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THE EFFECT OF COMPETITIVE INTELLIGENCE ON MARKETING EFFECTIVENESS IN THE ETHIOPIAN STEEL MANUFACTURING INDUSTRIES

BY: GEBEYEHU MEKOYA TAYE

Thesis Submitted to the School of Graduate Studies of Addis Ababa University in Partial Fulfillment of the Requirement for the Award of Master of Arts in Marketing Management

June, 2019
Addis Ababa, Ethiopia

ADDIS ABABA UNIVERSITY

SCHOOL OF COMMERCE

DEPARTMENT OF MARKETING MANAGEMENT

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Approved by Board of Examiners

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Examiner	**Signature**	**Date**
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Examiner	**Signature**	**Date**

DECLARATION

I, Gebeyehu Mekoya, hereby declare that this thesis entitled, '***The Effect of Competitive Intelligence on Marketing effectiveness in The Ethiopian Steel manufacturing Industries'*** is my original work. I have carried out the present study independently with the guidance and support of the research advisor, ***Temesgen Belayneh*** (Ph. D). Any other research or academic sources used here in this study have been duly acknowledged. Moreover, this study has not been submitted for the award of any Degree or Diploma Program in this or any other institution.

Researcher's name	**Signature**	**Date**
Gebeyehu Mekoya	________________	**June, 2019**

CERTIFICATION

This is to certify that Mr. Gebeyehu Mekoya Taye has carried out his research work on the topic entitled "***The Effect of competitive Intelligence on Marketing Effectiveness in the Ethiopian Steel Manufacturing Industry*****"** is his original work and is suitable for the award of Master's Degree in Marketing Management.

Advisor's Name	**Signature**	**Date**
Dr. Temesgen Belayneh	____________________	**June, 2019**

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First and foremost, I would like to thank my Almighty GOD, who helped me in every walks of my life. Next, I am strongly thankful to my Advisor, ***Dr. Temesgen Belayneh***, & my examiners ***Dr.H/Mariam K. & Dr. Kebede A.*** for their valuable comments and guidance throughout the study. I would also like to express my appreciation for all of the employees who have responded for the questionnaire and for their support in providing me the relevant data acquired. Finally, special thanks to all my relatives who were around and supported me in any way during my study.

Gebeyehu Mekoya Taye

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Acronyms/Abbreviations

CI – COMPETITIVE INTELLIGENCCE

ME– MARKETING EFFECTIVENESS

R&D – RESEARCH AND DEVELOPMENT

ROI – RETURN ON INVESTMENT

VIF – VARIANCE INFLATION FATOR

SME – SMALL & MEDIUM ENTERPRISE

Abstract

The purpose of this study was to empirically investigate the effect of competitive intelligence on Marketing Effectiveness in the steel manufacturing Industries in Ethiopia. It followed a deductive form of research approach and the research design was explanatory. The target population of this study is seventeen steel/rebar manufacturing industries in Ethiopia. Since, my study is organization based, key informants from the seventeen industries in Ethiopia constituted the study. The two key informants are: Marketing managers, and sales managers, giving a total of thirty four respondents who were administered the copies of the questionnaire. Upon retrieval and data cleaning, 30 copies were subjected to Data analysis. Data analyses were aided by the use of SPSS version 21.0. In this research competitive intelligence is diffused in to sub variables which all combine to make competitive intelligence. The sub variables include market place opportunities, competitor threats, competitive risks, core assumptions and vulnerabilities. The data were analyzed using descriptive statistics (frequency, percentage) and inferential statistics like correlation and multiple regressions. The finding revealed that there are positive and significant relationships between market place opportunities & core assumptions as dimensions of competitive intelligence with customer philosophy(Marketing effectiveness), and there is a positive and significant relationship between market place opportunities with competitive risks and core assumptions. Eventually, this study recommends appropriate actions for companies in using competitive intelligence as a means of overcoming the intense competition that exist in the market, and be effective in their marketing.

Key words: *competitive intelligence, marketing effectiveness, steel industries.*

CHAPTER ONE
INTRODUCTION

1.1 Background of the study

Globally the business market has becoming more saturated day by day and the market is very competitive. With dramatic increase in the world's population and the rising consumer demands, people are moving towards entrepreneurship and more and more businesses are opening. Due to this entire scenario there is a cut throat competition globally in the business world and it is extremely difficult for organizations and firms to survive or sustain in this competitive market. According to Hughes (2005) competitive intelligence is the tool that provides organizations with a competitive edge through which they can compete with the competition and survive in the market and be profitable at the same time.

Competitive intelligence is the knowledge and information about the environment in which the organization is working and it enables the organization to gain a competitive advantage and compete against its competitors effectively. It focuses on monitoring a firm's competition to provide the firm with information about what its competition is doing to give it a competitive advantage in business. Competitive intelligence is a proactive technique where a company analyzes and monitors its environment and based on its finding develops its marketing strategies which in return affect its marketing effectiveness. It helps the company having a competitive position. In this research the influence of competitive intelligence on the marketing effectiveness will be examined by adopting marketing intelligence model (Fahey's, 2007) and in order to see the extent to which the variables of competitive intelligence are used in organizations for marketing effectiveness.

Competitive intelligence has many different forms such as technical intelligence, technological intelligence, market intelligence, strategic intelligence, market opportunities, competitor threats and risks. Technical intelligence basically includes information about the processes and methods and technical things like patents and R & D of the competitors and the market technicalities that are used by firms to improve their own process. Technological intelligence is the information related to the technology that is available in the market or that is used by the competition and that information is used to gain a technological competitive advantage. Strategic intelligence is the knowledge or information that helps the management in a firm to make the right strategies by assessing the strategies of the competitors and then developing such strategies to counter the competition and compete against them. Market opportunities are those areas where firm can tap and has scope, competitor risks are risks that competitors have and threats are the threats to business from competition.

Marketing effectiveness is basically the impact created by the marketing efforts of a firm. The strategies and marketing decisions every firm makes are basically developed based on a set of objectives that a firm wants to achieve both in the short term and long term.

The objective of this research is to test whether competitive intelligence (C.I) is used by organizations in Ethiopian construction sector mainly in the steel manufacturing industries, and to what extent, in order to gain marketing effectiveness. Identifying where organizations stand and to what factors of C.I they consider in order to compete in the market and to what extent.

Generally, the reasons why organizations need competitive intelligence have been identified by Kahaner, L., (1997) as follows:

- The pace of business is increasing rapidly and decisions need to be made faster and with fewer resources, hence organizations can keep pace with this new speed by means efficient management and competitive intelligence.
- The managers are faced with information overload, since information is traditionally regarded as power. However, information is of no value if it is not relevant, timely, accurate and reliable. Competitive intelligence has the capacity to analyze and evaluate the information gathered and to offer the most relevant, high quality and accurate information to managers, thereby saving them the effort and time to sift through large quantities of information.
- Organizations are faced with increased global competition from new competitors, since they are now part of a global economy, and their competition can emerge from anywhere in the world. Competitive intelligence can help organizations to identify these emerging competitors.
- Organizations` existing competition is becoming more aggressive, and this has resulted in the survival of the fittest where organizations all compete for the same customers.

Competitive intelligence can assist the organization to forecast competitors` actions and allow them to be proactive, and take action before the situation becomes worse.

- Political changes affect organizations either positively or negatively and all organizations need to ensure that they function within the ambit of these political changes. Competitive intelligence has the capability to keep organizations informed of political changes that affect their operation.

1.2 Background of steel trade and manufacturing industries in Ethiopia

The steel industry with its forward and backward linkages contributes significantly to overall growth and development of the Ethiopian economy. Ethiopia's steel industry is in its growth stage with new entrants joining the industry every year. The steel industry in Ethiopia, as it has been the case globally, is generally categorized as capital intensive and knowledge based.

The steel industry is made up of basic metal manufacturing companies and the engineering sector. The basic metal industry produces two categories of products: long and flat. Long products include reinforcement bars and tubular sections: circular, square, and rectangular tubes (hollow sections), LTZ profiles and wires, while flat products comprise LTZ profiles and various sheets such as steel (lamera), corrugated, and EGA. The engineering sector consists of manufacturers of doors and windows, tankers, vehicle bodies, truck trailers, spare parts, and machinery like concrete mixers and vibrators.

Although iron ore is believed to exist in Ethiopia, it is not mined in the country due to viability and quality concerns. Bars and billets are produced from iron ore. The only locally available raw material in the country is scrap metal, which the factories buy for between 8 Br and 9 Br a kilogramme. It is smelted and converted into bars and billets which are used to make reinforcement bars.

Globally, scrap metal is a major source of raw material; between 50% and 60%. Locally, the billets that are made from it are only used to manufacture reinforcement bars. Local factories largely depend on imported raw materials from Turkey, Ukraine, Kazakstan, China, and India. The same countries also supply the bulk of finished goods in the market. "Existing local capacity can meet 50% to 60% of the demand for reinforcement bars and 100% of the demand for tubular sections and flat products".

Importers make their way into the country in various ways. Some local traders order the products specifically to their needs directly from China and Turkey. International trading companies supply factories with raw materials and the market with finished materials through local agents. These trading companies source their materials from various countries, such as China, Ukraine, and Turkey. Source: (FDRE Metals Industry Development Institute, 2016).

1.3 Statement of the problem

Businesses deal with customers, suppliers, employees and firms offering similar products and services in order to succeed. These firms are competitors and their objective is the same. Effectively, firms are at war fighting to gain the same resource and territory (the customer).

In today's fast-moving markets, competitive advantage is momentary and there is a call for raising competitive intelligence awareness. But there appears to be no evidence of competitive intelligence effect awareness and practice in steel/reinforcement bar manufacturers and importers and distributers in Ethiopia. These firms may not understand what their competitors are doing at the present. Competitors are constantly releasing new and better products and services, adopting aggressive pricing strategies, and finding new ways to enter their competitors' channels. Apparently, businesses fail to have a real-time view of what their competitors are doing, how they are pricing their products, and how their customers are reacting. Not taking into cognizance, that the reputation of their own products and services is determined by what their customers say whether for good or for bad.

The focused firms may not have the awareness about the effect of CI that they can optimize their product strategy by assessing customers' reaction to new product features and product pricing. The possible consequence of not implementing competitive intelligence is that, these importers and manufacturing firms may run the risk of operating in a reactive mode, jeopardizing competitive pricing and customer retention.

1.4 Basic research question

This research will try to address the following leading questions,

- What effect does have ***Competitive intelligence*** on ***Marketing effectiveness***?

