

Application of Competitor Focused Accounting (CFA) Method as Competitive Advantages in Foods and Baking Enterprises in Kano, Jigawa and Bauchi States of Nigeria

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Abstract:-The paper explores the application of competitor focused accounting (CFA) method as competitive advantages in foods and baking enterprises in Kano, Jigawa and Bauchi states of Nigeria. The population of the study is made up of all foods and baking enterprises in the three states out of which nine (9) enterprises three (3) from each state have been selected to form the sample of the study. The one-sample t-test and the frequency table have been used in the analysis of the data. Ninety (90) questionnaires have been administered out of which seventy eight (78) have been collected. The findings of the study reveal that all aspect of competitor focused accounting method captured in the study (Competitor Cost Assessment, Competitor Position Monitoring, Competitor Appraisal based on Financial Statement) are significantly used in the foods and baking enterprises in the three (3) states. It is recommended that the competitor focused accounting method should be more formally used in food and baking enterprises in the states. Finally, they should introduce comprehensive accounting system by ensuring that record keeping and preparation of financial statements is given utmost regards as it has received less concentration.

Keywords: Competitor Focused Accounting (CFA) Method, Baking Enterprises, Competitive Advantages, Kano, Jigawa and Bauchi States of Nigeria.

I. INTRODUCTION

In half a century, the world economy has witnessed dramatic changes in technology, communication and constant elimination of territory as a barrier to trade. These changes have led to increase in production, competition and customer preference. Therefore, manufacturing companies encountered incessant challenges of how to survive and sustain as a profit making entities. The first advocate of the term “strategic management accounting” Simmonds (1986) held that for such firms to survive the intense competition of today, they must look outward, keeping their eyes open on the external environment, particularly, the activities of competitors. The competitors position in the market must be monitored. The firm must strive to know the likely market share, volume of sales, unit cost and profitability of its competitors. By doing that however, a firm will understand by how much it is been beaten in the market place and thus, its own position is guaranteed.

The strategic management accounting framework that more directly address external environment in relation to activities of competitors is “Competitor Focused Accounting (CFA) Method” which is defined “as the analysis of information from accounting issues related to competitors, to gain detailed insight into their present cost and financial situation, to determine one’s own competitive position and to predict the future strategic behavior of the competitors” (Heinen & Hoffjan, 2005).

In the same vein, the cost assessment of competitor is equally important. The ability of a firm to control sizeable market share lies to a great extent on its ability to produce at minimum cost. Well formulated cost reduction will go a long way in winning significant customer loyalty and even prevent cutthroat competition from developing (Douglas & Richter 2014; Heinen and Hoffjan 2005). It is also to be pointed out that, product cost, product price then sales volume and profit have direct relationship. Other things being equal, if a firm produces at lower cost it could be sold at lower prices. Customers will be motivated to purchase more with positive effect on profitability. Cost leaders in the industry have over the years flourished and are able to control the industry as long as they produce at lowest cost. Therefore, knowledge of competitor cost structure is at the heart of strategic management accounting.

The central issue of competitive advantage lies on the firm’s ability to create value when no or only few firms are able to design their operation in a similar way (Alsoboa & Alalaya, 2015; Barney, 2002). Firm creates this value when it has designed its operations in such a way that lead to superior performance. The management here sharp their thinking, continuously utilizing new technology, channeling their resources to most profitable business opportunities that will foster business growth and open up new links. Taken into cognizance the present of competitors and the nature of the business environment a firm adjust its operation in such a manner that suit a constant environmental changes and open up new opportunities. As Malinić, Jovanović and Janković (2012) rightly put it, that strategic decision making which ignores external information is a blind decision making.

Moreover, product quality is defined in terms of satisfaction a customer derives from the product. Mazreku (2015) states that product quality can be broadly express as a post-purchase evaluation of satisfaction derive from the product given pre-purchase expectation. The product quality improves customer satisfaction, customer loyalty and sales growth, as a result, competitive advantage of firm is improved. The product differentiation promote the satisfaction of customers by producing a product with unique and superior features capable of meeting all customer expectation and as well reduces the sensitivity of rival product (Dirisu, Iyiola & Ibidunni, 2013; Sharp & Dawes 2001). Firm strives to gain competitive advantage in market place by continuously producing product of different look and one that creates more value than other products. Given the limited nature of resources a product is gaining sensitivity of consumers only by reducing the sensitivity of other products of the same kind and thus, product acceptability, customer loyalty and ultimately market share is built.

