TOPIC

STRATEGIC ALLIANCE: COMPETITION AND VALUE CREATION. AN EXPLORATORY STUDY OF THE ZIMBABWE COMMERCIAL BANKING SECTOR.

BY

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ABSTRACT

This research explores the contribution of strategic alliances to Competitive Advantage and Value Creation in the Zimbabwean commercial banking sector. With globalisation turning the world into a global village and international banking standards entering into the local market, also, the introduction of relatively high capital threshold by the Reserve Bank of Zimbabwe has made business more difficult with revenue lowered and high costs. It has also reduced competitiveness of banks, thereby prompting the need for strategic alliances. The research sought to establish the level of contribution of strategic alliances to competitive advantage and value creation in the Zimbabwean commercial banking sector. The study also attempted to find out whether strategic alliances are sustainable and profitable. Furthermore the research sought to establish whether strategic alliances are mutually beneficial. Literature revealed that strategic alliances are mutually beneficial. The research used an exploratory and descriptive research design and the targeted population consisted of all commercial banks. The study found out that most banks are into strategic alliances and are reaping rewards in the form of profits. The findings revealed that strategic alliances are sustainable. Furthermore compatibility, communication, commitment and capability were found to be critical success factors in the formation of strategic alliances. In line with the findings the research concludes that strategic alliances can be used as a tool for gaining a competitive advantage and value creation. The research also concludes that strategic alliances are profitable and sustainable. In line with the findings obtained it is recommended that organisations use strategic alliances as a tool for gaining a competitive advantage and creating value. Potential alliance partners are also recommended to evaluate each other in terms of compatibility capability and commitment and also to continuously communicate so that they maximize the rewards from engaging in such relationships.