
COMPETITIVE INTELLIGENCE AND RESILIENCE OF SMALL MEDIUM ENTERPRISES (SMES) IN DEVELOPING ECONOMIES: THE CASE BENIN CITY, NIGERIA

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Abstract

Small and Medium Enterprises SMEs hold the key to economic progress and development in developing economies including Nigeria. This study therefore examined the effect of competitive intelligence on the survival of SMEs in Benin City, Edo State, Nigeria. To achieve these objectives three hypotheses were formulated to establish whether or not there is a relationship existing between the two intervening variable i.e. competitive intelligence and the survival of SMEs in Benin City, Edo State and by extension Nigeria. Survey research design was adopted, while data were obtained from structured questionnaire and analyzed using Pearson's product-moment coefficient of correlation.

From the analysis, the results indicated that there is an existing relationship between the variables. Based on the findings it was concluded that for SMEs to survive and expand its market frontiers in the face of the escalating competition in the business environment, there is the need to take a holistic view of their strategies and offer innovative products that can provide customers with valued and satisfying benefits better than the ones offered by competitors and engaging in superior marketing strategies to enhance performance and productivity. The study recommended among others that SMEs should identify and prune down unwarranted business expenses without necessarily impacting negatively on the operations of the firm.

Keywords: Innovative Products, Performance, Productivity, Satisfying Benefits, SMEs, Survival.

1. INTRODUCTION

Small and Medium Enterprise SME has remained a significant intervening variable for economic growth and development of nations of the world. They are the engine of economic growth and development, wealth creation and employment generation and almost all the economies in the world today depends solely on the invaluable contributions of SMEs especially in the developing countries like Nigeria.

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SMEs are highly vulnerable and not robust, strong and rugged enough to withstand the environmental dynamics arising from the onslaught of economic and global competitions. Thus, the need to improve SMEs competitiveness in the market becomes imperative. It is now a matter of necessity to enable SMEs to closely monitor their businesses and making judicious use of all available resources at their disposal effectively and efficiently especially information resources in order to survive and stand the test of time among competing firms in the market place and space.

The Nigerian marketing environment is unpredictable, uncertain, dynamic, constantly changing in nature and in character occasioned by rising globalization, glocalization, rapid technological changes, cultural diversification and other marketing dynamics have created stronger competitive pressures. Thus, making it very difficult for SMEs to gain competitive advantage (Recia 2016).

Competitive intelligence which the analysis of data, information gathering and sharing that facilitate tactical and strategic decision making has enhanced firm competitive advantage (Oladimeji et al. 2017). According to Albesu et al. (2008) in Mirkhan et al. (2017), it was stated that competitive intelligence is a business practice and proactive approach of identifying challenges, gathering, analysis and disseminating intelligence about product, customers, competitors, market and other functional area of an enterprise, which includes the business environment at large; towards aiding managerial tactical and strategic decision for the enterprises. The consequences of these activities and other marketing dynamics are geared towards increasing the need and pressure for efficiency productivity, and competitive organization. Therefore, for SMEs to survive and remain competitive in an aggressive environment, the need for better understanding and knowledge of the competitive forces that enhance and reshape the character and behaviour of the environment is imperative. It is the aim of this study to examine how competitive offerings such as product quality, outstanding product features and other value adding capabilities has influenced the performance and survival of SMEs in Benin City, Edo State, Nigeria.

Statement of the Problem

A major challenging factor confronting SMEs today is the management of change arising from the effect of globalization, glocalization, population and technological explosion and other marketing dynamics. However, the need for managers of today to contend with and sensitive to the on-going changes in the structure and character of the business environment becomes imperative and understanding of these dynamics is a pre-requisite for managers to gain competitive advantage in the market.

The globalization and glocalization of the economy, dynamic nature of the business environment, proliferation of competitive firms, the need for innovation, product modification, customization and advancement in ICT knowledge and applications have necessitated escalating challenges which impaired firms from engaging strategies aimed at improving their competitiveness in the market, these avalanches of impediments are more pronounced in SMEs due to their poor financial resources and strategies which are far less than the multinational firms.

According to Akingbolu (2014) about 70% the SMEs in Nigeria fail within their first three years of operation due to poor funding. The escalating competition faced by SMEs in Nigeria has compelled them to look inward to develop other survival strategies. They are left with the option of developing new product to meet the needs, wants and expectations of the customers more than what the competitors are offering

or developing a unique selling proposition in the product with the aim of enhancing business performance and productivity. Lack of resources to match with the dictate of the market has hindered SMEs performance in the competitive business environment. This has culminated in the myopic approaches to issue regarding competitive strategy planning, formulation, implementation and evaluation, research and development on product quality and service delivery by SMEs (Uchegbulam et al. 2015; Nte, N. D. and Nmom 2013).

Furthermore, the need to develop survival strategies in the midst of larger organizations in the competitive target market becomes imperative. This will enable the SMEs to respond quickly to the changing behavioural patterns in the market to enhance revenue growth, increased sales and return on investment. This consideration has necessitated this study to identify and put in place competitive strategies that can enhance the performance and survival of SMEs in Benin City, Edo State, Nigeria.

Research Objectives

The broad objective of the study is to examine the effect of competitive intelligence on the survival of small and medium enterprises in Benin City, Edo State. The specific objectives include;

1. To examine the effect of competitive intelligence on competitive advantage of SMEs in Benin City, Edo State.
2. To ascertain the influence of competitive intelligence on market expansion of SMEs in Benin City, Edo State.
3. To investigate the effect of competitive intelligence on cost reduction of SMEs in Benin City, Edo State.

