

COMPETITIVE INTELLIGENCE AS AN IMPORTANT CONTRIBUTOR TO THE GROWTH OF BANKS: A ZIMBABWEAN PERSPECTIVE

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Abstract

This paper explores how competitive intelligence has been an important contributor of growth in banks in Zimbabwe and how the banks are making use of competitive intelligence for such growth. The paper used a descriptive cross-sectional research methodology. Data was collected through questionnaires and interviews. Purposive and stratified sampling methods were used. The paper found that most Zimbabwean banks have undertaken competitive intelligence in one way or another for strategic planning and better understanding the competitive business environment and competitors. The findings from this research will assist the entire banking sector and will be of great academic value.

Keywords: Competitive Intelligence, Zimbabwe, Banking Sector, Growth

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1. Introduction

A competitive parable is told of the snail and the predatory crayfish (Combs and Moorhead, 1993). It is said that the growth patterns of a snail called *Physella virgata virgata* are significantly altered by the presence of a certain predatory crayfish. In an environment relatively free of this predatory crayfish, the snail reproduces when its shell is about 4 millimeters in length. The life span of snails in this environment is some three to five months (Science Magazine). However, if the water is also inhabited by the *Orconectes virilis* crayfish, the snails grow to twice their normal size, live over twice as long (11 to 14 months), and reproduce later. Scientists studying this phenomenon hypothesize that in such a harsh environment, the snail reallocates its resources away from reproduction and toward growth and community survival. Taking this genetic developmental or biological response to the industrial or competitive environment one can conclude that competitiveness springs not from static efficiencies but from improvement, innovation and the ability relentlessly to upgrade competitive advantages to more sophisticated types (Porter, 1990). These in turn result not from a comfortable home environment but from pressure and competition hence the need for competitive intelligence. As Shakespeare (1997) writes, Sweet are the uses of adversity; Which like the toad, ugly and venomous, Wears yet a precious jewel in his head; And this our life, exempt from

public haunt, Finds tongues in trees, books in the running brooks, Sermons in stones, and good in everything (As You Like It, Act II, Sc. I, Line 12). The changing economic environment therefore calls for competitive environment awareness.

Over the centuries businesses have strived to develop distinctive competencies to obtain a competitive advantage and to sustain growth that cannot be matched by competitors. This advantage is measured by an organisation's ability to generate and maintain sustainable levels of growth above the industrial average. Today, companies are competing on the basis of what they know, how fast they learn it, and how well they use what they learn compared to the past, where access to physical resources such as capital, labour and materials were critical. It is what Herring (2003) calls knowledge-based competition. At the heart of this knowledge-based competition, lies (as the term suggest) knowledge and, even more important, intelligence. Companies should encourage employees to understand the difference between information and knowledge. Rabbi Elazar ben Azaryah noted, "That where there is no understanding, there is no knowledge" (Kahaner, 2003:195). He further states that the difference between information and knowledge is rather a new concept in corporations. It has been embraced by forward-thinking companies as the discipline of competitive intelligence.

A discipline called competitive intelligence (CI) started coming into prominence since about 1980 (in

Europe and the United States) which focuses on a process to turn information and knowledge into actionable intelligence (Kahaner, 1996). It requires a dedicated focus and resources but when successfully implemented can show huge return on investment, which companies such as Kodak, 3M, AT&T, Wal-Mart and others have demonstrated. In a survey that was done by Consulting Group Frost and Sullivan, it was found that 78 percent of the successful companies (for example companies experiencing consistent growth in revenues); CI function was a critical element of their business and marketing strategy (Kimet & Bridge, 1999).

CI is aimed at enabling managers to make more informed decisions (Corporate Strategy board, 2002). Gilad (1995) states that, intelligence is not reactive competitor-tracking and certainly not a mindless collection of competitors' marketing data. It is a much more ambitious undertaking of creating a fully devoted guardian of the enterprise overall competitiveness. Johnson (2003), a recognised thought leader in the field of CI, states that the understanding of the role of the competitive intelligence has led to the demise of many CI units because of their failure to add value to the decision-making process. They are left with little to point towards as Return-On-Investment (ROI) during budget cycles.

In today's fast-paced, high technology business environment, technological advances, competitor actions and inactions, customer and supplier intentions and behaviours, legislative activity and a host of other activities are among elements that compete for a manager's attention on a daily basis. A manager's ability to master all of the possible consequences of these activities will directly affect the development, growth and quality of a firm's business and its ability to sustain its growth. The key to any successful strategy is the ability to identify, develop and sustain a competitive advantage with reference to competitors.

Furthermore, CI is all about 'managing the entire competitive battlefield' (Fleisher & Bensoussan, 2003). Any organisation they argue needs to know its own organisation, the competition, and the battlefield, and then be able to analyse and use this information in decision-making process to enhance and sustain its growth. The practice of CI has become more critical as competitive intensity in the environment has increased because of technological developments, distribution improvements, the internet, and consumer sophistication among others.

2. Literature review

2.1 Definition of competitive intelligence

The concept of CI is multifaceted and fuzzy. CI is variously presented as a process, a function, a

product, or a mix of all three (Gilad and Gilad, 1988). Adding to the confusion is the multitude of varying definitions of the term (for examples of definitions see Fahey, 1999; Fuld, 1995; Fuld, 2000a; McGonagle and Vella, 1998; Pollard, 1999; Strategic and Competitive Intelligence Professionals; and Westney & Ghoshal, 1994 all in Bergeron and Hiller, 2002). Roitner (2008) and Weiss and Naylor (2010) in Pellissier and Nenzhelele (2013) state that there are many definitions of CI in the literature and none has achieved worldwide acceptance. Following the arguments of many different authors cited by Pellissier and Nenzhelele (2013) in the fifty (50) definitions of CI one is forced to conclude that there is no universally agreed definition of CI although there are common characteristics in each, there are also unique characteristics identified. Pellissier and Nenzhelele (2013), however, formulate the following comprehensive and universal definition out of the 50 definitions which this paper has adopted for the purpose of this research. Pellissier and Nenzhelele (2013) define CI as a process or practice that produces and disseminates actionable intelligence by planning, ethically and legally collecting, processing and analyzing information from and about the internal and external or competitive environment in order to help decision-makers in decision-making and to provide a competitive advantage to the enterprise. Moreover, CI should stimulate an organization's creativeness, innovativeness, and willingness to change (Salmon and de Linares, 1999 cited in Bergeron and Hiller, 2002), in a continuing quest to create an evolving and intelligent organization (Choo, 1998a and 1998b in Bergeron and Hiller, 2002).

McGonagle and Vella (2002) bring in the use of public sources to develop data on competition, competitors, and the market environment a concept Pellissier and Nenzhelele (2013) did not cover, although they highlighted the legality and ethicality in collecting information. Public, in CI, means all information one can legally and ethically identify, locate, and then access (McGonagle and Vella, 2002). To understand CI, one must first clearly understand what is meant by "public", that is, where the raw data one needs is located. "Public" in CI is not equivalent to published; it is a significantly broader concept (McGonagle and Vella, 2002). CI is usually presented as a process or cycle.

