

# **BINDURA UNIVERSITY OF SCIENCE EDUCATION**



## **FACULTY OF COMMERCE DEPARTMENT OF ECONOMICS**

EXPLORING THE IMPACT OF GLOBAL SOURCING STRATEGIES ON COST  
OPTIMISATION: A CASE OF SCHWEPPE'S ZIMBABWE LIMITED (2020 -2024)

BY

RATIDZO MARANGWANDA B225746B

SUPERVISOR MR MANDAZA

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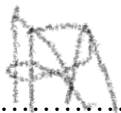
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## ABSTRACT

*When local supply chains fail to deliver, smart companies look beyond borders. Schweppes Zimbabwe Limited, facing soaring production costs and unreliable local sourcing, turned to global strategies to survive and thrive. This research uncovers how global sourcing, when used strategically, helped the company cut costs, improve supply reliability, and navigate Zimbabwe's turbulent economic climate. Drawing insights from 80 employees in procurement, finance, and logistics, the study highlights the real-world impact of outsourcing, direct imports, and supplier partnerships. Results show significant cost savings especially in raw materials and logistics despite ongoing challenges like currency shortages, customs delays, and supplier risks. Yet, cost optimization is not automatic. Success depends on smart tactics: long-term contracts, supplier performance tracking, and digital procurement tools. The findings suggest that while Schweppes has made progress, deeper value lies ahead if backed by better coordination, technology investment, and stronger supplier relationships.*

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## Table of Contents

|                                                       |            |
|-------------------------------------------------------|------------|
| <b>APPROVAL FORM.....</b>                             | <b>ii</b>  |
| <b>RELEASE FORM.....</b>                              | <b>iii</b> |
| <b>ABSTRACT .....</b>                                 | <b>iv</b>  |
| <b>ACKNOWLEDGMENTS.....</b>                           | <b>v</b>   |
| <b>CHAPTER I.....</b>                                 | <b>1</b>   |
| <b>INTRODUCTION.....</b>                              | <b>1</b>   |
| <b>1.0. Introduction .....</b>                        | <b>1</b>   |
| <b>1.1 Background of the Study .....</b>              | <b>1</b>   |
| <b>1.2 Problem Statement .....</b>                    | <b>3</b>   |
| <b>1.3 Purpose of the Study.....</b>                  | <b>4</b>   |
| <b>1.4 Research Objectives .....</b>                  | <b>5</b>   |
| <b>1.5 Research Questions .....</b>                   | <b>5</b>   |
| <b>1.6 Significance of the Study .....</b>            | <b>5</b>   |
| <b>1.9 Delimitations of The Study .....</b>           | <b>7</b>   |
| <b>1.10 Limitations .....</b>                         | <b>7</b>   |
| <b>1.11 Definition of Terms.....</b>                  | <b>7</b>   |
| <b>1.12 Chapter Summary .....</b>                     | <b>8</b>   |
| <b>CHAPTER II .....</b>                               | <b>9</b>   |
| <b>LITERATURE REVIEW .....</b>                        | <b>9</b>   |
| <b>2.0 Introduction .....</b>                         | <b>9</b>   |
| <b>2.1 Theoretical Literature.....</b>                | <b>9</b>   |
| <b>2.2 Transactional Cost Economics.....</b>          | <b>9</b>   |
| <b>2.3 Resource Based View Theory .....</b>           | <b>10</b>  |
| <b>2.4 Empirical Literature .....</b>                 | <b>11</b>  |
| <b>2.5 Dimensions of Global Sourcing .....</b>        | <b>11</b>  |
| <b>2.6 Research Gap.....</b>                          | <b>15</b>  |
| <b>2.7 Chapter Summary .....</b>                      | <b>15</b>  |
| <b>CHAPTER III.....</b>                               | <b>16</b>  |
| <b>RESEARCH METHODOLOGY .....</b>                     | <b>16</b>  |
| <b>3.1 Introduction .....</b>                         | <b>16</b>  |
| <b>3.2 Research Design.....</b>                       | <b>16</b>  |
| <b>3.3 Research Philosophy .....</b>                  | <b>17</b>  |
| <b>3.4 Target Population.....</b>                     | <b>17</b>  |
| <b>3.4.1 Sample Size and Sampling Technique .....</b> | <b>18</b>  |
| <b>3.5 Research Instruments.....</b>                  | <b>19</b>  |

|                                                                          |                                                                          |    |
|--------------------------------------------------------------------------|--------------------------------------------------------------------------|----|
| 3.6                                                                      | Pilot Testing .....                                                      | 20 |
| 3.7                                                                      | Validity and Reliability .....                                           | 20 |
| 3.8                                                                      | Data Collection Procedures .....                                         | 21 |
| 3.9                                                                      | Data Analysis Techniques .....                                           | 21 |
| 3.10                                                                     | Ethical Considerations .....                                             | 22 |
| 3.11                                                                     | Chapter Summary .....                                                    | 22 |
| CHAPTER IV .....                                                         |                                                                          | 23 |
| DATA PRESENTATION, ANALYSIS, AND DISCUSSION.....                         |                                                                          | 23 |
| 4.1                                                                      | Introduction .....                                                       | 23 |
| 4.2                                                                      | Demographic Analysis Of Respondents.....                                 | 23 |
| 4.2.1                                                                    | Job Title.....                                                           | 23 |
| 4.2.2                                                                    | Length of Service .....                                                  | 25 |
| 4.2.2                                                                    | Involvement in Global Sourcing Decisions.....                            | 26 |
| 4.3                                                                      | Responses On Global Sourcing Strategies And Cost Optimization.....       | 28 |
| 4.3.1                                                                    | Types of Global Sourcing Strategies .....                                | 28 |
| 4.3.2                                                                    | Level of Reliance on Global Sourcing .....                               | 30 |
| 4.3.3                                                                    | Factors Influencing Global Sourcing Strategies .....                     | 31 |
| 4.4                                                                      | Effects Of Global Sourcing On Cost Optimization.....                     | 33 |
| 4.4.1                                                                    | Contribution of Global Sourcing to Cost Savings.....                     | 33 |
| 4.4.2                                                                    | Cost Elements Reduced Due to Global Sourcing .....                       | 35 |
| 4.4.3                                                                    | Challenges Faced in Global Sourcing .....                                | 36 |
| 4.4.4                                                                    | Strategies to Mitigate Risks .....                                       | 37 |
| 4.4                                                                      | Strategies For Enhancing Cost Optimization Through Global Sourcing ..... | 38 |
| 4.5.1                                                                    | Strategies for Cost Reduction .....                                      | 39 |
| 4.5.2                                                                    | Measures to Maximize Benefits of Global Sourcing .....                   | 40 |
| 4.5.3                                                                    | Additional Comments and Suggestions .....                                | 41 |
| 4.7                                                                      | Conclusion.....                                                          | 41 |
| OVERVIEW, FINDINGS, AND SUGGESTIONS .....                                |                                                                          | 43 |
| 5.1                                                                      | Introduction .....                                                       | 43 |
| 5.2                                                                      | Conclusion.....                                                          | 44 |
| 5.3                                                                      | Recommendations.....                                                     | 45 |
| 5.4                                                                      | Limitations and Areas for Further Research.....                          | 46 |
| REFERENCES .....                                                         |                                                                          | 49 |
| SECTION A: DEMOGRAPHIC INFORMATION .....                                 |                                                                          | 54 |
| SECTION B: Global Sourcing Strategies Used by Schweppes Zimbabwe Limited |                                                                          | 54 |
| SECTION C: Effects of Global Sourcing on Cost Optimization .....         |                                                                          | 55 |

|                                                                                           |           |
|-------------------------------------------------------------------------------------------|-----------|
| <b>SECTION D: Strategies for Enhancing Cost Optimization Through Global Sourcing.....</b> | <b>56</b> |
| <b>SECTION E: Additional Comments or Suggestions .....</b>                                | <b>57</b> |
| <b>PLAGIARISM REPORT .....</b>                                                            | <b>58</b> |



## List of Tables

| <b>Table No.</b> | <b>Title</b>                                           | <b>Page No.</b> |
|------------------|--------------------------------------------------------|-----------------|
| Table 4.1        | Job Title Distribution.....                            | 21              |
| Table 4.2        | Length of Service Distribution .....                   | 22              |
| Table 4.3        | Involvement in Global Sourcing Decisions.....          | 24              |
| Table 4.4        | Global Sourcing Strategies Used by Schweppes.....      | 25              |
| Table 4.5        | Level of Reliance on Global Sourcing .....             | 26              |
| Table 4.6        | Factors Influencing Global Sourcing Strategies.....    | 28              |
| Table 4.7        | Contribution of Global Sourcing to Cost Savings.....   | 29              |
| Table 4.8        | Cost Elements Reduced Due to Global Sourcing.....      | 31              |
| Table 4.9        | Challenges in Global Sourcing.....                     | 32              |
| Table 4.10       | Strategies to Mitigate Risks.....                      | 33              |
| Table 4.11       | Strategies for Cost Reduction.....                     | 34              |
| Table 4.12       | Measures to Maximize Benefits of Global Sourcing ..... | 35              |

## List of Figures

| Figure No. | Title.                                              | Page No. |
|------------|-----------------------------------------------------|----------|
| Figure 4.1 | Job Title Distribution .....                        | 21       |
| Figure 4.2 | Length of Service Distribution ..... ..             | 22       |
| Figure 4.3 | Involvement in Global Sourcing Decisions.....       | 24       |
| Figure 4.4 | Global Sourcing Strategies Used by Schweppes.....   | 26       |
| Figure 4.6 | Factors Influencing Global Sourcing Strategies..... | 28       |
| Figure 4.8 | Cost Elements Reduced Due to Global Sourcing.....   | 31       |
| Figure 4.9 | Challenges in Global Sourcing.....                  | 32       |

# **CHAPTER I**

## **INTRODUCTION**

### **1.0. Introduction**

Being cost-efficient in global supply chains nowadays in an interlinked world is vital. Global sourcing is now no longer a hypothetical example, but it has become actual utilization. This change involves a transition from domestic purchasing to purchasing in global markets (Handfield et al., 2020). With globalization, not only has it become easier to access markets but the logistics sector has also become more complicated. Complexity arises from the high concentration of international trade corridors, heterogeneity in regulatory environments, and blended supplier pools, requiring effective cost-control strategies to be implemented.

### **1.1 Background of the Study**

The Zimbabwean beverage business environment is challenging and demanding, and is dominated by economic instability, fluctuating exchange currency rates, and inadequate supply chains. The market leading soft drink manufacturer and distributor, Schweppes Zimbabwe, has manufacturing costs that are largely due to its over-reliance on local suppliers. This reliance also has the potential to result in variable product quality and tardy delivery dates, affecting the competitiveness of the firm in domestic and global markets (Ian, 2022). The economic strain of the country has significantly affected consumers' power of purchase, thereby affecting Schweppes' product demand. Further, infrastructural weaknesses, such as poor transport infrastructure, render supply chain logistics tedious and mount additional costs.

