

**BINDURA UNIVERSITY OF SCIENCE EDUCATION**

**FACULTY OF COMMERCE**

**GRADUATE SCHOOL OF BUSINESS**

**MASTER OF SCIENCE DEGREE IN ENTREPRENEURSHIP AND INNOVATION**

**CORPORATE ENTREPRENEURSHIP (MEI 508)**

**EXAMINATION PAPER**

**DURATION: 3 HOURS 30 MINUTES**

**MAR 2024**

**INSTRUCTIONS AND INFORMATION TO CANDIDATES**

1. Section A is compulsory and carries 40 marks.
  2. Answer Question One from Section A and any three (3) questions from Section B.
  3. The paper carries six questions.
  4. All questions in Section B carry equal marks of 20 each.
  5. The use of cell phones is not allowed in the examination.
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## **SECTION A: [COMPULSORY]**

### **QUESTION 1**

#### **CASE STUDY: BRICK AND MORTAR STRONGHOLD**

Google recently opened a retail store in Williamsburg, Brooklyn, as the first of its upcoming neighbourhood stores that pay homage to surrounding communities. It is the company's second store in New York City, following the opening of a flagship store in Chelsea last year. Google is following in the footsteps of competitors like Apple, Samsung and Amazon. The stores sell things like pixel phones and fitbits. According to Richard Kestenbaum (Core-founder of Triangle capital), making a move into brick and mortar is smart given the importance of reaching customers in person, especially post pandemic. However, analysts have pointed out that Google's success lies in the "cool factor". This means that Google will have to come up with some form of fun experience that draws people into the new stores.

While there has been a growth in online sales across the globe, brick and mortar models appear to maintain a stronghold in certain consumer categories. For example, makeup and fragrances fall squarely in the category of goods that consumers want to sample in person. Fruit and vegetables are also good examples of things that are tough to sell online. In an age where people can purchase products with a tap of a button, brick and mortar retailers need to step up their game and offer experiences that people cannot get online. The following are types of experiences that keep shoppers coming back:

#### ***Treasure Hunts***

One thing that gets people into a store is the excitement that comes with seeing a great product or deal.

#### **SAFE SHOPPING EXPERIENCES**

In a post pandemic world, consumers will continue coming back to retailers that make them feel safe and secure. There is a need for retailers to stay on top of store cleanliness and follow health guidelines.

#### **Face-to-face customer services**

Nothing beats interacting with knowledge-able store associates who genuinely want to help.

### **Constant reinvention**

One of the reasons why some stores do well is that they are constantly reinventing themselves. Walking into a shop and seeing the same old things is one of the most disappointing experiences a shopper can have.

### **Omni-channel shopping experiences**

Research from Google found out that 98% of consumers switch devices throughout the day, so it is important to be able to keep up. The key components of omnichannel retail experiences including buy online-pickup in-store, curbside pickup and in-store fulfilment are essential in today's modern shopping environment. Getting these things right tends to keep shoppers coming back to the physical store and website.

### **Community**

Physical spaces also bring people together in ways that websites or mobile apps cannot. Community is one of the most significant strengths that brick and mortar stores have. This also includes events and competitions that bring people together.

### **Social media opportunities**

As ADwEEK PUTS IT, "These days, if consumers cannot Instagram a store, it's almost not even worth going. "This is particularly evident in younger generations. These consumers are digital natives, many of whom have lives that are well-documented on social media. Setting up an Instagram wall in the store can encourage shoppers to snap photographs in store. Looking at the Zimbabwean context, we are witnessing a trend within the grocery retail sector whereby the main players are focused on improving physical shopping experiences. The retail sector in Zimbabwe has undergone significant changes since 2010.

Retail and distribution sectors also constitute the largest share of the country's imports with approximately 70% of products sold by the retail sub-sector being imported. The three actors dominating the formal distribution market are OK Zimbabwe, TM Pick n Pay AND Spar. Piggy likes the fact that Meikles has largely restructured, and its focus is largely food retail. The sale of the Meikles hotel and unbundling of Tanganda Tea company has effectively recalibrated the business as a consumer-facing entity. During the 2020 financial year, TM Pick n Pay stores invested in seven store upgrades and the construction of an upmarket mall in Marondera. Moreover, the clearance of foreign currency denominated liabilities has well positioned the

businesses for accelerated store upgrades, branch network expansion and a boost on the working capital front. Investors can seek exposure in TM Pick n Pay through Meikles Limited. Based on our estimates, the stock is trading on a forward PER of 5.6x. We rate Meikles Limited BUY.

*Source: B. Matsika: Zimbabwe Independent, May 20-26, 2022, p9*

***Required:***

**Carefully consider the following questions and answer them based on the case study above as well as your broad appreciation of issues in corporate entrepreneurship.**

- a. How would you justify the strategic move taken by Google? **(5 marks)**
- b. Given this new trend being explored by online shopping champions against the background of the Covid-19 restrictions, what then would you say is the best way to go for Zimbabwean retailers? **(10 marks)**
- c. "Looking at the Zimbabwean context, we are witnessing a trend within the grocery retail sector whereby the main players are focused on improving physical shopping experiences". Discuss the merits of this focus by Zimbabwean retailers. **(10 marks)**
- d. Using the evidence in the case, and other supporting information, describe the benefits that shoppers get if Zimbabwean retailers adopt a corporate entrepreneurial approach. **(10 marks)**
- e. Briefly justify why TM Pick n Pay saw it fit to embark on store upgrades and construction of an upmarket shopping mall in 2020. **(5 marks)**

**[Total: 40 marks]**

**SECTION B: (Answer any three (3) questions from this section).**

**QUESTION 2**

Explain the differences between entrepreneurial and traditional approach to running a business.

**[20 marks]**

### **QUESTION 3**

a) Explain the following concepts which are at the core of entrepreneurial behaviour:

i. Creativity (5 marks)

ii. Innovation (5 marks)

b) What are the major factors that limit creativity and innovation in organizations?

(10 marks)

**[Total: 20 marks]**

### **QUESTION 4**

Explain the importance of pro-active leadership in driving corporate entrepreneurship.

**[20 marks]**

### **QUESTION 5**

Briefly describe each of the four models of approach to corporate entrepreneurship as

proposed by Wolcott and Lippitz (2007).

**[20 marks]**

### **QUESTION 6**

The management of risk is very important in corporate entrepreneurship. Define the term 'risk optimisation' and explore the methods that are used to achieve it.

**[20 marks]**

**END OF EXAMINATION PAPER.**