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**A Study of the Effectiveness of Competitive Strategies Employed by Real Estate Organisations in Lusaka**

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**Abstract.** The real estate industry is a positive contributor to the Zambian economy, accounting an average of 3.4% of GDP in 2019. However, real estate players have been faced with challenges in the recent past such as vacancies, businesses closing down, defaults on loans resulting from a poor performing economy and the Covid-19 pandemic. Moreover, the industry generally has low barriers to entry resulting in increased competition. The above have necessitated the need for effective strategy formulation and implementation by individual firms if they are to survive and outperform their competitors. The purpose of this research was to analyse the effectiveness of strategies real estate firms are using to gain competitive advantage. A quantitative survey was conducted focusing on the real estate firms registered with the Zambia Institute of Estate Agents (ZIEA) in Lusaka. Results indicated that real estate organisations were using Porters competitive strategies to gain competitive advantage in the real estate industry, with differentiation strategy being the most utilized generic strategy. Correlation and regression analyses indicated that the use of these strategies was not effective in leading to competitive advantage as variables were not statistically significant at 95 per cent confidence level.

**Keywords:** competitive advantage, strategy, cost, differentiation, focus

### **Introduction**

The real estate sector in Zambia is key to realizing Vision 2030 targets aimed at providing adequate, quality and affordable housing. Moreover, it has been a growing contributor in the Zambian economy accounting an average of 3.4% of GDP and a positive growth rate of 0.1 % of GDP (Zambia Statistical Agency, 2019). The industry's growth, coupled with technological advancement has brought about, new opportunities for real estate businesses further increasing competition in the market (Kamanga, 2019; PMRC, 2018). In as much as the real estate industry has had a positive influence on GDP, the economy in general has performed poorly with GDP falling by 4.8%, high interest rates, a rise in inflation as well as the depreciation of the kwacha resulting from the Covid-19 pandemic which have affected the real estate industry by damping the level of activity (World Bank, 2021; Knight Frank , 2020).

This has resulted in vacancies, businesses closing down, defaults on loans as well as increased competition (Kamanga, 2019). Moreover, it has negatively affected firms and their performance making it a necessity for real estate firms to have effective competitive strategies to be able to survive and outperform the competition in the market as without strategies in place most firms lose customers leading to a loss of market share and business failure/closure (Knight Frank , 2020). Similar to other African countries, real estate industry in Zambia is affected by changes in urbanization, demographic, environmental factors, technology, as well as the financial system. According to PwC (2014), emerging economies have a growing need of more urban real estate brought about by the great migration to the cities, growing population and growing middle class. Similarly, cities of advanced economies are growing, though less rapidly, with issues like technology, demographics and environmental becoming new value drivers. PwC (2015) forecasted rapid urbanisation and demographic changes, as contributors to substantial growth in the global real estate industry. This will increase the size of the real estate asset base increases due to large investments in the industry which leads to an increase

in competition. This creates the need globally for real estate firms to have strategies that will enable them survive the bad times and outperform their competition.

Previous studies (Bochere, 2015; Alfaraj, 2017; Kongela, 2013; Koutroumanis, 2021; Zakaria, Dahalan, & Mushaibah, 2012; Widiatama, Hamid, & Martono, 2018; Zhang & Ren, 2006) globally and regionally highlight the need for strategies in gaining competitive advantage. Koutroumanis (2021) highlights the need for more research in related areas such as sustainable competitive advantage at the real estate agent or brokerage level. Zakaria, et al. (2012) and Kongela (2013) highlight the lack of research in the real estate sector especially in less developed countries. Even though research from different countries does exist on the subject, Koutroumanis (2021), Zakaria, et al. (2012) and Kongela (2013)'s assertions are true in the case of Zambia as it lacks empirical studies on the real estate competitive strategies that lead to competitive advantage. Therefore, this study is essential as it provides insight into factors that influence competitiveness and survival of firms in the Zambian real estate industry as well as establish the strategies that are effective to improve competitiveness and gain competitive advantage.

