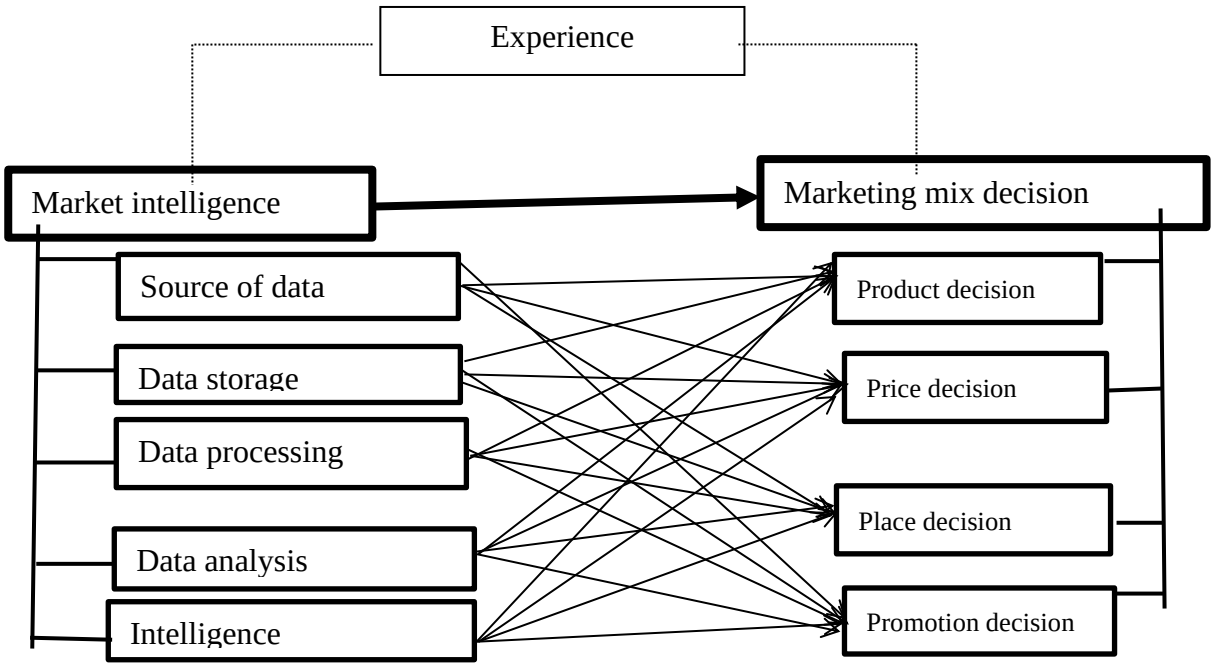
Promotion decision, which is an integral element of marketing mix, helps companies to disseminate information, encourage instant purchase and significantly influence the purchase decision of consumers (Išoraitė 2016:34). It mainly focusses on how to communicate the benefits of the product and convince the target consumers through the use of promotional mix elements such as: advertising, personal selling, sales promotion, social media and public relation. Most management teams believe that these promotional mix elements enable to meet the needs of target market and company objectives (Kotler and Armstrong 2017:55; Green and Keegan, 2015:268). The basic aim of promotion is to form communication, create favorable image for company market offer to customers to prefer the products and services during the purchase decision (Darmawan and Grenier 2021:78). Sales promotion is attributed to the actions and decisions which provide specific short-term measures, but to encourage the purchase, use, as well as by facilitating the purchase of goods and directed to the end user or intermediary. These tools used by a consumer to buy more and faster (Išoraitė, 2016:34). The effect of market intelligence on promotion decision making at the Ethiopian been manufacturing industry will be tested via the following hypothesis:

H4: *The effect of market intelligence on promotion decision making is positive and significant.*

2.3. Conceptual Framework of the Study

Kotler and Armstrong (2017:51) suggest that most companies design marketing mix namely: product, price, place and promotion strategy under its control guided by marketing strategy. Marketing analysis provides inputs and insights for decision makers. Based on a clear understanding of the business environment of the company, through strategic planning, the company decides the detail marketing mix element plan, particularly the type of product, price, place and promotion plan to be made to remain competitive in the market (Kotler and Armstrong 2017:57). The next move after having a working marketing plan is marketing implementation, in which marketing plans are turned into marketing action to address the who, where, when and how parts of detailed marketing mix of product, price, place and promotion decisions (Kotler and Armstrong 2017:56). The final activities in the marketing decision are to control and execute the detail marketing mix plan (Kotler and Armstrong 2017:59). Marketers use various tools to get market feedback from the target market. Marketing mix is a set of tactical tools that consists of

the whole activities' firms do to engage the final product users to create customer value. These marketing tools comprise of product, price, place and promotion decisions (Darmawan and Grenier, 2021:77; Kotler and Armstrong, 2017:53). Moreover, from the buyer perspective that the product should be acceptable, price should be affordable, place should be accessible, and promotion should be aware (Kotler and Armstrong 2017:53). Thus, from the above discussion of, the conceptual framework adapted for this study is presented in figure 1.



Source: adapted from Kotler and Armstrong 2017:51

Figure 1. Conceptual framework of the study

3. Methods

As already stated, the study was carried out in the beer manufacturing industry in Ethiopia. A cross sectional quantitative research design has been applied to better investigate the effect of market intelligence on marketing mix decision making and it is deductive in nature. By using this methodology, the researchers seek objectivity through testable hypotheses, hence ensuring the gathering of data that can be reported in numbers and statistics. The type of research would be descriptive-analytical research. Consequently, the results obtained were first described by using descriptive statistics and further analyzed by using correlation and regression to investigate the variable relationship under study.

Among the five breweries in Ethiopia, the population for this study was selected from only three breweries. located in west, east and central parts of the country serving the entire geographical market in Ethiopia.

The brewery selection was done by using convenient sampling method for simple and efficient administration of the data gathering. The respondents were selected by using simple random sampling methods. The inclusion and exclusion criteria of the respondents were made based on the employee's respective department in those specific breweries. Consequently, all employees who work in the commercial department in each brewery were given an equal opportunity to participate in this study. However, those employees other than commerce were excluded from this study.

Data was collected via a survey questionnaire that was administered online and the Google link was sent to the official company email address of each respondents with the special endorsement of each company's sales and marketing director to improve the rate of response. Among the total population size of 467 respondents only 320 of them fully responded to the online electronic questionnaire. The questionnaire was divided into two sections. The first section captured information regarding market intelligence constructs such as source of data, data storage, data processing, data analysis and intelligence dissemination. The second section similarly captures the information regarding the dependent construct of the study 'marketing mix decision making' constructs namely product, price, place and promotion decision making.

Accordingly, the data collected were analyzed using SPSS (Statistical Package for the Social Sciences) version 27. Moreover, AMOS (analysis of a moment structures) is also used in this study for Structural Equation Modeling (SEM), path analysis, and confirmatory factor analysis (CFA). The study applied descriptive analysis, exploratory factor analysis (EFA), confirmatory factor analysis (CFA) and Structural Equation Modelling (SEM) to analyze the data and to test the proposed hypotheses.

4. Data Analysis

Only three observations are identified as outlier by using Mahalnobis Distance (MD) scores 72.8, 81.3 and 82.4 respectively and were excluded from the dataset; hence, further data analysis was conducted using 317 observations. There is no evidence of excessive skewness and kurtosis; where the largest skewness and kurtosis values were 1.972 and 1.991 respectively. The missing data values of this study were non-ignorable data less than 10% which occurred completely at random. Regression method was used to impute the missing data value. The common method bias problem was handled using procedural (research design) (Ex ant) and statistical approach of Heman's one factor test (Ex post procedures). This study used descriptive analysis, exploratory factor analysis (EFA), confirmatory factor analysis (CFA) and structural equation modelling (SEM). EFA that was calculated reveals that the factor loading ranges from 0.593 to 0.850, which satisfy the minimum criteria and ensures items chosen to measure the variables are closely related.

The model fit summary of confirmatory factor analysis revealed that the model was a good fit with $\chi 2/DF=1.236$, $P<0.001$, RMSEA = 0.032, GFI= 0.893, RMR= 0.084, CFI= 0.986, NFI= 0.932 and PCFI= 0.809. After model moderation by employee experience the model fit summary reveals $\chi 2 =30.832$, DF=18, and $P<0.030$. The model is unconstrained model. Convergent validity established that SRW > 0.7 for all elements and AVE > 0.5 for all constructs. After moderation effect companies with low work experience scored SRW from 0.709 to 0.953 for all constructs. Companies with high experience scored SRW from 0.755 to 0.954. The AVE score ranges from 0.639 to 0.841 for low experienced and from 0.649 to 0.832 for highly experienced companies.

Furthermore, the composite reliability (CR) score ranges from 0.860 to 0.938 that all constructs demonstrated adequate composite reliability (CR). The square root of AVE value was greater than the inter-construct correlation results. Thus, the convergent and discriminant validity of the constructs are fully established. The diagonal value of the group analysis output reveals that the square root of AVE value for high and low experienced employees reveals that there is no cross loading, and the required discriminant validity was achieved. The structural equation model requirement of this study reveals that $\chi 2/DF=1.303$, $P<0.001$, RMSEA = 0.037, GFI= 0.886, RMR= 0.099, CFI= 0.982, NFI= 0.927 and PCFI= 0.820 which shows a good fit model. Table 4 reveals all the absolute fit indices, incremental fit indices and parsimony fit indices scored above the recommended cut-off point adopted by this study (Kline 2016:273, Bryne 2010:81).

5. Findings and Results of the Study

5.1. Market Intelligence Practice

The detail descriptive data statistics of market intelligence practices in Ethiopian beer manufacturing industry are presented in Table.

Table 1: Market intelligence practice of Ethiopian beer manufacturing industry

Construct	Items	Mean	SD	Skewness		Kurtosis	
				S	SE	S	SE
Source of Data (SD)	In my company we get market intelligence data from various sources to support marketing mix decisions:						
SD1	Government report	4.810	1.545	-0.746	0.162	-0.268	0.322
SD2	Primary data collected by company staffs	4.880	1.449	-0.469	0.162	-0.554	0.322
SD3	Company internal data bases	4.800	1.488	-0.518	0.162	-0.486	0.322
SD4	External electronic data bases	5.080	1.652	-0.609	0.162	-0.529	0.322
Data storage (DS)	In my company market intelligence data are stored in the following manner						
DS1	On primary data storage: internal memory	5.340	1.641	-1.247	0.162	0.771	0.322
DS2	On secondary data storage such as: removable disk	5.460	1.733	-1.054	0.162	0.004	0.322
DS3	On cloud storage	5.190	1.746	-0.822	0.162	-0.220	0.322
Data processing (DP)	Indicate how often your company's uses the following market intelligence data processing systems:						
DP1	Professional staffs	5.560	1.627	-1.303	0.162	1.057	0.322
DP2	Machines	5.220	1.621	-0.948	0.162	0.257	0.322
DP3	Combination of professionals, machine and process	4.850	1.673	-0.464	0.162	-0.518	0.322
Data analysis (DA)	How often are the following market analysis techniques listed below used in your company to make better marketing mix decisions?						
DA1	Customer analysis	5.030	1.277	-0.636	0.162	1.027	0.322
DA2	Market trend analysis	5.010	1.290	-0.691	0.162	0.906	0.322
DA3	Competitors analysis	5.560	1.179	-1.084	0.162	1.658	0.322
DA4	Consumer analysis	2.940	1.911	0.549	0.162	-0.959	0.322
Intelligence dissemination	How would you evaluate the quality of market intelligence disseminated in your company for decision makers to make informed decisions?						
ID1	Timely	4.630	1.689	-0.496	0.162	-0.824	0.322
ID2	Credible	4.970	1.599	-0.677	0.162	-0.617	0.322
ID3	Complete	4.990	1.584	-0.747	0.162	-0.248	0.322
ID4	Clear	5.080	1.677	-0.946	0.162	0.076	0.322

In table 1, market intelligence practices were explained by five constructs such as source of data, data storage, data processing, data analysis and intelligence dissemination. For the first construct 'source of data' the descriptive statistics output reveals that government report, primary data collected by company staffs, company internal data bases and external electronic data bases were the most frequently consulted source of data with a mean (standard deviation) value of 4.810 (SD=1.545), 4.880 (SD=1.449), 4.800 (SD=1.488) and 5.080 (SD=1.652) respectively. The smallest and largest standard deviation were computed for government report and external electronics data bases 1.545 and 1.652 respectively. Among others, external electronics data bases were the most frequently consulted source of data to generate market intelligence insight in Ethiopian beer manufacturing industry to make marketing mix decision. Government reports was less frequently consulted source of data to generate market intelligence in Ethiopian

beer manufacturing companies to support marketing mix decision.

Findings regarding data storage as reflected on table 1 shows that Ethiopian breweries store market intelligence data on primary data storage devices such as main memory, internal memory or prime memory attached with the devices, secondary data storage such as removable disks and cloud devices to store market data collected from various sources with mean (standard deviation) value of 5.340 (SD=1.627), 5.460 (SD=1.621) and 5.190 (SD=1.673) respectively. Moreover, the breweries mostly use professional staff, machines and combination of professionals and machines to process the data with mean (standard deviation) value of 5.560 (SD=1.627), 5.220 (SD=1.621) and 4.850 (SD=1.673) respectively. Professional staff were the main means of data processing that dominantly used by Ethiopian brewery industry.

The descriptive data computed reveals that customer analysis, market trend analysis and competitors are the most frequently practiced analysis techniques with a mean (standard deviation) value of 5.030 (SD=1.277), 5.010 (SD=1.290), 5.560 (SD=1.179) and 2.940 (SD=1.911) respectively. However, consumer analysis is less frequently used method of data analysis in Ethiopian beer manufacturing industry. Finally, Ethiopian beer manufacturing industry's market intelligence dissemination practices were assessed as timely, credible, complete and clear with mean (standard deviation) value of 4.630 (SD=1.689), 4.970 (SD=1.599), 4.990 (SD=1.584) and 5.080 (SD=1.677) respectively. The total moderation effect of the entire items included to measure market intelligence were scored a mean value ranged from 4.63 to 5.56 and standard deviation values ranged from 1.179 to 1.911.

5.2. Marketing Mix Decision making Practices.

Table 2: Marketing mix decision making practice of Ethiopian beer manufacturing industry.

Construct	Items	Mean	SD	Skewness		Kurtosis	
				S	SE	S	SE
Product decision (PRD)	Indicate the level of your agreement on Likert scale ranged from 1-S/disagree-7 S/agree						
PRD1	How do you see the importance of market intelligence insight to support product variety decision in your company? Extremely unimportant – extremely important	5.090	1.486	-0.731	0.162	-0.153	0.322
PRD2	In my company, market intelligence insight is used to make packaging decision	4.740	1.391	-0.659	0.162	-0.323	0.322
PRD3	In my company, market intelligence insight is used to make branding decision	5.070	1.457	-0.850	0.162	0.160	0.322
PRD4	Indicate the usefulness of market intelligence in your company to make product standardization decisions: Extremely unimportant – extremely important	5.060	1.482	-0.873	0.162	-0.001	0.322
PRD5	Indicate the usefulness of market intelligence in your company to make product modification decisions: Extremely unimportant – extremely important	5.000	1.564	-0.993	0.162	0.583	0.322
Price decision (PRC)	My company uses market intelligence to support the following price decisions:						
PRC1	Price setting	5.490	1.617	-1.092	0.162	0.221	0.322

PRC2	Price discount promotion	5.520	1.671	-0.966	0.162	-0.185	0.322
PRC3	To monitor the ongoing price change	5.560	1.537	-1.039	0.162	0.287	0.322
Place decision (PLC)	Please specify the level of your agreement on market intelligence importance to make the following place decision making: Extremely unimportant – extremely important						
PLC1	Channel of distribution	5.70	1.37	-1.46	0.16	1.78	0.32
PLC2	Market coverage	5.52	1.48	-0.99	0.16	0.27	0.32
PLC3	Product numeric distribution	5.37	1.52	-0.80	0.16	-0.11	0.32
PLC4	Logistics required to deliver the product	5.44	1.51	-1.00	0.16	0.32	0.32
PLC5	Function of channel	5.23	1.66	-1.00	0.16	0.30	0.32
Promotion Decision (PRM)	In my company market intelligence is used to make the following promotional decision makings:						
PRM1	Advertising	5.520	1.575	-1.334	0.162	1.315	0.322
PRM2	Personal selling	4.940	1.606	-0.765	0.162	-0.035	0.322
PRM3	Sales promotion	5.720	1.505	-1.451	0.162	1.450	0.322
PRM4	Public relation	5.450	1.683	-1.125	0.162	0.397	0.322
PRM5	Word-of-mouth	5.140	1.744	-0.925	0.162	0.062	0.322

Based on the theoretical foundations and related empirical studies, marketing mix is indicated by four factors such as product, price, place, and promotion decision. Summary statistics for these features were presented in Table 2. In Ethiopian beer manufacturing industry, market intelligence was used to make various product related decisions such as product variety, packaging, branding, standardization and modification decision with mean (standard deviation) value of 5.090 (SD=1.486), 4.740 (SD=1.391), 5.070 (SD=1.457), 5.060 (SD=1.482) and 5.000 (SD=1.564) respectively. Moreover, the companies use market intelligence to make price decisions such as price setting, price discount promotion and to monitor the ongoing price changes in the market with mean (standard deviation) value of 5.490 (SD=1.617), 5.520 (SD=1.671) and 5.560 (SD=1.537) respectively. Similarly, the companies use market intelligence to make various place decision like channel of distribution, market coverage, product numeric distribution, logistics required to deliver the product to the market and to analyze the function of channel with mean (standard deviation) value of 5.700 (SD=1.370), 5.520 (SD=1.480), 5.370 (SD=1.520), 5.440 (SD=1.510) and 5.230 (SD=1.660) respectively. Finally, the companies use market intelligence to make advertising, personal selling, sales promotion, public relation, and word-of-mouth promotional decision with mean (standard deviation) value of 5.520 (SD=1.575), 4.940 (SD=1.606), 5.720 (SD=1.505), 5.450 (SD=1.683) and 5.140 (SD=1.744) respectively. The total moderation effect of the entire items included to measure marketing mix decision were scored a mean value ranged from 4.74 to 5.72 and standard deviation value ranged from 1.368 to 1.744.

