

The study of the effect of competitive advantage and competitive intelligence on export performance

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Abstract

This study examined the effect of competitive advantage and competitive intelligence on export performance .the methodology of this study is a descriptive –correlation one. And in terms of purpose, it is supposed as an applied research and in terms of the time ,it is considered as an cross-sectional study. The statistical populations of the study are managers and assistants of the dairy products exporters in Bojnurd .the number of which was about 84 .because of the small statistical population, they have been census. In order to examine the data, we used of competitive advantage questionnaire of Hill and Jones. The questionnaire of competitive intelligence was Gladstone, and the questionnaire used for export performance is designed by Zhu et al. As a result, there is a significant relationship between competitive advantage and export performance .it was confirmed that also there is a significant relationship between competitive intelligence and export performance.

Keywords: competitive advantage, competitive intelligence, export, performance

INTRODUCTION

As we know, the success of today's companies and organizations require more recognition of customers and competitors and other factors affecting the market. Customer needs and demands are constantly changing, and only in the event of recognition of these changes, The Company may be able to be succeeding. On the other hand, the competitors try to attract more customers for themselves and in this way, they will overlook no effort. Also, changing of market conditions and the laws governing it, such as technological change, legislation and Could affect on the success of the organizations in a market (Nooriniya,2007)

Today's competition is increasing so rapidly .so that, the organizations of public sector are very sensitive toward reducing the budget, understanding the needs and investing on abilities (technology, resources, etc) to meet the market demand. Companies of Private sector are also faced with increasing competition in the environment. Therefore, it is difficult to maintain a sustainable competitive advantage (Sadri,G. and Lees B,2001). Competitive advantage is a factor or combination of factors that makes the company to be very successful in a competitive environment than other organizations. It can prevent the easy infringements of competitors (Barney, 1999).As a result, many organizations, whether public or private

ones, try to use of their own competitive intelligence to inform decision-makers(bose,2008). Competitive intelligence is supposed as an essential concept in management and strategic planning of the company. Companies can predict market development opportunities through competitive intelligence and analyze the strengths and weaknesses of competitors; therefore, they can have a better performance against competitors (Britt, 2006).

In the course of creation of the competitive advantage, there are two important points that should be considered .First, this process is a continued one that leads to excellent performance and competitiveness of the organization. Second, due to the increasing complexity of environment and the competitive rate, the competitive advantage easily imitated by competitors or it became a repetitive one for customers, and soon it should be replaced by new advantages. in this case, The organization must seek to gain its own new competitive advantages.

The increasing of trade globalization has led to a growing number of companies that seek markets beyond the traditional domestic market and focusing on high growth export markets that are not only expanding, but also leads to ensure their survival. The companies are looking to export product. And this study tries to examine the competitive advantage and competitive intelligence on export performance.

Theoretical

Competitive Advantage

Competitive advantage is considered as one of the basic concepts in international business which is determined the competitive position of the company and give the organization the ability to establish a defensive position against competitors (salonen, 2006).

Competitive advantage is referred to the company's superior performance compared to the industry in which it operates. Superior performance means providing higher value to our customers.(Miller, 1999). Customers want goods and services that are better and cheaper at the same time. Dimensions of competitive advantages include quality, efficiency, innovation and responsiveness to customers.

Quality: high-quality product or service, are considered as product or service to be able to perform well what that is designed for.

Efficiency: to measure the efficiency, we should compute the input costs required for producing specified outputs. When a company is more efficient, input costs for production are lower than identified outputs.

Innovation: innovation means any new and novel ways that a company used to produce goods. Innovations include the development of products in a variety of manufacturing processes, management systems, organizational structures and strategies created by a company.

