The Effect of Competitive Intensity on Performance of Private Security Firms in Kenya

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Abstract
The objective of the study was to establish the effect of competitive intensity on performance of private security firms in Kenya. The data was collected from key informants who were either the marketing manager or the Chief Executive Officer of the firms. The theoretical foundation of the study was based on the Market Based View which provided theoretical perspectives on how external environmental factors including competitive rivalry in the industry can influence firm performance. The study was cross-sectional in nature and it targeted 39 firms that were members of the Kenya Security Industry Association (KSIA). A census was done because the population was relatively small. A total of 37 firms participated in the study and this translated to a 95% response rate. Data was collected from the respondents using a structured questionnaire whose measurement scales met all the requirements of reliability and validity tests. Descriptive statistics were used to gain a good understanding of the respondent and firm characteristics. Simple linear regression was used to establish the effect of competitive intensity on firm performance. Results of the regression analysis indicated that competitive intensity had a positive and significant effect on non-financial performance of private security firms. The study concluded based on the results of the regression analysis that competitive intensity has a positive and significant effect on the non-financial performance of private security firms in Kenya. It recommended that the management of private security firms and other firms operating in industries where the industry rivalry is high should be proactive and adopt a competitor orientation in their firms by monitoring the strengths and weaknesses of competitors and anticipating competitor actions that may affect the firm. However, the study also recommended that the firms should not be too competitor oriented otherwise they may lose their focus on customer needs and this may be detrimental to firm performance. Future studies should investigate the influence of government regulation on the relationship between competitive intensity and firm performance. This study was quantitative in nature and future studies should consider using qualitative approaches to data collection and analysis to establish if the findings will be similar.

Keywords: Competitive intensity, Firm performance, Private security firms, Kenya

1. Introduction

Industry competition is an external factor that influences the business environment of organizations and it generates a high level of uncertainty among business firms in all industries (Gavrea *et al*., 2011). Globalization exposes firms to various degrees of industry competition with most firms experiencing a decline in market share while others are forced out of the industry (Waweru *et al.,* 2004). Murray *et al.* (2011) suggest that when the level of competition in an industry increases, firms tend to become more aggressive in countering their rivals. The most important indicator of organizational success is firm performance (Ng'ang'a, Lagat &Kieti, 2016) and business firms will not achieve their performance objectives if their management are not implementing strategies that enable them to perform better than competitor firms. An industry with a high level of competitive intensity influences business managers to find ways of sustaining or improving the existing market share of the firm (Grawe *et al.*, 2009) and the implication here is that competitive intensity in the industry leads to high performance among firms and this assertion is supported by Dibrell (2007) and Auh and Menguc (2005) who state that in general, firms in industries with a high level of competitive intensity will develop ways of improving their performance as a result of the threat of reduce profits failure to which firm performance will be affected negatively.

1.1 Competitive Intensity

Competitive intensity is defined by Sorensen (2009) as the level of competition among firms in an industry. It is also defined as the degree of competitive actions in the industry (Zhang, Wang & Song, 2020). Competitive intensity may be cause by intentional strategic actions of competing firms in the industry. A high level of competitive intensity is indicated by many promotion wars, similar product offerings and a high level of price competition and this reduces the opportunities for market growth. Olalekan and Binuyo (2012) opined that when competitive intensity is high, firms adapt by taking risks and engaging in proactive activities that involve learning and market exploration in order to avoid price wars. When competition is minimal, business firms can operate with their existing systems to capitalize on the predictability of firm performance. However, market certainty reduces when competitive intensity in the industry increases. Firms that perform better than others in a competitive industry do so as a result of their ability to implement business strategies effectively (Fotiadis & Williams, 2018) and this is because they have to find innovative ways of attracting customers and satisfying them better than competitors. Kankam-Kwarteng *et al.* (2019) suggest that intense competition inspires business firms to aggressively adopt strategic techniques to become market leaders rather than being passive industry players

1.2 Firm performance

Performance is defined by Leban and Euske (2006) as a set of financial and nonfinancial indicators that offer information on the firm's level of accomplishment of objectives and results. Firm performance also refers to the level of success of a commercial entity in terms of whether it is positive or negative (Olusola, 2011). An alternative definition is given byYildiz (2010) who stated that performance is a concept that can qualitatively or quantitatively determine what is produced as a result of intended or planned firm activities. Firm performance can be looked at from financial and non-financial perspectives. Non-financial performance is defined by Kotane and Kuzmina-Merlino (2012) as the performance of a firm that is not in terms of its physical assets but intellectual capital. Some of the non-financial performance measures include employee satisfaction, customer satisfaction, customer retention capabilities of the firm, average lead time of the firm among others.

