



**ST. MARY'S UNIVERSITY  
SCHOOL OF GRADUATE STUDIES  
MASTER OF BUSINESS ADMINISTRATION**

**THE EFFECT OF COMPETITIVE INTELLIGENCE ON MARKETING  
EFFECTIVENESS IN THE CASE OF ETHIO TELECOM**

**A Thesis Submitted to St. Mary's University in Partial Fulfilment of the  
Requirement for the Master of Arts in Business Administration.**

**By: Ebrahim Muhe (SGS/0169/2011A)**

**Advisor: Temesgen Belayneh (PhD)**

**July 2023**

**Addis Ababa, Ethiopia**

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## **DECLARATION**

I, Ebrahim Muhe, hereby declare that this research paper titled "The Effect of Competitive Intelligence on Marketing Effectiveness in the Case of Ethio Telecom" is my original work and submitted to St. Mary's University in partial fulfillment of the requirements for the degree of Masters of Business Administration under the guidance of my research advisor Temesgen Belayneh (PhD) and has not been submitted for any Degree Program to St. Mary's University or at any other educational institution. All sources utilized in this study have been properly credited.

**Researcher's Name**

**Signature**

**Date**

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## **CERTIFICATION**

This is to verify that Mr. Ebrahim Muhe's research paper on the topic "The Effect of Competitive Intelligence on Marketing Effectiveness of Ethio telecom" undertaken under my supervision is his original work and not submitted earlier for any degree award either at St. Mary's University or any other University. This research paper is appropriate for the award of a Master's Degree in Business Administration.

**Advisor's Name**

**Signature**

**Date**

**Temesgen Belayneh (PhD)**

\_\_\_\_\_

**July 2023**

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**By Ebrahim Muhe**

**Approved by the Board of Examiners**

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## **Lists of Acronyms**

CI .....	Competitive Intelligence
CIP .....	Competitive Intelligence Professionals
ECA .....	Ethiopian Communication Authority
ETA .....	Ethiopian Telecommunication Agency
ETC .....	Ethiopian Telecommunications Corporation
ME .....	Marketing Effectiveness
PLC .....	Private Limited Company
R & D .....	Research and Development
STE .....	Safaricom Telecommunications Ethiopia
VIF .....	Variance Inflation Factor

## **Abstract**

*This study examines how the competitive intelligence affects Ethio telecom's marketing effective. Competitive intelligence which refers to gathering external and internal information about a company's environment, allows businesses to achieve a competitive advantage and compete with their competitors. This research applied deductive approach, and explanatory research design. The target population of this study was Ethio telecom's Marketing Division employees who are residing in Addis Ababa, Ethiopia. The study employed the 5 point Likert scale method of summarized ratings to determine the respondents' level of agreement and disagreement with the statements. Google Form was used to virtually distribute a questionnaire to 105 respondents, and 101 (96%) of those copies were used for data analysis. SPSS version 26 was used for data processing. Competitive intelligence has five dimensions namely Market place opportunity, competition threat, competitive risk, key vulnerability and core assumption. Descriptive statistics (frequency, percentage) and inferential statistics (correlation and multiple regressions) were used to analyze the data. The findings of the research show that there are strong and significant relationships between market place opportunity, competitor threat, core assumption and key vulnerability as dimensions of competitive intelligence with Marketing effectiveness. The results of regression analysis revealed that market place opportunity, key vulnerability and core assumption have positive effect on marketing effectiveness. However, competitor threat and competitor threat did not have statistically significant effect on marketing effectiveness. Finally, this study suggests proper steps for Ethio telecom in employing competitive intelligence as a means of winning the market's fierce competition and being effective in its marketing.*

**Key words:** Competitive intelligence, Marketing effectiveness, Ethio telecom.

# **CHAPTER ONE**

## **INTRODUCTION**

The chapter consists of background of the study, statement of the problem, objective of the study, scope of the study and organization of the paper about the effects of competitive intelligence on marketing effectiveness.

### **1.1 Background of the Study**

The business is becoming increasingly oversupplied, and the market is extremely competitive in the world. People are turning to entrepreneurship in response to the sudden increase in the world's population and increasing consumer demands, and an increasing number of businesses are opening. As a result of this entire scenario, there is fierce competition in the business world on a global scale, making it highly difficult for companies to survive or sustain in this competitive market. Competitive intelligence is a tool that gives companies a competitive advantage, allowing them to compete with the competition, survive in the market, and be profitable all at the same time (Ahmed R. &., 2014).

Competitive intelligence gathers data and information from a broad and strategic perspective, allowing a corporation to predict or anticipate what will occur in its competitive environment (Egberi A. K.-U., (2011)) as cited in (Bose, 2008). It helps companies to proactively rather than reactivity forecasts market development remains competitive by improving strategic decisions, which leads to good marketing effectiveness.

Competitive intelligence is knowledge and information about the environment in which the company operates that allows the company to gain a competitive advantage and effectively compete against its competitors. It focuses on keeping track of a company's competition in order to provide the company with information about what its competitors are doing in order to provide the company with a competitive advantage in business. Competitive intelligence is a proactive technique in which a company analyzes and monitors its environment and develops marketing strategies based on its findings, which affects its marketing effectiveness. It assists the company in having a competitive advantage.

The impact of competitive intelligence on marketing effectiveness has been investigated in this study by using the marketing intelligence model developed by Fahey (2007). In addition, these variables are employed as competitive intelligence sub-variables to determine the extent to which these competitive intelligence variables are used in companies for marketing effectiveness.

There are numerous types of competitive intelligence, including technical intelligence, technological intelligence, market intelligence, strategic intelligence, market opportunities, competitor threat, and risk. Technical intelligence consists primarily of information about competitors' processes and methods, as well as technical items such as patents and R&D and market technicalities that companies use to improve their own processes. Technological intelligence refers to information about technology that is available on the market or that is used by competitors and is used to gain a technological competitive advantage. Strategic intelligence is the knowledge or information that assists a company's management in developing the right strategies by analyzing competitors' strategies and then developing such strategies to counter the competition. Market opportunities are areas where a company can tap and has scope, competitor risk is risk that competitors have, and threat are business threat from competition (Ahmed R. &., 2014),

According to Dahou (2012), companies need CI in the global economy since the pace of business is quickening, and decisions must be made quicker and with less resources; therefore, companies can keep up with this new pace through efficient management and competitive intelligence. Managers face information overload because information is traditionally regarded as power. However, information is useless if it is not relevant, timely, accurate, and trustworthy. Competitive intelligence has the ability to analyze and evaluate information gathered and to provide managers with the most relevant, high quality, and accurate information, saving them the effort and time required to sift through large amounts of information. Because companies are now part of a global economy, they face stiff global competition from new competitors, and their competition can come from anywhere in the world.

CI can assist companies in identifying these new competitors. Existing competition among companies is becoming more aggressive, resulting in a survival of the fittest scenario in which all companies compete for the same customers. CI can help companies predict their competitors' actions, allowing them to be proactive and take action before the situation worsens.

Political changes have an impact on companies, either positively or negatively, and all companies must ensure that they operate within the parameters of these political changes. CI can keep companies up to date on political changes that affect their operations. Ethio telecom is a telecommunication company having more than 71 million customer bases with diversified products, services and solutions to all its customers which has been availing using different sales channels. However, currently Ethio telecom is in competition due to the liberalization process, the Ethiopian Communication Authority has granted to Safaricom Telecommunications Ethiopia P.L.C. a nationwide full-service Unified Telecommunications Service License, so assessing competitive intelligence on marketing effectiveness is the student researcher main objective.

However, there is no enough data regarding how the competitive intelligence of Ethio telecom influences its marketing effectiveness. Therefore, this study aims to assess to what extent Ethio telecom uses CI to improve its marketing effectiveness. Identifying where the organization stands and what CI factors it considers and to what extent it uses them to compete in the market. Therefore, this study aims to assess the effect of CI on marketing effectiveness in the case of Ethio telecom, head office, Addis Ababa.

## **1.2 Background of Ethio telecom**

Ethiopian Telecommunications, Africa's oldest public telecommunications operator, was founded over a century ago. Until 1952, the operator was part of the Department of Telephone, Telegraph, and Postal Services. The Imperial Board of Telecommunications (IBTE) was established in 1952 with Proclamation No. 131/52 to expand and provide telecommunications services. Later that year, in 1981, IBTE restructured itself as a telecom regulator as well as an operator. The Ethiopian Telecommunications Corporation (ETC) was established by regulation 10/1996 to operate telecommunication services, and proclamation 49/1996 established a separate regulatory body, the Ethiopian Telecommunication Agency (ETA) (Ethiopia, 1996a).

In 1894, the first long-distance telephone line was established, connecting Harar and Addis Abeba. The inter-urban network then began to spread in all directions from Addis Abeba, the capital. Telegraph service between Dire Dewa, an Ethiopian city, and Djibouti began in 1906 (Ethio Telecom, international communication, three different Earth Satellite Stations were installed at Sululta from 1979 to 1987). Following the launch of the digital exchange in 1988, the operator installed a digital microwave link in 1989 and four high-capacity 60 channel domestic satellite

stations in Addis Abeba, Gode, Mekelle, and Humera in 1994 (ITU, 2002). Ethiopia had a 34 Mbps link with Djibouti, a 155 Mbps digital microwave link with Sudan, and an old analog link with Kenya until 2005. The analog link between Eritrea and Ethiopia was terminated during the 1990s war and has yet to be repaired. Through the PANAFTEL microwave network, these circuits linked Ethiopia to more than 20 Southern and Eastern African countries (ITU, 2002). The remaining international traffic was routed through an Intelsat satellite ground station with 12,000 channels. (ITU, 2002).

Ethiopian telecommunications service has undergone significant transformation and modernization since 2005. The Chinese Import-Export Bank lent 1.5 billion USD in 2006 to lay down 10,000 kilometers of national fiber backbone and expand 2G coverage to more than 85% of Ethiopia's geographical area (Lili, 2009; Workneh, 2014; Adam, 2010; Wall Street Journal, 2014). The Ethiopian government rebranded ETC, the operator, as Ethio Telecom by November 2010. In 2011, Ethio Telecom began deploying 3G for 1.7 million subscribers (Wei, 2017). Furthermore, it deployed 3.5G and completed 4G in Addis Ababa, the capital city and later on 4G has been expanded in all major regional cities and towns (Wall Street Journal, 2014; Wei, 2017). Ethio Telecom earned 47.7 billion ETB (1.4 billion USD) in revenue in 2019/20, a 31.4% increase over the previous year. According to the operator, this 31.4% revenue increase in a single year was due to network expansion and improved customer experience (Ethio Telecom, 2020). For example, massive tariff reductions in fixed broadband services have resulted in a 135% increase in subscribers over the previous year (Ethio Telecom, 2020). Furthermore, the introduction of newly discounted products has resulted in a 130% increase in data usage and a 19% increase in voice usage (BO., 2021 ).

Ethio telecom has a mission of providing reliable communications and digital financial services to simply life and accelerate digital transformation of Ethiopia. Its vision is to be a leading digital solution provider; and its values are human-centric, socially responsible, integrity, togetherness, and excellence. In Ethiopia, even if Ethio telecom has been showing customer base and revenue growth, competition in the telecom industry has been introduced due to the liberalization process, the Ethiopian Communication Authority has granted to Safaricom Telecommunications Ethiopia P.L.C. a nationwide full-service Unified Telecommunications Service License and the operator is going to share its market value.

### **1.3 Statement of the Problem**

Increased global competitiveness, shorter product life cycles, speedy technological advancements, and changing customer demands have all changed the face of business competition. Tariff (cost) is no longer the only criterion for establishing a long-term competitive advantage (Hellen, 2012). Businesses must create and implement competitive intelligence in response to market demands. Many businesses have made product, process, and service quality improvement a key strategic initiative for gaining high levels of performance. However, a misalignment between a company's competitive strategies and actual market requirements will prevent it from achieving long-term success. Furthermore, globalization has increased the need for continuous evaluation of the competitive environment and the information emanating from it, making competition a constant concern of companies (Hellen, 2012).

In order to succeed, businesses must interact with customers, suppliers, employees, and firms offering similar products and services. These companies are competitors with similar goals. Businesses are effectively at war, fighting for the same resource and customer (Gebeyehu, 2019).

Ahmed (2014) carried out a study at Pakistan's organizations on competitive intelligence and marketing effectiveness of organizations. This study was conducted on different industry sectors through market opportunities, competitor risks, competitor threats, technological intelligence, technical intelligence, and strategic intelligence variables; and found a significant relationship between competitive intelligence and marketing effectiveness.

Another study was also conducted by N. G. Nwokah & Ondukwu (2009) on the effects of competitive intelligence on marketing effectiveness of Nigerian corporate organization.

A 36-item survey questionnaire was devised to assess competitive intelligence and marketing performance, and 108 corporate organizations in Nigeria were chosen as samples from the Nigeria stock exchange gazette. The findings show that there is a significant relationship between competitive intelligence and marketing effectiveness.

In Ethiopia, little research has been conducted on competitive intelligence. Gebeyehu (2019) researched on the effect of competitive intelligence on marketing effectiveness in the Ethiopian 17 steel manufacturing industries and the researcher took 2 samples from each steel manufacturing companies.

The researcher took the same research variables with the study under consideration; the findings demonstrated that market opportunities and core assumptions are dimensions of competitive intelligence that are related to customer philosophy (marketing effectiveness), and that market opportunities with competitive risks and core assumptions are related in a positive and significant way.

Considering the above research findings, the researcher identified research gaps such as the studies were not focused on specific companies with full research methodology in which the target group was taken from different industry respondent targets; on the other hand, Ahmed (2014) didn't take key competitive intelligence dimensions (i.e., key vulnerability and core assumption) which impacts the marketing effectiveness. Even though research was conducted on the different sector in steel manufacturing sector; no study has been done yet in Ethiopia on the telecom sector. In Ethiopia, competition in the telecom industry has been introduced and the companies are going to share their market value. On the other hand, Ethio telecom has been showing customer base and revenue growth. However, there is no clear and defined competitive intelligence organization such as dedicated intelligence team who manage the marketing effectiveness (i.e., customer philosophy, market orientation, market information, and etc.).

In this context, gaining a competitive advantage is critical for Ethio telecom's survival. The company must anticipate change, identify opportunities, and continuously monitor the flow of information about other businesses and activities in the same field. Ethio telecom provides a variety of critical basic connectivity communication service and beyond connectivity digital services to individuals, organizations and the economy as a whole.

Despite this context, the study which was conducted in Ethiopia has never looked into competitive intelligence activities in the telecommunication industry. To that end, it is necessary to conduct research on how Ethio telecom uses competitive intelligence to maintain a competitive advantage. Therefore, the purpose of this research is to fill the gap by assessing competitive intelligence impacts on Ethio telecom's marketing effectiveness in Addis Ababa, Ethiopia.