5.3. Hypotheses Testing

5.3.1. Effect of Market Intelligence on Marketing Decision Making

Table 3: Effect of market intelligence on marketing decision making

Main Hypothesis	Path			Estimate	S.E.	C.R.	P	R-square	Decision
Ha	Marketing decision	<---	Market intelligence	1.171	0.150	7.819	0.000	0.884	Accepted

SE= standard error, C.R. = critical ratio

H: The effect of market intelligence on marketing decision making is positive and significant.

Table 3 indicates that the coefficient of market intelligence is positive and significant at the level of (β=1.171, C.R.=7.819, P<0.001). This indicates that the effect of market intelligence is both positive and significant on marketing mix decision making. A one unit increase in market intelligence results 1.171 units increases on marketing mix decision making, and vice versa. The R-square value, 0.884, suggests that 88.4% of variance in marketing mix decision making is predicted by market intelligence. Thus, the study accepts the main hypothesis ***H.***

H1: The effect of market intelligence on product decision making is positive and significant.

Table 4: Hypothesis summary of the effect of market intelligence on marketing mix elements

Hypothesis	Path			Estimate	S.E.	C.R.	P	R-square	Decision
H1	Price decision	<---	MI	1.165	0.143	8.152	0.000	0.472	Accepted
H2	Product decision	<---	MI	0.939	0.121	7.747	0.000	0.566	Accepted
H2	Place decision	<---	MI	1.232	0.129	9.576	0.000	0.804	Accepted
H3	Promotion decision	<---	MI	1.355	0.146	9.305	0.000	0.822	Accepted

SE= standard error, C.R. = critical ratio, MI= market intelligence

As shown on Table 4, the coefficient of market intelligence (MI) is both positive and significant at the level of P<0.001 for the entire constructs of marketing mix decision making such as product, price, place and promotion decisions. Moreover, the effect of market intelligence is both positive and significant on product decision making at significance level of (β=0.939, C.R.=7.747, P<0.001). A one unit increase in market intelligence results 0.939 units increases on product decision making and vice versa. The overall 56.6% of variance observed in product decision making was explained and predicted by market intelligence. Thus, the study accepts ***H1***.

H2: The effect of market intelligence on price decision making is positive and significant.

Similarly, marketing intelligence has positive and significant effect on price decisions at significance level of (β=1.165, C.R.=8.152 and P<0.001). A one unit increase in market intelligence results 1.165 unit increase in price decision. Furthermore, 47.2% of the variations observed in price decision is predicted by market intelligence. Thus, the study accepts ***H2.***

H3: The effect of market intelligence on place decision making is positive and significant.

The second largest significant and positive effect of market intelligence is observed for place decision making at the level of (β=1.232, C.R.=9.576 and P<0.001). A unit increase in market intelligence results place decision making to increase by 1.232 and vice versa. The result computed reveals that

80.4% of the variations observed in place decision making is predicted by market intelligence. Thus, the hypothesis ***H3*** is accepted.

H4: The effect of market intelligence on promotion decision making is positive and significant.

Finally, the effect of market intelligence was both significant and positive on promotion decision making at the level of (β=1.355, C.R.=9.305 and P<0.001). A one unit increase in market intelligence results 1.355 unit increases in promotion decision making. Therefore, from the computed statistics 82.2% of the variations observed in promotion decision making is predicted by market intelligence. Thus, the study accepts ***H4.***

5.4. Moderation Effect of Experience

Employee work experience was taken as a moderator variable to assess the effect of market intelligence on marketing mix decision making. As a result, the following moderation effect of hypothesis was tested:

Hm: *The effect of market intelligence on marketing mix decision was stronger on companies with highly experienced employees than low experienced employees.*

Table 5: The moderation effect of structural equation modelling summary of group analysis

Fit Indices	Statistics	Unconstrained	Constrained	Difference	Decision
Chi-square	DF	586	624	38	Unconstrained
	$\chi 2$	723.958	783.667	59.709	
	P	0.000	0.000	0.014	
Absolute Fit indices	RMSEA	0.032	0.034		
	GFI	0.821	0.808		
	SRMR	0.0476	0.0549		
Incremental Fit Indices	CFI	0.972	0.968		
	NFI	0.871	0.861		
Parsimony Fit Indices	PCFI	0.811	0.860		

The above structural equation modelling computed for low and high experienced employees reveals that there is 38, 59.709 and 0.014 scored differences between the unconstrained and constrained model on the degree of freedom, chi-square, and significance level respectively. As a result, employee experience level of moderation effect is found unconstrained. Thus, the hypothesis ***Hm*** is accepted.

Table 6: Hypothesis test result of moderator effect between market intelligence and marketing mix decision

Group	Marketing mix		Market Intelligence	Estimate	S.E.	C.R.	P	R-square
Single Effect				1.171	0.150	7.819	0.000	0.884
Low experience	MM	<---	MI	.918	.186	4.936	0.000	0.792
High experience	MM	<---	MI	1.406	.243	5.779	0.000	0.962

The statistics computed in above Table 6 to assess the moderation effect reveals that the effect of employee work experience in moderating the effect of market intelligence on marketing mix decision making is significant at (β=0.918, C.R. =4.936, P<0.001) for low experienced employee and (β=1.406, C.R. =5.779, P<0.001) for high experienced employee. Moreover, a one unit increase in market intelligence causes low and high-level experienced employee companies marketing mix decision making by 0.918 and 1.406 level respectively. Thus, the effect of high employee experience is more impactful than low level employee experience in moderating the effect of market intelligence on marketing mix decision.

Table 7: Hypothesis test result of moderator effect between market intelligence with product, price, place, and promotion decisions

	Low Experience					High Experience				
	Estimate	S.E.	C.R.	P	R-square	Estimate	S.E.	C.R.	P	R-square
PRC	.885	.177	4.998	0.000	0.316	1.434	.236	6.076	0.000	0.609
PRD	.941	.163	5.764	0.000	0.609	.887	.177	5.019	0.000	0.481
PLC	.929	.137	6.775	0.000	0.750	1.527	.230	6.626	0.000	0.856
PRM	1.238	.176	7.051	0.000	0.869	1.401	.228	6.145	0.000	0.780

The structural equation model computed in the above Table 7, indicates that the moderation effect of employee work experience on the effect of market intelligence on product decision (β=0.941, C.R. =5.764 P<0.001), price decision (PRC) (β=0.885, C.R. =4.998, P<0.001), place decision (PLC) (β=0.929, C.R. =6.775, P<0.001) and promotion decision (PRM) (β=1.238, C.R. =7.051, P<0.001) were significant for low experienced employees company. A one unit increase in market intelligence causes low experienced employee company's product, price, place, and promotion decision to increase by 0.941, 0.885, 0.929 and 1.238 level respectively. Similarly, the moderation effect of employee higher level work experience in moderating the effect of market intelligence on product decision (PRD) (β=0.887, C.R. =5.019, P<0.001), price decision (PRC) (β=1.434, C.R. =6.076, P<0.001), place decision (PLC) (β=1.527, C.R. =6.626, P<0.001) and promotion decision (PRM) (β=1.401, C.R. =6.145, P<0.001) were significant for high experienced employees. A one unit increase in market intelligence causes high experienced employee company product, price, place, and promotion decision to increase by 0.887, 1.434, 1.527 and 1.401 level respectively.

6. Conclusion and Recommendation

6.1. Conclusion

This study was carried out to investigate the effect of market intelligence on marketing mix decision making. Our study finding reveals that the effect of market intelligence on marketing mix decision making was both significant and positive. A one unit increase in market intelligence results on 1.171 units increases on marketing mix decision, and vice versa. In general, market intelligence explains 88.4 % of variances observed in marketing mix decision making in this study.

Moreover, Ethiopian beer manufacturing industries consult government report, primary data collected by company staffs, company internal data bases and external electronic data bases to gather market intelligence data. Primary data storage devices such as main memory, internal memory or prime memory attached with the devices, secondary data storage devices such as removable disks and cloud devices are the main data storage tools in Ethiopian beer manufacturing industry. The breweries mostly use professional staff, machines and a combination of professionals and machines to process the data. Customer, market trend and competitor's analysis are the most frequently practiced analysis techniques in Ethiopian beer industry. Finally, the intelligence dissemination practices of the industry were timely, credible, complete and clear for users. Moreover, the study finding further reveals that:

- The effect of market intelligence is both significant and positive in product decision making. Moreover, the more emphasis given for data processing, data analysis and intelligence dissemination positively and significantly influence product decision making. However, the effect of source of data and data processing were insignificant on product decision making.
- Marketing intelligence has positive and significant effect on price decisions. Also, higher emphasis provided for source of data, data storage and data processing positively and significantly influence price decision making. However, the effect of data analysis and intelligence dissemination were insignificant on price decision making.
- The second largest significant and positive effect of market intelligence is observed for place decision making. A

unit increase in market intelligence results place decision making to increase by 1.232 and vice versa. The more beer manufacturing industry provide sufficient focus for data storage, data processing, data analysis and intelligence dissemination positively and significantly influence place decision making. But the effect of source of data was insignificant for place decision making,

- The effect of employee experience is significant in moderating the effect of market intelligence on marketing mix elements such as product, price, place, and promotion decisions.
- Finally, the effect of market intelligence was both significant and positive on promotion decision making. The finding of this study reveals that the more emphasis given for data storage, data processing, data analysis and intelligence dissemination positively and significantly impact promotion decision making. However, the effect of sources of data was insignificant on promotion decision making.

6.2. Limitation and Future Research Area

This study was conducted by using cross-sectional research design, which is prone to common method biases. It is suggested that future researchers use longitudinal data to ensure the finding consistency through the time. Moreover, the study is delimited in scope within Ethiopian beer manufacturing businesses. The future researchers are advised to include other manufacturing business sectors to fully understand the effect of market intelligence on marketing decision making in manufacturing businesses.

Furthermore, the study is delimited by its theoretical scope. The study empirically tested only the effect of market intelligence on traditional marketing mix elements such as product, price, place and promotion decisions. Thus, the future researchers are advised to investigate the effect of market intelligence on the entire extended marketing mix elements such as product, price, place, promotion, people, processes, and physical evidence to comprehensively understand the concept.

6.3. Managerial Implication

The study gives insight for managers and practitioners to improve the culture of the existing focus provided for intelligence-driven decision-making practice in their respective organizations. Furthermore, the result draws beer manufacturing company's attention to preparing strong and adaptive organizational structure that best fits or that best outfits the competitor's organization structure by putting into consideration the relevance of market intelligence to make marketing decisions. The study result reveals the importance of market intelligence insight on marketing mix elements such as: product, price, place, and promotion decisions. Consequently, research and advertising agencies could use this study to provide important market intelligence insights for the beer manufacturing companies to reinforce the data driven capability of managers to make marketing mix decision that can assist the beer industry to improve their competitiveness in the Ethiopian context.

Moreover, this study contributes towards building effective and sound decision-making capability of manufacturing business managers by showing the importance of market intelligence insight during marketing mix decision making. The study also underscores the importance of market intelligence to make the right product, price, place and promotion decision to successfully ensure the profitability of the company and further to contributes to the overall economic growth of the country. The study also supports the government body particularly the ministry of trade and industry in order to give high emphasis for future market intelligence infrastructural development.

The general findings suggested that market intelligence is an essential tool to make sound marketing decisions, and the future of marketing is also immensely affected by the level of quality decision making by companies. Furthermore, manufacturing businesses can benefit from this study by focusing more on market intelligence to make quality marketing decisions, mainly to make product, price, location, and promotion decisions to quickly respond to the volatile demand of their customers of their customers in the competitive market environment today.

6.4. Theoretical Contribution

This paper contributes to theory by confirming the importance of market intelligence to make marketing mix decisions. The study made a methodological contribution by simultaneously examining the effect of each market intelligence construct with each marketing decision construct using SEM model.

The study also contributes to existing studies as a starting point for expanding the literature on the role of marketing intelligence in shaping the future marketing decision making of the manufacturing companies especially in developing countries such as Ethiopia. The study also gives a holistic view by providing a particular attention for market intelligence cycles to make quality marketing decision making in manufacturing business. Market intelligence cycles are adversely affected by the current technological advancement and with alarming growth of artificial intelligence. Thus, the study fills the gaps of the existing literature and study found between market intelligence and marketing mix decision making by providing empirical evidence on the simultaneous effect of market intelligence constructs on marketing mix decision making constructs by drawing attention of manufacturing business on the future of market intelligence to make quality marketing decision making.

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Exploring competitive intelligence practices to enhance growth of the agro-processors in Limpopo Province

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ABSTRACT In order to improve the growth prospects for agro-processors, this article explores the realm of competitive intelligence practices within the agro-processing sector in Limpopo Province, South Africa. This study was inspired by the province's abundant agricultural resources, which have the potential to stimulate the growth of the agro-processing industry. Despite having a wealth of resources for value addition, the Limpopo Province has difficulties as seen by its high unemployment rates and relatively low economic growth when compared to other South African provinces. One of the main causes of this gap is the lack of growth in the agro-processing industry. To promote the development of agro-processors, the research paper focused on exploring competitive intelligence practices that are being used by the agro-processing industry in Limpopo Province and to determine the role of competitive intelligence in strategising and decision-making in the agricultural industry. The study aimed to provide strategy enhancement and decision-making optimisation within agro-processing enterprises operating in the Limpopo Province.

This study was qualitative in nature and adopted an exploratory design as well as utilising a multi-case strategy. Data was collected from eight agro-processing subsectors in Limpopo Province. Semi-structured web-based questionnaires and open-ended telephone interviews were used as data collection instruments. The study was cross-sectional in nature whereby data was collected once and over a short period of two (2) months. The research's target population was 130 agro-processors registered under the Sub-Directorate Agro-Processing and Value Addition Services within the Agribusiness Support and Development Directorate of the Limpopo Department of Agriculture and Rural Development. The study sample comprised of twenty CEOs and twenty managers, selected through non-probability purposive sampling. CEOs responded to web-based questionnaires, while managers participated in telephone interviews. The primary data gathered underwent thematic analysis, facilitated by Atlas.ti version 28 windows computer software, which aided in data coding. The result of this research provides a thorough review of competitive intelligence practices and their functions in the agro-processing sector. The findings emphasised the various strategies used by agro-processors to successfully navigate a competitive market, and they show the significance of obtaining and applying competitive intelligence to guide strategic choices and increase growth.

KEYWORDS: Agro-processors, competitive advantage, competitive intelligence, decision-making, growth, strategising

1. INTRODUCTION AND BACKGROUND

Agro-processing companies in Limpopo Province encounter challenges that emanate from fluctuations in micro and macro-economic elements, market dynamics as well as climatic conditions (Mwale, Ndlovu & Zuvarimwe, 2021). These challenges prevent agro-processors from performing competitively (DALRRD, 2020; Mwadzingeni, Mugandani & Mafongoya, 2020). Furthermore, growth, sustainability and level of competitiveness at local and international standards are difficult to achieve unless there is innovation, high production and investment in modern technology for future prosperity of this sector (BFAP, 2020; Balkrishna, 2021). This sector also fails to develop appropriate strategic plans that may assist them to transform into viable businesses (Mmbengwa, Ramabu, Rakuambo, Tembia & Qin, 2019; Reena, 2021).
In this regard, failure by the agro-processors to formulate appropriate strategies and decisions has resulted in failing to perform competitively. As a result, large quantities of unprocessed goods with low economic value are exported and in turn they import expensive processed products (Fukase, 2016; FAO, 2020; Department of Agriculture and Rural Development (DARD), 2022). This situation is negatively affecting the drive to create jobs in Limpopo and South Africa as a whole and to improve the gross domestic product (GDP) of the country. This is exacerbated by failure to strategise and develop proper decisions (Mlambo, Mukarumbwa & Megbowon, 2019). Therefore, it is necessary to explore new and innovative processing methods, tools and techniques that can be used to assist this sector to improve their strategising and decision-making process so that the growth and competitiveness of this sector can be improved.