Accountability to the customer: in order to be Responsiveness to customer needs ,the organization have to provide customers exactly what they want and just give them at the time or times that they need. As a result, a company must identify customer needs and resolve them. Responsiveness to customers is to deliver value to customers in return of currency.(Hill 8 et al,1998)

Competitive Intelligence

Competitive intelligence is supposed as the art of collecting, processing and information storing that people from all levels of the organization can access to it according to their needs .it can help them to be able to create their future and protect them against competitive threats .These information of competitors, customers, suppliers, technologies, environment or potential relevance is related to the business (Saayman et al 2008). Society of Competitive Intelligence Professionals states that Competitive Intelligence is a systematic process for collecting ,Analyzing and managing external information that will affect on programs, decisions and the company's operations. The purpose of competitive intelligence is management and reduction of risk, creation of useful knowledge, safety information and use of collaborative information(Priporas,2005). Those Companies that use of competitive intelligence have a better understanding of the competitive prospects (Vedder et al ,1999). By moving toward

accommodating strategies, they designed programmes to increase their competitive advantage (Wright, S. and Calof, J.L, 2006).

The process of competitive intelligence is the process of activity, collection, analysis and use of information about products, competitors, suppliers, partners and customers for short and long-term planning needs of an organization. According to the Society of Competitive Intelligence Professionals, this effective process moves through a continuous cycle named competitive intelligence cycle.

Competitive Intelligence cycle involves the following steps: Firstly, planning and focus: this stage is defined according to the company's requirements in terms of what information is required? Why is this needed? And when this information is true?

Secondly, the activities of collection: identifying all potential sources of information and then research and collect data from all available sources and put them in a regular form . the third stage, include activity analysis which is a critical one, including data analysis for identifying patterns, communication and everything related to it which can improve programming and making decision. It can also develop those strategies that suggest a sustainable competitive advantage for the company . useful analysis requires creativity, knowledge and ability to search more.

The fourth stage, publication means the notification of competitive intelligence to decision-makers in a format that is easily understood and understandable for them and to is able to be used for decision-making.

The fifth stage, feedback or evaluation of the final stage can be seen in this cycle. This stage includes the reflection of businesses views and customer data to improve the competitive intelligence process(Bos, 2008)

In another research which is about the process of competitive intelligence ,this process involves planning and focusing on collecting information and analyzing and informational communicating between individuals or distribution of it in the organization. In this process planning and focusing on the issues that are important for senior management ,are very essential. it is also used to ensure the necessary resources which are required for competitive intelligence. In The collecting stage, the data are collected from different sources. in analysis stage , data are converted into useful information for making strategic decisions .In communication stage, the results of the competitive intelligence should be informed to all employees correspondence, to act upon them.

Gladstone Competitive intelligence

Competitive intelligence is supposed as the art of collecting, processing and information storing that people from all levels of the organization can access to it according to their needs .it can help them to be able to create their future and protect them against competitive threats. Competitive intelligence, transform knowledge from environment to the organization just by using some special rules.(Pirayesh &Alipoor,2012)

Market opportunities: is supposed as the opportunity to understand and recognize the needs of society and the ability of responding them (Beig Zad & Eskandari,2011:49)

Aware of the risk of competitors: it means the identification of potential actions that a competitor may do .by which it can threat the position of a company in a particular market .

Awareness of Competitor's threats: finding opportunities and threats with weak symbols (Beig zad&eskandaari, 2011). Awareness of the key vulnerability of organization: to identify areas that are vulnerable and evaluating the impact of strategic actions on companies (Beig zad&eskandaari,2011) .

Export Performance

Studying about export performance of companies began in early 1960 by Tukey . Who for the first time, attempt to identify the relevant factors affecting the success of export performance of an organization? The ability to compete in global markets happens by using successful marketing strategies for export performance of a company. Export performance is defined as the results of company activities in export markets.

Shoham Cadogan has defined export performance as the degree of economic and non-economic objectives to which companies have achieved in export markets. export performance is considered as the extent of the objectives even in economic terms and in export marketing strategy ones which earned by a company. (Monteiro, 2013). The success of a company in export can be evaluated by export performance. To measure export performance, there are three different criteria such as financial, non-financial and compound. Some Criteria such as sales, profits and growth are considered as financial standard and other criteria such as success, satisfaction, achievement of objectives, are non-financial ones. compound criteria have been established according to a variety of performance criteria. Various investigations have been conducted regarding factors which effect on export performance. In each of these studies, according to the researcher's idea, just those variables are taken into account which directly or indirectly influence on export performance (ZoU ET AL, 1999)