  Hence, the study seeks to answer the following specific research questions:
- To what extent ***market place opportunity*** influence ***marketing effectiveness*** of the Ethiopian steel manufacturing industry?
- To what extent ***competitor threat*** influence ***marketing effectiveness*** of the Ethiopian steel manufacturing industry?
- To what extent ***competitor risk*** influence ***Marketing effectiveness*** of the Ethiopian steel manufacturing industry?
- To what extent ***key vulnerabilities*** influence ***Marketing effectiveness*** of the Ethiopian steel manufacturing industry?
- To what extent ***core assumptions*** influence ***Marketing effectiveness*** of the Ethiopian steel manufacturing industry?

1.5 Objectives of the study

- The ***general objective*** of this study is to assess the effect of *competitive intelligence* on the *marketing effectiveness* of the Ethiopian steel manufacturing industry

This research has the following **specific objectives**;

- To determine the extent to which ***market place opportunity*** influences ***Marketing effectiveness*** in the steel manufacturing industry of Ethiopia.
- To examine the extent to which ***competitor threat*** influences ***Marketing effectiveness*** in the steel manufacturing industry of Ethiopia.
- To investigate the extent to which ***competitor risk*** influences the ***Marketing effectiveness*** in the steel manufacturing industry of Ethiopia.
- To scrutinize the extent to which ***key vulnerabilities*** influences the ***Marketing effectiveness*** in the steel manufacturing industry of Ethiopia,
- To identify the effect of ***core assumptions*** on the ***Marketing effectiveness*** of the steel manufacturing industry of Ethiopia,

1.6 Significance of the study

Knowledge gained in this research will help managers and supervisors of steel/reinforcement bar manufacturing industries to focus on those recommended ways and practice well on competitive intelligence for their marketing effectiveness. Any firm engaged in trade business could also use it as an input for their marketing effectiveness improvement. And also this study will help other researchers to conduct further studies on competitive intelligence which is yet un-researched topic.

1.7 Scope and Delimitation of the study

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 time, finance, and research manageability. Therefore, the scope of this study is delimited to only five elements of Competitive intelligence based on Fahey (2007) outlined inputs, i.e. market place opportunities, competitor threats, competitive risks, key vulnerabilities and core assumptions. And also marketing effectiveness is delimited only to customer philosophy among others listed by Kotler based on marketing effectiveness concepts and elements.

1.8 Limitation of the study

The absence of adequate studies & organized data, especially empirical literatures both qualitative & quantitative regarding the study variables which would be useful to lay more relevant factual base for the study is the primary limitation. And the scope of the study limited to steel manufacturing industries in Ethiopia by excluding importers and traders may limit the outcome of the research. In addition the scope of both the dependent and independent variables are not exhaustively examined but limited.

1.9 Organization of the study

The research paper was organized into five chapters: Chapter one deals with the introduction part consisting of background of the study, statement of the problem ,research questions, research objectives, significance of the study, scope of the study, and limitation of the study. The second chapter discussed the review of related literatures about the subject matter, in chapter three was focus on research methodologies chapter four was contained data analysis interpretation and discussions of the result. Finally chapters five was covered conclusions and recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Introduction

The business environment has become increasingly competitive day by day due to the advent of technology and certain innovations so as a result, CI has become one of the significant management concepts and has been incorporated into the culture of companies.

The search for information is an old practice. It was the primary concern of decision makers in various fields: military, economic, political. The Japanese constitution in 1868 testifies this: "we will seek knowledge throughout the world, to strengthen the foundation of imperial rule".

The analysis of the literature allows stating that the term of "competitive intelligence" dates back to many years ago.

The field of competitive intelligence (CI) as a distinct business discipline emerged in the 1980s with the publication of Ben Gilad's(2016) *Competitor Intelligence:* The first organizational model for competitive intelligence was published by Ben Gilad and Tamar Gilad, *The Business Intelligence System* (AMACOM, 2004). In the decade following the publication of this book, CI functions appeared in large numbers of *Fortune* 500 firms in the United States.

Today, competitive intelligence is an established, institutionalized function in the vast majority of large firms in the U.S. and Western Europe. And although Asian firms are generally lagging behind Western companies in formalizing their CI activities, South Korean firms have been known to create some advanced CI capabilities.

Yet competitive intelligence as an activity is one of the oldest business functions. Records show that Phoenician traders gathered commercial intelligence while expanding their maritime empire in 1500 B.C. The underlying force behind formalizing and institutionalizing this process in the 20th Century has been globalization. Facing competitive pressures from new sources and the faster diffusion of both innovation and imitation, managers of private enterprises sought better support for their ability to compete effectively.

In present study, the following approach is regarded as a theoretical framework to explain the concept of CI. It is based essentially on an overview of its *fundamental definitions, functions/importance, its difference with business intelligence* and its *inputs/components* in order to precisely describe its nature.

2.1.1 The concept & definition of Competitive intelligence

Competitive intelligence is the knowledge and information about the environment in which the organization is working and it enables the organization to gain a competitive advantage and compete against its competitors effectively. It focuses on monitoring a firm's competition to provide the firm with information about what its competition is doing to give it a competitive advantage in business. It helps the company having a competitive position. It also helps strategists to understand the forces that influence the business environment and, more importantly, to develop appropriate plans to compete successfully (Alsoboa, S. S., & Aldehayyat, J. S. 2013).

Competitive Intelligence can be defined as actionable recommendations arising from a systematic process that involves planning, gathering, analyzing and disseminating information on the external environment for opportunities or developments that have the potential to affect a company's or countries competitive situation (Calof & Skinner, 1998).

According to Poppa (2009), Competitive Intelligence is continuous process of gathering data, information and knowledge about actors (competitors, customers, suppliers, government) which interact with organization in the business environment in order to support decision making process for enhancing competitiveness of organization.

Hughes (2005) avers that competitive intelligence is the tool that provides organizations with a competitive edge through which they can compete with the competition and survive in the market and be profitable at the same time.

The Society of Competitive Intelligence Professionals (SCIP) organization, cited in Nikolaos and Evangelia (2012), defines competitive intelligence as "a necessary, ethical business discipline for decision making based on understanding the competitive environment".

On the other hand, Competitive intelligence is a process for gathering usable knowledge about the external business environment. Competitive intelligence focuses on turning external information into the intelligence required for tactical or strategic decisions relating to the business environment. Furthermore, competitive intelligence is all about ‘managing the entire competitive battlefield’ (Fleisher & Bensoussan, 2003). Any organization needs to know its own organization, the competition, and the battlefield, and then be able to analyze and use this information in the decision-making process. The practice of competitive intelligence has become more critical as competitive intensity in the environment has increased because of technological developments, globalization, product availability and variety, distribution improvements, the Internet, and consumer sophistication.

2.1.2 Competitive Intelligence and Business Intelligence

CI is closely related to concepts such as business intelligence, marketing intelligence and environmental scanning. The biggest ambiguity is probably between business intelligence and CI (Haataja JE.2011). CI and business intelligence are used at various times to describe more or less the same concept. However both have its place and both is of the utmost importance for the success of any organization.

For King business intelligence involve the use of decision support system, data warehousing technology, data mining and other business analytical tools. In other words business intelligence has a stronger focus on the technology and it is an integral part of the business intelligence process, King WR. (2009).

Luhn define business intelligence system as: "any communication system for conducting business in the broadest sense can be considered as an intelligence system.

The concept of intelligence can be defined in a general sense, as the ability to apprehend the interrelationships between the available facts in such a way to guide action towards a desired goal" Luhn HP. (1958). For this purpose the author proposes a system that aims to provide relevant and accurate information to support the specific activities of the company. This is an automatic system designed to provide software solutions enabling the company to operate its stock of information via a well-defined process in order to produce relevant and actionable information Moinet N. (2010). This system is called business intelligence system.

According to Albescu et al. "business intelligence is the activity of monitoring mostly the internal business processes, while CI is focused on the monitoring of external environment and uses public resources to locate and develop information on competition and competitors" Albescu F,2008.

If we refer to the data sources, we can see that business intelligence uses primarily data from inside the company. Most business intelligence data is structured data. CI uses information from outside the company and is never sure that all relevant data sources are being captured. In others words, a business intelligence system is based on intensive database as well as information technology tools; it refers to the software used to manage a flow of data. Whereas CI is the action of gathering, analyzing, and distributing information about the environment needed to support managers in making strategic and tactical decisions.

Moreover, CI is the analytical process that transforms information about the firm environment (competitors, customers, suppliers) into relevant, strategic and actionable information on market evolution, business opportunities and threats, nevertheless most information within the CI environment is unstructured, which emphasizes the complementarities of business intelligence and CI. In addition, CI process requires skills in strategic thinking, extensive analytical abilities and scientific analytical methodologies. The common target between CI and business intelligence is to support management decision-making that leads to action. The main differences between business intelligence and CI are described in Table 2:1:

	Business intelligence	**Competitive intelligence**
Purpose	Analyzing mostly of the internal business processes, improvement operational and tactical decisions	Monitoring, analyzing of external environment, customers, suppliers, competitors, increasing strategic decisions
Scope	Organization	Environment of organization
Content/data	Well structured content, internal data coming from data bases, ERP, transaction systems	Semi structured, unstructured content, external data coming from public, open resources, Internet
Used tools, Technologies	OLAP, data mining, data warehouse	Advanced data mining, predictive model-ing, web mining, text mining, agent technology, exponential random graph models, search based application.

Table1.The basic differences between business intelligence and competitive intelligence, Albescu F, 2008.

2.1.3 Strategic inputs of competitive intelligence

McGonagle &John (1999), state that some components of competitive intelligence include: strategic intelligence, competitor intelligence and technical intelligence.

Porter (1980), states that technology intelligence has a significant impact on the innovation. Technology intelligence is a source for competitive advantage for a firm as well as a source of product innovation. According to Kim & Mauborgne (1999) technological intelligence should be linked with competitive intelligence to hold a competitive position. He also states that firms that have combined the customer vale innovation with technological intelligence have a better chance of more profitability.

Fahey (2007) has outlined five strategic inputs an intelligence researcher needs to focus on. These are market place opportunities, competitor threats, competitive risks, key vulnerabilities and core assumptions. He argues that each type of intelligence input requires considerable judgment and value-added on the part of intelligence professionals.

a) Market place opportunities

A marketplace opportunity is a strategy which is concerned with creating and realizing a new market place opportunities. Opportunities define new ways of creating and developing value for customers: new products or solutions; extending existing product lines, reconfiguring existing solutions. Fahey (2007) noted that the executive team continuously addresses two types of new marketing opportunities:

1). Extending current opportunities. How can we extend opportunities that are the focus of our current strategy?

