

Journal of Social Science Advanced Research (JOSSAR)
eISSN: 2735-1874 [Vol. 1 No. 2 December 2020]
Journal website: <http://myjms.mohe.gov.my/index.php/jossar>

THE IMPACT OF COMPETITIVE INTELLIGENCE (CI) MANAGEMENT ON THE COMPETITIVENESS AND PERFORMANCE OF RETAIL COMPANIES IN INDONESIA

Marwan Jafar^{1*}

¹ Faculty of Business and Accountancy, University of Selangor, Bestari Jaya, MALAYSIA

*Corresponding author: marwanjafar2019@gmail.com

Article Information:

Article history:

Received date : 17 December 2020
Revised date : 19 December 2020
Accepted date : 24 December 2020
Published date : 29 December 2020

To cite this document:

Jafar, M. (2021). THE IMPACT OF COMPETITIVE INTELLIGENCE (CI) MANAGEMENT ON THE COMPETITIVENESS AND PERFORMANCE OF RETAIL COMPANIES IN INDONESIA. *Journal Of Social Science Advanced Research*, 1(2), 138-159.

Abstract: *The main purpose of the present research is to come up with a CI management model which is culturally sensitive and adaptive to the Indonesia setting. As it has been seen from the previous studies that CI management has assisted several organization, industries and companies to improve their level of performances and competitiveness, it is also logical to conclude that, it could do same for the local retail companies in Indonesia so that, they could compete adequately and effectively with the international retail companies. The research method used in the research is a qualitative case study (case-study) method in the field of economics, especially business management discipline. This method is used with the underlying assumption that decision makers in retail company management make rational choice in implementing competitive intelligence. The retail industries in Jakarta basically have considered various aspects of the implementation of Competitive Intelligence (CI) that includes marketing intelligence, technological intelligence, strategic intelligence and social intelligence. These four elements of CI have been recognized and managed by retailer, but its executing of the all aspect of CI tends to be minimal optimization. For instance, this research also found the strong validity of these four aspects of CI, namely marketing intelligence, technological intelligence, strategic intelligence and social intelligence have significantly affected the retail's competitiveness and performance. This indicates that there is an increase of needs of the management of retail companies in Jakarta to improve the competitiveness and performance of the company. The conclusion of this research show that his competitiveness of companies is an important aspect of*

	<p><i>business development, it has generally been sufficiently taken into consideration by retail companies. But still requires careful attention by management. The study of the aspects measured turned out to have some validity as follows: Competitive Intelligence affects Competitiveness 0,55 and Performance 0,92, and Competitiveness affects Performance 0,79. This indicates that the most major retails in Jakarta have a high level of confidence on the Competitive Intelligence to improve its competitiveness and performance management. Also, an examination of the performance, as indicated by factors such as gross profit margin, net profit margin, ROI, ROA and ROE are fully affected by the company's ability to understand Competitive Intelligence. And interestingly, too, the order of the validity of research results to the performance competitiveness is not very significant, especially in the retail research at Indonesia. Although other factors that exist in competitiveness has not been fully studied, only limited to the fifth power of Porter's competitiveness. Competitive Intelligence significantly affects the competitiveness and performance of the retail industries, and it is shows indirect impact on corporate performance through competitiveness. Both of Competitive Intelligence and Competitiveness show little significant impact on the retail's performance. However, the competitiveness shows a significant impact on the retail's performance.</i></p> <p>Keywords: competitive, intelligence, retail, Indonesia.</p>
--	---

1. Introduction

The current business environment is changing very rapidly due to globalization and the rapid advancement of social networks and the internet. Today entrepreneurs and consumers can exchange information faster than ever before. This new development of digital technology helps by creating new industries, including in the retail business sector. Retail and store companies are forced to enter into a very dynamic global competition.

In the said situation, the retail business is challenged to find new opportunities and transforming the organizations objectives, skills, resources and capabilities as per the need of time to grasp the opportunities. They are forced to use different processes and techniques to study the environment in which they are operating. Among what are used is what is called the Competitive Intelligent (CI) management.

CI management usually refers to the information collected by a company relating to its target market and key competitors, which is then analyzed to create a highly effective business strategy. The cutthroat competition in the retail industry sector is making it more challenging than ever before for brands to benchmark their pricing assortment and promotions against their counterparts in the market. Furthermore, trends such as the growing inclination towards mobile shopping apps and the rising influence of customer reviews in buying behavior are adding to the complexity. Therefore, to gain a competitive edge in the market, retailers must leverage CI strategy management.

2. Literature Review

2.1 Definition of Retail Business Management

The word 'retail' from the French, 'Retailer', which means to cut or break something. The business dictionary defines retail management as the process of promoting; or the process of selling consumer goods or services to customers through multiple channels of distribution to earn a profit.

According to the Cambridge Dictionary (2019), 'retail business' is defined as "the activity of selling goods to the public, usually in shops. "This selling of goods can take place in a variety of ways, such as in-store at a brick-and-mortar location, online, through direct sales or via postal services and it includes anywhere from department stores to corner convenience shops. The retailer is the shop or business that is selling the goods and the consumer is the person who purchases those goods for use.

2.2 Types of Business Retail

Business Encyclopedia stated that there are four major categories of retailers:

- Hard lines – things that tend to last a long time, such as appliances, cars, and furniture
- Soft goods or consumables – things like clothing, shoes, and toiletries
- Food – things like meat, cheese, produce, and baked goods
- Art – things like fine art, as well as books and musical instruments

While Davidson (1998) classified retail businesses into four types as follows:

First, the types of retail businesses based on business ownership:

- a. Franchise shop is a retail shop that is built based on production sharing contracts between an individual investor and an entrepreneur who is a licensee or name of the store, sponsor and manager of the business, such as fast food, restaurants, workshops, optical stores or supermarkets (digital, indomart, Alfamart).

- b. Chain of retail stores: This type is a retail shop with many branches and is generally owned by a non-individual business institute, but in the form of a corporation. The form is like a minimarket chain store or Mega Hyper store, for example Hero Supermarket, Sogo Department Store & Supermarket, Matahari Mall, Ramayana Mall, and so on.
- c. Single store retailers are the most numerous types of retail businesses with store sizes generally below 100 m².

Second, the types of retail businesses based on merchandise categories. These types of retail businesses include special stores, grocery stores, department stores, and hyper stores.

