

“Shape up or ship out. Experiences of micro and small business entrepreneurs in the Bulawayo Metropolitan Province of Zimbabwe”

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Shape up or ship out. Experiences of micro and small business entrepreneurs in the Bulawayo Metropolitan Province of Zimbabwe

Abstract

This study was part of a larger study that sought to find out why businesses tended to imitate one another. However, this particular study focused on the challenges faced by micro and small entrepreneurs in the Bulawayo Metropolitan Province in Zimbabwe as a result of business imitations. A case study design was adopted and individual interviews were used as data collecting instruments. Qualitative data were collected from 30 purposively selected micro and small business entrepreneurs. Findings revealed that while micro and small business entrepreneurs used imitation as a business entry strategy, they also faced challenges of imitation by other players. Recommendations are that capacity building workshops be conducted to educate these entrepreneurs on appropriate strategies to remain relevant in the market.

Keywords: strategies, imitations, innovation, creativity, capacity building, sustainable.

JEL Classification: L26, M19.

Introduction

Between 2000 and 2008, Zimbabwe was hit by an economic meltdown that saw the real Gross Domestic Product (GDP) shrink by more than 54 percent (Thornycroft, 2006; Kwaramba & Makochehanwa, 2009). The manufacturing sector which was Zimbabwe's second largest employer after agriculture was also hard hit (Bloch, 2010). Richardson (2005) concurs that lack of hard currency which was the aftermath of the collapse of the commercial farming sector, spread to Zimbabwe's manufacturing sector. Following the uncontrollable hyperinflation, the Reserve Bank of Zimbabwe (RBZ), suspended the use of the local currency in February 2009 and adopted the use of multi-currencies; the United States Dollar, the South African Rand and the Botswana Pula among other currencies (Nicoll & Johnstone, 2009). The challenge that faced Zimbabwe post 2008 was to resuscitate an economy that had hit an all time low record (Thornycroft, 2006; Kwaramba & Makochehanwa, 2009).

Musonza (2015) acknowledges that the economy remains fragile with an unsustainably high external debt and vulnerable to many challenges, especially accelerated de-industrialization and informalization. Prominent among problems facing Zimbabwe are factory closures, rising youth unemployment, a liquidity crunch, a negative country-risk premium arising from high levels of public debt, declining international capital inflows (including remittances) and infrastructure bottlenecks. Musonza (2015) further asserts that the poor performance of domestic revenue inflows and the rise in recurrent expenditures is continuously constraining fiscal

space while the continued use of the multi-currency regime results in the monetary policy largely remaining unchanged. The unemployment rate was pegged at approximately 90 percent (Chenga, 2013; Ndlovu, 2015). Musonza (2015) argues that the economy is in this state because consumers, business people and the government have no access to credit. As a result the Reserve Bank of Zimbabwe has failed to fulfil its role as lender of the last resort and companies are facing refinancing difficulties. There is no visible leverage on the Central Bank to influence the supply side of money leading to lack of fiscal space to manoeuvre.

The depressed economy of Zimbabwe has led many people to engage in various entrepreneurial activities as a way of eking out a living (Dube, 2013; Munhazu, 2014). Most of these businesses are imitations as established by the same researchers in a previous study in 2016 on why micro and small businesses in the Bulawayo Metropolitan Province imitate one another's business ideas. Liberman and Asaba (2004) opine that imitation is prevalent in environments characterized by uncertainty or ambiguity. The environment described by Liberman and Asaba (2004) that of uncertainty is similar to the one currently prevailing in Zimbabwe; thereby creating room for imitations.

It is of paramount importance at this juncture to operationalize the definition of micro and small enterprises in order to contextualize the study. Although in Zimbabwe reference is made to small and medium enterprises (SMES), this study will call them micro and small businesses based on the following criteria: according to Sibanda (2004), the definition of small and medium enterprises is dependent on various factors such as the number of employees, market share and asset base among other variables. According to Small Enterprises Development Corporation Amendment Act of 2011, a business that comprises the entrepreneur only without employees is micro; 1 to 5 employees,

small, and a medium sized business is one with between 6 and 75 employees. For purposes of this study the definition of business was based on the number of employees; where respondents with or without employees or with 1 to 5 employees were considered. Due to the economic challenges in Zimbabwe, some medium and big businesses have since ceased operations; hence the focus of the study on micro and small businesses where imitations appear to be rampant.