2.2 Competitive intelligence process

Competitive intelligence is viewed as a process comprising a number of activities, steps or constructs that should follow on from one another without any of the steps of actions being overlooked (Kahaner, 1997). The steps or phases should be linked to one another by a feedback loop (McGonagle and Vella, 2012). Key constructs or stages that emerge from literature (Daft et al., 1988; Herring, 1998; Gilad, 1989; Collins, 1997 in Saayman et al., 2005;

McGonagle and Vella, 2012; Kahaner, 1997; Gilad and Gilad, 1985, 1986; Calof and Miller, 1997) are:

- 1) Planning and focus.
- 2) Collection of information.
- 3) Analysing and synthesizing information.
- 4) Communicating intelligence.
- 5) Process and structure to ensure effective CI can be performed; and
- 6) Organisational awareness and culture.

CI in Zimbabwean banks emerged out of the developments in the global competitive markets. This study of CI is the first of its kind in Zimbabwe. The purpose of this paper is to explore how the evolution of CI has led to sustainable growth in banks and how banks in Zimbabwe are using CI for growth. The remainder of the paper presents a brief literature review, followed by the methodology used. The results are subsequently presented. Then the paper concludes with recommendations and an area for further research.

2.3 Evolution of competitive intelligence

CI, as it is known today, is actually an amalgam of disciplines. Historical records reveal the important role that intelligence has played in the history of countries (Underwood, 2002). Accordingly, CI evolved from developments in economics, marketing, military theory, information science, and strategic management (Helms, Ettkin, and Morris, 2000; Prescott and Miller, 2001; West, 2001; Fuld, 1985; Kelley, 1968). The interrelation and cross dependency of those developments have shaped the way CI has been adapted and customised. In addition, some argue that CI had its genesis in religious texts (Walle, 2001). West (2001) argues that, CI was derived from warfare. Kelley (1968) states that, CI has been and can be approached from many angles; an information theory angle, a military analogy viewpoint, an experimental approach, as a problem in organisational theory and decision-making or from a down-to-earth procedural point of view. This paper is in agreement with all these notions and each of these had a contribution towards the development of CI.

Juhari and Stephens (2006) in tracing the origins of CI, states that, it is now obvious that the concept of CI did not suddenly come into being as an effective modern tool in strategizing the modus operandi of organisations. However, the very idea of CI and its terminology, as incidences in history throughout the world will prove, has been around far longer than when the term was first considered a must-do practise by American organisations wishing to succeed in their chosen commercial arena, or in their inter-and intra-government relations (Juhari and Stephens, 2006).

Primarily, the technology explosion of the 1990s probably stimulated the notion of CI as being something entirely new or even revolutionary. The

emergence of the internet and online offered an almost inexhaustible supply of information (Juhari and Stephens, 2006). The technology explosion was credited to mechanisms in the USA that catalysed the new economy of information and intelligence. Naturally, the genesis of this sudden accessibility to and availability of a lot of information then required special methods for filtering, organising and analysing (Juhari and Stephens, 2006). Systems and software for managing information had to be conceptualised and developed. Eventually, for more efficient management of information storage as well as retrieval and analysis, information was customised to fit the requirements of a profile. In some cases the profile monitored sets of information that would ensure some sort of competitive sustainability. According to Harrigan, cited in Juhari and Stephens (2006), adopted from Krippendorff (2003), information and communication technology, globalization, and rising worldwide consumerism have unleashed a variety of dissimilar competitors that bring their own diverse rules to competition and upset the game's profitability. Familiarity with the art of the moving target-outmaneuvering via a sequence of temporary advantages- is required knowledge in the new game that many firms are now forced to play.

This brought about the American 'birth' or rebirth of the term "competitive intelligence" and its corresponding technique, processes and importance to the continued general well-being or expansion of an organisation (Juhari and Stephens, 2006). By this time, both the conceptual nature and practice of CI techniques were mostly inspired by methods practised in military intelligence and espionage (Kelley, 1968), which were adapted into a more commercial environment. This created both offensive and defensive aspects of the field, further linking it to the military metaphor (Walle, 2001). CI then became a term that summed up all activities, which involved monitoring and acting upon information in order to achieve competitive sustainability and sustainable growth in firms. However, while CI has been made a popular necessity by the influx of its advocates and its rising importance and impact on success, the concept of 'modern' CI as 'birthed' or 'rebirthed' in the 1990's is misleading, because it is not a new idea put into successful practice (Juhari and Stephens, 2006). This paper concurs with Juhari and Stephens (2006) because of the reluctance and ignorance shown by companies in the developing world in adopting the concept.

CI practice and scholarship have been augmented in recent years from advances in a variety of non-business disciplines, including but not limited to anthropology, computing and informatics, engineering sciences, international relations, library and information sciences, psychology, sociology, and technology. Finally, CI is increasingly linked with intelligence of a strategic, competitor, market or technical nature, as well as benchmarking, crisis

management, and knowledge management among other things (McGonagle and Vella, 1999).

CI is commonly practised in countries that have fought or have been fighting a war for their survival. France, Germany, Israel, Japan, Korea and Sweden all have sophisticated realm. Hence Africa has its own intelligence due to the rampant wars fought to liberate themselves from colonialism.

There is other evidence that CI has gained global prominence since the 1980s, although this is not true for developing countries, Zimbabwe included. Membership in the society for competitive intelligence professionals (SCIP) grew tenfold from about 600 members in 1989 to over 6500 by 1999. The number of conferences devoted to CI also grew about tenfold during the period, and not a week goes by without some organisation hosting a meeting about CI or related field. More articles and books were published about CI during the 1990s than the sum total of those previously published (Juhari and Stephens, 2006). There have been an increasing number of courses and degree programs devoted to CI in academia globally, including dedicated masters degree (University Aix-Marseille, France) and a PhD in CI at the Lund University, Sweden (SCIP, 2004). However, a lot has to be done to develop the concept in developing countries in particular and Zimbabwe in specific as the idea or concept is still unknown to many.

Prescott (1995) writes one of the first modern insights into the evolution of CI. He identifies four stages in CI development as follows;

1) Competitive intelligence gathering (CIG) (60s & 70s). In the CIG stage of CI the key defining event was the book "competitive strategy" published by Michael Porter in 1980.

2) Industry and competitor Analysis (1980 & 1987). In this stage of CI, the key defining event was the founding of the society of CI professionals (SCIP). CI personnel switched from Library functions to Marketing and Planning functions.

3) Competitive intelligence for strategic decision making (1987 & 2000). In this stage, Prescott establishes the competitive intelligence review as the key defining event. This stage showed CI contributing to strategic decision-making that was built into dedicated formal units, either own or within their marketing or planning.