Many researchers have stated that the use levels of exports, foreign exchange earnings, industrial development and national success increases. Approximately, performance of the organizations and their profit, their sales volume and market share improved. The improvement of export in many developed countries is considered. Marketing strategies are designed to be able to answer the market changes .exact and specified solutions have been found for marketing problems. These solutions can appraise the performance of the company. The development of appropriate information for making decision is increased by expansion of international markets. When operations in foreign countries with high-risk is created in business environment unfamiliar to new parameters, the increase in the number of dimensions could be seen. Feasibility and competition also increased gradually, high quality, up to date information ,and the information about the distribution of these knowledge in the organization and use of it to engage in long-term export are very important. This implies that export companies should be market-oriented and learning organization. Obtain and respond to market information are particularly important in the context of export marketing. Where changes happen very quickly in the macro market, the need to information and profitability increase. Using the information has successively reduced the uncertainty in the decision-making process in foreign markets, improving the company's ability to cope with opportunities, threats existing in the export market and the competition company.

In other words, the information of international market is a major obstacle for exporting and non-export companies. Studies in the literature report that are lack of information or do not have enough information, are supposed as one of the commonly cited reasons for avoiding companies to export in foreign markets (kim,2010)

Background research

Aqajani and FarzadFar in 2012 in a study titled "Model of Export Performance with competitive capabilities approach of Small and average firms of fruits exporting in North provinces of Country. " .they concluded that targeting export and mix Marketing strategies directly have a positive effect on export performance of institutions . management capabilities will be affected indirectly by targeting Export and the ability of firms and micro environment will be influenced by marketing mix strategies on export performance of Small and average firms of fruits exporting in North provinces of Country is positively and significantly effective.

Hajipour and others (2012) in the study called "clarification of product- market strategy and marketing capabilities on the market" .they concluded that the strategy of cost leadership, differentiation and product-market territory have a significant and positive influence on architecture capabilities and specialized marketing. Also, there is a positive and significant relationship between architecture capabilities and specialized marketing with the performance of the market

Attaran and others (2012) do an investigation called" the determination of the role of the effective factors on market consolidation (sustainable competitive advantage) of banking services in Mellat bank on the basis of resource-based approach. they stated that they have found an important and essential method to create a sustainable competitive advantage position , identify factors affecting on competitive advantage

According to resource-based approach. hence, The aim of this paper is to identify the key factors of sustainable competitive advantage based on resource-based view in Mellat Bank .three categories include tangible assets, intangible ones and determined abilities are identified.on the basis of these assets ,the conceptual and primary model of sustainable competitive advantage, were extracted and tested. According to the results, tangible assets, intangible assets and of the main features(capabilities) were identified. Results Showed that intangible assets, capabilities and the tangible assets are respectively first to third priorities. Thus in terms of tangible assets respectively, a variety of services, the banking, infrastructure, capital and markets are important. In terms of capabilities, administrative capabilities, human resources and management are considered and Finally, in terms of intangible assets , internal and external factors are important and influence on sustainable competitive advantage in Mellat bank.

The Results of Rahmanseresht and Karimi in 2007 in an article entitled "A Model of relationship between strategies of exporting market development with export performance of manufacturing companies of food products in Iran" suggests that the most standards of export performance (includes the export level and the relative growth of exports), there is not a significant difference between the strategy of market concentration and market development. In this study, gaining more share of the market is supposed as a target of export, the product is adapted to the needs of customers in target markets, overcoming limitations of logistics, international perspective of management, utilization of production capabilities, competitive pricing and regular visits from export markets are identified as factors that are in coordination with the market concentration strategy. In contrast, achieving more sales volume, solve problems and limitations of pricing, production and marketing capabilities are supposed as the potential factors that fit the strategy of market expansion.

Hajipour & Momeni (2009) do a study called "reorganization of resource-based approach toward the organizational resources and sustainable competitive advantage. Case Study: Saran Company : the survival of organizations in today's competitive environment .there is no choice except having a competitive advantage. Theorists of Strategic management science have proposed two major approaches for competitive advantage. An approach which is based on environmental opportunities and the second approach is based on internal capabilities of organization. Research of past two decades have shown that the advantages based on organizational inner capabilities are better than environmental opportunities .because they can determine the competitive position of organizations and they are considered as the more reliable basis of competitive advantage. according to the results of testing hypotheses, all of Saran resources are valuable for meeting the needs of enterprise Saran .the resources of the organization are not scarce(rare), so they cannot create a competitive advantage for the company.