Third, there are four types of retail businesses based on sales area. There are four types of retail businesses, namely:

- a. mall store is a small shop, like a kiosk, which is generally a traditional retail store, operated as a small business with a sales area of less than 100m²;
- b. Minimarket, operated with an area of sales area between 100 to 1,000m²;
- c. Supermarket, operated with a sales area of between 1,000 to 5,000 m²;
- d. Hypermarkets, operated with a sales area of more than 5,000

Fourth, types of retail businesses based on retailers without stores:

- a. Multi-level marketing: is a method of selling goods directly with a sales commission system ranked according to membership status in the distribution rank.
- b. Mail & phone orders for retail or delivery stores are companies that make sales based on orders by mail and telephone. The principle of this company compensates for the overhead costs of operating a store (physically) with the operation of delivery service.
- c. Internet / online store/e-tailers: Until the early 2010s, this type of online retail was underestimated. However, in line with the rapid advancement of information technology, this type of retail is increasingly becoming superior, ready to surpass other types of retail. Internet Retailer Research (2019), predicted that consumers worldwide will spend nearly \$3.46 trillion online in 2019, up from \$2.93 trillion in 2018 using a Digital Commerce 360 brand only. It also estimates, for the global retail sales through all channels are likely to increase about 16, 4%, hit \$21.00 trillion by the end of the year, a 3.4% uptick from \$20.31 trillion in 2018. Studies showed that, there are three ecommerce business models that are growing rapidly in today's world, namely: (1). The C2C (Consumer to Consumer); (2). B2C (Business to Consumer), and (3.) B2B (Business to Business) Business Model.

2.3 Key Success Factors in Retail Business Management

Guswai (2019) explained that there are three key factors that can encourage retail businesses to succeed, including following:

a. Business Location: The main factor that must be considered in starting or developing a retail business is location. Guide to choosing a retail business location according to Guswai is as follows:

b.

- Visible (visible) a good retail business location should be seen by many people passing by at that location.
- Heavy traffic (heavy traffic) the more retail locations people travel through, the more people know about the retail business.
- Directions to go home (direction to home) Very rarely do people shop when going to work.
- Public facilities a good retail business location is close to public facilities such as public transport terminals, markets or train stations. These public facilities can be a driving force for potential traffic sources of buyers / customers to then shop at retail stores. This is called impulsive buying.
- Acquisition costs (acquisition costs) Costs are things that must be considered in various types of businesses. Retailers must decide whether to buy a land or lease a certain location. Retailers should conduct a financial feasibility study to decide on a particular retail business location.
- Regulations / licensing (regulation) in determining a retail business location must also consider the applicable regulations. Retailers should not place their businesses in locations that are not intended for business, such As city parks and river banks.
- Access (access) Access is the entrance and exit to the location. Good access must make it easy for prospective buyers / customers to get to a retail business. The types of access barriers can be in the form of changes in traffic flow or direct barriers to store locations, such as roadblocks.
- Infrastructure (infrastructure) Infrastructure that can support the existence of a retail business, including adequate parking, toilets, and lighting. This can support the convenience of customers in visiting a retail store.
- Available market potential (captive market) Customers will usually choose a shopping location close to their residence. Establishing a retail business location close to customers will ease the retail business in finding customers.

- Legality (legality) to decide whether to buy or rent a location to place a business, retailers must ensure that the location does not have a legal problem (dispute). All sales and purchase and lease agreements should be made before a notary public. The notary will check the completeness of documents before authorizing the sale and purchase or lease.
 - Mistakes in determining the location of a retail business can have a long- term impact. Retailers must consider the costs that have been incurred when running a retail business such as electricity installation, computer system networks, and building decoration. Moving a business to a new location that is considered to be more profitable is also not easy because they have to consider various things, such as the area of the room needed, room decoration, licensing, and so forth
- c. Right price:** Retail businesses usually sell products that are commonly bought / consumed by customers on a daily basis. Therefore, customers can control prices well. If a store sells products at a high price, the customer will move to another store that offers a lower price, so the store becomes quiet customer. Conversely, setting prices that are too cheap results in a lack of profit to be gained, so that retailers may not be able to cover the costs incurred in running their business.
- d. The atmosphere of the shop:** Appropriate store atmosphere can encourage customers to come and linger in the store, such as installing music or adjusting the lighting of the store. There are two things that need to be considered to create a pleasant store atmosphere, namely the store's exterior and shop interior. Exterior of the store, covering the entire physical building which can be seen from the shape of the building, entrance, stairs, walls, windows and so on. The exterior of the store plays a role in communicating information about what's inside the building, and can form an image of the overall appearance of the store. Store interiors, including store aesthetics, room design, and store layout, such as the placement of goods, cashiers, and other equipment. If a customer properly captures the store's exterior, he will be motivated to enter the store. When a customer has entered the store, he will pay close attention to the store's interior. If the customer has a good perception / perception about a store, then he will be happy and comfortable to linger in the store.

In addition to the store's exterior and interior, another important factor influencing the store's success is the salesperson. The salesperson determines whether or not the customer is satisfied after visiting so the sale and purchase transaction takes place in the shop. Quality salespeople really support the progress of the store. The salesperson should be able to attract the sympathy of the customer with all his friendliness, greeting greetings, information provided, ways of speaking, and friendly atmosphere.

It seems that all factors as mentioned above are not enough. Levy Michael (2013) mentioned, the retail business is undergoing rapid change and expectations regarding the role it plays in society are increasing beyond the traditional retail model. Customers scrutinize retailers today under a new set of value standards, including social responsibility, environmental impact, workplace safety and diversity, and the forces of globalization and trade. The retail business is facing on five exciting new developments: (1) big data and analytical methods for decision making; (2) communicating with customers and enhancing the shopping experience with social media and smart phones; (3) utilizing mobile channels and providing a seamless multichannel customer experience; (4) engagement in corporate social responsibility and the social considerations of business decisions; and (5) the impacts of globalization on the retail industry. Therefore, Levy said, to succeed in the world of retail, every retailer has to combine the right mix of business theory and sound retail management strategy like CI.

3. Methodology

The research method used in the research is a qualitative case study (case-study) method in the field of economics, especially business management discipline. This method is used with the underlying assumption that decision makers in retail company management make rational choice in implementing competitive intelligence (Dean & Sharfman, 1996: 374) to prevent risk (Xianjin Zha, Minghong Chen, 2009, p. 232), achieving the company's competitive advantage (Auster & Choo, 1994) and improving the performance of the company (Šaban Gračanin, Edin Kalac, Dejan Jovanović, 2015, pp. 40, 41; Hunt & Davis, 2008; Li et al., 2006; Ramsay, 2001: 45; Sheth & Sharma, 1997, p. 96). In view of this this chapter clearly explain the research design, methods of data collection, sampling techniques and the method of data analysis.

