

# SWOT ANALYSIS OF THE USE OF COMPETITIVE INTELLIGENCE IN SMALL ENTERPRISES IN THE CLOTHING INDUSTRY

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## ABSTRACT

Many of existing studies analyzing Competitive Intelligence (CI) practices have been conducted within the context of large organizations, which tend to have complex CI models. However, despite the importance of CI in small and medium enterprises (SMEs), CI practices have been underexplored within the context of SMEs. The present study aims at assessing the conditions of SMEs to implement CI processes. The study was conducted within the context of SMEs in the clothing industry because it is in a highly competitive market where any advantage over the competition can be significant for the permanence of these businesses. Six SMEs with similar characteristics were studied. Semi-structured interviews were used to collect data and were further analyzed using thematic analysis as informed by Braun and Clarke (2006). This analysis was complemented by an analysis of Strengths, Weaknesses, Opportunities and Threats (SWOT) by which it was possible to assess the current conditions of the SMEs studied for implementing CI processes. The results show that the characteristics that have in common SMEs are areas of opportunity for this process.

**KEY WORDS:** Competitive Intelligence; SMEs; SWOT Analysis; Clothing Industry.

## INTRODUCTION

The use of Competitive Intelligence (CI) by companies has been increasing due to the importance of information management on the variables that influence business activities (Rodríguez & Gaitán, 2004). These variables change constantly due to the dynamism generated by the interaction between competitors, consumers, technological changes, political changes,

among others (Moreno, 2005, Rodriguez Salvador & Mora Roldán, 2000, Zaintek, 2001).

Understanding the CI as "the art of locating, collecting, processing and storing information to make it available to the people of an organization, giving a glimpse of current and future threats and opportunities that allow us to anticipate, always respecting an ethical and legal code" (BAI Innovation Agency, 2010, p.12), it can be observed in the literature and in practice that the use of CI has been mainly used by large companies (Arrieta, Antonio, & Azkarate, 2011; Comai & Tena, 2005, Faust Cruz & Anjos, 2011), but few studies on this discipline have developed around small companies (Nenzhelele & Pellissier, 2014; Vélez & Martínez, 2013). This situation is due in part to the erroneous idea that such activity requires large numbers of people, computers and resources to be carried out (Fred, 2013). However, the use of CI in small companies could develop a competitive advantage because it means having the right information at the right time to detect trends, technological advances, actions of competitors, consumer needs or changes in the Normativity among others (Song, Tian, & Wu, 2010; Zaintek, 2001), aspects that are widely relevant in the context of SMEs.

Starting off from the idea that the CI may be relevant for SMEs to gather information and knowledge about their competitors and formulate and implement effective strategies (Fred, 2013), the goal is to diagnose the use of this discipline in small companies in the industry of the dress because they operate in a highly competitive market with larger companies and access to a greater amount of resources.

The present article is a literature review in which the Competitive Intelligence (CI) is conceptualized and the use that it has in Small and Medium Enterprises (SMEs). Once understood what is the CI and its characteristics describes the methodology used, which presents the stages which were followed during the research taking into account the design of the instrument, data collection and analysis of the same by an inductive-deductive method. Subsequently the findings derived from the analysis are presented as well as the discussion of them, finally the research findings are presented.

## **DEVELOPMENT**

### **Literature review: Conceptualization of the Competitive Intelligence process**

The trade opening brought about by globalization and constant technological change has created a highly competitive and turbulent business environment in which product life cycles are increasingly shorter (Alesandro, Cantonnet, & Cilleruelo, 2013; Arrieta et al. (Nenzhelele & Pellissier, 2014, Song et al., 2010), which has had significant repercussions on companies, opening new opportunities or presenting new obstacles. Hence, among others, the value of information for business development, since in an economy characterized by uncertainty, knowledge of the environment is a key to building and maintaining competitive advantages in

relation to competitors (Innovation Agency BAI, 2010; Zaintek, 2001). Through the correct management of information, companies can anticipate market changes and adapt to the needs of consumers and avoid being surprised by changes in the tastes of customers, the emergence of new competitors or technologies that change the way of producing, distribute and sell the products in the market (Alesandro et al., 2013, ZHA & CHEN, 2009). Given this situation, several companies have developed their own intelligence approaches in order to analyze and distribute information of strategic value on the industry and its competitors (Menéndez, Anates, Alonso, & Merino, 2002), which in turn has allowed them to improve decision-making at appropriate times (Murcillo, 2003).