Uncertainty of regulations and trade barriers are also challenges that hinder good practices of sourcing, leading to uncertainty to business. Despite the enormous potential for cost savings through global sourcing ranging from 10% to 35%—Schweppes has not fully captured these practices yet. During the year 2014 up to this year, Schweppes Zimbabwe has endeavored to enhance supply chain management by adopting international sourcing practices as a means of enhancing the responsiveness and effectiveness of operations to market demands. A keen analysis of such initiatives will demonstrate the success of such initiatives and the potential for expansion in the future in this rapidly evolving industry. Some of the critical features of Schweppes Zimbabwe supply chain with respect to cost minimization are:

1. **Well-Designed Contracts:** Schweppes Zimbabwe employs well-designed contracts with suppliers for reducing the risk of supply chain disruption. The contracts have clear-cut expectations, quality standards, delivery schedule, and default fees. With detailed agreements in place, Schweppes Zimbabwe can prevent risks associated with product quality, delayed delivery, and unforeseen circumstances.
2. **Positive Incoterms:** Schweppes Zimbabwe employs positive Incoterms (International Commercial Terms) within contracts to address the risk of delivery. Through specifying the agreed Incoterms in their supplier contracts, Schweppes Zimbabwe is able to signify the responsibility, cost, and risk of the transportation of goods. It keeps the logistics process transparent and open, leading to easy disputes and fewer chances of disagreements.
3. **Payment Terms:** Schweppes Zimbabwe negotiates payment terms with their suppliers cautiously to counter the risk of non-supply and the risk of prepayment. In reaching mutually agreeable payment terms, such as part payments in advance or payment on delivery, Schweppes Zimbabwe is in a position to secure material supply and hedge against prepayment financial risks.
4. **Cost Benchmarking Practices:** Schweppes Zimbabwe utilizes cost benchmarking best practices across the world in an effort to be competitive and effective in their procurement strategies. By constant comparison and analysis

of costs among different suppliers, geographies, and sectors, Schweppes Zimbabwe is able to determine cost-saving opportunities, ensure optimal price negotiations, and create value in the overall value proposition in their global procurement strategies.

Schweppes Zimbabwe is in the process of rationalizing its supply chain to a best-in-class status in a bid to optimize cost efficiency and resolve local issues of beverage production, including insufficient supply of sugar by local producers that cannot provide the company with 10 tonnes on a daily basis.

To offset the deficit, Schweppes procured an import license of 500 tonnes of sugar, supplementing the local supply effort and appreciating that COMESA country sugar is less expensive than its local sources. The South African soft drinks industry works with a number of working issues including dearth of power supply, old equipment, unreliable supply of raw material from fruit farms and dairy farms, and insufficient trained workforce (Njarui et al., 2019), and topped with an economic crisis forcing manufacturers to make less than capacity, leading to insufficiencies of material (Chari and Ngcamu, 2017). Schweppes Zimbabwe Limited does not possess clearly established global sourcing strategies, and there are significant areas for improvement. Schweppes Zimbabwe Limited needs to shift away from a sole emphasis on cost reduction in order to become more competitive and towards globally focused, strategically coordinated sourcing strategies.

Therefore, Schweppes has not yet achieved its potential due to domestic market challenges such as a lack of raw materials and rising costs of production (Nyamwanza et al., 2021) that have seen the company adopt international sourcing practices in order to get enough raw material and inputs at the lowest possible cost in a bid to curb the perpetual challenge of foreign exchange scarcity and high local input prices (Chagwasha, M., 2020).

## **1.2 Problem Statement**

In the increasingly globalized business economy, businesses are compelled to adopt global sourcing strategies in a bid to be competitive and cost-effective.

Theoretical advantage of global sourcing is having the power to reduce the cost of production, maximize operational procedures, and maximize access to quality resources. However, translating this potential into measurable cost-saving reductions remains elusive in developing countries where economic uncertainty, supply chain sluggishness, and infrastructural constraints tend to counteract sourcing efficiencies. For firms operating in such fragile contexts as Zimbabwe, empirical data that quantify the impact of global sourcing on cost structures and long-term financial sustainability do not exist. Schweppes Zimbabwe Limited, a major soft drink manufacturer, has turned to global sourcing as a way of being competitive in an economically uncertain climate. Still, little is known about the true impact such interventions have on cost savings.

### **1.3 Purpose of the Study**

In an environment innovative mounting cost hurdles and an unpredictable local economy, Schweppes Zimbabwe Limited has used a number of global sourcing initiatives to improve procurement efficiency and lower operating costs. This research analyses on specific strategies, such obtaining packaging and raw materials from foreign suppliers and how they have helped reduce costs in production, transportation and inventory control. It also evaluates the challenges in putting global sourcing into practice in Zimbabwe, such as supply interruptions, shortages of foreign currency, and customs laws. It is anticipated that the results will help guide strategic procurement strategies and provide suggestions for increasing cost effectiveness. This will enrich our understanding of supply chain optimisation in Zimbabwe's manufacturing industry and provides guidance for businesses dealing with comparable operational and financial challenges.

## **1.4 Research Objectives**

1. To describe the various global sourcing strategies available at Schweppes Zimbabwe
2. To explore the impact of global sourcing on cost optimisation to Schweppes Zimbabwe
3. To investigate how Schweppes Zimbabwe can best use global sourcing strategies to optimize cost.

## **1.5 Research Questions**

1. What are the various global sourcing strategies available to Schweppes Zimbabwe?
2. What is the impact of global sourcing on cost optimisation to Schweppes Zimbabwe?
3. How can Schweppes Zimbabwe best use global sourcing strategies to optimise costs?

## **1.6 Significance of the Study**

### **Manufacturing companies**

The significance of this research lies in its potential benefits for supply chain departments within manufacturing companies. By examining the effects of global sourcing, the study aims to help these companies reduce costs while fostering efficiency and innovation. The goal is to better understand how global sourcing can enhance operational processes and deliver value to manufacturing organizations.

### **The government**

The findings of this study will offer significant benefits by improving the quality and efficiency of logistics within the broader community through the adoption of global

sources. This approach will enhance the reliability and accessibility of goods and services. Given the limited exploration of global sourcing in developing countries, this research will provide valuable insights for policymakers, helping them to create effective policies and guidelines for manufacturing companies. Additionally, adopting global sourcing will facilitate the establishment of new regulations that govern relationships with foreign countries. Furthermore, this study will contribute to a reduction in human errors and fraud, leading to better decision-making and increased customer satisfaction.

### **To the Researcher**

Furthermore, this research is undertaken in partial fulfillment of the requirements for the award of a Bachelor's degree in Supply Chain Management at Bindura University.

### **To the University**

The findings will inform future research initiatives and serve as a valuable resource for students in their academic endeavors.

## **1.8 Assumptions**

The research was performed based on the assumptions below:

- Data will be available, and respondents will be willing to participate.
- Respondents possess knowledge in their study and fully understand the questions presented to them.
- Respondents will be independent, objective and act without prejudice or duress.
- Respondents are experienced and were directly involved in the circumstances of the period under research.



### **1.9 Delimitations of The Study**

This study was conducted within the context of Schweppes Zimbabwe, with a specific focus on the accounting and supply chain departments. The research targeted respondents who were directly involved in managing supply chain operations and costs within these departments. The investigation spanned a two-year period, from 2022 to 2024, with the primary objective of analysing trends in global sourcing and cost optimisation strategies. This timeframe was deliberately selected to coincide with Schweppes Zimbabwe's implementation of global sourcing initiatives aimed at mitigating the impacts of the COVID-19 pandemic. Furthermore, this contemporary timeframe enabled the utilization of current data to validate and build upon the findings of preceding studies.

### **1.10 Limitations**

The focus on Schweppes Zimbabwe Limited may limit the generalizability of findings to other manufacturing contexts. To mitigate this, the study will provide detailed contextual background and link findings to broader theoretical frameworks, enabling cautious extrapolation. Potential issues with data availability and accuracy will be addressed by triangulating multiple data sources, such as company reports, interviews, and secondary literature, to enhance data credibility. Time constraints which may restrict the depth of analysis are mitigated by prioritizing research objectives. External factors such as economic or political instability are acknowledged but may not be fully controlled. To reduce bias, standardized interviews and peer debriefing are used. Thus, enhancing reliability and validity.

### **1.11 Definition of Terms**

**COMESA-** Common Market for Eastern and Southern Africa

**Cost optimisation** - the process of reducing and managing expenses while maximizing value and efficiency by identifying unnecessary spending, finding cost-effective alternatives, and optimizing resource allocation

**Global sourcing-** Global sourcing is the process of obtaining goods and services from around the world to meet a business's needs, potentially including sourcing raw materials, outsourcing production, or finding new suppliers or distributors.

**Manufacturing** - the process of transforming raw materials or component parts into finished goods ready to be sold to customers.

**SADC** - Southern African Development Community

**Supply chain** - is a network of companies and people that are involved in the production and delivery of a product or service. The components of a supply chain include producers, vendors, warehouses, transportation companies, distribution centres, and retailers.

## **1.12 Chapter Summary**

This chapter puts the study on its wheels by highlighting background which set the tone of the study followed statement of the problem. The chapter also outlines the research objectives, research questions and significance of the study and scope and delimitation of the study.

## **CHAPTER II**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter examines the theoretical basis of the research, with the Transaction Cost Economics and the Resource Based View being the prevailing theories under examination. The chapter further examines published literature on global sourcing strategies and its connection to cost optimisation as the empirical framework. This chapter thus provides a critique of a range of views on balancing global sourcing and cost optimisation across manufacturing industries.

#### **2.1 Theoretical Literature**

Two theories have emerged in literature because they are able to explain the relationship between global sourcing strategies and cost minimization. These two theories are the Transaction Cost Economics and Resources Based View Theories.

#### **2.2 Transactional Cost Economics**

The TCE theory suggests that firms make sourcing choices to minimize transaction costs such as searching for the supplier, bargaining contracts, and performance monitoring (Williamson, 1989). TCE implies that if there is an outside supplier with a cost advantage, it would be better to source from abroad rather than produce in-house. High uncertainty and asset specificity can increase the transactions cost, and thus sourcing in-house would be preferred. In international sourcing, companies weigh the

benefit of low price against potential risks like delay in delivery or inferior quality. There are different assumptions to the theory. TCE assumes that businesses and individuals are rational and opportunistic, i.e., possess bounded information processing ability and are potential self-interest actors. Governance mechanisms such as contracts and supplier relationship management systems thus come into play in minimizing transaction costs to the barest minimum.

The TCE approach can guide decisions regarding what components or ingredients to procure from across the world, weighing against costs of lower prices risks of supply disruption, contract enforcement issues, and fluctuations in exchange rates. While it does have its strengths, TCE has some weaknesses when applied to global sourcing. The emphasis on cost savings can overwhelm other goals such as innovation and quality (Tadelis and Williamson, 2012). Further, TCE assumes that all expenses can be quantified and contrasted objectively, which may not always be possible in global sourcing contexts where intangible expenses, such as cultural diversity and logistics challenges, may be significant. Despite these limitations, TCE is extremely important in explaining the outsourcing impact for global operations and how it can help to optimize costs.

### **2.3 Resource Based View Theory**

One of the theories that would be most effectively applied to the explanation of the influence of global sourcing strategies on cost optimization is the Resource Based View Theory (RBV).

RBV theory posits that firms can achieve and sustain competitive advantage from successful acquisition and utilization of valuable, rare, inimitable, and non-substitutable (VRIN) resources.

Competitive performance is largely a result of internal capabilities, rather than external market positioning. In international sourcing, RBV points out how international sourcing can enable businesses to take advantage of unique resources, such as knowledge and advanced technology and these might perhaps not be available in the

domestic market. The theory is also based on a series of assumptions. RBV assumes that businesses are operating in relatively stable environments within which their internal resources can be leveraged for the long term. Another assumption is that the theory presumes managerial abilities are essential for performance where it concerns resource identification and acquiring resources. This is the line of thinking that focuses on the importance of investment in internal competencies such as supplier relationship management and logistics coordination to achieve the highest benefits of global sourcing. However, the RBV has several drawbacks in the global sourcing framework that downplays external drivers such as market volatility trading regulations, and geopolitical risk factors that are very key to global sourcing especially in the light of imposition of tariffs between the two biggest world trading companies.

Yet another shortcoming is that RBV assumes resource sustainability but competitive resources may quickly lose their VRIN characteristics due to innovation or imitation from the rival.