Researchers have emphasised the need to improve the performance of the agro-processing sector as it also promotes the growth of the agricultural industry (Mulangu, 2015; Matlala, 2022). Intervention strategies should be designed to develop the agro-processing industry, creating good environment that enhances the growth of locally owned processors (Food and Agriculture Organization (FAO), 2020; Matlala, 2022). These strategies should ultimately promote high productivity, industrialisation, job creation, income generation and reduction in cost of food (African Development Bank, 2018; Limpopo Department of Agriculture & Rural Development, 2021). In this context, there is a need to boost the performance of the agro-processing industry and for a combined effort to invest and revitalise the agro-processors so that they contribute to provincial industrialisation and also prevent the importation of processed products that in turn increases the import bill (DAFF, 2020; DARD, 2018).

Arrigo (2016) purports that organisations that develop their strategies continuously and based on the utilisation of CI practices will improve their competitiveness as compared to those that do not implement CI practices. CI when successfully implemented, could possibly ensure that these firms have knowledge of their markets, competitors, suppliers, other stakeholders, risks and opportunities. Competitive intelligence as a process assists management of enterprises in decision-making and to have knowledge about the market, and this could ultimately lead to high production and growth of the sector (Louw & Venter, 2017). Additionally, CI gives advance warning on competitor initiatives, behaviour of suppliers, economic environment, customer needs, technological developments and marketplace conditions (Louw & Venter, 2017).

The researchers assumed that the agro-processors in Limpopo are implementing some CI practices in a non-formal manner without realising this, hence exploring how to improve the formal implementation of CI processes by the agro-processing industry in Limpopo Province could assist them to enhance their competitiveness and growth. Mlambo et al, (2019) stated that the agro-processing firms should produce, expand and

sell more processed goods because they are sold at a higher value, resulting in generating more income. In this regard, strategists in agro-processors need creative processes for helping them to develop new strategies, venture into new opportunities and counter risks and competitive intelligence can provide information to aid in new product development, understanding competitors' products and consumers' needs (Bloomenthal, 2022).

In light of this background, CI could generate information for agro-processors in Limpopo about the competitive business environment and they will be able to develop appropriate strategies that could enhance competitiveness and growth of their businesses. In addition, Competitive Intelligence can be regarded as a useful process for agro-processors to assist them in upgrading operation efficiency, keeping informed of local and international market trends and their possible effect on their businesses (Sewdass & Du Toit, 2014).

Hence, the objectives of this study were to:

- Explore what, if any, competitive intelligence practices are used by the agro-processing industry in the Limpopo Province.
- Determine the role of competitive intelligence in strategising and decision-making in the agro-processing sector.
- Determine how strategising and decision-making can be improved in order to enhance growth of the agro-processors in Limpopo Province.
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2 LITERATURE REVIEW

2.1 Definition of competitive intelligence

Strategic Consortium of Intelligence Professionals (SCIP) (2023) define CI as: *"a discipline that enables organisations to reduce strategic risk and increase revenue opportunities by having a deep understanding of what has happened, what is happening, and what may happen in their operating environment"*. According to Yun (2020), Competitive intelligence is the process of identifying information needs of organisations, acquiring and processing it into intelligence usable by decision-makers. Diyaolu (2019:2) posits that CI can be regarded as *"a purposeful and orderly approach of monitoring competitors, located in any place and wherever they might be"*. Yun (2020); Vanissa, Widarmanti & Irawan (2021) describes CI as a process of analysing, monitoring customers, suppliers, competitors and other industrial forces. For the purpose of this study, CI will be regarded as a process that generates intelligence information that assists managers in strategising and decision-making in order to enhance the growth and competitiveness.

2.2 Contributions of competitive intelligence (CI)

Businesses explore their markets, suppliers and consumers through the implementation of CI in order to understand the competitive environment (Calof, 2020). A study by Paap (2020) indicates that competitive intelligence (CI) provides information that facilitates the advancement of new products, services, technologies and ensures that better decisions are taken through ensuring that the business gathers the most precise information regarding consumer needs, competitive environments and technological options. Competitive intelligence, according to Surico (2020) is essential in businesses as it assists in improving marketing effectiveness, increase sales, product planning, product development and strategies for investment.

Knowledge about a company's strengths and weaknesses in domestic and international settings is gathered through competitive intelligence (Dou, et. al, 2020). Studies by Nenzhelele (2014); Amiri, Shirkavand, Chalak & Rezaeei (2017); Jafar (2021); Crayon (2020); Diyaolu (2019), revealed that competitive intelligence generates actionable intelligence that ensures that enterprises gain competitiveness. Nearly every organisation that has implemented CI has experienced positive outcomes (Jafar, 2021; Crayon, 2020). A study by Crayon (2020) carried out on CI professionals revealed that businesses can take strategic and tactical actions based on intelligence generated from CI programs. Sewdass & Calof (2020); Du Toit (2013); Jafar (2021) & Diyaolu (2019) added that CI assists in innovation processes. In this regard, when competitive intelligence activities are properly implemented, competitiveness and growth of

the agro-processing industry in Limpopo Province could be enhanced.

2.3 Competitive intelligence practices in South African firms

According to previous research, several South African companies are implementing CI for survival in the current global competitive environment (Sewdass & Calof, 2020). A study by Kuhn, et al. (2020) revealed that the implementation of competitive intelligence (CI) practices in South Africa is growing and formalized. Kuhn, et al. (2020) add that South African businesses tend to be ahead of their counterparts in Africa when it comes to the implementation of CI. CI activities are performed in departments or units using different names such as market insight or business intelligence instead of the traditional known term, competitive intelligence (Kuhn, Viviers, Sewdass & Calof, 2020). According to a study by Nenzhelele (2016), the South African real estate industry uses CI to obtain a competitive edge, produce high-quality judgements, and follow the law and ethical standards. Fatti & du Toit (2013) conducted an independent study which confirmed that pharmaceutical businesses in South Africa regularly use Competitive Intelligence (CI) during decision-making to manage competition effectively. However, no evidence of CI practice or implementation in the agro-processing industry in South Africa has been noted.

2.4 State of the agro-processors in Limpopo

Value-addition to agricultural products through agro-processing significantly provides prospects for boosting agriculture's economic effect in Limpopo Province (Myburgh & Zitha, 2020). Limpopo Province has a variety of key agro-processors that specialise in horticultural, pork, venison and beef processing (Myburgh & Zitha, 2020). In addition, Limpopo Province has abundance of fruits and vegetables that contribute significantly to the export basket of South Africa and the province's percentage contribution to national agriculture is 7.6% (Global Africa Network, 2020). Therefore, the province of Limpopo's availability of fruits and vegetables encourages the growth of agro-processors (Maponya, 2021). Cotton, tomatoes produced by ZZ2, and avocadoes in Letaba and Tzaneen contributes exponentially to the exports from South Africa to the Chinese market (Matlala, 2022). According to Reena (2021), there is a shortage of tomato paste in South Africa, although ZZ2 alone, a tomato growing company in Limpopo, produces 160 000 tons of tomatoes each year (Department of Agriculture, Land Reform and Rural Development (DALRRD), (2021). Limpopo provincial government has spear-headed an economic plan named the Revitalisation of the Agriculture and Agro-processing Value Chain (RAAVC) to improve agriculture and agro-processing activities in the province (Department of Agriculture, Forestry and Fisheries, 2020). The benefit for this economic plan is yet to be realised.

A research report by Department of Agriculture, Forestry and Fisheries (2020); Maponya (2021) indicated that one of the challenges faced by agro-processors in Limpopo Province is selling their products locally, thereby earning less income. Therefore, agro-processors must export their products (Limpopo Department of Agriculture, Land Reform and Rural Development (LDALRRD), (2021). Hence, it is critical for agro-processors in Limpopo Province to improve the quality of their products for export in order to satisfy the varied needs of this wider global consumer base (LDALRRD, 2021); and this is another strategy for entering into new markets and increasing income (Global Africa Network, 2020). The establishment of The African Free Trade Area (AfCFTA) has brought notable opportunities for agro-processors to broaden their markets through promoting exportation of products. The African Free Trade Area (AfCFTA) presents a significant opportunity for agro-processors to expand their market reach and improve their products for export (FAO, 2021). Therefore, agro-processors in Limpopo should capitalise the opportunities brought by the African Free Trade Area (AfCFTA) to improve and grow their trade.

3 RESEARCH METHODOLOGY

The research questions generated from the objectives of this study are:

- What competitive intelligence practices are being used by the agro-processing industry in Limpopo Province?
- What role does competitive intelligence practices play in strategising and decision-making in the agro-processing industry?
- How can strategising and decision-making be improved in order to improve growth of the agro-processors in Limpopo Province?

This study was exploratory in design and employed an interpretivist philosophy and used a multi-case study strategy. Furthermore, the study was qualitative in nature, aligning with the principles of interpretivism as described by Saunders, Lewis & Thornhill (2019). Semi-structured web-based questionnaires and open-ended telephone interviews were used as data collection instruments as prescribed by qualitative research (Cooper & Schindler, 2014). The current study was cross-sectional whereby data was collected once and over a short period of two (2) months. The target population were 130 agro-processors found in Limpopo Province that are registered with the Sub-Directorate Agro-Processing and Value Addition Services within the Agribusiness Support and Development Directorate of the Limpopo Department of Agriculture and Rural Development. Out of 130 agro-processors, 40 were sampled using non-probability purposive sampling. In this regard, the researcher selected participants based on personal judgement that they will provide essential data that will assist in answering research questions. It should be noted that there are also several other small and medium-sized agro-processing enterprises operating in Limpopo Province (Manasoe, Mmbengwa & Lekunze, 2023), however, they are not registered with any registration body. This study focused on registered agro-processors because are they are more likely to use competitive intelligence.

The participants from the sampled agro-processors were top executives who are involved in strategising and decision-making, and these were twenty (20) CEOs from 20 agro-processing companies, and twenty (20) managers who are involved in the implementation of the strategies and in the day-to-day operations of their organisations, and were selected from another 20 agro-processing companies. CEOs responded to web-based questionnaires and managers responded to telephone interviews. These participants were drawn from the 8 agro-processing subsectors: meat processors, fruit and vegetable processors, grain meal products producers, alcoholic beverage manufacturers, non-alcoholic beverage manufacturers, animal feeds producers, wood and wood products processors and bakery products manufacturers. A pilot study was conducted to test the validity and reliability of research instruments. The goal was to determine respondents' understanding of the research instruments and how they responded to questions so that appropriate amendments could be instituted prior to undertaking a full-scale data collection.

Five (5) CEOs and 5 managers participated in the pilot study. CEOs tested the validity of the questionnaire, while managers tested the reliability of the interview questions. Pilot study findings showed that the researchers used straightforward language and clear wording in the research instruments and participants considered the questions as understandable and clear. Data was collected through emailing web-based questionnaire to Chief Executive Officers, while General Managers were requested to participate in telephone interviews that were scheduled at their convenience. Data for this study was analysed through thematic analysis, with the aid of Atlas.ti version 28 windows computer software. Thematic analysis began with getting acquainted with the dataset and obtaining a basic comprehension of the unprocessed data. Codes were created by classifying data segments pertaining to the study objectives. The coded data was reviewed with the aim of identifying major trends and patterns. To make sure that the themes identified were in line with the data, they were examined for coherence and inconsistencies. Finally, themes were identified and named.

4 RESEARCH FINDINGS

All twenty (20) web-based questionnaires that were sent to CEOs were filled out and

returned, yielding a 100% response rate. On the contrary, a 90% response rate was attained for telephone interviews since only 18 of the 20 managers consented to take part in the interviews.

4.1 Demographic information of participants and companies' background information

CEOs and managers had varying duration of experience in their respective companies, with CEOs having between 8 and 21 years of experience, and managers having between 7 and 25 years of experience. The participants' extensive experience indicated that they possess significant expertise in strategizing and decision-making and operations, enabling them to provide valuable insights that contributed to answering the research questions.

Of the thirty-eight (38) companies that participated in this study, CEOs and managers were selected across all eight agro-processing subsectors as noted in table 1.

Table 1. Composition of study participants

Agro-processing subsector	Total number of agro-processing companies selected from each subsector	Number of CEOs that participated in the study	Number of managers that participated in the study
Meat processors	5	2	3
Fruit and vegetables processing	4	2	2
Grain mill products producers	5	3	2
Alcoholic beverage manufacturers	5	2	3
Non-alcoholic beverage manufacturers	5	3	2
Bakery products manufacturers	5	3	2
Animal feeds producers	4	3	1
Wood and wood products processors	5	2	3
Total	**38**	**20**	**18**

With regard to the number of years participating companies had been in operation, Figure 1 shows a total of 38 companies spread across eight subsectors.

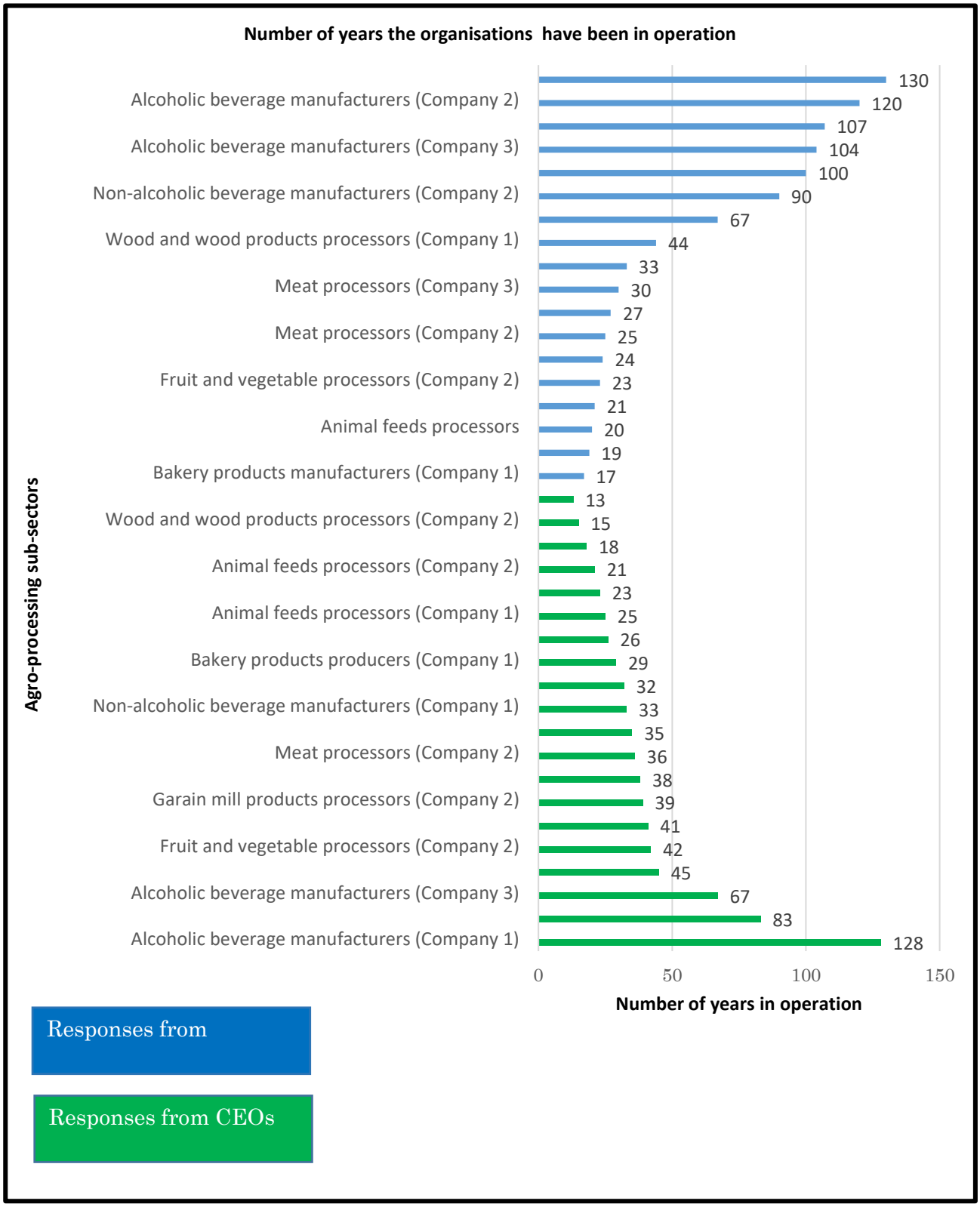

Figure 1. Number of years of company operation

Figure 1 indicates that the number of years the agro-processing companies have been in operation ranged from 13 to 130 years revealing that some of these companies have been around for a very long time and still seem to be struggling with growing their agro-processing ability.