2). Potential market place opportunities. What opportunities beyond the reach of our current strategy should we be considering? What opportunities may be lurking but not yet fully evident in market place change? In extending current opportunities, Fahey (2007) believes that short-term opportunities often centre on identifying ways to modify the current strategy to add value for customers. Highlighting how intelligence created assessments leading to new opportunities to extend and leverage the current strategy using three industries as examples, the Fahey notes that two key exchanges must occur between strategy and intelligence professionals: First, the executive team must “challenge” the intelligence team to identify and develop the contours of new opportunities. Second, the intelligence team must demonstrate that it is fully committed to learning about the firm's strategy.

The current strategy provides the framework for identifying and shaping the extension of current opportunities. The second strategy input of Fahey (2007) is the potential market place opportunities. The author argues that the executive team also needs to develop strategy where possible, will be a winner tomorrow's strategy. He believes that the charge for intelligence is to help identify the market place opportunities that will be focus of tomorrow's strategy. Fahey outlined some examples of how intelligence teams in a number of firms assess current and projected change to alert executives to emerging potential market place opportunities.

- 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.
- Track and project research and development progress in specific research domains as one input to identify potential new product breakthroughs at some point in the future.
- Conduct patent analysis to identify patterns in the transition from research technology developments likely to lead to new products or significant product modifications.
- Use of projections competitor's strategy to identify potential new products and thus emerge customer needs.
- Use projections of technology developments in related product areas to identify new products or solutions that could be in the market place in two or more years.

b) Competitor threats

In competitor threats, the author noted that opportunities would be so much easier to realize were it not for the presence of current and potential competitors. He defines competitor's threats as ways that a rival can inhibit a company's strategy from succeeding in the market place. If threats are detected too late, resources tied up in supporting a strategy may be substantially waste, if threats are detected long before coming to full friction, strategy can be adapted to eliminate, ameliorate or avoid the threat. The author believes that executive should pose the following three questions:

1). How might competitors most adversely affect our current strategy?

2).Which competitors are most likely to do so?

3). How might we best “handle” these threats?

Fahey argues that intelligence thus must assess current and potential competitor change for its strategy implications for threats. The executive team must be alerted to current or potential competitor threats.

C) Competitive risks

In competitive risks, the author argues that strategy is played over time in a market place or competitive context that extends well beyond competitors. Change in and around the market place (being driven by customers, channels, suppliers, governmental agencies, technology houses, political parties, etc.) is the source not only of marketing opportunities and competitor threats but of competitive risks. He explained competitive risks to include any market place change that could negatively impact the firm’s current or potential strategy. He advised that an executive team therefore should always pose the following three questions to its intelligence team.

1). what competitive risks does our strategy face?

2). what competitive risks might we face in the future?

3). How can we best manage these risks? Tailoring response to these broad questions compels the intelligence team to look beyond competitive trends, patterns and discontinuities to isolate and assess risks and demonstrate how they negatively impact the pursuit of specific opportunities.

d) Key vulnerabilities and Core assumptions

Discussing on the issues of vulnerabilities, Fahey argues that assessment involves confronting the question: To what is our strategy (or potential strategy) most vulnerable? Or, as stated in some firms: what is it that could most critically affect our strategy and that we can least control? Such assessment forces both intelligence professionals and executives to go beyond merely listing competitor threats, competitor risks and key assumptions. It compels analysis and ranking of current and potential threats and risks to identifying those that could most severely impede a strategy’s success.

Based on the forgoing, we deduce that competitive intelligence requires a complete view of competitors. But how does the emphasis on this competitive intelligence influence marketing effectiveness. First let us now briefly examine the construct of marketing effectiveness.

2.2 The concept of marketing effectiveness

The wikipedia free encyclopedia (2006) defines marketing effectiveness 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 the short-term and long-term objectives.

Marketing effectiveness concept first came into existence in the 1990s. According to Berry, L.L. and Parasuraman, A.(1991) marketing effectiveness posited that managers should have adequate information and distributes appropriate resources to different market. Zhou, K.Z., Gao, G.Y., Yang, Z. and Zhou, N. (2005) asserted, the original obligation of marketing effectiveness is that managers must identify the primacy of studying the market, distinguish the several opportunities, select the best market to serve and offer superior customer value to satisfy their needs and wants. Furthermore, Nwokah, N.G. (2006) argued that organizations that have the marketing effectiveness is high are those that are close to their consumers, have a common set of values and also demonstrate an external market orientation. Benjamin, S., Hanges, P.J., Smith, D.B. and Salvaggio, A.N. (2003) agree that companies with high marketing effectiveness operate better when compared with companies that do not have. The competitive environment of business today demands that for organization to be successful to move forward in its selected market segment, there must be implementation of marketing.

2.2.1 Definitions of marketing effectiveness

Various scholars define marketing effectiveness in different way among which the following are some;

- The extent to which marketing actions have helped the company to achieve its business goals. T. Ambler *et al.* (2001)
- The ability of the organization to meet short-term goals that might positively impact financial performance such as increasing market share, increasing sales, improving gross margin, successful new product introduction. F. T. Mavondo (2004)

- The extent to which an organization acquires market share over competitors, advertising and promotional share of the market. N. G. Nwokah, A. I.Ahiauzu (2008)
- Function of improving how marketers go to market with the goal of optimizing their marketing spend to achieve even better results for both the short- and long-term objectives. N. G. Nwokah, A. I.Ahiauzu (2009)
- Doing the right thing. Comparisons of performance to the goals formulated from market strategy. Y. Gao (2010)
- The wikipedia free encyclopedia (2006) defines marketing effectiveness 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 the short-term and long-term objectives.

  Based on the above definitions, it can be assumed that no consensus of definition on marketing effectiveness has been achieved. Besides, none of them are able to explain the essence of marketing effectiveness concept.

2.2.2 Basic dimensions of marketing effectiveness

Seeking to understand the nature of marketing effectiveness, its dimensions should be reviewed. There are four basic dimensions of marketing effectiveness (Nwokah, 2006;Nwokah and Ahiauzu, 2008). These are:

a) **Corporate:** Each company operates within certain bounds. These are determined by their size, their budget and their ability to make organizational change. Within these bounds marketers operate along the five factors described later in this paper.

b) **Competitive:** Each company in a category operates within a similar framework as described later in this paper. In an ideal world, marketers would have perfect information on how they act as well as how their competitors act. In many industries, competitive marketing information is hard to come by.

c) **Customers:** Understanding and taking advantage of how customers make purchasing decisions can help marketers improve their marketing effectiveness. Groups of consumers act in similar way leading to the need to segment them. Based on these segments, they make choices based on how they value the attributes of a product and the brand, in return for price paid for the product. Consumers build brand value through information. Information is received through many sources, such as, advertising, word of mouth and in the (distribution) channel often characterized with the purchase funnel.

d) **Exogenous factors:** There are many factors outside the immediate control that can impact the effectiveness of marketing activities. These can include weather, interest rates, government regulations and many others.

2.2.3. Driving factors of marketing effectiveness

Understanding the impact these factors can have on consumers can help us to design programs that can take advantage of these factors or mitigate the risk of these factors if they take place in the middle of our marketing campaigns. There are five factors driving the level of marketing effectiveness that marketers can achieve (Nwokah, 2006; Nwokah and Ahiauzu, 2008).

a) **Marketing strategy:** Improving marketing effectiveness can be achieved by employing a superior marketing strategy. By positioning the product or brand correctly, the product/brand will be more successful in the market than competitors' products/brands. Even with the best strategy, marketers must execute their programs properly to achieve extraordinary 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:** By improving how marketers go to market, they can achieve significantly greater results without changing their strategy or their creative execution. At the marketing mix level, marketers can improve their execution by making small changes in any or all of the 4-Ps (Product, Price, Place and Promotion) without making changes to the strategic position or the creative execution marketers can improve their effectiveness and deliver increased revenue. At the program level marketers can improve their effectiveness by managing and executing each of their marketing campaigns better. Whether it's improving direct mail through a better call to action or whether its editing web site content to improve its organic search results, marketers can improve their marketing effectiveness for each type of program.

d) **Marketing infrastructure:** Improving the business of marketing can lead to significant gains for companies. Management agencies, budgeting, motivation and coordination of marketing activities can lead to improved competitiveness and improved results.

e) **Exogenous factors:** Generally, out of the control of marketers, external or exogenous factors also influence how marketers can improve their results. Taking advantage of seasonality, interests or the regulatory environment can help marketers improve their marketing effectiveness.

2.2.4 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
P. Kotler (1977)	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.
K. Appiah-Adu *et al.* (2001)	Customer philosophy, integrated marketing organization, adequate Marketing information, strategic orientation, and operational efficiency.
M. O. Azabagaoglu *et al.* (2006)	Customer philosophy, integrated marketing organization, adequate Marketing information, strategic orientation, and operational efficiency.
N. G. Nwokah, A. I. Ahiauzu (2009)	Customer philosophy, integrated marketing efforts, marketing information, strategic orientation, operations efficiency.

Three out of five papers noted the amalgam of marketing effectiveness with reference to P. Kotler (1977). K. Appiah-Adu. (2001) and M. O. Azabagaoglu. (2006) agree with P. Kotler's (1977) position, whereas N. G. Nwokah, A. I. Ahiauzu (2009) referred with a slight modification—"integrated marketing organization" is named as "integrated marketing efforts" and "adequate marketing information" is simply entitled as "marketing information." Therefore, P. Kotler's (1977) conceptualization was the foundation for the construct of marketing effectiveness.

The concept of marketing effectiveness has been extensively discussed because of its strong association with many valuable organizational outcomes such as stable, long-term growth, enhanced customer satisfaction, a competitive advantage and a strong marketing orientation (Webster, 1995).

Research of marketing effectiveness could be divided into two major viewpoints. According to the first viewpoint, scholars study the concept of marketing effectiveness and try to determine its components. In the second one, scholars study marketing effectiveness metrics and examine its measures.

First viewpoint: This view was among the first, and it was developed by Philip Kotler (1977). He mentioned that marketing effectiveness of a company, division, or product line depends largely on a combination of five activities: Customer philosophy, Integrated marketing organization, Adequate marketing information, Strategic orientation and Operational efficiency.

Table 2:3. Kotler's marketing effectiveness and its components.

Customer philosophy	• Management`s commitment to market needs and wants • Market segmentation strategy • Holistic marketing approach
Integrated marketing organization	• Marketing integration and control • Synergy with other marketing units • New product process
Adequate marketing information	• Conduct of market research • Management knowledge of the market • Cost-effectiveness of marketing expenditure
Strategic orientation	• Extent of formal marketing planning • Quality of marketing strategy • Extent of contingency planning
Operational efficiency	• Top-down communication of marketing thinking • Effectiveness of marketing resources • Responsiveness to uncertainties

The first view consists of extensive research in which some scholars examine the impact of various factors on marketing effectiveness (Dunn *et al*, 1994; Webster, 1995 and Nwokah and Ahiauzu, 2008, 2009).

