



Ameliorating effect of competitive intelligence on SME innovativeness in emerging economies

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

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

1. INTRODUCTION

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

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

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

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

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

Yang *et al.* (2019) and Karadag (2016), opine that intelligence information can ameliorate innovativeness, management models, and strategies. However, this describes a new world for SMEs. In the past two decades, SMEs research focused on resource deployment and management skills as a key approach to SMEs' growth, competitiveness, and survival (Lebusa, 2013; Karim *et al.*, 2020). However, when statistics are scrutinised, it is discovered that many SMEs fail to compete and sustain themselves (Small Enterprise Development Agency [SEDA], 2021). This failing trajectory is influenced by intense competition and lack of innovativeness (Muriithi, 2017; Akugri *et al.*,

2015; Lebusa, 2013; Karanja *et al.*, 2013). As such, SMEs need to conduct CI to understand the competitive environment and use the intelligence information to ameliorate their innovativeness. They must be able to draw-in competition knowledge from customers, competitors, and other stakeholders to support innovativeness and drive strategy (Liu and Si, 2022). This will enable SMEs to be competitive and sustain themselves in the competitive market (Zhang and Zhu, 2021).

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

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

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

2. LITERATURE REVIEW

2.1. Competitive intelligence in the context of SMEs

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

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

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

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

2.2. Overview of innovativeness in SMEs

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

Today, SMEs operating in competitive markets find themselves requiring innovativeness in order to compete and survive (Yang *et al.*, 2019). We argue that innovativeness has several benefits that improves performance and competitiveness of SMEs. Especially when competing with large and established organisations that have a vast number of resources (Zhang and Zhu, 2021). Innovativeness can enable SMEs to improve their competitiveness against competitors (Sundstrom *et al.*, 2021; Dossou-Yovo and Keen 2021). Although, this requires SMEs to use knowledge on competitors and competitive environment (Sundstrom *et al.*, 2021). This will help SMEs to reform their strategies, overcome weaknesses, and create new competitive advantages (Liu and Si, 2022). However, innovation research report distressing findings on the innovativeness in

SMEs (Mulibana and Rena, 2020). SMEs tend to rely on human-centered and informal approaches to innovativeness (Lesáková, 2014). Compared to large and established organisations which practice complex and information focused innovativeness. SMEs depend on random and straightforward innovation (Dossou-Yovo and Keen, 2021). Deshati (2015) and Didonet and Diaz-Villavicencio (2020), also discovered that SMEs develop and implement innovations of non-technical nature resembling simplicity, spontaneity, human-oriented, and informality.

2.3. Research context

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

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

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

3. RESEARCH METHODS

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

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

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

Semi-structured interviews were carried out to collect data, and this allowed the researchers to uncover underlying motivations for innovativeness. The design of

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

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

4. FINDINGS AND DISCUSSIONS

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

Table 1: Background characteristics of the SME liquor retailers

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

As depicted in table 1, the findings indicate that most of SME liquor retailers 76%, operate with on-consumption liquor license, while 24% with off-consumption. With regard to the number of years in operation of SME liquor retailers, 28% had been in operation for between 2-5 years, 19% were in operation for between 6-10 years and 16years and more respectively. 34 % of the participants had been in operation for 11-15 years. 76% of respondents were owners of the

businesses, while 24% were managers employed in the business. From this it can be noted that the participants had been in operation long enough to have the experience and knowledge about their innovation practices.

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

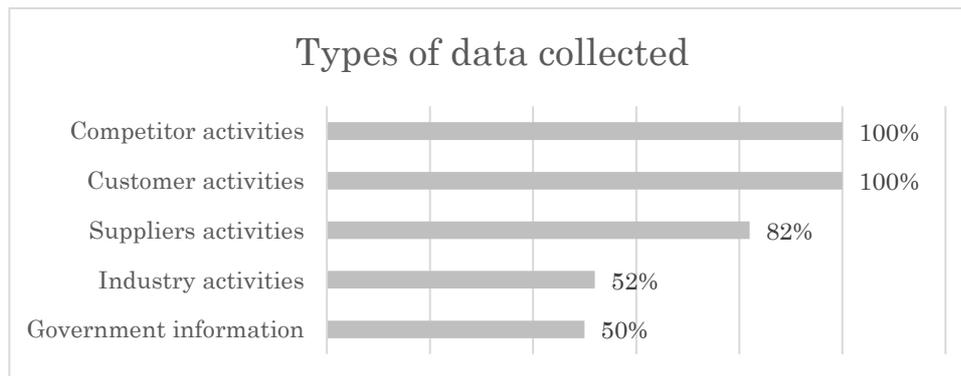
**Figure 1.** Types of data collected

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

Respondent-3: Local government often make changes to bi-laws and I always make sure that I collect this information and

study it to understand how the new changes affect my business.