Similarly, Malinić, Jovanović and Janković (2012) stress that the current complexities and turbulence of the company's business environment requires adequate information about both the existing and potentials competitions, such information about their cost structures, the relation between the product attributes and price, sales volume, cash flows, liquidity, solvency, profitability and share price must be taken into consideration in any strategic decision.

Furthermore, competitor focused accounting method is entirely a virgin area of study in developing countries like Nigeria. The few researches we have in Nigeria concentrated on listed companies, therefore, this study will explore the application of the concept in non-listed enterprises in Nigeria.

From the explanations above one can ask questions as to what is the application of competitor focused accounting (CFA) method as competitive advantages of foods and bakery enterprises in Kano, Jigawa and Bauchi states of Nigeria.

The objective of this study is to explore the application of competitor focused accounting method on competitive advantages of foods and bakery enterprises in Kano, Jigawa and Bauchi states.

In line with the objective above, one (1) hypothesis based on a null form has been developed to answer the research question.

HO: Competitor focused accounting method is not of any used as competitive advantages in foods and bakery enterprises in Kano, Jigawa and Bauchi states of Nigeria.

The other parts of the paper are structured as follows: Section two discussed the literature aspect of the study. Section three is a statement of methodology; results and discussion are in section four while conclusion and recommendations are highlighted in section five.

II. LITERATURE REVIEW

2.1 Conceptual Framework

The competitor focused accounting (CFA) method is a key framework of strategic management accounting proposed by Simmonds (1986) that for a firm to survive and keep on earnings satisfactory profit it must go extra miles in reporting to its management not only financial aspect of information that are internally focused but information obtained from the external environment, particularly the activities of its competitors. Furthermore, Simmonds (1986) holds that monitoring competitive position of a firm entails extensive analysis of rival's market share, turnover, return on sales, sales volume, cost per unit, price per unit, cash flow, capacity utilization, liquidity, and availability of resources of essential competitors. In the same vein, CIMA (2015) holds that in the 1980s management accounting was criticized for being internally focused on operational issues which was contributing little to managers in making strategic decision and so, it was now a time to place more emphasize on external information that are indispensable to strategic decision.

The competitor cost assessment provides update on regular basis about competitor unit cost. While, competitor position monitoring analyzed and monitor market share, volume of sales, unit cost and return on sales of competitors to determine their strengths in the market place. The competitor appraisal based on financial statement is the analysis based on the content of financial statement to determine the sources of rival competitive advantage (Guilding, 1999). Guilding, went further to state that competitive strategy relates to how competitors compete in the market. On the other hand, Currie (2014) admits that competitors are those firms with whom our firm shares customers' spending power. Strategic management accounting assists firm with all the necessary information to ensure that it keeps its customers intact and maintain its market share and dominance.

SMA places the firm in a position where it has best view of the existing and potentials rivals activities, thus, indicate by whom, how and why they are gaining competitive edge. Knowing this information is an effective and reliable way of gaining superior performance (Egbunike & Odum, 2014). Similarly, Kotlar and Armstrong (2009) differentiate competitors in three main types: The brand competitors which compete in size and provide similar products to similar customers. There are industry competitors whose compete in similar products but are of different size, organization and target market. Lastly, generic competitors arise as a result of limited nature of consumers' income. They are completely of different industry, size or organization but compete on one area, a purchasing power of consumers.

In addition, Malinić, Jovanović and Janković (2012) opine that for a firm to know whether and by how much it is better than its competitors, it must keep on monitoring and constantly makes comparison with the competitors' performance going by the old saying that keep your friends

close and your enemies closer. Also, Chew (2000) states that competitive advantage is a framework that gives a firm some guidance as to what product or service to sale, where a firm will be able to outperform the rivals, what set of customers to attract and what capability a firm should build on overtime. A firm positions itself based on the advantages or strengths its possesses against its competitors (Ng'oo, 2016).

However, competition is not that situation that firms should always be up against as the organization of economic cooperation and development OECD (2017) states that increasing competition improves economy as a whole by open up new opportunities, reduces cost of production, consumers are better off, improves efficiency of products and firms, provides new products and right of choice, improves allocation of resources, promotes positive outcomes in service industries and increase productivity and economic growth. On the other hand, restriction of competition raise the cost of some suppliers relative to others, restrict advertizing and marketing, control prices at which goods and services are sold, restrict the flow of goods and services, capital and labour and significantly raise the cost of entry or exit.