Research Questions

The following research questions are formulated for the study.

1. To what extent does competitive intelligence affect competitive advantage of SMEs in Benin City, Edo State?
2. To what extent does competitive intelligence influence market expansion of SMEs in Benin City, Edo State?
3. How does competitive intelligence affect cost reduction of SMEs in Benin City, Edo State?

2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Small and Medium Enterprises (SMEs) in Nigeria

SMEs are the bedrock and a significant intervening factor for the growth, development and expansion of modern economies of the world today. They are the pillars and backbone of both developed and developing nations of the world, they constitute about 80% of the industries globally and as such it has the potential for wealth creation and employment generation of nations. The economic prosperity of any nation depends to a large extent on the contribution of the SMEs. They have impacted significantly on the improvement of standard of living and poverty alleviation among nations. According to Kazungu et al. (2014) SMEs enhance productivity and helps to drive the socio-economic development, growth and expansion of any nation, drawing from the above, Gupta and Khanka (2003) noted that the importance of SMEs to the economy rest on its quest for higher productivity, innovation and income distribution which earned them the “Backbone of global economic growth and development”.

To Adelaja (2007) SMEs are the feeder and nursery to larger firms and contribute directly and significantly to aggregate saving and investments, by extension they are similarly involved in the development of appropriate technology necessary for the production of goods and services. According to Rogers (2002) SMEs enhances capacity building by acting as entrepreneurial training and development resource agents; they create more employment opportunities per unit of investment because of their labour intensive operations; they achieve much more relative high value added operations by stimulating basic economic activities that depends mostly on local raw materials; they provide larger industries with basic services, goods and component as well as providing opportunities for development of local skills and technology acquisition through adaptation.

Authors from different schools of thought have made concerted efforts to define SME. The United States Small Business Administration (2012) defined small business as one that is independently owned and operated, is not dominant in its field, and meets employment or sales standard developed by agency. The Small Scale Industries Association of Nigeria (2008) defined small scale business as one, having investment (land, capital, building and equipment of up to ₦60,000 Pre-SAP value) and employing not more than fifty persons.

Several authorities have adjudged SMEs as the most reliable and dependable agent of socio-economic growth and development as they impacted significantly to the economic development and growth of any economy, according to Aftab and Rahim (1989) it is very unprecedented as no nation can make a meaningful progress without giving credence to the SME.

Competitive Advantage and SMEs

Competitive advantage means a competitive edge enjoyed by an organization over the competitors in a competitive environment. According to Uchegbulam et al. (2015) competitive advantage gives a firm an edge over its rivals and ability to generate greater value for the firm and its stakeholders. Therefore, for a firm to ensure survival in such aggressive and turbulent competitive environment like Nigeria, SMEs must seek a better understanding and excellent knowledge of the environment and competitive forces which tend to reshape the behavioural patterns of the environment to gain competitive advantage and according to Nte et al. (2020) those organization that can understand their environment, their competitors and establish competitive management strategies will win in this rapidly globalized information society.

To understand the environment there must be available and pertinent information about customer's needs, wants and expectations. Such information gathering and sharing is critical for the survival of the SMEs because it determine the nature of the new products and service, so that the new product offerings be more valued and satisfying than the existing ones that are offered by the competitors.

In the same vein cost reduction and market expansion are also survival strategies employed by SMEs to gain competitive advantage and drawing from Khalifat and Gmira (2017) market expansion is the process of offering goods and services to a wider section of an existing market or a new demographic or geographic market. Furthermore, Nenzhelele (2014) opines that cost reduction entails conditions that allow enterprises to produce goods and services of equal value at lower cost. The consequences of the above conditions are that it enhances productivity in terms of sales arising from lower prices of goods and services. It enables SMEs to identify and prune

down unnecessary business expenses to enhance profitability without impacting negatively on product quality and operational methods.

Competitive positioning

Competitive position refers to any strategy employed by a firm to gain competitive advantage in the market. Firms differ in their resources and objectives as they compete in a given target market (Igbaekemen 2014), this implies that some are buoyant while others are cash trapped, some are old and well established other are new and fresh in the same target market, similarly as some strive for rapid market share and growth, others pursue long term profit depending on the competitive position they occupy in the target market.

In Benin City for example Eva water is leading in the water industry and therefore is the market leader, it has the largest market share, it usually leads other firms in terms of price changes, distribution coverage, product quality and promotional strategies. It dictates the prices and other market activities. Other products in the same industry are, Maria table water, Uwa table water and Notre Dame table water, etc occupying the position of challenging, following and Nicheing respectively. The market leader uses several defensive strategies to maintain its position thereby preventing challengers and followers from taking over, such defensive strategies according to Igbaekemen (2014) includes pre-emptive defence, counter defence, mobile defence, and contraction defence.

The market challengers are the runner-up firm in the industry and are noted for its dogged hard fighting strategies to increase its market share. They use several attacking strategies to prosecute their fight such attacking strategies includes, frontal attack, flank attack, encirclement attack, by-pass attack, guerrilla attack among others. This is closely followed by the market followers always strive to maintain its market share without rocking the boat. The last category is the market niche, this is a firm in the industry that chooses to serve small segments those others overlook or ignores with their distinguished competency so acquired.