## **1.4 Research Questions**

The study's goal is to answer the following research questions.

1. What is the effect of marketplace opportunity on Marketing effectiveness of Ethio telecom?
2. What is the effect of competitor threat on Marketing effectiveness of Ethio telecom?
3. What is the effect of competitor risk on Marketing effectiveness of Ethio telecom?
4. What is the effect of key vulnerability on Marketing effectiveness of Ethio telecom?
5. What is the effect of core assumption on Marketing effectiveness of Ethio telecom?

## **1.5 Objective of the Study**

### **1.5.1 General Objective**

The general objective of this study was to determine the effect of competitive intelligence on the marketing effectiveness of Ethio telecom.

### **1.5.2 Specific Objectives**

- To investigate the effect of marketplace opportunity on Marketing effectiveness of Ethio telecom.
- To examine the effect of competitor threat on Marketing effectiveness of Ethio telecom.
- To investigate the effect of competitor risk on the Marketing effectiveness of Ethio telecom.
- To estimate the effect of key vulnerability on the Marketing effectiveness of Ethio telecom,
- To determine the effect of core assumption on the Marketing effectiveness of Ethio telecom

## **1.6 Scope of the Study**

This study was limited in terms of geography, target groups, data, and issues. This study looked at the effect of competitive intelligence on marketing effectiveness of Ethio telecom in head office, Addis Ababa. The study demonstrated the theoretical performance of competitive intelligence in terms of marketing effectiveness.

The study demonstrated how competitive intelligence influence the marketing effectiveness of Ethio telecom. Competitive intelligence practices encompass vast areas of activities. However, it was difficult and unmanageable to conduct the study in all areas that summarizes competitive intelligence practices in terms of research manageability.

Therefore, the scope of this study was delimited to only five variables of competitive intelligence based on outlined inputs, i.e., market place opportunity, competitor threat, competitor risk, key vulnerability, and core assumption. And also marketing effectiveness is delimited to customer philosophy, market integration, marketing information, operational efficiency and strategic orientation (Nwokah, 2009).

### **1.7 Significance of the Study**

The primary goal of this study is to address the effect of competitive intelligence on marketing effectiveness and to identify potential solutions that can help Ethio telecom improve its Marketing effectiveness. Despite studies being done in other industries, no research has been done in the telecom sector and there is still no information on the competitive intelligence strategy and performance of Ethiopian telecom.

This paper attempted to fill the evidence gap by focusing on a specific context. The study helps to shed light on how competitive intelligence affects the marketing effectiveness of Ethio telecom. So that Ethio telecom can take the necessary steps to improve its marketing effectiveness and may learn to be more competitive. The study will be useful as a source document for researchers who want to conduct additional research in the area, as well as for new entrant operators.

### **1.8 Limitation of the Study**

Due to data constraints, the study does not use sufficient and recent articles to refer the related literature. Due to time constraints, the study does not provide an overall picture out of telecom sectors. In addition, the study is limited to only five research variables (Market place opportunity, Competitor threat, Competitor risk, Key vulnerability and Core assumption).

### **1.9 Definition of key Operational Terms**

- **Competitive Intelligence** is an instrument through which business can gain competitive advantage and compete against their competition. It is practice of examining the external competitive environment, direct rivals, economic/regulatory matters, and more, to support the development of more resilient, robust strategy and tactics (Nasri, 2012).

- **Marketplace Opportunity** is concerned with creating and realizing a new market place opportunity. Opportunities define new ways of creating and developing value for customers: new products or solutions; extending existing product lines, reconfiguring existing solutions (Fahey, 2007).
- **Competitor Threat** is defined as ways that a rival can inhibit a company's strategy from succeeding in the market place (Fahey, 2007).
- **Competitive Risk** is any market place changes that could negatively impact the firm's current or potential strategy.
- **Vulnerability** necessitates the analysis and ranking of current and potential threat and risk in order to identify those that could most severely impede the success of a strategy (Fahey, 2007).
- **Marketing Effectiveness** is defined by the free encyclopedia Wikipedia (2006) as the function of enhancing how marketers go to market with the aim of optimizing their marketing spend to achieve even better results for both short-term and long-term objectives.

### **1.10 Organization of the Study**

The research was organized into five chapters. The first chapter discusses the study's background, problem statement, basic research questions, aims of the investigation, hypothesis, study importance, definition of words, and, lastly, the study's organization.

The second part includes a review of related literature. The chapter discusses the study's relevant literature. It included an introduction, a theoretical review, an empirical review, the conceptual framework for the investigation and research hypotheses. The third chapter is concerned with research methodology. It outlines the kind and design of the research, the study's sources, the data gathering tools/instruments used, the data collection procedures, and the data analysis methodologies used. The fourth chapter includes results and discussion as well as data presentation, analysis, and interpretation. The last chapter (chapter five) is divided into three sections: a summary of findings, conclusions, and recommendations.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

#### **INTRODUCTION**

This section includes a theoretical literature review (i.e., The concept and definition of Competitive intelligence, Competitive Intelligence and Business Intelligence, Dimensions of competitive intelligence, Marketing effectiveness, and related concepts). This chapter also includes the study's empirical & conceptual framework; and Research hypothesis.

#### **2.1 Theoretical Literature**

##### **2.1.1 The concept and definition of Competitive intelligence**

Competitive intelligence is a proactive information process that leads to better strategic and operational decision making. It is also regarded as a systematic process that aims to reveal the governing forces of business, reducing risk, and triggering decision makers to act ahead of time, as well as safeguarding the knowledge generated (Victoria, 2020).

Competitive intelligence is knowledge and information about the environment in which companies operates that allows the company to gain a competitive advantage and effectively compete against its competitors. It focuses on monitoring a firm's competition in order to provide the firm with information about what its competitors are doing in order to provide the firm with a competitive advantage in business. It aids the company's competitive position. It also assists strategists in comprehending the forces that influence the business environment and, more importantly, in developing appropriate strategies for competitive success. (Alsoboa, S. S., & Aldehayyat, J. S. 2013).

Competitive intelligence is defined as actionable recommendations resulting from a systematic process of planning, gathering, analyzing, and disseminating information on the external environment for opportunities or developments that have the potential to affect a company's or country's competitive position (Nasri, 2012).

In order to support decision-making processes for boosting an organization's competitiveness, Poppa (2009) defines competitive intelligence as a continuous process of gathering data, information, and knowledge about actors (competitors, customers, suppliers, and government) that interact with businesses in the business environment. Hughes (2005) claims that competitive intelligence is a tool that gives organizations a competitive edge, enabling them to outperform their rivals, survive in the market, and turn a profit all at once.

According to Nikolaos and Evangelia (2012) and the Society of Competitive Intelligence Professionals (SCIP) organization, competitive intelligence is "a necessary, ethical business discipline for decision making based on understanding the competitive environment."

The practice of acquiring useful knowledge about the outside business environment is known as competitive intelligence. The main goal of competitive intelligence is to translate outside data into the insight needed for tactical or strategic business choices. Additionally, managing the entire competitive battlefield is an issue of competitive intelligence. Before analyzing and utilizing this information in decision-making, any organization must first comprehend itself, its competitors, and the battlefield. Due to technical breakthroughs, globalization, increased product availability and diversity, distribution advancements, the Internet, and increasingly sophisticated consumers, the importance of competitive intelligence has expanded (Flisher and Bensoussan, 2003).

### **2.1.2 Competitive Intelligence and Business Intelligence**

Business intelligence, marketing intelligence, and environmental scanning are all concepts that are closely related to CI. The most confusion is most likely between business intelligence and CI. CI and business intelligence are terms that are used interchangeably to describe the same concept. However, both have their place and are critical to the success of any organization (Gebeyehu, 2019).

Business intelligence entails the use of decision support systems, data warehousing technology, data mining, and other business analytical tools. In other sayings, business intelligence has a greater emphasis on technology, and it is an essential component of the business intelligence process (King WR, 2009).

In general, intelligence can be defined as “the ability to comprehend the interrelationships between available facts in order to guide action toward a desired goal” HP. Luhn (1958). To that end, the author proposes a system that aims to provide relevant and accurate information to support the company’s specific activities Moinet N. (2010). This is an automatic system designed to provide software solutions that allow the company to operate its information stock through a well-defined process in order to produce relevant and actionable information. This is known as a business intelligence system. Business intelligence, according to Albescu (2008), is the activity of controlling largely internal company operations, whereas competitive intelligence (CI) is centered on monitoring the external environment and uses public resources to identify and produce information on competitors.

When we look at the data sources, we can see that business intelligence primarily uses data from within the company. The majority of business intelligence data is structured. CI obtains information from sources outside the company and cannot be certain that all relevant data sources are being captured. In other words, a business intelligence system is built on a large database and information technology tools; it refers to the software used to manage a data flow. CI, on the other hand, is the action of gathering, analyzing, and disseminating information about the environment to assist managers in making strategic and tactical decisions.

Additionally, CI is the analytical process that transforms data about a company's external environment (competitors, clients, and suppliers) into pertinent, strategic, and usable information about the development of the market, business opportunities, and threats; however, the majority of the data within the CI environment is unstructured, emphasizing the alignment of business intelligence and CI. Additionally, the CI process calls for analytical depth, broad strategic thinking, and scientific methodology. Both business intelligence and CI aim to support management in making decisions that result in action. Additionally, CI is the analytical process that transforms data about a company's external environment (competitors, clients, and suppliers) into pertinent, strategic, and usable information about the development of the market, business opportunities, and threats; however, the majority of the data within the CI environment is unstructured, emphasizing the alignment of business intelligence and CI. Additionally, the CI process calls for analytical depth, broad strategic thinking, and scientific methodology. Both business intelligence and CI aim to support management in making decisions that result in action.

**Table 2.1:** The key distinctions between business intelligence and CI:

	Business intelligence	Competitive intelligence
Purpose	Mostly internal business process analysis, operational and tactical decision improvement	Monitoring and analyzing the external environment - consumers, suppliers, competitors - in order to make better strategic decisions.
Scope	Company	The environment of the company
Content	Internal data from data bases, and transaction systems, ERP as well as well-structured information	Semi structured and unstructured content, external data from public and open resources, and the Internet
Used tools, Technologies	Data mining, OLAP, data warehouse	Advanced data mining, predictive modelling, web mining, text mining, agent technology, exponential random graph models, search-based applications, dashboards, and SOA

Source: (Olszak, 2014)

### **2.1.3 Dimensions of Competitive Intelligence**

According to McGonagle & John (1999) some components of competitive intelligence includes strategic intelligence, competitor intelligence and technical intelligence. Technology intelligence has a significant impact on innovation. Technology intelligence can provide a firm with a competitive advantage as well as product innovation. To maintain a competitive position, technological intelligence should be combined with competitive intelligence. He also claims that companies that have combined customer value innovation with technological intelligence will be more profitable (Ahmed R. A., 2014). The five strategic inputs that Fahey (2007) identified as being of particular importance to intelligence researchers. These include market place opportunity, competitor threat competitive risk, core assumption, key vulnerability. According to him, intelligence specialists must exercise significant judgement and provide value to each sort of intelligence input.

#### **2.1.3.1 Market Place Opportunity**

It is a strategy about developing and realizing new market opportunities. New products or solutions; extending existing product lines; reconfiguring existing solutions are examples of opportunities. According to Fahey (2007), the executive team is constantly looking for two sorts of fresh market opportunities: Extending present possibilities.

How can we broaden the opportunities that are important to our existing strategy? Potential market place opportunities. What opportunities should we consider that are beyond the scope of our existing strategy? What opportunities might be hiding but aren't yet completely visible in market change?

Using the present approach as a framework, new opportunities can be found and shaped. The second strategy input from Fahey (2007) is potential market place opportunities. According to the author, the executive team should, whenever possible, design a plan that will be successful tomorrow. According to him, the purpose of the intelligence charge is to aid in the discovery of market prospects that will serve as the core of tomorrow's strategy. He believes that the charge for intelligence is to assist in the identification of market opportunities that will be the focus of tomorrow's strategy. Fahey provided examples of how intelligence teams in various companies assess current and projected change in order to alert executives to emerging potential market opportunities (Fahey, 2007).

- Follow regulatory trends to predict when new regulations that permit access to new markets or the sale of particular items will emerge or disappear.
- To discover potential future new product breakthroughs, track and project research and development progress in specific research topics.
- Identify trends in the transition from research technology advancements that are likely to lead to new products or substantial product changes by doing a patent study.
- To discover prospective new product opportunities and, consequently, emerging client needs, use predictions.
- By analyzing predictions of technology advancements in relevant product categories, find new offers or solutions that might be available in two or more years.

According to Fahey, a few considerations should be made about these forms of longer-term opportunity discovery, capture, and specification. First, each intelligence team does not end with a description of current market changes. Rather, they eagerly accept the task of dealing with the future because it is where opportunities will arise. Second, they create time-based change sequences that may extend three, five, or more years into the future.

For example, estimating how a substitute product will progress through technology development, marketplace introduction, and first market penetration could take two to five years.

Third, the emphasis throughout the research is on identifying whether and how the anticipated change may be translated into an opportunity for the firm.

### **2.1.3.2 Competitor Threat**

Fahey noted in competitor threat that opportunities would be much easier to realize if current and potential competitors were not present. He defines competitor threats as ways in which a competitor can prevent a company's strategy from succeeding in the market. If threats are detected too late, resources invested in supporting a strategy may be significantly wasted; if threats are detected early enough, strategy can be adapted to eliminate, mitigate, or avoid the threat. The author believes that the following three questions should be posed to the executive: How might competitors negatively impact our current strategy? Who are the most likely competitors to do so? And how should we "handle" these threats?

According to Fahey, intelligence must assess current and potential competitor changes in order to assess the strategic implications for threats. First the current or potential competitor threats must be communicated to the executive team. Then, it must ask intelligence to go even further to assess their implications for present strategy, new prospects, and succeeding against specific competitors.

### **2.1.3.3 Competitive Risk**

The author contends in competitive risk that strategy evolves over time in a marketplace or competitive context that reaches far beyond competitors. Change in and around the marketplace (driven by customers, channels, suppliers, governmental agencies, technology houses, political parties, and so on) is a source of not just marketing opportunities and competition threats, but also of competitive risks. He defined competitive risks as any marketplace development that could negatively affect the firm's present or projected strategy. He advised that an executive team should always ask its intelligence team the following three questions. What are the competitive risks that our strategy faces? What future competitive risks might we face? How should we manage these risks? Tailoring solutions to these broad concerns necessitate the intelligence team looking beyond competitive trends, patterns, and discontinuities to isolate and analyze risks and demonstrate how they may jeopardize the pursuit of specific possibilities.