To determine the core duties and responsibilities of CEOs and managers, participants were requested to indicate what their core duties in their organization were.

Responses showed that CEOs' core responsibilities and duties were more inclined towards the strategic focus of the company such as (corporate governance, communicating with the Board of Directors, external relations, leading senior management teams, monitoring financial progress, risk management and strategic planning). However, managers are involved in the tactical execution of operations such as (overseeing daily company operations, budgeting for departments, creating positive customer relationship, resource allocation and managing employees).

In trying to establish the staff composition of the organisations, it was found that some agro-processing companies (60.53%) employed permanent staff only while others employ both permanent and temporary/seasonal staff (39.47%). The minimum number of permanent staff employed was 30 and a maximum of 135, whereas the minimum of temporary/seasonal staff was 10 and a maximum of 25. The three subsectors that employ the largest number of both permanent and seasonal staff are grain mill products producers, non-alcoholic and alcoholic beverage manufacturers.

4.2 Competitive intelligence practices of the agro-processing industry in Limpopo Province

In trying to determine the CI practices of the agro-processors in Limpopo, the following responses were received from the CEO's and managers:

4.2.1 Presence of a formal department responsible for collecting information about competitors and the business environment

Regarding the presence of a formal department responsible for collecting information about competitors and the business environment, 20% of the participants indicated that there were no formal department, but every employee is responsible for gathering information. These findings are consistent with the study outcomes by Fatoki (2014), who revealed that CI is an activity for everyone in the organisation, hence appropriate and organised structures that have support of all employees must be created. However, the majority of participants (80%) explained that there was a formal department that collects information about competitor activities and the business environment. The departments responsible for collecting this information is represented in Figure 2 for the responses from the CEOs and Figure 3 for the managers.

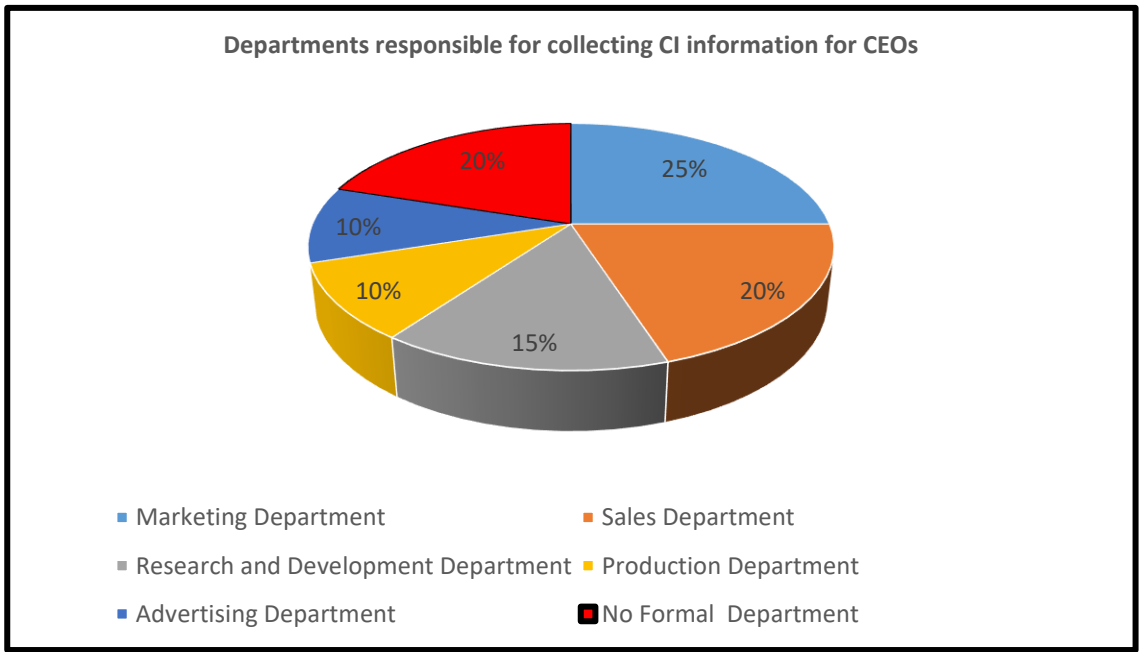

Figure 2. Departments responsible for collecting CI information for CEOs

Figure 3 indicates the departments that collect CI information for the managers of Limpopo's agro-processing businesses. Study findings further revealed that there are five departments that are tasked with collection of information about competitors and the business environment and there is no department that is specifically called Competitive Intelligence Department. The marketing, sales, research and development, finance and purchasing departments are the main departments that provide intelligence to managers. CEOs and managers' responses indicate a certain level of uniformity in the departments that gather CI data, with marketing and sales serving as the main ones. Managers, however, offered a wider variety of departments engaged in CI activities. In this regard, a study by Sewdass & Calof (2020) confirmed similar results that several South African companies are implementing CI for survival in the current high global competition.

4.2.2 Sources consulted to obtain information about competitors and the business environment

Pertaining to sources consulted for information about competitors and the business environment, Figures 4 and 5 indicate eight different sources of information consulted by CEOs and managers.

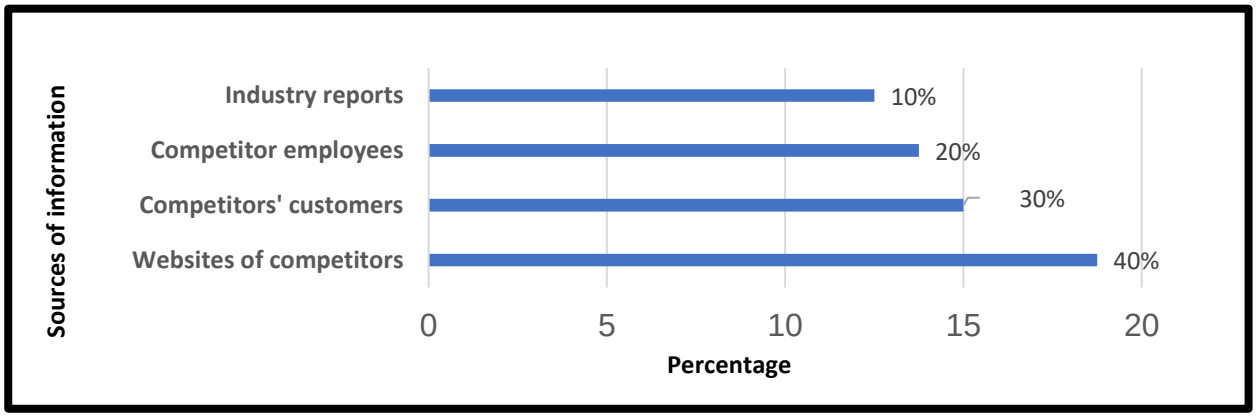

Figure 4. Sources of information consulted by CEOs

According to Figure 4, CEOs consulted four main sources of information. Websites of competitors and their customers were most consulted. These findings are consistent with the research findings conducted by Vistorskyte (2021), which revealed that the main sources of competitive intelligence information are websites of competitors and competitors' customers.

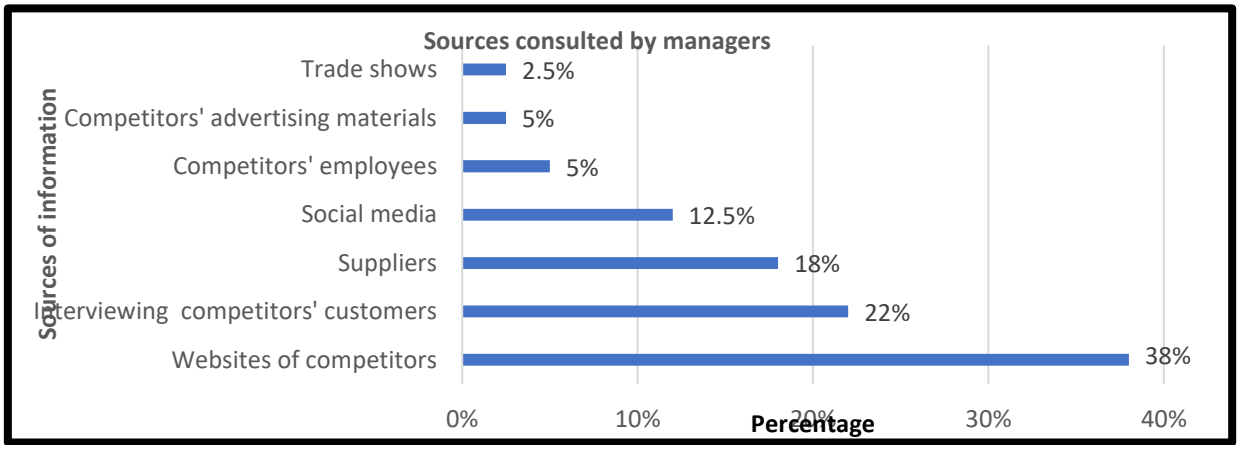

Figure 5. Sources consulted by managers

Figure 5 illustrates the sources consulted by managers and seven sources were identified. The most commonly consulted sources are websites of competitors, competitors' customers, suppliers and social media. A comparative analysis of the sources consulted by CEOs and managers reveals that websites of competitors and their customers were consulted by both CEOs and managers. Overall, data presented in figures 4 and 5 assist in understanding the sources that agro-processors utilise when they are gathering data about competitors and the business environment. Furthermore, the data displayed a diversified approach to intelligence collecting while also highlighting the range of CI sources. Knowledge of information sources can be the foundation for agro-processors to modify their CI practices through gaining insights from a variety of sources in order to make informed decisions. Studies by Manullang (2019) and Chitonge (2021) concur that having essential information can help agro-processors thrive, therefore understanding information sources is essential for efficient information collection.

4.2.3 Methods of analysising data gathered about competitors and the business environment

Participants mentioned five (5) data analysis methods as shown in Figure 6

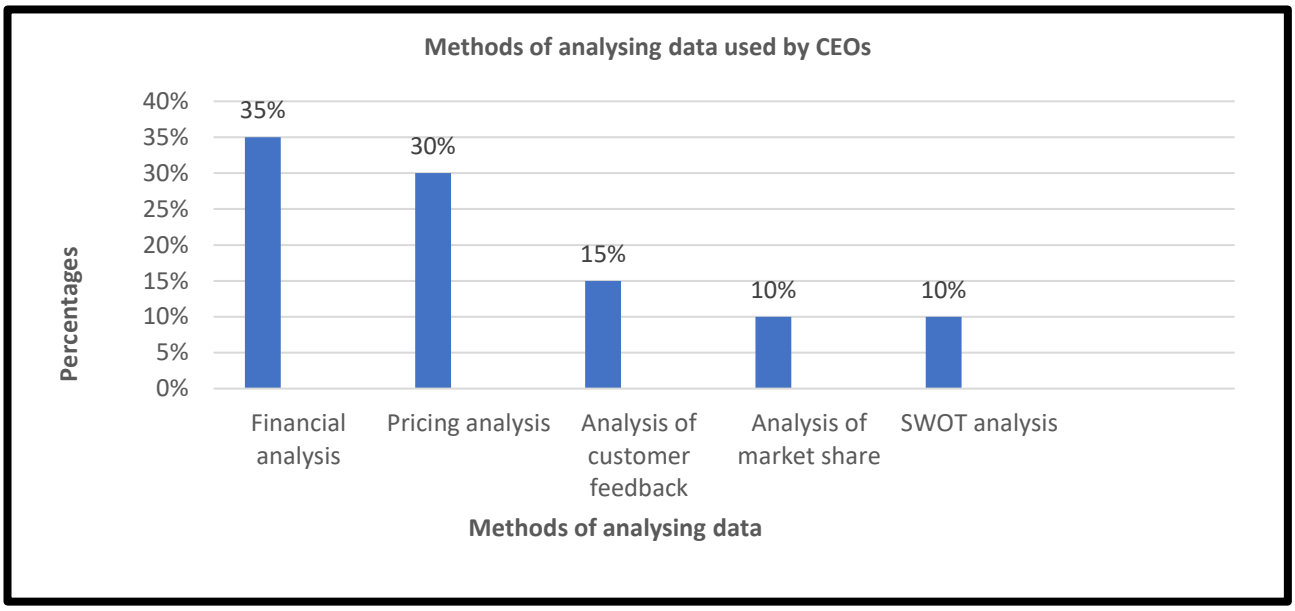

Figure 6. Methods of analysing data used by CEOs

The data presented in Figure 6 provides a thorough review of the methods of analysing data used by CEOs and the percentage usage rate of each method. Five (5) methods used are financial analysis, pricing analysis, analysis of customer feedback, analysis of market share and SWOT analysis. Fleisher & Bensoussan (2015) indicated that data analysis is one of the competitive intelligence implementation stages. Therefore, these agro-processors are practising some form of competitive intelligence.

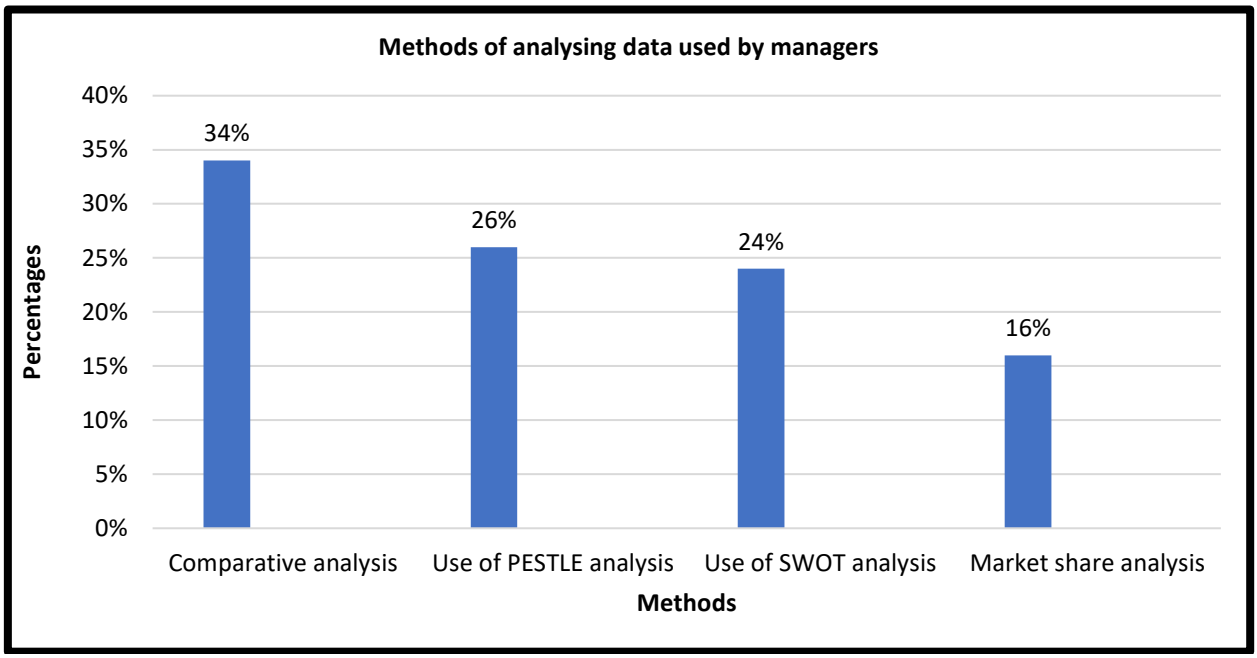

Figure 7. Methods of analysing data used by managers

According to Figure 7, managers mentioned four methods of analysing data. Among these methods, comparative analysis, PESTLE analysis and SWOT analysis are the most commonly used methods. Upon comparing the two participating groups, it is clear that managers and CEOs utilised different methods.

4.3 Role of CI in the agro-processing companies

In order to determine the role of competitive intelligence in strategising and decision-making in the agro-processing sector, the researchers looked at the types of data that was collected about their competitors and the business environment. This provided some understanding about the possible purposes(roles) that the collected intelligence was used for.