Nalcaci et al (2014) in an article entitled "the study of the effects of marketing capabilities on export performance by using Resource-based approach "concluded that companies can use their financial and information resources and managerial capabilities in order to increase their export performance.

in 2010 in Taiwan, Another study by Lee J. S., & Hsieh C. J investigated about the relationship between entrepreneurship, marketing capability, innovation capability and sustainable competitive advantage. The dependent variable in this study is sustainable competitive advantage and effective variables are marketing, innovation capability and entrepreneurship. In this research, we have been studied more than 1,000 Taiwanese manufacturers which had been analyzed by the Magazine of Commonwealth countries in Taiwan in the year of 2009. Generally speaking, 116 effective samples were collected. Results show that: 1)entrepreneurship can directly influence on marketing capability and innovation capability and through marketing capability and innovation capability affects indirectly on sustainable competitive advantage.2) Although marketing capabilities cannot directly influence on sustainable competitive advantage ,but through innovation capability can affect indirectly on this advantage.on the other hand, innovation capability directly affect the sustainable competitive advantage.

Findings of the Research done by Shaming& Zhu et al in 2003 named "the impact of export marketing capabilities on export performance (case study: enterprises in China)" indicates that the distribution and communication capabilities have a positive impact on exports.

In 2004, a study by Jay Viravardenna and Aren Ukas in Australia has been done about the study of the characteristics of market-oriented companies and predictors of sustained competitive advantage. The dependent variable in this study is sustainable competitive advantage and effective variables are the power of entrepreneurship, market-oriented learning capability, marketing capability and organizational innovation. In this study, we have been studied about the ability of market-oriented companies in comparison with the extraordinary performance of their competitors and the impact of market-oriented learning ability and marketing capabilities in a competitive strategy based on innovation on sustainable competitive advantage. The results show that the important factor in sustainable competitive advantage is entrepreneurship .but we should remind that market-oriented learning capability leads to a high degree of innovation. on the other hand, marketing capabilities can empower sustainable competitive advantage in an organization.

Research Methodology

The methodology of this study is a descriptive-correlation one. And in terms of purpose ,it is supposed as an applied research and in terms of the time ,it is considered as an cross-sectional study. The statistical population of the study is managers and assistants of the dairy products exporters in Bojnurd .the number of which was about 84 .because of the small statistical population, they have been census. In order to examine the competitive advantage, we used of Hill and Jones questionnaire. This questionnaire has 16 questions and has different dimensions such as the responsiveness to customers, quality, innovation and efficiency .each component has 4 questions. The instruments used in this paper is Gladstone competitive intelligence questionnaire (2009)which is based on Fahey's model(2007) .The questionnaire contains 21 questions as follows: market opportunities 5 questions, competitive threats 5 questions, risk of competitors 4 questions, key assumptions 4 questions, key vulnerability 3 questions. To measure the performance of exports a questionnaire is designed by Zhu et al in 1998 .from 9 statements and 3 subscale , financial performance of exports is made up 3 question , strategic performance of exports (3 question) and satisfactory of export (3quesions).grading of questionnaire is such as Likert scale(5) for options like "strongly disagree" ,"disagree" ,"no idea" ,"totally agree" and "agree", we respectively used 1,2,3,4,5.

Findings

According to the results, 45 men and 3 women participate in this research.

According to the age of participants ,12 individuals were Between 30 and 40 years old,23 people were between 40 to 50 , and 13 persons aged 51 years and older

About education of participants, nine of them had associate degree, 29 participants had bachelor's degree, and 10 of them had Master of Science or more than that.

First hypothesis: there is a significant relationship between competitive advantage and export performance.