Moreover, competitors are friends as much as are enemies and care must be taken not to convert a best friend to a worst enemy. The firm and other stakeholders should strive to maintain a healthy competition. Because doing business without competition is unrealistic, particularly, in the business world of today. Taken a firm as an entity most competition is threats to its surviving but looking at the macro level, competition is obviously necessary for the growth of the economy.

2.2 Review of Empirical Study

In the empirical study conducted in Germany by Heinen and Hoffjan (2005) on competitor cost assessment using laboratory experiment in analyzing the data, reveals that informed cost leaders are more determine in making strategic decision. Similarly, Alsoboa and Alalaya (2015) agree with these findings in a research conducted in Jordan. The results discloses that competitor focused accounting method contributes significantly to the strategic decision of firms in Jordan using descriptive statistics, multiple regression and questionnaire in analyzing the data. Again, Guilding (1999) found that competitor focused accounting method has been in used frequently in Australia more than how it has been anticipated. In Nigeria, competitor focused accounting method is still below average in practice as revealed by a research carried out by Egbunike and Odum (2014). The study used descriptive statistics, analysis of variance and scheffe's test in analyzing the data.

In the same vein, a case based study conducted in Serbia by Malinić, Jovanović and Janković (2012) discloses that competitor focused accounting method improves the firm's strategic decision by creating a strong information based about competitors. Similarly, Douglas and Richter (2014) support these findings and found that competitor focused

accounting method improve innovation, quality, performance and it lower cost of production in United States. On the other hand, Chew (2000) found contradictory results in a study conducted on competition around the world. The findings reveal that competitive advantage is very rare and competitive position is very real. NG'oo (2016) holds that strategic positioning has a lot of influence in Kenyan firms' competitive advantage using descriptive statistics and multiple regressions in analyzing the data.

In a study conducted in Slovak by Papulova and Papulova (2006) found that competitor focused accounting method assist in creating more value to firms' customers, thus, keeping them satisfied. On similar note, Laakso (2017) found that competitor analysis method assists firms in understanding competitive landscape and different strategic framework used by competitors in a research conducted in Spain using content analysis and interview method in collecting the data. Similarly, a research conducted by Reguia (2014) discloses that products innovation improves market share and customer loyalty in a study conducted in Algeria. However, OECD (2017) reveals that competition improve economic growth, promote availability of goods and services and lower cost of production in a study conducted in European Economic Community.

Again, a research carried out in Nigeria by Dirisu, Iyiola and Ibidunn (2013) reveals that a stand-out product with unique features improves competitive advantage. A research conducted in Austria by Mazreku (2015) reveals that customer satisfaction is the best way to achieve competitive advantage. In addition, Porter and Miller (1985) conducted a research in United States and found that external information significantly improves competitive advantage. In his study Porter (1985) also found that both the offensive and defensive strategies improve competitive advantages in United States.

2.3 Theoretical Framework

The theoretical framework spells out two theories that are relevant in explaining the topic. They are the resources based theory and the profit maximization theory.

2.3.1 Resources Based Theory

The resources based theory explains how a firm appraise the strengths and weaknesses as well as the opportunities and threat posed by competitors. This assists a firm in exploiting areas that it can outperform its rivals. It identifies the resources gap which need to be filled. Invest in assets replenishing and upgrading and check the appropriability of its returns to sustain competitive advantage. The ability of a firm to earn a substantial profit greater than its cost of capital depend on two factors: the attractiveness of the firm in which it is located and the establishment of the competitive advantage over rivals. Select the strategy which best exploit the firm's resources and capability relative to opportunities in the environment. Similarly, a firm used internal capability to determine what it can do more effectively than its rivals, what

products to produce, whom to sale the product to and what market to utilize (Grant, 2001).

Further, Grant (2001) holds that internal resources and capability provide the basic direction for a firm strategy. Resources and capability provide the sources for a firm profitability. Resources are inputs into the production process. They are the basic unit of analysis. It includes items of capital equipment, skills of individual employees, patent, brand name, finance and so on. Productive activities require the cooperation and coordination of team of resources to perform some task or activity. Resources are source of firm's capability while capability are the main source of competitive advantage.