4.3.1 Types of data collected about competitors and the business environment

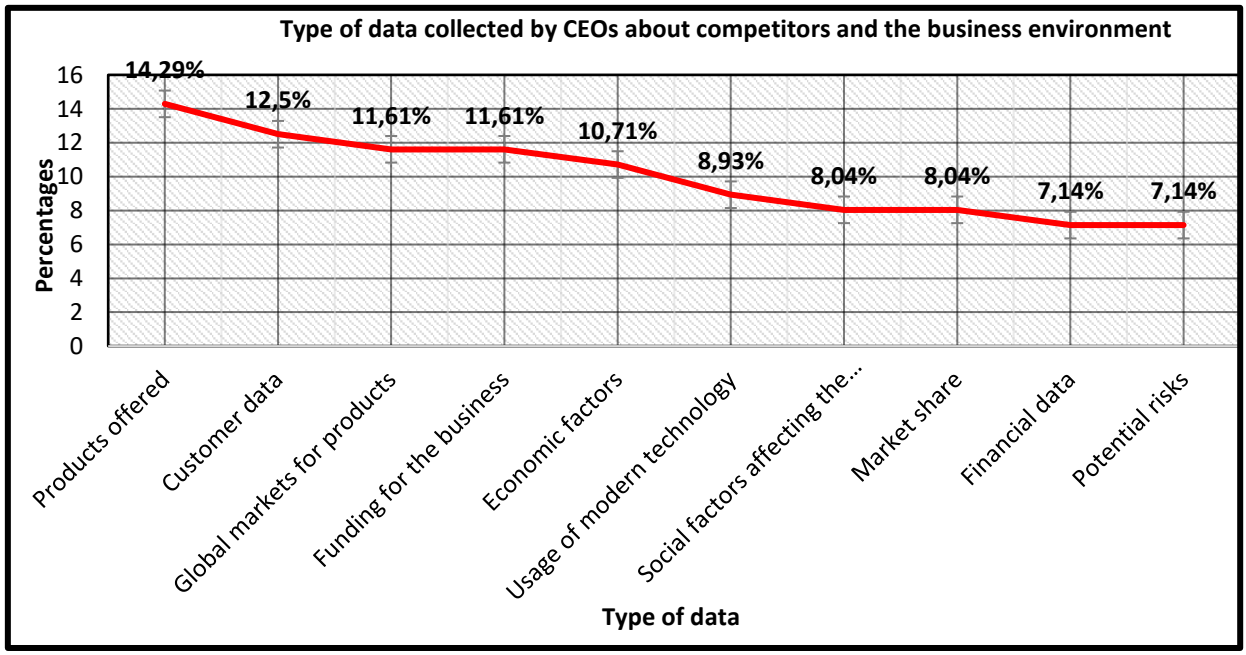

Figure 8. Type of data collected by CEOs about competitors and the business environment

CEOs use a wide variety of data for supporting the decisions they make (see Figure 8). They place a high priority on understanding competitors' products, customers, international markets for their products and obtaining capital for their businesses and assessing the state of the economy. These findings align with the study findings by Asghari, Targholi, Kazemi, Shahriyari & Rajabion (2020) that organisations must gather CI information about competitors' customers, suppliers, products and markets.

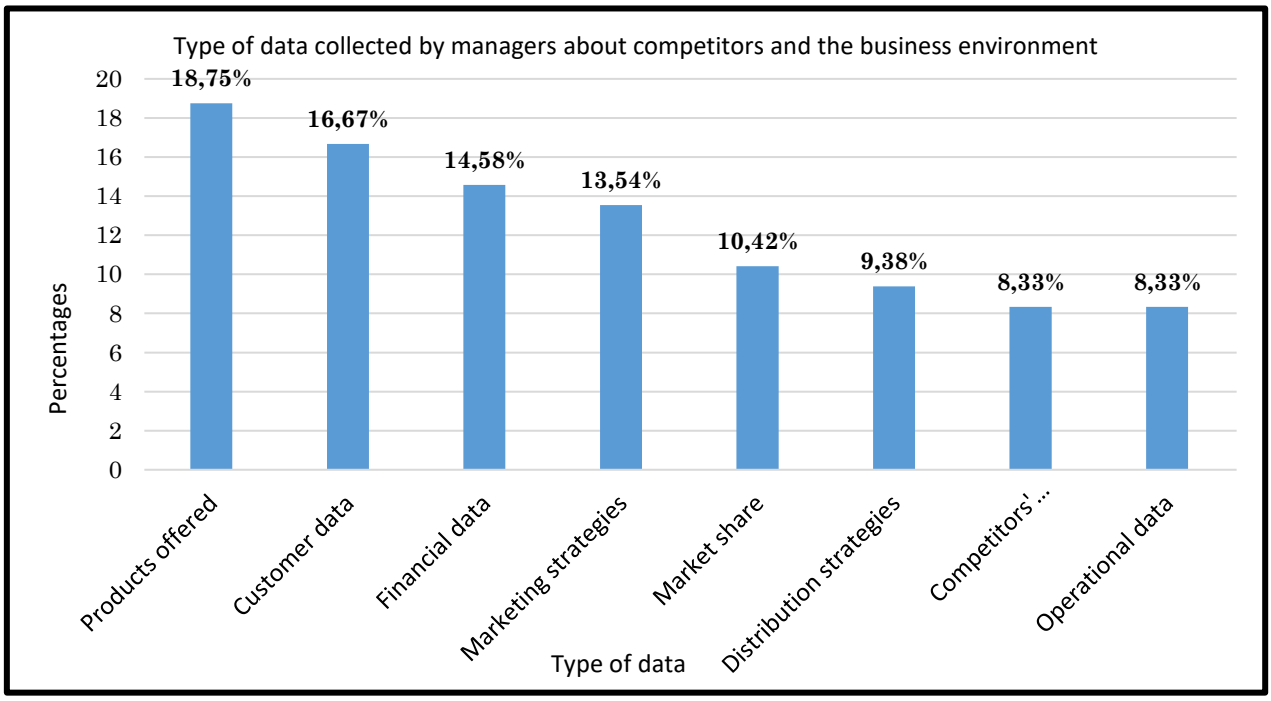

Figure 9. Type of data collected by managers about competitors and the business environment

As illustrated in Figure 9, managers focus on collecting data about competitors' products, customers, financial data marketing strategies and market share. Both CEOs and managers value data about competitors' products and their customers (see Figure 8 and 9). However, CEOs gather data that assists in making strategic decisions, whereas, data collected by managers assist in making daily operational decisions as was indicated by the roles that they play in their respective organisations.

4.3.2 Uses of information collected about competitors and the business environment

The underlying responses were obtained with regard to the uses of information collected about competitors and the business environment:

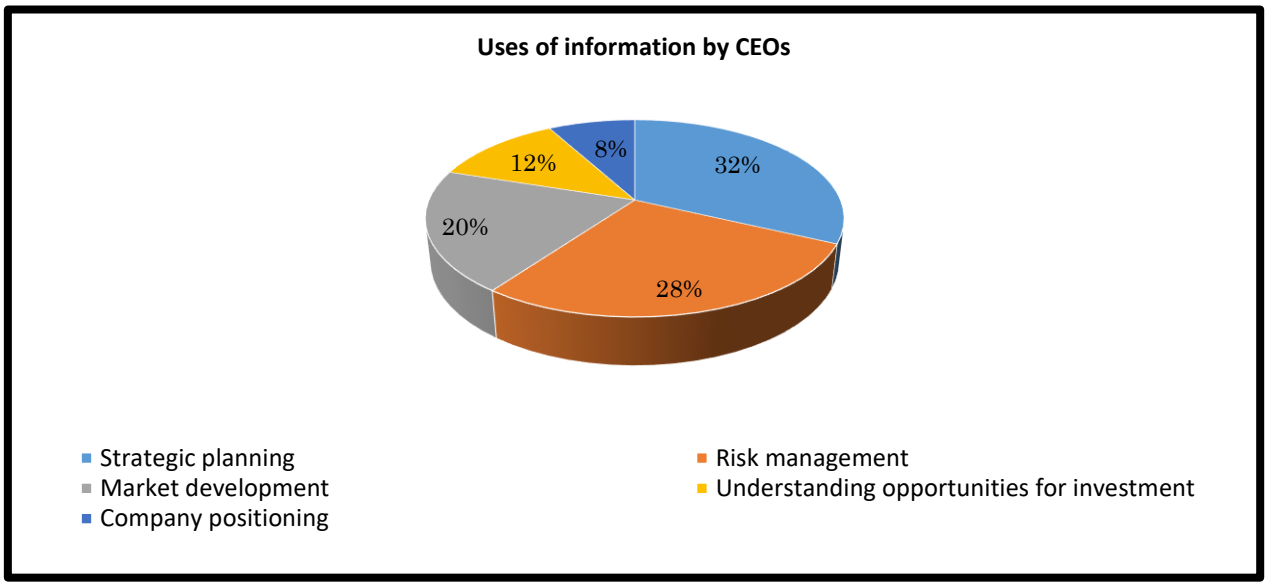

Figure 10. Uses of information by CEOs

Figure 10 illustrates five uses of information by CEOs and the most frequently use of information are strategic planning, risk management and market development. Furthermore, the data shows that CEOs use the information for long-term success of their businesses.

Figure 11 illustrates the use of information by managers, and six uses were revealed and these uses are related to their daily performance of their duties.

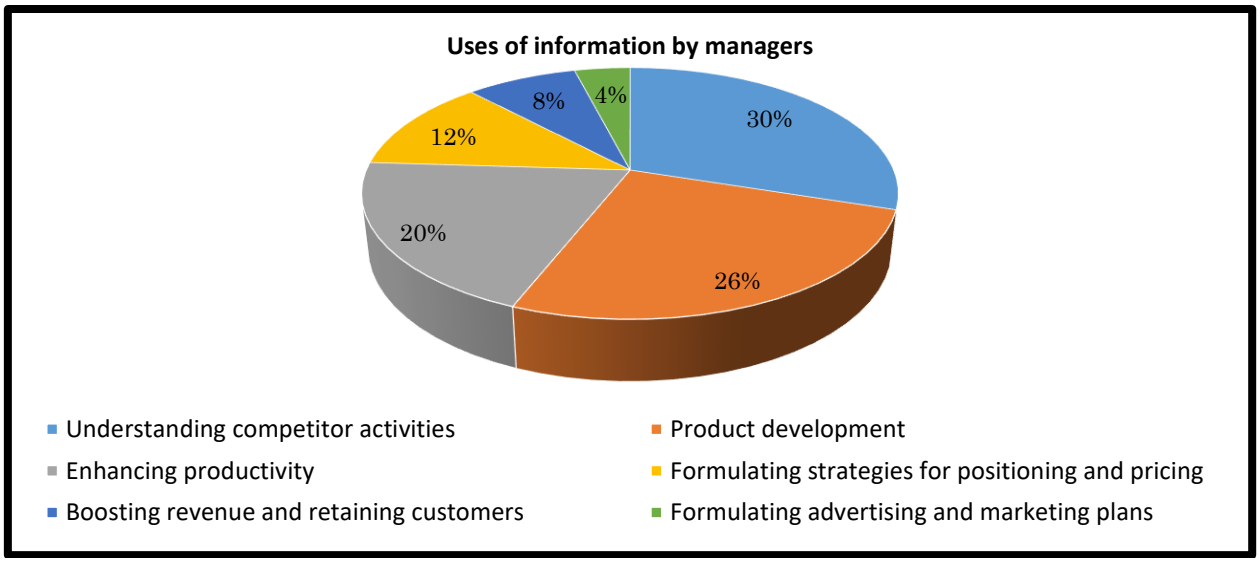

Figure 11. Uses of information by managers

According to Figure 11, the mostly frequently uses of information are for understanding competitor activities, product development and for increasing productivity. These findings were also consistent with the study by Paap (2020) that competitive intelligence (CI) provides information that facilitates the advancement of new products, services, technologies and ensures that better decisions are taken through ensuring that the business gathers the most precise information regarding consumer needs, competitive environment and technological options.

4.3.3 Methods used by CEOs and managers to evaluate the use of data to see whether it produced the expected results

Table 2. Methods used by CEOs and managers to evaluate the use of data to see whether it produced the expected results

No.	Method of evaluating the use of data	Participants' responses	%
1	Feedback from stakeholders	14	25.93%
2	Evaluation of performance indicators	12	22.22%
3	Comparing past with current performance	11	20.37%
4	Evaluation of business sustainability	9	16.67%
5	Achievement of objectives	8	14.81%
Total		54	100

As illustrated in Table 2, five main methods of evaluating the use of data to see whether it produced the expected results were revealed by participants. The most commonly used methods are using feedback from stakeholders, evaluation of performance indicators and comparing past with present performance (see Table 2). However, evaluation of business sustainability and achievement of objectives was also mentioned, but used to a lesser extent. These findings concur with the findings by Tandon (2021) that the impact of CI programs/tools must be evaluated in order to understand the impact of these programs or tools to the business.

4.3.4 Knowledge obtained about competitors

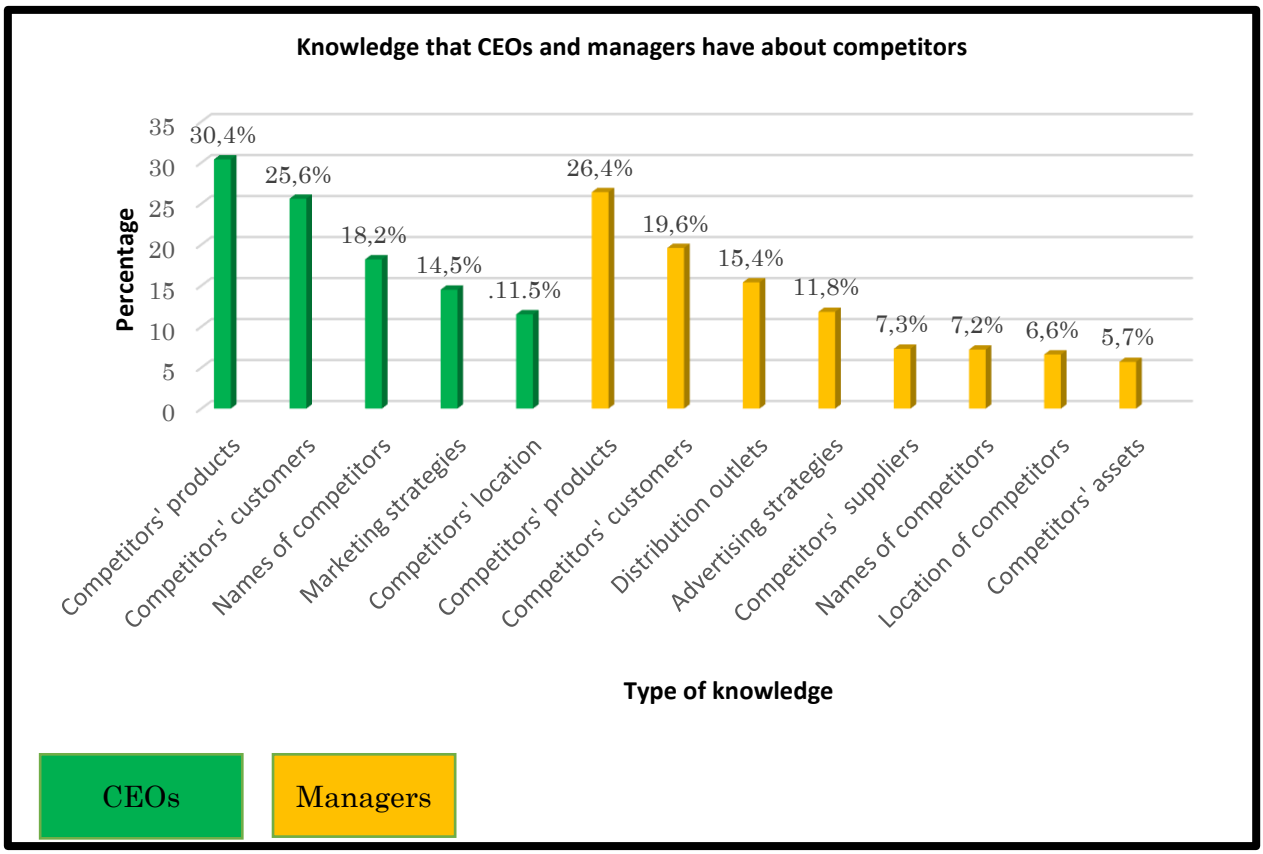

Figure 12. Knowledge that CEOs and managers have about competitors

Figure 12 illustrates the knowledge that CEOs and managers have about their competitors. Responses from both CEOs and managers showed that they value most the knowledge about competitors' products, their customers, names of competitors, marketing strategies, distribution outlets and advertising strategies. These results align with the study outcome by Kotler & Armstrong (2018) that having correct and current knowledge about market conditions such as competitors' products, competitors' customers and strategies is essential for developing competitive strategies. Department of Agriculture, Forestry and Fisheries (DAFF) (2020) alluded that agro-processors must monitor the agro-processing industry in order to develop appropriate strategies and remain competitive.

4.4 Strategies and decision-making processes of the agro-processors

4.4.1 Strategies implemented by agro-processors to prevent the negative impact of competition

The objective of this section is to disclose the strategies used by agro-processing companies to overcome the negative impact of competition, maximise output and maintain their competitiveness in the current changing market conditions.