## **2.4 Empirical Literature**

Global sourcing is now a strategic imperative for manufacturing companies with increasing economic uncertainty and political instability. Empirical studies are extensive in revealing the multi-dimensioned nature of global sourcing and its significant role in propelling cost efficiencies and overall performance. This review brings together influential empirical research according to study context, study design, and findings.

## **2.5 Dimensions of Global Sourcing**

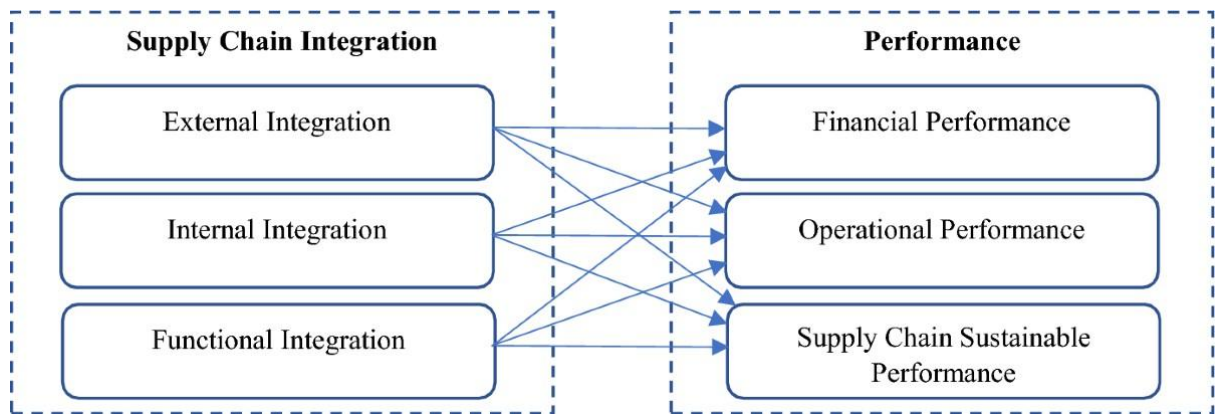
Trent and Monczka (2003) in a conceptual U.S.-based study of manufacturing firms, discussed the strategic elements of global sourcing. Based on qualitative analysis of

sourcing practices, they identified three key dimensions: supply internationalization, internal integration, and external integration. All the benefits of global sourcing could be optimally realized, their studies indicated, only when these dimensions harmoniously function.

For example, worldwide supply advantages are minimized when inefficient internal units like procurement and logistics are not synchronized. Equally, external integration's supplier relationships' performance is important in managing worldwide risks and maintaining supply continuity. Similarly, Lin (2020) attested to the same three-dimensional structure: functional integration, internal integration, and external integration, in quantitative survey research in large Asian manufacturing firms. Survey data were used to examine the impact of alignment between organizational design and source strategy on cost savings and competitiveness. Findings indicated that firms with highly integrated functions for sourcing reported enhanced cost performance and enhanced resilience to global supply chain disruptions. In a broader theoretical perspective, Strange (2020) focuses on multinational companies in the UK and Europe, characterizing global outsourcing as geographical dispersion, disaggregation, and governance structure. By means of case study analysis, the study shed light on how the breakdown of business functions and their geographical deployment across firms facilitates flexibility and cost cutting, provided that efficient governance procedures are formulated in order to contain risk and partnership relations. This view offers a complete image, highlighting the sourcing arrangement interdependency and strategic control.

Kogut (2023), in conducting a meta-analytic review of 121 samples from 106 original research papers globally, examined the performance effects of outsourcing. The study categorized outsourcing decisions based on the value chain activity type (core or non-core), industry type (manufacturing or services), and provider origin (domestic or international). Results indicated that offloading non-core functions, specifically across international suppliers, had a stronger positive effect on a firm's performance. Manufacturing firms can be most cost-effective and strategically focused by concentrating on outsourced non-core processes across borders, the study revealed.

**Figure 2.1 Three Dimensions of Global Sourcing**



*Source: The Journal of supply chain management*

Of the global sourcing aspects presented by scholars, therefore, it is worth noting that the foremost topic of the sourcing process is the fact that it is being executed across borders and that it is an international process.

The first is the identification of global suppliers whereby suppliers are evaluated on the basis of lead time, quality, price, and reliability. Second is offshore market analysis, in which businesses examine foreign markets in order to find cheap and dependable sources.

Third is cross-border logistics, for example, customs clearance, warehousing, and transportation.

Another key component is currency and risk management that allows businesses to protect themselves from exchange rates that can eat into cost advantages. Lastly, cultural and regulatory compliance guarantees that the sourcing practices are aligned with societal norms and global practice. Kotabe and Murray (2003), in their conceptual and historical analysis of global sourcing in Japanese and US firms, assessed its effect on long-term competitive advantage. They cautioned that while global sourcing offers irreplaceable cost benefits, it also confers complexity—exchange rate uncertainty and intellectual property risk management. In their research, they recommend finding a balance between cost reduction and strategic control to prevent long-term disadvantage. Handfield et al. (2020) conducted a configurational study of 235 global firms that engage in outsourcing business services. The study, conducted in Europe and North America, used cluster analysis and surveys to identify successful configurations for sourcing. Findings showed that high savings and innovation were not necessarily felt

by employing the same configurations. Firms emphasizing geographical dispersion and good governance preferred maximization of financial returns, while firms emphasizing disaggregation and flexibility tended to have greater innovation outputs.

This study emphasizes alignment of sourcing strategy with wanted performance. Whicker et al. (2009), in a multi-country study of European and U.S. makers, examined the contribution of global sourcing to cost optimization. Employing a mixed-methods strategy, they identified five primary areas of cost savings: operations, procurement, inventory management, logistics, and production inputs. Companies with global sourcing were able to lower procurement expenses through price arbitrage and enhance inventory turnover through improved matching of supply and demand. Furthermore, logistics efficiencies were gained through consolidated shipping and strategic warehousing, resulting in decreased overall distribution costs.

Zhang et al. (2014), in quantitative research among Chinese manufacturing firms, tested the impact of process improvement on cost performance. Using survey data regression analysis, the study proved that companies that used techniques such as lean manufacturing, workflow redesign, and automation registered 22% lower operating costs. The same was proved by Hanna and Jackson (2015), who conducted research on IT-enabled cost savings in US companies. They showed that adoption of cloud computing led to 30% reductions in IT infrastructure expenses, suggesting technology integration complements global sourcing in fostering cost savings.

Loppacher et al. (2006), when studying Canadian manufacturing exporters, analyzed the evolution of global sourcing strategies and how these relate to operational performance. In a case study and interview application, they found that firms transitioning from transaction to integrated models of sourcing experienced benefits in terms of better supplier coordination and economies of scale. These evolved to lower per-unit costs and improved responsiveness to evolving markets. Jain and Wu (2023), using US customs import data and stock market data, investigated whether global sourcing practices affect stock returns of listed firms. They constructed measures of sourcing lead time and the strength of supplier relationships and demonstrated that those with more formalized longer-term sourcing relationships had higher future stock returns. Their evidence suggests successful global sourcing not only lowers cost of operations but also enhances firm value in capital markets. Kavoo and Gichure (2002),



while conducting a study on Kenya's manufacturing sector, used a descriptive survey of 50 respondents to examine the impact of the practices of sourcing on supply chain performance. The researchers ascertained that systematized supplier choice, inventory management, and tracking of costs significantly improved operational efficiency. The study quoted the importance of formalized procedures of sourcing in developing nations where supply chain reliability could be a constraint.

## **2.6 Research Gap**

Earlier studies have examined various aspects of global sourcing strategies, but less understanding exists regarding the direct influence of certain sourcing strategies on cost optimization across diverse international markets. Recent studies concentrate on broad cost benefits or risk factor in global sourcing without performing a thorough comparative analysis of strategic sourcing options and cost-saving efficiency across dissimilar regional markets. There is also insufficient awareness of the decision-making processes driving the selection of sourcing strategies and how such decisions are translated to actual cost reduction. This is a prime consideration for gauging how firms can reduce costs via tailored global sourcing strategies in an increasingly demanding global environment.

## **2.7 Chapter Summary**

Literature indicates that there exists a massive connection between global sourcing strategies and cost optimisation within diverse organisations. This chapter thus explored such relationships as well as the different methods that can lead to bigger cost optimisation, and this was done through a theoretical method and an empirical review of literature. This chapter also created gaps that are present in existing literature that still need to be studied. The next chapter will thus consider the research method that will be utilized in this study.

## **CHAPTER III**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter explains the research approach employed in studying the impact of global sourcing strategies on Schweppes Zimbabwe Limited's cost reduction. The methodological style employed in this study provides a logical framework for data collection, sampling, analysis, and interpretation. A structured, quantitative approach was employed to acquire factual and measurable facts from workers who were actively involved in procurement, logistics, and finance tasks. The chapter provides information on the research design, philosophical assumptions, population and sampling strategy, research instruments, validity and reliability measures, data collection and analysis methods, and the ethical issues that guided the study. The chapter seeks to ensure transparency, replicability, and academic rigour in the research (Creswell, 2014).

#### **3.2 Research Design**

The study applied the quantitative descriptive research design. This research methodology was found to be appropriate as it focuses on describing and measuring objectively the interested characteristics and outcomes here, i.e., how cost optimization is driven by global sourcing approaches. Descriptive research allows researchers to observe, record, analyse, and report data in an orderly statistical form without manipulating the research environment. Using a quantitative design, the study aimed to establish patterns, correlations, and relationships between the practices of global sourcing (i.e., overseas procurement methods, supplier selection, transportation planning, and cost-saving strategies) and their measurable impact on cost efficiency

within the firm. Quantitative design's systematic approach also enabled generalization of findings to a larger population within similar organizational contexts. The descriptive element allowed for the measurement of real operational facts, and the non-experimental research worked well in the sense of analyzing established relations without any interference of external variables. The study was most applicable in consideration of the pragmatic constraints of researching an operating firm such as Schweppes Zimbabwe Limited.

### **3.3 Research Philosophy**

The research at hand relied on the positivist research philosophy that upholds the fact that reality is something objective, observable, and measurable. Positivism is most relevant in quantitative research since it is focused on empirical observation and statistical analysis to derive conclusions. In the paradigm under this, research relied on standardized tests of data collection that allowed the researcher to quantify employee attitudes and organizational practices concerning global sourcing. Positivism also focuses on the use of large samples, standardized instruments, and replicable methods—features that were congruent with the research objectives and the requirements of Schweppes Zimbabwe Limited data. The emphasis on objectivity minimized researcher bias and promoted evidence from data that can be substantiated with mathematical logic and empirical facts.

### **3.4 Target Population**

The target population for this study comprised 100 workers of Schweppes Zimbabwe Limited, specifically picked from three departments that are directly involved in procurement and cost control: Procurement, Logistics, and Finance. These departments were described as primary areas whereby sourcing decisions are being made, global supplier relationships are being maintained, and cost management processes are being monitored. Selecting this population was driven by the assumption that employees in these departments possess the most relevant working data and knowledge of how global

sourcing strategies are created and implemented in the company. They are also held directly accountable for sourcing inputs, negotiating procurement contracts, monitoring transport and shipping deals, reviewing cost breakdowns, and deciding on potential cost savings from strategic sourcing.

The sample population had a diverse range of job titles ranging from procurement officers, logistics supervisors, and finance analysts to supply chain managers, procurement clerks, and accountants. By selecting these individuals, the study made sure that the collected data was rich in day-to-day applicability and representative of real sourcing dynamics faced within the organization.

### **3.4.1 Sample Size and Sampling Technique**

The sample size was determined using Yamane's formula (1967) for finite population sampling:

$$n = N / (1 + N(e^2))$$

Where:

N = total population (35)

e = margin of error (0.05)

n = required sample size

$$n = 100 / (1 + 100(0.05^2))$$

**≈ 80**

Therefore, the final sample size consisted of 80 participants, representing 80% of the population. This sample size was found to be sufficient to yield reliable and statistically significant results.