Competitive Intelligence and Survival of SMEs

As the marketing environment becomes increasingly aggressive, unpredictable, uncertain and turbulent culminating in rising competition, it is now survival of the fittest as many SMEs struggle to survive to keep pace with the dictate of the changing and dynamic environmental conditions.

To realize this objective, SMEs are increasingly seeking for strategic approaches to accomplish, improve and sustain its performance and gain competitive advantage (Uchegbulam et al. 2015) furthermore, the author noted still that competitive advantage gives a firm an edge over its rivals and ability to generate greater value for the firm and its stakeholders. Therefore, the need to survive in this unfriendly environment such as Nigeria, requires SMEs to be more proactive and learn to weather the storms of competition to surmount the aggressive market forces and volatility. To accomplish the survival objectives SMEs must strive to provide quality products with distinct features and well packaged capable of adding value and satisfying customers' needs, wants and expectations at affordable prices with effective and efficient promotional undertakings.

As part of survival strategy firms must acquire certain unique capabilities and competencies peculiar to itself that makes them outstanding and to break away from

the pack in the industry, these outstanding features can influence and enhance performance in the market, it determines the extent of survival of a firm amidst global competitive pressures. In order to achieve it required that a firm must put in place a rightly developed competitive and appropriate implementation strategy.

Competitive Intelligence

Competitive intelligence is relatively new to the faculty of knowledge and management sciences, according to Oladimeji et al. (2017) it first emerged with the description of how Sir Henry Furnese (the banker) gained incremental profit by proactively receiving and acting on information about his business environment, ahead of their competitors throughout Holland, France and Germany (Devens 1868). Thereafter, the concept was reinvigorated by Porter in 1980 to include operational and information within the industrial context. The concept however was institutionalized by the professional body of competitive intelligence, i.e. the society of competitive intelligence professionals (Dishman et al. 2003; Fleisher et al. 2007). To expand the frontiers of knowledge in this regard (C Fleisher et al. 2007) added several other competitive intelligence techniques which aimed at aiding effective and efficient analysis of business challenges towards enhancing enterprises performance (Fleisher and Bensoussan 2003; Fleisher and Bensoussan 2015).

Drawing from the above understanding several authors from different schools of thought have made concerted efforts to advance actionable definition in line with their perceptions and understanding. According to Fleisher (2008) competitive intelligence involves legal and ethical methods of collecting and analyse environmental data and information relating to competitors, customers, suppliers, industry and market trend and future behaviour patterns for improved strategic decisions and action. Du Toit (2003) opined that competitive intelligence is conceptualized as a process of monitoring the competitive environment, identifying opportunities and threats in the industry with the aim of providing actionable intelligence that will result to competitive advantage; similarly, Bernhardt (2003) stated that it is a coordinated efforts in a regular way to collect information about competitors, suppliers, and customers to acquire a competitive advantage and focus on gathering such information in an ethical manner.

(Oladimeji et al. 2017) postulated that it is a business and systematic proactive approach of combining the application of competitive intelligence types in key functional area of an enterprise base on stakeholders' interest and commitment. Competitive intelligence focuses on strategic implementation of key area of interest by stakeholders while gathering and updating information about the changes occurring in the market, industry of competitors and customers in an attempt to gain competitive advantage against other competitors (Investopedia 2015).

Theoretical Review

A good number of theories have been developed by various scholars in an attempt to test the efficacy and realities of the concept of competitive intelligence and SMEs. In this study three theories are adopted.

- (1) Competitive intelligence (C.I.) theory
- (2) Industrial Organization (I. O.) theory
- (3) Porter's Generic Strategic (P.G.S.) theory

Competitive Intelligence (C.I.) Theory

This theory holds the view that a firm's performance and survival is a function of its competitive intelligence gathering and sharing. SMEs need to gather necessary information to enable it to learn, understand and engender interrelationships capable of evaluating existing facts within the firm to tailoring and guiding actions towards a desired goal. The simplification of information gathering analysis and sharing that makes it possible for decisions makers at all levels of the firm to easily evaluate, access, understand, analyse, collaborate, innovate and socially network towards enhancing enterprises performance was brought to the fore by Marko (2009).

The work of Marko (2009) has added more validity to this study in terms of application of Competitive Intelligence (C.I.) as well as initiative to measure, manage and improve the performance and survival of enterprises. This consideration by extension has helped firms access required data, information to make robust, elaborate and informed decisions.

Similarly, Koseoglu et al. (2011) also adopted this theory to validate evidence regarding the performance of SMEs in Turkey. The study discovered that competitive intelligence application does not vary significantly with the sector and the size of the employees even though their activities are performed base on strategic and tactical perspectives. Furthermore, Gaspareniene et al. (2013) found the theory to be useful in evaluating the application of competitive intelligence in a firm; it was found that availability of funds and classified information of competitors forms the major consideration for the application of competitive intelligence.

To support the above assertion Marko (2009) pinpointed areas of competitive intelligence in the management of enterprise to include; measurement and evaluation of performance, the need to know and understand strategic reporting, cooperation, innovation management, learning management and regulatory compliance (Oladimeji et al. 2017).

Industrial Organization (I.O.) Theory

The viewpoint of this theory suggests that the success and survival of a firm can simply be explained using the structure of the forces existing in the industry in which it operates. To add validity to this, Teece et al. (1997) argued that the structure of an industry has a significant influence on the level of competition and strategies available to the firms. In line with this thinking Pecotich et al. (1999) supported the assertion by suggesting that the analysis of industry competition is directly related to the behaviour of existing firms and the structural make-up of the industry and the environment.