There are many definitions in relation to CI. At first it can be related to the proposal of the five forces of Porter, later certain activities related to the collection of information were present in different parts of the world, activities that showed similarity in the valorization of the information obtained by internal and external sources to companies, which led to the formalization of the activity and to the creation of the Society of Competitive Intelligence Professionals (Fehringer, Hohhof, & Johnson, 2006).

Manssón (2006) through a theoretical review mentions that "This discipline is the result of the integration of some areas of knowledge. Being a field of recent research, there are few papers that explain its theoretical foundations, although the current application areas have been multiple" (p. 2).

The research related to CI has been mainly directed to large companies, which is why studies are lacking in small and medium enterprises (SMEs), being that the practice of competitive intelligence is a challenge for SMEs, although some already carry out some activities in an informal way (Comai & Tena, 2005; Nenzhelele & Pellissier, 2014).

There are some misperceptions about the implementation of a competitive intelligence system (Fred, 2013):

- 1.- The implementation of an intelligence program requires many people, computers and resources.
- 2.- Gathering information about competitors violates antitrust laws; Business intelligence is equivalent to espionage.
- 3.- The collection of intelligence data is an anesthetic business practice.

However, companies sometimes perform competitive intelligence activities but in an informal way, the fact is that they are not aware of the concepts of the operations they perform, which also means that they do not take full advantage of the data and the processed information. Balbo (2014) considers that the implementation of a CI process is not synonymous with a complex network of activities, but once the cultural barriers have been overcome, the process is facilitated and there are free tools on the Internet that make the CI an activity accessible to SMEs.

Fernandez (2007) mentions that the importance of CI lies in the ability to predict what will be considered as a trend in the future, so that when this trend reaches the market, the company

already has information about it.

Businesses need an effective CI program (Fred, 2013). The 3 basic objectives of a CI program are: (1) to offer a general understanding of the industry and the companies competing with it; (2) identify the areas of vulnerability of competitors and evaluate the impact that the strategic actions that they want to have; (3) identify the movements that the competitor can perform with the potential result of jeopardizing the company's position in the market.

There are a large number of tools and sources of information available in the environment and most are open access (BAI Innovation Agency, 2010), the challenge for organizations is to interpret that information and apply it for the benefit of your company, sometimes that implies a contrast with the ideas of the managers. It is important to consider that the implementation of a CI process requires time, human resources, financial resources among other things, but it is essential an organizational culture oriented to CI. (Comai, 2011).

SMEs have difficulties in defining a CI program, since CI activities will be proportional to the size of the companies that seek to implement it. What usually happens is that most SMEs use the purchase of products from their competitors, their sales team in order to obtain information or to use the internet to search for relevant information (Alesandro et al., 2013). However, it is important that staff are aware of, oriented towards data collection, and have a primary objective derived from the needs of the company (Muller, 2010). Once the basic needs are located, there must be a network of transfer of knowledge among the members of the organization (Gallardo Rodríguez & Lloveras Maciá, 2011). One study mentions that lack of information in decision making is a factor that limits the productivity of companies and managers consider that without adequate and accurate information is a limiting factor (Gálvez, 2009).

Some of the challenges for the implementation of a CI process in SMEs are: lack of time, budget, human resources and an environment and awareness about the importance of the CI, as well as lack of government support, availability of team and the willingness of employees to gather information (Nenzhelele & Pellissier, 2014).

### **Definition and use of the Strengths, Opportunities, Weaknesses and Threats (SWOT) analysis**

Gache (2006) considers that for the success of a business must begin with having a strong base and managing the best elements of the organization. Through the SWOT analysis or SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) you can know and evaluate the real conditions in which the organization operates in order to implement strategies that are beneficial to it (J. L. Ramírez, 2002).

Talancón (2007) considers that the realization of the SWOT analysis allows an analysis of the factors of success that give way to the fulfillment of the objectives of the organization. This analysis includes an analysis of internal and external factors of the organization, and it is through

this that it is possible to estimate the impact of a strategy considering the internal capacity of the organization (Strengths and Weaknesses) in contrast to the external situation to it (Opportunities and Threats) (Thompson and Strikland, 1998 in Tarancon, 2007).

