THE IMPACT OF THE DIFFERENTIATION STRATEGY ON BUSINESS PERFORMANCE IN THE MONEY TRANSFER SECTOR

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ABSTRACT

The researcher focused on differentiation strategy and its impact on business performance in the money transfer sector. Differentiation strategy was considered to be critical for the efficient operations of the organisations, hence its importance in the organisation cannot be over emphasised. The objectives of the study were to determine the impact of differentiation strategy on market share, to establish the effects of differentiation strategy on sales volume and to determine the impact of differentiation strategy on profits. The information about the research was collected through questionnaires distributed to customers, Easylink’s financial statements and RBZ Monetary Policy Statements. Additionally, quantitative and qualitative approaches were both used to analyse data. Simple random sampling and judgemental sampling were used to come up with 30 respondents to answer the questionnaires. A causal research design was used to explain the relationship of differentiation strategy and business performance. The research found out that Easylink was implementing differentiation. The level of differentiation was measured using a five point Likert scale. Internal and external antecedents influencing differentiation were identified as organisational characteristics, interdepartmental dynamics, competition, market turbulence and technology. Additionally, the research conforms to upheld notion that differentiation is positively related to business performance. Finally, the researcher recommends that money transfer services must fully adopt the approach of differentiation. This will enable the companies to regain their market share, secure and retain profitable customers and increases its sales volume, thus conducting a profitable business.