According to Fahey, identification and assessment of competitive risks, like competitor threats, concentrates intelligence work on generating strategy inputs that shape the executive debate around the three fundamental strategy questions. For example, the electronics firm's senior management team devised various "trajectories" that the collaboration may take over the next three years. Each trajectory was then evaluated for its consequences on the present strategy, including whether to introduce new product lines, which customers to try to lock in to longer-term contracts, and how to modify the value proposition for particular customers.

#### **2.1.3.4 Core Assumption**

According to the author there is a critical potential for intelligence experts to go beyond identifying and interpreting the expected direction of market change: to identify, test, and assess fundamental assumptions about specific tactics that the executive team appears to be implementing or that they may need to implement but are not. He advised that the senior management team can again pose three assumptions-specific questions: What market-change assumptions underpin our existing strategy? What assumptions should we make regarding possible and emerging market changes? What are the consequences for strategy adjustment if we need to change our assumptions?

Fahey argues that in order to answer these concerns, intelligence experts can do assumption analysis on the firm's existing strategy, potential strategy alternatives, and "leading" marketplace assumptions. Each of the three assumed responsibilities mentioned above – identifying, testing, and assessing – enables the intelligence team to translate all of the data it has regarding present and anticipated market change into a single set of essential insights for the executive team: a short set of critical assumptions that focuses executive attention on the actually relevant change in the external world. The author states that the general assumptions can be created at many levels as strategy inputs: corporate, business unit, and individual product sectors. They can also be tailored to specific domains such as technological advancement, regulatory evolution, or social/cultural transformations. One business unit's guiding assumptions about its industry in the face of emerging technology advances are as follows:

- In the next five years, technology will revolutionize the industry's traditional core items.
- All present market share leaders in every industry area will need to rapidly modify their core product offering.
- New competitors will be drawn into the industry.

- Customers will migrate between vendors at a far higher rate than in the past.
- Even if the economy falls into a slump, industry growth (fueled by new technologies) will continue.

Intelligence can track indicators relating to each assumption to see if it understates or overstates real and expected industry change.

### **2.1.3.5 Key Vulnerability**

in discussing vulnerabilities, Fahey contends that assessment entails asking the question: to what extent is our strategy (or potential strategy) most vulnerable? or, as some firms put it, what is it that could have the greatest impact on our strategy but over which we have the least control? Such an assessment requires intelligence professionals and executives to think beyond simply listing competitor threats, risks, and key assumptions. It necessitates the analysis and ranking of current and potential threats and risks in order to identify those that could most severely impede the success of a strategy.

Based on the preceding, we conclude that competitive intelligence necessitates a comprehensive view of competitors. However, how does the emphasis on competitive intelligence affect marketing effectiveness?

## **2.1.4 Marketing Effectiveness**

### **2.1.4.1 The concept of Marketing Effectiveness**

The concept of marketing effectiveness first emerged in the 1990s. Berry (1991) proposed that managers should have adequate information and distribute appropriate resources to different markets. According to Zhou (2005), the primary obligation of marketing effectiveness is that managers must identify the primacy of studying the market, distinguish the various opportunities, choose the best market to serve, and provide superior customer value to satisfy their needs and wants. Furthermore, N. G. Nwokah & Ondukwu (2006) argued that companies with high marketing effectiveness are those that are close to their customers, share values, and have an external market orientation. S. Benjamin, P.J. Hanges, D.B. Smith, and A.N. Salvaggio (2003) all agree that companies with high marketing effectiveness outperform those without. Marketing must be implemented in order for a company to be successful in its chosen market segment in today's competitive business environment.

Numerous scholars define marketing effectiveness in various ways, some of which are as follows:

- Marketing effectiveness as concept has been strong associated with many valuable organizational outcomes, which should be long-term growth, stable, enhanced customer satisfaction, a competitive advantage and a strong marketing orientation (Milichovsky, 2015) as cited in (Webster, 1995, p. 6).
- The extent to which marketing actions have assisted the company in meeting its business objectives. T. Ambler and co. (2001)
- The organization's ability to meet short-term goals that may have a positive impact on financial performance, such as increasing market share, increasing sales, improving gross margins, and successfully introducing new products. Mr. F. T. Mavondo (2004)
- The extent to which a company gains market share over competitors, as well as its advertising and promotional market share. A. I. Ahiauzu, N. G. Nwokah & Ondukwu (2008)
- Function of improving how marketers go to market in order to optimize their marketing spend and achieve even better results for both short and long-term goals. A. I. Ahiauzu, N. G. Nwokah & Ondukwu (2009)
- Doing what is right. Performance evaluations in relation to market strategy goals. Y. Gao (2010)
- Marketing effectiveness is defined by the free encyclopedia Wikipedia (2006) as the function of improving how marketers go to market with the goal of optimizing their marketing spend to achieve even better results for both short-term and long-term objectives. Based on the definitions provided above, it can be assumed that no agreement on a definition of marketing effectiveness has been reached. Furthermore, none of them can explain the essence of the marketing effectiveness concept.

Seeking to understand the nature of marketing effectiveness, its dimensions should be reviewed.

There are four basic dimensions of marketing effectiveness (Nwokah, 2009). These are:

- a) Corporate: each business operates within certain parameters. These are determined by their size, budget, and ability to implement organizational change. Within these parameters, marketers follow the five factors outlined later in this paper.
- b) Competitive: marketers would have perfect information on how they act as well as how their competitors act in an ideal world. Competitive marketing information is difficult to come by in many industries.

- c) Customers: marketers can improve their marketing effectiveness by understanding and capitalizing on how customers make purchasing decisions. Consumer groups behave similarly, necessitating segmentation. They make decisions based on how they value the attributes of a product and the brand in exchange for the price paid for the product based on these segments. Consumers create brand value by learning about it. Information is received from a variety of sources, including advertising, word of mouth, and the (distribution) channel, which is frequently referred to as the purchase funnel.
- d) Exogenous factors: many factors outside of one's immediate control can have an impact on the effectiveness of marketing activities. Weather, interest rates, government regulations, and a variety of other factors are examples.

#### **2.1.4.2 Driving factors of Marketing Effectiveness**

Understanding the impact of these factors can have on consumers can help us design programs that can capitalize on these factors or mitigate the risk of these factors occurring in the middle of our marketing campaigns. Five factors influence the level of marketing effectiveness that marketers can achieve (Nwokah, 2009).

- a) Marketing strategy: A superior marketing strategy can be used to improve marketing effectiveness. By correctly positioning the product or brand, the product/brand will outperform competitors' products/brands in the market. Even with the best strategy, marketers must execute their programs correctly in order to achieve exceptional results.
- b) Marketing creative: Even without a change in strategy, better creative can improve results. The introduction of new creative concept in an organization can increase growth rate.
- c) Marketing execution: Marketers can achieve significantly better results by improving how they go to market, without changing their strategy or creative execution. Marketers can improve their execution at the marketing mix level by making small changes in any or all of the 7-Ps (Product, Price, Place, Promotion, People, Process and Physical evidence) without changing their strategic position or creative execution. Marketers can improve their program effectiveness by better managing and executing each of their marketing campaigns. Marketers can improve their marketing effectiveness for each type of program, whether it's improving direct mail through a better call to action or editing web site content to improve organic search results.

- d) Marketing infrastructure: Enhancing the marketing business can result in significant gains for businesses. Management agencies, budgeting, motivation, and marketing activity coordination can all lead to increased competitiveness and results
- e) Exogenous factors: External or exogenous factors, which are outside of marketers’ control, influence how marketers can enhance their results. Marketers can enhance their effectiveness by capitalizing on seasonality, interests, or the regulatory environment.

**2.1.4.3 Elements of marketing effectiveness**

The rationale of marketing effectiveness causes the requirement to identify its elements which are summarized in the following table;

**Table 2.2:** Elements of marketing effectiveness

Authors	Components
Gebeyehu (2019)	Customer philosophy
Ahmed (2019)	Marketing effectiveness
N. G. Nwokah & Ondukwu (2009)	Customer philosophy, integrated marketing efforts, marketing information, strategic orientation, operations efficiency.
M. O. Azabagaoglu (2006)	Customer philosophy, integrated marketing organization, adequate Marketing information, strategic orientation, and operational efficiency.
K. Appiah-Adu (2001)	Customer philosophy, integrated marketing organization, adequate Marketing information, strategic orientation, and operational efficiency.
P. Connor, C. Tynan (1999)	Customer philosophy, organizational marketing proficiency, strategic Perspective, information processing capability.
P. Kotler (1977)	Customer philosophy, integrated marketing organization, adequate Marketing information, strategic orientation, and operational efficiency.

*Source: Gebeyehu (2019)*

Four of the seven papers mentioned the combination of marketing effectiveness and P. Kotler (1977). K. Appiah-Adu. (2001) and M. O. Azabagaoglu. (2006) agree with P. Kotler’s (1977) position, whereas N. G. Nwokah & Ondukwu (2009) refer to “integrated marketing efforts” rather than “integrated marketing organization,” and “adequate marketing information” is simply referred to as “marketing information.” In addition, Gebeyehu (2019) took only customer philosophy element of the marketing effectiveness while Ahmed (2014) took the marketing effectiveness as is without mentioning the elements. As a result, P. Kotler’s (1977) conceptualization served as the foundation for the marketing effectiveness construct.

Because of its strong association with many valuable organizational outcomes such as stable, long-term growth, improved customer satisfaction, a competitive advantage, and a strong marketing orientation, the concept of marketing effectiveness has been extensively discussed (Gebeyehu, 2019). Marketing effectiveness research can be divided into two major categories. According to the first point of view, scholars investigate the concept of marketing effectiveness and attempt to identify its components. In the second, academics investigate marketing effectiveness metrics and their measures.

The first point of view: P. Kotler (1977) developed this viewpoint, which was among the first. He stated that the marketing effectiveness of a company, division, or product line is largely determined by a mix of five activities.: Customer philosophy, Integrated marketing organization, Adequate marketing information, Strategic orientation and Operational efficiency. Kotler's marketing effectiveness and its components are customer philosophy (Management's commitment to market needs and wants; Market segmentation strategy and Holistic marketing approach); Integrated marketing organization (Marketing integration and control; Synergy with other marketing units and new product process); Adequate marketing information (Conduct of market research; Management knowledge of the market and Cost-effectiveness of marketing expenditure); Strategic orientation (Extent of formal marketing planning; Quality of marketing strategy and Extent of contingency planning) and Operational efficiency (Top-down communication of marketing thinking; Effectiveness of marketing resources and Responsiveness to uncertainties).

The second point of view is concerned with assessing and measuring marketing performance. This study topic aims to discover and portray numerous indicators and metrics for assessing marketing effectiveness. Finally, the student researcher could claim that this study viewpoint on marketing effectiveness based on Kotler's study (1977).

#### a) Customer philosophy

The first condition for effective marketing is that key management realize the importance of understanding the market, differentiating among the numerous opportunities, selecting the best segments of the market to service, and positioning themselves to provide superior value to the chosen clients in terms of their needs and desires. This criterion is simple, but many CEOs fail to recognize it. Some executives are focused on the product. They believe that the key is to create an excellent product and then sell it.

Some are interested in technology. They are enthralled by the challenge of new technology and pay little heed to market size and requirements. Others are more focused on sales. They believe that with enough sales effort, anything can be sold. When a company designs its structure, plans, and controls with the marketplace in mind, it is well on its way to effective marketing.

b) Integrated marketing organization

The company's or division's organizational structure must reflect a marketing philosophy. A high-level marketing executive must combine and control the major marketing functions. Different marketing positions must be created to meet the needs of key market segments, territories, and product lines. Marketing management must be adept at collaborating with other departments and gaining their trust and cooperation. Finally, because new products are at the heart of the business's future, the company must reflect a well-defined structure for developing, reviewing, testing, and launching them.

c) Adequate marketing information

Effective marketing necessitates executives having sufficient information to plan and allocate resources appropriately to various markets, products, territory, and marketing techniques. If management has recent research on customer views, preferences, and purchasing habits, this is a telltale sign of information quality. Many marketing executives rely heavily on what they learnt as sales managers in a certain business 20 years ago. They are unwilling to invest in marketing research since "we already know the market." They spend very little on observing direct and indirect competitors.

Another indicator is the availability of accurate information on the sales potential and profitability of various market segments, clients, territories, items, channels, and order sizes. The manager must collaborate closely with marketing and provide a responsive accounting system that reports profit by line item. Finally, skilled marketers require data to assess the effectiveness of their marketing investments.

d) Strategy and operation orientation

Marketing effectiveness is partly determined by management's ability to create a lucrative plan from its philosophy, company, and information resources. First, a structured system for annual and long-term marketing planning is required. Second, the system should lead to a clear, innovative, and data-driven core strategy.

Third, management should plan for contingent measures that may be necessitated by new market developments. Finally, marketing plans are useless unless they are implemented effectively at all levels of the company. Customers' interests must be prioritized by all employees within the company. Marketing management must have adequate resources to do the task. It must also include technologies that allow it to respond rapidly and intelligently to on-the-fly changes.

It is vital to recognize the necessity of researching the industry, identifying the multiple opportunities, selecting the most relevant market segments to operate in, and attempting to provide greater value to meet the demands and desires of the chosen clients. To undertake marketing analysis, strategy, and implementation, the firm must be appropriately staffed. Marketing efficacy demands proper information for planning and successful resource allocation to various markets, products, and territory by management. Managers' capacity to deliver lucrative strategies based on their philosophy, organization, strategy, efficiency, and information resources is also critical to marketing effectiveness (Gebeyehu, 2019).

## **2.2 Theoretical foundation of the study**

The competition theory has progressed beginning with the new classical economics view of it taking place in perfectly competitive markets and based on price. Its subsequent amendment to include situations where elements of monopoly were present and firms sought to compete by differentiating themselves from their rivals. The later refinements of 'contestable markets' where the influence of potential new players as well as existing competitors were taken into account.

The theory of competition in economics is heavily focused on price competition. Whereas, later Michael Porter published a model of how companies compete had three dimensions of price, differentiation and customer focus. The Michael Porter's Five Generic Strategies has a focus on creating strategies that helps to gain competitive advantages from three different bases: Cost leadership, Differentiation and focus. These main strategies are divided in 5 types: Type 1: Low Cost-Strategy, Type 2: Best Value-Strategy, Type 3: Differentiation, Type 4: Focus-Low Cost and Type 5: Focus-Best value. Porter's three axes of competition provide a good place to begin analyzing the bases on which an individual company competes.

His five forces model offers a starting point for understanding and describing the competitive situation within an industry. Both models are heavily used to direct the courses of CI research and are frequently included in CI reporting (Murphy, 2005).

