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FACULTY OF COMMERCE

DEPARTMENT OF BUSINESS MANAGEMENT

CORPORATE STRATEGIES TO REGAIN COMPETITIVE

ADVANTAGE

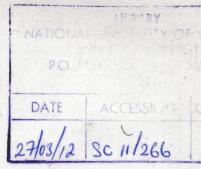
RESEARCH BY

LESLIE MUMVUMI

P007 2532A

SUPERVISED BY

MS MASUKUME



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ABSTRACT

The research project presented a study of the corporate strategies that can be employed to regain a competitive advantage in the services industry, with particular reference to E – Top Up (Pvt) Ltd. The major driver for the study was the decline in the services sector to its contribution to Gross Domestic Product (GDP). Thus the goal of the researcher was to look in great depth of the causes of poor performance and then establish the corporate strategies that can be employed to regain competitiveness. Four major objectives were developed and these were: to establish the poor causes of performance by the company (E – Top Up as a representative of firms in the services sector), to establish the strategies that the company can adopt to regain its strength in economic development, to explore the challenges that influence management in the running of the company and to establish the causes of the rise in competitive intensity in the industry.

Various literature was reviewed during the course of the study to reinforce the prevailing situation in the industry. Reference was made to authorities such as Porter Michael E, Thompson Jr A and Aaker D, only to mention but a few. Self administered surveys (questionnaires) and person administered surveys (interviews) were used to obtain the necessary data. However, financial and time constraints limited the activities of the researcher, but the information obtained in the research is a true reflection of the situation prevailing in the company. The data was then analysed making particular reference to the literature in chapter two, and conclusions and recommendations were made based on these.

The main conclusion was that the operations of the services industry has been affected mainly by the liquidity crunch that the country is currently facing. As a result, E – Top Up has been negatively affected as shown by the fall in its market share. Contributing also to the fall in market share of the company is the increase in competitive intensity due to the SME's which are being funded by the government. This has seen many small players penetrating the industry and thus taking away market share from the major players in the industry. The researcher has recommended that the company redefine its mission statement, immediately halt its expansion programme and also focus on its primary markets so as to stop the bleeding immediately.

However, in implementing these strategic moves, management should match the strategies proposed to the situation that will be prevailing at the time. This is because the Zimbabwean situation is not stable as the future holds uncertainty to the business environment. This is because of the recent announcement of elections and thus posing a threat to destabilise the Government of National Unity (GNU) which had led to the improvement of the operating environment. This research was carried with the view that the current prevailing operating environment remains in place.