Analysing the Level of Competitor Orientation in a Hospitality Concern: A Case Study of Zimbabwe Parks Authority (Zimparks) Lodges.

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Abstract: The study aimed at measuring the level of competitor orientation in Zimbabwe Parks Authority (Zimparks) Lodges. Competition is so intense that Zimparks lodges are experiencing very low profit margins. A cross-sectional survey was used for the research. A quota sample of 207 composed of Zimparks visitors, employees, and management was taken for the study. Competitor orientation culture of Zimparks was unimpressive since their products and services did not surpass their competitors and their pricing structure was not linked to competitors.

Keywords: Competitor orientation, competitor analysis, marketing orientation

Introduction

Zimparks Lodges has generally failed to compete with the surrounding lodges and hotels. These lodges and hotels include Ruparara Lodge and Nyanga Rhodes Hotel in Nyanga, Hwange Safari Lodge and Ganda Lodge in Hwange, Ilala Lodge, Victoria Falls Safari Lodge and Rainbow Zambezi Hotel and Elephant Hills Hotel in Victoria Falls, Ritz Hotel and Great Zimbabwe Hotel in Masvingo, Matopo Hills Lodge and Bulawayo Rainbow Hotel in Bulawayo and at Chivero, Harare Safari Lodge, Hunyani Hills Hotel and many other lodges and hotels in greater Harare. One of the possible reasons for this failure could be poor competitor analysis and benchmarking. To achieve higher revenue targets for sustaining the Zimparks operations the lodges need to devise effective competitive strategies. This study aims at analysing the competitor orientation level for Zimparks.

Literature Review

Jobber (2010) defined competitor analysis as an examination of the nature of the actual and potential competitors, their objectives and strategies. Competitors can be classified as defenders, prospectors, analysers and reactors by Miles and Snow (1978). Kotler and Keller (2013) placed competitors into market leaders, market followers, market challengers, and market nichers. Kotler and Armstrong (2013) defined a competitor-centred company as a company whose moves are mainly based on competitors’ actions and reactions. They continued to say that a competitor-centred company is one that spends most of its time tracking competitors’ moves and market shares and trying to find strategies to counter them.

According to Kotler and Armstrong (2013), competitor analysis is defined as the process of identifying key competitors, assessing their objectives, strategies, strengths and weaknesses, and reaction patterns; and selecting which competitors to attack or avoid. In competitor orientation, Kotler and Armstrong (2013) identified two steps which start with competitor analysis. This is defined as the process of identifying, assessing, and selecting key competitors. The second step is developing competitive marketing strategies that strongly position the company against competitors and give it the greatest possible competitive advantage. Competitive marketing strategies are strategies that strongly position the company against competitors and give the company the strongest possible strategic advantage. In competitor analysis, Jobber (2010) identified a model which helped to illustrate the concept of competitor analysis as shown below (Figure 1).

Figure 1: The Competitor Analysis Model

In other words competitor analysis seeks to answer the five key questions, which include: Who are our competitors?, What are their strength and weaknesses?, What are their strategic objectives and thrust?, What are their strategies?, What are their response patterns? (Jobber, 2010). Competitor-orientation is also implemented using both defensive and attack strategies (Kotler and Keller, 2013 and Jobber, 2010).

Competitor oriented firms are pre-occupied with assessing and monitoring the objectives, strategies, tactics and even response pattern of their rivalry firms. It can use the metrics like delivery times, productivity levels, customer satisfaction, innovation levels and relative market share. Competitor orientated firms were found to be successful in hostile competitive environments by Sorensen (2009). Some authorities argue that competitor orientation is a more powerful strategic posture than customer orientation since it leads to product differentiation in a crowded market place, unique pricing, and being more stakeholders orientated.

There are four levels of defining competition, and this start with brand competition, industry competition, form competition and generic competition (Kotler, 2000). Brand competitors are other companies that offer similar products to the same customers at similar prices. In industry competition, all firms that offer the same product or class of products are labelled as competitors. Form level competitors are all companies that manufacture products that solve a similar need or supply the same service. Generic competition sees all firms and enterprises as competing for the same consumer dollars (Kotler, 2000).

Wang et al, (2012) said the maturing of the hotel industry saw the growth in number of competitors and customer sophistication. Wang et al, (2012) recommended the use of;“Competition in our industry is cut throat, there are many ‘promotion wars’ in our industry, anything that one competitor can offer, others can match readily, one hears of a new competitive move almost every day, our competitors are relatively weak”, as survey items for measuring competitive intensity in the hotel industry. These same measures are well covered by the ‘nature of rivalry’ under Porter’s five forces analysis (Porter, 2008). The nature and intensity of rivalry is likely to increase if there are high fixed costs of production, products that are perishable and need to be sold quickly, when products are homogenous, when customers can easily switch between products, and when exit barriers are high(Porter, 2008). Tavitiyaman, Zhang and Oh (2012), on their study of competitive strategies and their effect on organisational performance noted that common approaches for achieving competitive advantage by hotels including brand image differentiation, having adequate number of skilled and trained hotel staff and use of advanced information technology. Kim and Oh (2004) on their article titled ‘How do hotel firms obtain competitive advantage’, recommended firms to create values by adopting itself to the harsh competitive environment, researching on changing needs of consumers and fighting new market entries.