The procedural and strategic method and planning of how the study is being conducted, which includes data collection, analysis as well as answering the questions raised by the researcher is known as research design. Creswell (2012) explains research design as processes and methods for retrieving, analyzing as well as reporting either qualitative or quantitative data.

Therefore, the present study adopted a mixed method research design, which is a process of gathering, analyzing and combining several methods of data collection in a study in order to understand the research problem clearly (Creswell and Clark, 2007). Through this method the researcher is able to understand the research problem and purpose clearly rather than using only one method for data collection (Creswell and Clark, 2007). Meanwhile, mixed method is conducted where there is access to several data sources of which these data collectively provide better understanding of the research problems and questions. It is a good design to be adopted if the research seeks to build strength for both qualitative and quantitative method (Creswell 2008). However, the present study is not adopting quantitative method purely as data sources but uses three aspects of qualitative method as data sources such as interview, observation and documents.

In this regard, the data generated from observation and documents analysis can provide findings that explain numbers of events as well as the degree of trends and provide platform and information for making inference about large number of business outlets, while data generate from interview provide actual statement of the respondents on the same study. Hence, the outcome provides a complex and comprehensive picture of the phenomenon (Creswell, 2008). Based on this, if multiple data sources are combined in a study, it will provide a powerful mix (Miles and Huberman, 1994).

Meanwhile, it should be noted that, within the scope of mixed methods, there are some approaches which are used in conducting research (Creswell 2008), which could guide how mixed method can be conducted (Clark, 2008). The issue here is to determine the method which is given priority within the major data method of sources adopted in the present study, in what sequence is collecting the three data collection sources (interview, document and observation), and how does the researcher would want to analyze the data (Creswell, 2008). The responses to the entire questions will determine the type of framework to be used in mixed method. More so, the major designs under mixed method are exploratory, embedded, explanatory and triangulation (Creswell and Clark 2007). In view of this, the present research used triangulation design as the framework for its research.

4. The Impact of Competitive Intelligence (CI) Management on the Competitiveness and Performance of Retail Companies in Indonesia

4.1 Management Support for the Implementation of Competitive Intelligence in Retail Companies in Jakarta

The results of this study indicate that Competitive Intelligence (CI) influences the important decision making of retail companies in Jakarta. Generally corporate management consciously or not, has implemented the Competitive Intelligence. The CI retail companies has supported the retail companies in strategic decision making and CI has been also used to solve various problems, among others:

- Obtain better information and business environment.
- Gain knowledge and as a tool to overcome a competitor's business strategy.
- Know the opportunities and threats to the sustainability of retail companies.
- Understand and anticipate the use of technology by competitors.

Generally retailers sector in DKI Jakarta Province (Indonesia) understands very well that the business environment is always changing frequently, so they generally use CI to anticipate changes in the business environment. CI helps the company's readiness to cope with the business environmental changes. Competitive Intelligence can show who the competitors are to be faced and what actions they are doing, so that retails industry can quickly respond to their actions. With competitive intelligence, retail indstries can also learn the success and failure of their competitors.

In practice, many retail companies in DKI Jakarta Province (Indonesia) have implemented Competitive Intelligence, although not mentioned as Competitive Intelligence. CI is often used as a guide in developing strategic plans. In its development now in line with the increasingly competitive business environment, a number of major retail companies in DKI Jakarta Province (Indonesia) has used intelligence consultation such as AMI-Group (Synovate), INBRA, AC Nielson, INSIGHT, Asian Business Intelligence, and Financial Intelligence. The results of this study on the level of the perception and implementation of Competitive Intelligence in retails sectors is described below.

4.1.1 The Impact of Market Intelligence Toward Company Competitiveness

The case study of 120 Retail Companies in DKI Jakarta Province shows that the Supplier's confidence level of Market Intelligence affects the Retail Company's management strategic decision making process. Most Retail Companies generally agree that information from Market Intelligence is accurate. Only a small part of corporate management does not use Market Intelligence information in their strategic decision making.

The case study also reflects that almost all Retail Companies in DKI Jakarta Province fully optimally use information about the Market Intelligence Supplier in making decisions or in using the information to deal with competitors and future developments of the company. This proves that retail companies believe that intelligence information about Supplier is required by the decision maker in order to select and determine the Supplier that most support the competitiveness of the company.

While research on the level of confidence of information about Buyers from Market Intelligence shows that generally Retail Companies in Jakarta relatively believe and use information about the Buyer. Almost all Retail Companies use the information in making decisions against competitors. Only a small part of the Retail Company is less sure of the information.

The above results shows that all Retail Companies in DKI Jakarta Province tend to maximally believe and use information about Product Intelligence. The Retail Company also believes information about Buyers and believes that information is important information, especially to know buyer behavior, that is how individuals, groups and organizations buy and use goods and services.

The results of data processing on the level of confidence in the accuracy of information from Market Intelligence on Product and Service innovation show that most Retail Companies relatively fully agree that the innovation information of Products and Services from Market Intelligence is accurate and important information in the decision making process. Only less than half of the company's management has not used the information. This means that information about Product or Service Innovation to satisfy the needs of consumers can support the competitiveness of the company.

4.1.2 The Impact of Technology Intelligence Toward Company Competitiveness

With regard to Technological Intelligence, this study finds that most Retail Companies are relatively fully convinced of the importance of Basic Research and Applied Research. Most Retail Companies believe this information. Few Retail Companies have little faith in this information. In addition, the study also found that more than half of Retail Companies in DKI Jakarta Province have believed in the importance of Patent and Industrial Process information. Only a small part of the Retail Company does not believe in the information. This means that most Retail Companies tend to be optimal using information about Patents and Industrial Processes and believe that the information about the Patents and Industrial Process contributes greatly to the company's viability.

While the results of research on the belief in the importance of information Articles and Publications (Articles and Publications), this study found that Retail Companies have high confidence in the importance of information Publications. Less than half of the Retail Companies are less sure of the importance of Publication information. This means that the management of the Retail Company believes that the knowledge of Articles and Publications can help the company develop competitiveness.

4.1.3 The Impact of Strategic Intelligence and Social Intelligence to Competitiveness

The results of this study indicate that most Retail Companies believe that information about Law, Finance and Taxation is important for the company. Information about Law, Finance and Taxation generally can help managers making all decisions to improve competitiveness. Few companies do not believe Law, Finance and Taxation information helps companies improve their competitiveness.

The results of the above study indicate that the Retail Company believes in the aspect of Strategic and Social Intelligence. Retail Company Management understands these legal issues can affect the existence and progress of the company. An understanding of financial issues and tax policies affects the company's viability.