## **2.3 Empirical Literature**

### **2.3.1 Prior studies on competitive intelligence**

There are some research works undertaken at various levels and contexts to examine competitive intelligence. Previous research on competitive intelligence among scholars has been presented from various angles, and the findings are:

Gebeyehu (2019) conducted a study in Ethiopia on the importance of competitive intelligence in making business marketing effective of the steel manufacturing industries. A questionnaire was used to collect data. The data was analyzed using Descriptive statistics (frequency, percentage) and inferential statistics (correlation and multiple regressions). His findings revealed that all of the sub variables are used by steel manufacture industries in Ethiopia to make their marketing more effective, implying that CI is critical in making marketing more successful for a business.

Pathutshedzo & Tiko (2018) conducted research in Kenya on the influence of competitive intelligence strategies on business performance of microfinance institutions. The study used a cross-sectional survey research design. For data collection, interviews were used as primary sources. For data analysis, SPSS was used. According to the findings of the study, the independent variables of strategic alliance strategies, product intelligence strategies, and technological intelligence strategies all favorably influence market growth. According to the study, because strategic alliance intelligence strategies are critical in enhancing MFI market growth, top management in these MFIs should implement and enhance strategic alliances with key partners as soon as possible in order to enhance their growth and, ultimately, performance.

Nenzhelele (2014) carried out research in South Africa. Their research focused on the implementation challenges of competitive intelligence in small and medium-sized businesses. Their study took a quantitative approach. Data was gathered using a questionnaire. The data was analyzed using the mean and standard deviation. According to the study, SMEs face the same challenges as large enterprises when it comes to implementing competitive intelligence.

Ahmed (2014) conducted a study in Pakistan on the importance of competitive intelligence in making business marketing effective. A questionnaire was used to collect data. The data was analyzed using the T-test. Their findings revealed that all of the sub variables are heavily used by organizations in Pakistan to make their marketing more effective, implying that competitive intelligence is critical in making marketing more effective for a business.

Charity (2013) conducted research in three Nigerian manufacturing firms to determine why competitive intelligence is required in the manufacturing sector. The survey method and employee interviews were used primarily in the study. Secondary data were gathered from books, journals, and the internet. Statistical tools such as Chi-Square and correlation coefficient were used to analyze the data in SPSS version 15. According to the findings, competitive intelligence is required because managers need to improve the quality of their products and services, strategic planning, and market knowledge.

Egberi (2011) investigated the competitive intelligence and marketing effectiveness of Nigerian corporate business organizations. The descriptive survey method was used to collect data. The descriptive statistical methods such as simple percentage, Pearson product moment correlation coefficient, and t-test were used to test the research hypotheses. Their findings revealed that competitive intelligence and organizational profitability had a significant positive relationship.

N. G. Nwokah and Ondukwu (2009) conducted an empirical study in Nigerian corporate organizations. Their research looked at the impact of competitive intelligence on corporate marketing effectiveness. Data was gathered using both primary and secondary sources. Using the Statistical Package for Social Sciences (SPSS) version 12, data were analyzed using multiple regression and non-parametric correlation. Their findings revealed that competitive intelligence increases marketing effectiveness in Nigerian corporate organizations.

Tej Adidam (2012) conducted research in India. Their research looked at the impact of competitive intelligence practices on firm performance in the context of India's emerging market. A questionnaire was used to collect data. Their methodology was cross-sectional and survey-based. Their findings revealed that Indian firms that engage in higher levels of competitive intelligence activities perform better financially.

### 2.3.2 Research Gap

Table 2.3: Research gaps on prior studies

Study	Method	Countries	Finding	Gaps
Gebeyehu (2019)	Descriptive statistics (frequency, percentage) and inferential statistics (correlation and multiple regressions)	Ethiopia	Positive and significant relationships between market place opportunities & core assumptions as dimensions of competitive intelligence with Marketing effectiveness	Methodological gap since 2 samples were taken from each company.
Pathutshedzo & Tiko (2018)	Descriptive (means and standard deviation) and inferential statistics (correlation and regression)	Kenya	Strategic alliance strategies, product intelligence strategies & technology intelligence strategies were all found to positively influence market growth.	Only use Strategic alliance strategies, product intelligence strategies, market development intelligence & technology intelligence research variables
Ahmed (2014)	Descriptive statistics (frequency, percentage) and inferential statistics (T test)	Pakistan	All the sub-variables are significantly used by the organizations in Pakistan to make their marketing effective	the studies were not focused on specific companies with full research methodology
Yadegari (2014)	Perceptive statistics (correlation coefficient test, bivariate regression analysis, multivariate regression analysis, and Friedman test) and descriptive statistics (mean and standard deviation)	Iran	Market opportunities, key vulnerability of the organization & competitors' threat plays the most important role.	The independent variable explains the model by 36%
Egberi (2011)	Pearson Product Moment Correlation Coefficient	Nigeria	competitive intelligence and organizational profitability had a significant positive relationship	Only one independent variable is applied (i.e., competitor pricing)
N. G. Nwokah & Ondukwu (2009)	Multiple regression and non-parametric correlation	Nigeria	Competitive intelligence led to marketing effectiveness in corporate organizations	the studies were not focused on specific companies with full research methodology
Tej Adidam (2012)	Exploratory (Cross-sectional and survey-based)	India	Indian firms that exhibit higher levels of CI activities indeed achieve better financial performance results; and the current level of CI activities in Indian firms is at a moderate level	The study is exploratory nature which may not be backed by sufficient data

## 2.4 Conceptual Framework

By considering different kinds of literature and studies the research applied the below conceptual framework for this study or for understanding the effect of competitive intelligence on marketing effectiveness.

Competitive intelligence (marketplace opportunity, competitor threat, competitor risk, key vulnerability, and core assumption) and marketing effectiveness (customer philosophy, integrated marketing effort, adequate marketing information, strategic orientation, and operational efficiency) are the topics covered under this title.

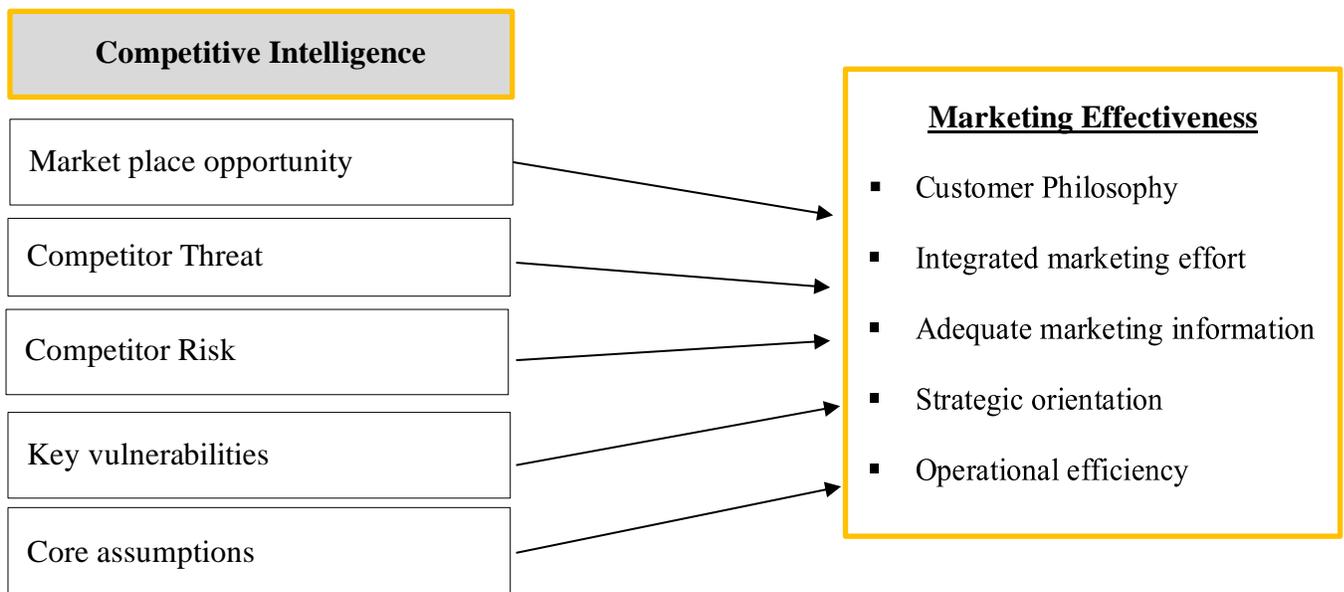


Figure 2.1 Researcher 2023 (from (Nwokah, 2009)).

## 2.5 Research Hypothesis

### 2.5.1 The effect of market place opportunity on marketing effectiveness

The hypothesis tested here is Gebeyehu (2019) presented competitive intelligence components as applied on Ethiopian steel manufacturing, examined from the industry player's point of view. The researcher developed the following hypothesis.

H1: Market place opportunity has significant and positive influence on Marketing effectiveness.

Gebeyehu (2019) study result revealed that there is a strong positive and significant relationship between market place opportunity and marketing effectiveness. The study by Ahmed et al. (2014) also showed that organizations in Pakistan effectively leverage market place opportunity to enhance the effectiveness of their marketing. Both researchers rejected the null hypothesis.

### **2.5.2 The effect of Competitor threat on Marketing effectiveness.**

H2: Competitor threats has significant and positive influence on Marketing effectiveness.

Gebeyehu (2019) study result revealed that there is no positive and significant relationship between competitor threats and marketing effectiveness. whereas Ahmed et al (2014) study revealed that competitor threat is used by organizations in Pakistan are effective to make their marketing effective. The first researcher accepted the null hypothesis whereas the second researcher rejected the null hypothesis.

### **2.5.3 The effect of Competitor risk on Marketing effectiveness.**

H3: Competitor risks has significant and positive influence on Marketing effectiveness.

Gebeyehu (2019) study result revealed that there is no positive and significant relationship between competitor risks and marketing effectiveness. whereas Ahmed et al (2014) study revealed that competitor risks are used by organizations in Pakistan are effective to make their marketing effective. The first researcher accepted the null hypothesis whereas the second researcher rejected the null hypothesis.

### **2.5.4 The effect of Core assumptions on Marketing effectiveness.**

H4: Core assumptions has significant and positive influence on Marketing effectiveness.

Gebeyehu (2019) study result revealed that there is strong positive and significant relationship between core assumptions and marketing effectiveness. The null hypothesis is rejected.

### **2.5.5 The effect of Key vulnerability on Marketing effectiveness.**

H5: Key vulnerability has significant and positive influence on Marketing effectiveness.

Gebeyehu (2019) study result revealed that there is no positive and significant relationship between core assumptions and marketing effectiveness. The null hypothesis is accepted.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **INTRODUCTION**

The techniques and procedures used to collect and analyze research data, such as questionnaires, observations, interviews, and statistical and non-statistical techniques, are referred to as research methods (Saunders, M., Lewis, P., & Thornhill, A. , 2009). This chapter described the methodologies that were used in this study includes description of study Area, research approach, research design, target population, data source and types, data collection procedure, data analysis method, validity and reliability instrument, reliability analysis, and ethical consideration and data analysis techniques along with an appropriate justification associated with each approach.

#### **3.1 Study Site**

This research was carried out in Ethio telecom's marketing division in head quarter. The location is chosen due to the target population's accessibility, as all marketing staffs are residing centrally in Addis Ababa.

#### **3.2 Research Approach**

Quantitative business research is research that uses empirical assessments to address research objectives. It entails numerical measurements and analysis methods. To achieve the research objectives and find answers to the basic research questions, the student researcher used a quantitative research approach based on the questionnaire method.

#### **3.3 Research Design**

The purpose of this study is to assess the effect of competitive intelligence on marketing effectiveness based on fundamental theories, principles and management philosophies that are supposed to be effective parameters just to evaluate the actual impact of the case in Ethio telecom, Addis Ababa, Ethiopia. The study used both explanatory and descriptive designs. The explanatory design was used to check the associations and relationships between competitive intelligence on marketing effectiveness. It helps to conduct correlations and regressions relationship between independent and dependent variables.

The student researcher also used descriptive research just to describe and explain the effect of the competitive intelligence on marketing effectiveness. And this method of research design helps to clearly describe relevant aspects of the phenomenon of interest about a particular individual, group, or situation (Sekaran, 2003).

### **3.4 Target Population**

The researcher targeted all 105 marketing employees who are working under Ethio telecom HQ, in Addis Ababa in different marketing job positions (i.e., Chief Officer, Directors, Manager, Experts, Supervisor, Specialist, and Analyst). Using census sample method, the researcher can reach out to the entire population. Because the number is manageable.

### **3.5 Sources of the Data**

Primary data was collected from the company's marketing division management and staffs. To collect primary data, the study used a self-administered structured questionnaire. Primary data is critical for the study because it is the way to learn about the company's practices and performance from the responsible personnel, without which there would be insufficient data to draw a conclusion.

### **3.6 Data Collection Instruments**

According to (Shariq, 2019) cited by (Yoo et al., 2000) respondents who have been exposed to or have experience with a particular subject are more likely to provide a reliable and valid response to a questionnaire. Respondents in this study are all marketing management and staffs of Ethio telecom in the study site. Respondents were given questionnaires to fill out about their perceptions, experiences, and prior exposures.

The student researcher essentially used a questionnaire as an instrument to ask the same question to everyone in the population. It is the primary instrument for gathering data from study participants via self-administered questionnaires.

The questionnaire was closed-ended and asked questions on a five-point Likert scale, and it was developed by taken lesson from other studies such as Esubalew (2020). The student researcher used self-administrative methods to collect the data, and the data was collected using both hardcopy and softcopy methods.

### **3.7 Data Collection Procedure**

A pilot survey was done prior to the complete survey to identify any shortcomings (if any) in the questionnaires and survey methodologies by delivering the questionnaire to three respondents virtually via google forms and attempting to differentiate the unclear question from the majority of respondents. The researcher then distributed the questionnaire to all responders virtually to their emails using google forms, giving them one week to complete it. The student researcher has supplied his personal contact information so that respondents can contact him if they have any difficulty while filling out the questionnaire.

After a week, the researcher collected the data; a few respondents did not fill out a form for a specific day. However, the researcher followed up with respondents who failed to fill the virtual questionnaire and they completed the questionnaire accurately. Because the questionnaires were distributed to the respondents virtually, there was regular follow-up using google account, which resulted in a 96 percent response rate.

### **3.8 Data Analysis and Methods**

The collected data was immediately coded since no missed values occurred because Google form does not allow respondents to submit incomplete responses. The relationship between the independent variables (Market Place Opportunity, Competitor Threat, Competitive Risk, Core Assumption, and Key Vulnerability) and the dependent variable (marketing effectiveness) was then evaluated using descriptive statistics and inferential statistics.