Once the factors are identified, they are placed within the SWOT matrix to analyze the level of interaction between them and thus propose strategies that minimize threats, potential opportunities, take advantage of strengths and reduce weaknesses (Díaz Olivera & Matamoros Hernández, 2011).

In relation to CI, the SWOT analysis is one of the most used tools to support this process (Fehring et al., 2006; Mier, 2003).

## **Methodology**

The study was approached from a qualitative approach that allows to analyze concrete cases with a temporal or local particularity from the activities in a determined context, allowing the research to maintain some flexibility towards its objects and tasks (Fick, 2007). Unlike a quantitative method that is based on a large number of observations and is interested in knowing how much and how often, through a qualitative approach is intended to identify the process of the phenomenon, therefore, is not a statistical generalization but in a description of the phenomenon (Martínez, 2006). Hernández, Fernández, and Del Pilar (2014) mention that the qualitative approach relies more on logic and an inductive process, through which it can be explored and described, and then generate theoretical proposals derived from what has been obtained. The qualitative approach does not maintain rigid collection methods since the data and information come from the points of view and perspectives of those involved, which includes; emotions, experiences, feelings and other aspects, for which the researcher must ask more open questions and keep abreast of relevant information (Hernández et al., 2014).

## **Data collection**

The data collection instrument allows us to approach the research phenomenon in order to be able to understand and describe it (Martínez, 2006). In order to obtain primary data, a guided interview was used as the main instrument of data collection (Sabino, 1992). This kind of interviews allows having some control over the topics to be played at the time of the interview, using an interview guide where you have a list of points of interest that need to be addressed.

Among other advantages is that this type of interview allows flexibility because the interviewee is free to speak freely about the issues to be addressed while giving the interviewer the opportunity to retake the issues when a distance is observed in them, always trying to preserve the spontaneity of interaction (Sabino, 1992).

The informants of the study were selected following the guidelines of a survey conducted by the interviewees themselves proposed by Heckathorn and Broadhead in 1997, which is based

on obtaining access to a population by subjects belonging to it (Estrada & Vargas, 2010). Derived from the close relationship with the owners of one of the companies studied, information was obtained from other entrepreneurs of the same sector and with similar characteristics. It was ensured that all interviewees were the owners or persons in charge of directing and making decisions in their companies, who were considered to be the people who have the possibility to contribute relevant and necessary information related to their activities of Competitive Intelligence.

A pilot test was conducted to test the questionnaire with an entrepreneur in the sector in order to identify and correct some potential problems as well as to obtain richer information in the following interviews (Naresh, 2008). This pilot test allowed reorienting the evidence collection plan both in the content of the interview and in the procedure (Martínez, 2006). The pilot test allowed, in addition to familiarization with the information, the following:

1.- Identify some errors in how to structure the questions, since some questions were closed in answers like Yes and No, which limits the analysis considerably. 2.- To introduce questions related to information that was not foreseen, which allowed to deepen in some subjects of interest. 3.- Remove questions that were implicit in others. 4.- Reorder the sequence of the topics in order to give continuity and synchrony with the interview.

Taking into account the literature review and the feedback obtained through the pilot interview, the following topics to be addressed during the interview were established:

Business history and history, Business groups, Decision-making process, Change process or insertion of new products, Benchmarking, Information-seeking activities, Information technology use, Information management, Competitive advantages and sources of information such as: competition, customers and suppliers.

After the pilot test and corrected the interview guide, the final application of the interview to six informants was carried out.

The interview was carried out in places proposed by the interviewees, in order to be carried out in a place where the interviewee felt familiar and in confidence. Prior to the interview, the informants were informed that the use of their information would be for study purposes only and that the information provided would be exposed anonymously under the sub-firm Entrepreneur 1, Entrepreneur 2, Entrepreneur N... The objectives of the research were shared with the interviewee once the interview ended, with the intention that the interviewee did not direct the answers to a specific topic. The interviews had an average duration of 40 minutes and were performed in the following order:

**Table N°1: Characteristics of the interviews**

Interview	Time (min)	Gender	Studies	Post	Years of operation	Location
Interviewed 1	36,51	Woman	Superiors	Owner	20	Morelos