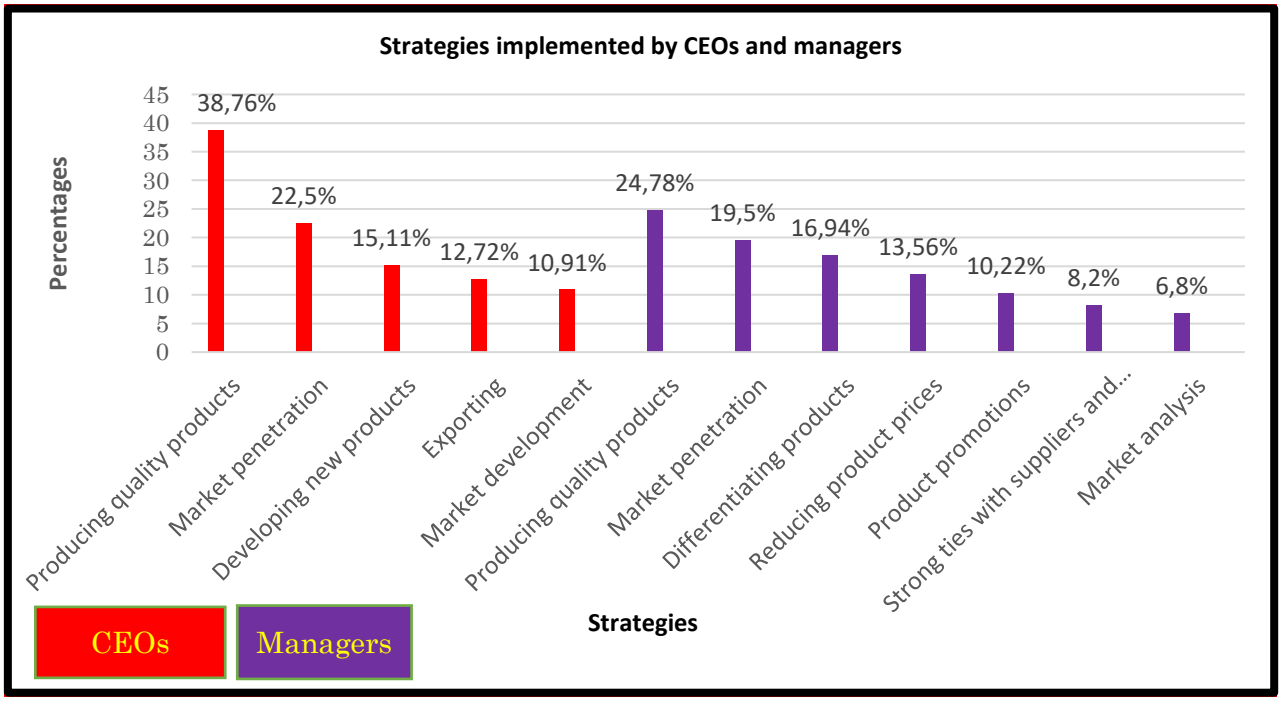

Figure 13. Strategies implemented by agro-processors to prevent the negative impact of competition

Pertaining to strategies that prevent negative impact of competition, participants identified ten main strategies. Data displayed in Figure 13 sheds insight on the usage rate with which agro-processors employ different strategies to mitigate the adverse effects of competition. Further examination of data shows that both CEOs and managers consider producing quality products and market penetration as most important strategies for reducing the negative impact of competition.

4.4.2 Improving strategising and decision-making for growth of the agro-processors in Limpopo Province

To improve strategising and decision-making, participants mentioned the following strategies they use in their organisations: effective planning, joint decision-making, monitoring and evaluating performance, defining clear goals and objectives, detailed data gathering and analysis, developing a culture of continuous improvement, flexible decision-making

process and risk evaluation and management.

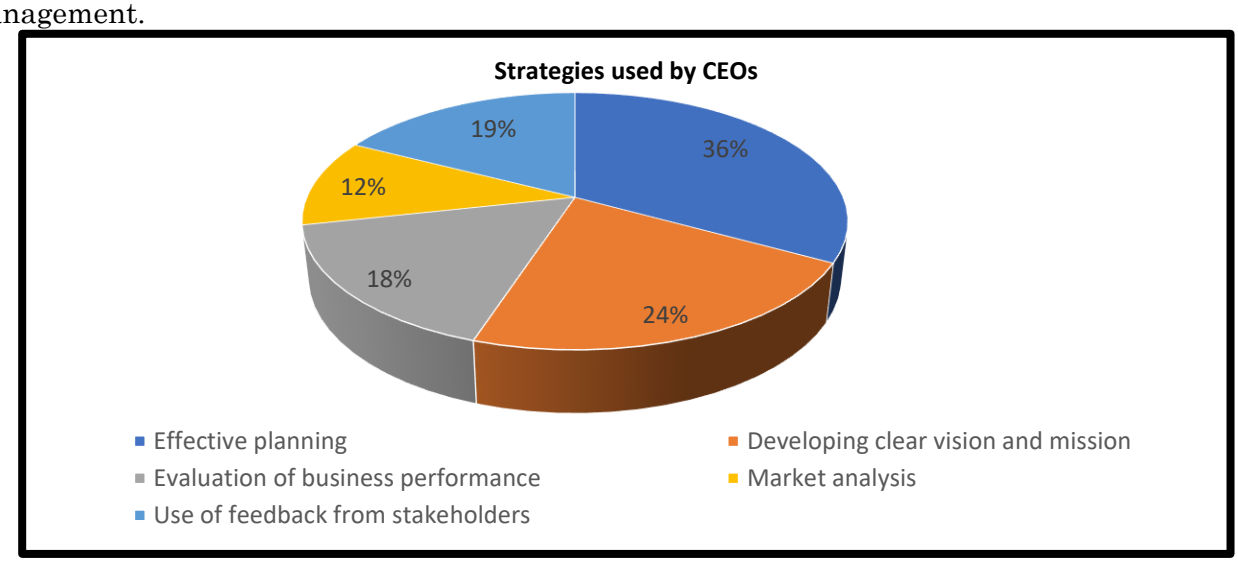

Figure 14. Strategies used by CEOs to improve strategising and decision-making

According to Figure 14, CEOs frequently use the following strategies to improve strategising and decision-making: effective planning and developing clear vision and mission of their businesses. Similar results were obtained by Crayon's 2020 study, which highlighted that management must have knowledge about how to continuously improve decision-making and develop competitive strategies so that their businesses can gain a competitive advantage.

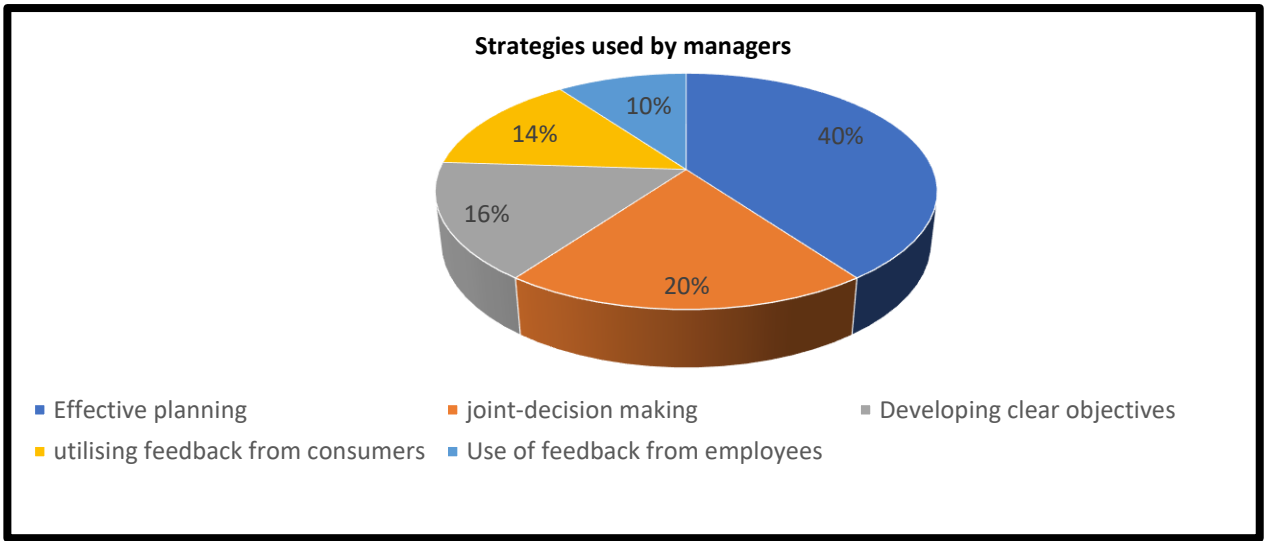

Figure 15. Strategies used by managers

Figure 15 shows the strategies used by managers and their proportional weight of usage. In this regard effective planning and joint decision-making are the most commonly utilised approaches. Overall, both CEOs and managers showed that effective planning is important in improving strategizing and decision-making. Planning, according to Surico (2020), is a crucial part of decision-making because it offers an organised method for establishing goals and objectives.

5 DISCUSSIONS

Eight agro-processing subsectors participated in this study, and they have

operational history of 13 to 130 years and this indicates that are able to sustain their existence in the market over a period of time possibly by implementing competitive intelligence practices in order to stay informed about competitor activities and not realizing this. In terms of the number of employees, the minimum number of permanent staff is 30 and maximum of 135, whereas the minimum of seasonal staff is 10 and maximum of 25.

Few agro-processors do not have a formal department responsible for collecting information about competitors and the business environment, whereas the majority have a formal department that collects information about competitor activities and the business environment. These departments are Marketing Department, Sales Department, Research and Development (R&D) Department, Production Department and Advertising Department. These findings align with study results by Kuhn, et al. (2020) who confirmed that in South African companies, CI activities are performed in departments or units that use different names such as market insight or business intelligence instead of traditional known term, competitive intelligence. The presence of departments that collect information about competitors and the business environment is a sign that that they use some CI practices without realising it.

With regard to sources of information consulted by CEOs and managers to obtain information about competitors and the business environment, eight sources were revealed. However, the most commonly, consulted sources are websites of competitors, competitors' customers, suppliers and social media. Overall, these findings showed that the sources consulted by both CEOs and managers are used to understand the competitive business environment. Knowledge of information sources is the cornerstone for agro-processors' ability to adapt and execute their CI practices through the acquisition of insights from a range of sources in order to make well-informed decisions.

Diverse methods of analysing data were identified. Agro-processors analyse data in order to be able to react quickly to changes occurring in the business environment, encourage decision-making based on facts and enable easy strategic planning. Pertaining to the types of data collected about competitors and the business environment, participants stated that they place high value on knowing competitors' products, customers, foreign markets, financial data and sources of funds for their businesses. The second most important type of data collected was economic factors, modern technology in use, competitors' market share and competitors' marketing strategies.

Participants indicated that data collected about competitors and the business environment is used to influence strategic choices. In this regard, competitive intelligence acts as a cornerstone for agro-processors to stay competitive and responsive to the turbulent business environment. The four prominent used of data gathered are understanding competitor activities, strategic planning and development, supporting innovation and product advancement. Additionally, intelligence gained is used to boost productivity, improve marketing tactics and risk management. This information is relevant as it assists to achieve competitive intelligence's goals, which are to give companies the knowledge and understanding they need for making fact-based decisions and obtain a competitive edge. Therefore, the capacity to utilise knowledge regarding competitors and the business environment remains crucial for agro-processors.

Pertaining to the methods used by CEOs and managers to evaluate the use of data to see whether it produced the expected results, participants showed that they use many approaches. These methods include feedback from stakeholders, evaluating performance indicators, comparing past with current performance, assessing long-term sustainability and checking if objectives are achieved. In this regard, agro-processors, this data highlights the value of examining data and checking if the use of intelligence has brought positive results to their businesses. With reference to the knowledge that CEOs and managers have about competitors, participants mentioned aspects of CI namely competitors' customers, names of competitors, marketing strategies,

location, products, distribution outlets, advertising strategies, suppliers and assets. The majority of agro-processors indicated that their employees have full knowledge of their competitors and this knowledge is the base for building CI. They mentioned the aspects of CI namely competitors' customers, names of competitors, marketing strategies, location, products, distribution outlets, advertising strategies, suppliers and assets. This knowledge assists agro-processors to develop competitive strategies. Agro-processors use various strategies to improve strategising and decision-making and they benefit from applying these strategies. In this regard, agro-processors are using CI to improve their overall strategic planning and decision-making abilities.

6. CONCLUSION

The study was conducted in Limpopo Province and it provided insight into the competitive intelligence (CI) practices used by the agro-processing sector. The research offered significant insights from participants, principally Chief Executive Officers and managers, and provided a thorough industry overview covering eight major agro-processing subsectors. A notable finding was the lack of dedicated CI departments, with data collection duties being split up among several already-existing departments like marketing, sales, research and development, production, and advertising. This absence raises concerns about how well agro-processors understand the advantages of specialized CI roles. The study highlighted the industry's adaptation techniques, placing particular attention on customer-focused approaches and highlighting the significance of recognizing both changing consumer wants and market trends.

Access to reliable competitor and business environment information was deemed crucial, benefiting decision-making, operational improvements, and agile responses to market dynamics. Data analysis methods such as comparative analysis, market share analysis, financial analysis, pricing analysis and analysis of customer feedback played a pivotal role in understanding rival strategies. Participants stressed the significance of CI for strategic planning, risk management, marketing strategies, and enhancing productivity. Participants highlighted that staff's extensive knowledge of competitors forms the foundation for CI, aiding in the gathering and analysis of competitor data to maintain or establish a competitive edge. Agro-processing companies adopted a variety of strategies to improving strategising and decision-making order to improve the growth of their organisations. These are effective planning, joint decision-making, monitoring and evaluating performance, defining clear goals and objectives, detailed data gathering and analysis, developing a culture of continuous improvement, flexible decision-making process and risk evaluation and management.

7. LIMITATIONS OF THE STUDY

This study is only representative of the agro-processors in Limpopo Province, so the research findings may not be applicable in other provinces and nations. Furthermore, this study has not considered the small, private or family owned afro- processors operating in the province that are not registered with the Department of Agriculture and Rural Development and these agro-processors can also benefit from this study.

8. BENEFITS OF THE STUDY

The benefits of conducting this research is that the current knowledge gained about the agro-processors could assist them implement CI in a formal manner in future and they will be able to gather information about competitors and the business environment more effectively. Agro-processors could competitively add value to their products instead of selling low-priced unprocessed products. In addition, agro-processing firms in the province could increase local economic development and competitiveness. Furthermore, the findings of this study can be used to provide information to the Department of Agriculture and Rural Development, financial institutions, government agencies such as Limpopo Economic Development Agency (LEDA), Limpopo Agro-Food Technology Station (LATS), research institutions and industry associations about the agro-processors that are performing well and those that needs assistance so that they can grow. Assistance

could be in the form of developing policies that support the growth of agro-processors, offering financial assistance, improve agro-processing infrastructure, offering customised training programs and consulting services that assist agro-processors to develop products that comply with the demands of both domestic and foreign markets. Lastly, the research results may help the Department of Trade and Industry to understand the variety of products produced by agro-processors, which will facilitate their entry into foreign markets.

9. FUTURE STUDIES

Future studies should focus on examining the ways in which small and medium-sized, private family owned agro-processors might use competitive intelligence to promote their expansion into bigger enterprises or to develop partnerships with other agro-processors to improve their growth. Furthermore, future research initiatives should focus on the exploration of the use of modern technology by agro-processors to innovate in their product offerings and grow their businesses. Lastly, future research is required to explore how to improve conducting of CI activities through implementing training and development programs on staff members involved in competitive intelligence activities in an informal manner such as CEO's and Managers.

10. RECOMMENDATIONS

In the next stage of this study, the researchers will design a CI framework in order to assist this industry on how to use CI in a structured manner. The main objective of the proposed framework is to provide management, employees and other stakeholders with the knowledge and skills needed to overcome obstacles, seize opportunities and make wise decisions that will enhance the growth of agro-processing industry in Limpopo Province. This framework will be implemented in steps namely: defining the objectives of CI programs, planning for data collection, data collection, data analysis, reporting and knowledge sharing. Management will also solicit feedback from stakeholders. The knowledge generated will assist to develop appropriate strategies and make good decisions that could assist to enhance competitiveness and growth of agro-processors.