In the same vein, Theriou, Theriou and Aggelidis (2009) emphasize the need for building competitive advantage through capturing economic rents (profit that do not attracts entry) by using resources and capability to produce a product that posses certain features difficult to imitate and secondly, being pioneer of the product a firm enjoy patent and copy right. Similarly, Hoopes, Madsen and Walker (2003) state that to maintain a sustain competitive advantage resources must be in short supply relative to demand, it has to be immobile, costly to imitate or replicate. Such resources play major role in advancing a firm's market position. It is also to be pointed out that, rareness of resources is important only when the resources is valuable and cannot be imitated by competitors. So placing more emphasize on resources value and inimitability is at the heart of resources based theory.

2.3.2 Profit Maximization Theory

The profit maximization theory holds that the only competitive advantage that a firm posses rest on its ability to maximize profit. In a modern economies, most of the allocations of resources are determines by private players and that the ultimate aim of private forces is to raise more profit for their shareholders. Private firm compete to maximize profit and that only firms that can do so more effectively have competitive advantage over rivals (Hawkins, 1973). Similarly, firm will constantly make sure that its marginal revenue exceeds its marginal cost. Because that is the point where profit is maximized (Keen & Standish, 2006). They went further to stress that in multi-firm industry, the profitability of a particular firm is to some extent determine by the activities of other firms. And so, a firm most constantly monitors the activities of other firms in the industry. Attempting to maximize profit while ignoring what other firms are capable of doing is just like an attempt to row a boat to a specific location, while ignoring the wind and tides.

Similarly, Vroom and Mccann (2009) stress that; the central assumption in strategic management accounting about the goals of the firm is to maximize profit. The owners of the firm strive to maximize profit because they used the profit to consume and maximize their utility. In standard economic theory, resources may either be consumed by individual household or used by firm in the production of goods and

services. In this manner, consumption is done by the household while production takes place within the firm. Consumption creates utility, thus, household decision is greatly influenced by utility maximization. On the other hand, production is not created by consumption; therefore, firm's decision is influenced by profit maximization.

Furthermore, diffuse owners (external owners) used profit maximized by their firms to create utility. The value creates by a firm as a result of efficient business activities benefit the owners through a dividend payout periodically. And so, external owners used profit (dividend) as a proxy for utility. When the dividend improves, utility of external owners improves and vice versa. On the other hand, concentrated owners (owner-managers) are not only defending on profit maximization to create utility. The autonomy of the work, leadership and recognition are some of the utility derives by the owner-manager outside the profit maximization. Thus, owner-manager can use the firm as a source of both consumption and production (Vroom & Mccann, 2009).

This research is well suited to resource based theory which advocated the utilization of internal resources to gain external competitive advantage. The internal resources as corporate leadership, assets based, goodwill, intellectual capital and finance, cost structures, profitability, share price and so on are used by the firms to track the movement of competitors, thus, determine their sources of competitive advantage and counter them. Therefore, this research is best explained by resource based theory as used by (Alsoboa & Alalaya, 2015).

III. METHODOLOGY OF THE STUDY

The population of the study is made up of all foods and bakery enterprises in Kano, Jigawa and Bauchi states of Nigeria. Population refers to the full set of cases from which sampling is selected (Saunders, Lewis & Thornhill, 2009). The non-probability sampling (quota sampling) is used in generating relevant data. The quota sampling is a type of stratified sample in which the selection process is entirely non-probability in nature (Barnett, 1991). Ten (10) copies of structured questionnaires have been administered in each enterprise making total questionnaire administered to ninety (90) out of which seventy eight (78) questionnaires have been collected and certified valid. The questionnaire has been adapt and adopted from Alsoboa and Alalaya (2015).

An attempt to obtain registered and tax compliance foods and bakery enterprises in Kano, Jigawa and Bauchi states have been unsuccessful. For instance, in Kano state, both the ministry of commerce and industry and kano state board of internal revenue have acute shortages of data on registered foods and bakery enterprises. An attempt was also made to obtain the data from the association of foods and bakery enterprises in Kano state also prove abortive. The chairman of the association only guessed that the association may have more or less than two thousand (2000) registered members. Subsequent upon this limitations the research selected three

(3) foods and baking enterprises in each state making a sample size of nine (9) foods and baking enterprises.