Interviewed 2	29,03	Man	Superiors	Owner	10	Morelos
Interviewed 3	27,04	Man	Superiors	Owner	25	Morelos
Interviewed 4	37,59	Woman	ND	Owner	20	Morelos
Interviewed 6	62,3	Man	Superiors	Owner	20	Morelos
<b>Total</b>	<b>192,47</b>					
<b>Average</b>	<b>38,494</b>					

Source: Own Elaboration

### Analysis of interviews

Once the interviews were carried out, they were transcribed for analysis. The data analysis process was carried out following the guidelines of a thematic analysis, which is an analysis strategy widely used in qualitative designs (Boron, 2004). This consisted of analyzing each of the interviews as a whole, making a codification of the contents of the interviews to find interpretive patterns in the responses of the interviewees and thus establish similarities and identify relevant issues. We followed the procedure proposed by Brauny Clarke (2006) which consisted of six steps for the analysis:

1. Getting to know the data,
2. Generating initial codes,
3. Searching for topics,
4. Reviewing topics,
5. Defining and naming topics,
6. Presenting the results.

Familiarization with the data: in order to carry out this first stage, the interviews were transcribed and a thorough review was carried out. This process allows each of the interviews to be organized and reviewed in order to synthesize the data obtained in them (Sabino, 1992). Braun & Clarke (2006) mention that the transcription of interviews allows a deeper analysis.

Generation of initial codes: The generation of codes consists of grouping data that are significant for research in groups with similar characteristics (Victoria Clarke & Braun, 2013). The transcription of the interviews allowed to locate topics of interest as well as similarities among the companies participating in the studies which generated initial codes about the activities of the companies that could be related to the CI process and thus identify the progress or limitations in its implementation.

Up to this point an inductive analysis was approached and a deductive analysis was given, since for the categorization it consists of incorporating the codes into broader themes and these can cover one or more codes (V Clarke & Braun, 2006), considering that these categories are already defined in the theory of SWOT analysis, which marks the guidelines and considerations when incorporating some code generated in the previous stage, the following phases of the model proposed by Clarke and Barun (3, 4 and 5) correspond to a deductive analysis. So, through the study of the characteristics of each variable belonging to the SWOT analysis were grouped into these categories to give way to the presentation of the findings.

## Findings and discussion

Once the interviews were analyzed using the method explained above, the Strengths, Opportunities, Weaknesses and Threats were identified as shown in the following figure:

STRENGTHS	OPPORTUNITIES
F1- The companies have a long stay in the market F2- The closeness with the customer allows them to know their needs F3- They can easily change designs and their products F4- They are looking for new designs or products on the market and draw from them the designs and innovations F5. Use of social networks as means of advertising and sales (2) F6. Use of social networks as a source of information (1) F7: Use of information for decision-making (1)	O1- Customers have information about competitors O2- Suppliers handle information on new fabrics, products or supplies O3- On the internet you can find lots of information about the competition and products O4- Branded products can be matched at low cost which benefits the consumer O5- Most of the information is available in electronics or easily accessible media
WEAKNESSES	THREATS
D1. High centralization of activities D2. They only store the information required by the Secretary of Finance D3. The initiative of search of news by Internet by the businessmen is low D4. The companies do not have a record of the daily, weekly or monthly operations of the company (2) D5. They are not subscribed to any means of information related to their branch D6. Do not carry out previous studies when opening a point of sale or for the product D7- They do not have an effective or continuous plan of publicity or use of social networks D8. They do not have some mechanism to store the information of the clients D9. There is resistance to change or a more orderly process	A1. That the information obtained is not reliable A2. There is N amount of information that can disorient the company A3. Information restricted or difficult to access A4. Difficulty finding suitable staff for CI activities

Figure N°1: SWOT Analysis  
Source: Own Elaboration

Next, some of the strengths, opportunities, weaknesses and threats will be exemplified. For this analysis, the comments of the respondents represented as E1 for Interviewee No.1, E2 for Interviewee No. 2, etc. will be indicated and E0 for interviewer comments.

## Strengths

Previously, there have been some characteristics of small and medium-sized enterprises, such as: simple organizational structure, limited human resources, low internal bureaucracy, little diversification of production, limited financial resources, specialized markets, proximity to the client and market, dynamism and rapidity of Response, flexibility and high adaptability to change

(Gallardo Rodríguez & Lloveras Maciá, 2011). Some of these characteristics coincide with the companies participating in the study and some were considered as strengths for the implementation of a CI process.