Porter's Generic Strategy (P.G.S.) Theory

This theory defines how a firm engages in its competitive intelligence to gain competitive advantage in its target market. Here Porter made attempt to explain explicitly that a firm must make significant effort in its attempt to decide either to gain competitive advantage by producing at a lower cost than its rivals or to embark on product and services differentiation or sell them at a premium-prices, strategic decisions decides where the business want to go and deciding how to get there. This assertion lay much emphasis on competitive advantage by extension, according to Porter (1980) competitive advantage grows depending on the added value the firm is capable of creating to meet the needs, wants and expectation of the buyers in relation to the cost of creating it.

Buyers are looking out for higher valued products that gives maximum satisfaction and value for their money. Therefore, there is the need to offer products

with superior value at lower prices than competitors for the same benefits or offering customers with unique benefit that can compensate for the higher price. Porter (1980) also postulated that there are five competitive forces model consisting of threat of entry, threat of substitute goods, power of buyers, power of suppliers and power of rivals among the firms existing in the same target market. These forces do assist a firm to locate a comfortable position within the industry to enable it defend itself against competitive forces or significantly influences them to its advantage. In the same vein Teece et al. (1997) lend a support to Porter's opinion by contending that the five forces competitive framework provides a systematic way of thinking how forces work at the industrial level and how the forces determine the level of innovation among different industries and industrial segments (Mamman 2020).

Empirical Review

Muritala, A.S. and Ajetunmobi (2019) investigated competitive intelligence and sustainable competitive advantage of selected insurance firms in Nigeria in their study. Survey research design was adopted for the study, the results showed that competitive intelligence had a positive relationship with competitive advantage of selected insurance firms in Nigeria. The study concluded that competitive intelligence dimensions i.e. competitor intelligence, strategic alliance intelligence and social intelligence had strong relationship with competitive advantage of selected insurance firms in Nigeria. The study recommended that managers and directors of insurance companies should equip their organizations with new marketing and information systems to enable them to make use of market opportunities that give them an edge over their competitors.

Igbaekemen (2014) made a study on marketing intelligence as a strategic tool for competitive edge, the study adopted a descriptive research survey and discovered that there is a relationship existing between marketing information system and decision-making process of an organization. The study concluded that many factors have increased the need for more and better information, as companies becomes national and international in scope, they need more information on larger, more distant market as income increase and as buyers become more selective, organization need better information about how buyers respond to their different products and appeals. The study recommended that there is the need for organization to seek timely and pertinent information to assist the decision makers.

Oladimeji et al. (2017) examined the effect of competitive intelligence on the competitive advantage of MSMEs in Nigeria, the research used survey research design, the findings showed that competitive intelligence has significant positive relationship on cost reduction and market expansion of MSMEs in Nigeria. The study concluded that competitive intelligence enhances MSMEs in Nigeria. It was recommended that MSMEs seeking to reduce their cost and expand their market frontiers should adopt competitive intelligence strategies towards the enhancement of their competitive advantage.

Badr et al. (2006) examined the contribution of competitive intelligence to the strategic decision-making process: Empirical study of the European Pharmaceutical Industry, descriptive survey research design was used for the study, the findings of the study revealed that competitive intelligence activities are reasonably well established and pharmaceutical industry appears to appreciate both the benefits and requirements of a modern-day competitive intelligence function. Therefore, it was concluded that

competitive intelligence is not only useful, but also crucial to the strategic decision-making process, noting that at each stage of the process, there exists a level that can only be successfully accomplished with competitive intelligence. Among others the study recommended that staff training should be a part of a continuous development programme aimed specifically at the integration, capitalization and integration of skills held within both the scientific and business functions.

Moneme et al. (2017) carried out a study on competitive intelligence and product development in selected pharmaceutical firms in Anambra State, Nigeria. The study examines the influence of competitive intelligence on product development in selected pharmaceutical firms in Anambra State, Nigeria. Descriptive research design was adopted in this study; data were obtained from primary source and analyze using principal component analysis and multiple regression analysis. The study found that there is a significant relationship between competitive intelligence and product development in selected pharmaceutical firms in Anambra State, Nigeria.

The study concluded that the need to use competitive intelligence became imperative in the drive to seek for information in order to know the needs and want of the customer before developing products to meet the need and want of the customers. The study recommended that firms should place high premium on competitive intelligence if they must continue to be relevant to stand the test of time in the ever-changing market needs.

Mamman (2020) investigated the effect of competitor orientation on innovation among SMEs in Yobe State, Nigeria, cross-sectional survey research design was adopted, the study found that competitor orientation significantly explains 11.7% of the total variance in innovation and was concluded that competitor orientation affects SMEs innovation, the study recommended as follows; that there is the need for SMEs managers and owners to employ better competitive method that give them upper hand above their competitors and the need for SMEs to maintain a constant relationship with their customers through business discussions forums, phone calls, email alerts of new products or services, after-service technical support and timely discount offers for key and specific customers who buy in bulk, and maintaining an active presence on social media among others.