4) Competitive intelligence as a core capability. This represents the present stage in CI evolution. In this stage of CI the key defining event is represented by CI courses taught in Universities and Business Schools across the world. Personnel involved in CI activities are located mostly in CI units, Planning or Marketing.

2.4 Why companies need competitive intelligence now more than ever

Never before has the power of information been so important as today. As early as 1968, Drucker states that, knowledge has become the central economic resource (Barnes, 1996). Indeed, knowledge is now at the cutting edge of competition and goes a long way in influencing the very survival and growth of companies. Information is important in identifying one's current and possible competitors, their strengths and weaknesses as well as the strategies they are likely to take on in the market place. All this information is not of much use if it is not in the hands of decision-makers able of handling it in the best possible way. Kahaner (1996) cites the following as reasons why companies need CI now more than ever;

1) The pace of business is increasing rapidly. The pace of the daily business lives is increasing noticeably. Companies have to think about how much faster they are likely to respond to queries from suppliers and customers.

2) Information overload. Kahaner (1996) argues that, the only thing worse than having too little information is having too much information. Today's managers of a usual activity will pride themselves on how much information they have.

3) Increased global competition from new competitors. For the first time in history, companies are experiencing a global economy. Companies no longer think in terms of political borders when it comes to managing their businesses or selling their products.

4) Existing competition is becoming more aggressive. World growth has slowed, and many companies are finding that the only way to growth is by taking market share from the competition (Caudron, 1994). Today managers need to know and understand their business and markets for the strategic growth to be effective (Wee, 2001).

5) Political changes affect us quickly and forcefully. Never before in history has political change been so huge or had such a far reaching impact to affect our lives. The destruction of the Berlin Wall, the Arab spring, a coup in a Caribbean nation, or the signing of a war or peace accord in the Middle East can change the face of business overnight.

6) Rapid technological change. The last decades have seen the introduction of wireless communication, personal computers, internet and mobile banking, and Nanotechnology.

2.5 Evolution of competitive intelligence in banks

Banks and financial institutions have over the years compiled huge amounts of business and customer data into large electronic repositories (Misra, 2007). Is the maintenance of this data a liability, an asset or

just another regular task for them? This data will always be a liability as long as it is locked inside the repositories. To turn data into an asset, its inherent value needs to be extracted by unlocking, analysing and recognising its patterns. This is where CI plays a crucial role. CI becomes an important component of a banks' implementation of information technology based strategies. It can help improve products, enhance customer relationships, make better forecasts based on past trends, handle competition, manage risk and increase operational efficiency on the way to a healthier bottom line.

2.5.1 Manual systems in banks

These were prevalent before the use of computers, when banking operations were small and limited mainly to branches (Misra, 2007). These systems involved the manual recording of branch transactions and the generation of rudimentary reports from manual ledgers, which were consolidated with those of other branches into a final report for the bank as a whole. Here, CI was limited to simple reporting of banking transactions only.

2.5.2 Implementation of computer-based systems in banks

As banks grew in size, channels and geographical footprint their transactions jumped multifold. Manual reporting, which was time consuming, error prone and filled with redundancy, proved unequal to the task and made way for automated systems (Misra, 2007). Banks began to increasingly depend on technology to manage their huge volumes of data. With the introduction of computers in banks, branch-wise computerised reports, mostly Microsoft Excel spreadsheets were consolidated at a bank level. However, they were not very comprehensive and being limited to banking transactions, did not support decision making.

2.5.3 Management information systems (MIS) in banks

The search for higher decision support capability led to the introduction of MIS-based systems, which are specialised techniques and tools used in a CI framework. These systems crunch simple banking data into comprehensive insights that can guide key business decisions. Today, the scope of CI extends beyond mere reporting of banking transactions to other areas impacting the banking business as a whole (Misra, 2007). By using CI techniques like data mining, banks can get a 360-degree view of data and drill it down extensively to make informed decisions.

2.6 Zimbabwean banking sector

In Zimbabwe, the banking sector has gone through five distinct phases. Banks operated under semi command economy from 1980 to 1990. Monetary policy and banking supervision functions were carried out in a low-key fashion as controls in place ensured stability and low risks. Bank viability and profitability were guaranteed and no bank failures at all. There was no dynamic and meaningful competition in the financial sector.

The period 1991 to 2000 represents the second phase in the development of the sector. This entailed the removal of market-segmentation and facilitated the entry of more institutions into the sector. This led to the entry into the market of several commercial banks, discount houses and later asset management companies. The liberalization was also designed to move the economy away from an inefficient and monopolistic private sector. The reforms also led to a review of strategy and operations in areas such as loan origination, administration, monitoring and review.

The period 2000 to 2004 represents the third phase. The influence of political factors has been felt since year 2000. The main factor has been the land reform that started in year 2000. This created shifts in relations between the country, international donors and investors. It also witnessed the imposition of targeted sanctions. The economic meltdown witnessed the collapse in the local currency and an unprecedented rise in inflation. At the peak in January 2004, annual inflation reached 622.8% before dropping to 132.7% in December 2004 (Gono, 2005). As a result the black market emerged and other unorthodox means of making profits by the banking sector though the profits short-lived because of the collapse for the most newly established banks and the clampdown on the black market transactions by the central bank. This phase was also marked by an adverse macroeconomic environment, shift from core banking business to speculative transactions, poor corporate governance, risk management practices and insider dealing. To enhance supervisory processes the central bank issued the main guidelines as shown in Table 1 below.

The financial crisis of 2004 to 2008 marked another phase, which is the fourth phase. The phase was marked by hyperinflation, the critical foreign exchange shortages, inadequate inputs and the general capacity underutilization across all major sectors of the economy. This period also witnessed the global financial crisis, which has been dubbed the worst since the 1930's (Gono, 2009). The country suffered bouts of cash shortages and witnessed the massive printing of cash by the central bank. Annual inflation reached 26 470.8% as of November 2007 (Gono, 2008). The banking sector also witnessed mandatory restructuring, non-performing loans, imposition of the management of the curatorship in a

number of banks. The period was also marked by political challenges after the disputed 2008 elections. This phase led to the fifth phase.

The period 2009 to current marked the fifth phase. This phase witnessed two major events which are; the liberalization of the exchange control policy framework (the multi-currency regime) and the unveiling of the Global Political Agreement (GPA). The phase witnessed the drop in annual inflation rate to a single digit, political stability and stable

economic environment. However, the liberalization of the exchange control policy framework intensified the competition in the sector in the absence of a banker of Lender of Last Resort and with an inactive interbank market. The market remains illiquid due to lack of foreign direct investment (FDI), offshore credit facilities and portfolio investment inflows. Table 2 below shows the Architecture of the Zimbabwean banking sector since 1992.