For the selection of respondents, a stratified random sampling process was followed.

The population was divided into three primary strata based on departmental affiliation: Procurement, Logistics, and Finance. In each stratum, the simple random sampling was employed to ensure that each one of them had an even and unbiased probability of being selected. The technique gave proportional representation by department with a

reduction of the sampling bias. The stratification technique was particularly important in ensuring that no department overrepresented the dataset. It also enhanced the study to identify cross-departmental patterns and variation in sourcing tactics and cost performance. By involving all the relevant functional areas in proportion, it was possible for the researcher to obtain more balanced and generalizable results.

### **3.5 Research Instruments**

The primary instrument used to collect data was a structured questionnaire, specially designed for quantitative research. The questionnaire had five sections:

1. Section A: Demographic Information – Collected background information such as age, gender, education level, job designation, and work experience to facilitate the categorization of respondents.
2. Section B: Global Sourcing Practices – Incorporated questions on supplier selection across international borders, frequency of sourcing internationally, criteria used to select a supplier abroad, and procurement processes overseas.
3. Section C: Cost Management Approaches – Addressed cost cutting tactics, total landed costs, and controls over expenditures.
4. Section D: Impact of Sourcing on Cost Optimization – Recorded the opinions of respondents concerning whether global sourcing has brought measurable cost savings or operational efficiencies.
5. Section E: Risk and Control Measures – Identified the risks associated with global sourcing (e.g., delays, tariffs, exchange rate risks) and the controls which are put in place to overcome such issues.

The survey was primarily in closed questions and employed a 5-point Likert scale of 1 (Strongly Disagree) to 5 (Strongly Agree). It was simpler using standardized data collection and statistical software in terms of analysis. It was self-administered in both paper and electronic versions, providing convenience to the respondents in terms of access and location.

### **3.6 Pilot Testing**

A pilot study was conducted with 10 participants from a similar organization operating within Zimbabwe's beverage manufacturing sector. These participants were not part of the final sample but possessed comparable roles and responsibilities to those targeted in the main study. The purpose of the pilot was to test the clarity, wording, sequencing, and relevance of the questions. Participants provided feedback on ambiguous terms, redundant items, and the overall structure of the questionnaire.

Based on this feedback, some minor changes were effected to explain questions more clearly, to eliminate double-barrelled items, and to ensure logical flow from one section to another (Teijlingen & Hundley, 2001). Pilot testing also facilitated the estimation of the average time it took to complete the questionnaire, which averaged about 15–20 minutes, being handy for busy professionals. This exercise contributed towards improving the usability and effectiveness of the research instrument immensely.

### **3.7 Validity and Reliability**

Validity is the extent to which the research instrument measures precisely what it is designed to measure. In this study, content validity was achieved through expert review by two academic supervisors and a procurement practitioner. They checked the equivalence of the questionnaire items and research aims and proposed amendments for enhancing conceptual clarity and contextual appropriateness.

Reliability is the consistency of the measurement instrument.

In order to test reliability, pilot study replies were tested using Cronbach's Alpha test through SPSS. It was discovered that a reliability coefficient of 0.81 was achieved, which is above the minimum acceptable value of 0.70 and indicates high internal consistency (Tavakol & Dennick, 2011). This means the questionnaire items measured the same underlying global sourcing and cost optimization constructs consistently. Adoption of a uniform, systematic format and standardized Likert-scale items made the data collected even more reliable and comparable

### **3.8 Data Collection Procedures**

Data collection was carried out with a structured and ethical approach over a period of four weeks. The steps followed were:

1. Authorization and Access: A letter of introduction was formally acquired from the Faculty of Commerce at Bindura University and submitted to Schweppes Zimbabwe Limited management, requesting authorization to carry out the study.
2. Coordination with Departmental Heads: Meetings were arranged with departmental managers in Procurement, Finance, and Logistics to discuss the aim of the study and arrange access to targeted respondents.
4. Informed Consent: Participants were given information sheets summarizing the study purposes, their respondent rights, and data confidentiality procedures. Signed consent forms were returned before participation.
5. Distribution of Questionnaires: Questionnaires were distributed in hard copy as well as by email so that various respondent preferences and timetables could be met.
6. Follow-ups and Reminders: Follow-ups on a weekly basis were conducted through telephone calls and emails in order to ensure timely completion and return of questionnaires.
7. Data Management: Collected questionnaires were collated, checked for completeness, and safely stored in a password-protected, encrypted folder for analysis.

### **3.9 Data Analysis Techniques**

Data collected was coded, cleaned, and analyzed with the Statistical Package for the Social Sciences (SPSS) version 25. Analysis was conducted in two stages: Descriptive Statistics: Frequency distributions, mean scores, and standard deviations were calculated to describe demographic characteristics and general trends in sourcing and cost practices.

### **3.10 Ethical Considerations**

The study adhered to strict ethical standards as per scholarly research regulations (Resnik, 2018). Ethical clearance was provided by the Bindura University Faculty of Commerce Ethics Committee.

The following ethical principles were adopted:

1. Involuntary Participation: The subjects were informed that they participated voluntarily and could leave at any time without any negative consequences.
2. Informed Consent: All respondents were provided with an informed consent form outlining the aim, procedures, and confidentiality of the study.
3. Anonymity and Confidentiality: No identifying details or names were recorded on the questionnaire. Data was stored securely and only for academic use.
4. Data Protection: All hard copies were stored in a locked cabinet, and digital files were password-protected and accessed only by the researcher.

### **3.11 Chapter Summary**

This chapter has discussed in detail the research study methodology, namely the study design, population, sampling procedures, data collection instruments, and analysis procedures. A quantitative approach grounded on positivism was employed to collect objective data from a statistically representative sample of Schweppes Zimbabwe Limited employees. Ethical principles were strictly adhered to, and validity and reliability were maintained through rigorous testing and consultation with experts.



## **CHAPTER IV**

### **DATA PRESENTATION, ANALYSIS, AND DISCUSSION**

#### **4.1 Introduction**

The chapter elucidates results gained through a systematic survey, discussed in Chapter 3. The research adopted a positivist paradigm and quantitative approach to research, using correlational and descriptive methods to ascertain the effects of global sourcing techniques on cost optimisation at Schweppes Zimbabwe Limited.

The questionnaire survey was administered among the staff in the Procurement, Logistics, Finance, and Production departments. 100 questionnaires were administered and 80 completed questionnaires were returned, hence an 80% response rate. This is deemed high enough to afford rich insight of sourcing strategies and how they can keep cost at an optimal level. The data that was harvested was put to descriptive statistics and qualitative content analysis in the hope of finding reasonable patterns and lessons.

#### **4.2 Demographic Analysis Of Respondents**

Understanding the demographic composition of the respondents is important when carrying out data analysis and providing results that are a genuine reflection of Schweppes Zimbabwe Limited employees. Analysis focused on key demographic factors such as job position, service years, and participation in world sourcing decisions.

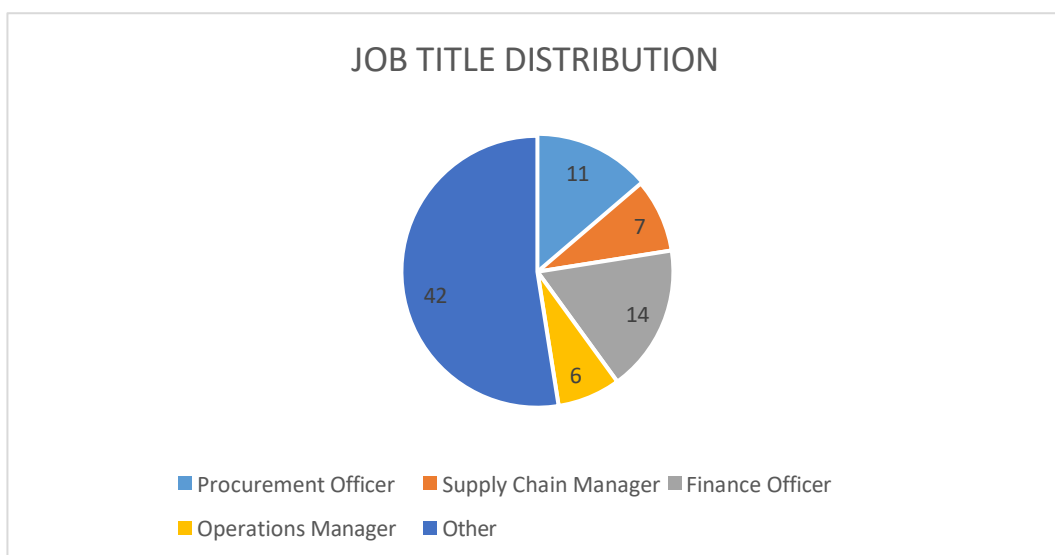
##### **4.2.1 Job Title**

The jobs the respondents are currently in shape their opinions on international sourcing strategy and cost-saving strategies. This plays a major role in shaping their opinions towards sourcing strategies.

**TABLE 4.1: Job Title Distribution**

| Job Title            | Frequency |
|----------------------|-----------|
| Procurement Officer  | 11        |
| Supply Chain Manager | 7         |
| Finance Officer      | 14        |
| Operations Manager   | 6         |
| Other                | 42        |
| <b>Total</b>         | <b>80</b> |

*Source: Primary Data*



*Source: Primary Data*

**FIGURE 4.1: Job Title Distribution**

The graph shows the job title distribution of 80 respondents in the global sourcing strategies research in Schweppes Zimbabwe Limited. The positions encompass 11 Procurement Officers, 7 Supply Chain Managers, 14 Finance Officers, and 6 Operations Managers, and a whopping 42 respondents who are classified as "Other." The total indicates a split in feelings within the organisation, directly focusing on finance roles, which is in keeping with the central role money will have to play when procuring. The heterogeneity that's engaged enhances the understanding of accomplishments and shortcomings that accompany international sourcing strategies.

**4.2.2 Years of Service.** The years an employee has worked in a firm may influence the employee's understanding of the organisation's operations and how well he or she perceives patterns after years. Focusing on years of service highlights the experience of participants.

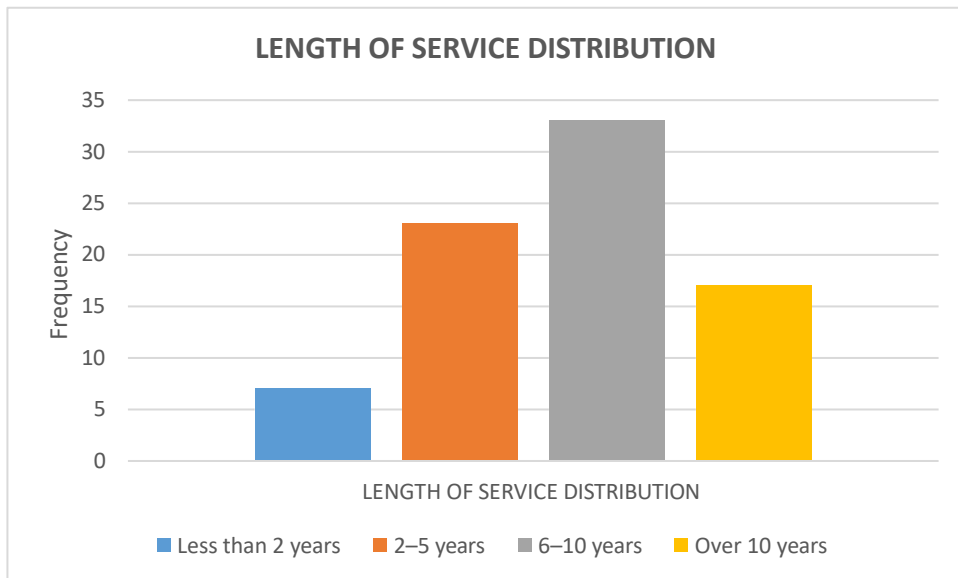
#### **4.2.2 Length of Service**

The length of time an employee has been with a company can affect how well they grasp the inner workings of the organisation and their capacity to recognise patterns over an extended period. Examining the duration of employment provides insight into the expertise of the participants.