The descriptive statistical analysis was presented in frequency, mean, and standard deviation formats. The associations between the dependent and independent variables were investigated using correlation, ANOVA, and multiple regression. Both the table and the picture depict the analysis methodologies or the method of presentation. The coefficient value was investigated in order to ascertain the value of the association between the dependent variable and each independent variable. The Statistical Package for Social Science (SPSS 26) was used to analyze the data. The statements on the questionnaire were assessed on a 5-point Likert scale (strongly agree, agree, neutral, disagree, and strongly disagree). The following numbers were assigned to this scale: strongly agree = 5, agree = 4, neutral = 3, disagree = 2, and strongly disagree = 1. Instruments that

are accurate and efficient in calculating these constructs are critical components of the research standard (Kimberlin, C. L., & Winterstein, A. G., 2008)

The data collected through the questionnaires was first checked for completeness. The questionnaires which were found correctly filled and fit for analysis were coded and all the data were entered into statistical package for social sciences (SPSS version 26) and analyzed using descriptive statistics. The questionnaire's statements were rated on a 5-point Likert scale (strongly agree, agree, neutral, disagree, and strongly disagree). This scale was given numbers: strongly agree = 5, agree = 4, neutral 3, disagree = 2, and strongly disagree = 1. Instruments that are accurate and efficient in calculating these constructs are critical components of the research standard (Kimberlin, C. L., & Winterstein, A. G., 2008). The descriptive statistics used includes mean and frequency to analyze the general information. To investigate the Competitive intelligence practice, Pearson correlation and regression model were used to assess the extent to which Competitive intelligence variables are used to make practice marketing effectiveness on Ethio telecom. These were presented using tables which is easier for interpretation.

The general form of the model for the multiple regressions can be specified as:  $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + e$

The left-hand variable, Y, represents the dependent variable in the model, which is the marketing effectiveness. X contains the set of explanatory variables in the estimation model,  $\beta_0$  is the constant,  $\beta$  represents the coefficients and e is the error term. Therefore, the model for the multiple regressions, to be built in line with the hypotheses of the study, is given as follows:

$$ME (CP, ICMMF, AMI, ESO, OE) = \beta_0 + \beta_1 (MPO) + \beta_2 (CT) + \beta_3 (CR) + \beta_4 (CA) + \beta_5 (VU) + e \quad (1)$$

Where: ME = Marketing Effectiveness (CP = Customer philosophy, ICMMF = Integration and control of the major marketing functions, AMI = Adequate marketing information, ESO = Existence of strategic orientation, OE =Operational Efficiency). Whereas MPO = Market place opportunity, CT = Competitor threat, CR = Competitive risks, CA = Core Assumptions, & VU = Key Vulnerabilities.

### 3.9 Validity and Reliability

The validity of a measuring instrument determines whether it truly measures what it was designed to measure or how accurate the research results are. We consider the theory and the measuring instrument to determine the validity of the results. Factor analysis can be used to assess validity, to check and establish the validity of this research, as well as to improve its accuracy.

Reliability refers to the extent to which results are consistent over time and an accurate representation of the total population under study. If the results can be reproduced using a similar methodology, the instrument is trustworthy. According to Kothari (2004), reliability is the consistency of the measuring instrument's results. Saunders defines reliability as a consistent finding of a data collection technique, analysis, or procedure (2009). The Cronbach's alpha test is used to perform the reliability analysis in SPSS. This is primarily done to examine the internal consistency of the data to be collected. Cronbach's alpha coefficient was calculated for each variable in the reliability test.

Cronbach's alpha reliability coefficient normally ranges between 0 and 1. The closer Cronbach's alpha coefficient is to 0, the lesser the internal consistency of items in the scale, and the closer Cronbach's alpha coefficient it to 1, the greater the internal consistency of the items in the scale. According to the SPSS result in the below table, the Cronbach's alpha coefficient for each item was examined, and the result demonstrates that there is high internal consistency. According to (George, D., & Mallery, P. , 2003) rule of thumb, a Cronbach's alpha coefficient greater than 0.7% (>70%) is good.

Table 3.1 Reliability of Cronbach's alpha

Variables	Items	Cronbach's alpha
Market place opportunity	5	0.834
Competitor threat	5	0.878
Competitor Risks	4	0.861
Key Vulnerability	3	0.868
Core Assumptions	4	0.888
Marketing Effectiveness	15	0.957

Source: own calculation from survey data (2023)

As seen in the table above, the Cronbach alpha for all variables exceeded 0.7. According to the literature, this confirmed the internal consistency of the research instrument. As a consequence, no redundant elements were discovered.

To confirm the study's validity data was gathered from credible sources, namely from Ethio telecom employees and management members with marketing experience. To verify the validity of the results, survey questions were developed based on literature reviews and frames of references.

### **3.10 Ethical Consideration**

Ethics are moral principles or behavioral norms that influence moral decisions regarding our behavior and interactions with others. The purpose of research ethics is to ensure that no one experiences harm or bad effects as a result of studies being conducted (Cooper & Schindler, P.S., 2006). Respondents were asked to share information voluntarily, there would be previous disclosure about the goal of the study in the beginning of the questionnaire, and information confidentiality is assured. Everyone has the right to choose whether or not to participate in the research project in which they provide data. And the purpose of the study was disclosed in the introductory part of the questionnaire in the google form. Moreover, there were no misleading or deceptive statements in the questionnaires.

## **CHAPTER FOUR**

### **RESULTS AND DISCUSSION**

#### **INTRODUCTION**

This chapter is containing three sections that describe the findings of a questionnaire-based data analysis. The first section goes over demographics, the second section goes over descriptive data, and the third section goes over inferential analysis (correlation and regression). The study's target demographic is Ethio telecom's marketing division found in Addis Ababa. The whole marketing division employees were taken as census, and questionnaires were delivered to realize the ultimate objective of the study. The purpose of this study is to investigate the effect of competitive intelligence on marketing effectiveness of Ethio telecom. The student researcher received 101 responses out of 105.

#### **4.1 Response Rate**

The marketing division employees from Ethio Telecom were chosen as respondents for the study, and they completed the questionnaire digitally using a Google Form that was emailed to their email accounts. 101 (96%) of the respondents filled the questionnaires virtually while 4 (4%) of the respondents didn't fill the questionnaire since they were not volunteer to fill. This 96% response rate was deemed sufficient for analysis (Maxfield, 2017).

The completed questions were coded in Excel and imported into SPSS version 26. This software program was used to analyze the data. Descriptive statistical analysis is used to summarize frequencies, means, and standard deviations. The data acquired for each question and respondents were summarized using descriptive statistics, and the data was analyzed using regression and correlation analysis with the help of SPSS.

#### **4.2 Demographic Data**

The frequencies were used to measure how frequently respondents responded to questions, allowing for the analysis of general information about the acquired data. Questionnaires have been issued through email to Ethio telecom Marketing employees in Addis Ababa. Using 101 filled questionnaires, the study sought to determine demographic data on the following factors, as given in the table below.

Table 4.1 Demographic profiles of the respondents

Measure	Category	Frequency	Percentage (%)
Gender	Male	56	55
	Female	45	45
	Total	101	100
Age	20-40	70	69
	41-60	31	31
	Total	101	100
Level of Education	College Diploma	2	2
	Bachelor's degree	59	58
	Post graduate	40	40
	Total	101	100
Job Position	Specialist	35	35
	Expert	40	40
	Supervisor	4	4
	Manager	16	16
	Director	6	6
	Total	101	100
Work Experience	From 2 – 5 years	3	3
	From 6-10 years	27	27
	Above 10 years	71	70
	Total	101	100

*Source: own calculation based on survey data (2023)*

From the total 101 valid respondents, 56 (55%) were male and the remaining 45 (45%) were female. This implies that there is a proportional gender ratio. When it comes to age distribution of respondents, the majority 70 (69%) of respondents were in the age range of 30-40 years and the age group 41-60 of respondents followed the previous group with a percent share of 31 (31%) which implies that Ethio telecom has young employees who can simply align with the company's strategies.

From the total 101 valid respondents, 59 (58%) of the respondents have bachelor degree. Followed by 40 (40%) Masters holders. Diploma holders contribute 2 (2%). This could imply that the majority of respondents are educated and help Ethio telecom to be competitive in the market.

From the total 101 valid respondents, 35 (35%) were specialists; 40 (40%) of them were Experts; 4 (4%) were supervisors; 16 (16%) were managers and 6 (6%) Directors. All of the respondents were chosen because they have a direct connection to the company's marketing operation and strategic activities.

Out of the 101 respondents, the majority, 71(70%) have a work experience above 10 years, 27 (27%) of them have a work experience between 6-10 years, and the rest 3 (3%) have a work experience between 2-5 years. This could imply that Ethio telecom have an experienced and energetic employee which helps to be effective in its marketing activities.

### **4.3 Descriptive Analysis**

In order to compare the respondents' perceptions of the impact of competitive intelligence on Ethio telecom's marketing effectiveness, the mean and standard deviation were computed for each of them. The mean represents the average value, and the standard deviation indicates how far the values deviate from the mean.

According to (Burns, R. P., & Burns, 2008) assumptions, if the mean statistical value is between 1 and 1.5, it means the respondents strongly disagreed, between 1.5 and 2.5, it means the respondents disagreed, between 2.5 and 3.5, it means the respondents were undecided or neutral, between 3.5 and 4.5, it means the respondents agreed and between 4.5 and 5 means the respondents are strongly agreed.

Respondents were asked to rate the effect of competitive intelligence on Ethio telecom's marketing effectiveness on a five-point Likert scale type ranging from 1 to 5 (1=Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly agree), and the analysis of the mean score is based on the below researcher assumptions.

#### **4.3.1 Market Place Opportunity on Marketing Effectiveness**

Five questions were asked to employees of Ethio telecom to help obtain information regarding their awareness of Market Place Opportunities, and the results are summarized in the table below.

Table 4.2 Market Place Opportunity Analysis

Item of Market Place Opportunity	N	Mean	Std. Deviation
Government regulatory developments are used to project the emergence or demise of specific regulations that open up access to new markets and/or allow the sale of specific products	101	4.46	0.625
Tracing R&D progress in specific research domains is used to identify potential new product breakthrough at some point in the future	101	4.37	0.797
Strong analysis is used to identify patterns in the transaction from research to technology developments likely to lead to new products or significant product modifications	101	4.43	0.712
Forecasting a competitor’s strategy to identify potential new products and thus emerging customer needs.	101	4.33	0.789
Technology development forecasting in related product areas to identify new products or solutions that could be in the marketplace in two or more years	101	4.41	0.695
<b>Average Mean</b>	101	<b>4.40</b>	<b>0.724</b>

Source: *Own computation from survey data (2023)*

Table 4.2 shows the various questions on market place opportunity and its effect on marketing effectiveness of Ethio telecom. The student researcher attempted to assess with five questions. According to the above table, the scored mean value of the first dimension, is 4.46 implying that the government regulatory developments positively affect marketing effectiveness.

Research and technology developments for new product modification followed by projecting of technology development to identify new solution & forecasting competitor’s strategies scored the highest with mean values of 4.43, 4.41, and 4.33, respectively, indicating that employees are knowledgeable about & have a strong belief in these CI variables for marketing effectiveness.

The overall mean for the market place opportunity was discovered to be 4.40, implying that respondents agreed that marketing place opportunity has a positive impact on marketing effectiveness. And standard deviation ranges from 0.625 to 0.797 indicates that the variation is small. Implying there is insignificant spread of ideas of the respondents; we can say that respondents agreed in similar ideas or there is insignificant number of deviations from the mean value.

### 4.3.2 Competitor Threat on Marketing Effectiveness

Five questions were asked to employees in the Ethio telecom to obtain information regarding the depth of employees' understanding of Competitor Threat, and the results are summarized in the table below;

Table 4.3 Competitor Threat Analysis

Item of Competitor Threat	N	Mean	Std. Deviation
Ethio telecom is at alert to current or potential competitor threats.	101	4.13	0.682
Opportunities are not so much realized because of the presence of potential and current competitors	101	3.58	1.143
Our strategies are formulated to win rivals.	101	4.41	0.71
Rivals current & potential actions pose threats to any strategy's success	101	4.06	0.978
Rival can prevent a company's strategy from succeeding in the marketplace.	101	4.16	0.821
<b>Average Mean</b>	101	<b>4.07</b>	<b>0.867</b>

*Own computation from survey data (2023)*

Table 4.3 reveals creating tactics to win rivals, understanding rival threats, the normal level of attention to competitor threats and regular alertness for rival threats have scored above 4.06. The other question, realization of opportunities due to competitors has got a mean score value of 3.58, implying that the respondents agreed with the questions about competitor threats.

The overall mean for the competitor threats was discovered to be 4.07, indicating that the respondents agreed on its influence on marketing effectiveness. It implies that competitor threat has a positive impact on marketing effectiveness. And standard deviation which ranges from 0.682 to 1.143 indicates there was big variation. As it shows there is somehow a spread of ideas of the respondents, we can say that respondents agreed in somehow significant number of variations of that deviate from the mean value.

### 4.3.3 Competitor Risk on Marketing Effectiveness

Four questions were provided to the employees of Ethio telecom to help gather information on the extent of predicting possible Competitive Risk, and the results obtained were summarized in the table below;

Table 4.4 Competitor Risk Analysis

Item of Competitor Risk	N	Mean	Std. Deviation
Marketplace change could negatively impact company’s current or potential strategy.	101	4.41	0.651
Early prediction about current strategy or potential strategy shifts intended to pursue new opportunities.	101	4.23	0.705
Intelligence-based assessment of the implications of risks can shift the executive team’s “understanding” of an opportunity of a strategy alternative.	101	4.41	0.666
Immediate and totally evident risks in today’s competitive landscape.	101	4.34	0.711
<b>Average Mean</b>	101	<b>4.34</b>	<b>0.683</b>

*Own computation from survey data (2023)*

According to Table 4.4, respondents agreed on the need of anticipating potential risks associated with market competition with 4.34 overall mean value. And standard deviation ranges from 0.651 to 0.711 which indicates it was small variation. As it shows there is no spread of ideas of the respondents, we can say that respondents agreed in similar ideas or insignificant number of variations of that deviate from the mean value.

The overall mean for the competitor risk was discovered to be 4.34, indicating that the respondents agreed on its influence on marketing effectiveness. It implies that competitor threat has a positive impact on marketing effectiveness. Standard deviation which ranges from 0.651 to 0.711 indicates it was small variation. As it shows there is a small spread of ideas of the respondents, we can say that respondents agreed and insignificant number of variations that deviate from the mean value.

#### **4.3.4 Core Assumption on Marketing Effectiveness**

Four questions were analyzed to help obtain information about key assumption that suggest market place change, customer's sustainable purchase, no rival launch new product, and consistent regulation for the next two to three years.