Table 1. The main guidelines to the banking sector in Zimbabwe (2004-2008)

Name of Guideline	Date of issue
Corporate Governance Guideline No. 01-2004/BSD.	30 Sept. 2004
Minimum Internal Audit Standards in Financial Institutions Guideline No. 02-2004/BSD.	30 Sept. 2004
Framework on the Relationship Between Bank Supervisors and Banks' External Auditors.	30 Sept. 2004
Accreditation of Credit Rating Agencies, Guideline No. 04-2006/BSD.	30 Sept. 2004
Risk Management Guideline No. 01-2006/BSD.	31 July 2006
Risk Based Supervision Policy Framework Guideline No. 02-2006/BSD.	31 July 2006
Special Purpose Vehicle, Securitisation & Structured Finance Guideline No.01-2007/BSD.	1 Oct. 2007
Consolidated Supervision Policy Framework Guideline No. 02-2007/BSD.	1 Oct. 2007
Circular to Banking Institutions No.012007/BSD: "Disclosure of On-Site Examination & External Credit Ratings".	23 Oct. 2007
Circular to Banking Institutions No.01-2008/ BSD: "Excessive Bank Charges".	4 Oct. 2008

Source: Reserve bank of Zimbabwe January 2009 Monetary Policy Statement

3. Research Methodology

The purpose of this paper is to examine how CI has been an important contributor to the growth of banks in Zimbabwean and how these banks are using CI for growth. The paper was informed by both inductive and deductive logic. The paper used a descriptive cross-sectional research approach. Descriptive research is a study in which the major emphasis is on determining the frequency with which something occurs or the extent to which two variables co vary (Bless et al., 2013). Aggarwal (2008) in Salaria (2012) states that descriptive research is devoted to the gathering of information about the prevailing conditions or situations for the purpose of description and interpretation. This type of research method is not simply amassing and tabulating facts but includes proper analyses, interpretation, comparisons, identification of trends and relationships. Therefore, the main method employed for this research was the survey. The qualitative method was carried out through semi-structured interviews to support the survey. A survey was chosen because of its suitability to address the study problem. Twenty two Zimbabwean banks were chosen and 115 questionnaires were circulated targeting Chief executive officers (CEOs), Executive directors (EDs), CI managers and Bankers association of Zimbabwe

(BAZ) board members with 57 returned as usable and 9 semi-structured interviews carried out.

3.1 Sample

A group chosen from a larger population with the aim of yielding information about this population as a whole is termed as sample. It is a miniature picture of the entire group or aggregate from which it has been taken. A good sample not only needs to be representative, it needs also to be adequate or of sufficient size to allow confidence in the stability of its characteristics.

3.2 Sampling

Sampling is the process by which a relatively small number of individuals or measures of individuals, objects or events is chosen and analysed in order to find out something about the entire population from which it was chosen. Sampling procedures provides generalizations on the basis of relatively small preparations of the population. Kerlinger (1986) states that sampling is taking any portion of a population or universe as a representative of that population or universe. The researcher used purposive and stratified sampling methods. Stratified samples in research are derived from small groups

chosen from the population bearing common characteristics (Kothari, 2004). Borg and Gall (1989) advise that the sample should be represented relative to their numbers. In this study, CI managers form a stratum among other. Executive directors, BAZ members and CEOs also form distinct, groups. Kothari (2004) argues that it is convenient to pick up sample out of the population proposed to be covered by the study especially when there are groups or strata.

3.3 Data presentation

The results of this study are presented in a descriptive manner with graphical representations. Data is reorganized in the form of frequency distribution that permits conclusions to be analytically drawn. The data will be depicted through graphical representation. Graphical representations have the greatest advantage of allowing one to grasp the main characteristics of the information immediately (Bless et al., 2013). Through these representations, a comparison of the different components of fluctuations in numbers or percentages over time is clearly visible without the use of numbers. Graphs, diagrams and charts communicate data in much the same way that a photograph of a person tells much about that person (Bless et al., 2013). This paper also used content analysis of data. Content analysis is a careful, detailed, systematic examination and interpretation of a particular body of material in an

effort to identify patterns, themes, biases, and meanings (Bless et al., 2013; Berg and Latin, 2008; Leedy and Ormrod, 2005; Nenendorf, 2002 cited in Berg and Lune, 2012). Content analysis was used because it is a coding operation and data interpreting process (Bogdan and Biklen, 2006; Maxfield and Babbie, 2006; Morse and Richards, 2002 in Berg and Lune, 2012). Broadly defined, however, content analysis is “a research technique for making replicable and valid inferences from texts (or other meaningful matter) to the contexts of their use” (Krippendorff, 2004:18 in Berg and Lune, 2012:353). Berg and Lune (2012) state that content analysis is not inherently either quantitative or qualitative, and may be both at the same time. However, this debate is becoming moot as researchers comfortably blend both quantitative and qualitative content analysis.

4. Discussion of findings

Frequency

Figure 1 and table 3 below shows the response rate for the questionnaires. The questionnaires were distributed to 22 CEOs; 66 EDs; 22 CI managers and 5 BAZ board members with 57 being returned and considered usable for analysis. Of these, 19% (11 respondents) were from CEOs; 49% (28 respondents) were from EDs; 26% (15 respondents) were from CI managers and 5% (3 respondents) were from BAZ members.

Table 2. Architecture of the Zimbabwean banking sector

Institution	1992	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Commercial banks	5	15	17	16	13	14	14	15	17	15 ¹	17 ²	16	15
Merchant banks	4	6	6	6	5	5	5	6	4	5	4	2	2
Finance houses	4	7	7	5	4	2	1	0	0	0	0	0	0
Discount houses	3	7	8	9	6	4	4	3	1	0	0	0	0
Building Societies	3	5	5	5	4	4	4	4	4	4	4	3	3
Savings bank	0	0	0	0	0	0	0	0	1	1	1	1	1
Total	19	40	43	41	32	29	28	28	27	25	26	22	21

Source: Adapted from the Reserve bank of Zimbabwe monetary policies

¹ Excludes Royal bank and Barbican bank which were re-licensed but were not yet operational

² Excludes Barbican bank which was re-licensed but is not yet operational

Table 3. The response rate

Respondent	Responses	%age
CEOs	11	19%
EDs	28	50%
CI managers	15	26%
BAZ members	3	5%
Total	57	100%

