

MIDLANDS STATE UNIVERSITY



FACULTY OF COMMERCE

DEPARTMENT OF BUSINESS MANAGEMENT

ZIMBABWEAN ENTREPRENEURSHIP'S COMPETITIVENESS IN FACE OF
INTERNATIONAL TRADE IN THE MANUFACTURING SECTOR – A CASE
OF LEDGER PAINTS (PVT) LTD.

BY

R104530P

*A RESEARCH IS SUBMITTED TO THE DEPARTMENT OF BUSINESS MANAGEMENT IN
PARTIAL FULFILLMENT OF THE BACHELOR OF COMMERCE BUSINESS MANAGEMENT
HONOURS DEGREE.*

GWERU, ZIMBABWE

OCTOBER 2014

RELEASE FORM

NAME OF STUDENT: R104530P

PROJECT TITLE: Zimbabwean entrepreneurship's competitiveness in face of international trade in the manufacturing sector- a case of Ledger Paints

DEGREE TITLE: Bachelor of Commerce Business Management Honors Degree

YEAR GRANTED: 2014

Permission is hereby granted to the Midlands State University Library to produce single copies of this dissertation and to lend or sell such copies for private, scholarly or scientific research purpose only. The author reserves the rights by other publication and neither the dissertation nor extensive extracts from it may be printed or otherwise reproduced without the author's written permission.

SIGNED: _____

DATE: September 2014

PERMAMENT ADDRESS: 11104 Kuwadzana Extension
P.O Bag Dzivarasekwa
Harare

APPROVAL FORM

The undersigned certify that they have read and recommend to the Midlands State University for acceptance; a dissertation entitled Zimbabwean entrepreneurship's Competitiveness in face of international trade in the manufacturing sector a case of Ledger Paints Pvt Ltd by R104530P in partial fulfilment of the requirements of the Bachelor of Commerce Honours Degree in Business Management (HMAN).

.....

Date:...../...../.....

SUPERVISOR.

.....

Date:...../...../.....

PROGRAMME/SUBJECT COORDINATOR

.....

Date:...../...../.....

EXTERNAL EXAMINER

DEDICATION

This research project is dedicated to my late father, Sir Ezra Gwatidzo for being the greatest inspiration for my life. Also to my mother Mrs. Faith Gwatidzo, my brothers and sister Wishes for their unwavering motivation and financial support.

ACKNOWLEDGEMENT

This project comes as a result of individuals with patience, diligence and effort. Special thanks to my supervisor. I deeply appreciate the guidance, contribution, encouragement and the sharing of great values of research. I would also like to acknowledge my beloved family for the unwavering support. The management, staff and customers at Ledger Paints for the allowance and support they gave during the research. Many thanks to my classmates and friends for the encouragement and support they gave throughout the research.

Thank you all.

ABSTRACT

The Zimbabwean economy is in a transition from multinational conglomerates dominated economy into a locally owned entrepreneurial system. However although fairly new, local entrepreneurship now owns the gateway to Zimbabwean competitiveness in the global market hence this study sought to assess its competitiveness going into the future. The research sought to analyse the competitiveness of local entrepreneur's products as compared to international products brought by international trade into the local market. This was prompted by the fact that locally manufactured products are being out competed by imports, thus destroying local business. so the study was aimed at better understanding the competition imposed by foreign products to the local market, the reasons for international product preference by the local customers, the challenges confronting local entrepreneurs restraining their competitiveness and the strategies that needs to be employed going in to the future to enhance local entrepreneurship's competitiveness. Using qualitative research methodology a descriptive and case study research design was used while interviews and focus groups were the research instruments applied. The respondents were the management, employees and customers of ledger Paints. The findings show that local products are not competitive as compared to foreign ones mainly due to higher local prices against high quality low priced imports and this was caused by the economic challenges that the country is facing. The research concluded that Zimbabweans customers in the manufacturing sector prefers international products and that this was mainly due to their lower pricing and the status they accord local customers. It was also concluded that the economic environment is the major challenge to local entrepreneurial competitiveness and that the number one strategy to turn around local competitiveness would be through economic policy reforms and at corporate level innovative cost reduction strategies were also noted to be the most effective of strategies. Recommendations were made on how best local products can become competitive on the market and these include government revisiting its economic policies and reengaging with the investing and market community and also that at corporate level product, process and organizational innovation must be part of the corporate culture so as to reduce costs and upgrade local product quality.

TABLE OF CONTENTS

RELEASE FORM.....	ii
APPROVAL FORM.....	iii
DEDICATION.....	iv
ACKNOWLEDGEMENT.....	v
ABSTRACT.....	vi
LIST OF APPENDICIES.....	X
LIST OF TABLES.....	xi
LIST OF FIGURES.....	xii
Defination	key
terms.....	xiv
CHAPTER ONE.....	1
GENERAL INTRODUCTION.....	1
1.0 Introduction.....	1
1.1 Background of the study.....	1
1.2 Statement of the problem.....	5
1.3 Objectives of the study.....	5
1.4 Research questions.....	5
1.5 Significance of the study.....	6
1.6 Assumptions of the study.....	7
1.8. Delimitations of the study.....	8
1.9 Limitations of the study.....	9
1.10 chapter summary.....	9
CHAPTER TWO.....	10
LITERATURE REVIEW.....	10
2.0 Introduction.....	10
2.2 Defining entrepreneurship.....	10
2.3 The importance of entrepreneurship to a developing economy.....	11
2.4 Entrepreneurship in face of International trade in the developing world.....	14
2.5 Product Competiveness determinants.....	15
2.5.1. Product Quality.....	16
2.5.2. Product, process and structural Innovation.....	16
2.5.3. Research and Development.....	17
2.5.5. Pricing.....	18
2.5.6. Competitor management.....	19

2.5.7. Customer Relations.....	19
2.5.8. Product promotion.....	19
2.5.10. Product distribution.....	20
2.6 Why local markets prefer International to local products.....	20
2.7 Entrepreneurial challenges which restrain the competitiveness of locals.....	23
2.7.1 Economic Environment.....	23
2.7.2 Lack of Financial.....	24
2.7.4. Political challenges.....	25
2.7.5. Institutional restrains.....	25
2.7.6. Influx of foreign products.....	26
2.7.9. Lack of a strong Entrepreneurial culture.....	26
2.8. Entrepreneurial strategies by local entrepreneurs.....	26
2.7. chapter summary.....	28
CHAPTER THREE.....	29
RESEARCH METHODOLOGY.....	29
3.0 Introduction.....	29
3.1 Research Design.....	30
3.1.1. Descriptive Research.....	30
3.2 Target population.....	31
3.2.1. Sample size.....	31
3.2.2. Sample procedure.....	32
3.2.2.1 Intensity Sampling.....	33
3.2.2.2 Stratified Purposeful Sampling.....	33
3.2.2.3. Convenience Sampling.....	34
3.3 Research Instruments.....	34
3.4 Sources of data.....	35
3.4.1. Secondary data.....	35
3.4.2. Primary data.....	35
3.4.2.1. Un-structured interview.....	35
3.4.2.2. Focus Groups.....	37
3.5 Reliability and validity.....	38
3.6 Data presentations and analysis.....	38
3.6.1. Cross Tabulation.....	39
3.6.2. Percentage Calculations.....	39
3.7.1. Inductive Analysis.....	39
3.7.1.1 Developing initial codes.....	39
3.7.1.2 Validation of Initial codes.....	40
3.7.1.2 Identifying Themes.....	40
3.7.1.3 Validation and relating code themes.....	40
3.7.1.4 Emergence of explanations and concepts.....	40
3.9 Chapter summary.....	40
CHAPTER FOUR.....	41
DATA PRESENTATIONS, INTERPRETATION AND ANALYSIS.....	41

4.0 Introduction	41
4.1 Response rate	41
4.3 Local Products Competitiveness	44
4.3.1 Major competition sources	44
4.3.2. The impact of the influx of foreign Products to Ledger paints	44
4.3.3. Forms of Competition faced by Ledger Paints	44
4.3.4. preference of international products by the local market in the manufacturing sector	46
4.4 Reasons for international preference	47
4.4.1 Product factors which influence foreign preference	47
4.4.2. Non product factors which influence foreign preference	49
4.5 Challenges facing local entrepreneurship	51
4.6. Strategies for local competitiveness	53
4.7 Chapter Summary	55
CHAPTER FIVE	56
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS	56
5.0 introduction	56
5.1 summary of objectives	56
5.2. Summary of findings	56
5.2.1. The competitiveness of Zimbabwean products in the open manufacturing market.	57
5.2.2. To determine the reasons why the local market prefer international to local products.	57
5.2.3. Challenges which restrain local entrepreneurship from being competitive.	58
5.2.4. Strategies for local competitiveness	58
5.3 Conclusions	58
5.3.1. Local product's competitiveness	58
5.3.2. Why does the local market prefer international products?	59
5.3.3. Restrains on local entrepreneurship	59
5.3.4. Strategies for local competitiveness	59
5.4. Recommendations	59
References	61
LIST OF APPENDICES	
Appendix 1: Cover letter	65
Appendix 2: interview guide for management	66
Appendix 3: focus group guide for employees	67
Appendix 4: interview guide for customers	68

LIST OF TABLES

TABLE 3.1: Ledger Paint's population for the study.....	37
Table 3.2: Ledger Paint's sample composition.....	38
Table 4.1: personal interviews and focus group response rates.....	48
Table 4.2: demographic distribution of respondents by age.....	48
Table 4.3: product factors that cause international product preference.....	53
Table 4.4: challenges facing local entrepreneurship.....	57
Table 4.5: competitiveness strategies for local manufacturing sector.....	61
Table 4.6: strategies for local competitiveness.....	61

LIST OF FIGURES

Fig 1.1: entrepreneurial contribution to the world GDP and employment.....	4
Fig 2.1: structure of the stratified purposeful sampling stratum.....	40
Fig 4.1: demographic distribution of respondents by gender.....	49
Fig 4.2: responses identifying forms of competition on local products.....	51
Fig 4.3: % of customers preferring foreign to local products.....	52

ACRONYMS

- LDCs less Developed Countries LMG Like
- SADC Southern Africa Development Community
- CZI confederation of Zimbabwe Industries
- FDI Foreign Direct Investment
- GCI Global Competitive Index
- GDP Gross Domestic Product
- E

DEFINATION OF KEY TERMS

International trade- the exchange of goods and services across international borders.

Competitiveness- the ability to performance of a firm or country to sell and supply goods and services in a given market in relation to the ability of other firms or counties in the same market.

The manufacturing sector- agglomeration of industries engaged in the chemical, mechanical or physical transformation of materials, substances or components into consumer or industrial goods.

Local products- products locally produced by a nation.

Foreign product- goods produced in another nation sold in a local market.

Entrepreneurship-entrepreneurship is the practice of innovation and creativity, employing current resources with future wealth producing capacity

CHAPTER ONE

GENERAL INTRODUCTION

1.0 Introduction

This proposal chapter chronicles the background of the study and the statement of the problem, the research objectives and questions of the study are outlined. The significance of the study and assumptions are also highlighted as well as the delimitations and limitations in which the research was carried under.

1.1 Background of the study

Countries manufacturing “poor country” goods remain poor, so countries become what they produce’ concluded Hausmann and Rodrik (2007). Zimbabwe is ranked number 131 in the world in terms of economic competitiveness according to the global competitiveness index report GCI (2013). This explains why Zimbabwean entrepreneur’s products have in recent years been out competed by international products in the local market. This has been evidenced by the ever alarming trend of massive company closures and the disappearance and poor performance of

local brands across all the economic sectors. Corporations previously known for their local and international dominance like ZISCO Steel, the Cold Storage, Bata Shoes Company, Kariba Batteries, Carridon Abrasives, Shabani Mine, Willovale Car Assembly, Paint n Air, just to mention a few have either shut operations, relocated to other economic environments or are operating way below capacity. Top local brands and products like stock margarine, Geisha, Surf, Mazowe orange crush, Big ban, Dolphin soap, Werner Brenner shoes, tommy shoes among an endless list which commanded immovable consumer preference, have now been either pushed out of the local and international market, or are just lagging far behind competition as the local market have been taken over by the influx of international products.

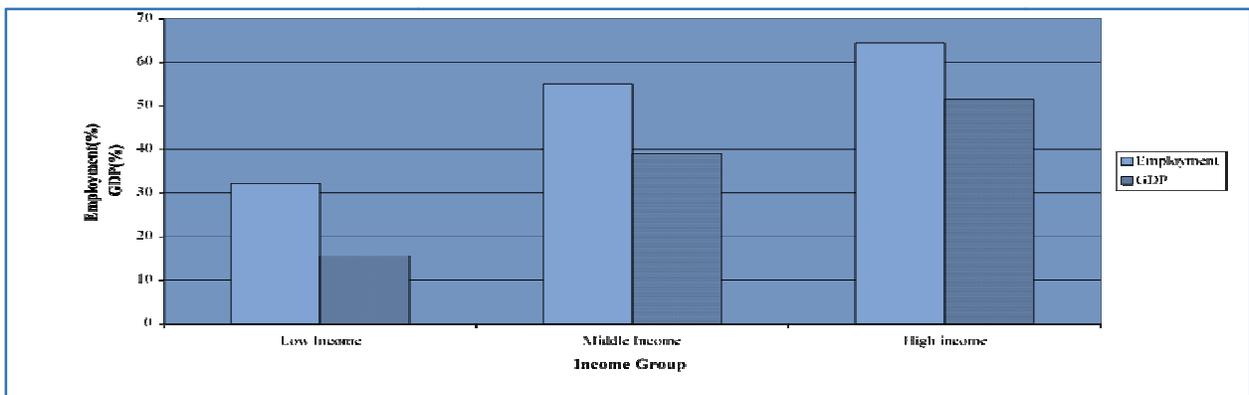
Why are we lagging behind, why is the local produce being out competed. Is this in-competitiveness around the quality of local products, is it about the pricing, is the problem in the products and innovations, is there a paradigm shift from local produce, or is the problem in the entrepreneurial process or is it a response to the economic outlook. This research hence comes to investigate the impediments which restraints local entrepreneurship's competitiveness in the increasingly open global village.

This probe comes with the background that local entrepreneurship is responsible for creating the economies. Entrepreneurs come up with innovative idea which they tailor make for the economies they operate in, thus either create or responds to demand, then creates employment, which sustains real demand for their produce thus creating a micro economic system which will interact with the global economy. It is in this view that local entrepreneurship can break economic and environmental constraints to become competitive and actually take advantage of international trade rather than the current situation in which local entrepreneurs are out competed by foreign players hence making international trade a business threat. This is in contrary with the view that local entrepreneurship flourish because of economic growth rather economic growth flourish because of local entrepreneurship.

‘The engine for economic growth is entrepreneurship’ declared Holcombe (1998). Most of the top richest companies of our time do not own special natural resources, the new era of companies

own special innovations, and entrepreneurship entities like Google, Microsoft, IBM, Apple technologies, Ford automobiles, DSTV, Econet and a vast of the global power houses have all come through the womb of entrepreneurship hence making the concept of paramount importance to the future development of world economies. It is thus convincing that without entrepreneurship they is no economic growth in the new world economy. Davidson et al (2006) have associated systematic entrepreneurship and real growth rate (GDP)

The World Bank Policy Research, (2003) shows that entrepreneurs across the globe contribute 15.56% of the GDP and 31.56% of employment in low income economies, 51.45% GDP and 63.24 employment in middle income economies, and 51.45% GDP and 63.24 employment in high income economies as shown by fig 1 below.