Statement of the problem

The economic slump that has gripped Zimbabwe has forced the unemployed to turn to any kind of business activity that can generate some income for them. Most of these businesses tend to be imitations of one another. Although Shenkar (2010) asserts that imitation is the roadway to success, the rate at which these micro and small businesses are mushrooming in Zimbabwe generally, and Bulawayo specifically, gives the impression that it is now survival of the fittest. Okpara (2007, p. 8) contends that in a competitive business environment, the entrepreneur should continue to seek out new opportunities and make necessary arrangements to convert opportunities into new goods or services. One wonders how possible this can be in a hyper-competitive environment such as the one prevailing in Zimbabwe. Exposing the challenges caused by imitations and the strategies that micro and small entrepreneurs have used to handle challenges was meant to empower other entrepreneurs who plan to use imitation as an entry strategy of the requirements and the consequences of doing so. The aim of this two pronged study therefore, was to find out:

- ◆ The challenges that micro and small entrepreneurs have encountered as a result of imitating each other's business ideas.
- ◆ The strategies that they have used to handle the challenges of business imitations.

The study was guided by the following research questions:

1. What are the challenges of imitations faced by micro and small entrepreneurs in the Bulawayo Metropolitan Province in Zimbabwe?
2. What are the strategies used by micro and small entrepreneurs to handle challenges of business imitations in the Bulawayo Metropolitan Province in Zimbabwe?

Literature review

According to Piana (2004), imitation of successful products, services and behavior is very common in business. Abernathy (1978) contends that imitation may be extended to products and services generated by the innovator, as well as to its technologies,

procedures, processes, organizational models and market strategies. As was established in the previous study in 2016 by the same researchers conducting this study, some micro and small businesses in the Bulawayo Metropolitan Province have used imitation as an entry strategy. It therefore becomes paramount to expose the different challenges of imitation in order to empower other entrepreneurs who might want to use imitation as an entry strategy.

The definition of imitation in this study was borrowed from Schlag (2011) who opined that imitation is the act of copying the behavior of someone observed. It is the most common learning rule. Schlag (2011) further asserts that not to imitate means to experiment or innovate or to try something new instead of choosing one of the behaviors that have been observed. However, the focus of this study was on legal imitations thus excluding imitations that infringe on copyrights and patent rights. The next section focuses on challenges of business imitations as exposed in literature review which were used for comparative purposes with the current study.

Challenges faced by imitators

According to Gary, Larsen and Markides (2015), by imitating, a firm gains legitimacy and access to resources but it also loses its differentiation and resorts to profit-eroding price competition. Baradello and Salazzaro (2012) are in agreement that although copying is fairly common, success is not guaranteed. Phuc (2015) shares similar views that what worked with the innovators may not work with imitators. This to these researchers is also a challenge in the sense that imitators might think that by imitating a successful business, they will also succeed only for the opposite to happen. Basalla (1988) quoted by Niosi (2012) argues that no matter how dedicated a copyist faithfully duplicates an original, the copy always differs from its model. Even when the copyist and the original maker are one and the same person; the mindset, materials, tools and working conditions are all slightly different and that makes exact reproduction impossible. So if the original maker cannot reproduce an exact copy of the original, what more an imitator? Hence the imitator might set out to copy a product or service with the intention of reproducing the same product or service but fail to do so because the mindset, materials, tools and working conditions are different.

Phuc (2015) postulates that even if imitators embrace imitation and treat it as important as innovation; it is not easy to make it successful. The imitation strategy tends to backfire for example, when imitators are attracted to the observable elements of an innovation and fail to learn and copy

what makes it successful. Shenkar (2010) concurs that losers are those imitators who are not able to deconstruct the models they are imitating; who instead replicate them as they are by neglecting some secondary features. Piana (2004) concurs that imitation requires a vast array of competences.

According to Luo, Sun and Wang (2011) and Cuervo-Cazura and Genc (2008), a successful imitation strategy is contingent on five internal capabilities namely: combinative, absorptive, networking, hardship-surviving and intelligence capabilities. Combinative capability involves skillfully combining and integrating the imitator's own resources with outside technology. Absorptive technology relates to speedily evaluating, learning, applying and enhancing new knowledge. Networking capability involves fostering reliable formal and informal network. Hardship-surviving capability is a combination of entrepreneurs with persistence and flexibility to overcome economic, political and institutional uncertainty. The ability to detect, collect and evaluate information regarding imitation is intelligence capability.

Researchers of this study allude to the aforementioned bearing in mind that imitators imitate business ideas that have been tried and tested with the belief that they might work without conducting a proper market research. Phuc (2015) also asserts that in many cases what worked with the innovators may not work with imitators due to different environmental factors. To these researchers this is a fact which micro and small entrepreneurs might overlook. Phuc (2015) further contends that to successfully compete with innovators, understanding the "true" imitation and being able to develop capabilities to conduct imitation strategies are crucial to imitators. Researchers of the current study hold perceptions that it is probably when they fail that imitators realise that imitating is not as easy as it appears to be.