**Table 4.2: Length of Service Distribution**

| <b>Length of Service</b> | <b>Frequency</b> |
|--------------------------|------------------|
| Less than 2 years        | 7                |
| 2–5 years                | 23               |
| 6–10 years               | 33               |
| Over 10 years            | 17               |
| <b>Total</b>             | <b>80</b>        |

*Source: Primary Data*



*Source: Primary Data*

**FIGURE 4.2: Length of Service Distribution**

Distribution of the respondents according to the length of service at Schweppes Zimbabwe Limited is shown in the figure and is 80 participants in total. 7 have less than 2 years' service, and 23 have between 2- and 5-years' service. 33 are in the 6 to 10 years' service category, and 17 are in the service exceedingly more than 10 years. The age range of 6 to 10 years is the most prevalent, with an implication that a majority of the staff possesses a lot of experience, which is relevant to the issue of providing expert consultancy on global sourcing approaches. Variation in the respondents' experience adds richness to the comprehension of the effectiveness and issues of the organisation's sourcing practice.

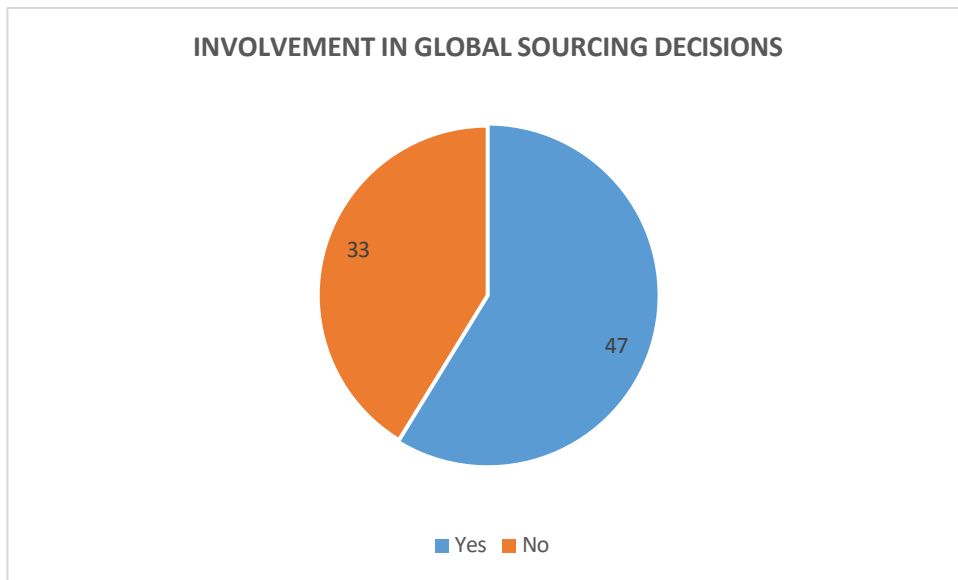
#### **4.2.2 Involvement in Global Sourcing Decisions**

Examining the extent of employee involvement in global sourcing decisions sheds light on their views regarding sourcing strategies.

**Table 4.3: Involvement in Global Sourcing Decisions**

| Involvement  | Frequency |
|--------------|-----------|
| Yes          | 47        |
| No           | 33        |
| <b>Total</b> | <b>80</b> |

*Source: Primary Data*



*Source: Primary Data*

#### **Figure 4.3: Involvement in Global Sourcing Decisions**

The table illustrates the participation of respondents in global sourcing decisions at Schweppes Zimbabwe Limited, comprising a total of 80 participants. Out of the total respondents, 47 individuals, which accounts for 58.8%, are engaged in sourcing activities, whereas 33 individuals, making up 41.2%, are not participating. The high level of involvement from respondents in sourcing indicates a solid base of knowledge and experience related to the company's sourcing strategies. The significant engagement of individuals is essential for grasping the effectiveness and challenges tied to global sourcing practices, as those who are actively involved tend to offer more insightful viewpoints on the relevant issues.

#### **Discussion**

The demographic analysis shows a varied group of respondents who possess significant experience in global sourcing. Most individuals occupy essential roles like Procurement Officers and Supply Chain Managers, which are vital for grasping and shaping sourcing strategies. A considerable number of employees have long-standing experience at Schweppes, reflecting a deep reservoir of institutional knowledge. The variety in job roles and levels of experience may lead to a thorough grasp of the challenges and opportunities present in global sourcing practices. This aligns with the literature's emphasis on the importance of internal resources and capabilities in leveraging global sourcing for cost optimization.

### **4.3 Responses On Global Sourcing Strategies And Cost Optimization**

This section outlines the results from the survey concerning the international sourcing approaches utilised by Schweppes Zimbabwe Limited. The information centres around the various strategies employed, the extent of dependence on global sourcing, and the elements that affect the selection of sourcing strategies.

#### **4.3.1 Types of Global Sourcing Strategies**

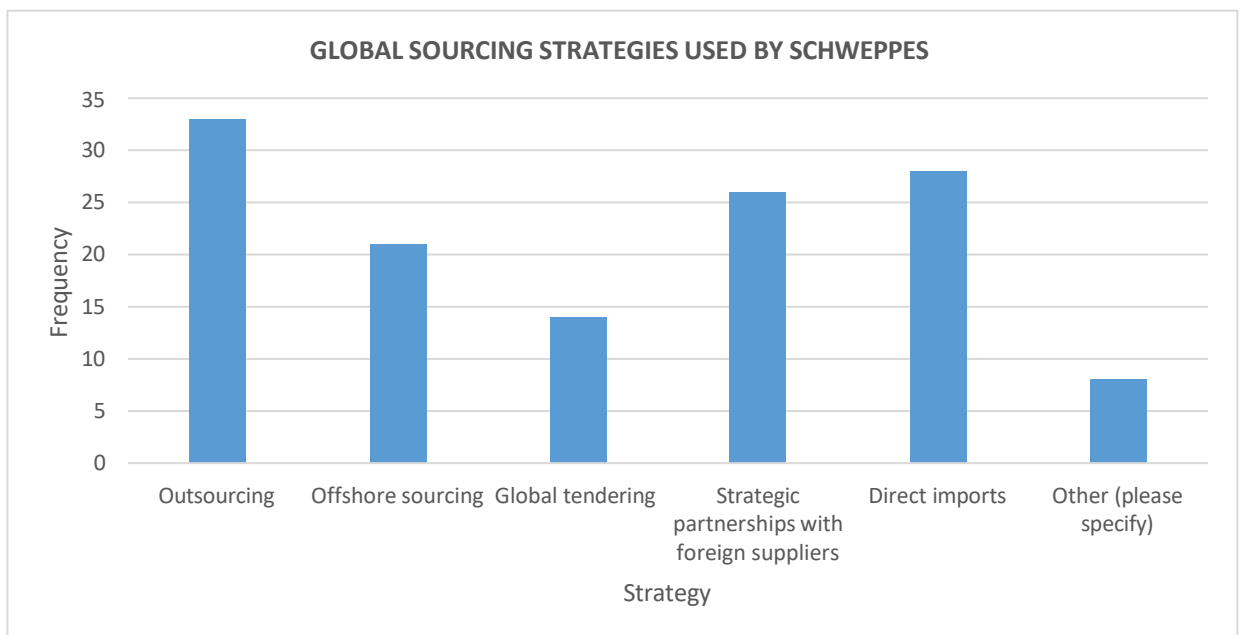
Respondents were asked to identify the types of global sourcing strategies currently utilized by Schweppes. The results are summarized in the table below.

**Table 4.4: Global Sourcing Strategies Used By Schweppes**

| <b>Strategy</b>   | <b>Frequency</b> | <b>Percent</b> |
|-------------------|------------------|----------------|
| Outsourcing       | 33               | 41.3%          |
| Offshore sourcing | 21               | 26.3%          |
| Global tendering  | 14               | 17.5%          |

|                                               |    |       |
|-----------------------------------------------|----|-------|
| Strategic partnerships with foreign suppliers | 26 | 32.5% |
| Direct imports                                | 28 | 35.0% |
| Other (please specify)                        | 8  | 10.0% |
| Total                                         | 80 | 100%  |

*Source: Primary Data*



*Source: Primary Data*

**TABLE 4.4: Global Sourcing Strategies Used by Schweppes**

The table outlines the different sourcing strategies utilised by respondents at Schweppes Zimbabwe Limited, with a total of 80 individuals involved. The strategy that received the highest number of mentions is "Outsourcing," selected by 33 respondents (41.3%). "Direct imports" are closely aligned with 28 respondents (35.0%), while "Strategic partnerships with foreign suppliers" represent 26 respondents (32.5%). Additional approaches consist of "Offshore sourcing" (21 participants, 26.3%) and "Global tendering" (14 participants, 17.5%). Furthermore, 8 respondents (10.0%) reported using "Other" methods. This distribution demonstrates a variety of sourcing methods,

with outsourcing and direct imports standing out, illustrating the organization's flexible strategies in global sourcing.

#### 4.3.2 Level of Reliance on Global Sourcing

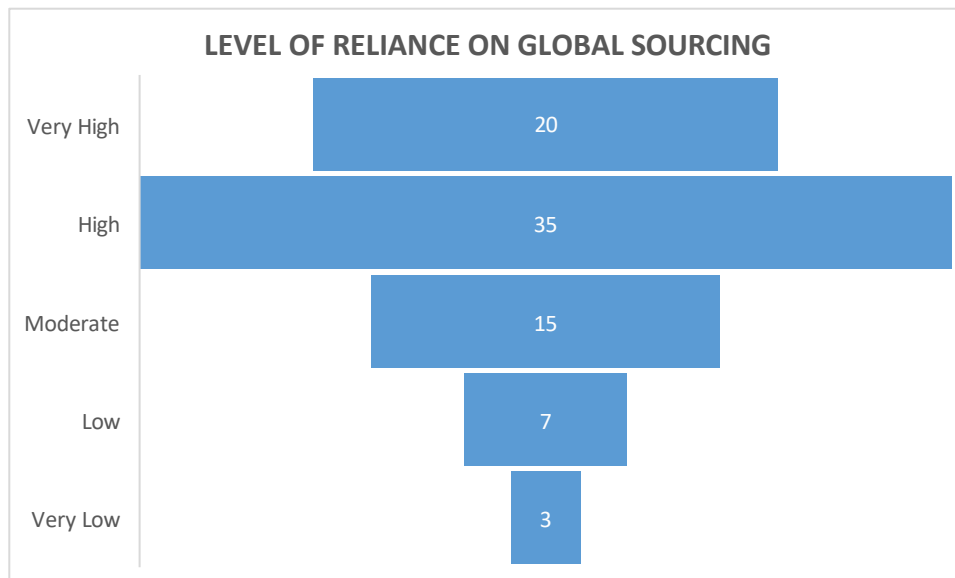
Respondents were asked to rate the level of reliance on global sourcing at Schweppes Zimbabwe Limited. The extent of reliance on global sourcing was assessed.