Nte et al. (2020) conducted a study on competitive intelligence and competitive advantage in pharmaceutical firms in developing economics: A review of Lagos State, Nigeria. The study examines the influence of competitive intelligence on competitive advantage of pharmaceutical firms in Lagos State, Nigeria. The study adopted survey research design; data were obtained from structured questionnaire and analyzed using the one sample t-test statistic. The study discovered among others that competitive intelligence is positively associated with the growth of the organization, higher quality and performance also that there are significant benefits derivable from competitive intelligence practice to guarantee product development and innovation in pharmaceutical firms. The study still discovered that there are significant challenges faced by pharmaceutical firms when applying competitive intelligence practice.

The study concluded that the role of competitive intelligence on competitive advantage is to provide strategic information that will guide pharmaceutical firms in the task of improved marketing innovations to meet the need of customers. The study recommended that for a pharmaceutical firm to gain competitive advantage and increase their performance they should leverage on useful information gathered in their

environment to engage not only in product development but also constantly making relevant innovation and modifications to their existing marketing strategies.

Uchegbulam et al. (2015) investigated the impact of competitive strategy on performance of small and medium enterprises in Nigeria, survey research design was adopted. The findings revealed that there is a positive relationship existing between product feature and customer base; product customization and sales growth, value added products and revenue growth. Furthermore, the finding indicated that better product quality has an influence on returns on investment.

In conclusion it was stated that in a densely competitive business environment such as Nigeria, survival is the top most priority of firms and this objective has not been very easy to accomplish for most of the SMEs in Nigeria are facing stern competition from larger firms, lack of government support as well as poor financial standings, etc. The study recommended that in order to be more competitive, organizational managers must be strategically aware of customer needs and offer unique products and services that can satisfy such needs, wants and expectations.

The empirical study by Charity and Joseph (2013) on “managing competitive intelligence for strategic advantage” it was found by the study that competitive intelligence is necessary because managers need it in their quest for increasing the quality of product and services, strategic planning and market knowledge; competitive intelligence is a veritable tool used for gathering information, converting the information into intelligence and utilizing the information in business decision making. It is the time money and intellectual skill that constitute the cost of competitive intelligence; this study showed also that there is a significant positive relationship existing between competitive intelligence and strategic advantage.

Research Hypotheses

The following null hypotheses are formulated for the study

- H₀₁: Competitive intelligence has no significant effect on competitive advantage of SMEs in Benin City, Edo State.
- H₀₂: There is no significant relationship existing between competitive intelligence and market expansion of SMEs in Benin City, Edo State.
- H₀₃: There is no significant relationship existing between competitive intelligence and cost reduction of SMEs in Benin City, Edo State.

3. RESEARCH METHOD

The research design adopted in this study was descriptive survey. This is appropriate because it enables the researcher to elicit information and gather opinions from the owners and managers of SMEs on the influence of competitive intelligence on the survival of SMEs in Benin City, Edo State, Nigeria. Benin City was chosen for the study because of high concentration of SMEs. The population of the study consists of 3000 owners and managers of SMEs in Benin City. The researcher applied simple proportion to determine adequately the number of SME’s owners and managers in Benin City.

The sample size of 353 for the study was gotten using the Taro Yamane’s formula. The researcher designed a structured questionnaire as the instrument that was used for the collection of data which was constructed on a five (5) point rating scale with response options of Strongly Agree, Agree, Disagree, Strongly Disagree and Undecided. The values assigned to each of the options are 5, 4, 3, 2, and 1 respectively.

The validity of the instrument both faced and content was done by five experts in the field and the suggestions, observations and opinions of these experts were noted and considered during the final draft of the instrument. In order to determine the consistency of the instrument, reliability estimate was put to test by administering copies of the instrument to 30 owners and 50 managers of SMEs in Benin City.

Cronbach Alpha was thereafter used to analyse the data and responses noted. The test results indicated that the variables were 89% reliable which concluded by extension that the instrument is reliable to a greater extent. Out of 353 copies of questionnaire distributed, 340 were returned. Descriptive statistic and Pearson's Product Moment coefficient of correlation were the methods used for the analysis of data. Based on this, decision was established on rejection and acceptance of null hypotheses, if the calculated value exceeds the critical value, reject the null hypotheses, otherwise, the alternative hypotheses will be upheld, or if the t-value is less than the alpha level of 0.05 reject the null hypotheses, otherwise accept the alternative hypotheses, 95% level of significant were used to test the hypotheses.

Data Presentation

A total of 353 questionnaires were distributed and 340 were returned, indicating 97% response rate or 97 interests in the study by the respondents. In analyse the personal data, simple percentage was used while in the research questions and hypotheses, the Pearson's product moment coefficient of correlation (r) was used.

Table 1. Response Rate

| Respondents | Frequency | Percentage |
|----------------|------------|------------|
| Owners of SMEs | 140 | 41 |
| Managers | 200 | 59 |
| TOTAL | 340 | 100 |

Source: Researcher's field survey, 2020

The above table indicated that owners of SMEs have 140 (41%) response rate while the managers have 200 (59%) response rate.

Table 2. Sex of Respondents

| Sex | Frequency | Percentage |
|--------------|------------|------------|
| Male | 200 | 59 |
| Female | 140 | 41 |
| TOTAL | 340 | 100 |

Source: Researcher's field survey, 2020

The table above shows that male respondents are 200 (59%) while the female respondents are 140 (41%). It indicated that male respondents are more in number.