Financial performance is about how well a firm uses its assets to generate revenue and its measures include profit margin, return on assets and sales revenue generated. Non-financial performance measures usually indicate a firm's future financial performance better than lagged financial measures (Kaplan & Norton, 2008), Similarly, Wiersma (2008) posited that non-financial measures tend to have more information about the effectiveness of firm activities than financial measures which only partly reflect the effect of the current actions of a firm's managers. This study adopted the use of non-financial performance measures such as customer acquisition and customer retention. The use of non-financial performance measures is supported by Song *et al.* (2005) who suggested that non-financial measures are effective in evaluating firm performance because they allow for comparison across contexts, firms and economic conditions.

1.3 The private Security Industry in Kenya

Socio-economic structures of any societal group in the world depend on security systems within that societal group. The Private security industry exists in Kenya and around the world to fill the security gap caused by the financial and manpower limitations of the government (Mkutu &Sabala, 2007). This view is supported by Ngugi (2004) who argued that a larger section of the Kenyan population relies on private security service providers. Previously, the private security industry relied on self-regulation only but the government through parliament passed the Private Security Regulation Act of 2016 to regulate the private security industry that had relied on self-regulation only. The act defines private security to include activities such as security for cash in transit, installation of access control systems, installation of close-circuit television (CCTV), private investigations and consultancy, car tracking or surveillance and provision of guard dog services. Therefore, firms engaging in one or more of these activities are classified as private security firms by the act. However, at the time of conducting this study, the act Private Security Regulation Act was yet to be fully implemented by the Private Security Regulatory Authority (PSRA) which is supposed to regulate the industry and hence self-regulation was in place. The Protective Services Industry Association (PSIA) and Kenya Security Industry Association (KSIA) and are the two bodies that have been self-regulating the private security industry in Kenya.

Without proper government regulation of the industry it has been difficult to establish the actual number of private security firms operating in Kenya. Noor and Wagacha (2015) suggested that there could be between 2000 and 4000 private security firms operating in Kenya but many of them are not registered with KSIA or PSIA and this means that they fall outside industry self-regulation mechanisms. The increased threat of terror attacks in Kenya at airports, academic institutions, hotels, shopping malls and other business entities has increased the demand for private security services making private security a major cost to businesses. Security is mentioned in the Sessional Paper No. 10 of 2012 as one of the key sectors that form the foundations of society for social-political and economic growth. The Second Medium Term Plan for Kenya Vision 2030 (2013-2017) also outlines the need for implementation of a regulatory policy on private security providers as part of the policy reforms by the government. The achievement of the Vision 2030 depends on the ability of the government to improve security and attract investors and therefore the role of private security firms in complementing government efforts in providing security cannot be ignored. The private security industry is also a significant employer and Nkaari (2018) pointed out that it employs more than 500,000 people which is more than the 101,288 police officers that the National Police Service employs according to a newspaper article by Vidija (2019).

2. Literature Review and Hypothesis

2.1 Theoretical Perspective

This study was anchored on the Market Based View (MBV) which focusses primarily on the external industry or market characteristics and the positing of a firm in the industry to explain a firm's competitive advantage. A clear understanding of the rules of competition determining an industry's attractiveness is needed for management to be able to develop a firm's competitive strategy.

2.1.1 The Market Based View

The market-based view (MBV) looks at firm strategy from a market requirements perspective. It suggests that the primary determinants of the performance of a firm are external market orientation and the nature of the industry structure (Peteraf & Barney, 2003; Porter, 2008). The market based view originated from Bain (1968) who proposed the Industrial Organization paradigm which is also referred to as the Structure-Conduct-Performance paradigm (SCP) which explains how the structure of an industry affects firm behavior and performance. The Structure-Conduct-Performance paradigm was advanced further by Caves (1980) and Porter (1980) and it outlined why firms should develop strategy in reaction to the structure of the industries in which they operate so that they can perform better than their industry rivals. When developing strategy, Porter (2008) argued that firms usually analyze the external environment based on five forces which are; competition between existing rival firms in the industry, bargaining power of customers targeted by the firm, and that of supplier firms, the threat of substitute goods and services as including that of new firms entering the industry. These five forces form the basis of the assumptions of the market based view that they are the key factors for success of business firms in an industry.