The Neuman (2005) calculation of active response rate is used:

Active response rate =

$$\frac{\text{total number of response}}{\text{Total number in sample} - (\text{ineligible} + \text{unreachable})}$$

$$\frac{78}{90 - (0 + 0)} = 86.6\% \text{ which is greater than an acceptable response rate of } 57\% \text{ Griffith University (2005).}$$

Table 3.1 Enterprises of the Study

| S/N | Enterprises | |
|-----|----------------------------------|--------------|
| 1 | Hasina Confectionary Enterprises | Jigawa State |
| 2 | FUD Classic Bakery | Jigawa State |
| 3 | Shema Table Water Enterprises | Jigawa State |
| 4 | Qorama Table Water Enterprises | Bauchi State |
| 5 | Haske Bakery Enterprises | Bauchi State |
| 6 | Aljuma Bakery Enterprises | Bauchi State |
| 7 | Galadu Super Bakery Enterprises | Kano State |
| 8 | Rahama Bakery Enterprises | Kano State |
| 9 | Sultan Bakery Enterprises | Kano State |

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Table 3.2 Definition of Variables

| Variables | Definition |
|-----------|---|
| CC1 | Competitor Cost Assessment in Relation to Profitability |
| CC2 | Competitor Cost Assessment in Relation to Product |
| CC3 | Competitor Cost Assessment in Relation to Market Share |
| CC4 | Competitor Cost Assessment in Relation to Customers Loyalty |
| CM1 | Competitor Position Monitoring in Relation to |

| | |
|-----|--|
| | Profitability |
| CM2 | Competitor Position Monitoring in Relation to Product |
| CM3 | Competitor Position Monitoring in Relation to Customers Loyalty |
| CM4 | Competitor Position Monitoring in Relation to Market Share |
| CA1 | Competitor Appraisal Based on Financial Statement in Relation to Profitability |
| CA2 | Competitor Appraisal Based on Financial Statement in Relation to Sales Volume |
| CA3 | Competitor Appraisal Based on Financial Statement in Relation to Sale Revenue |
| CA4 | Competitor Appraisal based on financial statement in Relation to Market Share |

Adapt and adopted from Alsoboa and Alalaya (2015).

IV. RESULTS AND DISCUSSION

Table 4.1 Job Title

| Ranks of Respondents | Frequency | Percent | Valid percent | Cumulative frequency |
|----------------------|-----------|---------|---------------|----------------------|
| Lower mngt. | 34 | 37.8 | 37.8 | 37.8 |
| Head of section | 25 | 27.8 | 27.8 | 65.6 |
| Branch manager | 8 | 8.9 | 8.9 | 74.5 |
| HOD | 13 | 14.4 | 14.4 | 88.9 |
| General manager | 10 | 11.1 | 11.1 | 100.0 |
| Total | 90 | 100.0 | 100.0 | |

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In table 4.1, the first column indicates the ranks of respondents in their different places of work. The second column shows the frequency of the respondents. The third column shows the percentage of respondents while the fourth and fifth columns exhibit the valid percentage and cumulative percentage respectively.

The lower level managements are 34 in numbers and constitute 37.8% of total respondents. The head of sections are 25 in numbers and taken 27.8% of respondents. The branch managers are 8 in numbers and covered 8.9% of total respondents. The heads of department are 13 in numbers and constitute 14.4 percent of respondents. The general managers are 10 in numbers and constitute 11.1% of total respondents.

Table 4.2 Frequency

| | CC 1 | | CC 2 | | CC 3 | | CC 4 | |
|-----------------|------|-------|------|-------|------|-------|------|-------|
| Scale | Freq | % | Freq | % | Freq | % | Freq | % |
| Not used at all | 4 | 5.1 | 2 | 2.6 | 4 | 5.1 | 3 | 3.8 |
| Slightly used | 23 | 29.5 | 24 | 30.8 | 28 | 35.9 | 26 | 33.3 |
| Moderately used | 34 | 43.6 | 27 | 34.6 | 30 | 38.5 | 26 | 33.3 |
| Frequently used | 6 | 7.7 | 15 | 19.2 | 11 | 14.1 | 9 | 11.5 |
| Greatly used | 11 | 14.1 | 10 | 12.8 | 5 | 6.4 | 14 | 17.9 |
| Total | 78 | 100.0 | 78 | 100.0 | 78 | 100.0 | 78 | 100.0 |

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In table 4.2 the first column reveals the scale used in the study. The second column exhibits the competitor cost assessment in relation to profitability. The third column discloses the competitor cost assessment in relation to the products, while, the fourth and the fifth column reveal the competitor cost assessment in relation to market share and customers respectively.