Source: World Bank Policy Research Working Paper 3127, August 2003

FIG 1: Entrepreneur’s contribution to world GDP and Employment

However in Zimbabwe local entrepreneurship is being out competed by international products as the world economic market is becoming a single village. Porter (2004) heralded that, we are moving closer to free trade in manufactured products, while movement of capital is increasingly free, thus increasing competition pressure to domestic markets the world over. National borders are disappearing overtime, creating a global market hence making business so challenging for local entrepreneurs as they have to overcome the prevailing economic pressures before facing completion from international products from the more developed countries. Guliz (2001) said international products of the good life are desirable in all societies and generally regarded to be state of the art, modern, original, high quality, and therefore, highly desirable, in global markets.

In contrast, local products are generally regarded to be of low quality, cheap imitations, old and out of date products.

For Ledger Paints Pvt Ltd the influx of cheaper Higher Quality paints and industrial chemicals from South Africa, China, U.A.E, Japan, Brazil, India, Germany and the rest of the world have been out competing ledger Paint's locally manufactured products in the markets. This can generally be attributed to differences in the level of innovation and the technology gap which exist between production facilities owned by ledger Paints and those of foreign companies from abroad, the high cost environment which ledger paints operates in and the legging entrepreneurial environment and culture at ledger Paints, Zimbabwe and the rest of the developing world.

This has resulted in ledger paints losing business, market share, sales, revenue and profits to either foreign entities or those distributing foreign products as the local market have been either shifting to foreign products or just not willing to buy local produce. A negative trend, in the sales of the entity have been seen to develop, as every time new international products enter the local paint and chemicals market the sales and profits of Ledger Paints decreases and stays at a low note. For example in 2010 when Laxor Paints a South African brand penetrated the local market ledger Paints lost almost 10% of its paints sale. In 2011 when Nash Paints the major competitor for Ledger Paints got the dealership from Premchem to supply its paints and chemical accessories Ledger Paint's chemical accessories line lost 12% in sale. In 2011 again when Absolute Paints and Paint and Air started importing PVA paints from South Africa and China, ledger Paints sales of the PVA paints line sharply dropped by almost a 30% margin. In 2013 the introduction of, Glaxcor and Asmacoproducts from the U.A.E into the local market through hardware's and paint shops distribution, the ledgechem's 2K and Basecoat ranges of Ledger Paints have been losing great stake of the market share the company had gained since its establishment as it was one of the very few local manufactures of these paint formulas. Also the entry of Pemafiller, a Chinese crake filler forced the firm to abort the production of their ledgerchem Crake filler only to start distributing the Chinese crake filler. All these events and a whole lot more have been evidence of how the company had been affected by both the entrance

and expansion of international products. The company have since started stocking some of the international products as some of its products are lost the competition battle.

These trends however seem to be true for almost every company and local brands in Zimbabwe. Hence these competitive challenges against the background of the importance of local entrepreneurship as an economic driver, and the black empowerment and local entrepreneurship gospel which Zimbabwe is currently embracing, has prompted the researcher to carry out this study which will use Ledger Paints (pvt) Ltd an SMEs which is in the manufacturing and distribution of industrial chemicals and paints located in Harare Zimbabwe as a case.

1.2 Statement of the problem

Zimbabwean entrepreneurial markets are exposed to foreign products. However in the local manufacturing sector, production is being done in a crumbling economy in face of international trade which is bringing advanced products at low prices and cheap products at affordable prices to the local market and outcompeting local entrepreneurship's produce. So if local entrepreneurship is the answer to the problems of a local economy. Where is local entrepreneurship getting it wrong, why are the local products failing to withstand the competition, why are we lagging far behind the international market leaders, this research therefore seeks to investigate the competitiveness of Ledger Paints produce and the challenges which are restraining local entrepreneurship from being equally competitiveness against international products using Ledger Paints Pvt Ltd as a case.

1.3 Objectives of the study

Below are the objectives the researcher sought to achieve using this study on entrepreneurs:

- To assess the competitiveness of Zimbabwean products in the open manufacturing market.
- To determine the reasons why the local market prefers international to local products.
- To identify and highlight challenges which restrain local products from being locally and international competitive.

- To highlight strategies for local entrepreneurs in the manufacturing sector to gain competitiveness

1.4 Research questions

The following questions were formulated to breakdown the main problem into smaller and manageable sub-question.

- Does the local manufacturing market prefer foreign to local products?
- Why does the local market opt for foreign products?
- Why are Zimbabweans not buying local?
- What are the product and entrepreneurial aspects which create the competition gap between foreign and local produce in the manufacturing sector?
- What are the inherent challenges which hinder local entrepreneurship?
- How are local entrepreneurs fighting competition by foreign products in the manufacturing sector?

1.5 Significance of the study

The researcher will pursue this research although other researchers did similar studies. Michelle Lowe (2010) researched on the challenges faced by entrepreneurs, world over in the retail sector due to globalisation, Hawkins et al (2009) also carried an investigation into the effects of Foreign Trade and Zimbabwean Competitiveness, and Mudzonga (2009) studied the effect of the importation of GMO chicken to the local market among many other researches. However this research will concentrate on entrepreneurial issues which affect competitiveness of entrepreneurship in Zimbabwe's manufacturing sector. Also some local literature have taken the blame side when it comes to the effect of foreign products out competing local produce and trade liberalisation hence calling for restrictive measures on these international products to ensure the security of the local market. However this study is going to get deeper into the entrepreneurial problems which confront local entrepreneurs from the entrepreneurial process, creativity and innovation issues and also the current economic pressures that restrain local entrepreneurship success and ability to compete against international products.

1.5.1. To the researcher: this research is going to help the researcher in acquiring knowledge about challenges and their possible strategies for his entrepreneurial ventures hence will obtain prior knowledge to better his chances of success as an entrepreneur. The researcher will also acquire research techniques and skills and be able to apply the results from the research to real life situations. The research will also further help the researcher to become a better management consultant in the future in the related area of study.

1.5.2. To the economy: Sana El Harib et al (2011) states that, entrepreneurship is a catch-all solution to economic development and policy makers are frequently urged to promote entrepreneurship through policies. Hence given the importance and the role of entrepreneurship to the turn around and growth of the Zimbabwean economy, it is of great importance that the challenges that hamper local entrepreneurship's success in the open global environment be understood and addressed to ensure economic growth. Also as the government of Zimbabwe is shipping the local economy into the hands of the local indigenes, there is need for local entrepreneurs to fully be aware of how to interact with the global economy and succeed in doing so as trade liberalisation and open trade is eminent.

1.5.3. To the University: The research will in future help broaden the knowledge base and understanding of students performing their researches. The research will also act as a basis or foundation on which further research can be based on. It will also increase the literature in the open shelves of the Midlands State University's library for use by future students as a reference point when conducting their researches on a similar research subject.

1.5.4. To the Organisation (Ledger Paints): The research will help Ledger Paints management to rethink and look into the research findings and possibly diagnose and respond to entrepreneurial competitive issues to be discussed in this research paper. The research will also aid management in coming up with better strategies and to remain afloat in the global business village as this research will broaden their view of their in-house issues which lead to a

compromised competitiveness and also how to better respond to the current environmental challenges entrepreneurially.

1.6 Assumptions of the study

The following assumptions in carrying the study shall be made:

- Competitiveness is a critical issue that is affecting local entrepreneurship in Zimbabwe.
- The sample under study will yield results that are truly reflective of the entire population and can be inferred to the whole manufacturing industry.
- Respondents to questionnaires, focus groups and interviews will cooperate in good faith
- The economic conditions under study are expected to persist during the research and in the foreseen future.

1.7. Delimitations of the study

Scope of the study-The focus of this study is to assess the competitiveness of entrepreneurial operations and produce of Zimbabwean entrepreneurs when they interact and compete with other international players both on the local and international markets in the manufacturing sector. Much emphasis will be put on the entrepreneurial processes and practices coupled with economic and environmental challenges which are restraining entrepreneurial development and growth in Zimbabwe. The research is going to be done for firms in the manufacturing sector, using a case of Ledger Paints pvt limited

1.7.1. Geography- the research study was conducted at Ledger Paints Pvt Ltd which is located in Granniteside Harare Zimbabwe. This is because of the great concentration of entrepreneurial ventures in Harare and the researcher also assumed that all entrepreneurs pass through the same basic phases and are facing the same basic challenges hence carrying out the research in Harare which offers a wider and all inclusive picture of the manufacturing sector of the Zimbabwean economy is expected to offer true Zimbabwean entrepreneurial insights.

1.7.2. Time- this research was covering facts and events of the period from 2009 to 2013 as this is the period in which much emphasis on local entrepreneurship and indigenization of the economy have taken the center stage in country. The other reason been that the organization at study was established in August of 2008 hence information from 2009 to 2013 can hence be obtained and utilized.

1.8 Limitations of the study

This research was done on only one entrepreneurial venture and so can the findings be generalised to all firms in the manufacturing sector? It is difficult to generalise the findings of this research study because problems are not the same for all firms in the sector. The way in which companies operate and their corporate strategy, cycle of growth and the objectives being peruse makes it uneasy to generalise the findings obtained from the case studied for the whole industry.

This qualitative research used can also prove difficult to replicate as it did not measure absolute truths but rather was aimed at describing people's perceptions, feelings, experiences and reactions towards products, markets and the industry however these constantly change and the responses obtained may widely vary between researchers due to different ways used in probe respondents.

The actual sample size of 9.9% which responded to the research study also limits the prospects to generalize the findings to all the other customers, management and employees of all the other Paint and Chemicals companies and worse more to other customers, management and employees of other companies from other market sectors.

1.9 Chapter Summary

This introductory Chapter revealed the background of the research study. It also clearly highlighted the objectives and questions which the research seeks to achieve and answer. This research was carried under some assumptions and limitations and so have been laid out. The significance of carrying out this study have also been stated to justify its importance and how it will fit in literature. The succeeding chapter deals with literature review which presents relevant work done by other authorities which relates to the phenomena under study.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter chronicles the literature related to this study so as to give an account and enhance understanding of the subject under scrutiny. There have been many contributors and writers in the fields of entrepreneurship and competitiveness in enhancing organizational performance and economic development. A critical analysis of empirical findings by authorities who have researched how organizations and economies can use entrepreneurship and innovation to improve their competitiveness will be applied. The researcher was thus guided by the sort literature so as to focus on issues at discussion and to achieve the set objectives of the study.

2.1 Defining entrepreneurship

According to Drucker (1985) entrepreneurship is the practice of innovation and creativity, employing current resources with future wealth producing capacity. It is the combined mindset and process of creating and developing economic activity by blending risk taking, innovation with sound management, in a new or already operating entity as according to the Commission of the European Communities, (2003). However Sirmon, et al (2003) defined entrepreneurship as a context dependent social process by which individual persons and organized teams create wealth by combining together unique packages of resources to utilize marketplace opportunities. Thus the latter definition takes entrepreneurship to be a social process and also differs with the former in that it links entrepreneurship to opportunity exploitation and utilization. This opportunistic view of entrepreneurship was also raised by Shane & Venkataraman, (2000) who stated that the field of entrepreneurship involves the identification and study of sources of opportunities, through the processes of discovery, evaluation, and exploitation of the opportunity. Hence to the researcher local opportunities are better understood by local entrepreneurs therefore they must be more competitive against foreign players.

However Onuoha (2007), come up with a not so consistent definition with the so far mentioned authorities by saying entrepreneurship is the practice of starting up new organizations or revitalizing mature ones, generally in response to identified opportunities. Onuoha (2007)' view of entrepreneurship as the process of starting up ventures is in convergence with Gartner (1988)'s definition which states that entrepreneurship is new entry, the process of creating of new entities. The researcher however contradicts with this start up view of entrepreneurship as he is of the notion that entrepreneurship is, rather a venture of exploring opportunities and responding to these with creative and innovative ideas which are commercialized through new or improved products and ideas with the process being risky to the entrepreneur not merely starting up companies or trading.

Although each of the definitions have its distinct prospective of entrepreneurship they all share some similar notions like opportunistic, newness, innovative, wealth and risk bearing. And from these views entrepreneurship can therefore be defined in this research as the continuous process of identifying and responding to market opportunities with new and or better improved products through innovation and creativity whilst bearing the risk involved in the process. These researches were undertaken in different economies hence the reason for the different definitions, however this research would want to define entrepreneurship in the Zimbabwean context.

2.2 The importance of entrepreneurship to a developing economy

Entrepreneurship yield a great value to global economies Jason Henderson (2002). This conclusion is widely evident in many parts of the world which have adopted entrepreneurial development strategies. Leicht and Jenkins (2002) states that the valuable contributions attributable to entrepreneurship are strongly vivid at both the national and local levels of economic development. They perceive that at the national level, counties which are more entrepreneurial own stronger GDP growth. Reynolds, and Camp's high regard on the importance of entrepreneurship goes along with that of Leicht and Jenkins (2002) when the observed that entrepreneurship accounts for a third of the variance in the economic growth rates between nations. The researcher however thinks this high regard on entrepreneurship only works well if they are proper national policies in place.

Kaburi (2012) entrepreneurship assumes great vitality for increasing economic growth both in the developed and developing world as it promotes capital formation and generate massive wealth in the economy of a nation. The work of Zoltán J (2009) concurs with this assertion when he gazettes that given the poor experience that the developing nations had with import substitution and export promotion economic strategies, countries are now examining the role of entrepreneurship as the engine for economic growth. He also said entrepreneurs are constantly searching for opportunities and they explore and exploit these opportunities encouraging effective resource mobilization and utilization of capital and skill, hence creating new products and services and develops local and international markets thus generation more wealth for their

economies and expands the gross national product GNP and per capita income of people in a country, which is a sign of economic growth.

Leibenstein (2008) expands this view saying that per capita income growth and economic wealth growth requires a shifts from less productive to more productive methods and models, creation of new commodities and materials, exploring new markets, adjusting to new organizational forms and structures, the development of new skills, and accumulation of new dynamic knowledge and the entrepreneur fills that gap and is the input completer and is the mover and capacity creator thus an economic creator and grower. However to the researcher this does not explain weather entrepreneurship causes economic growth or maybe it is economic growth which causes entrepreneurial development.

Nickel (1997) argued that entrepreneurs play the vital roles in the early evolution of industries, through innovation and initiation creating new powerful industries. Zoltán J (2009) converges with this innovative and creative role of entrepreneurship saying the entrepreneurial process breeds innovations which creates new or unusual produces which in turn brings about change in competitiveness in the market. The researcher converges with this view as entrepreneurs often create new products which often create new markets and new business.