Internal rivalry among existing firms within an industry affect firm performance. When the industry rivalry is strong as a result of many firms offering undifferentiated goods or services to the same target customers, the firms' ability to charge higher prices and generate more revenue will be limited. Higher bargaining power of a firm within the industry in relation to customers and suppliers leads to better performance (Grant, 1991). However, when the bargaining power of customers is high, it means that they can be able to negotiate for lower prices especially if they have many options to choose from. Similarly, when suppliers in an industry are few, their bargaining power increases and this can lead to increased costs of materials for firms. The bargaining power of suppliers can also increase if there are no substitutes to the suppliers' materials or products and this can affect the financial performance of the firm.

High entry barriers for new business organizations in the industry tend to reduce competition and enhance firm performance because the ability of new firms to enter the industry is limited by capital requirements or government regulations that may put stringent requirements for new entrants. New firms usually have the objective of market penetration and gaining of market share and this could negatively influence performance of existing firms. The threat of substitute

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products is high when there are many low-cost alternatives within the industry which lower the customers' switching costs. Porter (1985) argued that, when the five forces are stronger collectively, there is intense competition which lowers the attractiveness of the industry. Firms strive to acquire sustainable and profitable industry positions to reduce the effects of industry competition. However, Porter (2008) stated that firms can use competitive strategies to affect each of the five forces in their favour.

In the opinion of Porter (1998), the five forces affecting rivalry are not equally critical for all industries because their strength varies from one industry to another and they change from time to time. Grant (1991) argues that in the market based view, the sources of market power for a firm are bargaining power, barriers to entry and monopoly status which enable firms to achieve superior performance when compared to their competitors. Monopoly status gives a firm a strong market position making it perform better (Peteraff, 1993) simply because customers may not have other alternatives to choose from and this reduces the bargaining power of customers hence giving firms a stronger market position.

The market based view was relevant to this study because the five industry forces proposed by Porter (1998) which shape industry competition are applicable to the private security industry in Kenya. The security risks in the country affect the customers' bargaining power because the private security firms have more knowledge on security matters than the customers and this information asymmetry may give the firms an advantage but the threat of substitutes is limited because the substitutes to private security services would be the public sector which includes the Kenya Police Service that is currently facing resource and manpower limitations. The bargaining power of supplier firms is also affected because there are many suppliers of security items like guard uniforms and CCTV systems. The rivalry among private security firms in Kenya is quite strong but new firms wishing to enter the industry will now be affected by the PSR-Act No.13 of 2016 which has made it harder for them to enter the industry and this is expected to influence industry rivalry and performance of private security firms in Kenya. This implies that the market based view was a suitable theory in explaining the influence of competitive intensity in the private security industry on the relationship between market orientation and performance of the private security firms in Kenya.

2.2 Competitive intensity and firm performance

The extant literature on the relationship between competitive intensity and firm performance suggests that the intensity of competition can affect firm behavior in relation to pricing strategy, promotion, product offerings, resource deployment and business strategy which have an effect on firm performance and competitive advantage (Wu & Pangarkar, 2010). Competitive intensity is one of the factors that leads to environmental hostility characterized by aggressive competitiveness due to many competitor firms and reduced opportunities for market growth (Auh & Menguc, 2005). When competition intensifies, the outcomes of performance are no longer deterministic but stochastic because it is greatly influenced by competitor actions. Zuniga-Vicente and Vicente-Lorente (2006) found that as competition in an industry increases, it leads to a reduction in firm profits in the long-run because many firms are sharing few customers. The nature and intensity of competition within an industry provides motivation to business firms to design strategies to cope with competitor activities. Intensity of competition motivates firms to aggressively implement strategies that will outperform their rivals and Muray *et al.* (2011) suggest that firms cannot afford to be lethargic in a highly competitive environment and those that implement innovative competitive strategies will benefit from enhanced performance.