**Table 4.5: Level Of Reliance On Global Sourcing**

| <b>Level of Reliance</b> | <b>Frequency</b> | <b>Percent</b> |
|--------------------------|------------------|----------------|
| Very High                | 20               | 25.0%          |
| High                     | 35               | 43.8%          |
| Moderate                 | 15               | 18.8%          |
| Low                      | 7                | 8.8%           |
| Very Low                 | 3                | 3.8%           |
| <b>Total</b>             | <b>80</b>        | <b>100%</b>    |

*Source: Primary Data*





*Source: Primary Data*

**Figure 4.4: Global Sourcing Strategies Used by Schweppes**

The table demonstrates the extent to which 80 respondents at Schweppes Zimbabwe Limited depend on various sourcing strategies. A total of 20 respondents (25.0%) expressed a "Very High" level of reliance, while 35 respondents (43.8%) indicated a "High" level of reliance. Furthermore, 15 respondents (18.8%) evaluated their dependence as "Moderate," while 7 (8.8%) classified it as "Low." Just 3 respondents (3.8%) indicated a "Very Low" level of reliance. The data clearly indicates a significant reliance on sourcing strategies, suggesting that these approaches are vital for the organization's operations and decision-making processes.

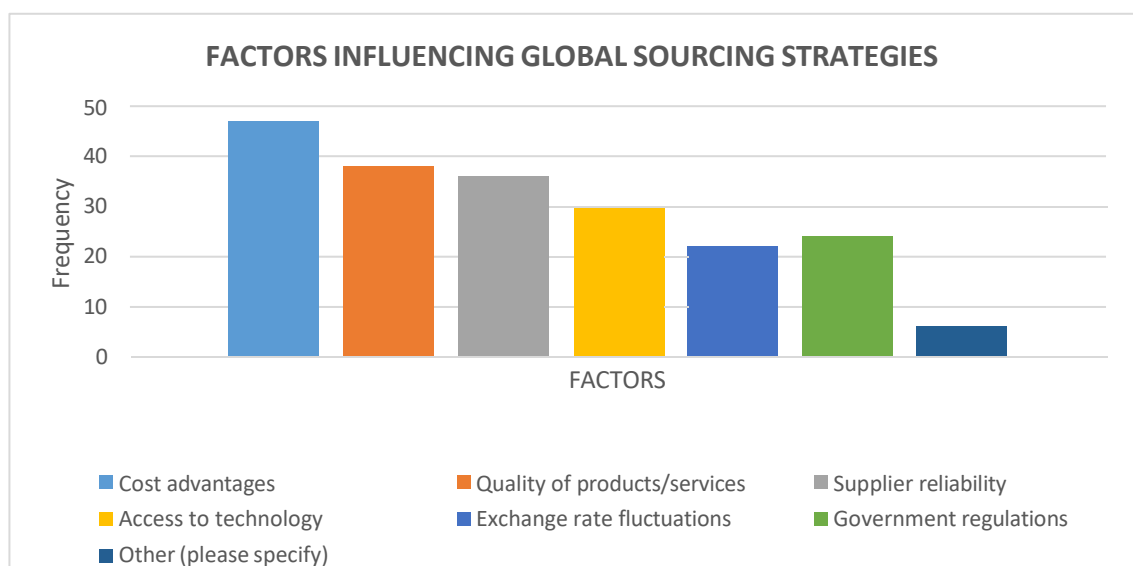
#### **4.3.3 Factors Influencing Global Sourcing Strategies**

Respondents were also asked to identify the key factors that influence the choice of global sourcing strategies at Schweppes. The following table summarizes the factors influencing the choice of global sourcing strategies.

**Table 4.6: Factors Influencing Global Sourcing Strategies**

| Factor                       | Frequency | Percent |
|------------------------------|-----------|---------|
| Cost advantages              | 47        | 58.8%   |
| Quality of products/services | 38        | 47.5%   |
| Supplier reliability         | 36        | 45.0%   |
| Access to technology         | 29        | 36.3%   |
| Exchange rate fluctuations   | 22        | 27.5%   |
| Government regulations       | 24        | 30.0%   |
| Other (please specify)       | 6         | 7.5%    |
| Total                        | 80        | 100%    |

*Source: Primary Data*



*Source: Primary Data*

**Figure 4.6: Factors Influencing Global Sourcing Strategies**

The table below illustrates drivers of alternative sourcing at Schweppes Zimbabwe Limited based on remarks from 80 respondents. The most frequent driver raised is "Cost advantages," cited by 47 respondents (58.8%), followed by "Quality of products/services" (38 respondents, 47.5%) and "Supplier reliability" (36 respondents, 45.0%). The other drivers that stand out are "Access to technology" (29, 36.3%) and

"Government regulations" (24, 30.0%). Twenty-two (27.5%) of the interviewees cited "exchange rate fluctuations," while six (7.5%) cited "other" reasons. This split indicates that cost and quality are important areas of focus in sourcing strategies, with the most robust areas being the determinants of decision-making across the organisation.

## **Discussion**

Findings indicate that Schweppes Zimbabwe Limited uses most of the world's sourcing strategies, where the greatest importance is assigned to outsourcing. This is consistent with the company objective of being dynamic and cost-effective in the supply chain. By outsourcing to external vendors, Schweppes reduces operation costs and responds effectively to market variations, hence boosting its competitive edge. The cost-driven orientation adheres to Transaction Cost Economics (TCE), which means that buying from external sources can effectively reduce transaction costs. Conversely, focus on the quality and stability of supply is also consistent with the Resource Based View (RBV), wherein there is care for the significance of leveraging internal resources and capabilities under the auspices of maintaining high quality and stable long-term supplier relationships. This integrated focus maximizes sourcing effectiveness as well as facilitates Schweppes' penetration of international market complexities in a proper manner, leading towards sustainable competitive advantage.

## **4.4 Effects Of Global Sourcing On Cost Optimization**

This section presents the findings related to the effects of global sourcing on cost optimization at Schweppes Zimbabwe Limited. The data focuses on perceptions of cost savings attributed to global sourcing, specific cost elements that have been reduced, challenges faced, and strategies employed to mitigate risks.

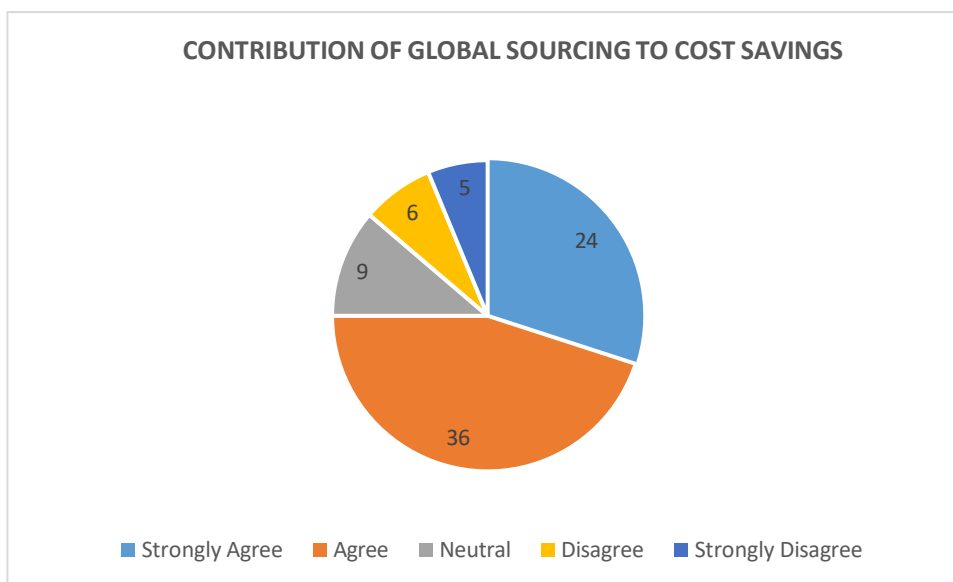
### **4.4.1 Contribution of Global Sourcing to Cost Savings**

The respondents were requested to state the kind of global sourcing techniques Schweppes is following now. The findings are shown in the below table.

**Table 4.7: Contribution of Global Sourcing to Cost Savings**

| Agreement Level   | Frequency | Percent |
|-------------------|-----------|---------|
| Strongly Agree    | 24        | 30.0%   |
| Agree             | 36        | 45.0%   |
| Neutral           | 9         | 11.3%   |
| Disagree          | 6         | 7.5%    |
| Strongly Disagree | 5         | 6.3%    |
| Total             | 80        | 100%    |

*Source: Primary Data*



*Source: Primary Data*

**Table 4.7: Contribution of Global Sourcing to Cost Savings**

The table displays the extent of consensus among respondents concerning a particular assertion about global sourcing strategies at Schweppes Zimbabwe Limited. Among the 80 participants, 24 (30.0%) "Strongly Agree," while 36 (45.0%) "Agree," showing that a significant majority backs the statement. Conversely, 9 respondents (11.3%) expressed a "Neutral" stance, while 6 (7.5%) indicated "Disagree," and 5 (6.3%) chose "Strongly Disagree." The data indicates a strong agreement regarding the sourcing strategies, with 75% of respondents showing support, underscoring a favourable view of their effectiveness within the organisation.

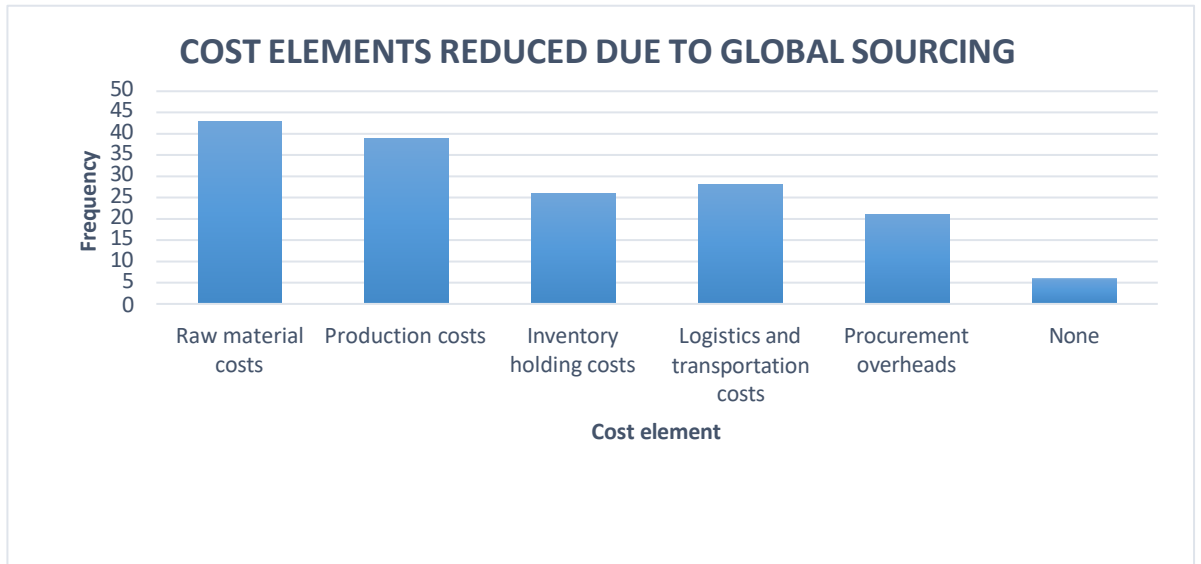
#### **4.4.2 Cost Elements Reduced Due to Global Sourcing**

Respondents were requested to specify which cost factors have been diminished due to global sourcing.