In this regard, researchers of this study view lack of aforementioned requisite management skills as a challenge because before embarking on a business it is crucial to have requisite skills. However, considering the unemployment rate of about 90 percent in Zimbabwe (Chenga, 2013), the propensity to imitate might be very high due to necessity, without taking into cognisance, the critical success factors of running a business such as possession of management, financial and marketing skills. According to the information based theory of imitation, businesses imitate others because they perceive them as having superior information (Lieberman and Asaba, 2004). However, some imitators who do not have skills may fail to see the hidden benefits, which to this study is a challenge for imitators. Further in this study it is felt that with necessity driven entrepreneurs, the issue of being

proactive might be secondary such that thinking about failure of a business and the strategies to implement might only be of concern when the imitation has failed.

Shenkar (2010) asserts that good imitators do not just wait to imitate; they actively search for ideas worth imitating and that imitation is a complex and demanding process that requires high intelligence and advanced cognitive capabilities. Milan, Iryna and Karl (2014) concur that creative imitation is not meaningless copying and plagiarism or repetition of something, but is a smart quest for improved functional and other characteristics of products or services as the final results of any organization. Imitation is a result of conscious thinking and conscious activities of business men and is an intellectual activity. These researchers concur and see lack of this capability as a challenge to those who do not possess such intelligence. Where imitation is necessity driven, which might apply to micro and small entrepreneurs in Zimbabwe, knowing that these capabilities are crucial, might be irrelevant as the main concern is bread and butter issues.

Phuc (2015) contends that imitation itself costs a lot of money, time and efforts. These are other challenges that imitators face. As has been highlighted, some entrepreneurs are necessity entrepreneurs who might lack the aforementioned resources. This may lead to financial losses and frustrations on the part of the entrepreneur.

Being imitated is another challenge that imitators face. While they may have capitalised on innovators' weaknesses, they also stand the risk of being imitated if they are successful. Valdani and Arbore (2007) argue that the success of an innovative firm stimulates other businesses to follow suit in a competitive game of imitation. In a similar vein, if imitators are successful with their imitations, they are also bound to be imitated which then becomes a challenge to them.

Research methodology

A case study design was adopted for the study (Cooper and Schindler, 2008) to gain insights into respondents' attitudes, feelings, behaviors, concerns and challenges of business imitations. The chosen design fitted well with the objectives of the study which were to get a deeper understanding of challenges micro and small entrepreneurs face due to business imitations and the strategies that they use to handle the challenges (Bryman, 2012).

Thirty similar businesses were purposively selected from the Bulawayo Metropolitan Province. Bulawayo Metropolitan Province was the selected case because of diverse business imitations. Micro and small entrepreneurs were selected because of

the prevalence of imitations in their businesses. Areas of business imitations that were purposively and carefully selected included: car washing, motor mechanics, poultry breeding, events management and hospitality, hair salons and transport. Five respondents were purposively selected from each category bringing the total to 30. The individual micro and small entrepreneur was the unit of analysis.

Qualitative data were collected through in-depth interviews comprising structured and open ended questions. With the use of the interview guide, researchers were able to ask the same questions for consistency and corroboration of answers. The interview guide also enabled researchers to record verbatim what the respondents said and to observe their behavior in their natural settings (Maree, 2007). Data were analysed according to themes concerning challenges of imitations and strategies used to handle these challenges.

There were 30 participants in this study and they were coded as follows for data analysis: 5 in the Events Management and Hospitality Sector (EMHS); 5 in the Transport Sector (TS); 5 Poultry Breeders sector (PBS); 5 in the Hair Salon Sector (HSS); 5 Motor Mechanics Sector (MMS) and 5 respondents in the Car Wash Sector (CWS).

Discussion of results and findings

It is in the context of the discussed literature that the challenges experienced by micro and small entrepreneurs in this empirical study were discussed. The research questions that guided the study are listed below. Both research questions had to be answered for each sector before moving on to the next one to allow for a smooth flow of ideas.

1. What are the challenges of imitations faced by micro and small entrepreneurs in the Bulawayo Metropolitan Province?
2. What are the strategies used by micro and small entrepreneurs to handle challenges of business imitations in the Bulawayo Metropolitan Province?

Information was sought from the respondents pertaining to the challenges that they faced as a result of imitations. The rationale for asking this question was to find out the strategies that micro and small entrepreneurs have used to survive given the rate at which businesses seem to be imitating one another. Through determination of the challenges that arose from business imitations, it would be easy to contextualize the strategies that micro and small entrepreneurs developed. What is important to note is that this empirical study revealed more challenges than those exposed in literature review. Challenges faced included stiff

competition, reduced income, and lack of technology, jealousy and undercutting of each other's prices. What was interesting with the findings was that despite the different sectors investigated; most of the challenges were similar.

Information was also sought on imitation strategies that micro and small entrepreneurs used to handle the challenges. The motive for asking this question on strategies used was to find out how these micro and small entrepreneurs in the Bulawayo Metropolitan Province handled these challenges in the face of the aforementioned challenges of stiff competition and reduced revenue. What emerged from this study was that most micro and small entrepreneurs have adopted the creative and innovative approach to developing imitation management strategies as evidenced by the answers given.