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

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

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

improvements they would like to see in our business.

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

Liu and Si (2022) emphasised the need for SMEs to continuously scan customers, competitors, and other stakeholders in order to build a knowledge-base to support innovativeness. This will ensure that SMEs develop innovations in respond to competition activities (Zhang and Zhu, 2021). The responses from the respondents indicated that they collect data about stakeholders who have direct or indirect impact to their operations. Customers and competitors data were collected by all respondents, while some also collected the industry, suppliers, and government data. This helps them in understanding the

competitive environment and increase the effectiveness of decisions towards developing and implementing innovation activities (Dossou-Yovo and Keen 2021). This confirms the assertion of Sundstrom *et al.* (2021), that innovativeness requires consistent efforts in understanding customers' and competitors' environments.

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

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

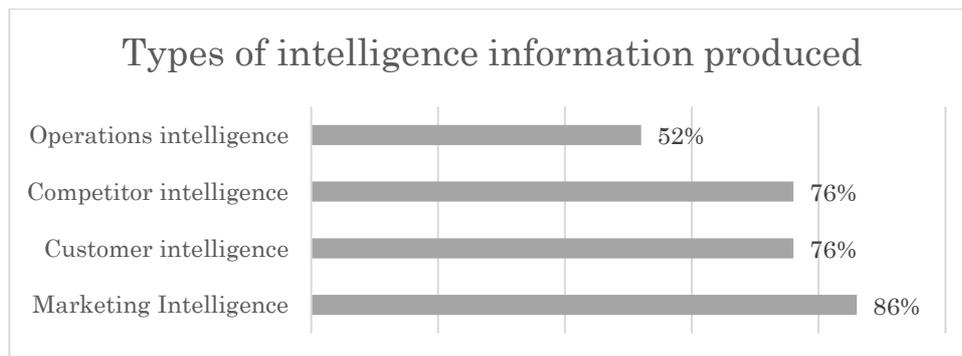


Figure 2. Intelligence information produced from data collected

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

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

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

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

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

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

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

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

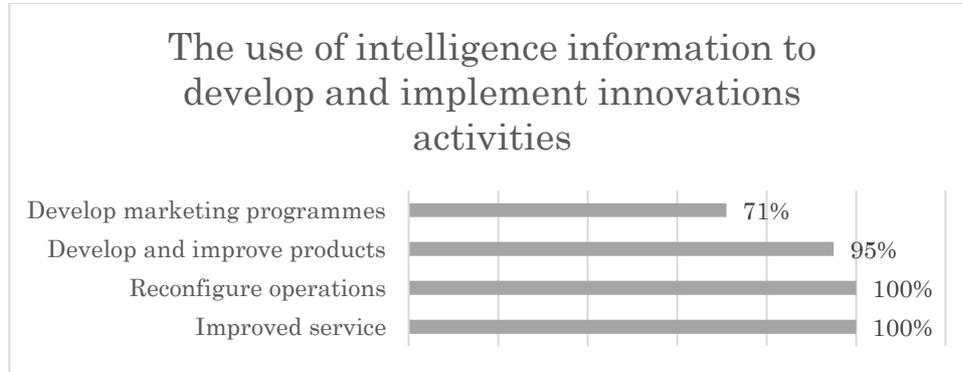


Figure 3. Use of intelligence information to develop and implement innovations in SME liquor retailers

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

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

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

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

Respondent -13: Our information helps us to develop marketing programmes. We knew through our information collected that there is a SMS services

in which you can send marketing and promotional messages to group customers. With the help of this system, we are able to invite customers and promote our shows by send out messages every week.