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Ameliorating effect of competitive intelligence on SME innovativeness in emerging economies

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ABSTRACT For many years SMEs growth and survival in emerging economies depended on resources deployment including financial, skills, infrastructure etc. Such resources are undoubtedly important, but insufficient. The increase and heightened competition in the market requires innovativeness in SMEs. However, innovativeness is unthinkable without the consideration of competition information. Along with these efforts, SMEs could infuse competitive intelligence to ameliorate its innovativeness. The aim of this study was to investigate how can competitive intelligence ameliorate innovativeness of SMEs in emerging economies. An exploratory, interpretivism, and qualitative design was followed to collect data via semi-structured interviews from SMEs in an emerging economy, South Africa. The findings enlighten on how SMEs in an emerging economy use competitive intelligence to ameliorate its innovativeness, and a model of innovativeness in SMEs is proposed. Practical implications are made to key stakeholders and future research directions are offered.

KEYWORDS: Competitive intelligence; Innovativeness; SMEs; Emerging economies.

1. INTRODUCTION

In the context of contemporary business, organisations depend on innovativeness to compete, grow, or survive (Olaleye *et al.,* 2021). This encompasses constant development, improvement, and deployment of new products, processes, services, and organisational methods (Mkalama *et al.,* 2020). Interestingly, this affects both large and small businesses (Odusote and Akpa, 2022). Although large businesses often succeed with innovativeness, small and medium enterprises (SMEs) struggle to sustain their innovativeness and fall prey to the competitive environment (Hassani and Mosconi, 2021).

Innovativeness is defined by Olaleye *et al.* (2021), as the capability of organisations to adopt, develop, and deploy new and innovative activities such as new products, processes, services, or business model to improve performance. Innovativeness is significant for operating in the current business environment (Hassani and Mosconi, 2021). As such, it is vital to encourage innovativeness in SMEs, although most of them lack the know-how and models of innovativeness.

In modern business environment, data and information play a significant role in management activities (Gračanin *et al.,* 2017). When data is processed to produce actionable information, organisations can make effective decisions that improve

performance (Hassani and Mosconi, 2021). Accordingly, competitive intelligence (CI) research has had a foremost stimulus on investigating how organisations process data into actionable intelligence information (Olaleye *et al.* 2021). CI pertains to a process of gathering data from diverse sources to later analyse, synthesise, and produce intelligence information for decision making (Arrigo, 2016; Sewdass and Calof, 2020). This practice is deployed in industries to ameliorate the management activities (Madureira *et al*., 2021). According to Priporas (2019) , the use of intelligence information enables organisations to make effective decisions and compete in the market. This is also significant in SMEs, especially when they need to improve performance in operations (Hassani and Mosconi, 2021).

For a long-time, SMEs management activities and performance depended on resources deployment to boost their innovativeness including financial, skills, infrastructure etc, (Muriithi, 2017; Akugri et al., 2015; Lebusa, 2013; Karanja et al., 2013). Such resources are undoubtedly important to support innovation activities. But in our opinion, it is insufficient. The modern competitive environment dictates that organisations have competitive knowledge when making decisions (Ali, and Anwar, 2021). However, such knowledge is unthinkable without consideration of competition information (Gračanin *et al.,* 2017). Along with these efforts, SMEs could infuse knowledge based on CI to ameliorate their innovativeness (Lukhele & Soumonni, 2020).

Yang *et al*. (2019) and Karadag (2016), opine that intelligence information can ameliorate innovativeness, management models, and strategies. However, this describes a new world for SMEs. In the past two decades, SMEs research focused on resource deployment and management skills as a key approach to SMEs' growth, competitiveness, and survival (Lebusa, 2013; Karim *et al*., 2020). However, when statistics are scrutinised, it is discovered that many SMEs fail to compete and sustain themselves (Small Enterprise Development Agency [SEDA], 2021). This failing trajectory is influenced by intense competition and lack of innovativeness (Muriithi, 2017; Akugri *et al*., 2015; Lebusa, 2013; Karanja *et al*., 2013). As such, SMEs need to conduct CI to understand the competitive environment and use the intelligence information to ameliorate their innovativeness. They must be able to draw-in competition knowledge from customers, competitors, and other stakeholders to support innovativeness and drive strategy (Liu and Si, 2022). This will enable SMEs to be competitive and sustain themselves in the competitive market (Zhang and Zhu, 2021).

The purpose of this study is therefore to investigate the ameliorating effect of CI on SMEs innovativeness in emerging economies. Two research objectives are addressed to achieve this purpose:

- Establish how can CI ameliorate innovativeness of SMEs in emerging economies.

Propose a CI infused innovativeness model for SMEs in emerging economies.

2. LITERATURE REVIEW

2.1. Competitive intelligence in the context of SMEs

CI is the building block for management decision making (Gračanin *et al.,* 2017; Karadag, 2016). This practice is used in many business fields to bolster competitive agility in chosen markets (Madureira *et al*., 2021). Hassani & Mosconi(2021) and Wu *et al.* (2022) studied the influence of CI on innovativeness and operation performance of SMEs. These studies showed that, despite limited financial resources, SMEs at least partially use CI to affect decision-making.

According to Porter (1985), the more complex and competitive the market environment is, the more probable certain businesses may fail if they do not comprehend the market environment. This describes the contemporary market environment which forces organisations to constantly study the environment to ameliorate decision making (Anton *et al*., 2015). CI, as a tool that collect and process data to aid decision making (Habánik *et al*., 2016), is useful to SMEs aimed at improving performance (Hove-Sibanda *et al*., 2017; Carvalho and Costa, 2014). Through CI, SMEs can study customers, competitors, and other stakeholders to produce actionable intelligence information to improve operations (Komppula, 2014). Such information enables SMEs to develop

innovative and competitive responses in a chosen market (Porter, 1985).

Komppula (2014), opined that SMEs need to use CI to understand customers and competitors behaviours. Customers are the lifeblood of SMEs, and studying their behaviours will enable SMEs to develop and deploy innovative activities to meet or exceed their demands. Competitors, on the other hand, are the rivals fighting for a share of the similar market, and understanding their strength, weaknesses, and strategies will enable SMEs to serve customers better than their competitors in the market. Yang *et al.* (2019), added that CI, through intelligence information, adds value to SMEs operations (Magalhaes and Hartanto, 2020; Kiveu, 2019). SMEs can develop and execute innovative tactics that allow them to improve operations and performance (Anton *et al.*, 2015; Kiveu, 2019).

2.2. Overview of innovativeness in SMEs

Innovativeness is a concept that has existed for a while (Marchiori *et al.,* 2023). It is commonly associated with the concept of innovation (Zhang and Zhu, 2021). While innovation pertain to the state of newness in product, process, or service, innovativeness relates to the practice of developing and implementing new products, process, or practices to bolster performance (Bruwer *et al.,* 2019; Jaskyte, 2020; Pertuz and Pérez, 2021).

Today, SMEs operating in competitive markets find themselves requiring innovativeness in order to compete and survive (Yang *et al.*, 2019). We argue that innovativeness has several benefits that improves performance and competitiveness of SMEs. Especially when competing with large and established organisations that have a vast number of resources (Zhang and Zhu, 2021). Innovativeness can enable SMEs to improve their competitiveness against competitors (Sundstrom *et al.*, 2021; Dossou-Yovo and Keen 2021). Although, this requires SMEs to use knowledge on competitors and competitive environment (Sundstrom *et al.*, 2021). This will help SMEs to reform their strategies, overcome weaknesses, and create new competitive advantages (Liu and Si, 2022). However, innovation research report distressing findings on the innovativeness in SMEs (Mulibana and Rena, 2020). SMEs tend to rely on human-centered and informal approaches to innovativeness (Lesákováa, 2014). Compared to large and established organisations which practice complex and information focused innovativeness. SMEs depend on random and straightforward innovation (Dossou-Yovo and Keen, 2021). Deshati (2015) and Didonet and Diaz-Villavicencio (2020), also discovered that SMEs develop and implement innovations of non-technical nature resembling simplicity, spontaneity, human-oriented, and informality.

2.3. Research context

This study was conducted in the liquor retail SMEs in an emerging economy, South Africa. As Mrasi *et al.* (2018) highlight, liquor retailing mainly comprises SMEs who sell liquor products directly to consumers. These SMEs, such as liquor wholesalers, retail stores, taverns, bottle stores, pubs, and restaurants, are licensed to sell liquor products directly to consumers (Gauteng Liquor Act [GLA], 2003). SME liquor retailers also form part of people's social lives, especially in the semi-urban areas, by providing recreational, entertainment, and leisure needs (Charman *et al.,* 2013; Charman and Govender, 2020). Moreover, SME liquor retailers contribute to the economy through employment, tax revenue, and gross domestic product (GDP) (Charman and Govender, 2020). They contribute 40 billion South African rands to GDP per year in South Africa (Shand, 2017) and employ 961 000 people, directly and indirectly, specifically in the marginalised communities (Mrasi *et al.,* 2018; Gouws and Motala, 2019).

Although SME liquor retailers operate in a regulative environment, they also face severe competition (Mrasi *et al.,* 2018). A market in which roughly 35,000 SME liquor retailers hold licences to operate (Planting, 2020; Kew, 2020) is also home to more than 250,000 unlicensed SME liquor retailers who sell the regulated manufacturers' liquor products (Charman et al., 2013; Charman and Govender, 2020). These unlicensed SME liquor retailers are adept at satisfying consumer demand for alcohol and recreational services while also utilising more sophisticated strategies to stay in business and elude regulatory oversight

(Mrasi et al., 2018; Charman et al., 2013). Liquor consumers' demands also grew in recent years resulting in new rivals in a form of large and established retail chain organisations (Shand, 2017; Gouws and Motala, 2019). Large retail chains have opened liquor stores in the semi-urban area, previously dominated by SME liquor retailers (Shand, 2017). Their arrival in the market, powered by financial resources, challenges the competitiveness of SME liquor retailers (Mrasi *et al.,* 2018; Gouws and Motala, 2019). This was evident in the study by Shand (2017), which found that SME liquor retailers operating near the large liquor chain retailers were put out of business.

3. RESEARCH METHODS

In this study the ameliorating effect of CI on SMEs innovativeness was investigated in emerging economies, South Africa. An in-depth study to establish how can CI ameliorate innovativeness of SMEs in emerging economies was sought. An exploratory qualitative design was used as there was limited theoretical and empirical studies on CI and innovativeness in SMEs (Maldonado-Guzmán *et al.*, 2017; Dossou-Yovo and Keen, 2021; Torres and Augusto, 2020; Sekaran and Bougie, 2016).

This study also leans on the interpretivism philosophy to establish social construction of truth from the practitioners. An inductive approach assisted to understand the nature of the problem and provided new insights into knowledge development when analysing and interpreting data.

The population for this study were owners and managers of SME liquor retailers in the Gauteng Province, South Africa. Using a non-probability purposive sampling, 21 out of 505 SME liquor retailers from four districts in the semi-urban areas of Gauteng were selected. Although this was a small sample, it was deemed acceptable to reach data saturation in qualitative research (Hennink *et al.,* 2016).

Semi-structured interviews were carried out to collect data, and this allowed the researchers to uncover underlying motivations for innovativeness. The design of the interview schedule was based on themes that emerged in the literature as well as the research questions, including what types of data is collected to aid innovativeness in SME liquor retailers? What types of intelligence information is produced to aid innovativeness in SME liquor retailers? How are intelligence information used to develop and implement innovations in SME liquor retailers? What are the outcomes of innovativeness in SME liquor retailers? The interview schedule was piloted with two SME liquor retailers and later refined based on the findings of pilot study. Data was collected over a period of six weeks at the SME liquor retailers premises and a thematic analysis method using the Atlas-ti software was used for analysing the data. Thematic analysis helped in analysing experiences, perceptions, and understandings of respondents by developing themes based on the recurrence of information coming from the data which included types of data collected, types of intelligence information, how intelligence information is used, and outcomes of innovativeness.

The researchers adhered to the principles of ethical research conduct in terms of transparency and confidentiality. Credibility and trustworthiness during the data collection, analysis, interpretation and reporting were adhered to as advised by Johnson and Rasulova (2016). Data was anonymized since the SME liquor retailers created innovations that were essential to their success and due to the severe competition, it was necessary to ensure that data collected was secured. The participants were given an opportunity to review the research data collected to ensure it was reliable and represented them accurately.

4. FINDINGS AND DISCUSSIONS

Findings from the study revealed that SME liquor retailers operated in an intensely complex and competitive business environment and yet they compete and survive with unwavering determination despite the stringent competition constrains. 21 respondents participated in this study.

Table 1: Background characteristics of the SME liquor retailers

Background characteristics	Categories	Freq	Percent %
Type of liquor licences used	On-consumption	16	76%
	Off-consumption	5	24%
SMEs' number of years in operation	2-5 years	6	28%
	6-10 years	4	19%
	11-15 years	7	34%
	16 and more years	4	19%
Position of respondents	Owners	16	76%
	Managers	5	24%

As depicted in table 1, the findings indicate that most of SME liquor retailers 76%, operate with on-consumption liquor license, while 24% with off-consumption. With regard to the number of years in operation of SME liquor retailers, 28% had been in operation for between 2-5 years, 19% were in operation for between 6-10 years and 16years and more respectively. 34 % of the participants had been in operation for 11-15 years. 76% of respondents were owners of the businesses, while 24% were managers employed in the business. From this it can be noted that the participants had been in operation long enough to have the experience and knowledge about their innovation practices.

4.1. Types of data collected to aid innovativeness SME liquor retailers.

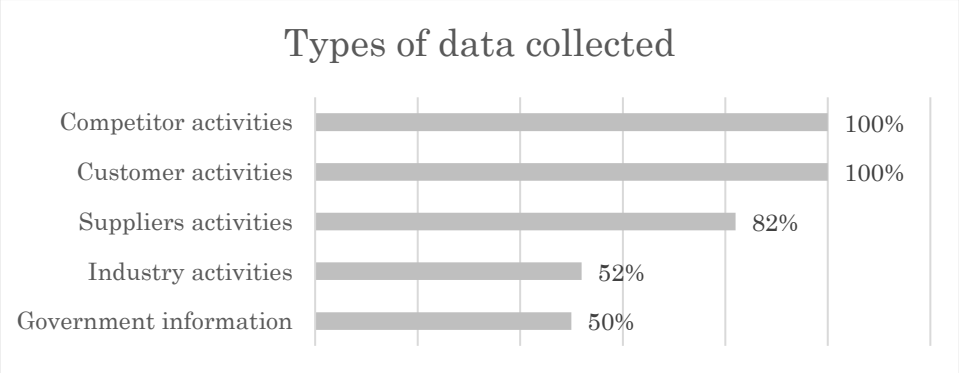

Figure 1. Types of data collected

Figure 1 reveals that SME liquor retailers collected different types of data to aid their innovativeness. Customers and competitors' data were collected by all respondents, suppliers' activities data were collected by 86% of respondents, industry activity data were collected by 52% of respondents, and 50% or respondents indicated that they collected government information. Some responses from the participants regarding what types of data that is collected to aid them in innovativeness is as follows:

Respondent-3: Local government often make changes to bi-laws and I always make sure that I collect this information and study it to understand how the new changes affect my business.

Respondent -7: We commonly visit our fellow SMEs liquor retailers to observe how they are serving customers, especially on weekends.

Respondent -4: Our liquor retail association release information about the performance of members of the association every month. We collect this information to understand how other liquor retailers are doing compared to us.

Respondent -14: We always ask our customers about their experiences in our business and for suggestion on the

improvements they would like to see in our business.

Respondent -6: Every Monday, I visit my competitors particularly the large businesses, and collect their weekly promotional flyers.

Liu and Si (2022) emphasised the need for SMEs to continuously scan customers, competitors, and other stakeholders in order to build a knowledge-base to support innovativeness. This will ensure that SMEs develop innovations in respond to competition activities (Zhang and Zhu, 2021). The responses from the respondents indicated that they collect data about stakeholders who have direct or indirect impact to their operations. Customers and competitors data were collected by all respondents, while some also collected the industry, suppliers, and government data. This helps them in understanding the competitive environment and increase the effectiveness of decisions towards developing and implementing innovation activities (Dossou-Yovo and Keen 2021). This confirms the assertion of Sundstrom *et al*. (2021), that innovativeness requires consistent efforts in understanding customers' and competitors' environments.

4.2. Types of intelligence information produced to aid innovativeness in SME liquor retailers.

Regarding the types of intelligence information produced from the data collected to aid innovativeness in SME liquor retailers, the findings in figure 2 revealed that SME liquor retailers used the collected data to produce different types of intelligence information to aid their innovativeness.