Table 3. Educational Qualification of Respondents

| Qualifications | Frequency | Percentage |
|----------------|------------|------------|
| SSCE | 75 | 22 |
| OND/NCE | 85 | 25 |
| HND/B.Sc | 100 | 29 |
| M.Sc/MBA/Ph.D | 80 | 24 |
| TOTAL | 340 | 100 |

Source: Researcher's field survey, 2020

The table shows that respondents with SSCE qualifications is 75 (22%) OND/NCE is 85 (25%), HND/B.Sc is 100 (29%) and M.Sc/MBA/Ph.D is 80 (24%). It therefore shows that respondents with HND/B.Sc qualification are more in number.

Table 4. Work Experience of Respondents

| Work experience | Frequency | Percentage |
|-------------------|------------|------------|
| Less than 5 years | 75 | 22 |
| 5 – 9 years | 90 | 26 |
| 10 – 14 years | 95 | 28 |
| Above 14 years | 80 | 24 |
| TOTAL | 340 | 100 |

Source: Researcher's field survey 2020

The breakdown of the above table shows that respondents with less than 5 year of work experience are 75 (22%), 5 – 9 years are 90 (26%), 10 – 14 years are 95 (28%) while above 14 years are 80 (24%). The indication therefore is that respondents with 10 – 14 years of experience are more in number.

Table 5: Respondents view on the effect of competitive intelligence on competitive advantage of SMEs in Benin City, Edo State.

| S/N | Options | Frequency | Percentage |
|-----|-------------------|------------|------------|
| 1. | Strongly Agree | 95 | 28 |
| 2. | Agree | 80 | 24 |
| 3. | Disagree | 70 | 20 |
| 4. | Strongly Disagree | 65 | 19 |
| 5. | Undecided | 30 | 9 |
| | TOTAL | 340 | 100 |

Source: Researcher's field survey, 2020

The table above shows that 95 (28%) of the respondents strongly agreed that competitive intelligence has a significant effect on competitive advantage of SMEs in Benin City, Edo State, 80 (24%) agreed, 70 (20%) disagreed, 65 (19%) strongly disagreed and 30 (9%) is undecided.

Table 6. Respondent's opinion on the influence of competitive intelligence on market expansion of SMEs in Benin City, Edo State

| S/N | Options | Frequency | Percentage |
|-----|-------------------|------------|------------|
| 1. | Strongly Agree | 90 | 26 |
| 2. | Agree | 80 | 24 |
| 3. | Disagree | 70 | 20 |
| 4. | Strongly Disagree | 60 | 18 |
| 5. | Undecided | 40 | 12 |
| | TOTAL | 340 | 100 |

Source: Researcher's field survey, 2020

The above table revealed that 90 (26%) of the respondents strongly agree that competitive intelligence has a significant influence on market expansion of SMEs in

Benin City, Edo State, 80 (24%) agreed, 70 (20%) disagreed, 60 (18%) strongly disagreed and 40 (12%) is undecided.

Table 7. Respondent's view on the effect of competitive intelligence on cost reduction of SMEs in Benin City, Edo State

| S/N | Options | Frequency | Percentage |
|-----|-------------------|------------|------------|
| 1. | Strongly Agree | 95 | 28 |
| 2. | Agree | 80 | 24 |
| 3. | Disagree | 70 | 20 |
| 4. | Strongly Disagree | 65 | 19 |
| 5. | Undecided | 30 | 9 |
| | TOTAL | 340 | 100 |

Source: Researcher's field survey, 2020

The table above shows that 95 (28%) of the respondents strongly agreed that competitive intelligence has a significant effect on cost reduction of SMEs in Benin City, Edo State, 80 (24%) agreed, 70(20%) disagreed, 65 (19%) strongly disagreed and 30 (9%) is undecided.

Test of Hypotheses

To ascertain the validity and reliability of the research outcome, the hypotheses are tested using the Pearson's product-moment coefficient of correlation.

Test of Hypotheses one

Ho₁: Competitive intelligence has no significant effect on competitive advantage of SMEs in Benin City, Edo State

Table 8. Response on the Effect of competitive intelligence on competitive advantage of SMEs in Benin City, Edo State

| S/N | Response | Frequency | Percentage |
|-----|-------------------|------------|------------|
| 1. | Strongly agree | 95 | 28 |
| 2. | Agree | 80 | 24 |
| 3. | Disagree | 70 | 20 |
| 4. | Strongly disagree | 65 | 19 |
| 5. | Undecided | 30 | 9 |
| | Total | 340 | 100 |

Table 9. Contingency Table

| X | Y | X ² | Y ² | XY |
|-----------|------------|----------------|----------------|-------------|
| 5 | 95 | 25 | 9025 | 475 |
| 4 | 80 | 16 | 6400 | 320 |
| 3 | 70 | 9 | 4900 | 210 |
| 2 | 65 | 4 | 4225 | 130 |
| 1 | 30 | 1 | 900 | 30 |
| 15 | 340 | 55 | 25450 | 1165 |