The empirical evidence available on the relationship between competitive intensity and firm performance is not conclusive with researchers providing mixed results and this calls for more studies to be done on this area. Patiar and Mia (2009) conducted a study on competitive intensity and hotel performance in Australia and their study findings indicated that competitive intensity had no relationship with non-financial and financial performance of the hotels. Al-Rfou (2012) analyzed the effect of competitive intensity on organizational performance of Jordanian firms. The findings indicated that competitive intensity had a positive effect on organizational performance and this contradicted the findings of Patiar and Mia (2009). Another study Kankam-Kwarteng *et al.* (2010) on competitive intensity and performance of hotels in Ghana provided results that indicated that competitive intensity partially influenced performance of the hotels. Researchers have also documented that competitive intensity and firm performance are negatively related (Beiner *et al.*, 2011) and they argued that a monopoly situation in the industry induces higher profits because of lack of competition. The contradictory findings by researchers indicate the need for more studies to be done on the relationship between competitive intensity and firm performance. There also exists a contextual gap since the private security industry has been largely ignored by previous researchers despite its significant contribution to the economy. Based on the literature reviewed, this study sought to test the null hypothesis that;

Hypothesis 1: Competitive intensity has no significant influence on non-financial performance

3. Research Methodology

The study relied on existing theory and use of quantitative data analysis to test the study hypothesis and therefore it adopted the positivist research philosophy. The study also adopted the cross-sectional research design because the objective was to collect the data from the target respondents at one point in time. The target population was all the private security firms that were registered members of the Kenya Security Industry Association (KSIA) and they were 39 firms in number. This was influenced by the arguments of Diphoorn (2016) who in her fieldwork pointed out that the Protective Security Industry Association (PSIA) which is the other industry association, is an offshoot of the Kenya Security Industry Association whose members are firms whose membership applications had been rejected by KSIA because it required strict adherence to the code of conduct and payment of minimum wages to staff and in view of this, the study population was chosen by the researcher to be the private security firms that were members of Kenya Security Industry Association. A census study was conducted since the study population was relatively small. The measurement of competitive intensity was done using a scale developed by Sorensen (2009).

Performance of the private security firms was measured non-financially using a scale adopted from Chen *et al.* (2009). Non-financial performance was measured objectively in terms of number of new customers acquired and number of existing customers retained. A pilot study was

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done to evaluate the reliability of the measurement scale by administering the study questionnaire to marketing managers of ten (10) private security firms operating in Mombasa county that were not members of the KSIA and the Cronbach's alpha coefficient was above the lower limit of 0.6 proposed by Hair et al. (1998). The study used the key informant approach where a structured questionnaire targeting either the marketing manager or CEO of the firm was used to collect data. Factor analysis was used to test for construct validity and the data was subjected to tests for the assumptions of regression analysis. Linearity was tested using scatter plots, normality was tested using the Kolmogorov – Smirnov and Shapiro-Wilk tests, autocorrelation was tested using the Durbin –Watson test, multicollinearity was measured using Tolerance and Variance Inflation Factors (VIFs) while the Koenker test was used to check for heteroscedasticity. All the tests for the assumptions of regression analysis provided results that indicated that the data met the requirements for regression analysis.

3.1 Reliability and Validity Test Results for Competitive Intensity and Non-financial performance
The reliability as well as validity of the scale used to measure competitive intensity and non-financial performance was assessed using Cronbach's alpha and factor analysis. Scholars have argued about the acceptable level of the Cronbach's alpha and Cronbach (1951) proposed a lower limit of 0.5 while Nunally and Bernstein (1994) stated that a Cronbach alpha coefficient of 0.7 or higher is an indicator that the measures are reliable. Bagozzi and Youjae (2012) recommended a coefficient of 0.6 or greater but argued that a lower threshold of 0.5 could also be used. However, consensus has not been reached among authors on what the lower limit of the Cronbach's alpha coefficient should be. This study adopted a coefficient of 0.6 as the cut-off point because it is above the lower limit of 0.5 proposed by Bagozzi and Youjae (2012) and Cronbach (1951). The outcomes of validity and reliability test results for competitive intensity are summarized and presented in Table 3.1

Table 3.1: Reliability and Validity Test Results for Competitive Intensity

Statement	Item factor loading	Item-Total Correlation	Alpha if statement is deleted
Competition in our industry is very stiff	.326	.413	.603
There are many promotion wars in our industry	.844	.743	.781
Anything one competitor can offer, others can match easily	.674	.640	.468
Price competition is a characteristic of our industry	.695	.566	.645
We hear of a new competitive move almost every day	.647	.542	.508
Our competitors are relatively weak	.772	.696	.765

Cronbach's alpha=.632 Grand mean score = 3.90
Source: Research data (2022)

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Table 3.1 indicates the Cronbach's alpha coefficient for the competitive intensity scale was 0.632 and this was acceptable. Exploratory factor analysis showed factor loadings to be higher than the acceptable threshold of 0.4 proposed by Field (2013). Item to total correlations scores fell between 0.413 and 0.743 which were higher than the 0.3 threshold proposed by Cristobal et al. (2007). Therefore, the validity and reliability of the competitive intensity scale was confirmed. Table 3.2 indicates the factor loadings and item to total correlation for non-financial performance measures.