Some authorities and policymakers puts employment creation one of the major contributors of entrepreneurship, Zoltán J (2009) said it creates employment which is a chronic problem of the underdeveloped world. The setting up of more business units by both small and large entrepreneurs, on whatever scale, job opportunities are created for the entrepreneurs and for others. And ultimately if these business units springs off and grows with time and economies of large scale they directly and indirectly provide employment opportunities to many more. Thus playing an effective role in reducing poverty and equip people with the buying power, which is necessary for increased effective demand vital for economic development. However the researcher thinks some entrepreneurs startup entities just to achieve a certain quality of lifestyle, and hence may keep small and may only employ very few people.

Geroski (1989) appreciated the role entrepreneurs play in increasing productivity through increasing rivalry and competition in local and international markets. Schumpeter (2002) concedes with this competition role played by entrepreneurship saying the process instigated by the entrepreneurs brings disturbance, change and is destructive for the better. Freeman (2011) noted that more income, more wealth, and a larger tax base for their communities, high-growth entrepreneurial companies often invest in their communities through schools, community service, and philanthropy. This to the researcher this applies if the entrepreneurs are in the productive sectors like manufacturing and value addition and their corporations are registered for tax purposes unlike in Zimbabwe in which the bulk of them are in the informal sector and are not registered.

The researcher using these views assumes that entrepreneurship contributes to organizational, industry and economic growth, and provides income wealth for economies, higher GNP, employment opportunities, increase efficiency and productivity in industries and contributes to the development of communities and also accounts for the bringing in of new and improved products for markets. However these entrepreneurial contributions noted do not show how entrepreneurship can add to the competitiveness of products in emerging economies.

2.3 Entrepreneurship in face of International trade in the developing world

The globe is in a changing state of transition and transformation, into an integrated world market, in which everyone is at liberty to live, sell and buy from and to anyone, in a dynamic process called globalization. The Impact of Globalization on Trade and Industry in Zambia (2011). Park (1993) was of the notion that Globalization has in the past decades intensified economic activities and continues to diversify economic models and that the world economy which is largely embracing international trade, is increasingly taking forms of intermediate goods flows and financial services which have strengthened globalization. Park's (1993) view was supported by Porter (2004) who heralded that we are moving closer to free trade in manufactured products, while movement of capital is increasingly free, thus increasing competition pressure to domestic markets the world over as the whole world is now becoming a single market. It can be noted that these do not apply to Zimbabwe.

For others like Batra et al., (2000) international trade is the key and the engine for development for both the poor and rich nations of the world, with the concept being perceived not only as a condition of life but also as a goal to be attained, capacity growth, change and development. However this is against what *The Impact of Globalization on Trade and Industry in Zambia* (2011) said by asserting that, although some may claim that globalization creates access to the global market, the truth is that it only develop and creates new opportunities for the already developed countries, because these developed nations put tight measures and standards to discriminate the quality and quantity of developing nation's products and services reaching the world market. In the researcher's perspective this does not give the complete impact of international trade as it has left local companies at an unfair competition state with foreign sophisticated technology which is resulting in massive company closure or unprofitable restructuring with stagnation eminent.

Hawkins and Ndlelah (2009) argued that a small economy like Zimbabwe which has a small GDP of between \$3 to \$4 billion and a per capita income of around \$350 per year is very small to protect and also have a limited scope of investment in production and employment creation to serve the domestic market hence Zimbabwean growth they argue will have to be export driven and heavily depend on foreign direct investment thus recommended that Zimbabwe must globalize. Martin (2003) shares the same view claiming that over the past 5 decades global trade has expanded more than production and the bulk of the nations that have achieved the most rapid growth managed to do so through increasing their involvement in international trade. However according to Steenkamp et al, (2003) globalization will not do good to the underdeveloped world and to poor communities as the gap between the developing poor nations and the developed rich nations will widen resulting in enduring dependence between the two economic worlds. For the researcher limited development resources, poor infrastructure, and anti-development politics and institutional laws, lagging technology and innovation in developing nations restricts developing nations from equally compete in the world markets.

Using this discussion the researcher can appreciate that Zimbabwe together with the whole developing world have greater economic and social prospects for development if they internationalize their economies as this will create access to larger world markets for Zimbabwe's vast resources, and also the manufactured and processed products which the country have potential to produce in the future. This will also create access to FDIs, technology and infrastructure which the county needs to burst production and utilized our natural resources. However diplomatic and strategic policies by Government and private players' needs to be put in place to make sure internationalization will not destroy the competitiveness of the local manufacturing sector.

2.4 Product Competitiveness determinants

Product competitiveness under this study takes the form of product quality, cost advantage, market competitiveness, uniqueness of the product and process technology employed as suggested by Lo, (2008). Yam et al' s (2004) definition of competitiveness is more customer oriented as they say it is how effective a firm meets the needs and wants of its market relative to competitors. Momaya and Ajitabh, (1999) however perceive it to be the ability to design, produce and market superior goods to those who serve the same market with you, considering price and profitability. For the researcher, competitiveness may be asserted by, which products are being purchased more in the market. The following factors are what literature identifies as drivers for product and hence entrepreneurial competitiveness.

2.4.1. Product Quality

Although quality is very subjective and perceived differently by customers and consumers across markets research shows that it is one of the major attributes for product competitiveness. Juran (1988) defines product quality as fitness for a product to perform intended use thus by this definition quality then mean the ability to meet or surpass the expectations of customers. Chinyamakobvu (2012) argues that for entrepreneurs to attain competitiveness in local and global markets they need to engage themselves in quality management which they achieve through all functions involvement in enhance the ultimate corporate offerings. He also upholds the use of quality assurance in which all the whole business system including business partners,

suppliers and customers work together to improve the quality of products. Nothing in the world beat a well-made product with all the characteristics demanded by the customer, this will positively affect the position of the product in the market. Ziethmal (1998).

However to the researcher quality perception by the customer is influenced by monetary and non-monetary costs, like taste and characteristics hence this will have a bearing on the profitability of a firm. The need for quality however to the researcher does not explain why some cheap quality Asian products are currently the more competitive in the Zimbabwean market.

2.4.2. Product, process and structural Innovation

The introduction of incremental and continuous innovation frequently by entrepreneurs in the local and global markets positively contribute to their continued competitiveness and increased market shares, Banbury and Mitchel (1995). This was supported by Lyer et al (2006) who said innovation increases market share as it leads to the capturing of new customers and profits. Rogers (2004) was of the notion that innovation influences market structures as firms that innovate dominate markets as their products new and improved glow and are victorious in local and world markets. Similar view are also shared by Knight (2002) who suggested that entrepreneurs who create more innovative superior products are more competitive across global markets.

According to Hitt (1997) globalization is putting pressure on local and international corporations to innovate so as to be competitive in local and international markets. Hine and Ryan (1999) supports Hitt (1997) when they said that competition pressures in markets is putting more attention and emphasis on innovation as a means to attain and maintain competitiveness. According to Kotler (2009) times are changing, and consumer needs and behaviors shifting as well, thus continuous innovation is vital to keep up with environmental and market trends to stay competitive. Jobber (2004) suggested that the entrepreneur must create a culture that stimulate innovation and inspire and motivate his entrepreneurial team to establish and fore fill innovative

goals. However for the researcher innovation is only necessary and successful when it creates value, and answers to problems in an economic environment.

2.4.3. Research and Development

Casselmann and Nadeau (2002) considered the role played by a system and structure of objective research and development and how firms must amass adequate resources to conduct these activities. Jobber (2004) share the same view and adds that entrepreneurs must support and provide a conducive environment for RND and NPD processes to ensure the incubation of innovative ideas on products, processes, markets and organizational structures.

Organization learning theory recognize the fact that organizations must recognize the indispensable value of new knowledge, and application in creating better advanced products and processes which better a firm's products in terms of innovations, quality or processes which enhances productivity Todorova and Durisin, (2007). According to Henderson and Cockburn, (1996) research and development opens avenues for organization learning which increase an organization's knowledge base and therefore better ways to increase customer responses. Tidd, (2006) shares the same view with Henderson and Cockburn, (1996) when he said in a world of intense completion and dynamic change firms have to rely more on technological knowledge which comes from the learning process within Research and Development. Caloghirou et al (2004) argued that this depends on the frequency and density of the interaction and openness to the external world, outside the organization.

Booz Allen (2007) illustrated that the one key characteristic of successful innovators is that they had a rigorous process for managing innovation including a disciplined, stage-by-stage approval process combined with regular measurements of every critical factor, from time and money spent to the success of new products and services in the market hence the need for corporate to have a Research and Development department which can then be used to initiate, nature and develop ideas and innovations and manage the process.

However the researcher does not take research and development to be a direct competitive advantage but rather the solutions that Rand D offers is what can then be used to achieve competitiveness.

2.4.5. Pricing

In developing Markets like Zimbabwe pricing always work the competition magic. According to John Chambers (1999) pricing is an indomitable competitiveness tool as it gives an edge over competitors through giving value for less or providing more for the same. Consumer's base their buying decisions on product's value and on the prices charged against what competitors are charging on their similar offerings. For Gronroos (2001) the new global market is doing away with monopoly companies hence organizations no matter how great the quality of their products is, they should aid at reducing the cost of production, operational cost, raw materials cost, and labour cost factor cost, distribution cost and their markup so as to ensure relatively lower prices in the market. Research shows that the price variability for many consumer products is generally in a 7% range. Kotler (2006) claims that the pricing strategy adopted by the organization has considerable influence on volumes of sales, hence adjusting the pricing results in fluctuations in demand for those goods with whose sales are price elastic.

They seem to be a contradiction between what the authors who suggest for quality and those who argues for lower pricing as competitiveness factors. Hence this research seeks to establish the stronger competitive factor between the two, in the Zimbabwean context.

2.4.6. Competitor management

For an organization to succeed in the competition game it needs to be constantly aware of the activities, strategies, behavior and interrelationships of core players in the market Danny et al (1983). Stoner et al (1992), supported this view saying for companies to increase their market share and set themselves distinct in the market field they need to be enlightened about their market contenders and utilize their shortfalls by responding to the market better than competitors. Zikmund and Damico (1984) heralded that for a firm's product to be a cut above the rest in the market, it must possess relative advantages over the competitor's offerings.

2.4.7. Customer Relations

Gronroos (2001) appreciated a strong relationship marketing which is aimed at establishing, developing, nurturing and retaining a strong relationships with customers achieved through mutual exchange and fulfilling of promises. Lovelock and Witz (2007) argued that Organizations that devote a lot of time and resources on strengthening their customer relationship are likely to out compete those who do not concentrate on establishing this valuable bond, as they become more aware of their needs and how to respond to them. According to Pretorius (2006) firms with greater competitive advantages, are those that have created unique customer relations and therefore are favored and their products sale well. However to the researcher good customer relations cannot explain how the local manufactures have lost the competition battle to imports.

2.4.8. Product promotion

Zikmund and Amico (1984) highlighted that for a product to be complete in the market its existence and attributes have to be communicated to the market that it seeks to serve. Kotler (1991) agrees with this however saying that not all customers consider what the organization say about their products but may consider referrals or testimonials from those who have used the products before. Promotional techniques enhances awareness of a firm's products and existence (Kotler 2000). This was supported by Chris (2005) who said adopting the appropriate marketing mix from advertising, sales promotions, competitions, events among a vast more plays informative and promotional roles and hence a competitive weapon through dissemination of information in building brand awareness and preference.

This however cannot be the reason why the local market have been lost to foreign players as they hardly locally promote and also because they has not been aggressive marketing of foreign paints and chemicals to the local market

2.4.10. Product distribution

McCarthy (1996) advised that the decision concerning the distribution of the product have a bearing on its competitiveness through availability, association and positioning. The type of intermediaries engaged by a firm will determine the product coverage, the cost and control on the same. Delivery of the products and its accessibility is especially important for convenient and cheap products which customers cannot afford to look for or travel to access Mcleish and Ogden (2001) all development and marketing efforts are fruitless unless products are handed over to those who need them. An organization whose products are not well distributed is bound to loss its sales volumes as potential customers are lost by this ineffectiveness. However Perrault et al (1996). Argues that it all depends with the marketing goal of the firm, type of product and the market segment which is being served.

The authors seem not to agree on a single factor that dominate the competitiveness of foreign products against local produce, hence this study seeks to identify the major competitiveness factor which is at play in this battle for market dominance between imports and local products in Zimbabwe's manufacturing sector.

2.5 Why local markets prefer International to local products

Guliz (2001) heralded that international products of the good life status are highly desired in all markets and societies and are generally regarded to be state of the art, modern, original, high quality, and therefore preferable, in contrast, local products are generally regarded to be of low quality, cheap imitations, old and out of date products. Mueller (2008) also recognized this biasness to foreign products by local markets saying that there is unequal bias towards international products although he argued that this cannot at all times be because of their quality, functionality and attributes but may be because the foreign products better represent an ideal or aspired value.

Howes, (1998) based his argument on the base that many markets, especially in the developing world, are oriented to international goods because of socio- psychological factors that accord status, prestige and modernity to developed countries by affiliating to their products. This was supported by Ger and Belk, (1996) who stated that international products even rejects or ones consumers lack the use know how or means for example electrical are purchased. However

James's (1993) view is more centered on cost and pricing as he denoted that the popularity of low cost and quality of counterfeit foreign goods sold in emerging markets gives these local markets an opportunity to associate with the international at the same time paying less for the products. This to the researcher however does not explain why some local markets whose societies, which are more developed prefers to buy products from less developed worlds

Drazin, (1991) said the preference of foreign products in local markets may be an identification with the political, social or economic ideals of the opposition with that of the local system not on the bases of quality of features but because of their foreignness which exhumes status. According to Hamilton, (1977) locals usually earns status by consuming or using a style of life which belongs or is in agreement with or opposing to others. Batra et al., (2000) supports this view saying that the consumption of these foreign brands is status and self-worth driven, hence making this a socio-psychological. However Friedman (1990) presumed that Western or Global culture are desired by many world markets are deemed as universal hence associated with status and elegance. This to the researcher does not explain why products from China and other Asian nations commands great preferences because of other factors other than for status but for pricing and functionality.

Belk, (2000) however basis his argument on mental colonization when he states that consumer xenocentrism is more dominate in developing countries which are former colonies and the legacy of the colonial experience may be responsible for the high regard locals have on the elite life style owned by their former masters hence to erase this poor self-image they attach their new freedom to the admired lifestyle of their former Lords. Gerth, (2003) supported this colonial view saying that most emerging markets demonstrates a biasness to the products of their colonizing country origins or products which attach their identity to the cultures and life style of their former colonizers. This aspect is so commonplace that Breen (1988) referred to it as the standardization of taste in former colonies as colonization of taste. Comarof, (1998) terms this as taste transfer. However in Zimbabwe at the present moment the local market is not buying from Britain or the EU but mainly from Asia, South Africa the Middle East and the rest of the world.

Belk et al. (1982), However argues that this disloyalty to local produce may be due to oppositional buying as locals may be showing their civic disloyalty or expressing disagreement through oppositional buying, for example, it was claimed that in the 1970s Americans were buying Swiss made Volvo's as a symbol to oppose the United States' Vietnam war policy against Sweden's policy criticizing the same. In support of this view Drazin, 1991 used the Middle East example in which Muslim girls have either used or not used the headscarf to mark their approval of disapproval of local and religious values.