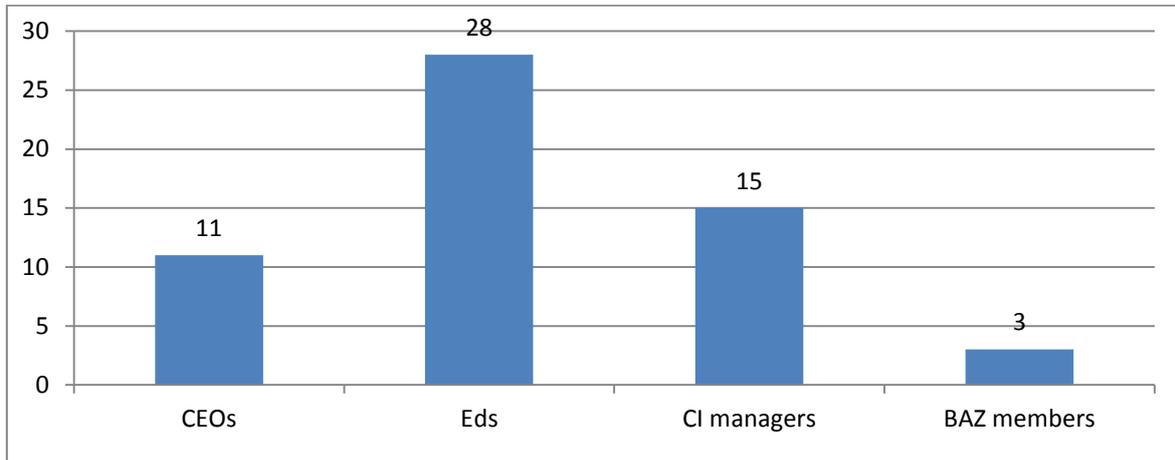


Figure 1. The response rate

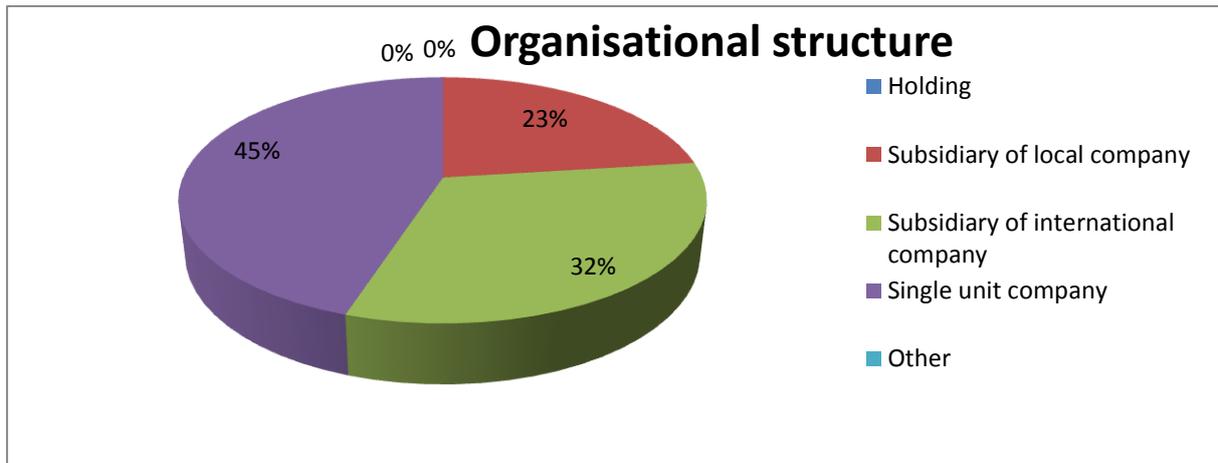


Figure 2. Organisational structure

Figure 2 above shows that “single unit company” constitutes the majority of banks in Zimbabwe with 45% followed by subsidiary of

international companies at 32% and 23% being subsidiary of local companies.

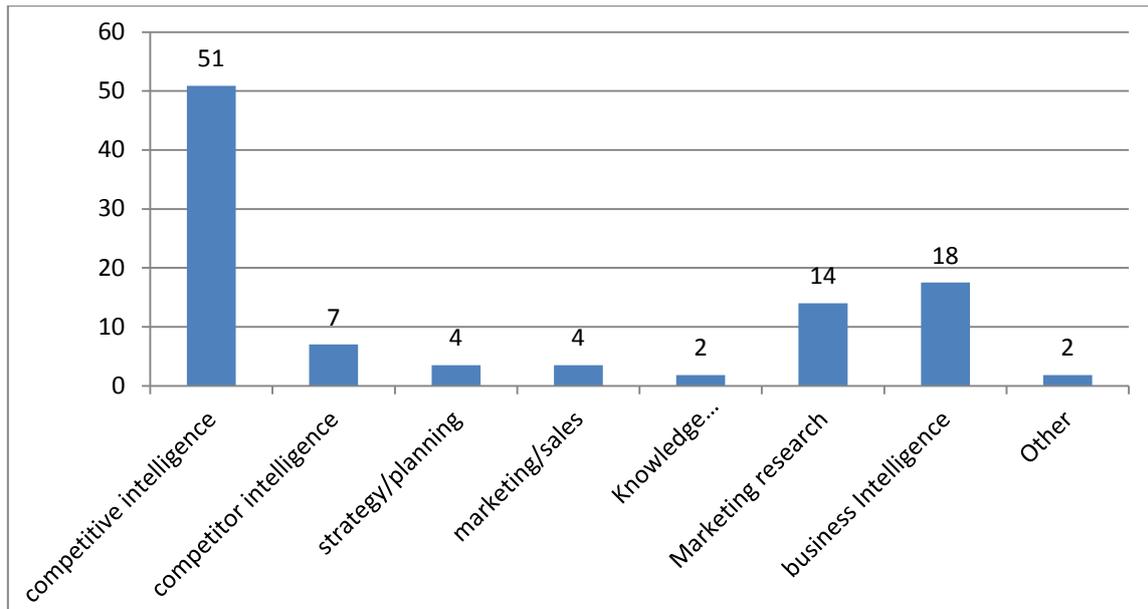


Figure 3. Name the activities of gathering & analysing information about competitors

As shown in Figure 3 above, 50.9% of the respondents called the activities of gathering and analysing information about competitors “Competitive Intelligence”, 17.5% of the total

respondents called it “Business Intelligence”, and 14% of the total respondents called it “Marketing Research”. The findings show that much needs to be done to create CI awareness in banks.