One of the strengths is the closeness with the client allows them to know their needs. This relationship allows you to know what your customers require in the market as mentioned in the following comment: "totally in the customer's needs, because if the customer is the one who says" I need this fabric "for example," I live In the south I need a warm or living cloth in the north I need a not so warm cloth, I need something lighter or remove it or put "I really stick to what they ask me" (E2)

Regarding the previous point, in another interview the following comments: "I always start from the needs that the consumer may have, I keep doing it from the beginning of my foray into this, when they have asked me what you have to sell, well, well I can do this, this and this but in fact I would like to know what you need you because what you need, I am sure that I can do it ... I still have direct contact with the client, whom is needing this or that, I lost that I do not dedicate to produce and I put it to the market and I put it on sale, right?" (E4)

The importance of this strength lies in the fact that one of the objectives of the CI is to anticipate and adhere to the needs, tastes and preferences of the consumer and thus avoid being surprised (Alesandro et al., 2013, Muller, 2010), so these companies count With a close relationship of which they can count first hand with information relevant to their tastes and needs.

Another strength is that they are looking for new designs or products in the market and draw from them the designs and innovations, This is expressed by entrepreneurs at different times of the interview: "I try to find out how other models of other brands, If I like some details the truth, I do not get them completely, but if I give myself this idea and if I like the truth is that if I take them, I put them in the clothes and if they look nice I leave them" (E1).

This activity is common in companies as the following entrepreneur says: "It is what we always do for example on the internet or we go to places, by catalog, we see that we like, it is more we have sent from China products that already arrive and Its quality is terrible but it serves us for the molds but we already have the idea, they are watching the trends the seasons have a great influence" (E5).

They also look for innovative brands as reflected in the following comment: "If you have to be always aware of the changes, football teams... I'm always checking when there is some innovation in the leading brands that is Nike, Adidas, Underarmour, Athletic that is national, always have to be at the forefront, pending changes there" (E4).

These activities are related to the monitoring of competition and the use of a tool most used in the CI process, benchmarking (Gallardo Rodríguez & Lloveras Maciá, 2011). One of the activities of the CI is related to the constant monitoring of the environment, which includes the clients and above all a follow-up of their competitors and their products (Gallardo Rodríguez &

Lloveras Maciá, 2011, Gálvez, 2009, Vizcarra, López, & Guerrero, 2012).

Another significant strength for the use of CI is the use of information for decision-making, however, despite being important, this activity is only carried out in two of the companies studied: First it is seen the company And then after that, you bring more, that you have seen and another thing that we carry is a folder where we carry, we put books magazines, conferences videos that enrich us, it is every week you know what video you see, causes pressure on us... We are left with the information of the school and now the information is obsolete we have to update already there are terms that we did not know (E5).

Previously I made the decisions as from the very heart and not, here things should be more thought on, now no decision is made if you do not consult the 3 in the morning, on Mondays we have our board of production and general, we touch themes of Production, economics, orders, financial issues and that way we are working... This year, we did it just yesterday, one took a statistics from sales 2 years ago, annual sales and per month that tells us in what months there were sales, in which months they dropped or maintained (E6).

This strength has to do with the search for information and especially its use for decision making, since one of the objectives of the CI is to provide timely, accurate and pertinent information of the business environment, competitors and the organization itself to So they can make informed decisions (BAI Innovation Agency, 2010, Muller, 2010, P. Ramírez, Triviño, Berges, Meneses, & Martínez, 2013).

In general we can exemplify the previous strengths in what Gálvez (2009) comments on the CI and the entrepreneurs "Entrepreneurs have always had to be alert in their environment. Talking with customers and suppliers, attending fairs, reading specialized magazines in their sector and analyzing the products of the competition, have always been habitual practices" (p. 53).

## Opportunities

In another part of the SWOT study, there were several opportunities for companies to implement a CI process, one of them deriving from the proximity already mentioned that has to do with the client: the clients have information about the competitors in relation to this the interviewees comment on what information they have obtained from this source by asking them how they obtain information from the market and their competitors.