## Literature Review

### Competitiveness in the Real Estate Industry

The real estate sector is an important sector in any growing economy. Like many other industries, it is highly competitive and ever changing which can affect performance and necessitates the need for competitive strategy. It is affected by changes in urbanization, demographic, environmental factors, technology, as well as the financial system. Moreover, competitors within the industry also affect a firm because their actions can affect a firm's current and future planning (Rattanaprichavej, 2012). As such, real estate firms need to determine their competitiveness compared to other businesses in the industry to try to gain market share, make appropriate changes to their sales strategy as well as improve their human resource to maintain high sales turnovers (Widiatama, Hamid, & Martono, 2018). It is important for real estate firms to conduct research on how to go about this. Zhang and Ren (2006) reiterate the need for a detailed analysis to establish the market characteristics as well as its competitive environment if it is to survive or be profitable.

### Competitive Advantage and Strategy

Competitive strategies involve taking offensive or defensive actions that help organisations come up with defendable positions in the industry (Tanwar, 2013). There is need for firms to decide in which aspect of their business they want to have competitive advantage. A management Guru, Michael E. Porter (1985) suggests that a firm needs to employ either focus strategy, differentiation or cost leadership strategy commonly referred to as generic strategies if they are to gain competitive advantage. Similarly, Dobre (2011) and Gareche, et al. (2019) state that competitive advantage can be obtained by either having lower costs than competitors or by differentiation where the company uses its unique skills and resources to obtain higher revenues by charging a premium price. Some scholars established the use of cost leadership (Charan, 2021; Bayraktar, Hancerliogullari, Centinguc, & Calisir, 2017; Švárovaa & Vrchotaa, 2014), differentiation (Jin, 2019; Gareche, Hosseini, & Taheri, 2019; Islami, Latkovikj, Drakulevski, & Popovska, 2020) and Focus (Onyango, 2017; Akintokunbo, 2018; Muriungi, 2018).

With regards to cost leadership, Alozairi and Aga (2017) and Rattanaprichavej (2012) highlight the need to closely monitor budgets and costs as well as the use of cheaper construction techniques like pre fabrication or pre-casting enhancing productivity in cost saving, time and quality. Zhang, et al. (2011) and Ali, et al (2021) state that businesses could

achieve cost leadership strategies through low pricing. Looks at competitive advantage through the lens of digitization and analyses the relationship between competitive advantage of SMEs and their business strategy.

Differentiation can be achieved by leveraging reputation and branding (Ngoc & Tien, 2021; Muriungi, 2018; Meng, 2019; Smith, Rupp, & Motley, 2013; Sihite, Sule, Azis, & Kaltum, 2016; Sarjana & Khayati, 2017), human resources (Kim, Jeon, Jung, Lu, & Jones, 2012; Gujral, Palter, Sanghvi, & Vickery, 2020), creative marketing (Ishaq & Hussain, 2016; Bowonder, Dambal, Kumar, & Shirodkar, 2015; Bi, Wu, Gao, & Lin, 2018) as well as customer satisfaction (Ali, Akoi, Saleh, & Sardar, 2021; Huang, Zhou, & Han, 2013).

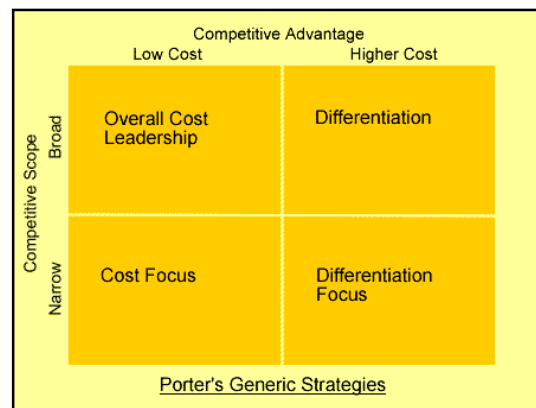
To achieve focus strategy, firms need to take segmentation seriously and choose a suitable segment (Muriungi, 2018; Onyango, 2017; Emam, 2011). This can be done through geographic segmentation (Inoue, Ishiyama, & Sugiura, 2018; Barreca, Curto, & Rolando, 2017; Piazzesi, Schneider, & Stroebel, 2020) or demographic segmentation (Muriungi, 2018).

Globally, the relationship between competitive advantage and strategy has been explored with some exploring the relationship between competitive advantage and a firm's performance (Bayraktar, Hancerliogullari, Centinguc, & Calisir, 2017; Alfaraj, 2017). Bayraktar, et al. (2017) found that the use of strategies leads to increased performance with innovation bridging the gap.