Poultry breeders sector

Findings in this study revealed that the main challenges faced in the Poultry Breeders Sector (PBS) included competition, demanding customers and reduced revenue. Strategies that were employed in handling these challenges included supplying well dressed and big chickens, working as teams to share ideas on rearing skills and coming up with realistic charges and emphasis on health awareness as evidenced by the following responses.

Respondent 1 from the Poultry Breeding Sector (PBS) had this to say:

"There is a lot of competition out there. It appears as if everyone has turned to poultry breeding for a living. In addition, customers are more demanding now than ever before. They want value for their money. You have to make the grade or ship out."

Upon further enquiry on what the respondent meant by 'making the grade', the respondent elaborated and said, *"You have to make sure that your chickens are well fed in order to lure customers. Because there are many competitors, I have had to comply and provide chickens that meet the weight that customers require or else no-one will buy my chickens."*

When asked how she handled the challenge of competition respondent 1 answered:

"We work as a group to reduce competition. In this way we share ideas on poultry breeding. For example, we budget together so that we can come up with uniform prices. We also share ideas on a shorter turnaround time. It used to take us 6 weeks for a chicken to mature but since that period has been reduced because of improvements in feeds. You only get such information if you interact with others. For me competition is healthy and it brings the best"

out of me. The best player must win. Competition has kept me on my toes and as a result I have improved on service delivery."

Respondent 5 from the Poultry Breeding Sector (PBS) made the following contribution of strategies used:

"Chickens supplied by big companies are not properly dressed. Some remain with some feathers and others with intestines that have not been properly cleaned. I make sure that I supply chickens that are properly dressed. Competence must rule."

Respondent 3 gave the following as a challenge faced in the Poultry Breeding Sector (PBS):

"While customers insist that we must produce big chickens, they do not want to pay for what our chickens are worth. They always want to negotiate our prices downwards. If our chickens are too expensive, customers tell us that they would rather buy from supermarkets. It is a big challenge dealing with price sensitive customers."

To handle this challenge respondent 3 answered:

"I have no choice but to allow the customer to dictate terms of payment. You have to take the price offered or remain with your stock of chickens."

Respondent 4 from the Poultry Breeding Sector (PBS) had this to say:

"We used to make money through selling 'insides' separately. Now customers want live chickens so if you insist on selling the insides separately from the chickens, you lose out on customers".

Participant 2 also remarked:

"These days customers are health conscious. They want home grown chickens instead of broilers. These are the chickens that I supply and I am making good business. This is my competitive advantage. Home grown chickens take longer to mature. These days business people want quick money. They are not prepared to wait for longer than 5 weeks, the usual turnaround time."

Brondoni (2012) asserted that imitation is driven by competition and accelerating cycles of customer preferences and this has been exhibited by findings whereby in all they do, micro and small entrepreneurs have to meet customers' preferences in order to survive the competition.

Events Management and Hospitality Sector (EMHS)

Regarding challenges faced in the Events Management and Hospitality sector (EMHS) respondents highlighted competition, talking ill of each other and under cutting of prices as the main challenges.

The strategies that emerged from Events Management and Hospitality Sector (EMHS)

included benchmarking against competitors' functions, importing skills from overseas, getting ideas and ingredients from customers and providing excellent service. These responses are also detailed below.

Respondent 1 from the Events Management and Hospitality Sector (EMHS) contended:

"In Events Management and Hospitality Sector, there is a lot of competition and under cutting of each other's prices. There are students who are being churned out by Hospitality and Tourism Colleges. They have better catering skills as they are undergoing training. Due to the pressure to raise College fees, they will take whatever price and mind you some of them are better caterers than some of us who are opportunists."

These findings tally with Gary, Larsen and Markides (2015)'s claims that by imitating, a firm gains legitimacy but it also loses its differentiation and resorts to profit-eroding price competition. When asked why she had ventured into Events Management and Hospitality Sector (EMHS) without the requisite skills;

Respondent 1 had this to say:

"It was out of necessity that I went into this business and this is why I have challenges. I thought that I would capitalize on my home grown cooking skills, only to realize that it is a totally different environment. In this industry there is need for expert cooking knowledge, marketing skills and good communication skills."

When probed about the strategy used to handle the challenge of lack of requisite skills, Respondent 1 in EMHS gave the following answer:

"What I do is imitate most of the ideas I see when I attend weddings. I attend some weddings on the pretext that I am a guest. I know this is unethical but I have no choice since I do not have the skills."

Perhaps micro and small entrepreneurs are overwhelmed by competition because going into business was a reaction to the hostile environment without considering the consequences of imitations. As a result, coming up with strategies to handle the challenges becomes an arduous task. Being in the Events Management and Hospitality Sector (EMHS) cannot be taken as an extension of their household chore of cooking. A lot of professionalism is required since these service providers will be competing with giants in the business such as Holiday Inn, Rainbow Group of Hotels and Bulawayo Hospitality and Tourism School whose catering is done by experts.