One of the entrepreneurs commented not to monitor their competitors directly, but through their customers. "The truth is I do not see exactly their models, the customers themselves tell me, who then tell us if they are right or wrong or their products are good or there is informality... In that, if they say, hat part is at \$500 "and I have them at \$420, then \$450 for them is significant, is that then they tell me" is that there I am treated badly and here not "here they are given a good service a good deal" (E1).

Other entrepreneurs coincide with the source of information: "Through the same clients", Hey So-and-So is already making this or doing this "or that kind of thing that can happen or the same customer when one comes to offer" (E4).

As shown in the previous commentary and the following, entrepreneurs have access to competitive products through the relationship with their customers. "If I know them, some not all, if I know their qualities, we go and suddenly you see the garments, we went to a company and they said look at this is what they are delivering and I already seen the label after that I take my clothes" (E6).

As you can see, entrepreneurs get this type of information only from the talk and the relationship they have with customers, which means a great opportunity to obtain even more precise and detailed information on the topics of interest to the company. Some managers of the companies mention that one of their main problems for decision-making is not having the right information at the right time and they consider that the knowledge of their competence is insufficient (Gálvez, 2009), as well Moreno (2005) comments that information regarding competitors is of the utmost importance since it is part of the specific environment, which is understood as the company's closest and most influential space.

In the same situation of information sources and specifically the studied sector (textile) is another opportunity; Suppliers have information on innovations or changes in inputs, since like consumers, suppliers have a direct relationship with entrepreneurs and valuable information, as one of them explains: "I am aware of my suppliers of fabrics, they are the ones that normally, then offer us the product, they tell us this fabric is coming like this, it has this mixture in... and we already see if we launch it to the market too, sometimes, it is not always very welcome but no way we have to throw ourselves to do them" (E1). Another entrepreneur mentions that because of the relationship with the supplier he is now attentive to factors that affect the prices of the inputs: "For my supplier of fabrics and because he happened to me once and inquired and asked why he sold it to me more expensive and he told it to me roughly and I went to investigate and it is true, it is true, when it rains, the cotton production goes down and it goes up by 10%" (E2).

This activity is mentioned by the other interviewees with the difference that make it appear that the supplier is the one who has the initiative: "Look well in some way it is somehow the same, if I find out the needs of the tastes of my clients or customers or of the needs of the market and as I am aware of certain issues of competitors and once, because in this case it is with the suppliers, the suppliers for something are the ones that many times offer many things determinately "(E4).

"Some providers that quote to us", you know that I offer you this fabric that is better, "or why is it better? And they already explain it to us "(E5).

Some authors consider the relationship with suppliers as important because they are one of the sources to generate early alerts (Moreno, 2005), since these are one of the primary

sources of information used for the CI process (Arrieta et al., 2011; Gallardo Rodríguez & Lloveras Maciá, 2011).

Another opportunity related to information has to do with how much information on the competition and products can be found on the internet. Some erroneous perceptions of CIs are that a large amount of equipment and investment is needed for their use, but most of the information is public and available to low-cost tools such as the internet, most of the interviewees have used this Tool: "there are some pages where exclusive designers draw theirs, their modeling and then also from there we get ideas, sometimes speaking not so exactly what comes close to what we are looking for but from there we get enough ideas and the truth is that we extract them from there" (E1).

In relation to the same tool another entrepreneur mentions the utility of the same: "I help myself with what technology now offers you, through internet that is being sold here in Philippines so to speak, the caps have changed" (E4).

Likewise another employer has made a wider use of it "became of a policy the partner who leads the sales is responsible for seeing the competition, because, good first serves us to see what is driving prices, Then it has also happened that they copied us. E0: How do you find out? E5: On the internet, whether it's pages or Facebook, that's how we go because they also publish in groups and there we realize who enters the market."

The use of social networks and the Internet is very useful for small companies; since they can obtain information from competitors and institutions related to the sector and the environment in which the activities take place (Moreno, 2005).

The Innovation Agency B.A.I (2010) considers that 80% of the information found on the Internet is public and that only the remaining 20% is information that can be accessed as a member of a group that safeguards or shares that information. The above mentioned opportunities are in line with the characteristics of the SMEs studied since it does not require a great investment for its implementation since the relation with the clients and suppliers is a daily thing, besides that the use of the internet in the companies is an economics tool and easy access (Balbo, 2014, Gallardo Rodríguez & Lloveras Maciá, 2011). Also the use of social networks is a means of transmission of knowledge, information and data highly valued by some managers (González, Rey, & Cavaller, 2011).