Source: Researcher's computation, 2020

$$r = \frac{n \sum xy - (\sum x) (\sum y)^2}{\sqrt{[n \sum x^2 - (\sum x)^2] [n \sum y^2 - (\sum y)^2]}}$$

$$\frac{5(1165) - 15(340)}{\sqrt{[5(55) - 15 \times 15] [5 \times 25450 - 340 \times 340]}}$$

$$\frac{5825 - 5100}{\sqrt{[275 - 225] [127250 - 115600]}}$$

$$\frac{725}{\sqrt{50 (11650)}}$$

$$\frac{725}{\sqrt{582500}}$$

$$\frac{725}{763}$$

$$r = 0.95$$

$$t = r \frac{\sqrt{n-2}}{\sqrt{1-r^2}}$$

$$t = 0.95 \times \frac{\sqrt{5-2}}{\sqrt{1-(0.95)^2}}$$

$$t = 0.95 \times \frac{\sqrt{3}}{\sqrt{1-0.90}}$$

$$t = 0.95 \left[\frac{1.73}{0.3} \right]$$

$$t = 0.95 \times 5.77$$

$$t = 5.48$$

$$\text{Table value} = 3.182$$

Decision

From the above calculated value 5.48, when compared with table value $t = 3.182$, at 5% level of significance, the null hypothesis is rejected, while the alternative hypothesis is accepted and conclude that competitive intelligence has a significant effect on competitive advantage on SMEs in Benin City, Edo State.

Test of Hypothesis two

H02: There are no significant relationship existing between competitive intelligence and market expansion of SMEs in Benin City, Edo State.

Table 10. Response on the influence of competitive intelligence on market expansion of SMEs in Benin City, Edo State

| S/N | Response | Frequency | Percentage |
|-----|-------------------|------------|------------|
| 1. | Strongly Agree | 90 | 26 |
| 2. | Agree | 80 | 24 |
| 3. | Disagree | 70 | 20 |
| 4. | Strongly disagree | 60 | 18 |
| 5. | Undecided | 40 | 12 |
| | Total | 340 | 100 |

Table 11. Contingency Table

| X | Y | X ² | Y ² | XY |
|----|-----|----------------|----------------|------|
| 5 | 90 | 25 | 8,100 | 450 |
| 4 | 80 | 16 | 6,400 | 320 |
| 3 | 70 | 9 | 4,900 | 210 |
| 2 | 60 | 4 | 3,600 | 120 |
| 1 | 40 | 1 | 1600 | 40 |
| 15 | 340 | 55 | 24,600 | 1140 |

Source: Researcher's computation, 2020

$$r = \frac{n \sum xy - (\sum x) (\sum y)}{\sqrt{[n \sum x^2 - (\sum x)^2] [n \sum y^2 - (\sum y)^2]}}$$

$$\frac{5(1140) - 15(340)}{\sqrt{(5 \times 55) - (15 \times 15)(5 \times 24600) - (340 \times 340)}}$$

$$\frac{5700 - 5100}{\sqrt{[275 - 225] [123000 - 115600]}}$$

$$\frac{600}{\sqrt{50 \times 7400}}$$

$$\frac{600}{\sqrt{370,000}}$$

$$\frac{600}{608}$$

r = 0.98

$$t = r \frac{\sqrt{n-2}}{\sqrt{1-r^2}}$$

$$t = 0.98 \times \frac{\sqrt{5-2}}{\sqrt{1-1.096}}$$

$$t = 0.98 \times \frac{\sqrt{3}}{\sqrt{0.04}}$$

$$t = 0.98 \left(\frac{1.73}{0.2} \right)$$

$$= 0.98 \times 8.65$$

$$= 8.5$$

$$\text{Table value} = 3.182$$

Decision

From the above calculated value 8.5, when compared with table value $t = 3.182$, at 5% level of significance, the null hypothesis is rejected while the alternative hypothesis is accepted and conclude competitive intelligence has a significant influence on market expansion of SMEs in Benin City, Edo State.

Test of Hypotheses three

H₀₃: There is no significant relationship existing between competitive intelligence and cost reduction of SMEs in Benin City, Edo State.

Table 12. Response on the effect of competitive intelligence on cost reduction of SMEs in Benin City, Edo State

| S/N | Response | Frequency | Percentage |
|-----|-------------------|------------|------------|
| 1. | Strongly agree | 95 | 28 |
| 2. | Agree | 80 | 24 |
| 3. | Disagree | 70 | 20 |
| 4. | Strongly disagree | 65 | 19 |
| 5. | Undecided | 30 | 9 |
| | Total | 340 | 100 |

Table 13. Contingency Table

| X | Y | X ² | Y ² | XY |
|-----------|------------|----------------|----------------|-------------|
| 5 | 95 | 25 | 9025 | 475 |
| 4 | 80 | 16 | 6400 | 320 |
| 3 | 70 | 9 | 4900 | 210 |
| 2 | 65 | 4 | 4225 | 130 |
| 1 | 30 | 1 | 900 | 30 |
| 15 | 340 | 55 | 25450 | 1165 |

Source: Researcher's computation, 2020

$$r = \frac{n \sum xy - (\sum x) (\sum y)}{\sqrt{[n \sum x^2 - (\sum x)^2] [n \sum y^2 - (\sum y)^2]}}$$

$$r = \frac{5(1165) - 15(340)}{\sqrt{[5(55) - 15 \times 15] [5 \times 25450 - 340 \times 340]}}$$

$$r = \frac{5825 - 5100}{\sqrt{[275 - 225] [127250 - 115600]}}$$

$$r = \frac{725}{\sqrt{50 (11650)}}$$

$$r = \frac{725}{\sqrt{582500}}$$

$$r = \frac{725}{763}$$

$$r = 0.950$$

$$t = r \frac{\sqrt{n-2}}{\sqrt{1-r^2}}$$

$$t = 0.950 \times \frac{\sqrt{5-2}}{\sqrt{1-(0.950)^2}}$$

$$t = 0.950 \times \frac{\sqrt{3}}{\sqrt{1-0.90}}$$

$$\frac{\sqrt{3}}{\sqrt{0.1}}$$

$$t = 0.950 \left[\frac{1.73}{0.3} \right]$$

$$t = 0.950 \times 5.76$$

$$t = 5.47$$

$$\text{Table value} = 3.182$$

Decision

From the above calculated value 5.47, when compared with table value $t = 3.182$, at 5% level of significance, the null hypotheses is rejected, while the alternative hypothesis is accepted and conclude that competitive intelligence has a significant effect on cost reduction of SMEs in Benin City, Edo State.