Table1: Regression model, competitive advantage and export operations

Correlation coefficient	Coefficient determination of	The Corrected coefficient of determination	The standard deviation
624	389	387	2060983

According to statistics of Table 1 we can said that the correlation coefficient is 0.624. The Coefficient of determination is obtained 0.389 . This value shows that for about 0.389 % changes of the competitive advantage related to export performance, and the rest depended on other factors. Of course, it is necessary to say that The only drawback of this method is that the degrees of freedom does not consider so because

of this reason ,we should usually use of Adjusted coefficient of determination, the value of which in this test is equal to 0.387

Table 2). Analysis of Regression variance of competitive advantage and export performance

Significance level	Statistic F	Square Average	Degree of freedom	Total squares	Source of changes
000 .	207.077	1410441	1	1410.441	Regression impact
		6.811	47	2213.638	
			47	3624.080	total

Analysis of variance showed that the significance level calculated for this statistic is equal to 0.000 and this shows the significant of regression in 99% confidence level(Sig = 0.000)

Table 3) regression model of the impact of competitive advantage and export performance

Significance level	T	Standard Coefficient	Non-Standard Coefficient		Model
		Beta	Std error	B	
000 .	4.433		975	4.322	The constant value
	14.390	624	011	157	Competitive advantage

The specified variable in the regression equation is supposed as the core of regression analysis which is indicated in table (3). Regression equation can be calculated by using the column B as follows:

Competitive Advantage = Export performance (0.157) +4.233

In other words, by promoting one unit of competitive advantage,the export performance promote for about 1570 units. In the mentioned Table, T-test for regression coefficients shows that the coefficient is significant (sig = 0.000)and has an effect on export performance.

The second hypothesis: there is a significant relationship between competitive intelligence and export performance.

Table 4. Fitness of Regression model of competitive intelligence and export performance

Correlation coefficient	Coefficient of determination	The Corrected coefficient of determination	The standard deviation
.456a	.207	.205	1.38355

According to the statistics of table 4 ,it can be said that the correlation coefficient is equal to 0.456 . the Coefficient of determination obtained 0.207 and this value shows that it can be seen for about /207 % changes of competitive intelligence depends on export performance ,and the rest depends on other factors. . Of course, it should be said that The only drawback of this method is that the degrees of freedom does not consider so because of this reason ,we should usually use of Adjusted coefficient of determination, the value of which in this test is equal to 0.205

Table 5) Regression variance analysis of competitive intelligence and export performance

Significance level	Statistic F	Square Average	Degree of freedom	Total squares	Source of changes
000 .b	85.086	162.873	1	162.873	Regression impact
		1.914	47	622.118	

			47	784.991	total
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The Analysis of variance showed that the significance level calculated for this statistic is equal to 0.000 and this shows the significant of regression in 99% confidence level(Sig = 0.000)

Table 6) the Regression model , the impact of competitive intelligence and export performance

Significance level	T	Standard Coefficient	Non-Standard Coefficient		Model
		Beta	Std error	B	
000 .	4.065		.517	2.101	The consistent value
0000	9.224	.456	.006	.053	Competitive intelligence

The specified variable in the regression equation is considered as the core of regression analysis which is indicated in table (6). Regression equation can be calculated by using the column B as follows:

Competitive intelligence = Export performance (0.53) +2.101

In other words, by promoting one unit of competitive intelligence, the export performance promote for about .53 units. In the mentioned Table, T-test for regression coefficients shows that the coefficient is significant (sig = 0.000) and has an effect on export performance..

Results

This study examined the relationship between competitive advantage and competitive intelligence with the export performance of an organization. The results showed and confirmed that there is a significant relation between competitive advantage and Export performance. The competitive advantage is applied a situation in which a firm enables to use better methods and having more efficiency. On the other hand, the company is able to supply higher quality products and achieve to more profits by competing with other competitors. The more complex and unpredictable becomes the environment of an organization, making decision becomes more difficult .in this case the decisions of managers influence more on the export performance and in this respect, according to the existing conditions, we should choose the competitive advantage.

As a result, there is a significant relationship between competitive intelligence and export performance .this result is confirmed. Competitive intelligence is supposed as a business tool that helps the process of strategic management in organizations and increases business performance through improvement of knowledge, internal communications, the quality of strategic programmes. Competitive Intelligence shows the direction of completion .it makes the companies to be able to predict and develop their own market ,by analyzing the movements of competitors, before they can be affected by their surroundings. This leads to achieve to a sustainable competitive advantage. today's, in order to be survived in competitive environment ,organizations requires new instruments and tools for making decision .one of these tools is competitive intelligence which can influence on export performance of the company.

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