In CC1, 4 respondents are not using competitor cost assessment to determine the profitability of competitors taken 5.1% of total respondents. 23 respondents are slightly used taken 39.5% of total respondents. 34 respondents are moderately used and constitute 43.6% of total respondents. 6 respondents are frequently used taken 7.7% of total respondents. 11 respondents are greatly used taken 14.1% of total respondents.

In CC2, 2 respondents are not using competitor cost assessment to determine the cost of producing competitors' products taken 2.6% of total respondents. 24 respondents are slightly used taken 30.8% of total respondents. 27 respondents are moderately used taken 34.6% of total respondents. 15 respondents are frequently used taken 19.2% of total respondents. 10 respondents are greatly used taken 12.8% of total respondents.

In CC3, 4 respondents are not using competitor cost assessment to determine the market share of competitor taken

5.1% of total respondents. 28 respondents are slightly used taken 35.9% of total respondents. 30 respondents are moderately used taken 38.5% of total respondents. 11 respondents are frequently used taken 14.1% of total respondents. 5 respondents are greatly used taken 6.4% of total respondents.

In CC4, 3 respondents are not using competitor cost assessment to determine the competitors' customers' loyalty taken 3.8% of total respondents. 26 respondents are slightly used taken 33.3% of total respondents. 26 respondents are moderately used taken 33.3% of total respondents. 9 respondents are frequently used taken 11.5% of total respondents. 14 respondents are greatly used taken 17.9% of total respondents.

This result has shown that very few respondents are not using competitor cost assessment as competitive advantages in Kano, Jigawa and Bauchi states. More than 80% of respondents are using the concept in determining profitability, customer loyalty, market share and product cost structure of competitors. In this manner, the firm used the information as a weapon to determine the sources of competitors' competitive advantage and at the same time develop its own competitive strategies to beat its rivals in the market place. Also, this result is consistent with the result found by Guilding (1999) which reveals that competitor focused accounting method has been in used in Australia more than how it has been anticipated.

Table 4.3 Frequency

| | CM 1 | | CM 2 | | CM 3 | | CM 4 | |
|-----------------|------|-------|------|-------|------|-------|------|-------|
| Scale | Freq | % | Freq | % | Freq | % | Freq | % |
| Not used at all | 2 | 2.6 | 2 | 2.6 | 2 | 2.6 | 9 | 11.5 |
| Slightly used | 24 | 30.8 | 25 | 32.1 | 27 | 34.6 | 23 | 29.5 |
| Moderately used | 28 | 35.9 | 27 | 34.6 | 32 | 41.0 | 27 | 34.6 |
| Frequently used | 13 | 16.7 | 14 | 17.9 | 8 | 10.3 | 12 | 15.4 |
| Greatly | 11 | 14.1 | 10 | 12.8 | 9 | 11.5 | 7 | 9.0 |
| Total | 78 | 100.0 | 78 | 100.0 | 78 | 100.0 | 78 | 100.0 |

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In table 4.3 the first column reveals the scale used in the study. The second column discloses position monitoring in relation to profitability. The third column discloses the competitor position monitoring in relation to the products, while, the fourth and the fifth column reveal the competitor position monitoring in relation to market share and customers respectively.

In CM1, 2 respondents are not using competitor position monitoring to determine the profitability of competitors taken 2.6% of total respondents. 24 respondents are slightly used taken 30.8% of total respondents. 28 respondents are moderately used and constitute 35.9% of total respondents. 13 respondents are frequently used taken 16.7% of total

respondents. 11 respondents are greatly used taken 14.1% of total respondents.

In CM2, 2 respondents are not using competitor position monitoring to determine the product' quality of competitors' products taken 2.6% of total respondents. 25 respondents are slightly used taken 32.1% of total respondents. 27 respondents are moderately used taken 34.6% of total respondents. 14 respondents are frequently used taken 17.9% of total respondents. 10 respondents are greatly used taken 12.8% of total respondents.