Second viewpoint: This view mostly consists of evaluating and measuring marketing performance. This view gained importance because Marketing Science has made Accountability and ROI of marketing expenditure become one of research priorities. Researches classified in this view attempts to identify and represent various measures and metrics of evaluating marketing effectiveness.

Finally, I could claim that this view of marketing effectiveness is based on Kotler's (1977) paper.

a) customer philosophy,

The first requirement for effective marketing is that key managers recognize the primacy of studying the market, distinguishing the many opportunities, selecting the best parts of the market to serve, and gearing up to offer superior value to the chosen customers in terms of their needs and wants. This requirement seems elementary, yet many executives never grasp it.

Some management are product oriented. They think the trick is to make a good product and go out and sell it. Some are technology oriented. They are fascinated with the challenge of new technologies and pay little attention to the size and requirements of the market. Still others are sales oriented. They think anything can be sold with sufficient sales effort.

If a company starts with the marketplace when it is designing the organization's structure, plans, and controls, it is well on the way to effective marketing.

b) integrated marketing organization,

The organizational structure of the company or division must reflect a marketing philosophy. The major marketing functions must be integrated and controlled by a high-level marketing executive. Various marketing positions must be designed to serve the needs of important market segments, territories, and product lines. Marketing management must be effective in working with other departments and earning their respect and cooperation. Finally, the organization must reflect a well-defined system for developing, evaluating, testing, and launching new products because they constitute the heart of the business's future.

c) adequate marketing information,

Effective marketing calls for the executives to have adequate information for planning and allocating resources properly to different markets, products, territories, and marketing tools. A telltale sign of the quality of information is whether management possesses recent studies of customers' perceptions, preferences, and buying habits. Many marketing managers operate primarily on what they learned as sales managers in a particular industry 20 years earlier. They don't want to spend money for marketing research because "we already know the market." They spend little to monitor direct and indirect competition.

Another sign is the presence of good information regarding the sales potential and profitability of different market segments, customers, territories, products, channels, and order sizes. The controller must work closely with marketing and provide a responsive accounting system that gives profit information by line item. Finally, skillful marketers need information to evaluate the results of their marketing expenditures.

d) strategic orientation

Marketing effectiveness depends also on whether management can design a profitable strategy out of its philosophy, organization, and information resources. First, this requires a formal system for annual and long-range marketing planning. Second, the system should lead to a core strategy that is clear, innovative, and data-based. Third, management should look ahead toward contingent actions that might be required by new developments in the marketplace.

e) *Operational efficiency*.

And last, marketing plans do not bear fruit unless they are efficiently carried out at various levels of the organization. The interests of the customers must be of paramount concern to employees throughout the organization. Marketing management must have the right amount of resources to do the job. It also must have systems that enable it to react quickly and intelligently to on-the-spot developments.

Appiah-Adu et al. (2001) further argued that, first it is imperative to identify the importance of studying the market, recognizing the numerous opportunities, selecting the most appropriate segments of the market to operate in and endeavoring to offer superior value to meet the selected customer's needs and wants. The firm argument must be suitably staffed to enable it perform marketing analysis, planning and implementation. Sequentially, marketing effectiveness calls for management to have sufficient information for the purpose of planning and effective resource allocation to varying markets, products and territories. Marketing effectiveness is also contingent upon the adeptness of managers to deliver profitable strategies from its philosophy, organization, strategy, efficiency and information resources.

2.3 Empirical review

Prior studies on competitive intelligence among scholars presented in varied perspectives and findings are;

- **Eric and René (2014)** conducted a research in South Africa. Their study focused on competitive intelligence implementation challenges of small and medium-sized enterprises. Their research followed a quantitative approach. Questionnaire was used to collect data. Mean and standard deviation were used to analyze the data. The study revealed that SMEs experience the same challenges experienced by large enterprises in implementing competitive intelligence.
- **Ezigbo and Uduji (2013)** carried out a research in three manufacturing firms in Nigeria on why competitive intelligence is necessary in the manufacturing sector. The study was carried out primarily through the survey method and interview of employees. Secondary data were obtained through books, journals and internet. Chi-Square and correlation coefficient statistical tools were adopted in analyzing the data using SPSS version 15.00. Findings indicate that Competitive intelligence is necessary because of manager's need to increase the quality of products and services, strategic planning, and market knowledge.
- **Egberi and Okpako-uyeh (2011)** examined competitive intelligence and marketing effectiveness of corporate business organizations in Nigeria. Descriptive survey method was used in collection of data. The research hypotheses were tested using the descriptive statistical methods such as simple percentage, the Pearson product moment correlation coefficient and t-test. Their findings revealed that there was a significant positive relationship between competitive intelligence and organizational profitability.
- **Rizwan, Imamuddin, Khawaja, & Rana, (2014)** carried out a study in Pakistan on the importance of competitive intelligence in making marketing effective for a business. Questionnaire was used for data collection. T-test was used to analyze the data. Their findings revealed that all the sub variables are significantly used by the organizations in Pakistan to make their marketing effective and thus competitive intelligence is important in making marketing effective for a business.

- **Nwokah and Ondukwu (2009)** carried out an empirical study in corporate organizations in Nigeria. Their work assessed the impact of competitive intelligence on the marketing effectiveness of corporate organizations. Primary and secondary source was used for data collection. Data were analyzed using multiple regression and non-parametric correlation through the use of the Statistical Package for Social Sciences (SPSS) version 12. Their findings revealed that competitive intelligence lead to marketing effectiveness in corporate organizations in Nigeria.
- **Shakoori, Alvedari, & Mosaferi, (2014)** conducted a research in selected banks in Iran on the role of competitive intelligence in moving customers towards high level loyalty, which lead customers towards being an ambassador of the organization. Questionnaire was used for data collection. Descriptive statistical methods were used. To determine the importance of components of competitive intelligence and loyalty, Friedman ranking test was used. Their findings revealed that among components of high level loyalty, trust, affection, satisfaction, value, brand value and resistance to change have more importance in directing customers towards an ideal loyalty and making ambassadors for bank branches.
- **Phani, Madhumita, & Paurav, (2011)** conducted a research in India. Their study explored the impact of competitive intelligence practices on the firm's performance in the emerging market context of India. Questionnaire was used for data collection. Their study employed a cross-sectional, survey-based methodology. Their findings revealed that Indian firms that exhibit higher levels of competitive intelligence activities indeed achieve better financial performance results.
- **Phathutshedzo, and Tiko (2011)** carried out a research in South Africa on the impact of competitive intelligence on product and service innovation in organizations. Their research was qualitative in nature. Primary and secondary sources were used for data collections which were interviews and document review. Innovation-Decision Process (Rogers, 1995) was used for data analysis. Their findings revealed that eight factors were found to be critical and influence the deployment of competitive intelligence products and services in the organization.

2.4 Conceptual framework

The various elements discussed under this heading include Competitive intelligence (market place opportunity, competitor threat, competitor risk, key vulnerabilities & core assumptions) and marketing effectiveness interms of (customer philosophy, integrated marketing effort, marketing information, strategic orientation & operational efficiency).

Under marketing effectiveness, I used only customer philosophy due to the following reasons,

- Customer philosophy is conceived as the key component underlying the elements of marketing effectiveness,(Table 2),
- In various researches, the dimension most emphasized by organizations in their overall marketing effectiveness appears to be customer philosophy due to its holistic nature, &
- Due to my personal limitation of various resources, I preferred to limit the dependent variable of the paper on customer philosophy.

Below is the conceptual model of the research I developed;

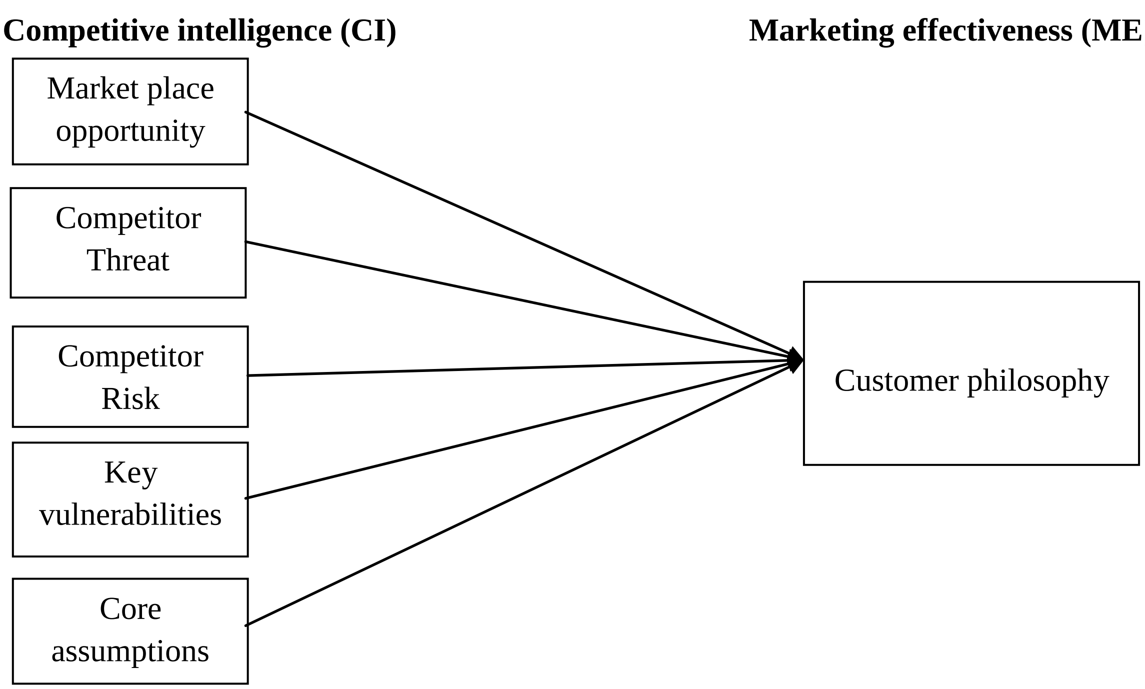

Figure.1.*Conceptual framework* based on Nwokah NG. & Ondukwu FE. (2009)with modification.

2.5 Research Hypotheses

H1: ***market place opportunity*** has significant and positive influence on ***ME.***

Marketplace opportunity is a strategy concerned with creating and realizing new opportunities in the market. This involves new ways of creating and developing value for customers: new product development; extending existing product lines, modifying existing product, and others (Fahey, 2007).