On the other hand, the results of this study indicate that most Retail Companies believe that Economic and Political information relates to the needs of top management of information in strategic decision-making processes. Only few Retail Companies do not believe that Economic and Political information relates to the needs of top management in making strategic decisions. This means that the Retail Company believes that Strategic and Social Intelligence also includes information on economic developments, and political situations and policies that affect the existence, competitiveness and performance of the company.

Furthermore, the results of this study indicate that almost most Retail Companies are less confident of Social And Human Resources information affecting the development process of the company; however, less than half of the Retail Company believes that Social and Human Resource information affects the competitiveness of the company. This means that companies are less sure that Social and Human Resource Aspects can affect the competitiveness of the company.

4.2 The Impact of CI and Competitiveness to Company Performance

This study shows that Retail Companies in Jakarta Capital City believe that the information of New Comers threats from Competitive Intelligence (CI) to their business is related to the needs of top management in the decision-making process to improve the competitiveness of the company and the performance of the company. But less than half of the Retail Company does not believe that the New Comers threat conditions associated with the needs of top management make the decision to improve the competitiveness of the company.

The results means that the Retail Company believes that New Comers in an industry rivalry bring new capacity, the desire to seize parts of the market, especially New Comers have great resources. The Retail Company also believes that New Comers may trigger the risk of falling prices or inflated costs, thereby reducing the company's profit in business competition. This has an impact on the financial performance of the company.

Furthermore, this study shows that most Retail Companies believe that the Information Barrier's threat information to its business is related to the needs of top management in the strategic decision-making process. Few Retail Companies do not believe that the Bargaining Power is related to the needs of top management.

The above results of the research indicate that the Retail Company believes competitors are competing to gain market position by using tactics such as price competition, advertising warfare, product introduction and improving service or guarantee to customers. Business competition takes place between companies due to pressure and opportunities to improve market position. These factors have an impact on the performance of the company.

This study also shows that retail companies believe that the threat of replacement products can affect their business and relate to top management needs to improve the competitiveness of the company. This is means that all Retail Companies believe that the retail industry always competes with industries that produce replacement products.

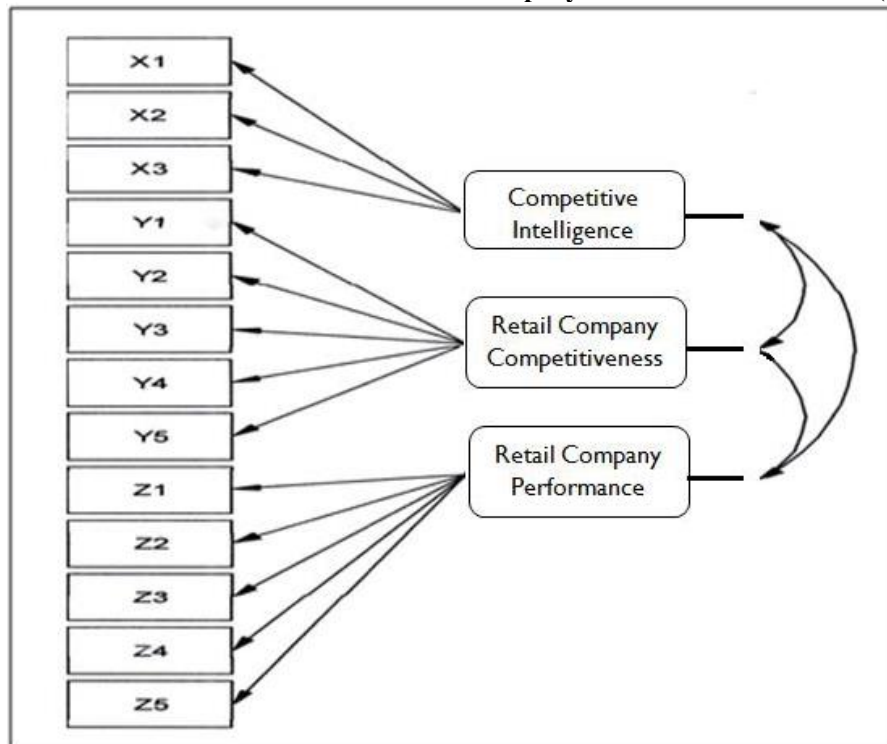
The Retail Company also believes that Substitute Products limit the potential profits of the industry by setting a ceiling price. The more attractive the replacement product price alternative, the more restrictive the Retail Company's industry profit restrictions. These factors also affect the performance of the company.

On the other hand, this study shows that Retail Companies believe that Buyer's Bargaining information derived from Competitive Intelligence in the field of market intelligence affects its business and deals with top management needs in the strategic decision-making process. This means that the Retail Company believes Buyers are competing in an industrial environment by forcing prices to fall, bargaining for higher quality goods and better service and competing with each other. All these factors sacrifice the company's profit potential, particularly the competitiveness and financial performance of the firm.

This study also shows that Retail Companies believe that the information about Supplier's Bargaining from Market Intelligence is important and meets the top management needs regarding strategic decision making. This means that the Retail Company believes that Supplier can use the bargaining power of the company, especially the threat of price increase or lower the quality of the product or service purchased. These factors also affect the performance of the company.

4.3 Model Finding as Troubleshooting Reference

Figure 15: Model Finding As A Reference That There Is The Effect Of Competitive Intelligence On The Competitiveness And Performance Of The Retail Company in DKI Jakarta Province (Indonesia)



Explanation of Figure 15 on the Application of Competitive Intelligence to Performance and Competitiveness can be seen in Table 4 below.

Table 4: Pattern of Variable Relationships

Variabel x	Variabel Y dan Z
<i>Competitive Intelligence</i>	Competitiveness
Competitiveness	Performance
<i>Competitive Intelligence</i>	Performance

Based on Figure 15 and Table 4 above, Competitive Intelligence has a dominant influence on the Competitiveness of Retail Companies that affects the Performance of Retail Companies. The table above also explains that almost all Retail Companies in DKI Jakarta Province have implemented Competitive Intelligence and Competitive Management Strategies that affect Company Performance.

From result of hypothesis testing indicated that all independent variable significantly influence intervening variable (intermediate variable) and dependent variable. While the independent variable that is Competitive Intelligence, has dominant influence toward the improvement of Competitiveness and Performance of Retail Company. However, Competitiveness as a variable between roles is very important in improving the Performance of Retail Companies. Performance will increase, if supported by Competitive Intelligence Competitive management optimally.