With the increasing competitive intensity in the lodging business, Kim and Oh (2004) encourage firms to use an integrated approach to creation of competitive strategies by considering the ‘Porter’s Five Forces’ approach, the ‘Resource- Based View’ and the ‘Relational Approach’. The Five Forces aim at detecting the threats and opportunities given by the external environment in terms of buyer power, customer power, power of substitutes, and possibility of new entrants and effects of other players. The resource based strategy focus on developing resources that are unique, non-substitutable and of high value. Resources include competencies, assets, capabilities, resources, information and knowledge (Kim and Oh, 2004). Relational approach will make the lodges business achieve competitive advantage from strategic alliances, joint ventures, mergers, networks and other inter-firm exchange relationships.

The more one firm’s strategy is similar to another firms’ strategy, the more the two companies compete. Kotler and Keller (2013), Kotler and Armstrong (2013) and Jobber (2010), all seems to give more value on Porter’s Five forces, stakeholder mapping and SWOT analysis which also include some competitor analysis. Kotler and Keller (2013) also recommended the use of benchmarking for studying ‘best practice of other companies so as to improve performance of the case study firm. The firm’s task is to examine its own operations and assets. And they should go further and study the best of class and practices of the world’s best companies. We can identify best practice companies by consulting customers, suppliers, distributors, financial analysts, trade associations and magazines to see whom they rate as doing the best job. Even the best companies can benchmark against other industries if necessary to improve their performance (Kotler and Keller, 2013). Kotler and Armstrong (2013)
defined benchmarking as the process of comparing the company’s product and processes to those of competitors or leading firms in other industries to identify best practices and find ways to improve quality and performance. Kotler and Armstrong (2013) pointed out that apart from secondary data, personal experience and words of mouth, companies also learn about their competitors’ strengths and weaknesses through benchmarking. They continued to say that benchmarking has become a powerful tool for increasing a company’s performance. This approach has some positive and negatives. On the positive side, the organisation developed a fighter orientation, watches for weaknesses in its own position, and searches out competitors’ weaknesses. On the other negative side, the organisation becomes too reactive and worried about fighting competitors rather than satisfying customers.

A market oriented firm may uncover, through its intelligence about customers or competitors, that investment are required in a non-market asset to achieve or maintain their competitive advantage (McNaughton et al, 2002). Vazquez, Alvarez and Santos (2002) said market orientation emphasises the attainment of competitive advantages based on the correct identification of customer needs and overcoming competition. The current study used learning new products from competitors, having products that surpass competitors, use of pricing structure based on competitors, deliberate collection of information about its competitors, ability to predict future behaviour and activities of competitors, and knowledge of strong and weak points of competitors, as key measures for market orientation culture.

Materials and Methods

The research design took the form of a cross section survey. The target population included Zimparks visitors, employees and management for which a quota sample of 207 was taken. The questionnaire was administered through face-to-face survey. A reliability value of 0.852 was acceptable since it was above the 0.80 benchmark. Research validity was ensured by pre-testing the questionnaire to identify key variables related to the research question.

Results and Discussion

This section describes the key findings on competitor orientations of Zimparks lodges. The perceptions of stakeholders on this variable are presented in the Table 1 below.

<table>
<thead>
<tr>
<th>Table 1: Competitor Orientation of Zimparks Lodges</th>
<th>Mean</th>
<th>SA</th>
<th>A</th>
<th>NS</th>
<th>DA</th>
<th>SDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zimparks lodges learn new products and systems from competitors (Benchmarking)</td>
<td>2.72</td>
<td>14.5%</td>
<td>34.3%</td>
<td>20.8%</td>
<td>25.6%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Zimparks lodges have products and services that surpass competitors</td>
<td>3.52</td>
<td>3.4%</td>
<td>18.4%</td>
<td>15.0%</td>
<td>49.3%</td>
<td>14.0%</td>
</tr>
<tr>
<td>Zimparks lodges pricing structure is based on competitors</td>
<td>3.21</td>
<td>1.4%</td>
<td>20.3%</td>
<td>44.0%</td>
<td>24.6%</td>
<td>9.7%</td>
</tr>
<tr>
<td>Zimparks lodges deliberately collect information about its competitors</td>
<td>2.94</td>
<td>4.3%</td>
<td>28.5%</td>
<td>38.6%</td>
<td>25.6%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Zimparks lodges predict future behaviour and activities of its competitors</td>
<td>3.25</td>
<td>3.4%</td>
<td>21.7%</td>
<td>32.4%</td>
<td>31.9%</td>
<td>10.6%</td>
</tr>
<tr>
<td>Zimparks lodges know the strong and weak points of their competitors</td>
<td>2.59</td>
<td>25.6%</td>
<td>22.7%</td>
<td>26.6%</td>
<td>17.4%</td>
<td>7.7%</td>
</tr>
</tbody>
</table>

Source: Survey Results (2016)

Zimparks Lodges Learn New Products and Systems From Competitors (Mean=2.72).
The respondents felt that Zimparks lodges learn new products and systems from competitors. The customers could have thought that the lodges’ management and employees cannot generate their own new products from internal innovation efforts. Ability to copy from competitors, however, also
shows some strength in marketing orientation culture. Learning from competitors enables the Zimparks lodges to close the competitive advantage gaps. Kotler and Keller (2013) said a firm can learn from competitors by consulting its customers, suppliers, distributors and other stakeholders.