4. RESULTS AND DISCUSSIONS

This study examined the effect of competitive intelligence on the survival and performance of SMEs in Benin City, Edo State. To realize this objective three hypotheses were formulated for the study. The result of hypotheses one revealed that competitive intelligence has a significant effect on competitive advantage of SMEs in Benin City, Edo State. This is in line with the views of Oladimeji et al. (2017) who stated that competitive intelligence which the analysis of data, information sharing and gathering that facilitate tactical and strategic decision making has enhanced firm competitive advantage. In the same vein, Uchegbulam et al. (2015) stated that competitive advantage gives a firm an edge over its rivals and ability to generate greater value for the firm and its stakeholders, and that for a firm to ensure survival in the midst of the aggressive and turbulent competitive business environment like Nigeria, SMEs must continuously seek for better understanding and excellent knowledge of the environment and competitive forces which tend to reshape the behavioural patterns of the environment to gain competitive advantage.

To support these views Nte et al. (2020) asserted that those organizations that understand their environment, their competitors and establish competitive management strategies will win in the rapidly globalized information society. Furthermore, Du Toit (2003) opined that the concept of competitive intelligence rests on its ability to monitor competitive environment, identify opportunities and threat in the industry with a view to providing actionable intelligence capable of gaining competitive advantage. Similarly, Bernhardt (2003) stated that competitive intelligence influences competitive advantage by gathering timely and pertinent information in an ethical manner.

The finding of hypotheses two revealed that competitive intelligence has a significant influence on market expansion of SMEs in Benin City, Edo State, this finding has underpinning with the views of Khalifat and Gmira (2017) who opined that market expansion is the process of offering goods and services to wider segments of an existing target market or new demographic or geographic market. The authors stressed further that this is also a survival strategy employed by SMEs in order to gain competitive advantage. According to Mamman (2020) information sharing and gathering enable SMEs to understand their customer's needs, wants and expectations in a view to determine the nature of new products and service so that the new product offering will be such that is valued and satisfying to the customers than the existing ones that are offered by the competitors, this is very critical for the survival and market expansion of the SMEs in Benin City.

Uchegbulam et al. (2015) revealed in their findings when they investigated the impact of competitive strategy on performance of small and medium enterprises in Nigeria, it was found that there is a positive relationship between product feature and customer base; customization and sales growth, value added products and revenue growth which have a significant influence on returns on investment and by extension market expansion. Igbaekemen (2014) stated that the defensive and attacking

strategies of the market leaders, challengers, followers and nitchers in the same target market results in increased share and expansion of their market frontiers.

The findings of hypotheses three revealed that competitive intelligence has a significant effect on cost reduction of SMEs in Benin City. This finding is in line with the view of Nenzhelele (2014) who stated that cost reduction entails conditions that allow enterprises to produce goods and services of equal value at lower cost. The author further stressed that cost reduction enhances productivity and performance by way of generating and enhancing sales and profitability arising from lower prices of goods and services. In the same vein, it enables SMEs to identify and prune unwarranted business expenses to enhance profitability without necessarily impacting negatively on product quality and operational techniques. In another development, Oladimeji et al. (2017) also examined the effect of competitive intelligence on competitive advantage of MSMEs in Nigeria; the finding revealed that competitive intelligence has a significant positive relationship on cost reduction of MSMEs in Nigeria. The study recommended that MSMEs seeking to reduce their cost and expand their market frontiers should adopt competitive intelligence strategies towards the enhancement of their competitive advantage.

5. CONCLUSION, LIMITATION, AND RECOMMENDATION

Firms place high premium on the survival strategies in the environment characterized by escalating competitive forces. The task of developing survival strategies by SMEs in Nigeria have not been very easy due to rising competition from larger firms, lack of support by the government and poor funding to run their operations. On this consideration, it is pertinent for SMEs to develop robust and actionable strategies to stem the tide of the rising competition to aid the firm to realize its set objectives. To come to terms with this reality, SMEs must take a holistic view of their strategies in terms of offering innovated products that can provide customers with valued and satisfying benefits better than the ones offered by competitors and engaging in superior marketing strategies to enhance performance and productivity. Effective and efficient deployment of their resources in this regard enables SMEs to constantly have a competitive edge over their competitors to ensure survival and expansion.

Arising from the findings of the study, the under listed recommendations are advanced:

1. To stem the tide of the rising competition in the market SMEs should study the needs and wants of the customers in view of developing innovated products that is capable of providing them with valued and satisfying benefits better than the ones offered by the competitors.
2. SMEs should take a holistic assessment of the competitive strategies in the environment and develop different and unique strategies that can earn them competitive edge over and above competitors.

Cost reduction enhances productivity, profitability and return on investment, SMEs should identify and prune down unwarranted business expenses without necessarily impacting negatively on the operations of the firm.

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