THE COMPETITIVENESS OF RETAIL INDUSTRY IN THE CURRENT ECONOMIC CHALLENGES IN ZIMBABWE IN THE YEAR [1999-2007]

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A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS OF THE BACHELOR OF SCIENCE HONOURS DEGREE IN ECONOMICS

AUGUST 2008
ABSTRACT

The study investigates the competitiveness of retail industry in the current economic challenges in Zimbabwe in the year (1999-2007). The constraints to the competitiveness of Zimbabwean retail industry are poor infrastructure, foreign currency shortages, price controls, the exchange rate, fuel shortages and the political image.

The retail industry is not competitive. To create a competitive advantage, retail firms need to implement a value creating strategy not simultaneously being implemented by any current or potential competitors. The retail industry is using cost leadership strategy, innovation strategy, quality enhancement and price competition. Three competitive advantage strategies that organisations can use to gain competitive advantage are Innovation, Quality enhancement and Cost reduction.

It is recommended that if a retail firm is competitor-oriented, it must compare its business with that of competitors in terms of resources, cost positions and financial performance. The competitiveness of the retail industry must be basic capability of perceiving changes in both the external and internal environment and the capability of adapting to these changes in a way that the profit flow generated guarantees the long term operations of the industry.