Table 3.2: Reliability and Validity Test Results for Non-Financial Performance

Statement	Item factor loading	Item-Total Correlation	Alpha if statement is deleted
Number of new customers that you acquired in 2021	.768	.536	-
Number of customers who renewed their security contracts with you for the year 2021	.768	.536	-

Cronbach's alpha=.698 Grand mean score = 3.78
Source: Research data (2022)

The results from Table 3.2 show the item to total correlation scores for non-financial performance scale were 0.536 for both statements and this was above the 0.3 threshold proposed by Cristobal et al. (2007). The Cronbach alpha for non-financial performance scale was good at 0.698. Therefore, the construct validity and reliability of the non-financial performance measures was confirmed.

4. Data Analysis and Findings

The study targeted39 firms in a census study and 37 firms took part and this translated to a 95% response rate. Descriptive statistics was used to get a general understanding of the respondent and firm characteristics. Inferential statistics involved the use of simple regression analysis to establish the relationship between competitive intensity and non-financial performance of private security firms in Kenya. The descriptive analysis of the respondent and firm characteristics are presented in Table 4.1

Table 4.1: Respondent and firm characteristics

Variable	Category	Frequency	Percentage
Gender of respondents	Male	30	81.1
	Female	7	18.9
	Total	**37**	**100.0**
Educational level of respondents	Certificate	3	8.1
	Diploma	5	13.5
	Bachelors	24	64.9
	Masters	5	13.5
	Other	0	0
	Total	**37**	**100.0**
Respondent work experience in the industry (in number of years)	Below 10	14	37.8
	10 – 20	17	45.9
	Over 20	6	16.2
	Total	**37**	**100.0**
Firm age (in years)	Less than 10	10	27.0
	10 -20	13	35.1
	Over 20	14	37.8
	Total	**37**	**100**
Firm ownership structure	Fully Kenyan owned	27	73.0
	Fully foreign owned	6	16.2
	Partly Kenyan owned	4	10.8
	Total	**37**	**100.0**

Source: Research data (2022)

The data from Table 4.1 on the respondents and firm characteristics indicated that majority of the respondents were male and this was expected since security is perceived to be a male dominated occupation. This finding was in tandem with that of Suda (2002) who examined gender disparities in the Kenyan labour market and found that female employees remained below 30% compared to male employees who held a disproportionately larger share of positions in the labour market. Majority of the respondents also had a Bachelor’s degree as their highest level of education and this implied they were well educated. In terms of work experience, most of the respondents had worked for between 10 to 20 years and this implied that they had sufficient industry experience. Of the 37 firms that took part in the study, majority of them were fully Kenyan owned in terms of ownership structure and they had also operated for over 20 years.

5. Test of hypothesis, interpretation and discussion of results

5.1 Testing the relationship between competitive intensity and non-financial performance

The relationship between competitive intensity and non-financial performance was tested using simple regression analysis and Table 5.1 provides the model summary of the regression analysis outcomes

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Table 5.1: Model summary of the relationship between competitive intensity and non-financial performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.678[a]	.459	.444	.66160

a. Predictors: (Constant), Competitive intensity
Source: Research data (2022)

The regression results in Table 5.1 indicate that the coefficient of determination (R^2) was at 0.459 and this implied that competitive intensity explained 45.9% of the variation in the non-financial performance of private security firms in Kenya. The relationship between competitive intensity and non-financial performance was moderate as indicated by a correlation coefficient of 0.678. Table 5.2 provides results of the analysis of variance (ANOVA) conducted on competitive intensity and non-financial firm performance.

Table 5.2: ANOVA results of the relationship between competitive intensity and non-financial performance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.006	1	13.006	29.713	.000[b]
	Residual	15.320	35	.438		
	Total	28.326	36			

Dependent variable: Non-financial performance
Predictors: (Constant), Competitive intensity
Source: Research data (2022)

Analysis of variance (ANOVA) was conducted to test the significance of the regression model and the results in Table 5.2 indicated an F value of 29.713 which was significant at p = 0.000. This showed that the regression model was significant at 95% confidence level since the p value was less than 0.05 and therefore the regression model was robust enough to explain the relationship between competitive intensity and non-financial performance. Table 5.3 provides the regression coefficients of competitive intensity and non-financial performance.