In CM3, 2 respondents are not using competitor position monitoring to determine customer loyalty of competitor taken 2.6% of total respondents. 27 respondents are slightly used

taken 34.6% of total respondents. 32 respondents are moderately used taken 41.0% of total respondents. 8 respondents are frequently used taken 10.3% of total respondents. 9 respondents are greatly used taken 11.5% of total respondents.

In CM4, 9 respondents are not using competitor position monitoring to determine the market share of competitor taken 11.5% of total respondents. 23 respondents are slightly used taken 29.5% of total respondents. 27 respondents are moderately used taken 34.6% of total respondents. 12 respondents are frequently used taken 15.4% of total respondents. 7 respondents are greatly used taken 9.0% of total respondents.

The result has shown that very significant numbers of respondents are using competitor position monitoring to determine the market share, customer loyalty, product acceptability and likely sales volume of the essential competitors. Using it to assess the strength of its competitors and ascertain the reasons they are gaining competitive edge in the market. This will assist the firm in developing its own strategies to counter them or beat them in the market place. This result is in line with the result reveals by a research conducted in Germany by Heinen and Hoffjan (2005) which reveals that informed cost leaders are more determine in making strategic decision.

Table 4.4 Frequency

| | CA 1 | | CA 2 | | CA 3 | | CA 4 | |
|-----------------|------|-------|------|-------|------|-------|------|-------|
| Scale | Freq | % | Freq | % | Freq | % | Freq | % |
| Not used at all | 39 | 50.0 | 42 | 53.8 | 43 | 55.1 | 42 | 53.8 |
| Slightly used | 14 | 17.9 | 15 | 19.2 | 14 | 17.9 | 18 | 23.1 |
| Moderately used | 15 | 19.2 | 13 | 16.7 | 12 | 15.4 | 11 | 14.1 |
| Frequently used | 0 | 0 | 2 | 2.6 | 1 | 1.3 | 0 | 0 |
| Greatly used | 10 | 12.8 | 6 | 7.7 | 8 | 10.3 | 7 | 9.0 |
| Total | 78 | 100.0 | 78 | 100.0 | 78 | 100.0 | 78 | 100.0 |

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In table 4.4 the first column reveals the scale used in the study. The second column reveals competitors' appraisal based on financial statement in relation to profitability. The third column discloses competitors' appraisal based on financial statement in relation to sales volume, while, the fourth and the fifth column reveal the competitors' appraisal based on financial statement in relation to sales revenue and market share respectively.

In CA1, 39 respondents are not using competitor appraisal based on financial statement to determine the profitability of competitors taken 50.0% of total respondents. 14 respondents are slightly used taken 17.9% of total respondents. 15 respondents are moderately used and constitute 19.2% of total respondents. No respondent is frequently used taken 0% of total respondents. 10 respondents are greatly used taken 12.8% of total respondents.

In CA2, 42 respondents are not using competitor's appraisal based on financial statement to determine sales volume of competitors taken 53.8% of total respondents. 15 respondents are slightly used taken 19.2% of total respondents. 13 respondents are moderately used taken 16.7% of total respondents. 2 respondents are frequently used taken 2.6% of total respondents. 6 respondents are greatly used taken 7.7% of total respondents.

In CA3, 43 respondents are not using competitor appraisal based on financial statement to determine sales revenue of competitors taken 55.1% of total respondents. 14 respondents are slightly used taken 17.9% of total respondents. 12 respondents are moderately used taken 15.4% of total respondents. 1 respondent is frequently used taken 1.3% of total respondents. 8 respondents are greatly used taken 10.3% of total respondents.

In CA4, 42 respondents are not using competitor appraisal based on financial statement to determine the market share of competitors taken 53.8% of total respondents. 18 respondents are slightly used taken 23.1% of total respondents. 11 respondents are moderately used taken 14.1% of total respondents. No respondent is frequently used taken 0% of total respondents. 7 respondents are greatly used taken 9.0% of total respondents.

This result indicated that competitor appraisal based on the financial statement is significantly used to determine the competitors unit cost, turnover, profitability, assets based, liquidity position, gearing and cost structures of essential competitors. This will go a long way in assisting the firm to determine its weaknesses, its strengths, the sources of threats and the likely business opportunities that may emanate from the competitors thus, promoting the firm's competitive advantages.