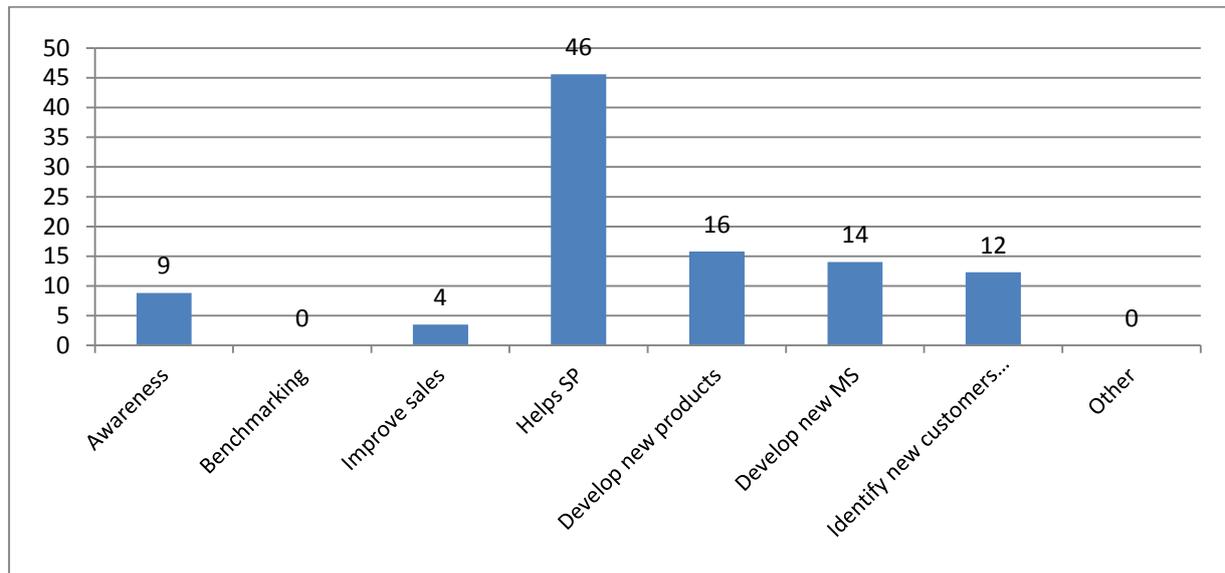


Figure 4. The reason(s) companies undertake CI

The respondents were asked to state the reasons for undertaking CI. Figure 4 above shows that the main reasons were, 45.6% “Helps strategic planning”, 15.8% “Develop new products”, 14% “Develop new marketing strategies”, 12.3% “Identify new customers’ requirements” and 8.8% “awareness”.

Respondents were asked to state how CI contributes to ‘Implementation of the growth strategy’. Figure 5 below shows that 50.5% of the total respondents state that CI contribute to ‘Implementation of the growth

strategy’ by “Indicators from CI are used as an early warning system to assess success or failure”, followed by 42.4% “Provides information about competitors’ reaction to the growth strategy”, 32.4% “Checking the validity of the strategy”, 22.4% “Provides feedback to enable adjustments to be made”, 22% “Provides feedback about the marketing strategy performance in the market”, 5.4% “Do not know” and 0.4% “Other”.

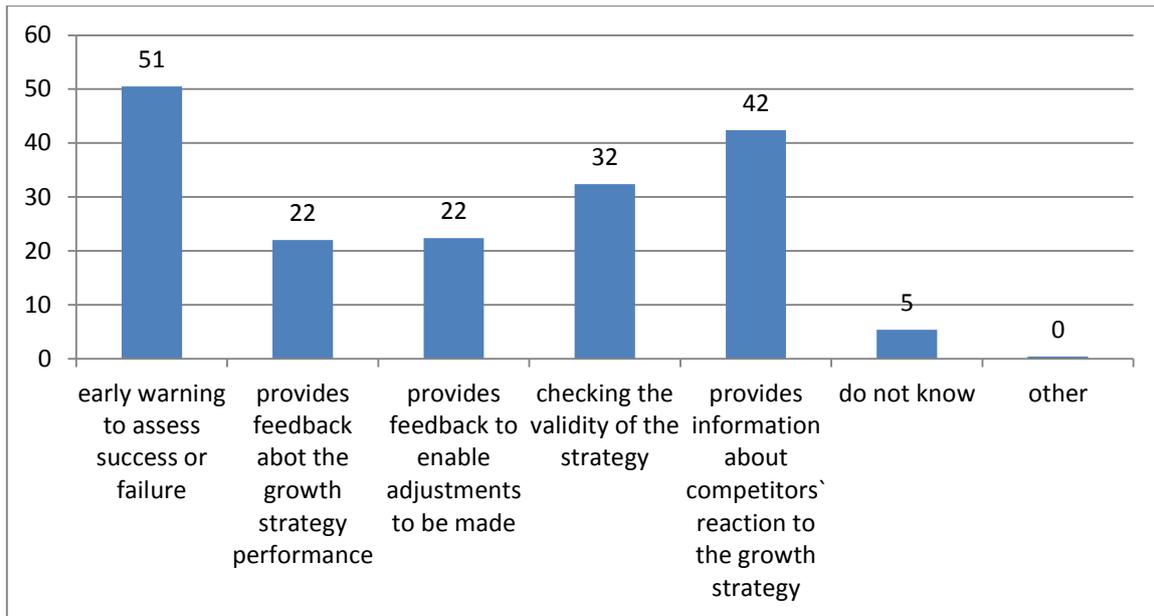


Figure 5. How does CI contribute to implementing a sustainable growth strategy

The respondents indicated that CI was important for the organisation to understand the competition and to analyse it. They scored this option a total of 54 (see figure 6 below), which placed this first on the priority list. To monitor the external environment of the organisation was second most important for them at 43. The respondents also stated that the assessment of new technological innovations would serve a purpose of the organisation and they ranked this third on the list of importance and scored it 26.

The conduct of CI will assist banks with the strategic planning. The respondents indicated that this was one of the main areas of importance for them, by

rating it 54 (see figure 7 below). The respondents also indicated that determining the bank's market positioning was the second priority and they scored this at a total of 21. "Assisting with the decision-making" and "direction of research/technological development" was also important for the banks; both these options received a score of 19. It was relevant for the organisation to have sufficient knowledge of mergers/business collaborations within the banking sector; this option was ranked fourth on the list of priorities. Lastly, "tactical planning scored a high of 14.