H2: ***competitor threat*** has significant and positive influence on ***marketing effectiveness***.

Fahey defines competitor's threats as ability of a rival to prevent a company's strategy from succeeding in the market. If threats are detected too late, resources invested in supporting a strategy may be wasted, if threats are detected long before coming to full action, strategy can be adapted to eliminate, ameliorate or avoid the threat (Fahey, 2007). Therefore, opportunities would be so much easier to realize in the absence of current and potential competitors threats.

H3: ***competitor risk*** has significant and positive influence on ***marketing effectiveness***.

Competitive risk involves change in and around the marketplace driven by customers, channels, suppliers, governmental agencies, technological development, amongst others. Competitive risks include any changes in the market that can negatively impact the firm's current or potential strategy (Fahey, 2007). Organizations, therefore, should critically study competitive trends, patterns and discontinuities to detect risks and how it can negatively affects the achievement of their objectives.

H4: ***key vulnerability*** has significant and positive influence on ***marketing effectiveness***.

Key vulnerabilities are those factors that have the potential to affect our strategies and we have least control over them. Key vulnerabilities compel organizations to go beyond merely listing competitor threats, and competitive risks. It propels the analysis and ranking of current and potential threats and risks, to identify those that could most severely impede strategies success (Fahey, 2007).

H5: ***core assumption*** has significant and positive influence on ***marketing effectiveness***.

Firms strive to identify their competitors' strategy by gathering a huge amount of information, and this competitive information is surrounded by many assumptions. These assumptions sometimes may be misleading. The impact of such error may cause serious drawback in recognizing important competitive event, or late recognition of competitors' action (Fahey, 2007).

CHAPTER THREE

RESEARCH METHODOLOGY

This part describes the methodologies that was used in this study it include description of study Area, research approach, research design, target population, data source and types, data collection procedure, ethical consideration and data analysis techniques along with an appropriate justification associated with each approach.

3.1 Type of the research

The three methods that were commonly implemented in a research are quantitative, qualitative and mixed, where one of them is not better than the others, all of this depends on how the researcher want to do a research of study(Creswell, 2005). Creswell (2005) asserted that quantitative research is a type of educational research in which the researcher decides what to study, asks specific, narrow questions, and collects numeric (numbered) data from participants, analyzes these numbers using statistics, and conducts the inquiry in an unbiased, objective manner. Variables can be defined as attributes or characteristics of individuals, groups, or subgroups of individuals (Creswell, 2009).Quantitative method is a study involving analysis of data and information that are descriptive in nature and qualified (Sekaran, 2003). Quantitative approach is one in which the investigator primarily uses postpositive claims for developing knowledge, i.e., cause and effect relationship between known variables of interest (Creswell, 2009). Therefore, in terms of methods, this research employed quantitative method.

3.2 The research design

The research design for this study is explanatory in nature. This study was investigated the impact 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 industry. According to Saunders et al. (2003), explanatory studies are studies with the emphasis to study a situation or problem in order to explain the cause and effect relationship between given variables. In order to accomplish that well defined research problem has to be done and hypotheses need to be stated. Explanatory research seeks explanations of observed phenomena, problems, or behaviors (Kothari, 2004; Bhattacherjee, 2012; Creswell, 1994). Explanatory research seeks answers to why and how types of questions. Explanatory research is mostly used within areas where extensive research has already been done. In line with this reasoning and purpose of the research the current study is explanatory type.

3.3 Data Sources and Types

The researcher used primary and secondary data for the entire analysis of this study. The information was gathered through questionnaire which is developed by other researchers (Nwokah and Maclayton, 2006), and modified to this research context. From the selected sample of respondents/ employees of steel manufacturing industries, the data collected through questionnaires where used as primary data, and journal articles, written documents, Internet web sites, and document reports from EFDRE Metal institutes was referred and used as secondary sources.

3.4 Target population

The population of the study is the key informants, i.e. marketing managers and sales managers of the steel manufacturing industries in Ethiopia who are knowledgeable of the sector. Based on the FDRE Metals Industry Development Institute, 2016 report, currently in Ethiopia there are about 17 steel manufacturing industries and there are 250 steel(reinforcement) bar importers and distributers, therefore, in this case I have about (17 X 2) = 34 key informants found in Addis Ababa head offices of steel manufacturing companies as target population.

3.5 Sampling Design

Since the population of the study is very small, I used (all) census. The selection of the respondents was carried out by selecting from key informants like Marketing managers & Sales Managers who are knowledgeable on the subject of the study and found in Addis Ababa Head offices of steel manufacturing companies.

3.6 Data collection method

Yoo et al. (2000) stated that respondents who are exposed to or had experience with a particular area are better suited to provide a reliable and valid response to questionnaire. In this study, respondents were marketing managers & Sales Managers of steel manufacturing companies. The respondents were given questionnaires to fill in their thoughts based on their perceptions, experience and prior exposures.

3.7 Quantitative Data Analysis

The data obtained through the questionnaires were first checked for completeness. The questionnaires found correctly filled and fit for analysis was coded and all the data entered into statistical package for social sciences (SPSS version 21.0) and analyzed using descriptive statistics. The descriptive statistics used included mean and frequency to analyze the general information. To investigate the Competitive intelligence practice, Pearson correlation, regression model was used to assess the extent to which Competitive intelligence variables are used to to make practice marketing effectiveness on the case industries. These were then present using tables which was easier for interpretation.

The general form of the model for the multiple regressions can be specified as:

$Y = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + e$

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, β0 is the constant, β represents the coefficients and e is the error term. Therefore, the model for the multiple regressions, built in line with the hypotheses of the study, is given as follows:

CP (ME) = β0 + β1 (MPO) + β2 (CT) + β3 (CR) + β4 (CA) + β5 (VU) + e ---------------------- (1)

Where: CP = Customer philosophy (Marketing effectiveness), MPO = Market place opportunity, CT = Competitor threat, CR = Competitive risks, CA = Core Assumptions, & VU = Vulnerabilities

3.8 Ethical Consideration

In the context of research, ethics is defined as the appropriateness of the researcher's behaviour in relation to the rights of the participants or subjects of the research work (Saunders, Lewis, & Thornhill, 2009). Respondents were requested to provide information on voluntary basis, there was prior communication about the purpose of the study, and confidentiality of the information was guaranteed. And the purpose of the study was disclosed in the introductory part of the questionnaire. Furthermore, there were no misleading or deceptive statements in the questionnaires.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Introduction

In this chapter, the collected data from the Ethiopian steel manufacturing industries are summarized and analyzed in order 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 the Ethiopian steel manufacturing industries. A total of 30 sets of questionnaires were distributed to the potential respondents and all questionnaires were collected and used for the data analysis. Thereby, the response rate was 100 percent.

To observe what demographic trend the population has, the questionnaire begins with demographic characteristics of respondents. Accordingly, the following variables about the respondents were summarized and described in table 4.1.

T able 4.1 Demographic profiles of respondents

Measure	Category	Frequency	Percentage %
Gender	Male	19	63.3
	Female	11	36.7
	Total	30	100
Age	20 – 40	22	73.3
	41 – 60	5	16.7
	Above 60	3	10
	Total	30	100
Level of education	School leaving Cirt.	0	0
	Bachelor degree	21	70
	Post graduate	9	30
	Total	30	100
Job position	Marketing manager	15	50
	Sales manager	15	50
	Total	30	100
Work experience	Below two years	4	13.3
	2 – 3 years	3	10
	4 – 6 years	10	33.3
	Above 6 years	13	43.3
	Total	30	100

Source: own survey result 2019

Gender

Based on the survey, out of the 30 valid respondents, there were 19(63.3%) male and the remaining 11(36.7%) were female. This imply that the number of male respondents were greater than the female counter parts.

Age

When it comes to age distribution of respondents of the total, the majority 22(73.3%) of respondents lies in the age range of 20-40 years and the age group 41-60 of respondents followed the previous group with a percent share of 5(16.7%). The age group above 60 contributed 3(10%).

Education

From the 30 respondents, the majority 21(70%) of the respondents have bachelor degree. diploma. Followed by 9(30%) diploma holders. and no one have either school leaving nor masters.

Job position

Out of the 30 respondents, 15(50%) of them were marketing managers and , the other 15(50%) of them were sales managers.

Work experience

Out of the 30 respondents, the majority, i.e. 13(43.3%) have a work experience above 6 years, 10(33.3%) of them have a work experience between 4-6 years, the other 3(10%) have a work experience between 2-3 years, and the rest 4(13.3%) have a work experience below two years.

4.2 Measures of Validity, Reliability and Normality

4.2.1 Reliability of the Measurement Scale

Reliability: is the extent to which a measurement reproduces consistent results if the process of measurement were to be repeated (Malhotra & Birks, 2007). As multiple items in all constructs were used the internal consistency (reliability of Competitive intelligence and marketing effectiveness) were assessed with Cronbach‟s alpha and the reliability of value for all constructs are all greater than 0.70 which is considered acceptable. Summary of reliability of Competitive intelligence and marketing effectiveness is on the table below.

Table 4.2.1 Reliability Cronbach"s alpha

Variables	Items	Crombach's alpha
Market place opportunity	5	0.735
Competitor threat	5	0.786
Competitive risks	4	0.818
Core Assumptions	4	0.757
Vulnerabilities	3	0.750
Customer philosophy(ME)	3	0.703

Source: research 2019

4.2.2. Validity of the Measurement Scale

Validity: is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure. It can also be thought of as utility. In other words, validity is the extent to which differences found with a measuring instrument reflect true differences among those being tested (Kothari, 2004).

The tasks took place to ensure the validity of the study:

• Data was collected from the reliable sources, from respondents who have experiences in the subject area, sales and marketing,

• Survey questions were used based on literature reviews and frame of references to ensure result validity.

• Content validity was verified by the advisor of this research and other instructors in the department.

4.2.3. Normality of the Measurement Scale

The normality of the population distribution is the basis for making statistical inferences about the sample drawn from the population (Kothari, 2004). Most studies, which involve statistical procedure, work under the assumption that observations have normal distribution. Any violation of the normality rule may lead to overestimation or underestimation of the inference statistic. In order to examine normality one has to measure each variable's skewness, which looks at lack of symmetry of distribution, and kurtosis, which looks at whether data collected, are peak or flat with relation to normal distribution (Marczyk *et al.,* 2005).

Paurav Shukla (2009) stated that skewness and kurtosis test, and the low difference between mean and median is the basic way to check the normality of the data. Accordingly positive skewness values suggest clustering of data on the low value (left hand side of the bell curve) and negative skewness values suggest that clustering of data points on the high values (right hand side of the bell curve). Positive kurtosis values suggest that the data points gathered in center with long thin tails. Kurtosis values below zero suggest the distribution of data point is relatively flat.