The above discovery is the result of qualitative-descriptive analysis depicting that Retail Company in DKI Jakarta Province has applied various Competitive Intelligence elements which include Market Intelligence, Technological Intelligence, Strategic Intelligence, and Social Intelligence.

The four aspects of Competitiveness Intelligence have been implemented by Retail Companies in DKI Jakarta Province, although still not optimal. This study also found strong validity of the four aspects of CI. So the Retail Company needs to understand and know the environmental conditions of the company to win the business competition.

For example, marketing intelligence supports elements include suppliers, buyers, product innovations and services. Technological intelligence supports include elements such as fundamental and applied research; patents of norms and industrial processes; articles and publication. The elements of strategic and social intelligence supports are law, finance and taxation; economy and politics; social and human resources. The results of this study indicate that the main factors in the competition of Retail Companies are potential entrants, industry competitors, substitutes, buyers and suppliers.

While Company Performance is indicated by several factors: gross profit margin (GPM), net profit margin (NPM), ROA, ROI and ROE. Based on the data of this study, Retail Company in DKI Jakarta Province has tried to improve the Company's Performance as other industry sectors develop the company's performance.

Thus, Retail Companies in Indonesia generally view and apply Competitive Intelligence as an important element in improving the whole competitiveness and performance of the company. This finding also supported the theory of Competitive Intelligence which is a combination of stewardship theory and agency theory. Stewardship theory views management as trustworthy to serve the general public interest as well as its shareholders in particular. In principle, Competitive Intelligence and Corporate Management activities show that Competitive Intelligence greatly affects the competitiveness and performance of the company. Corporate management deals with executive decisions and controls and operational management.

Conclusion

This research come with the conclusions:

- a. The retail industries in Jakarta basically have considered various aspects of the implementation of Competitive Intelligence (CI) that includes marketing intelligence, technological intelligence, strategic intelligence and social intelligence. These four elements of CI have been recognized and managed by retailer, but its executing of the all aspect of CI tends to be minimal optimization. For instance, this research also found the strong validity of these four aspects of CI, namely marketing intelligence, technological intelligence, strategic intelligence and social intelligence have significantly affected the retail's competitiveness and performance. This indicates that there is an increase of needs of the management of retail companies in Jakarta to improve the competitiveness and performance of the company.
- b. The competitiveness of companies is an important aspect of business development, it has generally been sufficiently taken into consideration by retail companies. But still requires careful attention by management. The study of the aspects measured turned out to have some validity as follows: Competitive Intelligence affects Competitiveness 0,55 and Performance 0,92, and Competitiveness affects Performance 0,79. This indicates that the most major retails in Jakarta have a high level of confidence on the Competitive Intelligence to improve its competitiveness and performance management.
- c. An examination of the performance, as indicated by factors such as gross profit margin, net profit margin, ROI, ROA and ROE are fully affected by the company's ability to understand Competitive Intelligence. And interestingly, too, the order of the validity of research results to the performance competitiveness is not very significant, especially in the retail research at Indonesia. Although other factors that exist in competitiveness has not been fully studied, only limited to the fifth power of Porter's competitiveness.
- d. Competitive Intelligence significantly affects the competitiveness and performance of the retail industries.
- e. Both Competitive Intelligence and Competitiveness show little significant impact on the retail's performance. However, the competitiveness shows a significant impact on the retail's performance.
- f. Competitive Intelligence shows indirect impact on corporate performance through competitiveness. It shows a very significant impact.

References

Books

- Anggito Albi, Setiawan Johan, Aan Komariah dan Satori Djam'a., (2018) *Metode Penelitian Kualitatif*, Bandung, Alfabeta.
- Abeson, Felix & Michael, (2006), "Knowledge Source and small Business ompetitiveness, Competitive Forum, Indiana, Vol 4. 2th Edition Addison, Roger M., et al, (2009), *Performance Architecture: The Art and Science of Improving Organizations*" Pfeiffer: A Wiley Imprint
- Aribawa, D. (2016). E-commerce strategic business environment analysis in Indonesia. *International Journal of Economics and Financial Issues*, 6(6Special Issue), 130–134.
- Craig S Fleisher, Bensoussan, Babette. (2017). *Business and Competitive Analysis: Effective Application of Business and Competitive Analysis: Effective Application of New and Classic Methods* (2nd Edition) [E.] on Amazon.com
- Craig S. Fleisher, David L. Blenkhorn (ed.2017). *Managing Frontiers in Competitive Intelligence*. Greenwood Publishing Group Inc.
- Elisha Stephens & Brice Martin. (2019). *Business Policy and Strategic Management*. EDP ED Tech Press, United Kingdom.
- Keith Jones (2020) *Inventory Management for Competitive Advantage*. Routlege, New York.
- Institute-of-Export. (2009). *Doing Business in Indonesia 2010*. *Doing Business in Indonesia 2010*. <https://doi.org/10.1596/27602>
- Natawidjaja, R. S. (2005). Modern market growth and changing map of retail food sector in Indonesia. *Pacific Look System Outlook 9th Annual Forescasters Meeting*, (October), 93–97. <https://doi.org/10.13140/2.1.3018.2409>
- Neely Andy (ed). (2016). *Business performance measurement Theory and Practice*. Cranfield School of Management, UK
- Nelke, Margareta, Håkanss, Charlotte (2015). *Competitive Intelligence for Information Professionals*. CP Chandos Publishing.
- Shaker, S. and M. Gembicki (1999). *The War Room Guide to Competitive Intelligence*. New York
- Sugiyono. (2019). *Metode Penelitian Kuantitatif, Kualitatif dan R&D*. Bandung: Alfabeta.
- Prabhu TL. (2019). *Retail Management: An Effective Management Strategy for Retail Store Managers*