Some African studies (Asante, Quansah, Ayitey, & Kuusaana, 2017; Bochere, 2015; Reubenson, Pokhariyal, & Obwocha, 2014; Dobre, 2011; Muriungi, 2018) correspond with Michael Porter's strategies in explaining various aspects involved in gaining competitive advantage. Anene (2019) examines the strategies used to improve and sustain real estate performance. In Kenya, (Bochere, 2015) conducts a similar study as the current one and also focuses on analysing strategies for gaining competitive advantage based on the Resource Based View of competitive advantage. Reubenson, et al. (2014) also conducts a similar study basing his analysis on a case study. In Ghana, Agyapong et al. (2016), examined the relationship between managerial and innovative capacity and how they moderate the relationship between competitive strategy and performance and found that in pursuing either a low-cost position or differentiation, firms need to focus on building strong internal managerial capabilities. A study conducted in the estate agency practice in Zambia found that most firms opted to conduct their businesses over the internet as it increased the client base, reduced advertising costs, increased sales and reduced transaction cost (Mushimfwa & Chilembo, 2019). With the above, it is clear that in order to succeed, there is need for real estate firms to have strategies that will help them navigate regional factors that could impact their operations and affect performance.

### **Porter's Competitive Strategies**

Porter, developed a model to help firms with their strategic positioning which refers to how firms intend to position themselves in the market to get customers to choose them over their competitors (Porter, 1985). He came up with different strategic positions from which businesses could choose in order to succeed. Figure 1 shows the relationship suggested by Porter among the three generic strategies and attainment of competitive advantage. They could either choose the broad competitive scope were they attain competitive advantage through overall cost leadership or differentiation or they could choose a narrow scope and decide to be complete by focusing their efforts on particular segments.



**Figure 1. Porters Generic Strategies Model**

### Resource Based View

The resource-based view was introduced by Jay Barney in a 1991 article entitled Resource-Based View of the Firm. He argued that firms gain their sustained competitive advantage from the resources and capabilities that they control, that have value, rare, cannot be easily imitated, and not substitutable (Barney J. , 1991; Barney, Wright, & Ketchen, Jr, 2001). Some of the firm's resources and capabilities he highlighted include management skills, organizational processes/ routines as well as the information and knowledge it controls. These are used to help the firm come up with and implement strategies that enhance their performance. In order to gain sustainable competitive advantage a firm utilizes all the useful resources in its environment (Gaster, 2016). This theory is useful as it analyses and interprets internal resources of the organization and emphasizes resources and capabilities in formulation strategy to achieve sustainable competitive advantages.

### Methodology

The study adopted a quantitative approach utilizing the survey design. The study target population was the real estate firms in Lusaka registered with the Zambia Institute of Estate Agents (ZIEA) which is the governing body for Estate Agents in Zambia to which all agents should be registered, be it individuals or corporates. In 2021, ZIEA had 37 Corporate Members registered members from Lusaka (ZIEA, 2022). The study population therefore came to 37. The sampling frame used for this study is available on the ZIEA website as a downloadable document. The study employed the Census approach rather than sampling since the target population was small. According to Singh and Masuku (2014) a census is a more attractive method for small populations as it unlikely to have sampling errors as well as provides data for all individuals within the population. Questionnaire distribution was done electronically rather than physical due to COVID considerations, targeting top management especially Directors or owners of real estate firms who are most likely to be knowledgeable about the strategic direction of the firm as they are in most cases involved in strategic decision making.

Once the data was collected, it was initially set out and a data matrix was created in excel after which the Statistical Package for Social Sciences (SPSS) software was applied to analyse the data statistically.

### Results and Discussion

This study had an overall response rate of (65%), the background section contained information on the respondent firms. The results indicated that majority (58%) of the respondents operate as limited liability companies in the real estate industry seconded by sole proprietorships representing 17% with the rest operating as partnerships or corporations, with most operating as real estate agencies accounting for 58% of responses which makes sense as

the study sample stemmed from ZIEA which is a regulating authority for estate agents. On average, firms had less than 100 employees, less than 100 clients in the database and a turnover above ZMW 300,000. With regards to the number of years they had been in operation, the results indicated that there are slightly more newer firms that have been in operation for less than 5 years compared to those that have been in the industry longer which could be attributed low barriers to entry or the attractiveness of the industry which consequently led to an increase in competition for already existing ones. This confirms Kamanga (2019)'s findings that competition in the real estate market in Zambia is high and steadily growing.