Table 4.2.2 below describes the level of skewness and kurtosis for the six constructs. The general rule-of-thumb for test of normality varies depending on the nature of the research. The common one mostly suggested mentioned in literature for both kurtosis and Skewness to be between -2 and +2 (George & Mallery, 2010). As indicated in the table below, skewness and kurtosis measures for this study are well within that range between -2 and +2 values. Therefore, the data for this study is normally distributed.

Table 4.2.2 Normality measurement table

Constructs	Skewness	Kurtosis
Market place opportunity	-0.426	-0.699
Competitor threat	-0.196	-0.686
Competitive risks	0.414	-0.874
Core Assumptions	-0.151	-1.093
Vulnerabilities	-0.255	-0.965
Customer philosophy(ME)	-0.583	-0.350

Source: SPSS data output 2019

4.3 Descriptive analysis

The first part deals with The Ethiopian steel manufacturing Industries' results of CI (competitive Intelligence) dimensions which include: market place opportunity, competitor threat, competitor risk, key vulnerabilities & core assumptions. The second part is Customer philosophy (Marketing effectiveness). In order to compare the CI factors effect on Customer philosophy (ME) descriptive statistics, mean and standard deviation is used. The mean indicates to what extent the sample group averagely agrees or disagrees with the different statements. Mean value shows the average of all responses on each dimension, the higher the mean the more the respondents agree with the statement while the lower the mean the more the respondents disagree with the statement. While standard deviation shows how diverse the responses of employees are for a given construct (SPSS, version 21). For instance, high standard deviation shows that the data is wide spread meaning respondents gave variety of opinion and low standard deviation means respondents have close opinion.

4.3.1 Market Place Opportunity

5 questions which help to gather information about the extent of knowing Market Place Opportunity was distributed to the employees of the case industry and the result gained was summarized in the table below;

Table 4.3.1 Market Place Opportunity analysis

Items of Market place opportunity	N	Mean	Std. Deviation
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	30	4.27	.828
2. We tract and project R & D progress in specific research domains as one input to identifying potential new product breakthrough at some point in the future	30	4.17	.874
3. We conduct potent analysis to identify patterns in the transaction from research to technology developments likely to lead to new products or significant product modifications	30	3.80	1.031
4. We use projections of a competitor's strategy to identify potential new products and thus emerging customer needs.	30	4.30	.750
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	30	3.80	.925
Valid N (listwise)	30		

Source: Own survey result, 2019

Projections of a competitor's strategy, follow government's regulatory developments & tracing R&D scored the highest with mean value of 4.30 , 4.27 & 4.17 respectively meaning companies have knowledge and are highly believe on these CI factors for marketing effectiveness. Identifying transaction patterns and projections of technology developments scored mean value of 3.80 as perceived by the respondents. All items of CI scored above the cut of point 3.00 this implies that steel industries are highly strive to have knowledge about market place opportunity for marketing effectiveness.

4.3.2 Competitors Threats

5 questions which help to gather information about the extent of companies' understanding on Competitor Threats was distributed to the employees of the case industry and the result gained was summarized in the table below;

Table 4.3.2 Competitors Threats analysis

Items of Competitor Threats	N	Mean	Std. Deviation
6. We are usually at alert to current or potential competitor threats	30	4.10	.803
7. Opportunities are not so much realized because of the presence of potential and current competitors	30	3.93	.868
8. Our strategies are formulated to win rivals	30	3.40	1.070
9. Rivals current and potential actions pose threats to any strategy's success	30	3.43	1.040
10. Competitor's threats are defined as ways that a rival can inhibit a company's strategy from succeeding in the marketplace	30	3.67	1.028
Valid N (listwise)	30		

Source: Own survey result, 2019

Table 4.3.2 shows that, usual alertness of competitor's threats and realizing of opportunities due to competitors has highest mean value of 4.10 & 3.93 respectively. The other questions like formulating strategies to win rivals, & understanding threats from rivals have all a mean score above 3.40 and it implies that the majority have nearly agreed with the questions regarding competitor's threats.

4.3.3 Competitive Risks

Four questions which help to gather information about the extent of predicting possible Competitive Risks was distributed to the employees of the case industry and the result gained was summarized in the table below;

Table 4.3.3 Competitive Risks analysis

Items of Competitive Risks	N	Mean	Std. Dev.
11. Competitive risks include any marketplace change that could negatively impact firm's current or potential strategy	30	3.73	.785
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	30	4.03	.718
13. Intelligence-based assessment of the implications of risks can shift the executive team's "understanding" of an opportunity of a strategy alternative	30	4.00	.643
14. Some risks may be immediate and totally evident in today's competitive landscape	30	3.90	.885

Source: Own survey result, 2019

Based on Table 4.3.3 respondents have nearly agreed with early predicting probable risks occurred in connection with the market competition.

4.3.4 Core Assumptions

Four questions which could help to gather information about core assumptions that indicates market place change, customer's sustainable purchase, no rival introduce new product and stable regulation for the coming two to three years are analyzed.

Table 4.3.4 Core Assumptions analysis

Items of Core Assumptions	N	Mean	Std. Deviation
15. Assumptions about marketplace change underpin our current strategy	30	4.13	.860
16. We usually assume that no major rival would introduce a breakthrough new product for at least two years	30	3.90	1.125
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	30	3.97	1.033
18. We often assume the regulatory environments would not product any negative surprises	30	3.53	1.167
Valid N (listwise)	30		

Source: Own survey result, 2019

As indicated on the above table, the mean for all the questions lie between 3.53 up to 4.13 and it implies that respondents have agreed for the coming two to three years there is no market place change, rivals will not introduce new product, customers will continue to purchase & the regulatory environment would not produce any negative surprise.

4.3.5 Key Vulnerability

Here we have three questions that evaluate respondents beyond listing competitor's threats and competitive risks, how much they believe on identifying the most vulnerable company's strategy and the list controllable one. And it is depicted under the following table. And it shows that the average mean of the response near for score 4.5 and it shows the company's are strongly agree on identifying the most vulnerable company's strategy and the list controllable one beyond listing competitor's threats and competitive risks.

Table 4.3.5 Vulnerabilities analysis

Items of Vulnerabilities	N	Mean	Std. Deviation
19. We always investigate those factors that could critically affect our strategy	30	4.73	.583
20. We are compelled to analyze and rank current and potential threats and risks to identify those that could most severely impede a strategy's success	30	4.47	.571
21. Assessment forces both intelligence professionals and executives to go beyond merely listing competitor threats, competitor risks and key assumptions	30	4.57	.504
Valid N (listwise)	30		

Source: Own survey result, 2019

4.3.6 Customer Philosophy (Marketing Effectiveness)

Three questions which help to gather information about the extent of the management commitment to address the needs and wants of chosen markets, plans for different segments of the market and managing the whole marketing system was distributed to the employees of the case industry and the result gained was summarized in the table below;

Table 4.3.6 Customer Philosophy analysis

Customer Philosophy (Marketing Effectiveness)	N	Mean	Std. Deviation
1. Management recognizes the importance of designing the company to serve the needs and wants of chosen markets	30	4.60	.563
2. Management develops different offerings and marketing plans for different segments of the market	30	4.00	.643
3. Management takes a whole marketing system view (suppliers, channels, competitors, customer, and environment) in planning its business	30	3.70	.794
Valid N (listwise)	30		

Source: Own survey result, 2019

As indicated on the above table, the mean value of the questions that management commitment to address the needs and wants of chosen markets is 4.6 which implies a strong agreement and the questions for plans for different segments of the market and managing the whole marketing system indicates mean score 4 & 3.70 which shows respondents agreement.

4.4 Relationship between Competitive Intelligence and Customer Philosophy (Marketing Effectiveness)

Correlation analysis

The relationship between Competitive Intelligence (market place opportunity, competitor threats, competitive risks, core assumptions & vulnerabilities) and the Ethiopian steel manufacturing industries marketing effectiveness (customer philosophy) was tested by using linear regression analysis.

The pearson correlation coefficient(r) is used to test if a linear relationship exists between two variables. The correlation coefficient is a statistical measure of the association between two numerical variables (Zikmund, 2003). The value of "r" ranges from +1.0 to -1.0, where a positive "r" value indicates a direct relationship and a negative 'r" value represents an inverse relationship between two variables. When "r=0" it implies that there is no relationship between the two variables. When "r=+1" it implies that there is a perfect direct relationship between the variables. When "r=-1" it implies that there is a perfect negative/inverse relationship between the variables. When "r" is in between 0.10-0.29, it implies that variables have weak relationships. And when "r" value is in between 0.3-0.49, it implies that the variables have moderate relationship. When "r" value becomes greater or equals to 0.5 it indicates the relationship is strong. The following show the Pearson correlation coefficient, model summary, ANOVA and coefficients of regression.

As we can see from the following Pearson correlation table

Market place opportunity and core assumption(independent variables) have positive and strong linear relationship with the customer philosophy/marketing effectiveness(the dependent variable) of the Ethiopian steel manufacturing industries with the Pearson correlation coefficient value of (r = 0.565) & (r = 0.553) respectively. And it's statistical significant at less than 0.01. On the other hand, Competitor threats, competitive risks & vulnerabilities have weak positive correlation with customer philosophy/marketing effectiveness (the dependent variable) with correlation coefficient value of 0.110, 0.272 and 0.017 respectively and the correlation is not significant.

Table 4.4 Correlation Matrix

Correlations of Independent and Dependent Variables								
		CUSTOMER PHILOSOPHY(ME)	MARKETE PLACE OPPORTUNITIES(CE)	COMPETITOR THREATS(CE)	COMPETITIVE RISKS(CE)	CORE ASSUMPTIONS(CE)	VULNERABILITIES(CE)
CUSTOMER PHILOSOPHY(ME)	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	30					
MARKETE PLACE OPPORTUNITIES(CE)	Pearson Correlation	.565**	1				
	Sig. (2-tailed)	.001					
	N	30	30				
COMPETITOR THREATS(CE)	Pearson Correlation	.110	.307	1			
	Sig. (2-tailed)	.561	.099				
	N	30	30	30			
COMPETITIVE RISKS(CE)	Pearson Correlation	.272	.506**	.164	1		
	Sig. (2-tailed)	.146	.004	.388			
	N	30	30	30	30		
CORE ASSUMPTIONS(CE)	Pearson Correlation	.553**	.459*	.186	.291	1	
	Sig. (2-tailed)	.002	.011	.324	.119		
	N	30	30	30	30	30	
VULNERABILITIES(CE)	Pearson Correlation	.017	-.244	.041	-.003	-.026	1
	Sig. (2-tailed)	.927	.194	.829	.986	.892	
	N	30	30	30	30	30	30
**. Correlation is significant at the 0.01 level (2-tailed).							
*. Correlation is significant at the 0.05 level (2-tailed).							

