

ABSTRACT

In today's rapidly changing business world, organizations face fierce competition not only from the physical market but also from the infinite electronic market space. It is difficult to determine at what time a new competitor is entering the market and what new products they may launch. The Global Intelligence Alliance (2007a) recommended a strong need for intelligence: Today's business environment demands a comprehensive system for managing risks in the external business environment. The forces of globalization have not been as intense as they are at present. Most business executives feel that these forces of change will have a major impact on their organizations. According to a CEO's survey conducted by Accenture and The Conference Board in 2001 in the Asia-Pacific region, the biggest challenge is dealing with the overwhelming changes and levels of competition. Hence dealing with intense competition in the internet world seems to be the most concerned business issue in the new century.

The role of the Indian economy in the international trade has grown, (Contractor, Kumar, & Kundu, 2007; Johnson & Tellis, 2008) but "much remains unknown about the competitive capacities of Indian firms as to how this market will evolve in future" (Ablett, et al., 2007). In such an unclear state, competitive intelligence becomes a vital tool for strategic planning and competitive advantage. Therefore, it is imperative to understand how Indian industries practice competitive intelligence and whether the firms that are practising competitive intelligence performing well or not. The study of all the industries in one research would not be possible because of diversity among the Indian industries in terms of a number of players and competition so the researcher

chooses the retail industry for the purpose of the study. The Indian retail industry has high competition; data based decision making and high usages of technology. The researcher formulates the following objectives: to analyze the current status of Competitive Intelligence in Indian Retail Industries; to investigate the role of Competitive Intelligence in strategy formulation of Indian Retail Industry and investigate the relationship between Competitive Intelligence and business performance of the Indian retail firms.

To investigate these questions, the researcher used Calof and Dishman's Model of CI to measure the CI capabilities of the firm and conducted a field survey in the Delhi-NCR region. According to Calof and Dishman's Model CI, capability of a firm depends upon the Competitive Intelligence process and Competitive Intelligence context. Competitive Intelligence process consists of the following three constructs: Planning and Focus Collection, and Communication and Analysis. Competitive intelligence context consists of the following four constructs: Awareness, Internal information, Formal Infrastructure and Employee Involvement.

Calof and Dishman's Model of CI is tested by CFA (Confirmatory Factor Analysis). It is concluded that Indian retail industry follows the competitive intelligence process followed as identified in Calof and Dishman's Model but CI context has only three constructs -Internal Information and Formal Infrastructure are not considered different constructs in the Indian retail industry.

In India, the retail firms use competitive intelligence process at an intermediate level. In the comparison of three factors of CI, Indian firms are competitively good at Communication and Analysis but weak at Planning and Focus. Indian retail firms in

terms of competitive intelligence context have an advanced level of Awareness, intermediate level of Internal Information and Formal Infrastructure, and Employee Involvement.

The Indian retail firms give importance to the use of competitive intelligence for decision making, but the frequency for the use of competitive intelligence for strategic decision making is low.

The competitive intelligence capability and business performance are not independent for Indian retail firms and there is a statistically significant relationship between CI capability of the firm and business performance of the firm.

Keywords: Competitive Intelligence, Business Performance, Indian Retail Industry, Confirmatory Factor Analysis.