Respondent 3 from Events Management and Hospitality Sector (EMHS) gave the following answer:

“There is a lot of comparison of suppliers in the Events Management and Hospitality Sector. It is not easy to surpass the standards of those who have been in this industry for longer. I have only been in this sector for five months and we have players who have been in this industry for more than 10 years.”

Respondent 3 made the following contribution on the strategy:

“I am one person who is open to advice and ideas. I actually ask my customers to give me business ideas. I get a lot of ideas from especially Diasporians. I also ask them to provide their own ingredients. That way I know I’ll satisfy my customers. I also watch television and see what celebrities do at their weddings and benchmark.”

The answer from respondent 2 was as follows:

“There is a lot of ill talk about each other in our sector by those who cannot match our high standard of catering. They try by all means to tarnish our names by discrediting our service. I remember one time when rumours spread that I had used bicarbonate of soda to fast track the cooking of meat and as a result people at that wedding had suffered from serious diarrhoea.”

Respondent 2 gave the following answer of the strategy used:

“First and foremost I ignore the bad comments I hear about me and continue to give good service. I joined this industry because I had a passion for it. I always top up my service with passion and none can beat me on that score. I have built a brand name for myself. My work advertises for me.”

While the question was on the challenges that micro and small entrepreneurs faced as a result of imitations, respondent 4 from Events Management and Hospitality Sector (EMHS), refuted that she experienced any challenges as revealed by her answer:

“I have no challenges. I lead and others follow. I capitalize on good service delivery that makes customers come for more. When asked what strategies she used, she gave the following answers: “There is a lot of undercutting of each other’s prices but there is no substitute for excellent service. I continue to upgrade my service and live up to the competition. I had to send my daughter to the best Hotel School in Switzerland and she brought ideas that have not yet reached the Zimbabwean market and that has actually been my competitive advantage. After every six months, I bring a new idea into the market.”

This response shows that with better skills, one is definitely poised for success. Some entrepreneurs could have possibly thought that catering was easy

particularly for ladies who took it to be an extension of cooking at home. It has to be noted that it is actually a different set up in the Events Management and Hospitality Sector (EMHS) where these novice entrepreneurs meet with more skilled competitors.

These findings show the intensity of competition in the Events Management and Hospitality Sector (EMHS) and the need for creativity and innovation. These results are in tandem with Okpara’s (2007) assertions that in a competitive business environment, the entrepreneur should continue to seek out new opportunities and make necessary arrangements to convert opportunities into new goods or services. Micro and small entrepreneurs in the Events Management and Hospitality Sector (EMHS) appear to be implementing the aforementioned strategies in order to survive.

Motor Mechanic Sector (MMS)

Generally, respondents in this sector cited the following as challenges that they faced: price sensitive customers who want cheap spares forgetting that cheap spare parts are sometimes not durable; reduced revenue as a result of many service providers and competition from those who use technology. These are entrepreneurs who have been in business for some time and have accumulated reasonable income to purchase assets.

On strategies used to handle challenges, respondents in the Motor Mechanics Sector (MMS) contended that they have had to develop the following strategies to handle challenges of imitation: partnering of members with different skills, referrals from other players due to expert knowledge they possess, sub-letting to those with equipment, targeting affluent customers and offering genuine parts.

Respondent 3 in the Motor Mechanic Sector (MMS) gave the following answer to the question on challenges in their sector:

“Customers want good service for very low charges. Customers are more mindful of their pockets nowadays than they were before. They now want to dictate the prices to us. It is take it or leave it.”

To handle this challenge, the respondent answered:

“We agree on payment plans. There is nothing I can do.”

Respondent 2 mentioned the following challenge:

“There is stiff competition in our sector. More players mean less customers and reduced revenue. As a result, customers want to dictate prices to us. When I started I served five customers a day but these days I can even spend the whole day without getting a single customer. Rentals have also

skyrocketed because of increased demand for space due to the increase in the number of motor mechanics. The other challenge we face is that we are competing with 'fly by night' mechanics that spoil our names by offering shoddy services. Some of them supply fake spare parts or fail to service customers' cars properly due to lack of skills. It then becomes difficult to convince new customers that we are skilled in our trade."

To handle the challenge of lack of requisite skills, respondent 2 asserted that:

"Some of us have decided to work as a group to handle the challenge of competition where our group comprises members with different skills. After I have done my bit, I refer the customer to my colleague who is a specialist in another area. This way, we manage to retain our customers."

What emerged from these findings is that some micro and small entrepreneurs ride on concerted effort to mitigate the challenges that have arisen as a result of imitations. This is one way of doing business differently. They imitated but made some additions by working as a team; a form of creative imitation where you imitate but modify.

Respondent 1 from the Motor Mechanics Sector (MMS) had the following answer to the question:

"We have motor mechanics that have acquired updated diagnostic machinery who offer more specialized services at a fast pace. Customers are busy these days. If you take the whole day to fix their cars, they will leave you."