Table 4.5 Core Assumption Analysis

Item of Core Assumption	N	Mean	Std. Deviation
Assumptions about marketplace change strengthen current strategy.	101	4.49	0.626
No major rival would introduce an innovative new product for at least two years.	101	3.83	1.225
Over the next three years, customers would continue to purchase at the same average rate as in the prior three years.	101	3.74	1.347
Regulatory environments would not product any negative surprises.	101	3.87	1.262
<b>Average Mean</b>	101	<b>3.98</b>	<b>1.115</b>

*Own computation from survey data (2023)*

According to table 4.5, the mean for all questions ranges from 3.74 to 4.49, and the average mean score is 3.98 implying that respondents agreed that there will be no market change in the next two to three years, rivals will not introduce new products, customers will continue to be loyal, and the regulatory environment will not surprise them.

The overall mean for the competitor threats was discovered to be 3.98, indicating that the respondents agreed on its influence on marketing effectiveness. It implies that core assumption has a positive impact on marketing effectiveness. And standard deviation which ranges from 0.626 to 1.347 indicates it was big variation. As it shows there is a spread of ideas of the respondents, we can say that respondents agreed in significant number of variations of that deviate from the mean value.

#### **4.3.5 Key Vulnerability on Marketing Effectiveness**

We have three questions here that evaluate answers beyond listing rival threats and competitive risks, such as how much they believe in identifying the most vulnerable company's strategy and the list of controllable ones.

Table 4.6 Key Vulnerability Analysis

Item of key vulnerability	N	Mean	Std. Deviation
We always investigate those factors that could critically affect our strategy.	101	4.45	0.741
We are forced to analyze and rank current and potential threats and risks to identify those that could most severely hinder a strategy's success.	101	4.50	0.673
Assessment forces both intelligence professionals and executives to go beyond merely listing competitor threats, competitor risks and key assumptions.	101	4.46	0.768
<b>Average Mean</b>	101	<b>4.47</b>	<b>0.727</b>

*Own computation from survey data (2023)*

According to table 4.6, the average mean of the responses is 4.47, indicating that the companies firmly agree on recognizing the most vulnerable company's strategy and the list controllable one in addition to listing rival threats and competitive risks. And standard deviation which ranges from 0.673 to 0.768 which indicates it was small variation. As it shows there is no spread of ideas of the respondents, we can say that respondents agreed in similar ideas or insignificant number of variations of that deviate from the mean value.

The overall mean for the key vulnerability was discovered to be 4.47, indicating that the respondents agreed on its influence on marketing effectiveness. It implies that key vulnerability has a positive impact on marketing effectiveness. And standard deviation which ranges from 0.673 to 0.768 which indicates it was small variation. As it shows there is a small spread of ideas of the respondents, we can say that respondents agreed and insignificant number of variations that deviate from the mean value.

#### **4.3.6 Marketing Effectiveness**

Marketing effectiveness, customer philosophy, integration & control of the major marketing functions, gathering adequate marketing information, existence of strategic orientation and operational efficiency and overall marketing effectiveness were used to assess the marketing effectiveness. In addition, fifteen questions were distributed to the employees of Ethio telecom and the results obtained is shown in the table below.

Table 4.7 Marketing Effectiveness Analysis

<b>Item of Customer philosophy</b>	N	Mean	Std. Deviation
Management recognizes the importance of designing the company to serve the needs and wants of chosen markets	101	4.57	0.726
Management develops different offerings and marketing plans for different segments of the market	101	4.55	0.624
Management takes a whole marketing system view (suppliers, channels, competitors, customer, and environment) in planning its business	101	4.49	0.756
<b>Item of Integration &amp; control of the major marketing functions</b>			
High-level marketing integration and control of the major marketing functions	101	4.42	0.765
Marketing management work well with management in research, purchase, physical distribution, and finance.	101	4.39	0.734
New product development process in our company is well organized	101	4.44	0.818
<b>Item of Gathering adequate marketing information</b>			
Having regular marketing research to study customers, buying influences, channels and competitors.	101	4.52	0.672
Management usually has full knowledge of the sales potential and profitability of different market segments, customers' territories, products, channels and other sizes.	101	4.32	0.799
Effort is expanded to measure the cost-effectiveness of different marketing expenditures.	101	4.41	0.724
<b>Item of Existence of strategic orientation</b>			
Management develops an annual marketing plan and a careful long-range plan that is updated annually.	101	4.62	0.507
The quality of current marketing strategy is clear, innovative, data-based and well-reasoned.	101	4.48	0.701
Management formally identifies the most important contingencies and develops contingency plans.	101	4.30	0.819
<b>Item of Operational efficiency</b>			
Marketing thinking at the top are communicated and implemented down the line	101	4.43	0.753
Management is doing an effective job with the marketing resources	101	4.45	0.624
Management shows a good capacity to react quickly and effectively to on-the-spot development	101	4.41	0.710
<b>Average Mean</b>	101	<b>4.45</b>	<b>0.720</b>

*Own computation from survey data (2023)*

According to table 4.7, the average mean value for all the questions of the marketing effectiveness conditions is 4.41, indicating respondents' agreement on managing the entire marketing system. And standard deviation which ranges from 0.624 to 0.819 indicates it was small variation. As it shows there is a small spread of ideas of the respondents, we can say that respondents agreed and insignificant number of variations that deviate from the mean value.

Table 4.8 All variables' average mean and standard deviation

<b>Variables</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
Market place opportunity	101	4.3960	0.56284
Competitor Threat	101	4.0673	0.72492
Competitor Risk	101	4.3441	0.57429
Core Assumption	101	3.9827	0.99640
Key Vulnerability	101	4.4653	0.64821
Marketing Effectiveness	101	4.4515	0.56834

*Own computation from survey data (2023)*

As shown in Table 4.8, the respondents agreed that the competitive intelligence strategy elements of marketplace opportunities, competitor threats, competitor risks, core assumptions, and key vulnerability were being positively implemented and increasing Ethio telecom's marketing effectiveness. Using and implementing competition intelligence, as described in the literature study section, enables Ethio telecom to improve its marketing effectiveness and is crucial to its marketing success.

#### **4.4 Inferential Statistics**

##### **4.4.1 Normal distribution**

Regular delivery testing employs skewness and kurtosis. Skewness is a measure of distribution tilt, which can be to the right or to the left. The usual range is between +2 and -2. Kurtosis, on the other hand, assesses peakness or flatness and is deemed normal when it is between +3 and -3 (Garosn, D.G., 2012). The figures illustrate that skewness and kurtosis are not a concern in this study because they are both within the given range when considering the normal distribution.

Table 4.9 Normality Measurement table

Variables	N	Skewness		Kurtosis	
	Statistics	Statistics	Std. Error	Statistics	Std. Error
Market place opportunity	101	-0.696	0.24	-0.38	0.476
Competitor threat	101	-0.491	0.24	-0.299	0.476
Competitor Risks	101	-0.57	0.24	-0.184	0.476
Core Assumptions	101	-0.487	0.24	-1.118	0.476
Vulnerability	101	-1.001	0.24	0.216	0.476
Marketing Effectiveness	101	-0.602	0.24	-1.002	0.476
Valid N (listwise)	101				

*Own computation from survey data (2023)*

#### 4.4.2 Correlation analysis

The correlation test determines the strength of the association or relationship between the variables under consideration. Pearson's correlation was used to investigate the interrelationships between variables, and inter-relationships coefficients ( $r$ ) were calculated using the moment of Pearson's product. Using linear regression analysis, the association between Competitive Intelligence (market place opportunity, competitor threats, competitive risks, core assumptions & Vulnerability) and the Ethio telecom's marketing effectiveness (Customer philosophy, Integration and control of the major marketing functions, gathering adequate marketing information, existence of strategic orientation, and operational efficiency) was investigated.

The correlation's significance level was measured at 5% and 1%, and the correlation result was interpreted using (Somekh, B., & Lewin, C. (Eds.)., 2011) criterion for evaluating the magnitude of a correlation, as shown in table 4.10 below. As shown in the table below, the correlation coefficient ( $r$ ) value is used as a cutoff point to classify correlation strength as weak, moderate, or strong. As shown in the table below, the correlation coefficient ( $r$ ) value is used as a cutoff point to classify correlation strength as weak, moderate, or strong. As a result, if the value of " $r$ " is less than or equal to 0.33, the relationship is weak; if it is between 0.34 and 0.66, the relationship is moderate; and if it is between 0.67 and 0.99, the relationship is strong. The Pearson correlation coefficient, model summary, ANOVA, and regression coefficients are shown below.

Table 4.10 Correlation Matrix

Correlations							
		Market Place Opportunity	Competitor Threat	Competitor Risk	Core Assumption	Key Vulnerability	Marketing Effectiveness
Market Place Opportunity	Pearson Correlation	1					
	Sig. (2-tailed)						
Competitor Threat	Pearson Correlation	.639**	1				
	Sig. (2-tailed)	.000					
Competitor Risk	Pearson Correlation	.592**	.644**	1			
	Sig. (2-tailed)	.000	.000				
Core Assumption	Pearson Correlation	.570**	.694**	.577**	1		
	Sig. (2-tailed)	.000	.000	.000			
Vulnerability	Pearson Correlation	.628**	.669**	.530**	.684**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
Marketing Effectiveness	Pearson Correlation	.672**	.711**	.571**	.727**	.812**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	101	101	101	101	101	101

\*\* . Correlation is significant at the 0.01 level (2-tailed).

*Own computation from survey data (2023)*

The relationship or degree of association between competitive intelligence and marketing effectiveness is checked by Pearson correlation as shown in Table 4.10 above (2-tailed). At the 5% level of P value, all independent variables are positively and perfectly correlated (i.e., 0.000). The Pearson Correlation shows that the coefficient of correlation (r) between market place opportunity, competitor threat, core assumption & key vulnerability has a strong relationship with marketing effectiveness, at 0.672, 0.711, 0.727, and 0.812, respectively, which is above the cutoff point of 0.66 and below 0.99. The student researcher deduced from this that competitive intelligence (market place opportunity, competitor threats, core assumptions & Vulnerability) have a strong relationship with Ethio telecom’s marketing success (effectiveness).

Whereas competitor risks have a moderate relationship with marketing effectiveness at 0.572 which is above the cutoff point of 0.33 and below 0.66 and hence it has a moderate relationship with Ethio telecom's marketing success.

#### **4.4.3 Regression Analysis**

Regression analysis, in its most basic form, allows market researchers to investigate correlations between one independent and one dependent variable. The dependent variable in marketing applications is usually the outcome we care about, while the independent variables are the tools, we have to reach those outcomes with. It can also aid in forecasting (Mooi and Sarstedt, 2011). The significance level of 0.05 was used, with a 95% confidence interval. Marketing effectiveness was the dependent variable, with the independent variables being Market place opportunity, Competitor threats, competitor risks, Key assumptions and vulnerability. The purpose of using regression analysis was to assess the direct effect of competitive intelligence on the marketing effectiveness of Ethio telecom.

#### **4.4.4 Basic assumptions tests**

The following are common linear regression assumption tests used in this study.

##### **4.4.4.1 Multi-Collinearity Test**

Multi-collinearity occurs when the independent variables are highly interrelated. As a result, regression analysis would be difficult because it would be difficult to isolate the individual impact of the independent variables on the dependent variable. Analyzing multi-linearity in SPSS can help determine whether or not correlations exist with independent variables, because further correlation analysis and multiple regressions between dependent and independent variables would be difficult if correlations between independent variables exist (James, G., Witten, D., Hastie, T., & Tibshirani, R., 2013)

According to Cochran (1977), the presence of multi-collinearity can be determined by considering simply the variance inflation factor (VIF) of each explanatory variable. That is, if VIF exceeds 10, the independent variable is interdependent, whereas all variables below 10 are not. In other words, multi-collinearity happens when the dependent variable is more highly correlated than the independent variables in a regression model. Multi-collinearity is determined by the tolerance value and variation inflation factor (VIF) for each dependent variable.

Multi-collinearity arises when the tolerance is less than 0.10 and the average VIF is more than 10. Because the tolerance value for each independent variable was larger than 0.10 and the variation inflation factor was greater than 10, the multi collinearity test found that there was no problem with multi collinearity. As a result, the model was tested to check if it was free of this problem.

Table 4.11 Collinearity statistics

Model	Collinearity statistics	
	Tolerance	VIF
Market place opportunity	0.481	2.081
Competitor threat	0.370	2.705
Competitor Risks	0.513	1.950
Core Assumptions	0.415	2.407
Vulnerability	0.421	2.374
a. Dependent Variable: Market effectiveness		

*Own computation from survey data (2023)*

As can be seen from table 4.11, the tolerance value is larger than 0.1 and the VIF values for Market place opportunity, Competitor threat, Competitor Risks, Core Assumptions and Vulnerability are less than 10, implying that there is no interdependence among independent variables. As a result, this demonstrates that the model has no multi-collinearity issues.

#### 4.4.4.2 Normality Test for Residuals

This study is a test for normality assumption and is depicted graphically below.

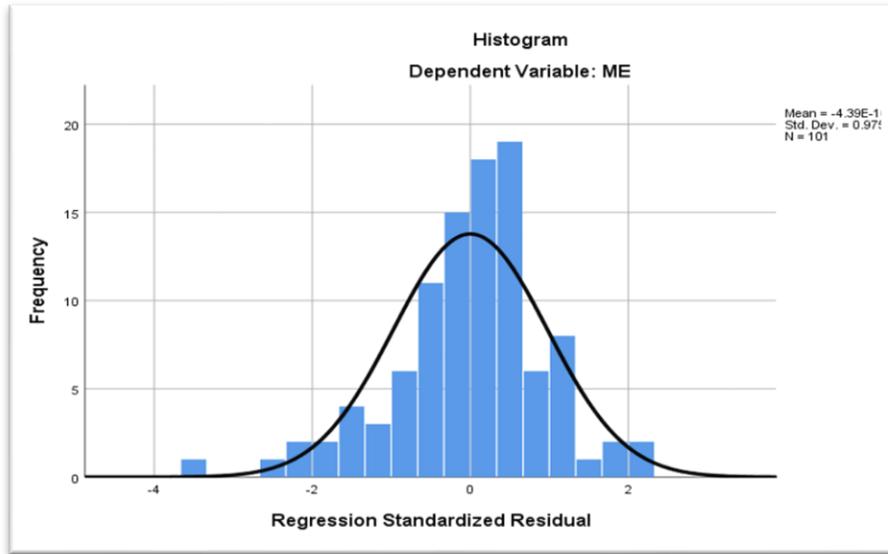


Figure 4.1 Normality test for residual

Source: own computation from survey data (2023)

If residuals are normally distributed, the histogram should be bell-shaped (Bryman, A, 2017). As a result of the above image, the histogram is almost bell-shaped, implying that the residuals are regularly distributed indicating that the assumption of Normality is met.