Journals

- Ade, L. P. K., Akanbi, A. M. A., & Tubosun, A. I. (2017). "The influence of marketing intelligence on business competitive advantage". *Journal of Competitiveness*, 9(1), 51–71. doi:10.7441/joc.2017. www.researchgate.net/publication/ Accessed, June 18, 2020.
- Adidam, P. T., Banerjee, M., & Shukla, P. (2012). Competitive intelligence and firm's performance in emerging markets: An exploratory study in India. *Journal of Business and Industrial Marketing*, 27(3), 242–254. <https://doi.org/10.1108/08858621211207252>
- Ambastha, A, Momaya, K. (2004) "Competitiveness of Firms: Review of Theory, Frameworks, and Models." *Singapore Management Review*, vol 26, No. 1. (2004)
- Arrigo Elisa, (2016)." Deriving Competitive Intelligence from Social Media: Microblog Challenges and Opportunities" Published 2016, Business, Computer Science, IJOM. www.researchgate.net/publication/ Accessed, June 18, 2020.
- Atieno, Ochieng Pamela. (2009) "An Analysis of The Strengths and Limitaitaion of Qualitative and Quantitative Research Paradigms." *Problems of education in the 21stcentury Volume 13, 2009*, http://www.scientiasocialis.lt/pec/files/pdf/Atieno_Vol.13.pdf. Accessed July, 3 2020.
- Adidam, T. Phan, Paurav Shukla, and Madhumita Banerjee. (2012) "Competitive intelligence and firm's performance in emerging markets:an exploratory study in India," in *Journal of Business & Industrial Marketing* 27(3):242-254. /www.researchgate.net/publication/ Accessed, June 20, 2020.
- Al Khattab, A. (2006). Political risk assessment in Jordanian international firms (PhD thesis). University of Huddersfield, Huddersfield. www.researchgate.net/publication/ Accessed, June 21, 2020.
- Amara, Y., Soilen, K. S., & Vriens, D. (2012). "Using the SSAV model to evaluate business intelligence software". *Journal of Intelligence Studies in Business*, 2(3), 29–40. www.researchgate.net/publication/ Accessed, June 19, 2020.
- Arrigo, Elissa. (2016). "Deriving competitive intelligence from social media". *International Journal of Online Marketing*, 6(2), 49–61. doi:10. www.researchgate.net/publication/ Accessed, June 17, 2020.
- Bagnoli, M., & Watts, S. G. (2015). Competitive intelligence and disclosure. *RAND Journal of Economics*, 46, 709–729. doi:10. www.researchgate.net/publication/ Accessed, June 18, 2020.
- Bao, C., Tao, Q., & Dai, L. (1998). "The developing Chinese competitive intelligence profession". *Competitive Intelligence Review*, 9, 42–47. doi:10.
- Barney, J. (1991). "Firm resources and sustained competitive advantage". *Journal of Management*, 17, 99–120. doi:10.
- Bharadwaj, S. G., Varadarajan, R. P., & Fahy, J. (1993). "Sustainable competitive advantage in service industries: A conceptual model and research propositions." *Journal of Marketing*, 57, 83–99. doi:10.
- Bloomenthal, Andrew. 2019. "Competitive Intelligence." *Investopedia*, 1 Apr.2019, www.investopedia.com Accessed, June 30, 2010.
- Capinzaiki Ottonicar, S. L., Pomim Valentim, M. L., & Mosconi, E. (2016). Acompetitive intelligence model based on information literacy: organizational competitiveness in the context of the 4th Industrial Revolution. *Journal of Intelligence Studies in Business*, 6(1). Retrieved from <https://ojs.hh.se/index.php/JISIB/article/view/151>

- Cavallo, A., Sanasi, S., Ghezzi, A. and Rangone, A. (2020), "Competitive intelligence and strategy formulation: connecting the dots", *Competitiveness Review*, Vol. ahead-of-print No. ahead-of-print. <https://doi.org/10.1108/CR-01-2020-0009>. Accessed, July 18, 2020.
- Calof, J.L. and Brouard, F. (2004), "Competitive intelligence in Canada", *Journal of Competitive Intelligence and Management*, Vol. 2 No. 2, pp. 1-22. www.researchgate.net/publication/ Accessed, June 11, 2020.
- Calof, J. L. and Wright, S. (2008) "Competitive intelligence: A practitioner, academic and interdisciplinary perspective". *European Journal of Marketing*, 42, (7/8), pp 717-730. www.researchgate.net/publication/ Accessed, June 24, 2020.
- Calof, J. L., & Skinner, B. (1998). "Competitive intelligence for government officers: A brave new world". *Optimum*, 28, 38–42. www.researchgate.net/publication/ Accessed, June 15, 2020.
- Calof, J. (2017), "Canadian competitive intelligence practices – a study of practicing strategic and competitive intelligence professionals' Canadian members", *Foresight*, Vol. 19 No. 6, pp. 577-589. <https://doi.org/10.1108/foresight-01-2017-0009>. Accessed 10 June 2020.
- Calof, J.L. & Viviers, W. (2001). "Adding competitive intelligence to South Africa's knowledge management mix". *Africa Insight* 31(2): 61-67.
- Chandrashekara S, Misra R (2013) Observational studies: Are they significant in the current evidence-based trial era. *IJRCI*. 2013;1(S1):SR1
- Coleman, B. (2007). "Competitive intelligence – real-time knowledge management. The Data Administration Newsletter (TDAN.com).
- Dishman, P. L., & Calof, J. L. (2008). "Competitive intelligence: A multiphasic precedent to marketing strategy". *European Journal of Marketing*, 42, 766– 785. www.researchgate.net/publication/ Accessed, June 1, 2020.
- Dou, H., & Manullang, S. D. (2004). Competitive intelligence and regional development within the framework of Indonesian provincial autonomy. *Education for Information*, 22(2), 99–123. <https://doi.org/10.3233/EFI-2004-22203>
- Du Toit, A., & Strauss, C. (2010). Competitive intelligence and Africa's competitiveness: what's happening in South Africa? *Mousaion*, 28(2), 17–31.
- Du Toit, A. (2015). "Competitive intelligence research: An investigation of trends in the literature". *Journal of Intelligence Studies in Business*, 5(2), 14–2. www.researchgate.net/publication/ Accessed, June 2, 2020.
- Economist Intelligence Unit (2014) "Global Outlook: Consumer goods and retail", *Economist Intelligence Unit*, September 2014. www.researchgate.net/publication/ Accessed, June 2, 2020.
- Ekonid. (2018). MARKET REPORT: INDONESIA FINISHED FOOD PRODUCTS. Switzerland *Global Enterprise*, 26.
- Fahy, J. (2000). "The resource-based view of the firms: Some stumbling-blocks on the road to understanding sustainable competitive advantage". *Journal of European Training*, 24, 94–104. doi: 10.1108. www.researchgate.net/publication/ Accessed, June 3, 2020.
- Ferrier, W. (2001). Navigating the competitive landscape; the drivers and consequences of competitive aggressiveness. *Academy of Management Journal*, 44, 858–877. www.researchgate.net/publication/ Accessed, June 4, 2020.