Some scholars base their argument on demographic variables as they serve as moderators of consumer preference and behavior. Batra et al., (2000) suggest that the younger members of society are the most xenocentric of all. Burnight (1951) had earlier highlighted that this is a demonstration of the youthful independence. Nam (1998) predicted that when these young members preference for foreign products is not lifelong, as they grow old their bias will shift to valuing local goods as they will now be seeking an identity in their own country goods. To Belk, (2000) foreign preferences is mostly in women who have been subjected to make dominancy and also gender difference might suggested that children of immigrants and ethnic minorities and economically, socially or politically disadvantaged minorities are likely to be more xenocentric. James, (1993) however is of the view that wealthier domestic customers who are the elite who wants to demonstrate status relative to international standards are the ones who usually buy foreign. This to the researcher however cannot hold the main reason for foreign preference as the demographic classes are being xenocentric.

Quelch, (1998) was of the view that globalization of world economies which have been increasingly opening flows of products and people between countries have made emerging markets to open up trade thus exposing locals to try foreign brands which Amine et al., (2005) said they may have already known and wanted to try. However Hui, (2002) said that the competitiveness of the foreign products may be lost when the locals become more familiar with the products or when the international products loss their foreignness.

Kent (1951) suggested that foreign propaganda, gives distorted view of a foreign communities, is one force that generates xenocentric feelings. The use of the internet, the television, print mediums, and the communication media have sent overrated and in some case not so true perceptions of the developed world lifestyle, Guetzhaw (1955). Supporting this Schultz et al. (1994) concluded that powerful images of Western or American nationals and the good life from exposure to wealthy tourists, travel to neighboring countries, advertising, and mass media contribute to the development of a false stereotype about Western advancement on a number of dimensions.

However these scholars did not arrive at a single main cause for international preference and this study therefore seeks to understand the main reason why the local manufacturing market is buying foreign.

2.7 Entrepreneurial challenges which restrain the competitiveness of locals

Entrepreneurs are often confronted with multiplicity of problems that are not common to the larger multi-national corporations. Some of the challenges faced by Entrepreneurs in attaining and maintain competitive are:

2.7.1 Economic Environment

According to Kinunda (2000), the economy is the heart of any business and for any business to be successful there is need for markets and the market needs money

. He says the state of economies in developing countries has followed a similar pattern to developments with many of them struggling to stay functional and this means that the buying power which is the support base for business is very poor in developing countries thereby reducing the prospects of entrepreneurial success. For Muranda, (2003) the unstable economy creates more shocks and the more the shocks that are created, the higher the risk too many shocks create uncertainty and lack of confidence. Kiiru (2009) added that the business environment is characterized by high level of competition not from local products but from those

coming from outside and the local entrepreneurs cannot compete due to lack of innovation hence business failure. Khandawa (1992), states that the development made in the external and internal environment such as government policies, unfavorable market conditions cause decline in the performance of business. He adds on saying that policies that are not directly aimed at SME often nevertheless have an impact on them and can put them at a disadvantage, making it difficult for them to gain access to human, technological and financial resources.

2.7.2 Lack of Financial

Bande (2011) heralded that the lack and shortage of capital to fund entrepreneurial activities and innovations is often the most critical challenge for the success of an entrepreneur. Access to finance remained a major problem to entrepreneurs in Zimbabwe. Credit constraints pertaining to working capital and raw material were cited by Parker et al, (1995). Aryteeyel et al, (1994) reported that 38% of the entrepreneurs surveyed mention credit as a constraint, in the case of Malawi. This stems from the fact that SMEs have limited access to capital markets both locally and internationally, in part because of the perception of higher risk, informational barriers, and the higher costs of intermediation for smaller firms. As a result, local entrepreneurs often cannot obtain long-term finance in the form of debt and equity. In support, the National Baseline Survey (2008) concluded that without very proper and diligent cash flow access management and raising adequate capital, the business is restrained to grow. For Tomecko and Dondo (2008) the profit and cash from one operating cycle is often inadequate to fund the working capital, necessary for the preceding operating cycle. This they argued can even be worsened if capital goods for the operations of the company. Mboko and Smith-Hunter (2009)

However Scarpetta (2007) noted the fact that the role of credit rationing is being over emphasized and rated hence suggesting that entrepreneurial saving plans may overcome the borrowing constraints. Goedhuys and Sleuwaegen (2010), come up with conflicting conclusions to that of However Scarpetta (2007) in their investigation of 947 small and medium entrepreneurial firms in the manufacturing sector in eleven Sub-Saharan African countries, reporting that financial challenges are singled out as the major entrepreneurial obstacle. The researcher understands that entrepreneur operating in Zimbabwe are facing financial challenges

due to the environment in which they operate and this hinders growth in that, they do not have enough capital to finance the day to day operations of the business.

2.7.4. Political challenges

Mboko and Smith-Hunter (2009) recognized that the political environment acts as like cushion which business organizations and other institutions floats and breeds. For Myles, (2010) stable economic environment provide protection to entrepreneurs allowing them to prosper and grow whilst unstable political conditions butter businesses, shaping the life out of them and suffocating most death. Zimbabwe has fragile political situation and it is characterized by instability, lack of continuity, lack of credibility, inexperienced and misguided leaders and this kills one the basic tenet in entrepreneurship which is planning concluded Mboko and Smith-Hunter (2009). The unstable political environment causes uncertainty and if there is uncertainty, then there is lack of confidence. Politics affects peoples' decisions to expand and invest. SMEs in Zimbabwe are facing unstable political environment and this hinders planning, therefore if they can't plan, they are killing one of the pre-requisites of business growth.

2.7.5. Institutional restrains

According to Kinunda (2000) restrained growth in local entrepreneurs in emerging countries are caused by the limiting regulations and laws that direct peoples movements to those that manage what they say, there is too much control on peoples' actions together with interference in business operation, exorbitant taxes which leave entrepreneurs wondering whether it is worth the effort. This was supported by Meyer and Peng, (2005) who postulated that there is no sustainable growth because of prohibitive legal and regulatory environment, institutions, both formal and informal (norms and culture) are important for entrepreneurial competitiveness. These laws, or the lack thereof, have been a great challenge on entrepreneurial start-ups and growth in developing economies Peng et al., (2008). To the researcher they seems to be conflict as the government of Zimbabwe have claimed that it has been working to improve the laws to protect local infant firms thought protective laws.

2.7.4. Influx of foreign products

According to Mboko (2010) the absence of Strong Patent Laws are a grave challenge that entrepreneurs are confronted by in Zimbabwe as the level of competition from foreign producers. He adds that local entrepreneurs are not protected, and this is worsened by lack of faith in the Zimbabwean Patent Law which offer little protection against piracy. Peng et al., 2008 postulated that the local industry structure affects entrepreneurial activity in emerging countries and this shape entrepreneurs' competition strategies. The researcher however questions this view, is this a challenge or it is just an effect of another underlying phenomena.

2.7.7. Lack of a strong Entrepreneurial culture

For Leighton, (1990) non-economic but personal factors may become the more significant than environmental variables hindering the competitiveness of individual entrepreneurs. The potential of an entrepreneur are strongly affected by specific psychological attitudes, like the desire to be independent, a search for autonomy, inspiration, acquired ability, and desire status Shepherd (2000). Parker (2006) said that entrepreneurs may be prone to unrealistic over-optimism expectations, and unrealistic strategies thereof. However Driemeier and Pagés, (2009) contradicts with this view when he said that psychological attitudes discussed above especially a need to be sovereign, a strong need for autonomy, cannot affect but encourages the success of entrepreneurs. This to the researcher this can be a contributing factor to poor competitiveness but cannot be the reason for a trend in the decline in local product's poor performance after the turn of the decade.

This discussion however gives potential areas of the major challenge but does not seem to give the one outstanding and yet the main cause for the in competitiveness hence this study should want to establish that major challenge affecting local competitiveness.

Entrepreneurial strategies by local entrepreneurs

There'll only be two kinds of entrepreneurs, the quick and the dead one, its cornerstone is coldly logical, the market – driven case for craziness: Crazy times call for crazy organization. Peters, (1994)

Dawer and Frost's (1999) said successful firms have lauched battles with dominant multinational competitors, in China, for instance, they have managed to successfully protect their local turfs

against such multinationals. For others the strategy have been to focus on the advantages they enjoy in their home market, face of destructive and well-endowed overseas competitors, they fine tune their offerings to the particular unique needs of their foreign competitors said Dawer& Frost (1999).

entrepreneurs should resist the temptation to trying to satisfy all customers or duplicate the multinationals, they can do better by concentrating on consumers who value the local touch and disregard those who favour imports advised Mezuláník. (1999). This to the researcher can become a great danger to local competitiveness as these foreign products are now starting to adjust to specific local customer's needs and attributes.

Another strategy by Peters, (1994) is that local entrepreneurs should go beyond defending their existing markets, but should rather expansion elsewhere. International, can reap additional revenue and economies scale, and valuable learning experiences which all boost local and regional competitiveness. In support of Batra et al., (2000) postulated that, entrepreneurs from developing markets should opt for a strategy of selling at the global level and if their current assets are transferable, they can be able to outdo MNCs themselves.

Entrepreneurs can also use value creation and innovation with the new rules of business competition now emphasize on value Belohlav, (1996). Tough firms are viewed through the products of and services they offer, these are only purchased for the value they provide. Hence continuous renewal and enhancement of the products, entrepreneurial operations, and business processes helps to create greater value for customers and increasing productivity.

Geroski and Mazzucato, (2001), argued for entrepreneurs to focus and expand core competence, these can cut across division and functions thus allowing a business enterprise to compete in vastly diverse competitive arenas using customer value as a central point.

Companies can also use external networks with customers and suppliers and unusual business sense for collaborating with their competitors to improve performance. Today, collaboration better exploits time, creates process enhancement, and magnifies current competence of the organization, creating value.

Also strategies can also be developed that gives the organization a strategic advantage compared to its competitors. Porter (1994) identified three generic strategies which entrepreneurs may use to create competitiveness which are:

- Overall cost leadership through concentrating on policies that increase plant scale and reduce overhead and labour cost
- Products differentiation which gives distinction to a firms products across the market. This however can be achieved through brand image and product development, customer loyalty, distribution networks and so forth.
- Focus strategy which means serving specific segments of the larger market effectively and efficiently than competitors. It strategy takes advantage of competition that was previously over performing or underperforming within market segments

All the identified potential strategies by the scholars can be useful, but of the suggested ones they all seem to concentrate with the interior operations of the business yet none offers strategies by other players in the entrepreneurial equation like government and legislature.

2.7 Chapter summary

The sections above were a review of the major authorities that were being used by the researcher to further understand the competitiveness of local entrepreneurs in an open environment. Scholars were assessed and compared on their viewpoints towards the competitiveness of local entrepreneurship's competitiveness in the manufacturing sector. Perception into other economic sectors and nations facing the same challenges were included to improve clearer analysis. The researcher also, gave his own insight towards the same problem to grasp whether his perceptions are in line with varying authorities.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter heralds the research methodology that was utilised in the processes of data collection, processing, organisation, analysis and presentation for this study of the competitiveness of Zimbabwean entrepreneurship using a case of Ledger Paints Pvt Ltd. And as suggested by Bouma et al (2004) this methodology chapter describes and justifies the choices in the selection and operationalization of research design, the targeted population, sampling technique, data collection tools, data presentation and analysis.

This is a case study- qualitative research. The qualitative research methods used helped to enhance understanding and to describe the meanings, experiences, opinions, ideas, beliefs, values, responses and the culture that surrounds Zimbabwean entrepreneurship and competitiveness of local products using subjects, events and the work environment at Ledger Paints. The case study research gave to this research an in-depth study of entrepreneurial practices and customer perceptions of the entity in discussion thus narrowing down a very broad field of research into one easily researchable example as suggested by Jeane (2003). The qualitative research approach was deemed more suitable because according to Anderson (2009) this research method is primarily focused with practice and processes rather than the results of their interaction. It dealt and probed the processes, structures, practices and the lifestyle (culture) at Ledger Paints and the customers who buy their products so as to gather insights as events normally and naturally occur. This research method assisted the researcher to gain more insight knowledge into the real issues on the ground which affect behavior and response rather than focusing on the effects of their behavior and attitudes.

This was therefore an inductive research which aimed at developing concepts and perceptions around the issues of entrepreneurial competitiveness and the practical elements that encompasses this phenomena after a natural and normal interaction with those on the ground.

3.1 Research Design

This is the plan and structure that the researcher used for investigation conceived as a strategy to obtain answers and responses to the research questions and constituted the blue print for collection and analysis of data as prescribed by Schinder (2003). According to de Vaus (2006) it is the overall strategy chosen to unity various components of the research in a coherent and logical way to ensure the research problem have been effectively addressed. It therefore gave this study a framework of the research plan of action. The researcher used the descriptive research design as the master plan to answer the questions of this study.

3.1.1. Descriptive Research

Using a descriptive design ensured that the researcher collected information from Ledger Paints without changing the environments in which employees work and customers do their normal buying. Using this design as stated by Jean (1999) the researcher was able to enquiry into the status quo of the buying behaviours and consumer preferences and attitudes of Ledger Paint's products against imported produce. Also the entrepreneurial, creativity, and innovation culture and environment of the company was naturally probed as management and employees where openly asked to respond to questions which had been carefully designed to probe the natural setting of affairs. This assisted in described the entrepreneurial challenges, conditions and attitudes of the stakeholders involved. This study design yielded rich data important to make well informed practical recommendation, to Ledger Paints and to other players in the manufacturing sector on how they can alter their entrepreneurial processes, structures and practices so as to enhance their product and business's competitiveness going into the future.

This study of the manufacturing sector using Ledger paints was a cross sectional study which saw the researcher interacting with the research subjects once, just to get a snap short of the current state of affairs at the organisation and the industry. However this might have restrained

full exposure of some information which a length interaction through longitudinal conduct with employees and customers could have provided. Also as expressed by Marshall (1996) using this research design can be difficult to produce the same results because of its subjections.

3.2 Target population

Research population is the aggregate of individual units or subject elements of analysis from which a study sample was chosen to represent all the people who either work for ledger paints or who form its cliental base as defined by Sekaran (2012). Peterson (2011), suggested a research population in this context as a group of objects under study which the researcher was concerned about when carrying out this research work. The population for this study consisted of the entrepreneur at Ledger Paints, seven management members, and fifty five employees from various departments and five hundred customers on the firm’s cliental record.

Below is the population that was involved in the research process;

Table 3.1: Ledger Paint’s population for the study

CATEGORY	POPULATION
Management	8
Employees	55
Customers	500
Total subjects	563

Source: Adopted from ledger Paints pvt ltd 2013 Annual Report (2013).

3.2.1. Sample size

This is the representative portion of the whole Ledger Paints population chosen, to represent management members, employees and the customers, whist bearing the characteristics of the same population. According to Stubbs (2011) a sample is a set of elements drawn from the research population to represent the same for the sake of investigation. To probe the entrepreneurial culture which in turn results in the competitiveness of Ledger Paints 5 respondents from management, 30 employees and 30 customers were drawn. The respondents

were taken from all the divisions of the entity that is the Marketing, Sales, Production, and Finance departments, with the customers being drawn from the different product lines manufactured and distributed by Ledger Paints which are the PVA paints, QD industrial Paints, 2K and Basecoat Automotive paints and Industrial Chemicals line

Table 3.2: Ledger Paint’s Sample Composition

Respondents	Population	Sample Size Selected	Sample size as %
Management	8	5	62.5
Employees	55	30	54.5
Customers	500	30	0.6
Total	563	65	11.5

Source: survey 2014

The sample was 11.5% of the total population which gave 65 respondents to the research and was deemed adequate for this qualitative research given the anticipated response rate of at least 80%.