**Zimparks Lodges Have Products and Services That Surpass Competitors (Mean=3.52).**

Majority of respondents indicated that Zimparks lodges have no products and services that surpass competitors. This could reflect that the lodges only meet the basic features of lodges in many areas or that they offer services differing from its main competitors. The company does not need to develop new systems, products, processes and other service blueprints that compete with its rivals but rather it should capitalise on the uniqueness of its brand instead. Zimparks lodges offer its services in an environment characterised by themes of wildlife and safari ambience. The lodges could be above other competitors but fail to communicate the importance of such attributes.

**Zimparks Lodges Pricing Structure is Based On Competitors (Mean=3.21).**

Respondents felt that the pricing structure is generally unique, and not related to competitors. The prices were commented as good and affordable by most respondents. Though they are not competitor oriented their price acts as a pull factor for growing their client base. Zimparks lodges are a government linked entity and as such, their prices are normally gazetted by the government. A good price might need to consider the actions of competitors in terms of their prices, tactics and strategies.

**Zimparks Lodges Deliberately Collect Information about Its Competitors (Mean=2.94).**

Customers were not sure about the competitor information system of Zimparks lodges. Since 2.94 is close to 3.00, some aspects of collecting data from competitors comes in as they share industry data with competitors. Competitor information is usually collected through marketing intelligence that is less deliberate in nature. A fully competitor oriented firm need to be able to collect relevant and detailed information about their competitors. Jobber (2010) encourages market oriented firms to have a full competitor information system.

**Zimparks Lodges Predict Future Behaviour and Activities of Its Competitors (Mean=3.25).**

The study indicated that respondents generally disagreed that Zimparks lodges predicts future behaviour of its competitors. Zimparks lodges seemed to be less inclined on searching about competitors due to its Parastatal and government nature. Future behaviour of competitors can be estimated by looking at their vision, mission, strategic plan and other operational documents. This showed that the Zimparks lodges were generally less competitor oriented.

**Zimparks Lodges Know the Strong and Weak Points of Their Competitors (Mean=2.59).**

The respondents felt that the lodges know the strengths and weaknesses of their competitors. Though they did not make strategic changes basing on competitor profiles, Zimparks lodges were perceived as having some background knowledge about their competitors by the ‘stakeholder-respondents’. Though full knowledge about competitors is difficult to collect, knowledge of competitors’ strong points and weak points is an acceptable status of a marketing orientation culture.

**Hypothesis Testing: Zimparks’ Competitor Orientation Levels**

We carried out a one tailed t-distribution test at 5% significance level and set to reject H0 if p-value>0.05. While the mean value analysis used 3.00 as the benchmark, the hypothesis testing used 2.50 as a stricter version for recommending the implementation of strategic decisions.

H: Competitor Orientation levels of Zimparks lodges are acceptable.

H0: mean ≤ 2.50

Ha: mean > 2.50

**Table 2: T-Tests: One Sample t-test Results for Competitor Orientation Means**

<table>
<thead>
<tr>
<th>Competitor Orientation</th>
<th>Mean</th>
<th>SD</th>
<th>Observations</th>
<th>t Stat (t_cal)</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>3.0383</td>
<td>.35165</td>
<td>6</td>
<td>3.750</td>
<td>.013</td>
</tr>
</tbody>
</table>

Since t_cal value of 3.750 had a p-value of 0.013 which is less than 0.05, we conclude that Zimparks lodges competitor orientation level is generally below the expectation of ‘stakeholder-respondents’ at 5% level of significance. This means that both the management and employees, especially those in
the commercial services is not competitor-oriented. Zimparks should be seen mainly focusing on studying what their competitors are doing and their results and take advantage of their competitors’ weaknesses. After achieving all these, Zimparks is now said to be moving towards marketing orientation.

Conclusion
Competitor orientation of Zimparks lodges was equally unimpressive. Although they showed thorough knowledge of their competitors’ strengths and weaknesses through deliberate efforts of collecting such information, they did not have products and services that surpassed their competitors. This was also reflected partly by their price structure which was not inspired by competitors. Zimparks lodges again showed little competitor orientation by not using information gathered to predict competitor’s likely future strategies. This can all be summed up as a lack in full competitor orientation as they are not putting full use to the competitor information that they actively gather.

References