### Competitive Strategies Being Used to Gain Competitive Advantage in Lusaka

The second section of the questionnaire required the respondents to identify the competitive strategies their firm employed in order to gain competitive advantage. Using a five-point Likert scale, the study sought to know respondents' level of agreement on various statements relating to the strategies used to gain competitive advantage. Pimental (2010) considers the five-point Likert scale as an interval scale and provides a measure were mean falling between 1 – 1.79 means strongly disagree, 1.80 – 2.59 means disagree, 2.60 – 3.39 means neutral, 3.40-4.19 means agree and 4.20- 5.00 means strongly agree.

The results are presented in *Table 1* to *Table 6*. The items for each variable were averaged to create a single score on each of the variables and these scores were used for subsequent analysis. Table 1 gives a summary of the descriptive of the competitive strategies. Overall Cost Leadership got (Mean = 3.48, SD=1.06), Differentiation Strategy got (Mean = 3.69, SD=1.07) and Focus Strategy got (Mean = 3.57, SD=0.89). In the study, uses strategies developed by Porter (1985) who argued that differentiation, focus and cost leadership strategies provide an organization with competitive advantage which is the key determinant to superior performance. The results indicate that real estate firms that took part in the study agreed to using the competitive strategies. These results build on existing evidence on the use of strategies as they are consistent with (Rattanaprichavej, 2012; Mekić & Mekić, 2014; Hahn, 2015; Bochere, 2015; Brinksroder, 2014; Banker, Mashruwala, & Tripathy, 2014; Johnson, Scholes, & Whittington, 2008; Masaba & Kilika, 2016; Rahmawati, Hadiwidjojo, Noermijati, & Solimun, 2014; Tanwar, 2013) who confirmed that the generic competitive strategies are used by real estate firms to gain competitive advantage. The results further indicated that Differentiation strategy is the most used strategy in order to gain competitive advantage, consistent to the findings of previous studies (Datta, 2010; Islami, Latkovikj , Drakulevski, & Popovska, 2020; Gareche, Hosseini, & Taheri, 2019).

**Table 1. Summary Descriptive Statistics**

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
CL	24	1.00	5.00	3.4792	1.06016
D	24	1.13	4.87	3.6889	1.07004
F	24	1.67	4.50	3.5694	0.89134
Valid N (listwise)	24				

### Cost Leadership Strategies on Competitive Advantage

This study sought to determine if cost leadership strategy was used to gain competitive advantage. The summary of the findings of the cost strategies the real estate firms use is presented in Table 2 below.

**Table 2. Cost leadership Strategy descriptive statistics**

<i>Descriptive Statistics on cost leadership</i>					
<b>Cost leadership (The firm gains and maintains competitive advantage by):</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
CL1. [Ensuring budgets are closely monitored]	24	1	5	3.79	1.503
CL2. [Having cost control processes]	24	1	5	3.79	1.285
CL3. [Monitoring costs]	24	1	5	3.71	1.268
CL4. [Mass advertising of listings]	24	1	5	3.38	1.469
CL5. [Utilizing free social media networks such as Facebook and Instagram]	24	1	5	3.83	1.404
CL6. [Selling property with similar attributes as competitors at lower prices resulting from their cost management practices]	24	1	5	2.38	1.056
<b>Note. 5 strongly agree, 4 agree, 3 neutral, 2 disagree, 1 strongly disagree</b>					

In the first statement CL1, which required respondents to indicate whether they gain and maintain competitive advantage by ensuring budgets are closely monitored, mean is 3.79 with a standard deviation of 1.503. This means that the majority of participants agree to the firm gaining and maintaining competitive advantage by ensuring budgets are closely monitored. Similarly, the mean of the second statement CL2 is also 3.79 which entails that majority of the participants also agree that the firm may gain competitive advantage by having cost control processes. Relating to the third statement CL3 about monitoring costs, the majority of respondents agreed that it helps firms maintain and gain competitive advantage. The majority of respondents were observed to have reported neutrality mass advertising of listings, CL4, as can be seen with the mean of 3.38. For the statement on the utilization free social media networks such as Facebook and Instagram, CL45 had the highest mean of 3.83 and a standard deviation of 1.404, implying that majority of the respondents agreed that it would help the firm gain and maintain competitive advantage. Last but not the least the study observed that majority of the respondents on the statement of selling property with similar attributes as competitors at lower prices resulting from their cost management practices, CL6, expressed neutrality as to whether it could help gain and maintain competitive advantage with a mean of 2.38.