To counter the challenge the strategy used is as follows.

Respondent 1 from the Motor Mechanics Sector (MMS) gave the following as a strategy used to counter the challenge of shortage of equipment.

"I sub-let my premises to other motor mechanics who have equipment that I do not have so that we can share. I do not have to pay extra costs of sourcing equipment that I do not have and in this way I have managed to retain my customers."

To the researchers' surprise, respondent 3 from the Motor Mechanics Sector (MMS) indicated that personally he does not have challenges as evidenced by his response:

"I have carved a niche for myself by penetrating the market of the affluent customers. It was because of the competencies that I have, that I managed to convince them that I can deliver. Once you deliver, and these types of customers develop some trust in you and you never disappoint them; you are assured of returning customers. My other competitive advantage is to supply genuine spare parts which I

order directly from the manufacturers. Customers know that when they want genuine parts they can come to me."

These findings tally with Valdani and Arbore (2007) views that an imitator should have fine-tuning superior skills in exploiting imitation speed economies, both in terms of technical and production development and in terms of process flexibility.

Transport Sector (TS)

What emerged as major challenges in the transport sector were busy customers, competition, diversion of routes, theft and poor communication skills. Respondents in this sector outlined the following as ways of handling the challenges of imitations: offering door-to-door delivery, making use of smaller cars instead of kombis to cater for customers in a hurry, continuous training of personnel in customer care and operating as a consortium to agree on terms and conditions of operation,

Respondent 4 in the Transport Sector (TS) gave the following answer:

"Time is money these days. Customers are always in a rush. These small cars are really pushing us owners of kombis out of business by offering very fast service. It also does not take much time to fill up a small car compared to a kombi."

When asked about the strategy used to handle the aforesaid challenge, the response was as follows:

"I also use small cars instead of kombis to beat competing pirate taxis."

Respondent 5 from the Transport Sector (TS) also contributed and said:

"I ensure that my customers are transported to their destinations at the earliest possible time by getting those customers who drop off first being the last to board so that little time is spent in embarking and disembarking. However, those who will be in a very big rush, I advise them to take metered taxis which are also part of my fleet."

Respondent 1 from the Transport Sector (TS) contended the following as a challenge:

"Some drivers will divert from the authorized routes without your permission and when customers complain, you have to investigate and this is time consuming and costly."

To counter the challenge respondent 1 advised as follows:

"I have installed a tracking system to catch those drivers who divert routes. I always communicate with my drivers once I see that they have diverted routes or they are stopping at undesignated places

or they have stopped for too long. Although to begin with the tracking system seemed to gobble my profits, with time, I realized enough money to set aside cash to have it running from the savings I have made. Days are gone when drivers would benefit more than us through theft, thanks to technology.”

Respondent 3 from the Transport Sector (TS) gave the following answer:

“The other challenges we face are theft and tarnishing of our images. Some drivers will steal your money and will spoil your name by being rough to customers. So we are always paying fines. We emphasise to them proper ways of handling customers but not a day passes without us getting complaints from customers who say our drivers insult them.”

To curb these challenges Respondent 3 gave the following answer:

“I hire someone to come and lecture to my team on proper communication skills, handling of customers and general cleanliness. I have to do this on a continuous basis. Those who refuse to learn, I dismiss them as I cannot afford to destroy the name I have taken so long to build. There is a need for continuous training of the crew on customer service, especially communication with customers. I also maintain my loyal customers who know very well that I do not offer mediocre services.”

The other strategies that emerged from the Transport Sector (TS) were as follows.

Respondent 2 from one consortium in the transport sector gave the following answer:

“We have had to come up with new ideas to remain in business. We now operate as a consortium where we agree on terms and conditions of operations in terms of the code of conduct. We came up with a brand name for our fleet. Customers know our fleet by its name. Our drivers are taught good customer care. Cleanliness is prioritized and good treatment of customers. We always emphasize to our drivers that revenue comes from customers hence the need to treat them with respect and dignity. After hours, we do door-to-door delivery and ensure that our customers are safe. As a result customers flock to our rank and our brand name has managed to advertize itself. We also engage in corporate social responsibility activities. When there is a funeral in the community that we serve, we provide transport. This contribution towards bereavement has really marketed us.”

Respondent 3 from the Transport Sector (TS) reiterated:

“The only way to beat the rival operators is to provide good customer care. If a customer is treated with respect, he or she will come back for more. I make sure that my car is clean and regularly serviced. I am also attending a course on customer care with one Polytechnic College in town. It is important to constantly upgrade one’s skills especially these days with customers who know their rights.”

Respondent 5 again had this to say:

“We decided to work as a team upon realizing that the costs were heavy for us. I teamed up with an auto-electrician and a panel beater. We offer these services under one roof. In this way we are able to harness the revenue and manage competition.”