Table 5.3: Regression coefficients of the relationship between competitive intensity and non-financial performance

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.784	.109		34.788	.000
	CI	.929	.170	.678	5.451	.000

Dependent variable: Non-financial performance
Source: Research data (2022)

From Table 5.3, results indicate that t = 5.451 and p value is 0.000 which implies that competitive intensity positively and significantly affected the non-financial performance of private security firms. The unstandardized regression coefficient also indicated that competitive intensity factors were significant ($\beta = 0.929$, p value = 0.000). Therefore, these results led to the rejection of the null hypothesis H_1; which stated that; Competitive intensity has no significant influence on non-financial performance.

6. Discussion of results

The findings of this study indicated that competitive intensity positively and significantly affected the non-financial performance of private security firms in Kenya. The unstandardized beta co-efficient for the effect of competitive intensity on non-financial performance was β = 0.929, p = 0.000 and this was significant. This study results indicate the existence of a positive effect of competitive intensity on non-financial performance of private security firms in Kenya. The finding by this study of a positive and significant effect of competitive intensity on non-financial performance is in tandem with that of Kankam-Kwarteng (2019) whose study also found evidence of a positive and significant effect of competitive intensity on performance of restaurants in Ghana. A similar finding was also reported by Al-Rfou (2012) who conducted a study on the effects of competition on organizational performance of Jordanian firms and found that competitive intensity had a positive and significant effect on organizational performance. The findings of the current study are also similar to those of Giroud and Mueller (2010) who also found that competitive intensity had a positive and significant effect on firm performance. However, the findings of this study contradict those of Patiar and Mia (2009) whose study results indicated that competitive intensity and firm performance had no relationship as well as those of Peress (2010) and Beiner*et al.* (2011) who found a negative relationship between competitive intensity and firm performance

The finding of this study is not surprising because the private security industry in Kenya is very competitive and it has attracted many local and foreign firms because of the increased security threats to individuals and businesses that drives up the demand for private security services. The findings suggest that the competitive rivalry among private security firms propels them to find ways and means of satisfying customer's security needs and this may include expanding their service offerings by introducing new services, developing effective pricing and promotion strategies that lead to increased levels of new customer acquisition and retention, development and implementation of innovative competitive strategies to outperform rivals and this leads to the positive effect on non-financial performance. This also supports the argument of Beiner *et al*. (2011) that competitive intensity can produce better managerial incentives to monitor and improve service quality as well as reducing inefficiencies within the firm in the quest to gain a competitive advantage and this has a positive effect on firm performance

7. Conclusion

Results from the regression analysis indicated competitive intensity accounted for 45.9% of the variations in the non-financial performance of the private security firms. The other 54.1% of the variation in the non-financial performance of the security firms was explained by other factors that were not analyzed by this study. 45.9% is a high contribution of competitive intensity to

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non-financial performance. The regression coefficient for the effect of competitive intensity on non-financial performance was positive and significant and therefore the study concluded that competitive intensity had a positive and significant effect on non-financial performance of the private security firms in Kenya. This can be attributed to the fact that the high intensity of competition in the industry influences the management of the firms to be competitor oriented by monitoring competitor activities and strategies and then using the information to respond in ways that provide a sustainable competitive advantage that affects their performance positively.

8. Recommendations

The study recommends that the management of private security firms and other firms operating in industries where the industry rivalry is high should be proactive and adopt a competitor orientation in their firms by monitoring the strengths and weaknesses of competitors and anticipating competitor actions that may affect the firm. This implies that the management should be having periodic meetings with marketing department staff to discuss the actions, strategies, strengths and weaknesses of competitor firms so that they can be able to respond quickly to competitor actions. This is important because actions of competitors are important in developing competitive strategies. In view of this, this study recommended that the firms should also not be too competitor oriented otherwise they may lose their focus on customer needs and this may be detrimental to firm performance. This is because an over reliance on competitor orientation confines the firms to being reactive rather than proactive when dealing with competitor actions

9. Suggestions for further study

At the time of conducting the study, the private security industry was not under government regulation and because the Private Security Regulatory Authority initiated the process of registering private security firms afresh, this will affect the competition in the industry. Therefore, future studies should study the influence of government regulation on competitive intensity and determine the effect on performance. This study was quantitative in nature and future studies should consider qualitative approaches to data collection and analysis to establish if the findings will be similar

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