**Table 4.8: Cost Elements Reduced Due to Global Sourcing**

| Cost Element                       | Frequency | Percent |
|------------------------------------|-----------|---------|
| Raw material costs                 | 43        | 53.8%   |
| Production costs                   | 39        | 48.8%   |
| Inventory holding costs            | 26        | 32.5%   |
| Logistics and transportation costs | 28        | 35.0%   |
| Procurement overheads              | 21        | 26.3%   |
| None                               | 6         | 7.5%    |
| Total                              | 80        | 100%    |

*Source: Primary Data*



Source: Primary Data

**Figure 4.8: Cost Elements Reduced Due to Global Sourcing**

The table presents the cost factors taken into account by the 80 respondents from Schweppes Zimbabwe Limited. The primary cost factor identified is "Raw material costs," noted by 43 respondents (53.8%), with "Production costs" trailing closely behind at 39 respondents (48.8%). Additional significant expenses consist of "Logistics and transportation costs" (28 respondents, 35.0%) and "Inventory holding costs" (26 respondents, 32.5%). Furthermore, "Procurement overheads" were noted by 21 respondents (26.3%), whereas 6 respondents (7.5%) reported "None." This distribution underscores that the costs associated with raw materials and production are major priorities, pointing out critical aspects for managing expenses in the organization's sourcing approaches.

#### 4.4.3 Challenges Faced in Global Sourcing

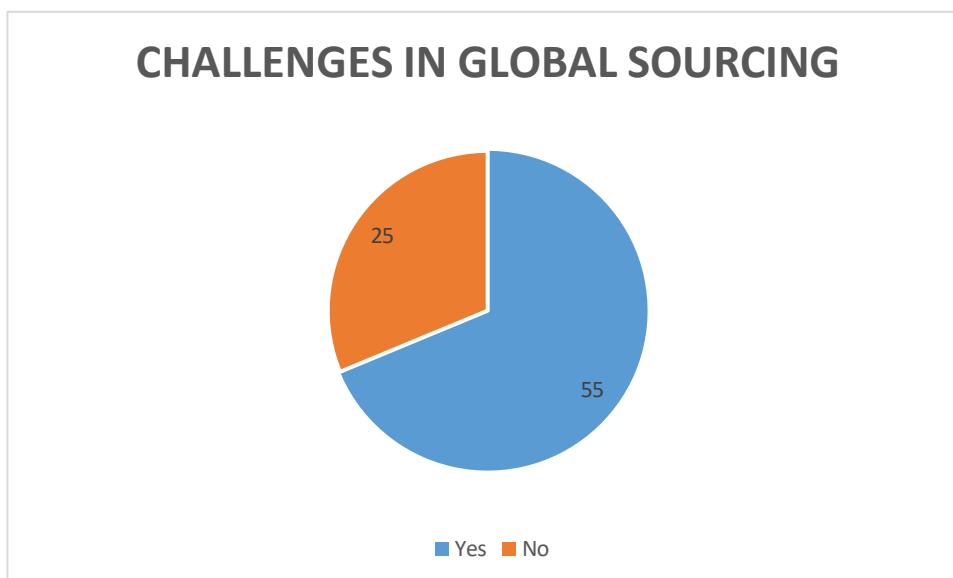
Respondents were enquired about any difficulties they encountered in global sourcing that affect cost efficiency.

**Table 4.9: Challenges in Global Sourcing**

| Challenges Faced | Frequency | Percent |
|------------------|-----------|---------|
| Yes              | 55        | 68.8%   |

|              |           |             |
|--------------|-----------|-------------|
| No           | 25        | 31.3%       |
| <b>Total</b> | <b>80</b> | <b>100%</b> |

Source: Primary Data



Source: Primary Data

#### Figure 4.9: Challenges in Global Sourcing

The findings show that a substantial portion (68.8%) of respondents encountered difficulties in global sourcing, suggesting that although advantages are acknowledged, there are still barriers that may impede cost efficiency.

#### 4.4.4 Strategies to Mitigate Risks

The respondents were requested to clarify the techniques followed by Schweppes to reduce the risk that is involved with global sourcing.

**Table 4.10: Strategies to Mitigate Risks**

| Strategy Description                                                | Responses |
|---------------------------------------------------------------------|-----------|
| 1. Establishing long-term supplier contracts to ensure reliability. | 43        |

|                                                                       |    |
|-----------------------------------------------------------------------|----|
| 2. Implementing robust supplier performance monitoring systems.       | 38 |
| 3. Diversifying supplier base to reduce dependence on single sources. | 32 |
| 4. Utilizing technology for real-time inventory tracking.             | 26 |
| 5. Regular training for staff on risk management practices.           | 21 |

*Source: Primary Data*

The following table provides fundamental strategies recorded by participants in Schweppes Zimbabwe Limited on how to improve the practice of sourcing: The most favored option is creating long-term supply contracts for reliability, with 43 responses, and subsequently creating effective measures to track supplier performance, with 38 responses. Besides, expanding the base of suppliers to reduce reliance on sole sources received 32 responses, and application of technology in monitoring stocks in real-time received 26 responses. Twenty-one of the respondents noted the necessity for ongoing employee training in risk management practices as part of a comprehensive program to enhance the sourcing practice and counter respective risks.

## **Discussion**

The results indicate that Schweppes Zimbabwe Limited employees primarily view global sourcing to play a significant role in cost reduction. The dramatic reduction in raw material and production costs supports this perspective, identifying the degree to which global sourcing can lead to improved bottom-line performance. However, the very high percentage of respondents who reported difficulties with global sourcing indicates that there are some efficiencies to be gained consistent with the complexity literature regarding global sourcing practices. Identification of these problems and response thereto will be obligatory for the company to be able to take best benefit from the opportunity offered by global sourcing to place it for countering any disadvantages that may arise while maximizing cost savings and efficiency.

### **4.4 Strategies For Enhancing Cost Optimization Through Global Sourcing**



This part offers conclusions concerning possible optimizations of worldwide sourcing strategies that can provide additional cost reductions and steps Schweppes Zimbabwe Limited can take to enhance benefits of such strategies.

#### 4.5.1 Strategies for Cost Reduction

Interviewers requested the respondents to list global sourcing strategies that can be done or optimized for additional improving costs.

**Table 4.11: Strategies for Cost Reduction**

| Strategy                                      | Frequency | Percent |
|-----------------------------------------------|-----------|---------|
| Diversifying supplier base                    | 44        | 55.0%   |
| Long-term contracts with foreign suppliers    | 39        | 48.8%   |
| Investing in supplier relationship management | 36        | 45.0%   |
| Leveraging digital procurement tools          | 31        | 38.8%   |
| Other (please specify)                        | 6         | 7.5%    |
| Total                                         | 80        | 100%    |

*Source: Primary Data*

The table presents an overview of sourcing approaches used by respondents at Schweppes Zimbabwe Limited with 80 respondents. The most frequent approach is "Diversifying supplier base" with 44 respondents (55.0%), followed by "Long-term contracts with foreign suppliers" with 39 respondents (48.8%) and "Investing in supplier relationship management" with 36 responses (45.0%). In addition to that, 31 respondents (38.8%) said they applied "Leveraging digital procurement tools," while 6 respondents (7.5%) said "Other" options. This division reflects extremely strong

emphasis on diversification and relationship formation, a reflection of the company's desire to improve its sourcing efficiency.

#### 4.5.2 Measures to Maximize Benefits of Global Sourcing

Respondents were also asked to propose how Schweppes can maximize the benefits of global sourcing.

**Table 4.12: Measures to Maximize Benefits of Global Sourcing**

| Suggested Measures                                  | Frequency |
|-----------------------------------------------------|-----------|
| 1. Improve forecasting accuracy                     | 38        |
| 2. Enhance interdepartmental communication          | 36        |
| 3. Regular training for procurement staff           | 29        |
| 4. Implement real-time inventory management systems | 26        |
| 5. Utilize data analytics for decision-making       | 31        |

*Source: Primary Data*

The table shows suggested ways of improving procurement practice at Schweppes Zimbabwe Limited, as shown by participant responses. The most highly recommended is improving forecasting accuracy, as shown by 38 responses. Closely followed were "Improve interdepartmental communication" with 36 and "Use data analytics for decision-making" with 31. Also, 29 have recommended "Ongoing training for procurement staff," and 26 have recommended "Implementing real-time inventory control systems." These are geared towards accuracy, communication, and skill development to improve the efficiency of procurement and decision-making.

### 4.5.3 Additional Comments and Suggestions

Respondents provided additional recommendations on how Schweppes can improve global sourcing for better cost-effectiveness. Some of the most recurring recommendations were:

- **Enhancing Supplier Evaluation:** Regularly assess supplier performance to ensure quality and reliability.
- **Expanding Global Networks:** Explore new markets to find cost-effective suppliers.
- **Investing in Technology:** Adopt advanced procurement technologies to streamline processes.

### Discussion

It is possible to see a clear enthusiasm from employees of this group for diversifying suppliers and signing long-term contracts as being prudent steps towards cost effectiveness. Their emphasis on improving supplier relationship management and digitalization is a sign of sensitivity to the requirement of computerization of procurement processes if the company is to remain competitive. Besides this, the steps suggested in order to maximize global sourcing opportunities indicate a clear sensitivity to the challenges facing Schweppes. This concurs with the literature's interest in cost savings as opposed to strategic control, suggesting that the employees not only receive information on the prevailing market conditions but are also initiative-taking in exploring avenues of enhancing the efficiency of operations.

### 4.7 Conclusion

The chapter presented a critical review of evidence on global sourcing strategies and their effect on cost effectiveness in Schweppes Zimbabwe Limited. Demographic analysis revealed a multicultural work force with high prevalence in critical jobs with

sourcing and high employee tenure, a determinant of depth of institutional knowledge. Tests showed that Schweppes employs different forms of international sourcing, predominantly outsourcing, as an indication of extensive dependency on the same. An overwhelming majority of respondents attested to global sourcing to have brought about cost savings, especially in raw material and cost of production, although with the continuity of challenges. Recommendations for improvement involved broadening the base of suppliers, tying up long-term deals, and training employees in technology, in addition to improving forecasting accuracy and communication. The chapter highlights technological advancements' dependence on strategic sourcing and cost optimization as core areas of focus for future actions to improve procurement operations and fiscal performance within Schweppes.

## **CHAPTER V**

### **OVERVIEW, FINDINGS, AND SUGGESTIONS**

#### **5.1 Introduction**

The study looked at the international sourcing practices of Schweppes Zimbabwe Limited and their cost-effectiveness implications. The research carried out an assessment of how successful such practices are in terms of making cost savings and the issues that have been experienced by the company. Descriptive survey research was used and 80 employees were sampled from different departments ranging from procurement, supply chain, to operations. This allowed for a deep exploration of the perceptions of the most important players in sourcing. The results were that Schweppes depended mostly on outsourcing as the underlying global sourcing strategy, which constitutes a high percent of its business model.

Additionally, the firm utilizes different sourcing techniques, such as direct imports and key alliances with foreign suppliers. The research concentrated on the aspect that although these efforts have managed to cut costs, specifically in the areas of raw material purchasing and production costs, there are various hindrances still present. The respondents identified such challenges as inconsistent supplier performance, exchange rates, and poor incorporation of technology as being among the primary obstacles toward reaching the best cost efficiencies. Although they also appreciated the cost-saving benefits of international sourcing, workers showed apprehension concerning the risks involved in dependence upon certain suppliers and market volatility worldwide. Some limitations affected the research, largely the possibility of biases in self-reported data because the respondents may have had the incentive to portray the firm's sourcing practices positively.

Secondly, the study was constrained in that there was no long-term data. The data would have given valuable information on how sourcing strategies modify, evolve, and are affected over a period of time. The study indicates that although the global sourcing strategies of Schweppes are essentially good, there is a pressing need for improvement in certain areas. Improved partnerships with suppliers, technology investment in cutting-edge gear, and full training programs for procurement professionals are the primary actions the organization has to take in order to enhance its sourcing strategy. The study emphasizes the importance of ongoing monitoring and adjustment of sourcing strategies in order to align them with changing market dynamics and organizational goals.