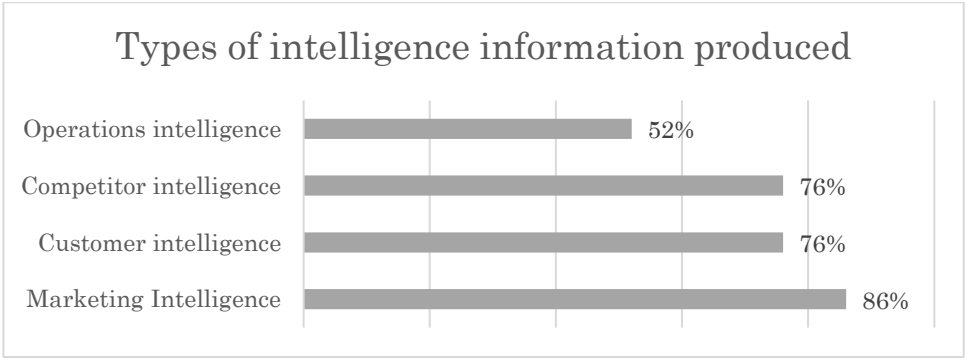

Figure 2. Intelligence information produced from data collected

Customers and competitors' intelligence were produced by 76% of the respondents. 86% of respondents produced marketing intelligence, and operations-based intelligence by 52% of respondents. Some of what the respondents articulated are as follows:

Respondent-2: I always use the data collected to try to make sense of how we can improve the way we operate.

Respondent -5: It is important to us to use the information at our disposal to formulate a plan to attract and maintain customers week-after-week.

Respondent -8: The information we commonly collect is used to understand how we can plan marketing programmes of the business.

Respondent -20: The information we collect help us to understand our competitors and to plan a response strategy against competitors.

Intelligence information, which is the product of CI, is critical in influencing operations and strategies performance (Magalhaes and Hartanto, 2020; Kiveu, 2019). It is an important product of CI that enables organisations to respond to market environment by developing and executing innovative tactics to improve operations and performance (Anton *et al*., 2015). Kiveu (2019), added that the use of intelligence information aids organisations to effectively develop innovative responses to competitive strains. The findings of this study indicate that the respondents used the collected data to produce intelligence information

pertaining to marketing, customers, competitors, and operations. This type of data can also help SMEs to reform their strategies, overcome weaknesses, and create new competitive advantages (Liu and Si, 2022).

4.3. How is the intelligence information used to develop and implement innovations in SME liquor retailers?

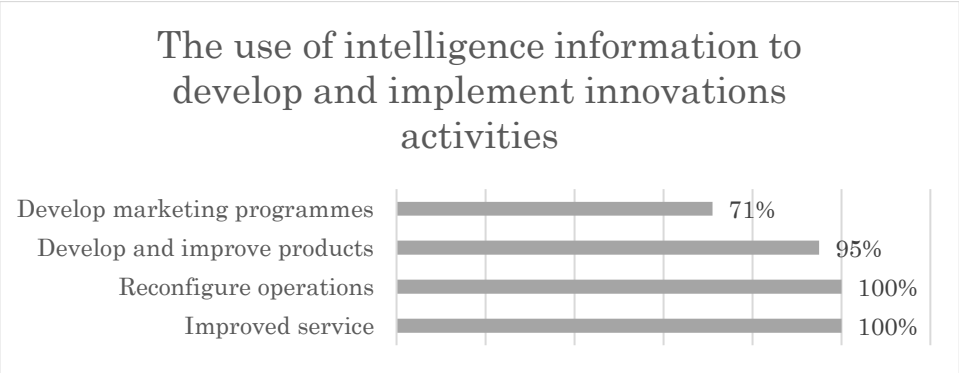

Figure 3. Use of intelligence information to develop and implement innovations in SME liquor retailers

As noted in figure 3, all the respondents used the intelligence information to improve services and reconfigure operation processes. The intelligence information was also used to develop and improve products by 95% of respondents. Also, 71% of respondents indicated that the intelligence information was used to develop marketing programmes. The participants responded as follows:

Respondent-6: I am focusing on continuously ensuring that my customers are comfortable with our services when they are here.

Respondent -1: Recently, we used the data to come up with the new operating model. The information revealed to us that customers prefer to be treated special, served, and have choice of entertainment as compared to standing with everyone and buying from the bar counter whenever they want refills. We then introduced VIP room service to cater for the niche customers.

Respondent -19: When the information highlighted that there are new customers who prefer cocktails products than ready-made drinks, we then developed our own recipes according to the emerging customers` preferences.

Respondent -13: Our information helps us to develop marketing programmes. We knew through our information collected that there is a SMS services in which you can send marketing and promotional messages to group customers. With the help of this system, we are able to invite customers and promote our shows by send out messages every week.

In contemporary business environment, intelligence information plays a crucial role in managerial operations (Gračanin *et al.*, 2017). When organisations use intelligence information, they may make wise decisions that enhance performance (Anton *et al.*, 2015). The findings revealed that the respondents use the intelligence information to aid decision making and performance in the businesses. Most of respondents use the intelligence information to make decisions to improve sales and remodel operations in response to market challenges. Others also use the intelligence information to develop or improve services and develop marketing programmes. These findings are consistent with those of Deshati (2015) and Didonet and Diaz-Villavicencio (2020), that also found that SMEs develop and implement innovations of non-technical nature resembling simplicity, spontaneity, and human-oriented.

4.4. Outcomes of innovativeness in SME liquor retailers

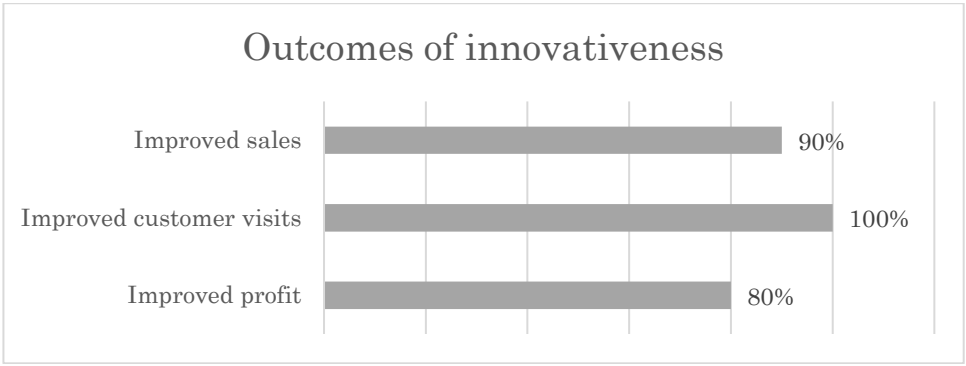

Figure 4. Outcomes of innovations implemented by SME liquor retailers

As evidenced in figure 4, all the respondents were able to improve customer visits to their retail shops, improvements in sales were achieved by 90% of respondents, and improved profit was achieved by 80% of respondents as a result of the non-technical, simplistic, spontaneous, and human-oriented innovativeness that they implement. The participants responded as follows:

Respondent_15: Since we began promoting our weekend shows through our early-bird programme, where we offer complimentary drinks to customers who comes early, our sales have increased for the weekends, and we are recording profit.
Respondent _6: The more we make changes that customer did not experience in our competitors the more we see an increase in visits from our customers.

Similar to other studies, the findings indicate that the liquor retailers were able to use intelligence information to develop and execute innovative tactics allowing them to improve operations and performance (Anton *et al*., 2015; Kiveu, 2019). All the respondents exposed that innovativeness enables them to retain and improve customers visits. They also manage to achieve improved sales and profit which is consistent with the study Sundstrom *et al*. (2021) and Dossou-Yovo and Keen (2021). The innovativeness of the liquor retailers has enabled them to improve competitiveness against established market leaders. In addition, SMEs are required to make efforts in understanding customers' and competitors' environments and developing innovations for the target market (Sundstrom *et al*., 2021). Figure 2 revealed that these liquor retailer have demonstrated their ability to achieve this.

5. PROPOSED CI INNOVATIVENESS MODEL

Evaluating the ameliorating effect of competitive intelligence on innovativeness in SME liquor retailers constituted the main part of the investigation in this study. The researchers impelled participants to describe their collection, use and benefit of data and intelligence in their innovativeness process. An understanding of this contributed to new insights for the researchers to analyse, evaluate, and determine their existing practices and to then develop a more structured Competitive intelligence innovativeness model. By integrating participants' input with academic knowledge, the researchers developed a competitive intelligence innovativeness model (CI-IM) (Fig. 5) that can be used in a more structured and formal manner by these SMEs and possible other retail organisations in order to enhance their competitiveness.

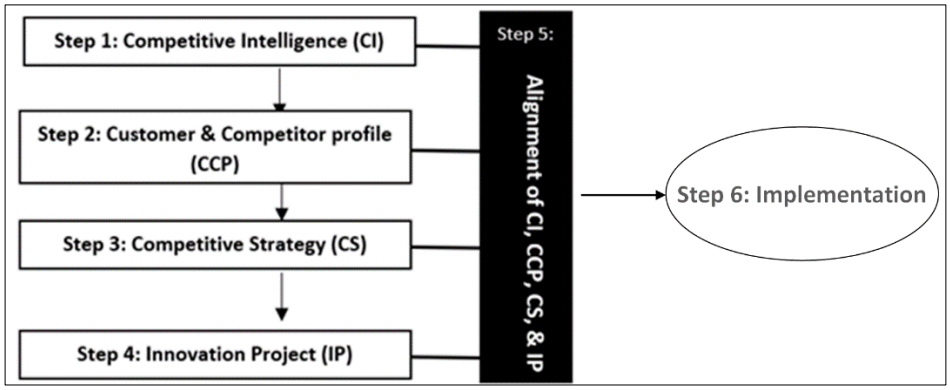

Figure 5. Competitive intelligence innovativeness model (CI-IM)
Adapted and expanded from Keiningham *et al.* (2019:435)

The CI-IM model is adapted and expanded from the Customer Experience-Driven Business Model Innovation (CX-BMI) Framework proposed by Keiningham *et al.* (2019). The CX-BMI Framework is aimed at linking business model innovation to desired customer experiences in a service organisation. The framework consists of three steps: customer experience (CX) profile; strategic orientation (SO) profile; and the alignment of CX and SO. The CI-IM model on the other hand focuses on the amelioration of CI in SMEs innovativeness and expand that CX-BMI into six steps: practicing competitive intelligence (CI); developing customers and competitors profiles (CCP); developing competitive strategy (CS); developing an innovation project (IP); alignment of CI, CCP, CS, and IP; and implementation that leads to innovation.

Step 1: Competitive Intelligence (CI)- The first step of the CI-IM model is to deploy a formal competitive intelligence (CI) process. As defined by Priporas (2019), CI is a legal and ethical method used to gather information about competitors. CI enables organisations to collect, study, analyse, plan, and respond to competitive activities in the market. SMEs liquor retailers demonstrated that their development of innovations begin with acquiring information about key stakeholders. Although they were not describing their method of gathering information as CI, the principles of collecting and analysing information to aid their decision making was present. We, therefore, posit that through formal CI, SMEs can be able to gather information about key stakeholders in a more structured manner. The intelligence produced from CI will enable SMEs to have a better understanding of key stakeholders.

Step 2: Customers and Competitors Profiles (CCP)-Consumers/customers and competitors define the market, hence developing CCP are critical components of innovativeness. Customers are the lifeblood of an organisation, without which an organisation will cease to exist. Competitors, on the other hand, are the distractors seeking a share of the market. This step aims to develop CCP by identifying the SMEs target and potential customers and competitors. SME liquor retailers highlighted that information collected from key stakeholders helped them to create customer segments that they wish to target and create competitor pool that aimed to take their share of the market. It is, therefore, essential for SMEs to create profiles of their customers and competitors and have this knowledge available for future strategies and decision making. CCP will also help SMEs to understand customer behaviours and needs, and competitor activities and behaviours better. This will enable SMEs to develop innovations that fit customer profiles and are a competitive fit against their competitors. The intelligence information produced through Step 1, will help in developing customers' and competitors' profiles. Such an orientation will provide a much-needed framework for innovativeness purposes.

Step 3: Developing a Competitive Strategy (CS) - Competitive strategy is defined as a game plan allowing management to compete in their chosen market, and enhancing or sustaining competitive advantage (Uchegbulam *et al.*, 2015). Therefore, a competitive strategy will be able

to outline a competitive direction and define market opportunities that can be pursued by the SME. This step aims to develop a Competitive Strategy (CS) by identifying the strategic direction and related implications relevant to the enhancement of SMEs' innovativeness. In developing and pursuing CS, SMEs will be embarking on a deliberate process of strategy making, including expected actions to be undertaken and objectives to be achieved. The SME liquor retailers indicated that they developed and implemented innovations in which they aimed to attract more customers and offer better services than their competitors. By developing CS, SMEs will not only be able to offer better services than their competitors, but also be able to attract, acquire, and maintain customers innovatively while outperforming their competitors.

Step 4: Innovation Project (IP)-Innovation project (IP) defines the development of new and innovative ways of doing things, new or improved processes, or innovative adjustments to a strategy that should be implemented by the organisation to enhance its competitiveness (Géraudel *et al*., 2017:354). The innovations implemented by the SME liquor retailers were spontaneous and focused on response to challenges but lacked to provide them with the ability to pursue opportunities in the market. In essence they were reactive to situations that arose in their environment. In developing an IP, SMEs would be able to embark on deliberate operational decision making, including the enhancement of management competencies such as project and collaboration management and its implementation of plans. This step aims to develop an IP by identifying and developing innovation product, service, or process relevant to enhance competitiveness of SME. By developing IP, SMEs will be able to develop their innovations in a more formal and structured way rather than just spontaneously.

Step 5: Alignment of CI, CCP, CS, and IP-This step is the core of the framework, considering that it aims to ensure alignment of activities of steps 1 to step 4 of the model. As such, the primary objective of step 5 is to ensure that the IP is developed is such a way that it responds to knowledge acquired from CI, targets customers and competitors' activities identified in CCP, and is based on achieving the CS objectives that are set. To successfully align IP to CI, CCP, and CS, the following questions should guide the process:

- Does IP address the knowledge, market gaps, and competitive challenges identified by CI for the SME liquor retailers?
- Does IP address the target and potential customers' and competitors' dimensions developed in CCP?
- Does the IP address the competitive objectives and tactics set out in the CS of the SME Liquor retailers?

This step, forces managers to ensure that the developed IP is relevant to enhance the competitiveness of the SMEs. In addition, it calls on managers to ask the right questions about how the IP can be changed to capitalise on market gaps and/or differentiate the SMEs from its competitors.

Step 6: Implementation-The final step of the model pertains to the implementation of the IP. That is, implementing the new and innovative ways of doing things, new or improved processes, product, services in SMEs. In implementing and managing the IP, SMEs will be following the operational management process of introducing, managing, and supporting innovativeness. The managers should manage the IP using the management competencies identified in the development of IP and support the implementation of the IP by launching or introducing their innovations to customers using social media and other platforms to constantly communicate the IP with customers. The SME liquor retailers are presently implementing their innovations by relying on the intuition and management talent of the managers. The CI-IM model will, therefore, enable SME liquor retailers to develop, implement, and manage innovations in a systematic approach that is ameliorated by competitive intelligence.

6. LIMITATIONS AND FUTURE RESEARCH

There is a constraint that limits the interpretations of the findings and proposed model. To begin, our study deployed a qualitative method. At the same time, the findings are based on the sample of South African SMEs, therefore, our findings and

model may not apply to other economies with varying environmental, legislative and structural circumstances.

The current research presented a model developed through theoretical and empirical findings. Therefore, future research could test the model using multi-case studies. This can be done in the same context or other industries and can also be applied in other SME retail sectors in different geographic locations.

7. CONCLUSIONS AND RECOMMENDATIONS

The present study was an exploration of a problem within the context of an emerging economy. The study took an approach of focussing on CI in SMEs to uncover its ability to ameliorate innovativeness. The findings of the study reveal that the respondents were able to use CI to ameliorate their innovativeness even if they did not realise or recognize this. Hence, the researchers proposed a model that could provide SMEs with a more formal, structured and deliberate way to use CI to ameliorate innovativeness in SMEs. The model suggests that SMEs would be well poised to compete if they manipulate competition information, specifically coming from customers, competitors, government, and the market, to develop and implement innovation activities. Therefore, SMEs are encouraged to adopt the model to formally guide their future efforts to ameliorate innovativeness. This will assist SME liquor retailers to make use of actionable intelligence in decision making, be strategic in their operations, and be competitive in the market.

The findings of the study also provided an important theoretical and practical implication. South Africa has progressive laws governing the operations of liquor retailing. However, the liquor retailing sector is immersed by unlicensed liquor retailers, who`s operations do not comply with the liquor laws. One major concern is that liquor products from licenced manufacturers and distributors are sold by unlicensed liquor retailers. Therefore, the government must enforce the existing laws to register or provide licenses to these businesses and ensure they operate within the confines of the laws. This will assist in ensuring the safe and responsible selling of liquor and that the unlicensed liquor retailers contribute to state revenues through taxes. By enforcing the legislation, the government will also ensure that the manufacturers and distributors of liquor are more inclined to associate with liquor retailers that are licensed to operate. The researchers further propose that the government should consider offering training to SME liquor retailer on CI and innovation in order to encourage competitiveness against large and established liquor retails.

8. ACKNOWLEDGEMENTS

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