#### 4.4.4.3 Autocorrelation Assumption Test

The autocorrelation between observations was determined using Durbin-Watson test. The statistic has a value between 0 and 4. A score close to 2 implies no autocorrelation, a value close to 0 shows positive autocorrelation, and a value close to 4 shows negative autocorrelation (Field, 2005).

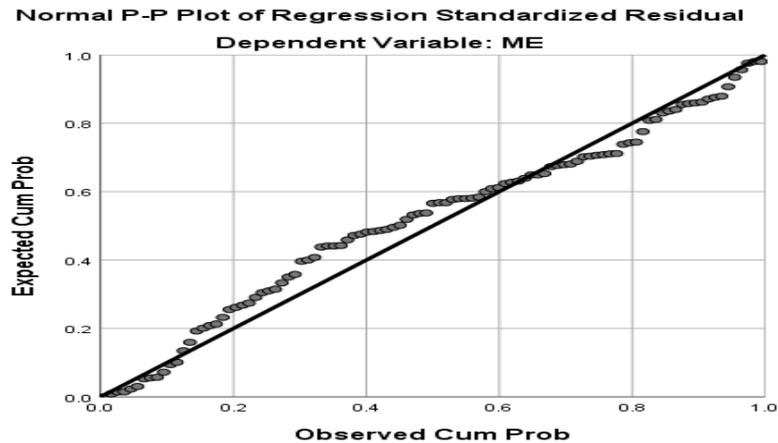
Table 4.12 Autocorrelation Test

Model	Durbin-Watson
1	1.916
a. Predictors: (Constant), VU, CR, MPO, CA, CT	
b. Dependent Variable: ME	

The value of 1.916 approves that there is no autocorrelation, allowing us to conclude that this analysis is right.

#### 4.4.4.4 Linearity Test

Linearity refers to the degree to which a change in the dependent variables is connected with a change in the independent variables. A normal probability plot of the residuals is the most effective test for normally distributed error. In the case of a normal distribution, the points on such a plot should be near to the diagonal reference line. As a result, the p-p plot in the following figure fails at the diagonal reference line. Furthermore, it fulfils the linearity assumptions of linear regression.



*Source: own computation from survey data (2023)*

Figure 4.2 Linearity test for residual

#### 4.4.4.5 Homoscedasticity Assumption

At all levels of the dependent variable, there should be a similar variance in the scores for the independent variables. Along its length, the scatter plot should have a fairly equal rectangular shape. Prior to performing a multiple regression analysis, there should be homoscedasticity, which indicates that the residuals (differences between the values of the observed and predicted dependent variables) are normally distributed and have a fixed variance (Burns & Burns, 2008). If there is heteroscedasticity, the homoscedasticity presumption is broken. The below graph shows that the study was homoscedastic.

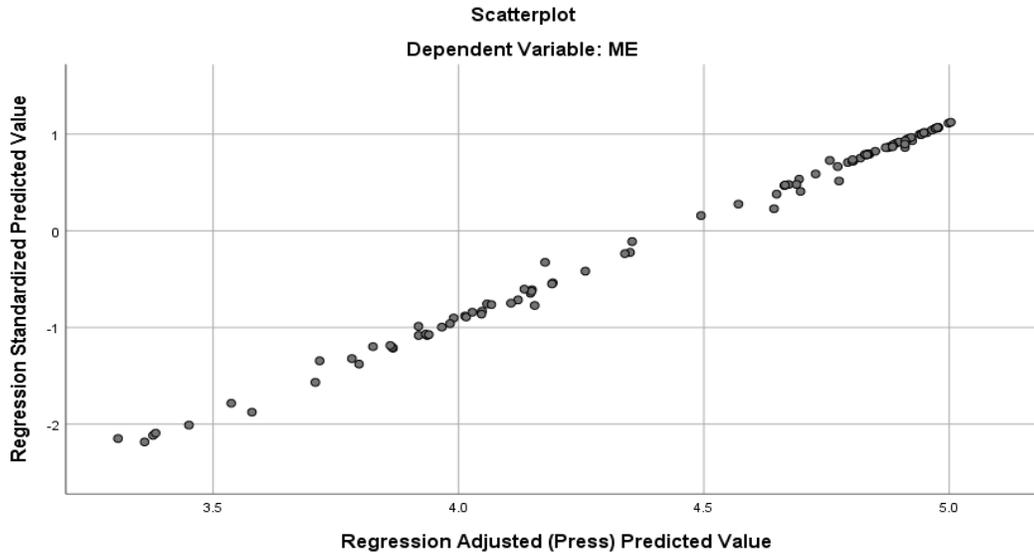


Figure 4.3 Homoscedasticity using scatter plot Test  
*Own computation from survey data (2023)*

The researcher have met the assumption of homogeneity of variance.

#### 4.4.5 Regression Analysis and Result

In the competitive intelligence, regression analysis was used to examine and investigate strategic factors affecting Ethio telecom’s marketing success (effectiveness). R2 is a measure of the proportion of the variance of dependent variables explained by independent or predictor variables (Saccani, N., Johansson, P., & Perona, M. , 2007)

##### 4.4.5.1 Multiple regression analysis

Hair (2004) defines multiple regression analysis as “a statistical technique that analyses the linear relationships between a dependent variable and multiple independent variables by estimating coefficients for the equation for a straight line.” Because the correlation table 4.10 only shows the relationship between the variables, but not the exact percentage changes of the dependent and independent variables, as well as the strength and degree of the relationship between variables, five hypotheses were tested using multiple regression analysis. The tables below were retrieved from SPSS to run a regression study between independent factors and dependent variables.

Table 4.13 R square analysis

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.865 <sup>a</sup>	0.747	0.734	4.39542
a Predictors: (Constant), VU, CR, MPO, CA, CT				
b Dependent Variable: ME				

*Source: own computation from survey data (2023)*

The model for this regression was:  $Y_1 = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e$ . From the model summary result in the above table, which states that CI is a function of Marketplace opportunity, Competitor threat, Competitor risk, Key vulnerability, and Core assumption. According to the above model summary, the independent variables explained the dependent variable by 74.7 percent. This finding implied that CI factors accounted for 74.7 percent of the variance in ME. This implies that CI variables accounted for 74.7 percent of the variance in Marketing effectiveness. The remaining 25.3 percent may be explained by the remaining independent variables such as technological intelligence, technical intelligence, strategic intelligence variables, etc.

Table 4.14 ANOVA

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5432.393	5	1086.479	56.237	.000 <sup>b</sup>
	Residual	1835.369	95	19.32		
	Total	7267.762	100			
a Dependent Variable: ME						
b Predictors: (Constant), VU, CR, MPO, CA, CT						

*Source: own computation from survey data (2023)*

ANOVA (Analysis of Variance) is a method for assessing whether or not there is a statistically significant difference between the means of the factors in a study (Kothari C.R., 2004). It is a technique for determining the importance of experiment outcomes.

The sig. which indicates whether or not the means of the variables deviate significantly is an important value to evaluate the model in the above table. In the ANOVA analysis, the significance level is 0.000, suggesting that the results are significant.

Table 4.15 Coefficient

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.922	0.276		3.346	0.001
	Market place opportunity	0.161	0.075	0.160	2.145	0.034
	Competitor threat	0.111	0.066	0.142	1.669	0.098
	Competitor Risk	0.017	0.071	0.017	0.242	0.809
	Key Vulnerability	0.407	0.07	0.464	5.842	0.000
	Core Assumption	0.120	0.046	0.210	2.629	0.010
a Dependent Variable: ME						

*Source: own computation from survey data (2023)*

Each variable's constant, beta, and significance level are addressed in the table above. The table shows that market place opportunity, core assumptions and vulnerabilities have a significant influence on Marketing effectiveness at 95% confidence intervals, with sig. levels of 0.034, 0.010 and 0.000, respectively. Several researchers have found that they have a favorable impact on marketing effectiveness (Gebeyehu, 2019), and (Rizwan.A, Imamuddin.K, & Khawaja A. Arif, 2014). The remaining two independent elements (competitor threat and competitive risk) have little influence on the dependent variable (marketing effectiveness).

Taking all other independent variables constant, a unit increase in market place opportunity leads to a 0.161 increase in marketing effectiveness of the case of company; a unit increase in core assumption results in 0.120 increase in marketing effectiveness of Ethio telecom, and a unit increase in vulnerability leads to a 0.407 increase in marketing effectiveness of the company. Given the constant and B values, the model will be:

$$Y_1 = 0.922 + 0.161X_1 + 0.120X_4 + 0.407X_5 + 0.05.$$

#### 4.5 Hypothesis Testing

The decision-making process for hypothesis tests can be based on the probability value [p-value] for the given test, which is: If the p-value is less than or equal to a predetermined 0.05 level of significance, the null hypothesis is rejected and support for the alternative hypothesis is claimed. We cannot reject the null hypothesis and claim support for the alternative hypothesis if the P-value is greater than 0.05. Based on this, the researcher developed five hypotheses to investigate the competitive intelligence factors influencing the marketing success (effectiveness) of Ethio telecom. Determine whether the model is useful for predicting the response based on the Hypothesis analysis at the 5% significance level: According to this result, the below table shows summary of hypotheses finding/results.

Table 4.16 Summary of Hypothesis Testing

Type	Hypothesis	Results	Reasons
<b>Ho 1</b>	Marketplace opportunity has positive & significant effect on Marketing success (effectiveness)	Supported	B=0.161, P <0.05, P-value =0.034
<b>Ho 2</b>	Competitor threat has positive but insignificant effect on Marketing success (effectiveness)	Not Supported	B=0.111, P <0.05, P-value =0.098
<b>Ho 3</b>	Competitor risk has positive but insignificant effect on Marketing success (effectiveness)	Not Supported	B=0.017, P <0.05, P-value =0.809
<b>Ho 4</b>	Core assumption has positive & significant effect on Marketing success (effectiveness)	Supported	B=0.120, P <0.05, P-value =0.010
<b>Ho 5</b>	Key vulnerability has positive & significant effect on Marketing success (effectiveness)	Supported	B=0.407, P <0.05, P-value =0.000

*Source: own computation from survey data (2023)*

H1: Market place opportunities has a positive and significant influence on marketing effectiveness.

HO1: Market place opportunities will not have a positive and significant influence on marketing effectiveness. HA1: Market place opportunities will have a positive and significant influence on marketing effectiveness

Table 4.16 above shows that there is a strong positive and significant relationship between market place opportunity and marketing effectiveness, with a beta value of 0.161 at the 95% confidence level.

The student researcher concluded that the alternative hypothesis that marketplace opportunities have a positive and significant influence on marketing effectiveness is supported by the data set and the null hypothesis is rejected. This result is the same as the prior research of Gebeyehu (2019), N.G Nwokah and Ondukwu (2009) and Ahmed (2014).

H2: Competitor threat has a positive and significant influence on marketing effectiveness. HO2: Competitor threat will not have a positive and significant influence on marketing effectiveness.  
HA2: Competitor threat will have a positive and significant influence on marketing effectiveness.

With a beta value of 0.111 and a p-value of 0.098, competitor threat has positive but insignificant effect on marketing effectiveness. And the student researcher concluded that the alternative hypothesis didn't support the study; and instead, it accepted the null hypothesis. Prior research in Ethiopia by Gebeyehu (2019), also revealed that competitive threat has positive but insignificant impact on marketing effectiveness. Whereas, N.G Nwokah and Ondukwu (2009) and Ahmed (2014) study revealed that competitive threat has positive and significant impact on marketing effectiveness.

H3: Competitor risk has a positive and significant influence on marketing effectiveness. HO3: Competitor risks will not have a positive and significant influence on marketing effectiveness.  
HA3: Competitor risk will have a positive and significant influence on marketing effectiveness.

Competitive risk has positive but insignificant effect on marketing effectiveness with a beta value of 0.017 and a p-value of 0.809. And this is the same with the findings of previous researcher Gebeyehu (2019) which revealed that competitive risk has positive but insignificant impact on marketing effectiveness, and this is likely due to the fact that changes in and around the market place are very low in Ethiopian telecom industry than in other industries. However, N.G Nwokah and Ondukwu (2009) and Ahmed (2014) studies were revealed that competitive risk has positive and significant impact on marketing effectiveness.

H4: Core assumption has a positive and significant influence on marketing effectiveness. HO4: Core assumption will not have a positive and significant influence on marketing effectiveness.  
HA4: Core assumption will have a positive and significant influence on marketing effectiveness.

There is a positive and significant association between core assumption and marketing effectiveness, with a beta value of 0.120 at 95% confidence level, based on the results of multiple regressions. This result is the same as the prior research of Gebeyehu (2019), N.G Nwokah and Ondukwu (2009) and Ahmed (2014).

H5: Key vulnerability has a positive and significant influence on marketing effectiveness. HO5: Key vulnerability will not have a positive and significant influence on marketing effectiveness. HA5: Key vulnerability will have a positive and significant influence on marketing effectiveness.

Key vulnerability has a strong positive and significant effect on marketing effectiveness, with a beta value of 0.407 and a p-value of 0.000. And this contradicts with the findings of previous researcher Gebeyehu (2019) which revealed that key vulnerability has positive but insignificant impact on marketing effectiveness. However, N.G Nwokah and Ondukwu (2009) and Ahmed (2014) studies were revealed that competitive risk has positive and significant impact on marketing effectiveness.

#### **4.6 Discussion of the Results**

From the total of 101 valid respondents, there were 56 (55%) male and the remaining 45(45%) were female. This imply that there is a proportional gender ratio. When it comes to age distribution of respondents, the majority 70(69%) of respondents lies in the age range of 30-40 years and the age group 41-60 of respondents followed the previous group with a percent share of 31 (31%) which implies that Ethio telecom has a young employee. From the total 101 valid respondents, 59 (58%) of the respondents have bachelor degree. Followed by 40 (40%) Masters holders. Diploma holders contribute 2 (2%). This could imply that the majority of respondents are educated and help Ethio telecom to be competitive in the market. Regardless of their rank, the student researcher relied on key informants. Out of the 101 valid respondents, 34 (34%) were specialists; 40 (40%) of them were Experts; 4 (4%) were supervisors; 16 (16%) were managers; 6 (6%) Directors and 1 (1%) of them were Chief Officer. All of the respondents were chosen because they have a direct connection to the company's marketing operation and strategic activities. Out of the 101 respondents, the majority, 71(70%) have a work experience above 10 years, 27 (27%) of them have a work experience between 6-10 years, and the rest 3 (3%) have a work experience between 2-5 years. This could imply that Ethio telecom have an experienced and energetic employee which helps to be effective in its marketing activities.