## **Weaknesses**

In relation to the weaknesses that were found in relation to the management of the information and the ability on the part of the entrepreneurs to handle a process of CI, in the first place one has to the initiative of search of novelties through Internet by part of the entrepreneurs Is a reactive way, since even though they perform this activity is only in response and at the request of the client, so one of the respondents answered when asked about the frequency in

which he performed this activity: "Mmm when I have a client who wants something different to what I have been using until today, that they want to change it or that I already bored them or that they are old or what I know, when the customer, always, I repeat, I always stick to the needs and budgets of the client, that is what gives me the pattern" (E4).

In coincidence with what previously mentioned the following was mentioned by another one interviewed: "But it is an activity only done when solicited by the clients, for something we do not know about, especially on the client's needs and of cloth, we only do it if the client asks for it, normally it is uniforms and there is not a great variety in the products" (E6).

Another weakness to carry out a IC process, is that the relation to the search of information the activities should be proactive instead of reactive, as the search for information of the activities should be proactive instead of reactive, because it is a process of early detection of events which could affect the enterprise and a proactive attitude help in decision making (Faust Cruz & Anjos, 2011; Rodriguez & Gaitán, 2004). That is why the search for information should be a continuous activity backed by the entrepreneurs taking into account its objectives. (Arrieta et al., 2011).

Continuing with the weaknesses we found that there was collection of programmed information or data base with information for later consultation considering the sources of information to which the interviewed enterprises have access to could be implemented as capture of data or simple information for later consultation, as the information obtained is sporadic and is only known by the one who had relation with the source be it due to a conversation, direct question or is very limited that is how it is expressed those interviewed when asked an the management of information: "It is always at the end it is not a written inquiry as such but they are asked in passing, if they have had some problem with the clothes or if they are content and the information is always first hand." (E2)

Another entrepreneur mentions that the source is little exploited: "Suppliers do not, very few customers write us about whether they liked the product, minimum feedback to measure customer satisfaction we rely on sales" (E5).

In relation to the weakness already mentioned an entrepreneur has had an experience with the data collection, but mentions that it was a unique activity. "We have done, it has not been for 2 years we did a survey to our customers, and then there were details especially with the delivery dates" (E6).

Which is also related to the following weakness; they only store the information required by the Ministry of Finance. As this is the only information available for consultation it is a limitation for decision making and the CI process, one of the interviewees comments on the commitment to the institution; "Monthly because that's when we give it..., I realize because it's when we give the accountant then, there I check my statements, the bills or everything that was sold, the expenses mm only that. For we have to comply with Treasury" (E1).

In another interview it is recognized that no more information is available than required.

"Everything fiscal because, yes, because it is saved but in terms of production and processing and expenses we do not have a track record" (E2).

Being information that is handled by an external employee, an accountant sometimes the entrepreneur does not know the information: "If good with the accountant there is the statistics of sales" (E3).

A study carried out in Spain shows a similarity with the companies studied since it mentions that "in a recent study it was observed that a large number of European and Spanish SMEs have the precise guidelines to collect the strategic information but that these are not followed in a systematic way" (Comai & Tena, 2005, p. 6). Another study mentions that the lack of support in decision-making is a factor that limits the productivity of companies and managers consider that the lack of adequate and accurate information is a limiting factor (Gálvez, 2009), which is why it is considered that poor information management is a weakness in these companies.

Another weakness found has to do with a cultural aspect of the staff or the manager since it is considered that there is resistance to change or a more orderly process, as expressed by some of the interviewees when questioning them about training projects or implementing a registration in The processes: "Resistance to change is very difficult, people are accustomed to working in a way and when you give it a different form or a control, they question and say that it does not work" (E6).

Some consider the change important but it does not apply to everyone in the company, "Learning, we are very interested, those who train us, we are the leaders of the company, not because we do not care that others are trained but do not have time , Or even the staff are not interested "(E2).