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

4.4. Outcomes of innovativeness in SME liquor retailers

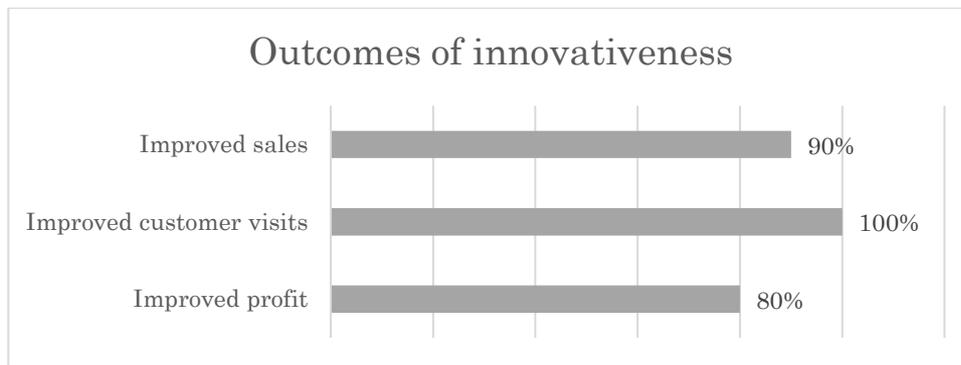


Figure 4. Outcomes of innovations implemented by SME liquor retailers

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

Respondent_15: Since we began promoting our weekend shows through our early-bird programme, where we offer complimentary drinks to customers who comes early, our sales have increased for the weekends, and we are recording profit.

Respondent_6: The more we make changes that customer did not experience in our competitors the more we see an increase in visits from our customers.

Similar to other studies, the findings indicate that the liquor retailers were able to use intelligence information to develop and execute innovative tactics allowing them to improve operations and performance (Anton *et al.*, 2015; Kiveu, 2019). All the respondents exposed that innovativeness enables them to retain and improve customers visits. They also manage to achieve improved sales and profit which is consistent with the study Sundstrom *et al.* (2021) and Dossou-Yovo and

Keen (2021). The innovativeness of the liquor retailers has enabled them to improve competitiveness against established market leaders. In addition, SMEs are required to make efforts in understanding customers' and competitors' environments and developing innovations for the target market (Sundstrom *et al.*, 2021). Figure 2 revealed that these liquor retailer have demonstrated their ability to achieve this.

5. PROPOSED CI INNOVATIVENESS MODEL

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

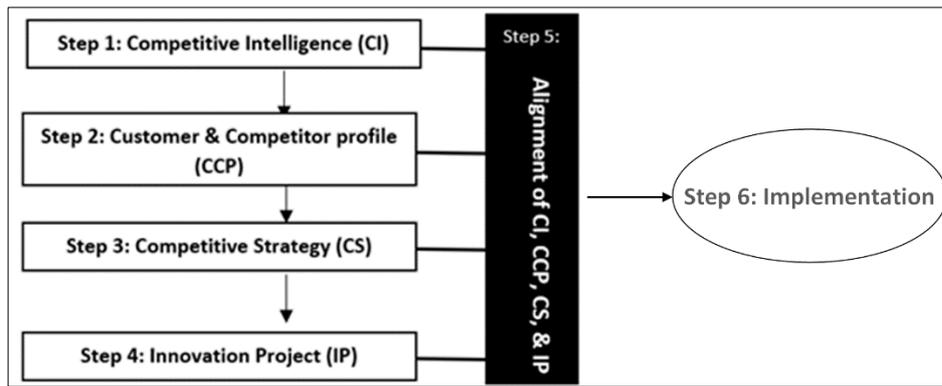


Figure 5. Competitive intelligence innovativeness model (CI-IM)
Adapted and expanded from Keiningham *et al.* (2019:435)

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

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

SMEs to have a better understanding of key stakeholders.

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

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

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

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

Step 5: Alignment of CI, CCP, CS, and IP-This step is the core of the framework, considering that it aims to ensure alignment of activities of steps 1 to step 4 of the model. As such, the primary objective of step 5 is to ensure that the IP is developed in such a way that it responds to knowledge acquired from CI, targets customers and competitors'

activities identified in CCP, and is based on achieving the CS objectives that are set. To successfully align IP to CI, CCP, and CS, the following questions should guide the process:

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

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

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

6. LIMITATIONS AND FUTURE RESEARCH

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

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

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

7. CONCLUSIONS AND RECOMMENDATIONS

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

The findings of the study also provided an important theoretical and practical implication. South Africa has progressive laws governing the operations of liquor retailing. However, the liquor retailing sector is immersed by unlicensed liquor retailers, whose operations do not comply with the liquor laws. One major concern is that liquor products from licenced manufacturers and distributors are sold by unlicensed liquor retailers. Therefore, the government must enforce the existing laws to register or provide licenses to these businesses and ensure they operate within the confines of the laws. This will assist in

ensuring the safe and responsible selling of liquor and that the unlicensed liquor retailers contribute to state revenues through taxes. By enforcing the legislation, the government will also ensure that the manufacturers and distributors of liquor are more inclined to associate with liquor retailers that are licensed to operate. The researchers further propose that the government should consider offering training to SME liquor retailer on CI and innovation in order to encourage competitiveness against large and established liquor retailers.

8. ACKNOWLEDGEMENTS

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