Findings from this sector showed that service providers have had to be innovative to beat competition in their sector. These results confirm the views by Milan et al. (2014) that creative imitation is not meaningless copying and plagiarism or the repetition of something, but is a smart quest for improved functional and other characteristics of products or services as the final results of any organization. These micro and small entrepreneurs did not just copy the ideas and end there but put effort in improving the copied business ideas. These findings are reflective of the cut-throat competition that exists in the Transport Sector (TS) which requires micro and small entrepreneurs to improve on service delivery and plug all loopholes to reduce theft in order to survive.

Hair Salons Sector (HSS)

Regarding challenges, respondents in the Hair Salon Sector (HSS) generally complained of flooding of service providers in this sector resulting in reduced revenue. Strategies employed to handle the challenges involved re-designing the hairstyles, combining different hair styles or asking customers to bring their own hair pieces.

Challenges and remedies are captured in the following quotes.

Respondent 2 from the Hair Salon Sector (HSS) made the following contribution:

“There are just too many players now eroding our revenue. Customers now go for hair-styles that last for more than 3 months. Imagine if all your customers go for those hair-styles; half the time you have no customers. To make it worse, we have chancers in our industry. Putting a hair piece does not require a lot of skill. As a result some people learn on the job; thus again reducing our income.”

To keep the business afloat, respondent 2 from the Hair Salon Sector (HSS) posited that:

“Most hair salons are concentrated in town. I provide my services in the residential areas. Sometimes I am a mobile hair dresser; I go to where customers need my services. Being flexible and mobile has given me a competitive advantage.”

Respondent 3 from the Hair Salon Sector (HSS) shed light on the strategy she used by saying:

“I constantly study the environment so as to imitate the latest styles in the market. I do not just imitate the ideas as they are; I make sure that I combine two or three patterns and come up with a unique hair style. I make sure that when I offer my services there is a personal touch to it. I listen to my customers and make them feel important.”

Respondent 4 from the Hair Salon Sector (HSS) gave the following answer on the strategy used:

“Times are hard so I negotiate with my customers. Those that I have developed a customer relationship with, I allow them credit when they do not have ready cash. This way I get them to come back.”

Car Wash Sector (CWS)

The major challenge found in this sector was that there is cut-throat competition from service providers who have acquired sophisticated car washing machinery.

Respondent 4 in the Car Wash Sector (CWS) had the following general contribution to make:

“We are competing with imported technology nowadays. If you clean your cars manually, busy customers will look for a faster alternative.”

Strategies used by respondents in the Car Wash Sector (CWS) to handle imitations included developing a good customer relationship, offering non-core services and investing in technology.

Evidence is shown in these responses.

Respondent 5 from the Car Wash Sector (CWS) answered in this way:

“It’s very important to create a relationship with customers. If they get a good service, they will continuously come for more car washes and even refer other people to you. My competitors can only imitate the equipment and not what makes my business tick. The education I possess has transformed me into a totally different entrepreneur.”

Respondent 1 in the Car Wash Sector (CWS) gave the following answer:

“I am renting a place big enough to enable me to provide other facilities such as braai facilities and a small tuck shop while my customers’ cars are being washed. I also have a mini jumping castle for mothers who have brought their cars for washing. For those customers that love reading, I have

magazines for them. You have to keep your customers entertained. If they get bored, they will not come again.”

Respondent 3 from the Car Wash Sector gave the following answer:

“Technological advancement has caught up with me and I cannot cope so I have joined a savings club where we collectively buy for one individual at a time. I cannot afford to buy most of the equipment on my own.”

Findings on strategies employed by micro and small entrepreneurs in the Car Wash Sector (CWS) to handle imitations are in tandem with what Valdani and Arbore (2007) asserted that in creative imitation the imitator makes some changes to the original concept, with the aim of creating new applications. All the respondents agreed that they imitated business ideas but they had innovated them.

Conclusions

The objectives of this study were to find out the challenges that micro and small entrepreneurs have faced as a result of imitating one another’s business ideas and the strategies that they have used to handle the challenges thereof. Based on the findings, this study drew the following conclusions: micro and small entrepreneurs who used imitation as an entry strategy in business have had to contend with being imitated by other players too. The challenges that micro and small entrepreneurs in the Bulawayo Metropolitan Province have faced as a result of these imitations include stiff competition, reduced income, tarnishing of image, theft, lack of technology, jealousy and undercutting of each other’s prices. In the face of continued economic adversities and the need for survival, micro and small entrepreneurs have had to devise strategies that have enabled them to remain afloat. These strategies include teaming up with skilled partners if the challenge is that of lack of skills, carving niches for themselves based on their competitive advantages, improved customer care, acquisition of relevant skills, negotiating prices, innovating on imitated ideas, forming consortiums and acquisition of up to date technology. The implications are that the above mentioned strategies can work in a highly competitive business environment since they have worked in a depressed and highly competitive business environment such as the one prevailing in Zimbabwe. What follows are conclusions drawn sector by sector.