Source: Own survey result, 2019

4.5. Regression Analysis

In its simplest form, regression analysis allows market researchers to analyze relationships between one independent and one dependent variable. In marketing applications, the dependent variable is usually the outcome we care about, while the independent variables are the instruments we have to achieve those outcomes with. It can also help make predictions (Mooi and Sarstedt, 2011).

4.5.1. Multi-Collinearity Analysis

Before running regression, one should check for the problem of multi-collinearity which is present if there is high correlation between some of the independent variables. The study checks this with the variance Inflation Factor (VIF) which calculates the influence of correlation among the independent variables on the precision of regression estimates. The VIF should not exceed 10. Tolerance is an indicator of how much of the variability of the specified independent variable is not explained by the other independent variable in the model and is calculated using the formula 1-R2 for each variable. If this value is less than 0.1 it indicates that there is possibility of multi-collinearity, but if it is greater than 0.1 it means that there is no multi-collinearity problem with in the model.

Table 4.5.1 collinearity statistics

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	MARKETE PLACE OPPORTUNITIES(CE)	.546	1.833
	COMPETITOR THREATS(CE)	.890	1.124
	COMPETITIVE RISKS(CE)	.725	1.379
	CORE ASSUMPTIONS(CE)	.777	1.287
	VULNERABILITIES(CE)	.900	1.111

a. Dependent Variable: CUSTOMER PHILOSOPHY(ME)
Source: Own survey result, 2019

The above multi-collinearity statistics shows the tolerance value to be greater than 0.1 and VIF value to be significantly below 10. This shows that there is no multi-collinearity problem with in the model.

4.5.2. Multiple regression analysis

Multiple regression analysis is defined as “a statistical technique which analyzes the linear relationships between a dependent variable and multiple independent variables by estimating coefficients for the equation for a straight line” (Hair et al., 2004). Five hypotheses were tested using multiple regression analysis, because the correlation table 4.4 shows only the relationship between the variables, but it does not show the exact percentage changes of the dependent and independent variables and the strength and degree of the relationship between variables.

The following tables are extracted from SPSS in order to perform a regression analysis between independent variables and dependent variable.

Table 4.5.2.1 R Square analysis

Model Summary				
Model	**R**	**R square**	**Adjusted R square**	**Std. Error of the Estimate**
1	.677[a]	.457	.346	.43158

Predictors: (Constant), VULNERABILITIES(CE), COMPETITIVE RISKS(CE), COMPETITOR THREATS(CE), CORE ASSUMPTIONS(CE), MARKETE PLACE OPPORTUNITIES(CE)a

Source: own survey result, 2019

The model for this regression was:

Y1 = a + b1X1 + b2X2 + b3X3 + b4X4+ e. From the model summary result we can see that independent variables (CI) explain the dependent variable (ME) with a percentage of 45.7. In cross-sectional designs, values of around 0.30 are common while for exploratory research, using cross sectional data; values of 0.10 are typical (Mooi & Sarstedt, 2011).

Table 4.5.2.2 ANOVA[a]

Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	3.785	5	.757	4.065	.008[b]
	Residual	4.470	24	.186		
	Total	8.256	29			

a. Dependent Variable: CUSTOMER PHILOSOPHY(ME)

b. Predictors: (Constant), VULNERABILITIES(CE), COMPETITIVE RISKS(CE), COMPETITOR THREATS(CE), CORE ASSUMPTIONS(CE), MARKETE PLACE OPPORTUNITIES(CE)

Source: own survey result, 20179

ANOVA tells us whether the model, overall, is acceptable from a statistical perspective i.e. whether the independent variables are in a significantly good degree of prediction of the outcome variable (SPSS, version 21). As can be seen from the above table, the variables of competitive intelligence (independent variables) significantly predict the dependent variable (marketing effectiveness) with F=4.065 and sig=0.008. F-test is used to find out overall marketing effectiveness of the relationship between the dependent variable and all the independent variables occurring by chance (SPSS, version 21). The F-test result of the study is 4.065 with a significance of 0.008 meaning that the probability of these results occurring by chance is less than 0.05 i.e. the variation that is explained by the model is not simply by chance.

While the ANOVA table is a useful test of the model's ability to explain any variation in the dependent variable, it does not directly address the strength of that relationship (SPSS, version 21). Table 4.5.3 shows the coefficients of the regression line. The sign of the coefficient indicates whether the predicted response increases or decreases when the predictor increases, all other predictors being constant (SPSS, version 21).

Table 4.5.3 Regression Model

Coefficients[a]						
Model		Un-standardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.152	1.080		1.067	.297
	MARKETE PLACE OPPORTUNITIES(CE)	.435	.176	.503	2.475	.021
	COMPETITOR THREATS(CE)	-.081	.120	-.107	-.673	.507
	COMPETITIVE RISKS(CE)	-.062	.153	-.071	-.405	.689
	CORE ASSUMPTIONS(CE)	.244	.114	.367	2.152	.042
	VULNERABILITIES(CE)	.182	.187	.154	.973	.340
a. Dependent Variable: CUSTOMER PHILOSOPHY(ME)						

Source: own survey result, 2019

In the above table the constant, beta, and significance level of each variable is addressed. The table indicates that the two variables which are market place opportunity and core assumptions influence Marketing effectiveness significantly at 95% confidence interval with a sig. level of 0.021 and 0.042 respectively. Different studies also suggest that they positively influence Marketing effectiveness (Rizwan.A, Imamuddin.K, & Khawaja A. Arif, 2014); (N.Gladson & Frannces E., et al., 2009). On the other hand the remaining three independent factors (competitor's threats, competitive risks & vulnerabilities) have insignificant influence on the dependent variable customer philosophy.

Generally, taking all other independent variables constant, a unit increase in market place opportunity will lead to a 0.435 increase in marketing effectiveness of the case of company; a unit increase in core assumptions will lead to a 0.244 increase in the case industries marketing effectiveness; a unit increase in vulnerability will lead to a 0.182 increase in marketing effectiveness of the company. As the constant and B values are known the model will be:

$Y1 = 1.152 + 0.435X1 - 0.081X2 -0.062X3 + 0.244X4+0.182X5+ 0.05.$

4.6 Hypothesis Testing

Hypothesis testing is based on standardized coefficients beta and P-value to test whether the hypothesis are accepted or rejected.

Table 4.6 Summary of Hypothesis Result

	Hypothesis	**Beta**	**T**	**P < 0.05**	**Result**
H1	MARKETE PLACE OPPORTUNITIES → CUSTOMER PHILOSOPHY(ME)	.435	2.475	.021	Accepted
H2	COMPETITOR THREATS → CUSTOMER PHILOSOPHY(ME)	-.081	-.673	.507	Rejected
H3	COMPETITIVE RISKS → CUSTOMER PHILOSOPHY(ME)	-.062	-.405	.689	Rejected
H4	CORE ASSUMPTIONS → CUSTOMER PHILOSOPHY(ME)	.244	2.152	.042	Accepted
H5	VULNERABILITIES → CUSTOMER PHILOSOPHY(ME)	.182	.973	.340	Rejected

Hypothesis-1: *market place opportunity* has significant and positive influence on *marketing effectiveness*.

H01: *market place opportunity* will not have significant and positive influence on *marketing effectiveness*.

Ha2: *market place opportunity* will have significant and positive influence on *marketing effectiveness*.

- The results of multiple regression as presented in table 4.6 illustrates there is a strong positive and significant relationship between market place opportunity and marketing effectiveness with a beta value of 0.435, at 95% confidence level. From this the researcher concluded that the alternative hypothesis that *market place opportunity* has significant and positive influence on *marketing effectiveness* is supported by the data set and the null hypothesis is rejected or not supported by the data set. (Rizwan.A, Imamuddin.K, & Khawaja A. Arif, 2014); (N.Gladson & Frannces E., et al., 2009) suggested that *market place opportunity* is a major determinant of organizational *marketing effectiveness*.

Hypothesis-2: *competitor threat* has significant and positive influence on *marketing effectiveness*.

H01: *competitor threat* will not have significant and positive influence on *marketing effectiveness*.

Ha2: *competitor threat* will have significant and positive influence on *marketing effectiveness*.

- According to the result *competitor threat* has no positive and significant effect on *marketing effectiveness* with beta value of -0.081 and p-value of 0.507 ($p<0.05$). Therefore, the study did not support the alternative hypothesis; instead it accepted the null hypothesis. And this contradicts with what Egbery and Okpako-uyeh (2011) examined before, and it may be due to the knowledge, experience and cultural difference between Nigerian business industries and the Ethiopian steel industries.

Hypothesis-3: *competitor risk* has significant and positive influence on *marketing effectiveness*.

H01: *competitor risk* will not have significant and positive influence on *marketing Effectiveness*.

Ha2: *competitor risk* will have significant and positive influence on *marketing Effectiveness*.

- As it is shown in the above table, *competitive risk* has no a positive and a significant effect on *marketing Effectiveness* with beta value of -0.062 and p-value of 0.689 ($p<0.05$). Therefore, the study didn’t support this hypothesis; therefore, we accept the null hypothesis. Prior studies done by Rizwan, Imamuddin, Khawaja & Rana (2014) in Pakistan revealed that, competitive risk has positive significant impact on marketing effectiveness, and probably this is due to that changes in and around the market place i.e. being driven by customers, channels, suppliers, governments, etc. here in the Ethiopian steel manufacturing industry is very minimal than in other countries.

Hypothesis-4: *core assumption* has significant and positive influence on *marketing effectiveness*.

H01: *core assumption* will not have significant and positive influence on *marketing Effectiveness*

Ha2: *core assumption* will have significant and positive influence on *marketing effectiveness.*

- The results of multiple regressions as presented in table 4.6 shows there is a strong positive and significant relationship between *core assumption* and marketing effectiveness with a beta value of 0.244, at 95% confidence level. From this the researcher concluded that the alternative hypothesis that *core assumption* has significant and positive influence on *marketing effectiveness* is supported by the data set and the null hypothesis is rejected or not supported by the data set. (Rizwan.A, Imamuddin.K, & Khawaja A. Arif, 2014); (N.Gladson & Frannces E., et al., 2009), Nikolaos and Evangelia (2012) suggested that *core assumption* one of the major determinant of organizational *marketing effectiveness*.

Hypothesis-5: *key vulnerability* has significant and positive influence on *marketing effectiveness*.

H01: *key vulnerability* will not have significant and positive influence on *marketing effectiveness*.