3.2.2. Sample procedure

This qualitative research on entrepreneurship and its competitiveness used qualitative non probabilistic sampling methods which were deemed more appropriate by the research to develop a more understanding and construct meaning to complex issues relating to human and corporate behavior. This sampling choice was made because the information required to answer this research’s enquiry is not evenly distributed within members of and customers of the organization. There is no evidence that the values, beliefs and attitudes that form the core of qualitative investigation are normally distributed, making the non-probability approach more appropriate.

The following sampling technics were employed in drawing the interviewed persons form the research population, intensity sampling and a combination of stratified purposeful sampling and convenience sampling.

3.2.2.1 Intensity Sampling

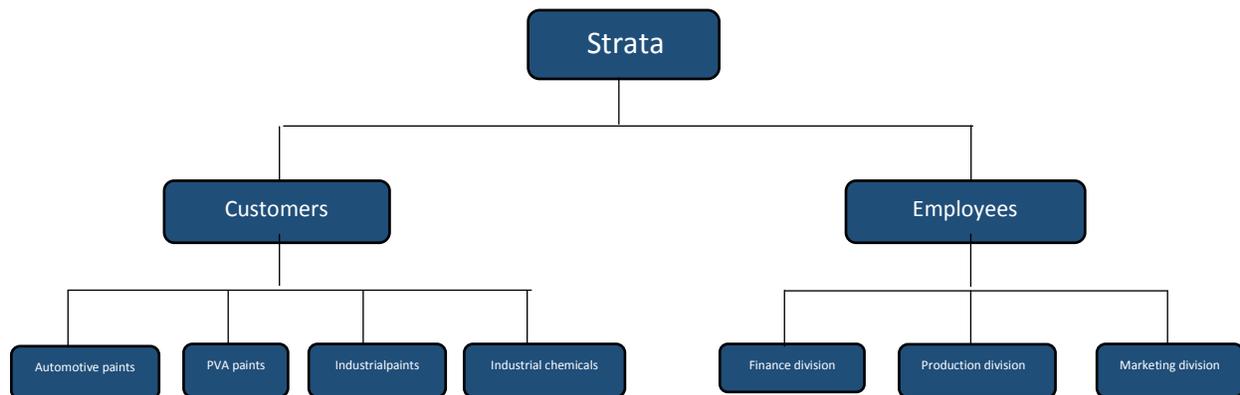
This technic was used to draw information-rich respondents from Ledger Paints who assume strategic positions which yielded more intense information to answer the research questions and who also have greater understanding of the link between their division's operations and the ultimate competitiveness of the firm. The entrepreneur of ledger paints, the managing director, the production manager, the marketing and sales manager and the personnel manager were chosen using this sampling method.

This type of sampling required that the researcher collected prior information on the variation of competitiveness under study so as to determine those individuals who were finally incorporated in the interview process, with the basic criterion being that of choosing strategic persons with direct influence to the competitiveness of Ledger paints through the entrepreneurial roles they have. The major merit that this technic had on this research is the one as noted by Nastasti (2006) that is led the researcher to the core center of information which is intense for the answering of the research study.

A mixed purposeful sampling procedure was used to choose employees and customers of the company and these are stratified purposeful sampling and convenience sampling.

3.2.2.2 Stratified Purposeful Sampling

The researcher needed to make sure that all the information leading to the experiences, behaviors, and views of all sub elements of the employees and customers were represented in the study. Hence this non probability sampling method was used to facilitate the inclusion of various departments of the firm. Marshall (1996) stated that in stratified purposeful sampling the researcher stratify, that is subdivided the sample based on their characteristics and this is done to support a separate analysis of each of the subgroups. This sampling technic was used to divide Ledger Paints Pvt Ltd.'s employees and customers into subsets, with employees grouped into Production, Marketing and Sale and finance. Also the same sampling method was used to group the company's customers into the 2k and Base coat automotive Paints range, QD Industrial Paints, PVA Paints and the industrial chemicals customers. The following diagram shows an illustration of the different stratus that was used to divide the employees and customers.



Source: Survey 2014

Fig 2.1: Structure of the Stratified Purposeful Sampling stratum

3.2.2.3. Convenience Sampling

The researcher used this sampling technique to carry out investigation on the most accessible employees and customers. This strategy proved to be useful and more practical given the fact that it was not possible to choose the subjects to interview because of their busy schedules and the limited time and financial resources that were at disposal to the researcher to access the same. Employees who were made available by supervisors on the particular days of interview sessions, who were on site on the interview time and who were willing to take part were interviewed due to their easy access. This saved time and financial resources as well as time in locating the research subject. However, this technique had limitations as not all easily accessed subjects necessarily had the in-depth information needed to answer the calls of the research, making it less credible as earlier warned by Marshall (1996).

3.3 Research Instruments

Research instruments as used in this research refer to the predetermined models applied to obtain responses and reactions from the sampled customers, employees, and management members of Ledger Paints. Two instruments were used for each of the three classes of respondents: a semi-structured interview for the management and customers samples and focus groups for employees.

3.4 Sources of data

3.4.1. Secondary data—Secondary data provided comparative and contextual information that resulted in other discoveries and clarification of what is happening as far as entrepreneurial competitiveness is concerned as was suggested by Bryman et al (2003). Data collected for other purposes, uses and relevant to other particular studies provided background principles and logical assumptions for this study's inquires. Information from academic print and electronic books, e-journals, presentation papers, newspapers, business magazines and relevant articles were used for this purpose. Also ledger paint's performance review reports, market share analysis, strategic plan, sales records and financial accounting were used.

3.4.2. Primary data—Primary data was collected, from Ledger Paints and used to obtain information which was then used to answer the research questions. In order to extract the data necessary for this study, personnel interviews and focus groups were administered to solicit information from key customers, management and employee from respective departments. Data obtained was first hand and reflected what happens on the ground at Ledger Paints and in the manufacturing industry which was relevant for exposing issues around the competitiveness of Zimbabwean entrepreneurs in face of international trade.

3.4.2.1. Un-structured interview

Using this form of instrument the researcher carried out face to face meetings with respondents drawn from management that is the entrepreneur, the managing Director, the Production Manager, the Marketing and sales Manager, and the Personnel Manager. This gave the interviewer an opportunity to explore, semi controlled in-depth insights and information on how entrepreneurial and competitive ledger paints is from the helm of management and division heads. The researcher had some basic questions to the respondents but how ever keep most of them open ended to allow the interviewee to diverge into surrounding and underlying issues that affects the firm's entrepreneurship and its competitiveness. This also allows the interviewer and interviewee to diverge in order to pursue an idea or response in more detail. The structure of the interviews guide which the researcher designed questioned the same basic aspects of entrepreneurship and product competitiveness at the same time allowing each management

member to respond as widely as possible and even inclining their responses to the department they represent making the findings focused and diverse at the same time.

The flexibility brought about by this research instrument, as suggested by Patton (2002) resulted in the discovery and great elaboration of information that was important in discovering wider views about the research subject which the respondents did not had in mind going into these interviews. The interpersonal contact which the researcher had during the interviews provided the researcher with the opportunity to further elaborate and or restructure questions to ensure maximum understanding and also a platform to ask the respondents to clarify on some gray areas. This also gave the researcher the avenue to be exposed to some non-verbal communication which forms part of the messages which were being communicated

The interviewer constructed the interview schedule with open ended questions to ask top management to give responses that answers the research questions of this study. The open questions provided as wide and explanatory responses which opens up a variety of ideas and feelings people.

However this instrument proved costly to the researcher requiring transportation cost and communication costs in organizing and coordinating the interview meetings. These sets of meetings also required more time to set up and conduct as the researcher had to spend hours waiting for the respondent's free time. Hence to overcome these drawbacks the researcher took time to budget and plan for the meetings which enabled him to save for all the research cost and to conduct and organize meeting appointments in time and made constant follow-ups.

3.4.2.2. Focus Groups

The researcher conducted interviews on small groups of people, called focus groups. This enabled the researcher to gather information from different viewpoints and perspectives from various individuals in a single session. The researcher come up with four homogeneous group,

each from the production, marketing, sale and finance departments. And as put forward by Patton, (1990) focus groups are group interviews which capitalize on group dynamics and the researcher took advantage of this effect by making the interview open to the group, thus making people open up and as one participant opened up a particular aspect it triggered more deeper, wider and even diverging responses, from fellow participants thus it opened up more informative discussions answering the questions of this study. The researcher was not trying to make members reach consensus on issues but actually facilitating that individual's speak their opinions. To help the researcher concentrate on chairing the focus group meeting the researcher took to the meetings his best friend Mr Trust Kamoto to take detailed notes of the meetings. This technic also provided for the interpersonal contact with the research subjects thus allowing clarification and full explanation from both parties of the interview with non-verbal language being detected and interpreted. And also the interviews were much flexible to suit the discussion and people involved with some special incidences in which some respondents were allowed to resort to their mother language Shona to enhance communication.

The research had three focus groups representing the Marketing and sales division which had 10 participants, the Production department with 10 respondents, the Finance arm with 12 elements. The Focus group interviews sessions were enjoyable for the participants, who were less fearful because they were in familiar group setting and were in their familiar environment. However the greatest barrier was that of being given access to such large groups of people at once during work hours. And the interviews preparations and process were both expensive and time consuming. To curb these impediments just like on semi structured interviews the researcher solved the impediments of the techniques by timely planning and good budgeting.

3.5 Reliability and validity

Reliability and Validity in qualitative research entails establishing the quality of the study findings in the terms of its credibility, Neutrality, Consistency and Dependability as defined by Lincoln & Guba (1985). The researcher took deliberate steps to ensure the findings of this research are reliable and valid throughout the course of the research process.

To ensure the true views of the subject were extracted from the same, natural and normal interaction with the employees and customers was developed to ensure a match between findings and participants reality as suggested by Bashir (2008), Also the researcher made sure not to make his prior knowledge and experience about local entrepreneurship and product competitiveness interfere or influence with the responses of the participants, in what is known as bracketing. And as instructed by Burns (2003) the researcher laid aside what he already knew about the concepts at study and focused on the participant's experience and allowing employees and customers to fully and freely express themselves.

The researcher also employed multi-method strategies in data collection from the participants using interviews, and focus group. This process of triangulation enable the researcher to prove if different research instruments could deliver the same realities from the Ledger Paints community this was in line with what was put forward by Golafshani (2003). To ensure that the results are reflective of the perspectives of the participant their literal quotations and direct expressions were included as part of the final result documentation, the researcher also conducted the participants checking the notes of the interview and focus groups to check for accuracy of representation.

3.6 Data presentations and analysis

After analyzing the data and conclusions were made the researcher then went on to present the findings. This was done using a memo report, with aids of graphs, pie charts and tables to enhance interpretation and analysis of the findings which explains what the researcher concluded about the competitiveness of Zimbabwean entrepreneurship using findings from ledger Paints Pvt Ltd

The following presentation methods have been used:

3.6.1. Cross Tabulation-This data organizing categorized the data in order to facilitate comparison of variables.

3.6.2. Percentage Calculations- this made it easier for data interpretation by giving percentages out of total population sample.

The researcher used the inductive analysis procedure to come up with the final conclusions using the collected qualitative data from Ledger Paint's management, employees and customers.

3.7.1. Inductive Analysis

The inductive analysis approach utilized the data collected from the sample from Ledger Paints to generate ideas and explanations at the end of the analysis process, as was suggested by Holloway (1997). In this analysis technique employed by the researcher the raw data collected from the interviews and questionnaires was used to derive concepts and explanations using the researchers' careful interpretation. This allowed the results of the research to emerge from a process of theme discovery from creating themes from data then compare and merge themes into the final result. Thus to say the researcher come up with the insights concerning the competitiveness of Zimbabwean entrepreneurship at the end of this structured analysis rather than working to prove an already established concept. As stated by Jebreen (2012) the purpose of the inductive analysis approach was to combine diverse raw data into a summary form, and to establish links between the objectives of the research, and finally develop concepts and explanations using the experiences and processes from Ledger Paints and its customers. This analysis followed a five stage systematic coding and theming process.

3.7.1.1 Developing initial codes

To develop the initial codes the data collected by the researcher from the interviews, focus groups and questionnaires was studied and took note of recurring and repeating words and phrases and other general eminent issues. Parts of the data were singled out through key point coding and identified by a series of initial codes.

3.7.1.2 Validation of Initial codes

In this stage the researcher summarized and interpreted data and codes. The researcher then translated the data into meaningful themes relating these to the study objectives.

3.7.1.2 Identifying Themes

The researcher then sorted and combined different codes into thematic categories, this gave rise to the identification of the main themes of the study.

3.7.1.3 Validation and relating code themes

The researcher subsequently combined the themes and made connections between them and their underlying properties.

3.7.1.4 Emergence of explanations and concepts

Using all these coded themes the researcher then made conclusions about what the management, employees and customers had revealed concerning the entrepreneurial issues at the company in connection with the competitiveness of Ledger Paints.

3.9 Chapter summary

This chapter clarified how the research was done and all the activities the researcher performed during the research process. It outlines the research methodologies, research design, target population, sampling techniques, the research instruments, the analysis model adopted and the presentation techniques employed for the presentation of the research findings. In the preceding chapter the research findings will be presented and analyzed using the techniques discussed in this chapter.

CHAPTER FOUR

DATA PRESENTATION, INTERPRETATION AND ANALYSIS

4.0 Introduction

This chapter of the thesis focuses on presenting the research findings based on the data collected from the study respondents. Firstly a discussion of the research response rate and the demographic characteristics of the respondents will be articulated. The bulk of the chapter will present the research findings and discuss them in line with the research objectives. The researcher interpreted and gave meaning to the research findings. In the analysis of the research findings the researcher was guided by the theoretical framework, research objectives and the research questions. The presentation, analysis and discussion is based on empirical evidence produced by the study through interviews and focus groups conducted on management, employees and customers of Ledger Paints pvt Ltd.

4.1 Response rate

As noted by Best, (2009) a successful research is backed by a high response rate. This research however managed to achieve a good response rate of 86% on its combined instruments engaged. As per the advice postulated by Saunders (2007) a 35-50% response rate and above is more rational for academic and organizational purposes hence the achieved 86% response rates for this research study could be deemed more sufficient. The breakdown of each instrument's response rate is presented in table 4.1 below.