The scored mean value of the first dimension, is 4.46 implying that the government regulatory developments positively affect marketing effectiveness. Moreover, the standard deviation was found to be 0.625 indicating that the majority of respondents agreed.

Research and technology developments for new product modification followed by projecting of technology development to identify new products or solution and forecasting competitor's new product strategies scored the highest with mean values of 4.43, 4.41, and 4.33, respectively, indicating that employees are knowledgeable about and have a strong belief in these CI variables for marketing effectiveness. Respondents assigned a mean rating of 4.37 to tracing transaction patterns and projecting R & D progresses.

The overall mean for the market place opportunity was discovered to be 4.40, indicating that the respondents agreed on its influence on marketing effectiveness. It implies that marketing place opportunity has a positive impact on marketing success. And standard deviation ranges from 0.625 to 0.797 indicates that the variation is small. Implying there is no spread of ideas of the respondents; we can say that respondents agreed in similar ideas or there is insignificant number of deviations from the mean value.

The Pearson Correlation shows that the coefficient of correlation ( $r$ ) between market place opportunity, competitor threat, core assumption & key vulnerability has a strong relationship with marketing effectiveness, at 0.672, 0.711, 0.727, and 0.812, respectively, which is above the cutoff point of 0.66 and below 0.99. The student researcher deduced from this that competitive intelligence (market place opportunity, competitor threat, core assumption & Vulnerability) have a strong relationship with Ethio telecom's marketing success (effectiveness). Whereas competitor risk has a moderate relationship with marketing effectiveness at 0.572 which is above the cutoff point of 0.33 and below 0.66 and hence it has a moderate relationship with Ethio telecom's marketing success.

As can be seen from table 4.11, the tolerance value is larger than 0.1 and the VIF values for Market place opportunity, Competitor Threat, Competitor Risk, Core Assumption and Key Vulnerability are less than 10, implying that there is no interdependence among independent variables. As a result, the study meets the multi-collinearity assumption. From the model summary result, we can see that independent variables (CI) explained the dependent variable (ME) with a percentage of 74.7.

As seen in the table 4.14, competitive intelligence variables (independent variables) significantly predict the dependent variable (marketing effectiveness) with sig=0.000. The study's F-test result is 56.237 with a significance of 0.000, indicating that the likelihood of these results occurring by chance is much greater than 0.05. i.e., the variation explained by the model is due to chance. The ANOVA table, while useful for testing the model's ability to explain any variation in the dependent variable, does not directly address the strength of that association.

Table 4.15 shows that there is a strong positive and significant relationship between market place opportunity and marketing effectiveness, with a beta value of 0.161 at the 95% confidence level. With a beta value of 0.111 and a p-value of 0.098, competitor threat has a positive but insignificant effect on marketing effectiveness. Prior research in Ethiopia by Gebeyehu (2019) also revealed that competitive threat has a positive but insignificant impact on marketing effectiveness.

Competitive risk has positive but insignificant effect on marketing effectiveness with a beta value of 0.017 and a p-value of 0.809. And this is the same with the findings of previous researcher Gebeyehu (2019) which revealed that competitive risk has a positive but insignificant impact on marketing effectiveness, and this is likely due to the fact that changes in and around the market place are very low in Ethiopian telecom industry than in other industries.

There is a positive and significant association between core assumptions and marketing effectiveness, with a beta value of 0.120 at 95% confidence level and a p-value of 0.010, based on the results of multiple regressions.

Key vulnerability has a positive and significant effect on marketing effectiveness, with a beta value of 0.407 and a p-value of 0.000. And this contradicts with the findings of previous researcher Gebeyehu (2019) which revealed that key vulnerability has positive but insignificant impact on marketing effectiveness.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATION**

The chapter summarizes the findings from Chapter four, as well as the study's conclusions and suggestions based on the objectives of the study. The goals of this study were to look into the effect of Ethio telecom's competitive intelligence on its marketing effectiveness.

Although the scope and size of this study are limited, it can contribute to future research on the effects of Competitive Intelligence on marketing effectiveness in the telecom sector in Ethiopia. As a result, the following summaries, conclusions, and recommendations are made based on the previous chapter's analysis and interpretations.

#### **5.1 Summary of Major Findings**

The study aimed to look at the impact of competitive intelligence on marketing effectiveness of Ethio telecom. The study especially examined how Competitive Intelligence (Market Place Opportunity, Competitors Threat, Competitive Risk, Core Assumption, and Key Vulnerability) impacts Marketing Effectiveness (customer philosophy, integrated marketing effort, adequate marketing information, strategic orientation and operational efficiency). The following are the study's key findings:

Marketing effectiveness has a strong and significant relationship with Market Place Opportunity, Competitor Threat, Core Assumptions and Vulnerability with Pearson correlations of 0.672, 0.711, 0.727 and 0.812, respectively, at less than 0.05 significance levels while competitor risk has a moderate relationship.

Market Place Opportunity, Core Assumption and Key vulnerability have high level impact on Marketing Effectiveness in the Regression analysis. The more information employees have about market place opportunity, Core Assumption and Key vulnerability, the more successful their marketing will be. The management implication is that providing appropriate information on Market Place Opportunity, Core Assumption and Key vulnerability will increase the likelihood of reaching a marketing Effectiveness (success). As indicated in the R square model summary, these independent factors may explain the dependent variable by 74.7 percent.

The remaining independent variables (Competitor Threat and Competitor risk) do not have a significant impact on Marketing Effectiveness. And this differs from earlier research done in different parts of the world, such as Nigeria, and Pakistan.

## **5.2 Conclusion**

Business companies attempt to discover areas for improvement in order to acquire a competitive advantage. To improve outcomes in a modern market economy, it is necessary to constantly analyze the internal & external environment, and competitors' actions, as well as examine consumer requirements and competitor trends. As a result, this study attempted to identify several parts of CI and their effect on marketing performance in order to assist Ethio telecom in determining which aspects require improvement and additional attention. Furthermore, the student researcher investigated the relationship between the five CI characteristics and marketing effectiveness, attempting to determine which factor has the most impact on marketing effectiveness and which need development.

Competitive intelligence appears to have five dimensions, which are Market Place Opportunity, Competitor Threat, Competitor Risk, Core Assumption, and Key Vulnerability (Fahey, 2007), and measured using 21 questions. Marketing Effectiveness appears to have five dimensions: customer philosophy, integrated marketing effort, adequate marketing information, strategic orientation, and operational efficiency (Kotler, 1977, 1997), of which the student researcher used the five dimensions of the component of Marketing effectiveness measured by fifteen questions. The questions are all related to CI and ME, with the goal of exploring the respondents' expected and perceived evaluations in all aspects of Ethio telecom.

According to the study results, a viable tool for measuring the competitive Intelligence and Marketing Effectiveness of Ethio telecom was utilized. Based on the findings, it is established in the regression analysis that Market place opportunity, Core assumption and Key vulnerability have a high level of impact on marketing effectiveness. The more the employees' understanding of Market place opportunity, Core assumption, and Key assumption, the more successful their marketing will be.

Correlation results revealed that Marketing Effectiveness has a strong and positive relationship with Market Place Opportunity, Competitor Threat, Core Assumption, and Vulnerability whereas it has a moderate relationship with competitor risk.

### **5.3 Recommendations**

In order to achieve the given objectives, the student researcher suggest the following recommendations:

1. Ethio telecom should have a CI work unit to continuously watch competitors' activities and evaluate the company's actions in comparison to its competitor.
2. Management must continually motivate its marketing intelligence staff to analyze customers' demands, seek to satisfy them, and try to bring insights which helps the marketing team to adjust products, services, and solutions to these needs, as well as react to competitors' actions and responses proactively.
3. The management should work on significant elements of competitive intelligence so as to be competitive in the competition market.
4. Other service sectors should implement the competitive intelligence strategies so as to have a competitive advantage and assure their business sustainability
5. Future research efforts should consider key topics and issues raised by this study. This study contains some flaws and limitations. The study was done on Ethio telecom marketing division staffs. Another set of variables of Competitive Intelligence and Marketing Effectiveness can be included in the study model for future research.

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## Questionnaire

Greetings, Colleagues.

I am conducting research on "**The Effect of Competitive Intelligence on Marketing Effectiveness: in the Case of Ethio telecom**" as part of my Master's Degree in Business Administration partial fulfillment. The questionnaire is intended to collect primary information on the aforementioned study purpose, which will aid in answering the research questions posed by the study.

I assure you that the information you will provide will be used solely for academic purposes and will be kept strictly confidential. Your contribution to this study is extremely beneficial to the success of my research by providing genuine and accurate data. As a result, I kindly ask for your assistance in completing the questionnaires below.

Yours sincerely,  
Ebrahim Muhe

*The Questionnaire will have Two sections.*

**Section One:** Personal Profile of Respondents:

**Section Two:** Competitive intelligence on Marketing effectiveness

### Part One: Personal Profile of Respondents:

- \_\_\_\_\_ 1) what gender are you? A. Male B. Female
- \_\_\_\_\_ 2) How old are you?  
A. Below 30 B. 30-40 C. 41-60 D. 61 or above
- \_\_\_\_\_ 3) Level of education?  
A. College Diploma B. Bachelor's degree C. Post graduate D. Other
- \_\_\_\_\_ 4) what is your job position?  
A. Chief Officer B. Director C. Manager D. Supervisor E. Expert

F. Specialist G. Other

\_\_\_\_\_5) how much work experience do you have?

A. Below 2 years B. From 2 – 5 years C. From 6-10 years D. above 10 years

**Part two: Competitive intelligence on marketing effectiveness:**

**Direction:** Please indicate your opinion as per the level of disagreement or agreement with the underlined statements related to competitive intelligence by encircling the appropriate number on a five-point Likert scale. Where, 1= Strongly Disagree (SDA); 2= Disagree (D), 3= Neutral (N); 4=Agree, 5= Strongly Agree

<b>II) Under Column header -Possible determinant factors of competitive intelligence, there are factors which might have impact on marketing effectiveness; the parameters are labeled from 5 up to 1. 5 strongly agree and 1 strongly disagrees. Please circle the number that describes your evaluation of the factors described on competitive intelligence</b>						
Code	Possible Determinant factors of Competitive intelligence	Strongly agree	Agree	Neutral	Dis Agree	Strongly disagree
<b>A. Marketplace opportunities</b>						
	1. We follow regulatory developments as a means to project the emergence or demise of specific regulations that open up access to new markets and/or allow the sale of specific products	5	4	3	2	1
	2. We track and project R & D progress in specific research domains as one input to identifying potential new product breakthrough at some point in the future	5	4	3	2	1
	3. We conduct strong analysis to identify patterns in the transaction from research to technology developments likely to lead to new products or significant product modifications	5	4	3	2	1
	4. We use projections of a competitor’s strategy to identify potential new products and thus emerging customer needs.	5	4	3	2	1
	5. We use projections of technology developments in related product areas to identify new products or solutions that could be in the marketplace in two or more years	5	4	3	2	1

<b>B. Competitor threats</b>						
6.	We are usually at alert to current or potential competitor threats.	5	4	3	2	1
7.	Opportunities are not so much realized because of the presence of potential and current competitors	5	4	3	2	1
8.	Our strategies are formulated to win rivals.	5	4	3	2	1
9.	Rivals current and potential actions pose threats to any Strategy's success	5	4	3	2	1
10.	Competitor's threats are defined as ways that a rival can prevent a company's strategy from succeeding in the marketplace.	5	4	3	2	1
<b>C. Competitive risks</b>						
11.	Competitive risks include any marketplace change that could negatively impact company's current or potential strategy.	5	4	3	2	1
12.	We usually know as early as possible, what marketplace risks may be associated with current strategy or with potential strategy shifts intended to pursue new opportunities.	5	4	3	2	1
13.	Intelligence-based assessment of the implications of risks can shift the executive team's "understanding" of an opportunity of a strategy alternative.	5	4	3	2	1
14.	Some risks may be immediate and totally evident in today's competitive landscape.	5	4	3	2	1
<b>D. Core assumptions</b>						
15.	Assumptions about marketplace change strengthen our current strategy.	5	4	3	2	1
16.	We usually assume that no major rival would introduce an innovative new product for at least two years.	5	4	3	2	1
17.	We often assume that over the next three years, customers would continue to purchase at the same average rate as in the prior three years.	5	4	3	2	1
18.	We often assume the regulatory environments would not product any negative surprises.	5	4	3	2	1
<b>E. Key vulnerabilities</b>						
19.	We always investigate those factors that could critically affect our strategy.	5	4	3	2	1

	20. We are forced to analyze and rank current and potential threats and risks to identify those that could most severely hinder a strategy's success.	5	4	3	2	1
	21. Assessment forces both intelligence professionals and executives to go beyond merely listing competitor threats, competitor risks and key assumptions.	5	4	3	2	1
<b>F. Customer philosophy (Marketing effectiveness)</b>						
	22. Management recognizes the importance of designing the company to serve the needs and wants of chosen markets	5	4	3	2	1
	23. Management develops different offerings and marketing plans for different segments of the market	5	4	3	2	1
	24. Management takes a whole marketing system view (suppliers, channels, competitors, customer, and environment) in planning its business	5	4	3	2	1
<b>G. Integration and control of the major marketing functions (Marketing effectiveness)</b>						
	25. There is high-level marketing integration and control of the major marketing functions	5	4	3	2	1
	26. Marketing management work well with management in research, purchase, physical distribution, and finance.	5	4	3	2	1
	27. New product development process in our company is well organized	5	4	3	2	1
<b>H. Gathering adequate marketing information (Marketing effectiveness)</b>						
	28. We regularly conduct marketing research to study customers, buying influences, channels and competitors.	5	4	3	2	1
	29. Management usually has full knowledge of the sales potential and profitability of different market segments, customers territories, products, channels and other sizes.	5	4	3	2	1
	30. Effort is expanded to measure the cost-effectiveness of different marketing expenditures.	5	4	3	2	1
<b>I. Existence of strategic orientation (Marketing effectiveness)</b>						
	31. Management develops an annual marketing plan and a careful long-range plan that is updated annually.	5	4	3	2	1

	32. The quality of current marketing strategy is clear, innovative, data-based and well-reasoned.	5	4	3	2	1
	33. Management formally identifies the most important contingencies and develops contingency plans.	5	4	3	2	1
<b>J. Operational efficiency (Marketing effectiveness)</b>						
	34. Marketing thinking at the top are communicated and implemented down the line	5	4	3	2	1
	35. Management is doing an effective job with the marketing resources	5	4	3	2	1
	36. Management shows a good capacity to react quickly and effectively to on-the-spot development	5	4	3	2	1