## **5.2 Conclusion**

The research finds that global sourcing operations at Schweppes Zimbabwe Limited are essential in cost saving, where the majority use outsourcing as the most common practice. Information gathered indicated that most of the respondents are able to understand this cost-effectiveness in terms of money saved, mainly in raw material purchases as well as in production approaches. Research settled cost saving, product quality, and supplier reliability as the determinants of the choice to procure from. Despite the positive interpretations which have been attached to these approaches, the study revealed a variety of barriers to the achievement of cost-effectiveness. Among these barriers, the most prevalent was the absence of funds since most of the workers concerned about the budget when handling various suppliers or investing money in technology that is required.

Additionally, supplier reliability and exchange rate risk volatility were regarded as major risks most likely to cause detrimental effects on sourcing outcomes. The research addressed the issue of how technology could be leveraged to increase the efficiency of sourcing. The volunteers said that although there are some technology tools available, there is a lot of scope in further increasing it. There is no advanced inventory management system along with the real-time monitoring feature and it was regarded as the weakness while designing upgraded sourcing efficiency.

Research findings suggest that although Schweppes has developed a good platform for international sourcing, there remain there systemic inefficiencies and problems of implementation. There is a necessity to pay special attention to developing improved

training systems for employees, improving better relationships with the suppliers, and implementing better technology in an attempt to tackle such challenges in an integrated manner. Lastly, whether Schweppes' global sourcing efforts are successful will also be determined by the extent to which the company is able to prepare for changes in market forces and navigate complexities that are part of global sourcing.

### 5.3 Recommendations

According to the findings of this study, there are certain specific recommendations for the improvement of global sourcing strategy within Schweppes Zimbabwe Limited. These recommendations offer strategic interventions with the potential of increasing cost effectiveness as well as better operations.

1. **Diversification of Supplier Base:** Schweppes will diversify the supplier base with a view to mitigating the risks of relying on a single source of supply. If the company has a huge number of suppliers, it is bound to become responsive and reduce its exposure to supply disruption. This strategy may include entering new markets and initiating new connections with new suppliers that may result in good prices and new products.
2. **Technology Investment:** Investment in emerging procurement technologies is of highest importance for improved sourcing processes along with optimizing inventory management. ERP applications and supply chain solutions enabled by IT allow for real-time tracking of inventory levels and improved data-driven decision-making. These technologies provide real-time feedback on the performance of suppliers and market trends, enabling Schweppes to respond before demand and supply conditions change.
3. **Continuous Training and Development:** Procurement staff must have an effective training framework for building up their capability in handling supplier relationships, gaining negotiation expertise, and assessing risk. Regular training sessions and workshops can make employees effective to handle complexity and maximize sourcing outcomes. Creating a culture of continuous learning will equip the team with the proper instruments to address evolving sourcing requirements.
4. **Deepening the Supplier Relationship:** Schweppes should put more emphasis on having good cooperative relationships with their key suppliers.

Through using long-term contracts and program planning for cooperation, supplier reliability and commitment to quality can be enhanced. Through open communication and building trust, the company can ensure that its suppliers meet its criteria of sources and specifications.

- 5. Involving Stakeholders:** Discussion among various stakeholders, like employees, vendors, and business practitioners, can improve policy congruence and successful application of the sourcing programs. Coordination can be similar to best practices as well as innovative solutions for problems that are bothering international sourcing. All this coordinating together could facilitate group responsibility for the contributors and more idea and insight sharing.
- 6. Review and Evaluation:** Tracking the performance of global sourcing practices over time is also extremely crucial in order to have an efficient monitoring and evaluation system. Regular review of critical performance indicators and evaluation can locate areas requiring improvement and ensure organisational objectives are aligned. This strategic plan will allow Schweppes to make efficient decisions and modify its sourcing strategy accordingly.

By implementing these recommendations, Schweppes Zimbabwe Limited will be able to maximize its global sourcing strategy and reduce costs significantly. Implementation of these strategic measures will not only make its operations more efficient but also make the business company more competitive in comparison to its counterparts in the market.

#### **5.4 Limitations and Areas for Further Research**

This study is useful in offering an insight into the global sourcing strategy of Schweppes, although it is important to value certain limitations. The research was centred on only one organisation, and it can reduce the generalisability of results across other firms within the industry. Subsequent studies can gain from comparative studies involving various organisations in order to offer a wider picture of sourcing practices in diverse settings.

Second, using self-reported data is prone to biases since individuals might feel obligated to report their sourcing practices in the most positive light. To overcome this issue,



future studies can look to use outside reviews or objective reviews to confirm self-reported data and provide a better representation of sourcing efficiency.

Third, the cross-sectional research design measures the levels of compliance at one point in time, and may not capture change or trends over time. Longitudinal studies of sourcing methods and performance metrics taken over time could possibly reveal more about the dynamics of global sourcing and cost effectiveness impacts.

This study also did not include the views of minor suppliers and farmers in the supply chain, whose suggestions may highlight specialized issues and potential opportunities for sustainability and regulatory compliance. Future studies should include these voices to gain a better understanding of the whole supply chain.

Finally, the research was undertaken at a time of economic uncertainty in Zimbabwe, and this could have impacted the ability of companies to comply and the focus of regulatory action. Future studies can explore how economic changes impact sourcing practices and decision-making and offer valuable insights into the strategy of organisations during times of uncertainty. Such limitations outline a number of possible areas for future research.

A three-to-five-year longitudinal study would be able to monitor patterns of compliance and provide a detailed image of the way the effect of regulations enhances or deteriorates in relation to economic and policy changes. Comparative case studies of various agribusinesses regardless of whether small or specialized would allow further detailed investigation of compliance issues. This would allow researchers to ascertain if the problems faced are inherent to particular companies or general to the industry.

Furthermore, research on the possible application of digital technologies, like blockchain, for increasing transparency and simplifying compliance reporting in sourcing can have far-reaching advantages. Examining the link between existing sustainability law in agriculture and the practices for reducing climate change would be a suitable topic for investigation. Finally, studying leading global best practices in the regulation of agricultural supply chains can help present patterns for policy reform in Zimbabwe, creating a friendlier atmosphere for sustainable sourcing.

In summary, the results of this research highlight the importance of ongoing assessment and realignment of global sourcing by Schweppes Zimbabwe Limited. By addressing

the recognized challenges and applying the suggested remedies, the organization can maximize its organizational efficiency and prepare itself for long-term success in an increasingly competitive market.

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## APPENDIX 1



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**BINDURA UNIVERSITY OF SCIENCE EDUCATION**

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Private Bag 1020  
BINDURA, Zimbabwe  
Tel: 066271 – 7127, 7620, 7615

**FACULTY OF COMMERCE - DEPARTMENT OF ECONOMICS**

9 June 2025

**RE: REQUEST FOR DATA COLLECTION**

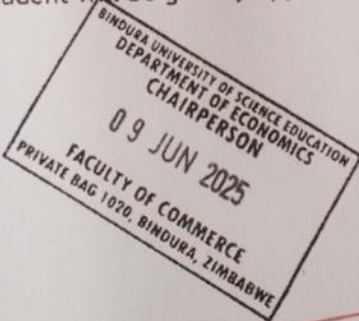
Please may you assist our student Ratidzo Marangwanda (B225746B) carry her research in your Organization on her topic on "Exploring The Impact Of Global Sourcing Strategies On Cost Optimisation: A Case Of Schweppes Zimbabwe Limited ". She is our student at Bindura University of Science Education in the Department of Economics.

Your assistance to our student will be greatly appreciated.

Regards



.....  
Mrs B. Dube  
Chairperson





Bindura University of Science Education  
P.O Box 1020  
Bindura

9 June 2025

**REF: AUTHORITY TO CARRY OUT A RESEARCH IN DEPARTMENTS  
THAT ARE DIRECTLY INVOLVED IN GLOBAL SOURCING ACTIVITIES**

I am a student at Bindura University of Science Education pursuing a BSc (Hons) in Supply Chain Management. I am currently conducting a research study titled **“The Impact of Global Sourcing Strategies on Cost Optimization: A Case of Schweppes Zimbabwe Limited”** as part of the requirements for the completion of my degree.

Your organization has been selected due to its active participation in global sourcing practices. I am kindly requesting your approval to distribute questionnaires to selected staff members in relevant departments.

Participation in the study is entirely voluntary and all responses will be treated with strict confidentiality and used solely for academic purposes. Thank you for considering my request.

Yours faithfully

Ratidzo Marangwanda  
ratidzomaraz@gmail.com  
0785111799

## QUESTIONNAIRE

### SECTION A: DEMOGRAPHIC INFORMATION

1. What is your current job title?
  - ☐ Procurement Officer
  - ☐ Supply Chain Manager
  - ☐ Finance Officer
  - ☐ Operations Manager
  - Other (please specify): \_\_\_\_\_
2. How many years have you worked at Schweppes Zimbabwe Limited?
  - ☐ Less than 2 years
  - ☐ 2–5 years
  - ☐ 6–10 years
  - ☐ Over 10 years
3. Have you been directly involved in global sourcing decisions?
  - ☐ Yes
  - ☐ No

### SECTION B: Global Sourcing Strategies Used by Schweppes Zimbabwe Limited

#### (Sub-questions for Research Question 1)

4. What types of global sourcing strategies are currently used by Schweppes?  
(Select all that apply)
  - ☐ Outsourcing
  - ☐ Offshore sourcing
  - ☐ Global tendering
  - ☐ Strategic partnerships with foreign suppliers
  - ☐ Direct imports
  - Other (please specify): \_\_\_\_\_



5. How would you rate the level of reliance on global sourcing at Schweppes Zimbabwe?
- ☐ Very High
  - ☐ High
  - ☐ Moderate
  - ☐ Low
  - ☐ Very Low
6. In your opinion, what factors influence the choice of global sourcing strategy at Schweppes? (Select all that apply)
- ☐ Cost advantages
  - ☐ Quality of products/services
  - ☐ Supplier reliability
  - ☐ Access to technology
  - ☐ Exchange rate fluctuations
  - ☐ Government regulations
- Other (please specify): \_\_\_\_\_

## **SECTION C: Effects of Global Sourcing on Cost Optimization**

### **(Sub-questions for Research Question 2)**

7. To what extent do you agree that global sourcing has contributed to cost savings at Schweppes?
- ☐ Strongly agree
  - ☐ Agree
  - ☐ Neutral
  - ☐ Disagree
  - ☐ Strongly disagree
8. Which of the following cost elements have been reduced due to global sourcing? (Select all that apply)

- ☐ Raw material costs
  - ☐ Production costs
  - ☐ Inventory holding costs
  - ☐ Logistics and transportation costs
  - ☐ Procurement overheads
  - ☐ None
9. Are there any challenges faced in global sourcing that impact cost optimization?
- ☐ Yes
- ☐ No
- If yes, please specify: \_\_\_\_\_
10. How does Schweppes mitigate risks associated with global sourcing to maintain cost efficiency? (State two strategies)
- a) \_\_\_\_\_
- b) \_\_\_\_\_

## **SECTION D: Strategies for Enhancing Cost Optimization Through Global Sourcing**

### **(Sub-questions for Research Question 3)**

11. In your view, which global sourcing strategies could be adopted or improved to further reduce costs?
- ☐ Diversifying supplier base
  - ☐ Long-term contracts with foreign suppliers
  - ☐ Investing in supplier relationship management
  - ☐ Leveraging digital procurement tools
- Other (please specify): \_\_\_\_\_

12. What measures do you think Schweppes can take to maximize the benefits of global sourcing? (State two measures)

a) \_\_\_\_\_

b) \_\_\_\_\_

## **SECTION E: Additional Comments or Suggestions**

### **(Recommendations)**

13. Please provide any additional comments or suggestions on how Schweppes can improve global sourcing for better cost efficiency:

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**Thank you for your participation!**

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