Table 4.1: Personal interviews and focus groups response rates

Instrument	Sample units	Scheduled interviewees	Conducted interviewees	Responses rate
Interview	Management	5	5	100%
Interview	Customers	30	26	86%
Focus group	Employees	30	25	83%
Total		65	56	86%

Source: survey 2014

The interviews scheduled for management yielded (5/5) 100% response rate thus all intended respondents from ledger Paint’s management were interviewed as planned. Meanwhile 26 out of the intended 30 interviews were successfully conducted on ledger Paint’s customers, representing an 86% response rate. The four focus groups on employees were initially scheduled to have a total combined 30 interviewees managed to have 25 respondents, representing an 83% response rate. The combined response rate for all the research instruments was therefore 86% which validates the findings of this study. However the discrepancies on the response against the research plan was largely due to the busy schedules of respondents and difficulties in their accessibility as most of the indigenous customers under study do not have fixed work addresses.

The research then established the demographic distribution of respondents and results are below;

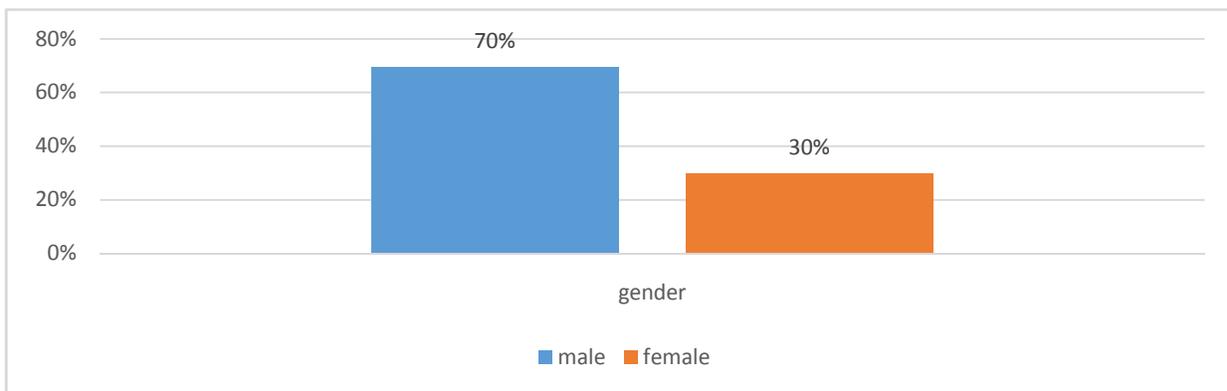
Table 4.2 showing the demographic distribution of Respondents by Age

Age range	Frequency	Percentage of research population
Below 20	4	7.1%
21-30	35	60.7%
31-40	13	21.4%
41-50	5	8.9%
51 and above	1	1.8%
Total	56	100%

Source: Survey 2014

As revealed by table 4.2 above 4% of the research respondents are under 20 years, 60.7% are in the 21-30 age group, 21.4% are in the 31-40 age bracket, 8.9% of the respondents were in the 41-50 category and finally only 1.85% were 51 years and above. These age results seem to suggest that the local entrepreneurship employees and have most of its customers who are fairly young. Most of the customers were very young self-employed individuals who run back yard and shared premises small businesses ventures. This concurs with the findings of the census for the year 2012 which disclosed that the younger age group is the mostly unemployed and have since resorted to small ventures for income generation. The results also suggest that entrepreneurs in Zimbabwe have the bulk of their workforce from the 21-30 age group mainly because their labour cost is relatively lower than the older generation and also due to their flexibility in terms of hiring, retrenching and rehiring.

The researcher then pursued to institute the gender composition of management, employees and customers in the paints and chemicals industry and the findings are presented below;



Source: survey

Fig. 4.1: showing the demographic distribution of Respondents by Gender

The research was categorized by (39/56) 69.6% male respondents whilst (17/56) 30% were female.

This revealed male dominance of the study in management, workforce and both the individual and corporate customers. These findings however are not concurring with expectations as there have been so much government efforts to empower women, yet most of the jobs and small corporate venture are still male dominated. With regard to these disparities in gender

composition it seems to suggest that they exist gender imbalance in Zimbabwe's manufacturing sector.

4.3 Local Products Competitiveness

4.3.1 Major competition sources

The findings suggest that most of the competition confronting Ledger Paint's products comes of international products imported mostly from China, South Africa, Japan, India, U.A.E and Germany. It was established that most of these products are finding their way into the local market by way of importation by the Chinese, Indians Nigerians and also by local retailers. These results are in agreement with the observations of Porter (2004) who said world markets are moving closer to free trade in manufactured products thus increasing competition pressure to domestic markets the world over as the whole world is now becoming a single market

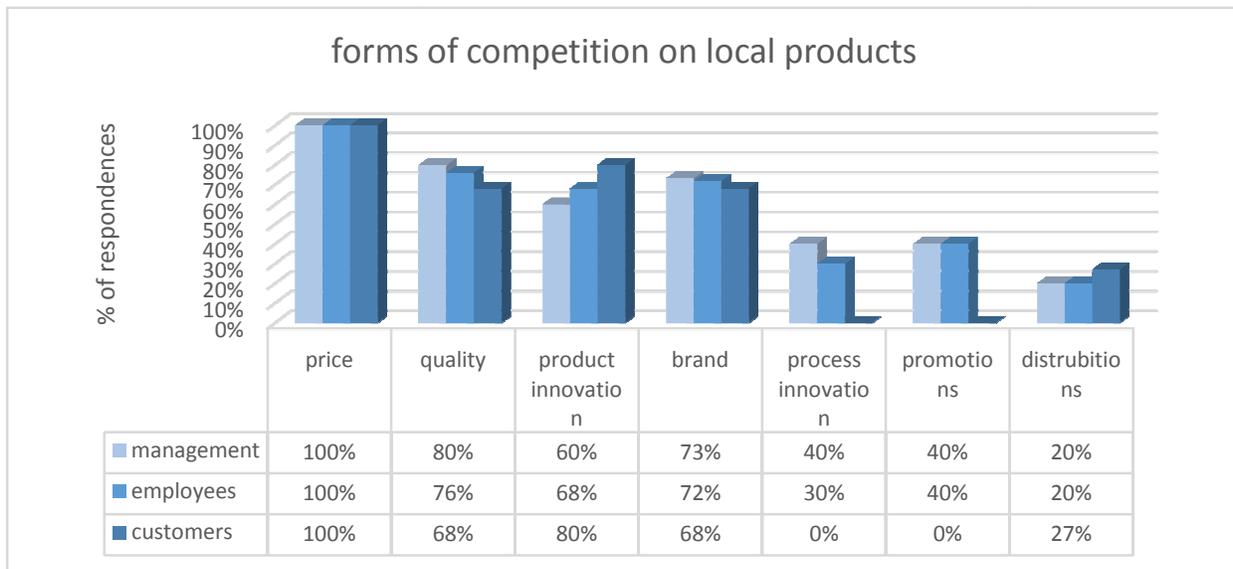
4.3.2. The impact of the influx of foreign Products to Ledger paints

The management of ledger paints revealed how the inequality in the competition between their products and imports have been negatively affecting the performance of their products in the Paint and chemicals market. All management members said imports have been taking over their markets and threatening their survival and existence. This is because import distributors, now own the bulk of the market share, with Ledger Paints experiencing reduced sales, lost profits due to price adjustments to match those of imports, closure of some products lines and alarming declining in capacity utilization. These results match those found by The Impact of Globalization on Trade and Industry in Zambia (2011) which asserted that the entrance of international products to emerging markets is pushing local brands out of the market and threatening local businesses

4.3.3. Forms of Competition faced by Ledger Paints

The research sought to discover the forms of product competition which imports from around the world have been imposing on the local manufacturer's products. The results were found by directly asking the management and employees of the firm and indirectly questioned customers the major attributes which they were considering were making their purchasing decisions. The

intensity of the competition form was established by considering the most raised and expressed competition form by all the respondents' categories and the following are the findings;



Source: survey 2014

Fig 4.2: responses identifying forms of competition on local products

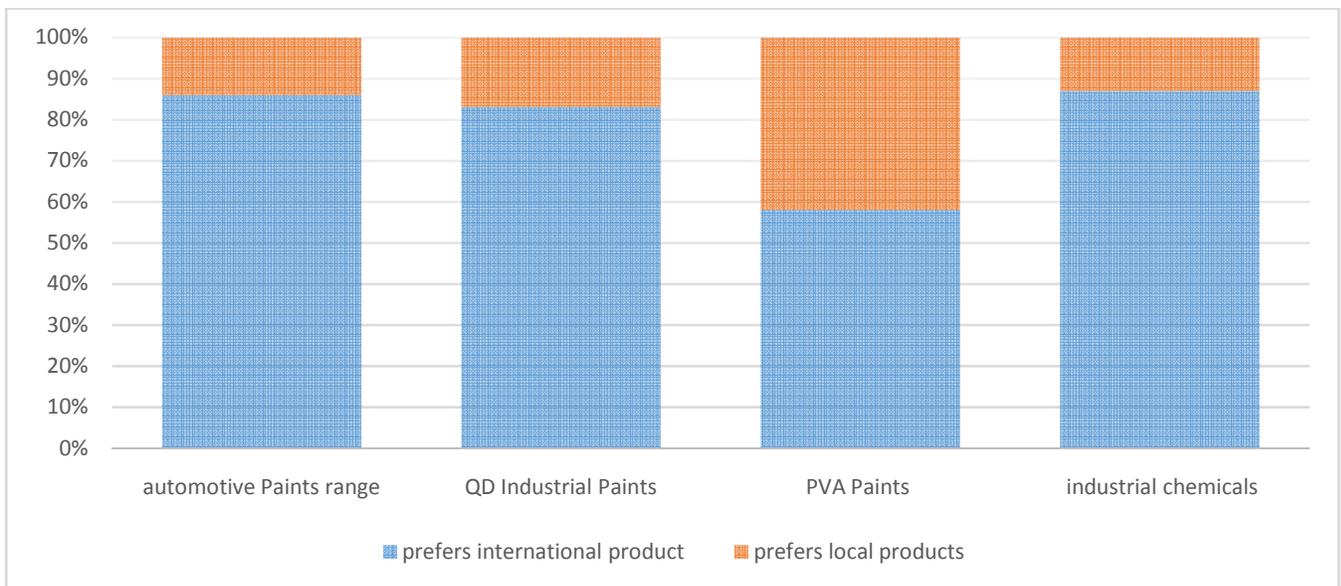
The management, employees and customers of ledger paints seem to agree on the major forms of competition which the organization is facing from international products. The findings shows that the major form of competition which the local entity is facing is price competition which had 100% response rate across all the respondents' categories. The interviewees revealed that the major competition factor which international products have been having on the local market is their relatively lower prices. Due to the high cost economic climate in Zimbabwe the ultimate pricing for the firm's products is higher and hence makes its products more pricy in the market compared to those of imports. One of the interview confirmed this saying "the biggest completion that we are facing right now is price completion as most of the imports that we compete with are in almost every cases cheaper compered to our prices". These findings however confirm true what Kotler (2006) concluded saying that the major competition in emerging markets is price competition.

The research also noted the following as major forms of competition for Ledger Paint's produce and their total response percentage thereof Product quality (78.7%), product innovation (69.3%)

and brand competition (71%). The respondents confirmed that Ledger Paints is facing quality and product innovation competition from imports which are being manufactured in more stable economies and high technological environments. Also brand competition have been more intense as the local market prefers to buy well established and internationally dominant brands. However these results contradicts with Ziethmal (1998) who said quality was the number one competition form in the modern market place. This difference can be because of variances in the research locations.

The findings also show that they are other minor competition forms but which are significant to ledger Paints and other entrepreneurs in Zimbabwe like process innovation competition, promotion competition and distribution competition. This is so because foreign manufacturers are enhancing their production and organizational processes, increasing their international promotions through the internet, the television and internationally distributed magazines and have since been reaching to the customer more extensively.

4.3.4. Preference of international products by the local market in the manufacturing sector.



Source: survey

Fig: 4.3 %s of customers preferring foreign to local products for different product ranges

This research established that currently the local market is preferring international to local products. Of the conducted customers 86% across the four product mixes said they prefer international to local products against 21.5% who said they prefer locally manufactured chemical products. It was therefore clear that the Zimbabwean manufacturing market now prefers imports as the local manufacturing sector continues to decline in responses to the shrinking economy. Paints and Chemicals customers both individual and corporate are buying more of imports than Zimbabwe manufactured produces due to what the respondents said is mainly attributed to differences in pricing, quality, branding and innovation. This international preference is in line with what Guliz (2001) heralded saying that international products of the good life status are highly desired in all markets and societies and are generally regarded to be state of the art, modern, original, high quality, and therefore preferable, in contrast, local products which are generally regarded to be of low quality, cheap imitations, old and out of date products.

4.4 Reasons for international preference

The researcher then sought to instigate the reasons behind the international preference and these findings seem to suggest that the reasons takes two classifications which are product factors and non-product factors which influence foreign preference.

4.4.1 Product factors which influence foreign preference

The responses that the researcher obtained from customers directed the results into the factors which the local market are finding more attractive on imports compered to local products and the responses from management and employees also suggested the major factors which was luring their local market to international products. The researcher then compiled these different factors and the results are presentment below.

Table 4.3 product factors that cause international product preference

Competition factor	Management %	Employees %	Customer %	Total respondents %
Pricing	100%	94%	100%	98%
Quality	80%	76 %	68%	74%

Branding	73.3%	72%	68%	71.1%
Country of origin	60%	40%	35%	45%
Distribution	40%	20%	27%	29%
Promotions	40%	40%	-	26.7%
Packaging	20%	-	-	6.7%

Source: survey 2014

Table 4.3 shows the factors which defines product competitiveness which in turn influences the ultimate competitiveness of local entrepreneurship as revealed by Ledger Paint’s customers, management and employees. The results shows that the management, employees and customers perceive product pricing as the greatest deterrent of product competitiveness with 100% of management and customers stressing this fact and 94% of employees articulating the same. This is so because imports are being sold at cheaper prices to the local market against the background of higher prices charge by local entrepreneurs due mainly to the high cost environment in Zimbabwe. This leaves the local producers at a less competitive position in the same market. One customer interviewed stressed the importance of pricing saying “in this economic environment where the cost of production is very high against the background of an illiquid market, the prices of raw materials that we source at is of paramount importance and is the key factor we are considering when procuring. The fact that imports are selling at a much lower prices makes it more economical to purchasing them”. These finding conforming to what Chambers (1999) said when he claimed that pricing is an indomitable competitiveness tool as it gives an edge over competitors through giving value for less or providing more for the same and that customer’s base their buying decisions on product’s prices charged against what competitors are charging.

The Quality of products as defined by features, functions, conformity, durability and safety in use by the respondents was also ranked high as the second most important factor which affect international preference. 74% of the respondents suggested that purchasing decisions towards foreign products against local produce, is due to the differences in quality. They said international products are usually of high quality offered at reasonable prices and hence a key driver for their competitiveness. Another factor which stood eminent for the competitiveness of

imports was branding which had 71.1% .At this end it seemed also important to for the local market when purchase international brands as these are associated with perceptions of assumed quality, originality and status.