- Fleicher, C. S. (2004, March/April). Competitive intelligence education: Competencies, sources, and trends. *Information Management Journal*, 32, 56–62. www.researchgate.net/publication/ Accessed, June 6, 2020.
- Gatsoris, L. (2012). Competitive intelligence in Greek furniture retailing: A qualitative approach”. *EuroMed Journal of Business*, 7, 224–242. doi:10.1108. www.researchgate.net/publication/ Accessed, June 7, 2020.
- Gauzelin, S., & Bentz, H. (2017). An examination of the impact of business intelligence systems on organizational decision making and performance: The case of France. *Journal of Intelligence Studies in Business*, 7(2), 40–50. www.researchgate.net/publication/ Accessed, June 10, 2020.
- Gibbons, P., & Prescott, J. (1996). “Parallel competitive intelligence processes in organizations”. *Revista International Journal of Tecnology Management*, 11(1–2), 162–178. www.researchgate.net/publication/ Accessed, June 9, 2020.
- Gilad, B. (1989). “The role of organized competitive intelligence in corporate strategy”. *Columbia Journal of World Business*, 24, 29–35.]
- Guimares, T. (2000). “The impact of competitive intelligence and IS support is changing small business organizations.” *Logistics Information Management*, 13, 117–125. www.researchgate.net/publication/ Accessed, June 12, 2020.
- Helena, B. (2017). How competitive intelligence can be used to improve a management vocational high school: A case from Indonesia. *Journal of Intelligence Studies in Business*, 4(3), 79–90. Retrieved from <https://194.47.18.162/index.php/JISIB/article/view/106>
- Hughes, S. (2005). “Competitive intelligence as competitive advantage: The theoretical link between competitive intelligence, strategy and firm performance”. *Journal of Competitive Intelligence and Management*, 3, 3– 18. www.researchgate.net/publication/ Accessed, June 17, 2020.
- Groom, J. & David, F. (2001). “Competitive Activity Among Small Firms”. *SAM Advanced Management Journal*, France. www.researchgate.net/publication/ Accessed, June 10, 2020.
- Heng, Michael S.H. 2001 “Mapping intellectual capital in a small manufacturing enterprise”, *Journal of Intellectual Capital*, Vol 2 No. 1. www.researchgate.net/publication/ Accessed, June 14, 2020.
- Gauzelin, S. and Bentz, H. (2017) An examination of the impact of business intelligence systems on organizational decision making and performance: The case of France. *Journal of Intelligence Studies in Business*. 7 (2) 40-50. www.researchgate.net/publication/ Accessed, June 8, 2020.
- Haryokusumo, D., & Nusantoro, E. (2012). Indonesia Retail Sector. *Asia Pacific/Indonesia Equity Research*, (April).
- Ifan, H. K., Dou, J. M., Manullang, S., & Dou, H. (2004). Developing competitive technical intelligence in Indonesia. *Technovation*, 24(12), 995–999. [https://doi.org/10.1016/S0166-4972\(03\)00069-5](https://doi.org/10.1016/S0166-4972(03)00069-5)
- Institute-of-Export. (2009). *Doing Business in Indonesia 2010*. *Doing Business in Indonesia 2010*. <https://doi.org/10.1596/27602>
- IPSOS. (2018). *Indonesia 2018, Dealing with the Opposites*. Ipsos Flair Collection. Retrieved from <https://www.ipsos.com/en-id/flair-indonesia-2018-dealing-opposites>

- Karim, A. J. A. J. (2011). The value of Competitive Business Intelligence System (CBIS) to Stimulate Competitiveness in Global Market. *International Journal of Business and Social Science*, 2(19), 196–203. Retrieved from http://www.ijbssnet.com/journals/Vol_2_No_19_Special_Issue_October_2011/24.pdf%5Cnhttp://www.ijbssnet.com
- Khan Haris, et.al. 2011. Procurement Strategy Supporting Retailer's Competitive Strategy. Lineaeus University, Sweden. <https://www.academia.edu/>. Accessed June 20, 2020.
- Koriyow, O. I., & Karugu, J. (2018). Competitive Intelligence Strategies and Performance of Commercial Banks in Garrisa County, Kenya. *International Academic Journal of Human Resource and Business Administration* |, 3(1), 371–394. Retrieved from http://www.iajournals.org/articles/iajhrba_v3_i1_371_394.pdf
- Magasa, L., & Mphahlele, M. I. (2014). Utilization of Competitive Intelligence to Enhance Firm Performance: A Case of South African Small and Medium Enterprises. *International Journal of Advanced Computer Research*, 4(15), 555–559.
- Maritz, Rachel, and Adeline du Toit. 2018. "The practice turn within strategy: Competitive intelligence as integrating practice." *South African Journal of Economic and Management Sciences*, vol. 21, no. 1, 2018. Accessed 7 June 2020.
- Maune, A. (2014). Competitive intelligence and firm competitiveness: An overview. *Corporate Ownership and Control*, 12(1CONT6), 533–542. <https://doi.org/10.22495/cocv12i1c6p1>
- Maune, A. (2015). COMPETITIVE INTELLIGENCE AS AN ENABLER FOR FIRM COMPETITIVENESS: AN OVERVIEW. *Journal of Governance and Regulation*, 3(2), 3–90.
- Maune, A. (2019). Competitive intelligence as a game changer for Africa's competitiveness in ...: EBSCOhost. Competitive Intelligence as a Game Changer for Africa's Competitiveness in the Global Economy, 9(3), 24–38. Retrieved from <https://ojs.hh.se/index.php/JISIB/article/view/475>
- Mohd Asri, D. A. A., & Abdul Mohsin, A. M. (2020). Competitive Intelligence Practices and Organizational Performance Linkage: A Review. *Jurnal Intelek*, 15(2), 101–115. <https://doi.org/10.24191/ji.v15i2.311>
- Najib, M. F., & Sosianika, A. (2017). Retail Service Quality in Indonesia: Traditional Market VS Modern Market. *Academy of Marketing Studies Journal*, 21(2).
- Natawidjaja, R. S. (2005). Modern market growth and changing map of retail food sector in Indonesia. *Pacific Look System Outlook 9th Annual Forescasters Meeting*, (October), 93–97. <https://doi.org/10.13140/2.1.3018.2409>
- Ndegwa, M. M., & Muathe, S. (2018). Competitive Intelligence Practices and Performance of Airlines in Kenya: Case of Air Kenya Express Limited. *European Journal of Business and Management* www.iiste.org ISSN, 10(9), 23–38. Retrieved from www.iiste.org
- Nzewi, H. N., Chiekezie, O. M., & Anizoba, A. S. (2016). Competitive Intelligence and Performance of Selected Aluminium Manufacturing Firms in Anambra State, Nigeria. *International Journal of Business Administration*, 7(3). <https://doi.org/10.5430/ijba.v7n3p62>
- O'Connor H., Gibso N. (2003) A Step-By-Step Guide To Qualitative Data Analysis Article · January 2003 <https://www.researchgate.net/publication/292432218>. Accessed July,5 2020. Pelsmacker De, Muller P., Vivier, M.L. W., Saayman, A., Cuyvers, L. & Jegers,