In the Poultry Breeders Sector (PBS) the challenges faced were competition, demanding customers and reduced revenue. Counter strategies included meeting customers’ demands of supplying well dressed and big chickens, teaming up to share ideas on rearing skills; negotiating realistic prices and placing emphasis on health awareness. Therefore,

with the above mentioned strategies, a micro and small entrepreneur in the Poultry Breeders Sector is likely to survive.

Challenges experienced in the Events Management and Hospitality Sector (EMHS) were competition, talking ill of each other and under cutting of prices. It can thus be concluded that for micro and small entrepreneurs to survive in the Events Management and Hospitality Sector (EMHS) they had to employ strategies of benchmarking against competitors' functions, importing skills, requesting customers to provide their own ingredients and above all providing excellent service.

What came out clearly as challenges faced by respondents in the Motor Mechanics Sector (MMS) were that most of the customers in Zimbabwe were price sensitive. Operators in this sector were facing reduced revenue as a result of many service providers, bogus mechanics who tarnish the image of the industry and competition from those who had managed to acquire diagnostic machinery. Strategies that had worked for respondents were partnering of members with different skills, referrals from other players due to the possession of expert knowledge, sub-letting to those with equipment, targeting affluent customers, providing good customer care and offering genuine parts.

Challenges faced in the Transport Sector included busy customers who want speedy service, competition, diversion of routes, theft and poor communication skills. The study concluded that strategies that are likely to work which respondents had employed were door-to-door delivery, making use of smaller cars instead of kombis to cater for customers in a hurry, installation of tracking devices, continuous training of personnel in good customer care, corporate social responsibility activities and operating as a consortium to agree on terms and conditions of operation.

The study concluded that in the Hair Salon Sector (HSS), the challenges were flooding of service providers in this sector resulting in reduced revenue. Strategies that worked for respondents to handle challenges involved re-designing hairstyles, combining different hair styles or asking customers to bring their own hair pieces.

The major challenge drawn about operating in the Car Wash Sector (CWS) was that there was cut-throat competition from service providers who had acquired sophisticated car washing machinery. Micro and small entrepreneurs in the Car Wash Sector had survived as a result of developing good customer relationship, offering non-core services and investing in technology.

What was glaring in these results was that despite the differences in the surveyed sectors, challenges

that were faced were similar and the strategies that were developed involved creative imitation. Consequently, due to the continued depression in the Zimbabwean economy, where resources to do market research are inadequate, business imitations are bound to continue. The aforesaid challenges are inevitable and the strategies that have been highlighted might help entrepreneurs to survive as these strategies have been tried and tested. This study is unique in that it has not only exposed challenges that micro and small entrepreneurs face as a result of imitating one another's business ideas but it has also brought new knowledge around business imitations and survival strategies. Micro and small entrepreneurs have had to shape up or else they would have found themselves out of business.

Recommendations

The following recommendations are based on the following challenges that emanated from the study: stiff competition, reduced income, lack of technology, jealousy and undercutting of each other's prices. Based on these findings in order for micro and small entrepreneurs to survive in a business environment where the mode of operation is that of survival, there is need for policy makers and various organizations to come up with appropriate policies that will not only make these micro and small entrepreneurs survive in the short term but enable them to grow and sustain their businesses. This can be achieved through taking the following measures:

- ♦ To counter stiff competition, capacity building workshops should be organised where creative and innovative strategies that these entrepreneurs have developed will not only be harnessed but also improved upon. There is need too for micro and small entrepreneurs to be equipped with skills of being constantly creative and innovative in order to remain relevant as customers' tastes and preferences are continuously changing.
- ♦ On the issue of reduced income, micro and small entrepreneurs need to be trained on how to constantly scan the environment so that they are up to date with market demand. Facilitators in these workshops should also train micro and small entrepreneurs to be flexible and adaptive so that they can do business differently in order to make profits. It is therefore imperative that micro and small entrepreneurs are equipped with appropriate re-engineering skills.
- ♦ To beat the challenge of lack of technology, micro and small entrepreneurs should form partnerships or form savings clubs where they can take turns to make purchases. Technology is the in thing these days; therefore the earlier entrepreneurs realized this, the better.

- ◆ To curb the challenge of having their images tarnished, micro and small entrepreneurs need to be trained on the need for good customer care, good communication skills and personal cleanliness through workshops by responsible authorities.
- ◆ Jealousy and undercutting of each other's prices emerged as other challenges that micro and small entrepreneurs faced. To handle these challenges, it is also important for entrepreneurs to specialize.
- ◆ Once they are specialists, they can always thrive on their core competencies. It is important to be a cut above the rest of other entrepreneurs.

Area for further study

Findings of this study showed diverse demographic characteristics. A potential area for further study would be to investigate the impact of any chosen demographic variable on business imitations.

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