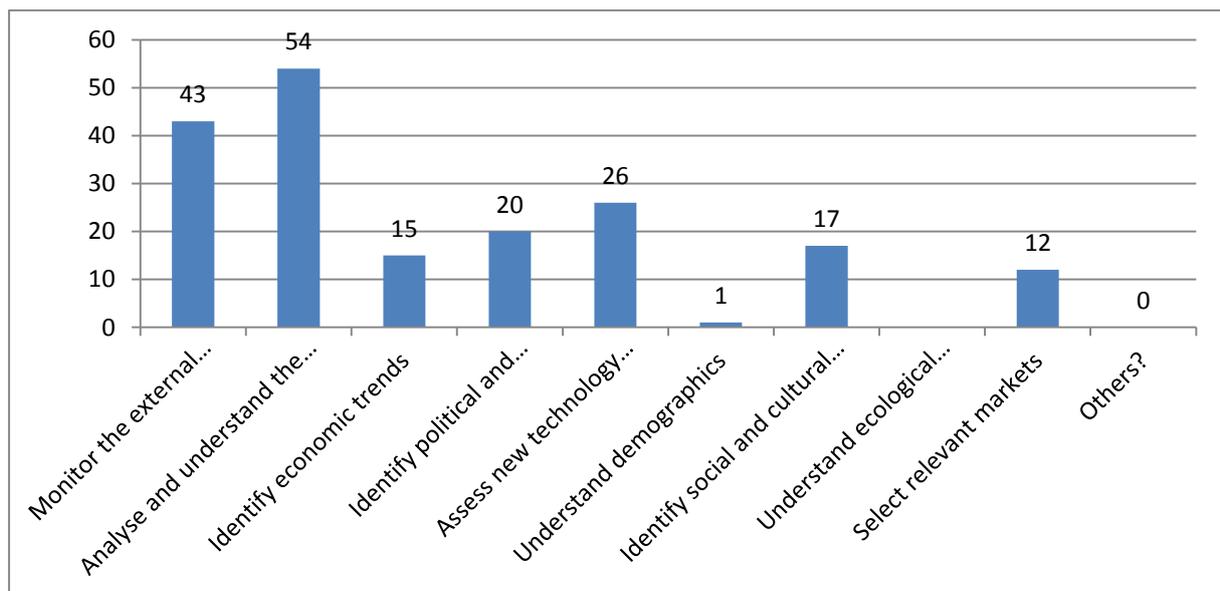


Figure 6. Importance of CI for banks

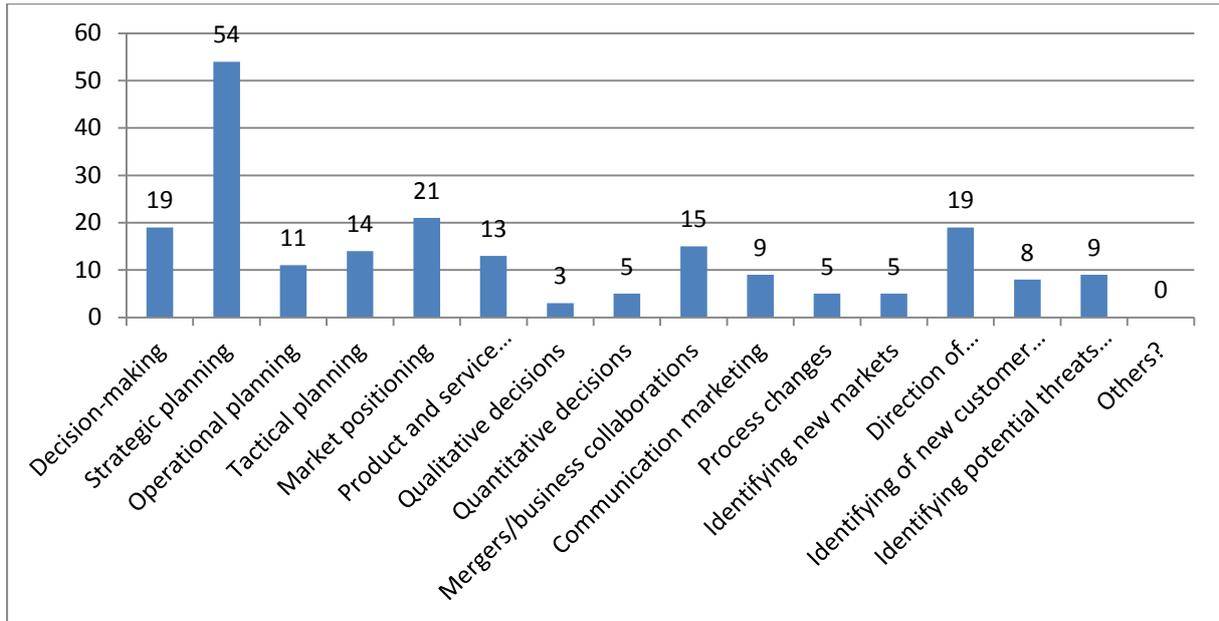


Figure 7. How important will CI be for

Table 4. Is CI a central component of sustainable growth

Variables	Never %	Rarely %	Sometimes %	Often %	Very often %
Is CI a central component of sustainable growth	0.0	8.8	34.4	44.9	11.9

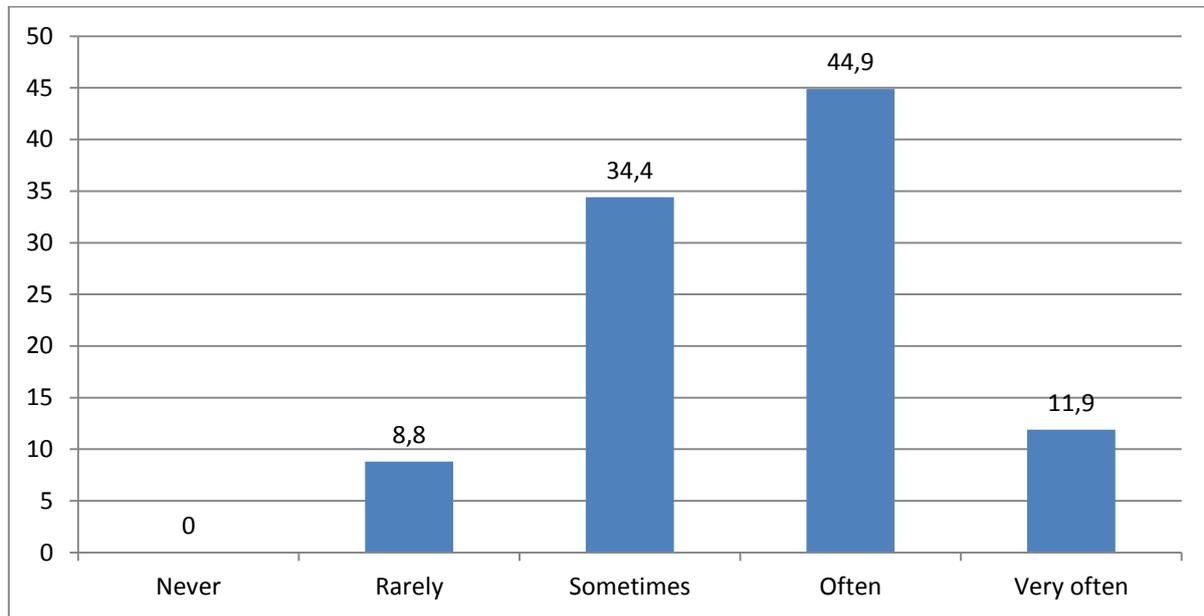


Figure 8. Is CI a central component of sustainable growth

The results of Table 4 and Figure 8 above show that 44.9% of the total respondents agreed that 'Often' CI is a central component of sustainable growth. The table also indicates that there is a group of who believes that 'Sometimes' CI is a central component of sustainable growth.