- M. (2005) Competitive intelligence practices of South African and Belgian exporters. *Marketing Intelligence & Planning* 23(6): 606-620. www.researchgate.net/publication/ Accessed, June 14, 2020.
- Pellissier, Renér, Nenzhelele, T. E., 2013.” Towards a universal competitive intelligence process model.” Published in *Computer Science SA Journal of Information Management*. <https://www.semanticscholar.org/paper>. Accessed 8 June 2020.
- Purity, N., Theresa, A., & Chidimma, I. I. (2019). Competitive Intelligence and Organizational Performance in Selected Deposit Money Banks in South-East, Nigeria. *International Journal of Trend in Scientific Research and Development (IJTSRD)*, 1(6).
- Rachmi, A., & Poernamawati, D. E. (2020). The effect of competitive intelligence on competitive strategy and performance: study on cafes and restaurants in Malang, Indonesia. *Diponegoro International Journal of Business*, 3(1), 55–60. <https://doi.org/10.14710/dijb.3.1.2020.55-60>
- Rahayu. (2018). The Prospect of Retail Industry Growth in Indonesia. *Journal of International Business and Economics*, 6(2), 38–54. <https://doi.org/10.15640/jibe.v6n2a4>
- Razdan, R., Das, M., & Sohoni, A. (2013). The Evolving Indonesian Consumer. McKinsey & Company, (November), 1–25. Retrieved from http://www.thaihalalfoods.com/upload/articles/Indonesia_ConsumerReport2014.pdf
- Rouach, Daniel and Santi Patrice, “Competitive Intelligence Adds Value: Five Intelligence Attitudes,” *European Management Journal* 19 (October 2001): 552–559
- Saddhono, K., Chin, J., Toding, A., Qadri, M. N., & Wekke, I. S. (2019). Competitive intelligence: Systematic collection and analysis of information. *Journal of Critical Reviews*, 6(5), 155–159. <https://doi.org/10.22159/jcr.06.05.27>
- Salguero, G. C., Gámez, M. Á. F., Fernández, I. A., & Palomo, D. R. (2019). Competitive intelligence and sustainable competitive advantage in the hotel industry. *Sustainability (Switzerland)*, 11(6), 1–12. <https://doi.org/10.3390/su11061597>
- ande, G., & Ragui, M. (2018). Competitive Intelligence practices and performance of equity bank limited. *International Academic Journal of Human Resource and Business Administration* |, 3(1), 282–302. Retrieved from http://www.iajournals.org/articles/iajhrba_v3_i1_282_302.pdf
- Schollhamer, H. (1994) “Strategies and methodologies in international business and comparative management research”, *Management International Review*, 34: 5-21.
- Sepahvand, R., Nazarpouri, A. H., & Veisi, M. (2016). The effect of competitive intelligence on organizational performance through orientation (case study: Insurance companies Sanandaj). *International Business Management*, Vol. 10, pp. 1280–1283. <https://doi.org/10.3923/ibm.2016.1280.1283>
- Smith, T. M. & Reece, J. S. (1999). The relationship of strategy, fit, productivity, and business performance in a service setting. *Journal of Operations Management*, 17(2): 145-161.
- Stella Marie Minahan, Patricia Huddleston, Bridget Behe & R. Thomas Fernandez (2013) “Conducting field research in retail stores: A meandering path to a successful research project, *The International Review of Retail, Distribution and Consumer Research*”, DOI:10. <https://www.researchgate.net/publication>. Accessed ,July 4, 2020.

- Sugih, I. L., & Soekarno, S. (2015). Lesson Learned from Indonesian Biggest Fashion Retailer Company to Encourage the Development of Small Fashion Business. *Procedia - Social and Behavioral Sciences*, 169(August 2014), 240–248. <https://doi.org/10.1016/j.sbspro.2015.01.307>
- Tahmasebifard, H. (2018). The role of competitive intelligence and its sub-types on achieving market performance. *Cogent Business and Management*, 5(1), 1–16. <https://doi.org/10.1080/23311975.2018.1540073>
- Taib, K. M., Yatin, S. F. M., Ahmad, A. R., & Mansor, A. N. (2008). Knowledge management and competitive intelligence: A synergy for organizational competitiveness in the K-Economy. *Innovation and Knowledge Management in Business Globalization: Theory and Practice - Proceedings of the 10th International Business Information Management Association Conference*, 1–2, 1165–1174.
- Tarek, B. H., & Adel, G. (2016). Business Intelligence versus Entrepreneurial Competitive Intelligence and International Competitiveness of North African SMEs. *Journal of International Entrepreneurship*, 14(4), 539–561. <https://doi.org/10.1007/s10843-016-0194-8>
- Umunna, A. (2014). Competitive intelligence: A tool for effective job performance in academic library. *Sky Journal of Educational Research*, 2(4), 20–27. Retrieved from <http://www.skyjournals.org/SJER>
- Vina Yanthiewinata, & Sitorus, A. (2019). Jakarta Retail Evolution. Savills World Research Indonesia.
- Waithaka, P. (2016). Competitive Intelligence Practices And Performance Of Firms Listed On The Nairobi Securities Exchange, Kenya. *European Scientific Journal*, ESJ, 12(19), 107. <https://doi.org/10.19044/esj.2016.v12n19p107>
- Wilfond, B. (2007). Ethical considerations about observational research in children. *Journal of Trauma - Injury, Infection and Critical Care*, 63(6 SUPPL.). <https://doi.org/10.1097/TA.0b013e31815acd60>
- Wright Sheila and Fleisher Craig S. (2009) “Examining differences in competitive intelligence practice: China, Japan, and the West.” First published: 16 April 2009 <https://onlinelibrary.wiley.com/doi/epdf>. Accessed 12 June 2020.
- Zulkifli, S. N. 'Atikah, & Perera, N. (2012). A Literature Analysis on Business Performance for SMEs: Subjective or Objective Measures? *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.1867874>
- Zulkifli, Siti Nur 'Atikah and Perera, Nelson. (2011) “A Literature Analysis on Business Performance for SMEs: Subjective or Objective Measures?”. *Society of Interdisciplinary Business Research (SIBR) 2011 Conference on Interdisciplinary Business Research*, Available at SSRN: <https://ssrn.com/>. Accessed, Jyly 2020.