The research also noted some minor factors which influence the preference of international products as the county of origin, with some products owning their roots and identity to some countries like most painting accessories being associated to be quality guaranteed if the originate from Germany. Distribution, promotions and lastly packaging also having a bearing on the competitiveness of international products against local manufacturing produce. The research results there noted that distribution and promotions are not a factors influencing the current foreign preference, this however differs with the views of Mcleish and Ogden (2001) who claims that an organization whose products are not well distributed is bound to loss its sales volumes as potential customers are lost by this ineffectiveness and also Zikmund and Amico's (1984) conclusion on promotions which states that for a product to be complete in the market its existence and attributes have to be communicated to the market that it seeks to serve better than all the other.

4.4.2. Non product factors which influence foreign preference

The research discovered that they are other factors outside the attribute of products and how they are sold which greatly influence the local manufacturing market into buying international products and are presented below in order of influence;

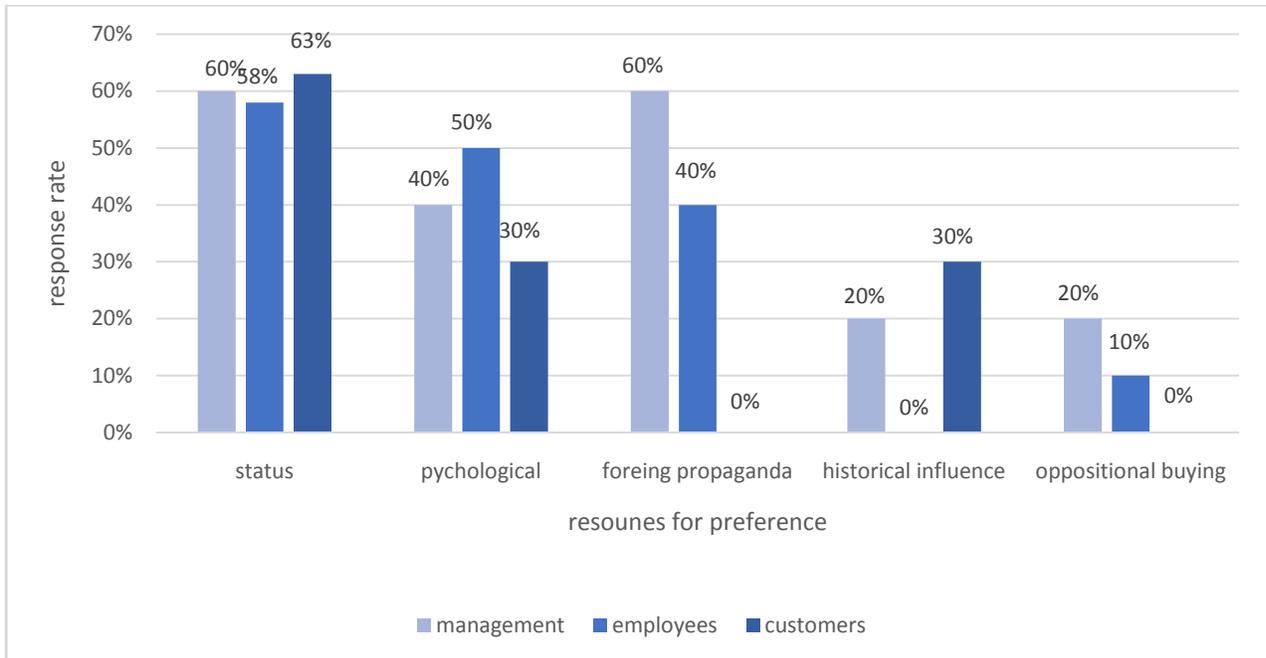


Fig4.3: showing non-product factors which influence international product preference

This research established that there are some other non-product factors that influence customer's preference of international products hence compromising the competitiveness of local brands. The researcher noted status as the top non-product factor that causes locals in the local paint and chemicals market to buy foreign and not local products. 60% of management respondents, 58% of employees and 63% of customers all confirmed that they buy international products for the status it accords them. Foreign products are being used to socially distinguish customers from the rest and used to exude class and social distinction. One automotive paint and accessories customer confirmed this saying "foreign chemical products that we use at our garage compliment the status of our customers who would not want to associate themselves with cheap local substandard coating". These findings support the view of Batra et al, (2000) who suggested that the consumption of international brands is status and self-worth driven more than it is for other reasons.

The other major factor which arose in the findings suggests that foreign consumption is a psychological factor which had a 43.3% response. They seem to be a psychological assumption among the locals that imports are superior, original and offer more value for money than local manufacturing produce. Some of the conducted paint and industrial chemicals users did not have

better justice to their foreign preference but however just assume that foreign products were better than local produce. However these findings discard what Howes, (1998) based his argument on that base that many markets, especially in the developing world, are oriented to international goods because of psychological factors as the study found that this applies, but to a less extent. Subsequently foreign propaganda which had 33.3 % is due to the international media which had associated some countries in the developed world to be superior in terms of their products offerings through the use of mainly the internet, the television and the print media.

Lastly but to a less extent historical influence (16.7%) and oppositional buying (10%) are other minor causes of imports buying. The information given by respondents seemed to suggest that the colonial mentality which some Zimbabweans have due to the historical colonization have a part to play in some locals preferring to buy products which have their origin from white countries due to black inferiority complex. Other people also purchase foreign just to show their opposition to the current political and national state of affairs.

4.5 Challenges facing local entrepreneurship

The research then wanted to establish the problems which local entrepreneurs face which restrict their competitiveness against foreign products. The problems noted were revealed by internal stakeholders interviewed and also by customers as they were asked what they identify as challenges facing their local producers. Table 4.5 below presents the major entrepreneurial constraints which are hindering the competitiveness and sales performance of ledger Paint's products. A score system was adopted to award each factor noted by a respondent 2 scores meaning if all the respondents in the thesis identified a factor as a restraining force then it would earn a total actual score of 112.

Table 4.4: challenges facing local entrepreneurship

Challenge	Scores by management	Scores by employees	Scores by customers	Total scores	Total possible score
------------------	-----------------------------	----------------------------	----------------------------	---------------------	-----------------------------

Economic environment		10	50	52	112	112
Lack of finance		10	50	52	112	112
Political instability		8	42	36	86	112
products constraints	Resource	6	32	28	66	112
Influx of foreign		8	42	8	58	112
Institutional restrains		6	28	20	54	112
Legging technology		6	20	4	30	112
Absence of an innovation and entrepreneurial culture		-	28	-	28	112
Lack of entrepreneurial skills		2	10	2	14	112

Source: survey 2014

Of all the challenges noted by the respondents, two stood eminent and more significant as the major impediments of Ledger Paints and hence local entrepreneurship's competitiveness. All the respondents suggested that the current economic environment is a major competitiveness constraint as it scored 112/112. The current economic environment which the respondents described to be characterized by high costs of production, high operational cost, liquidity crisis, unemployment, low levels of demand, high interest rates, high import rates, under capacity utilization and low per capita income makes the economy un-entrepreneurial. The results suggest that the economic climate have become too unbearable for entrepreneurs to innovate, develop and maintain competitive products as the environment they operate in is anti-manufacturing as their competing foreign products are being manufactured in more stable, low cost environments like China and Asia, South Africa and Europe. One respondent said "the business climate that we are operating in is anti-business, everything from the cost of production, the illiquid market and every other economic factor is working against our ventures hence this directly affects the quality of our products, their prices and ultimately their performance in the market". These results strongly agree with what Kinunda (2000), said when he noted that the economy is the heart of any business and for any business to be successful the economy has to be functional.

Also this can be proved right given the alarming rates of massive company closures across all sectors of the economy.

Another major entrepreneurial challenge which scored 112/112 is lack of capital. In this illiquid economy which has closed lines of credit for entrepreneurial ventures it is proving impossible to fund business operation, innovation, and product development. The findings revealed that local ventures are finding it almost impossible to access funding for their businesses, to acquire the internal machinery infrastructure, raw materials and to invest in other resources like skills and R and D. another interviewee from management said that “it is proving impossible to find funding for the many strategic operations that we would want to implement, locally and internationally the lines of credit are closed especially for us SMEs”. This however validate what Bande (2011) heralded saying the lack and shortage of capital to fund entrepreneurial activities and innovations is the most critical challenge for the success of an entrepreneur venture in the developed world.

Also the respondents identified some other factors as having a negative impact on business and these and their scores are as follows political instability 86/112, Resource constraints 66/112, Influx of foreign products 58/112 and Institutional restrains 54/112. It was so profound that the current political environment is the major cause for the economic meltdown which is negatively affecting the economic factors and hence entrepreneurial ventures. Another point to note was lack of entrepreneurial resources, the respondent highlighted that the lack of infrastructural and structural resources at Ledger Paints was compromising its ability to compete with products from giant economies. International product from more stable, high technological economies in the local market which is characterized by decay have automatically been pushing Ledger Paint's local produce out of the market. Also more significant as another major challenge to entrepreneurial success in Zimbabwe was the institutional or legal framework. Some of the interviewed subjects suggested that the local business legislature makes business startup and survival difficulty. Much time is sent dealing with unreasonable, rigid, and costly laws and regulations thus shifting away attention from the real business operations.

Finally three other challenges were discovered from the findings but whose effect to product performance was to the lower score range and these are legging technology, absence of an

innovation and entrepreneurial culture and lack of entrepreneurial skills. These study results therefore contradicts with Stone at al (2008) who noted lack of entrepreneurial and management skills as the major challenges facing entrepreneurs in emerging economies.

The research then went on to suggest solutions and strategies that can be employed to curb this alarming in-competitiveness of the local manufacturing sector as suggested by the respondents and the findings are given below:

4.6. Strategies for local competitiveness

Local entrepreneurs have not just put tools down and watch as the local market goes into the control of international players. The findings as presented in table 4.6 list the strategies that the ledger paints have been adopting to curb the ravaging effects of the in fluxing of foreign products.

Table 4.5 competitiveness strategies for the local manufacturing sector

Competitiveness strategy	Management response %	Employees responses %	Customers response %	Total respondents %
Local policy reforms	100%	100%	100%	100%
Cost reduction	100%	80%	85%	88.3%
Innovation	80%	56%	79%	71.7%
International imitation	60%	73%	66%	66.3%
Niche marketing	60%	54%	-	38%
Product differentiation	40%	34%	-	24.7%
Participation in buy	40%	26%	-	22%

Zimbabwean				
Strategic sourcing	20%	12%	-	10.7%

Source: survey

Although the research was aimed at discovering entrepreneurial strategies that can be utilized in order for local entrepreneurs to regain their competitiveness one strategy which in non-entrepreneurial stood outstanding and commanded the greatest response. The results seem to suggest that the first strategy will be for the government to restructure its political, economic and institutional policies into ones which are more entrepreneurial. It come out that developing national entrepreneurship is more than talking and putting locals in positions to own and operate business ventures, but rather it is more about creating an enabling economic structure. Hence the respondents called for policy reforms that stimulate FDI, employment of locals, capacity utilization and international trade. This therefore validated Khandawa's (1992), findings in the Zimbabwean situation who said that the development made in economic environment through government policies, and unfavorable market conditions have been the major cause for the decline in the performance of local entrepreneurship and therefore would need to be readjusted.

The respondents also considered that cost reduction methods aimed at arriving at minimum production cost and hence lowering Ledger Paint's prices would and could reinstate its product's competitiveness. 88.3% of the respondents raised this strategy and where of the view that if organizations strive to attain lower levels of production and operational cost, they can enhance their competitiveness thereof. Although this strategy they noted would compromise the quality of their manufactured goods they argued that the market is at the present moment more concerned about how much they are paying more than everything else. However these results differs with Chrisman et al's (1998) conclusion that cost reduction in industries where pressures to globalize are strong, is usually a minor strategy as this study shows that it is the most effective strategy at corporate level.

71% of the respondents argued for product and process innovation to out compete foreign competition. This the interviewees said could lead to the discovery of better products and ways of producing the same and then take foreign competitors head on in terms of product quality not pricing. 66.3% of respondents were of the view that local producers can imitate the products and

manufacturing processes of their international market leaders. Also niche marketing (36%) and product differentiation (24.6%) were also identified as possible strategic alternatives which the local enterprise can implement so as to avoid direct competition with foreign products and serve some special markets with differentiated products. Niche marketing and product differentiation although by Mezulánik, (1999) as competitive strategies this research however noted their contributions to be very small and therefore not the main strategy locals can use to regain their competitiveness. Other strategies raised by the interviewed sample were that Ledger Paints should participate in buy Zimbabwe and local product awareness campaigns and also needs to engage in strategic sourcing as this may reduce the working capital needs.

4.7 Chapter Summary

This chapter achieved the research's aim to present the results of the research. The collected data was organized, interpreted and discussed to give meaning to it. An obligation is made that local entrepreneurs and management would want to use the results as a guide and for readers and researchers who would want to advance this research further, so clear presentation, analysis, discussions and interpretation of findings was done.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 introduction

This last chapter of the thesis strive to bring coherence to the diverse issues enclosed in the study. It seeks to summarize the finding of the study and tie the problems of the research to the obtained results and thereby coming up with the conclusion of the research. The chapter will be summed up with the recommendations based on the research conclusions and these will suggest ways of solving the problems and also be used for future studies.

5.2. Summary of findings

The research was aimed at assessing the competitiveness of local entrepreneurship in terms of product performance in face of international trade in the manufacturing sector. The data used was collected through personal interviews and focus groups conducted by the researcher on respondents from Ledger Paints Pvt Ltd and secondary data from other scholars and company material were utilized. After the data collection process was done the researcher engaged in in a series of data analysis procedures and the following findings can be drawn

5.2.1. The competitiveness of Zimbabwean products in the open manufacturing market.

The study indicates that local products in the chemicals sector are failing to compete against imports and are being driven out of the local market. It was found that local products are highly prices in an illiquid economy making them uncompetitive against relatively cheaper foreign products. International products have taken over the local market and pricing competition has been the major competition form which imports have using to outdo local entrepreneurship. Customers both individuals and corporate now prefers and are buying international products which they said are low priced high quality imports and superior branded. Quality and brand competition where also found to be the other competitions faced by local manufacturers.

5.2.2. To determine the reasons why the local market prefer international to local products.

It was found that the major reason why the local market prefers international products is because imports have lower prices than those of local products. The research established that the local market is currently buying mainly for the price more than for any other reason. Hence it was found that any foreign product offered to the local market at a low price automatically outcompete Zimbabwean produce which is more expensive due to the prevailing high cost environment. Product quality and branding were also found to be other reasons why locals are buying international products. The study also revealed that status and a psychological influence of foreignness although not product factors have been influencing locals to buy foreign. It was found out that local customers are also buying foreign products for the states that international products accord them and for the psychological assumption that foreign goods are more advanced in terms of quality and functions than local imitated substandard produce.

5.2.3. Challenges which restrain local entrepreneurship from being competitive.

The study found out that the greatest challenge faced by the local entrepreneurs is the economic environment which they operate in. The high cost business environment that the entity is operating in makes all the products it produce, more expensive and thereby less competitive to cheaper imports. The research noted that the current economic state closes down the avenue for innovation and competent product development hence competitiveness. The study also revealed that the cash trapped Zimbabwean economy is lacking the much need capital finance to fund entrepreneurial activities. The study noted that it was too expensive and uneconomic to acquire loans in Zimbabwe and hence the organization passes the same expense to the customer resulting in higher prices being charged thus compromising local product performance.