4.1 How has the evolution of competitive intelligence led to sustainable growth in banks?

The research results show that the evolution of CI led to sustainable growth in most banks. The results reveal that for those banks that have started implementing CI in decision-making, tremendous

growth has been realised. This is in line with the findings by Adidam et al., (2012) who found that firms that deploy CI practices achieve better performance in the market. The results also complement findings of studies by; Glueck and Jauch, 1994; Daft et al., 1988; Gordon, 1989; Teo and Choo, 2001; Subramanian and IsHak, 1998. The study found that the technology explosion of the 1990s stimulated the notion of CI as being something entirely new. The emergence of the internet and online offered an almost inexhaustible supply of information for banks. The respondents argue that the technology explosion was credited to mechanisms that catalysed the new economy of information and intelligence. Naturally, the genesis of this sudden accessibility to and availability of a lot of information then required special methods for filtering, organising and analysing data. It was also noted that, information and communication technology, globalisation and rising worldwide consumerism have unleashed a variety of dissimilar competitors that bring their own diverse rules to competition and upset the game's profitability. The study also reviews that a number of banks especially local banks have shown reluctance and ignorance in adopting the CI concept due to a number of reasons. Some of the reasons mentioned included: financial constraints, time consuming and lack of knowledge or expertise in the subject.

It was also found that although there is evidence of CI gaining global prominence since the 1980s, this was not true for developing countries including Zimbabwe. The study also shows that a lot has to be done to develop the concept in developing countries in particular and in Zimbabwe in specific as the CI process is still new and unknown to many. The study found that most international banks have embraced CI.

Respondents, however, argued that for those banks that have implemented the CI process, there was a positive correlation with sustainable growth. These banks have shown a positive relationship between CI and sustainable growth through the adoption of strategic intelligence, tactical intelligence, competitor intelligence, market intelligence and technical intelligence.

The respondents also stated that in today's business environment, there is need to gather, distribute and to protect information. It was found that information gathering, decision making and security are interrelated and not separate. The study also shows that the evolution of CI has helped banks convert information into profitable action. The respondents, however, argue that if one move the CI process into a centralised war room, one can thrive in today's competitive business environment. The study also reviews that the evolution of CI has led to sustainable growth in banks through enhancing the assets-processes-performance framework by Ajitabh and Momaya (2004).

The study also showed that banks have over the years compiled huge amounts of business and customer data into large electronic repositories. This data was always a liability as it was locked inside the repositories. However, the evolution of CI helped to turn the data into an asset for competitive growth and profitability. CI has become an important component for bank growth through satisfying the APP framework by Ajitabh and Momaya (2004).

4.2 How are banks using competitive intelligence for growth?

The findings show that CI tools are being used by banks for historical analysis, performance budgeting, business performance analytics, employee performance measurement, executive dashboards, marketing and sales automation, product innovation, customer profitability, regulatory compliance, market share analysis and risk management.

The findings of this research show that banks analyse their historical performance over time to be able to plan for the future. It was also found that many banks are using CI to enhance the factors of firm competitiveness as shown by the APP framework (Ajitabh and Momaya, 2004) for their growth.

The findings also show that customer relationship management (CRM) is at the centre stage of CI in banks. The results also show that, with CRM software tools, banks are building customer databases and describes relationships in sufficient detail so that management, salespeople, people providing service, and even the customer can access information, match customer needs with product plans and offerings, remind customers of service requirements, check payment histories, and so on. The findings show some similarities with the findings of the study by Mugo et al., (2012).

A few instances are worth mentioning here. One CEO admits on condition of anonymity, that there was no 360 degree view on customers in the bank he leads. It treats credit card applications from its existing customers in the same way as it does for new customers. A retail loan application does not take into account the existing relationship of the customer with the bank, his credit history in respect of earlier loans or deposit account relationship. Banks are already seeing the level of competition in the market they operate in as very high or extremely high. These banks are expecting the level of competition to increase even further. The results show how banks are successfully riding the waves of competitive change and regulatory requirements, that is, the recent pronouncements by the regulatory authorities requiring banks to increase their capital levels and to reduce bank charges. These have left a number of banks in dire stress.

Recommendations and areas for further research

Although the fact that the nature of the research lead to recommendations which may appear somewhat restrained, it was nevertheless possible to make some meaningful recommendations. For banks to fully embrace CI as a strategy for growth the following should be done:

1) The CI unit or function should assist management in developing and reviewing its strategies. The reviews should be ongoing considering the dynamism of the operating environment as well as alerting top management on issues not on the agenda. In the same way that sages kept turning over the Talmud to find new answers, businesses very often find that the solution to a gnawing business problem is right in front of them if they continue to turn it over (Kahaner, 2003). This is why the CI unit or function is very critical in an organization for championing its strategy.

2) Banks must invest much in their workforce's education especially in CI. They should as well partner with universities to offer CI degrees and courses to their employees like what Delta Wire did in the early 1980s when it arranged a three-year program through the local community college and Mississippi State University that covered everything from basic reading and math skills to statistical process control. By the early 1990s, the company not only enjoyed low turnover and 20 percent growth in employment, but received awards for quality from its largest customers (Kahaner, 2003). Kahaner (2003) states that an educated workforce is a company's best defense against aggressive competitors and the vagaries of the marketplace. While many companies spend much of their resources protecting themselves from outside threats, they would be wiser to strengthen their market positions and growth strategy from within, through increased education of their workforce (in CI) (Kahaner, 2003). Banks should also embrace the idea that continuous education is the key to survival during highly competitive times as Hillel says in Kahaner (2003:183), "One who does not increase his knowledge, decreases it." Hillel continued the thought by saying: "He who does not study undermines his right to life" (Kahaner, 2003:188). This shows how important continuous education is on organizational survival in a competitive environment.

The field of CI in the banking sector is rich in potential future research opportunities. Commentators, bankers and consultants alike are continuously searching for a better way of doing things. For the same reason the subject continues to provide a rich field for future research on almost any element thereof. Some of the current topics that could provide both research stimulation and academic value might include; CI positioning in banks, CI and competitive advantage in banks, CI as a contributor to

knowledge base in banks as well as a review of the methods of CI measurement in banks, measures of CI effectiveness in banks, techniques which banks use to analyse CI, tools used by banks to acquire, access, store and share CI, sources of CI for banks and the main reasons why banks undertake CI.

Conclusion

At the heart of this paper was competitive intelligence as an important contributor for the growth of banks in Zimbabwe. To reach this goal, results of the empirical study of CI in Zimbabwean banks were used together with literature review of related journal articles and books. Sustaining a growth strategy requires companies to uniquely apply data and information, to create order out of chaos and complexity and to leverage and transfer knowledge while striving towards acquiring expertise. Although the CI process has evolved since about 1980, research has shown that very few companies especially in developing nations have fully embraced the process. This applies across the whole industry with banks included. Few banks especially those with international parentage resembles high levels of CI embracement as a growth strategy through gaining a better understanding of the competitive environment in which they operate. However, because of the intensity of the competition due to a number of factors, research has shown that many local banks are beginning to implement CI though at different levels. This paper also found that Zimbabwean banks practice CI in some form or another. There are few who have succeeded in establishing a fully integrated capacity across all business units. Furthermore, most banks' CI efforts remain firmly focused on the traditional tactical role of competitor monitoring. Only the most progressive intelligence coordinators found in international banks conduct CI activities that consistently support senior decision makers.

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