Table 4.5 One Sample T-Test

| Variables | One-Sample Test | | | | | |
|-----------|-----------------|----------------|---------|----------------|---|--------|
| | Test Value = 0 | | | | | |
| | T | Sig.(2-tailed) | Mean | Std. Deviation | 95% Confidence Interval of the Difference | |
| | | | | | Lower | Upper |
| CC1 | 24.864 | .000 | 2.97436 | 1.05651 | 2.7362 | 3.2126 |
| CC2 | 25.461 | .000 | 3.10256 | 1.07619 | 2.8599 | 3.3452 |
| CC3 | 25.623 | .000 | 2.80769 | .96776 | 2.5895 | 3.0259 |
| CC4 | 23.434 | .000 | 3.06410 | 1.15477 | 2.8037 | 3.3245 |
| CM1 | 25.472 | .000 | 3.08974 | 1.07130 | 2.8482 | 3.3313 |
| CM2 | 25.506 | .000 | 3.06410 | 1.06099 | 2.8249 | 3.3033 |
| CM3 | 25.651 | .000 | 2.93590 | 1.01085 | 2.7080 | 3.1638 |
| CM4 | 22.195 | .000 | 2.80769 | 1.11725 | 2.5558 | 3.0596 |
| CA1 | 13.435 | .000 | 2.07692 | 1.36533 | 1.7691 | 2.3848 |
| CA2 | 13.584 | .000 | 1.89744 | 1.23362 | 1.6193 | 2.1756 |
| CA3 | 13.155 | .000 | 1.94872 | 1.30829 | 1.6537 | 2.2437 |
| CA4 | 13.544 | .000 | 1.87179 | 1.22059 | 1.5966 | 2.1470 |

Generated by the author using SPSS version 22 July, 2018

In table 4.5, the first column reveals the variables of the study. The second column presents the t-statistics. The third column introduces the p-value significant at 2-tailed. The fourth column presents the mean while; the fifth column exhibited the standard deviation of the study.

Taken a closer look at the result, the p-value are all significant, indicating that all competitor focused accounting method captured in the study (competitor cost assessment, competitor position monitoring and competitor appraisal based on financial statement) are significantly used as competitive advantages of foods and bakery enterprises in Kano, Jigawa and Bauchi states of Nigeria. Therefore, the null hypothesis is rejected and conclude that the competitor focused accounting (CFA) method have been in used in foods and bakery enterprises in the three states.

Similarly, this result is supported by the mean values which indicated that all the values in the mean are more than 1, indicating that on average all respondents are using competitor focused accounting method as competitive advantages in the three (3) states. The result is consistent with the findings of the research conducted by Laakso (2017); NG'oo (2016); Alsoboa and Alalaya (2015); Mazreku (2015); Egbunike and Odum (2014); Douglas and Richter (2014); Reguia (2014); Dirisu, Iyiola and Ibidunn (2013); Malinić, Jovanović and Janković (2012); Papulova and Papulova (2006); Heinen and Hoffjan (2005); Guilding (1999); and Porter (1985). Who found positive results in all their researches across different countries and concluded that the competitor focused accounting method is used as competitive advantages in different countries of their research. This has indicated that cost per unit, price per unit, sales volume and sales revenue and market share, market value of shares,

liquidity, gearing, profitability, assets based and cost structures of competitors are carefully scrutinized by the firms of these countries to counter competitive offensive policies and promote their own competitive strategies.

V. CONCLUSION

The concept of competitor focused accounting method (CFA) has been in used in the foods and bakery enterprises in Kano, Jigawa and Bauchi states of Nigeria. Although, majority of respondents told that they are moderately and slightly using the terminology but significant number of the respondents believe that they are greatly and frequently using the concept. Looking at the mean, all the figures are more than 1 revealing that on average all respondent are using the competitor focused accounting method in determining the competitive advantages of competitor(s). The p-values are all significant that is less than 0.05, indicating that the competitor focused accounting method is significantly used in the enterprises. The results reveal by frequency table indicate that high majority of respondents are using the competitor focused accounting method. Therefore, these results conclude that the competitor focused accounting method has been in used in Kano, Jigawa and Bauchi states of Nigeria.

Based on the conclusion above the following recommendations are made:

The foods and baking enterprises in Kano, Jigawa and Bauchi states should make the competitor focused accounting method more formally used as this will strengthen the concept in the three (3) states. Secondly, the foods and bakery enterprises in the three (3) states should introduce comprehensive accounting system by ensuring that record keeping and

preparation of financial statements is given utmost regards as it has received less concentration.

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