It is not easy to move from a traditional culture to the use of competitive intelligence, since it uses a more systematic, organized, objective and supported business system in modern analysis concepts. It is important that the staff is aware of and oriented towards data collection and has a main objective derived from the needs of the company (Muller, 2010).

Previously was commented in the review of literature that some challenges that present the SMEs to implement IC's process are: the lack of time, of budget, human resources and the lack of an environment and conscience of the importance of the IC, besides some challenges like the lack of support of the government, availability of equipment and the will of the employees to compile information, (Nenzhelele and Pellissier, 2014).

It is important to consider that the implementation of a CI process requires time, human resources, financial resources among other things, but an CI-oriented organizational culture is paramount (Comai, 2011).

## Threats

Regarding the threats, the information obtained from the interviews was not able to obtain

clear evidence of them, possibly due to the lack of knowledge about the CI process. However, during the analysis of the interviews and the interviewer's interpretation, some signs of what some of the threats could be used for which a theoretical revision was made to support them.

As the first threat is that the information obtained is not reliable, according to data offered by the firm Intel, during 2012 every minute transferred 639.800 GB of global data (Balbo, 2014), which means a large amount of information available, one once defined the topics of interest by entrepreneurs could meet thousands of sources and come to the question of what to do with so much information? (Frion & Yzquierdo, 2009), this could slow down the information gathering process, which is considered as the next threat. There is no amount of information that can disorient the company. Gabriel Balbo (2014) calls it infoxication in relation to that there is a large amount available which significantly hampers the processing of it, that is why other authors mention that it is necessary to monitor few strong signals instead of many weak signals "It is not realistic to consider that they can give all the information available on a specific topic, but we want after the CI process to facilitate decision making in advance so that the intelligence generated does not lose value" (Gallardo Rodríguez & Lloveras Maciá, 2011, p. 264).

As well as the existence of a lot of easily accessible and published information, part of it is limited what is a threat because restricted information or difficult access, BAI Innovation Agency (2010) comments that 20% of the information has a limitation of query and categorizes it as gray information, which is considered as public information that is accessed only if it is within a specific diffusion circle and black. These sources can be very useful for companies but represent a cost that not all can afford; given the characteristics of the companies studied would be an unfeasible option.

## **CONCLUSION**

The literature review has shown that there have been few studies aimed at SMEs in relation to the use of Competitive Intelligence; in addition to that each CI project is unique due to the characteristics and purposes of the company, which makes it difficult to evaluate its use and application in a set of companies. Considering the similarities of the companies studied because they are of the same sector and of size is that an analysis of them could be made.

The characteristics of the SMEs already mentioned in different parts of the article can be a limitation for the use of the CI, such as limited resources, lack of training, besides the analysis of the interview could identify some others that share Such as the difficulty of implementing an organizational culture aimed at the activities of CI, a difficulty to delegate functions by the owners of the companies, as well as a deepening of the method of work employed during the years of operation, which Makes it more difficult to transition to a CI process in the organization since the change required for this may be contrary to the ideas of the company's managers.

Leaving aside some limitations found, the study allowed to highlight some characteristics of SMEs that could support and adapt to a process of CI, one of them is their adaptability to change as they can turn their production and make changes in their products without making big changes in their processes, this is because they are not linked to a rigid production line which is ideal to stick to the needs of the customer and could be a factor to realize innovation in the products offered in the market.

Regarding the needs of the client, there was a coincidence in the companies studied, since they all adhere to what the customer asks for, repeatedly emphasizing that the closeness and the close relationship they have with the customer is an advantage in relation to other companies of greater size.

The companies studied because of their strengths, opportunities, weaknesses and threats found, could implement a CI process at different levels, considering the aforementioned that each CI process is unique for each user, since some companies show a capacity to change than others, and already use some data sources and recognize the importance of information for decision-making.

The SMEs studied could benefit significantly from simple but continuous CI practices, as well as adapting the CI process to the information flows that companies have in order to take advantage of the information that is generated day by day within the company, in addition to which can be obtained in a privileged way derived directly from customers and suppliers in order to process all the data obtained and convert them into relevant information for the company, thus generating the competitive intelligence that allows to develop an advantage in relation to its competitors.

## **REFERENCES**

Please refer to articles in Spanish Bibliography.

## **BIBLIOGRAPHICAL ABSTRACT**

Please refer to articles Spanish Biographical abstract.