Ha2: *key vulnerability* will have significant and positive influence on *marketing effectiveness*.

- As it is shown in the above table, *key vulnerability* has no a positive and a significant effect on *marketing Effectiveness* with beta value of -0.062 and p-value of 0.689 ($p<0.05$). Therefore, the study didn't support the alternative hypothesis; and thus, we accept the null hypothesis. And this contradicts with what other previous researchers prove like (Fahey's, 2007). And the reason is here in the Ethiopian steel manufacturing industries, almost all of the different marketing strategies are affected equally, meaning there is no any marketing strategy affected most and there is no any that could be list controlled by companies.

CHAPTER FIVE

SUMMERY, CONCLUSITION AND RECOMMENDATION

This study is limited in scope and sector size, but it can contribute to further study on the impact of Competitive Intelligence on marketing effectiveness in the steel manufacturing sector in Ethiopia context. Therefore, based on the analysis and interpretations made at the pervious chapter the following summaries, conclusions and recommendation are made.

5.1 Summary of Major Findings

The purpose of the study was to investigate the effect of Competitive Intelligence on Marketing Effectiveness in the Ethiopian Steel Manufacturing Industry. More specifically the study determines the extent to which Competitive Intelligence (*Market Place Opportunity, Competitors Threats, Competitive Risk, Core Assumptions and Key Vulnerabilities)* influences Marketing Effectiveness. The following are the major findings of the study:

- ✓ Customer philosophy/Marketing effectiveness has a strong positive relationship with Market Place Opportunity and Core Assumptions with Pearson correlation of 0.565 and 0.553 respectively with less than 0.05 significant levels.
- ✓ Market Place Opportunity has a strong positive correlation with Customer Philosophy & Competitive Risk and has a moderate correlation with Core assumptions with a Pearson correlation of 0.565, 0.506 & 0.459 respectively.
- ✓ In the Regression analysis, Market Place Opportunity & Core Assumptions have a strong and positive relationship with the dependent variable Customer Philosophy (Marketing Effectiveness). This finding is in harmony with different studies conducted on relationship between Competitive Intelligence and Marketing Effectiveness. (Rizwan.A, Imamuddin.K, & Khawaja A. Arif, 2014); (N.Gladson & Frannces E., et al., 2009), Nikolaos and Evangelia (2012). The management implication is that sufficient information on Market place Opportunity and Core Assumptions will have a greater chance of achieving for a customer philosophy (marketing Effectiveness). Since these independent variables could explain the dependent variable by 45.7 percent as shown on the R square model summery. (Table 4.5.2.1).
- ✓ On the other hand the rest of the independent variables (Competitors’ Threats, Competitive Risks and Key Vulnerabilities) have no positive significant relationship with the dependent variable Customer Philosophy (Marketing Effectiveness). And thus, it

confirms that the acceptance of the null hypothesizes and rejecting the alternative hypothesizes. And these deviates from previous studies done on this area in different parts of the world like Nigeria, South-Africa & Pakistan that prove differently.

5.2 Conclusion

Companies try to identify those areas that need improvement in order to gain a competitive advantage. In a modern market economy, in order to improve results, must constantly analyze the internal and external environment and competitors action, investigate consumers needs and competitors trends. Therefore, this study made an attempt to identify different elements of CI and their effect on marketing effectiveness that help steel manufacturing companies to decide upon those aspects that need improvement and further attention. In addition, the researcher has examined the relationship between the five CI dimensions and marketing effectiveness and tried to identify which dimension has the highest impact on marketing effectiveness and which need improvement.

Competitive Intelligence seems to consist of five dimensions, which are *Market Place Opportunity, Competitors Threats, Competitive Risk, Core Assumptions and Key Vulnerabilities* (Fahey, 2007) and be measured by using 21 questions. Marketing Effectiveness appears to consist of five dimensions i.e. customer philosophy, integrated marketing effort, marketing information, strategic orientation & operational efficiency (Kotler, 1977, 1997) of which I used the one (Customer Philosophy) which is most holistic, most dominant and conceived as a key component of ME measured by using three questions. The questions posed are all pertaining to CI & ME aiming to explore the respondents expected and perceived evaluations in all aspects of the steel manufacturing industry in Ethiopia.

The survey result indicates that a valid instrument for measuring the competitive Intelligence and Marketing Effectiveness of Steel Manufacturing Industries in Ethiopia has been used.

Following from the findings, in the regression analysis it is concluded that Market Place Opportunity and Core Assumptions have high level of impact on customer philosophy/marketing effectiveness. The more the Industries have sufficient information on market place Opportunities and Core Assumptions, the higher they have been effective in marketing.

The result of correlation revealed that, Customer philosophy/Marketing effectiveness has a strong positive relationship with Market Place Opportunity and Core Assumptions; on the other hand Market Place Opportunity has a strong positive correlation with Customer Philosophy & Competitive Risk and has a moderate correlation with Core assumptions.

5.3 Recommendations

Importance of Competitive Intelligence in making over all business strategy is very high, because of control of key marketing relationships with customers for a competitive advantage over their rivals by applying an appropriate strategy. In today's economy, competitive intelligence knowledge is required for companies engaged whether in manufacturing, sales or provision of services.

Appropriate choices of marketing strategy and implementations of it measures are one of the key steps in company's achievement of its objectives and hence the base of setting marketing strategy is competitive intelligence.

This paper has sought to contribute further to the knowledge concerning competitive intelligence and marketing effectiveness by applying the established marketing effectiveness model which calls for managers to have sufficient information for the purpose of planning & effective resource allocation to varying markets, products and territories to corporate organizations in Ethiopia. The model suggested is based on the Wave model to implement CI (Havenga, 2000). The entire process should be guided by the company strategy. The company vision, mission and strategic objectives should at as constant guide for the CI process. The above mentioned-model has been designed to address five areas considered to be fundamental for the success of CI in any organization. These are; Top management support, a CI champion driving the process, cultural support, clear priorities or key intelligence needs & CI products or outputs, However, in furtherance to the realization of set objectives, I make the following recommendations:

1) Steel manufacturing Organizations in Ethiopia should always create a competitive Intelligence unit to regularly monitor the activities of competitors and to evaluate the organizations actions in line with that of competitors

2) Management must consistently motivate its marketing/intelligence team so that it will analyze the customer's needs, seek to satisfy them, and try to adapt the products to these needs, react to competitors' actions and responses.

3) Management should also work in collaboration with other workers in the company and share information about customers and competitors with these workers.

4) Research efforts in the future should consider certain themes and issues that have emerged from this paper. This study has some shortcomings and limitations. The survey was conducted on Steel manufacturing Industries in Ethiopia. For future research, another set of antecedents of Competitive Intelligence and Marketing Effectiveness can be included in the research model.

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APPENDICEX –A

Table 5: Local steel manufacturer's & production capacity (**Reinforcement bars only**):

S.No	Name of the Company	Annual production Capacity (Tons)
1	C & E Brothers Steel	500,000
2	Abyssinia Integrated Steel	108,000
3	Ethiopian Iron and Steel	35,100
4	Steely Rolling Mill Industry	243,000
5	Habesha Steel Rolling Mill	64,800
6	East Steel Industry	270,000
7	Yesu Steel	162,000
8	Huwano Manufacturing Ltd	45,090
9	Steel Processing Factory (Akaki Basic Metal)	22,410
10	Naschip Steel Manufacturing	2,700
11	Sentinel Steel	120,000
12	Jian Zhan Iron and Steel Manufacturing	50,000
13	Ekos Steel Mill plc	300,000
14	Dera Steel	150,000
15	GEC Steel	150,000
16	Titane Steel	700,000
17	Sino Steel	400,000
Annual maximum production capacity		3,323,100

Source: FDRE Metals Industry Development Institute, 2016

APPENDICEX –B

Addis Ababa University School of Commerce

Department of Marketing Management

Questionnaire

Dear Survey Respondents,

I am conducting a research which shall be submitted in partial fulfillment of the requirements for Masters Degree in Marketing Management .The purpose of this study is to identify "***The impact of competitive intelligence on marketing effectiveness in the Ethiopian Steel manufacturing Industry***". Your honest and accurate response will make this study more valuable. So, please read it carefully and give your option. The questionnaire will take about 15 minutes. Appreciating for your willingness to fill the questionnaire despite the fact that you have busy schedule; please don't hesitate to contact me at your convenience using the following addresses if you have any question:

Thank you in advance for your time!

Gebeyehu Mekoya Taye

(0911-67-72-24)

I) Personal information

_______1) what gender are you?   A. Male   B. Female

_______2) How old are you?

A. Below 20   B. 20-40   C. 41-60   D. 61 or above

_______3) Level of education?

A. School leaving certificate   B. Bachelor's degree   C. Post graduate   D. Other

_______4) what is your job position?

A. Marketing manager   B. Finance manager   C. Sales manager   D. HR manager   E. Other

_______5) how much work experience do you have?

A. Below 2 years   B. From 2 – 3 years   C. From 4-6 years   D. above 6 years

The score levels are described as:

1- Strongly Disagree   2- Disagree   3- Neutral

4- Agree   5- Strongly Agree

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 tick **(√)** the box that describes your evaluation of the factors described on ***competitive intelligence***

Code	**Possible Determinant factors of Competitive intelligence**	**Strongly agree**	**Agree**	**Neutral**	**Dis Agree**	**Strongly disagree**
A. Marketplace opportunities						
	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 tract 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 potent 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. Competitor threats						
	6. We are usually at alert to current or potential competitor threats..	**5**	**4**	**3**	**2**	**1**
	7. Opportunities are not so much realize 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 inhibit a company's strategy from succeeding in the marketplace.	**5**	**4**	**3**	**2**	**1**
C. Competitive risks						
	11. Competitive risks include any marketplace change that could negatively impact firm'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**
D. Core assumptions						
	15. Assumptions about marketplace change underpin our current strategy.	**5**	**4**	**3**	**2**	**1**
	16. We usually assume that no major rival would introduce a breakthrough 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**
E. Vulnerabilities						
	19. We always investigate those factors that could critically affect our strategy.	**5**	**4**	**3**	**2**	**1**
	20. We are compelled to analyze and rank current and potential threats and risks to identify those that could most severely impede 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**

F. Customer philosophy (Marketing effectiveness)						
	1. Management recognizes the importance of designing the company to serve the needs and wants of chosen markets	**5**	**4**	**3**	**2**	**1**
	2. Management develops different offerings and marketing plans for different segments of the market	**5**	**4**	**3**	**2**	**1**
	3. Management takes a whole marketing system view (suppliers, channels, competitors, customer, and environment) in planning its business	**5**	**4**	**3**	**2**	**1**

Thank you!