5.2.4. Strategies for local competitiveness

The study found that the first and most effective strategy to enhance Zimbabwe's produce's competitiveness is national policy reforms. It was eminent that major problems confronting Ledger Paints are directly emanating from the mismanagement of the larger Zimbabwean economy. The research revealed that for local entrepreneurship to be competitive the local economy must itself be competitive against other economies which we interact with in the global

market. The research further found that the at organizational level a firm can aim to internally reduce its production and operational costs and improve on its innovation so as to fight the price war against imports and also compete against the perceived foreign quality.

5.3 Conclusions

5.3.1. Local product's competitiveness

From the findings of the research it can be concluded that the local manufacturing market is buying imports because they are cheaper to the illiquid local market. It is to this end that price competition on local entrepreneurship by lower priced foreign products have thus resulted in the in-competitiveness of local entrepreneurship.. However it should be noted that other competition factors like international product quality and branding have also resulted in the unequal competition between local and foreign products.

5.3.2. Why the local market prefers international products?

Overall it can be concluded that the local market prefers import because they are cheaper compered to locally manufactured products. Through the findings of this research it is convincing that the local market is buying the cheapest product on the shelf more than any other. Due to prevailing liquidity problems either high or low quality lowly priced import a getting high preference simply because of the low price tag. However a non-product factor of status that international products accord on customers have also been influencing locals to buying foreign products.

5.3.3. Restrains on local entrepreneurship

The research concluded that the major restrain confronting local entrepreneurial success is the economic structure in which they operate in. It is therefore a fact after this study that failure by government to create a conducive local environment which attracts investment, creates employment and international trade has crippled the local economy's competitiveness together with that of local entrepreneurship. It can also be concluded that other main challenges on local ventures like lack of capital, political instability, lack of resources and the influx of imports are all rooted directly from the economic decay that confronts Zimbabwe.

5.3.4. Strategies for local competitiveness

The research concludes that the competitive strategies for local entrepreneurs hangs on economic reforms to reboots the local economy. The research has therefore concluded that to revive the competitiveness of local entrepreneurship the first and most effective step is to revive the local economy in which local entrepreneurial activities takes place. However at corporate level firms can work to reduce cost and strive for innovation as means to deal with price and quality competition they face from imports.

The researcher is of the view that all the research objectives were all met and the quest of the study fulfilled.

5.4. Recommendations

- To solve her dilemma Zimbabwe though its government needs to revisit its relations with the more constructive investing and market community. Local entrepreneurship needs funding, to amass the technological infrastructure for modern production, it requires

working capital to sustain operation and without FDI and open international trade, local competitiveness can remain an ambition.

- The government needs to reconsider on its policies which are investment unfriendly. The government should make this a matter of urgency and take a new stance on its, economic policy and the relationship with the west as this relationship holds key to investment from the rest of the world and a secure market for Zimbabwe's produce.
- The economic managers need to restructure the economy so as to create conducive business environment for corporate managers. Institutional and economic frameworks that allow business to thrive needs to be established.
- For local entrepreneurs to up their chance of competing with international players, they need to make innovation the core of their culture. Innovation can take the form of product innovation, process innovation and structural innovation. These innovations can reduce production cost and operation cost and thus enhances local products price competitiveness. Innovation can also improve the quality and performance of a firm's produce and thus can result in powerful competitive local brands which can compete at par with international products.
- Ledger paints and other related chemical and paint firms can form strategic co-operations and work together in acquiring production inputs. This will help the involved firms in attaining bulk buying economies and large scale production economies of scale.
- a culture of innovation which are rewarding of success, tolerance of failure, be accessible, a playful environment, resources supply, conducive organizational structure, information access and communication needs to be put in place as it creates innovative problems solving at corporate level.
- The academic system can also play a big role in institutionalizing this culture in children from a tender age through introducing more practical subjects and outside class learning together with early discovery of children's abilities and passions so as to nature them in their areas of interest from an early stage.

References

Acs, Z. J. (2008). Foundations of high impact entrepreneurship. Foundations and Trends in Entrepreneurship.

Audretsch, D. B. (2007). The Entrepreneurial Society. Oxford, UK: Oxford University Press

- Alden, D.L., Steenkamp, J.-B., and Batra, R. (1999) 'Brand Positioning Through Advertising in Asia, North America, and Europe': Journal of Marketing.
- Ahmed, Z. U., Johnson, J. P. and Yang, X. (2003), Does Country of Origin Matter for Low-involvement Products, International Marketing Review.
- Arnold, D.J. and Quelch, J.A. (1998) 'New Strategies in Emerging Market', Sloan Management Review.
- Andre ' van Stel Martin Carree Roy Thurik (2005). The Effect of Entrepreneurial Activity on National Economic Growth: Springer
- Batra, R. (1997) Executive Insights: Marketing Issues and Challenges in Transition Economies', Journal of International Marketing
- Bryman, B. (2003) Business Research Methods: Oxford: Oxford University Press.
- Batra, R., Ramaswamy, V., Alden, D., Steenkamp, J.-B., and Ramachander, S. (2000) 'Effects of Brand Local and Nonlocal Origin on Consumer Attitudes in Developing Countries', Journal of Consumer Psychology.
- Belk, R.W. (2000) 'Consumption Patterns of the New Elite in Zimbabwe': University of Utah.
- Bannister, J. P. and Saunders, J.A. (1978), "UK consumers 'attitudes towards imports: the measurement of national stereotype image", European Journal of Marketing.
- Clarke, B. (2011) Linking Data. Beverly Hills: CA: Sage Publications.
- Cressy, D. (1971) Other People's Money: Belmont, California: Wadsworth Publishing House.
- Creswell, J. and Miller, D. (2000) Determining validity in qualitative inquiry: Theory into Practice: Thousand Oaks: Sage publications
- COMESA and the World Trade Organization: (1999) 'Challenges and Opportunities in the Multilateral Trading System'.

- Dawson, L. (2006) Doing case study research a practical guide for beginning researcher: London: Teachers College Press.
- Emilia Papulova, (2006). Competitive strategy and competitive advantages of SMEs in Slovakia. E-Leader.
- Friedman, J. (1990), Being in the World: Globalization and Localization: Sage: London:
- Friedman, Robert E. (1987). The Role of Entrepreneurship in Rural Development, Knoxville, Tenn.,
- Ger, G. (1999) Localizing in the global Village: Local Firms Competing in Global Markets', California Management Review.
- Gerth, K. (2003) China Made: Consumer Culture and the Creation of the Nation, Harvard University Press: Cambridge, Mass.
- Hitt, Michael A., Keats, Barbara W., and DeMarie, Samuel M (2001): Navigating in the New Competitive Landscape: Academy of Management Executive.
- Henderson J. (2012), Economic review third quarter. Kauffman Center for Entrepreneurial Leadership.
- Hoffman A., (1997). An Institutional History of Corporate Environmentalism. San Francisco, CA: New Lexington Press,
- Hooley, G.H., Shipley, D. and Kreiger, N. (1988), "A method for modelling consumer perceptions of country-of-origin", International Marketing Review.
- Hawkins and Daniel (2009) Foreign Trade, Competitiveness and the Balance of Payments United Nations Development Program. UNDP
- Kent, D.P. and Burnight, R.G. (1951) 'Group Centrism in Complex Societies', American Journal of Sociology.
- Li, Z.G., Shenzhao F. and Murray, L.W. (1997) 'Country and Product Images: The Perceptions of Consumers in the People's Republic of China', Journal of International Consumer Marketing.
- Leicht, T., and Craig J. (1994). Three Strategies of State Economic Development: Economic Development Quarterly.

Neelam Kinra. 2006, the effect of country-of-origin on foreign brand names in the Indian market, Lucknow, India

Okechuku, C. and Onyemah, V. (1999), Nigerian Consumer Attitudes towards Foreign and Domestic Products, Journal of International Business Studies, 30(3), 611-622.

Oyeniya, Economic, (2009) social, political and cultural problems of the future society. Covenant University, Nigeria

Porter, Michael E. (1985): Competitive Advantage. Creating and Sustaining Superior Performance. The Free Press. New York

Peterson, R.A. and Jolibert, A.J.P. (1995) 'A Meta-Analysis of Country of Origin Effects', Journal of International Business Studies.

Peterson, R.A. and Jolibert, A.J.P. (1995), "A meta-analysis of country-of-origin effects", Journal of Business Studies,

Richard Hess, (2001), Zimbabwe case study of trade negotiations. Overseas Development Institute.london

Reynolds, Paul D., Michael Hay, and S. Michael Camp. (1999). Global Entrepreneurship Monitor. Kansas City: Kauffman Center for Entrepreneurial Leadership.

Shaker A. Zahra, (2000) Governance. Ownership and Corporate Entrepreneurship. Academy of Management Journal.

Taylor, A. (1998) 'Violations of the International Code of Marketing of Breast Milk Substitutes: British Medical Journal.

Walker, I. and Pettigrew, T.F. (1984) 'Relative Deprivation Theory: An Overview and Conceptual Critique', British Journal of Social Psychology.

Watson, J.J. and Wright, K. (2000), "Consumer ethnocentrism and attitudes towards domestic and foreign products", European Journal of Marketing,

Pantin, D. A. (1990). The competitive advantage of nations. New York: The Free Press.

Reynolds, P., Bosma, N., Autio, E., Hunt, S., De Bono, N., Servais, (2005). Global entrepreneurship monitor: GEM

Simeon N. Kaburi¹, V. O. Mobegi², A. Kombo³, A. Omari⁴ and Dr. T. Sewe⁵ 1-5Jomo Kenyatta University of Agriculture and Technology, Kisii CBD, Nairobi, Kenya

Shane, S. Venkataraman, S., and Macmillan, I. (1995). Cultural Differences in Innovation Championing Strategies. Journal of management.

APPENDIX 1

COVER LETTER

**Midlands State University
P .Bag 9055
Gweru**

**The Managing Director
Ledger Paints
33 Cornald road Granniteside
Harare**

Dear Sir/Madam

Re: Application for Permission to Conduct Research At Ledger Paints Pvt Ltd

I do hereby apply for a permission to carry out my research at your organization. I am currently studying towards Bachelor of Commerce Honors Degree in Business Management with Midlands State University (MSU). Currently I am in my fourth year working on a research entitled: Zimbabwean entrepreneurship's competitiveness in face of international trade in the manufacturing sector- a case of Ledger Paints (pvt) Ltd. The information collected will be used for the purpose of the research only and kept private and confidential at all times.

I would be grateful to be permitted to conduct this research based on your organization.

Yours Faithfully

R104530P

Appendix 2

Interview Guide for Management

Introduction

My name is Tinashe Gwatidzo and I am currently studying towards a Bachelor of Commerce Business Management Honors Degree with Midlands State University (MSU). I am currently in my final year and pursuing a research entitled: Zimbabwean entrepreneurship's competitiveness in face of international trade in the manufacturing sector- a case of Ledger Paints (pvt) Ltd

In track with my study, I am carrying on a survey to gather data to be used for this research. Therefore am kindly requesting you to help me by providing me with information that will assist in the completion of the study and all the information you provide will be used entirely for this research and will be treated with utmost confidentiality. Findings and conclusions of the study can be available to you upon completion of the research should you find it relevant in practical areas of your company.

1. Product competitiveness

- Who are your product's major competitors, and are they local or international manufacturers.
- What have been the impact of foreign product to your products and corporate performance?
- What form of competition are your products facing from imports?

2. Reasons for international products preference.

- Do you think the local market prefers international to local products?
- What are the attributes possessed by foreign products that possess great competition on you products, and therefore win customer preference?

4. Challenges restrain the competitiveness of Ledger Paints

- What are the challenges that you as a Zimbabwean firm are facing that you think are ultimately compromising the competitiveness of your products.

3. Entrepreneurial strategies to gain consumer preference over foreign products.

- What competitive strategies have you been adopting to gain customer preference over international products?
- Which potential strategies do you think can help your organisation enhance its competitiveness?

5. Are there any other issues that you think are relevant for discussion concerning the competitiveness of your local products against imports.

Appendix 3

Focus Group Guide for Employees

Introduction

My name is Tinashe Gwatidzo and I am currently studying towards a Bachelor of Commerce Business Management Honors Degree with Midlands State University (MSU). I am currently in my final year and pursuing a research entitled: Zimbabwean entrepreneurship's competitiveness in face of international trade in the manufacturing sector- a case of Ledger Paints (pvt) Ltd

In track with my study, I am carrying on a survey to gather data to be used for this research. Therefore am kindly requesting you to help me by providing me with information that will assist in the completion of the study and all the information you provide will be used entirely for this research and will be treated with utmost confidentiality. Findings and conclusions of the study can be available to you upon completion of the research should you find it relevant in practical areas of your company.

1. Product competitiveness

- How do you think the local products manufactured by Ledger Paints are performing against imports?
- What type of competition are your products facing from imports?
- Why do you think your products are being out competed in by imports?

2. Reasons for international products preference.

- Do you think the local market prefers foreign to international products?
- Why are customers preferring international products against your locally manufactured Paints and chemicals?
- What are the complaints and suggestions which customers have been raising against your locally manufactured products?

4. Challenges restrain the competitiveness of Ledger Paints

- What are the challenges facing your organisation which you think are having an impact on its product's competitiveness against imports.

3. Entrepreneurial strategies to gain consumer preference over foreign products.

- Do you think your organisation possesses an innovation, creativity and initiation culture, which allows you and all other stakeholders to contribute to new or improved products and manufacturing processes?
- What competitive strategies have management put in place to enhance your Paints and Chemical's preference against imports.
- What do you suggest should be done to improve your company's competitiveness

5. Are there any other issues that you think are relevant for discussion concerning the competitiveness of your local products against imports.

Appendix 4

Interview Guide for Customers

Introduction

My name is Tinashe Gwatidzo and I am currently studying towards a Bachelor of Commerce Business Management Honors Degree with Midlands State University (MSU). I am currently in my final year and pursuing a research entitled: Zimbabwean entrepreneurship's competitiveness in face of international trade in the manufacturing sector- a case of Ledger Paints (pvt) Ltd

In track with my study, I am carrying on a survey to gather data to be used for this research. Therefore am kindly requesting you to help me by providing me with information that will assist in the completion of the study and all the information you provide will be used entirely for this research and will be treated with utmost confidentiality. Findings and conclusions of the study can be available to you upon completion of the research should you find it relevant in practical areas of your company.

1. Product competitiveness

- How does Ledger Paint's locally manufactured paints and chemicals compare with international products?
- What product and corporate attributes do you find superior or most preferred on the imports compared to Ledger Paint's paints and chemicals?
- Do you prefer international products against local paints and chemicals?

2. Reasons for international products preference.

- What factors affect your buying decisions for paints and industrial chemicals?
- Why do you buy foreign products and what factors influence your purchasing choices

4. Challenges restrain the competitiveness of Ledger Paints

- What do you think are the problems facing your local supplier (Ledger Paints) which then limits their local made products from commanding your total preference?.

Entrepreneurial strategies to gain consumer preference over foreign products.

- What do you think should be done at corporate and national level to improve the competitiveness of Ledger Paints' products?

5. Are they any other issues that you think are relevant for discussion concerning the competitiveness of your local products against imports.