### **Differentiation Strategy and Competitive Advantage**

This study sought to determine if differentiation strategy was used to gain competitive advantage. The findings are presented in Table 3 as follows.

**Table 3. Differentiation Strategy Descriptive Statistics**

Descriptive statistics on differentiation					
Differentiation (The firm gains and maintains competitive advantage by :)	N	Minimum	Maximum	Mean	Std. Deviation
D1. [Enhancing customer loyalty]	24	1	5	4.04	1.301
D2. [Effectively communicating its unique selling point to its customers]	24	1	5	3.96	1.301
D3. [Offering clients real estate options in exclusive/prime locations that cannot be easily imitated by its competitors]	24	1	5	3.54	1.25
D4. [Creating a trusted brand that distinguishes it from its competitors as well as ensuring it constantly adjusts its brand message to be in line with its clientele's unique demands ]	24	1	5	4.04	1.459
D5. [Maintaining a good reputation by consistently providing quality property listings in the market]	24	1	5	4.08	1.349
D6. [Engaging in Corporate Social Responsibility (CSR) activities such as taking part in charity fundraisers]	24	1	5	2.92	1.139
D7. [Offering products and services that are environmentally sustainable]	24	1	4	3	1.142
D8. [Investing highly in hiring and retaining qualified personnel]	24	1	5	3.54	1.215
D9. [Encouraging employees to complete the real estate training with the Zambian Institute of Estate Agents (ZIEA)]	24	1	5	3.46	1.532
D10. [Creating a learning culture]	24	1	5	3.83	1.274
D11. [Having a website to advertise its listings which is updated regularly]	24	1	5	3.58	1.412
D12. [Conducting market research on a regular basis]	24	1	5	3.46	1.382
D13. [Ensuring customer satisfaction by providing quality products and services]	24	1	5	3.96	1.459
D14. [Responding promptly to enquiries and customer queries]	24	1	5	4.17	1.308
D15. [Putting in place an effective customer relationship management (CRM) system]	24	1	5	3.75	1.26

Note. 5 strongly agree, 4 agree, 3 neutral, 2 disagree, 1 strongly disagree

On statements about ways through which the firm gains and maintains competitive advantage by Differentiation, majority of the study participants either agreed to or were neutral on the statements. For the statement D1, D2, D3, D4, D5, D8, D9, D10, D11, D12, D13, D14 and D15 the majority of respondents agreed that these strategies of differentiation would help the firm gain and maintain competitive advantage with means ranging from 3.41 to 4.17 as can be observed in *Table 3* above. The differentiation strategy mostly used by respondents, with the highest mean of 4.17 and standard deviation of 1.308 was that of responding promptly to enquiries and customer queries. This is unsurprising and in line with the recommendations of (Jose, Anh, RafalKuc, & Dana, 2021). The second most used strategy was the continued enhancement of customer loyalty with a mean of 4.04 and standard deviation of 1.301. On the other hand, majority of study participants expressed neutrality on the statement; D6 engaging in Corporate Social Responsibility (CSR) activities such as taking part in charity fundraisers and D7 offering products and services that are environmentally sustainable as to whether they would help the firm gain competitive advantage. This implies that real estate firms have not fully embraced the use of these strategies. The finding supports the work of Topal (2016) who focused on strategic how CSR and brand reputation affect competitive advantage most of the respondents in his study were not sure whether CSR is crucial for the company but thought that CSR is an unexplored dimension that might provide competitive advantage. This could be attributes to the lack of understanding of how to leverage them to create an advantage. According to (Sitek & Tvaronavičienė, 2021) the use of strategies such as CSR and environmental sustainability are more attractive to real estate developers who only make 17% of the study in this study and so neutrality of respondents who are mostly estate agents makes sense. Moreover, these strategies are costly and may are not attractive for smaller firms due to

limited of financial resources as per the findings of Zhang, Shen, and Shen (2011) and World Economic Forum (2016).

### Focus Strategy and Competitive Advantage

This study sought to determine if focus strategy was used to gain competitive advantage. The findings are presented as follows:

**Table 4. Focus Strategy descriptive Statistic**

Descriptive statistics on focus strategy					
Focus (The firm gains and maintains competitive advantage by :)	N	Minimum	Maximum	Mean	Std. Deviation
F1. [Providing specific real estate listings and services that serves a specific market segments]	24	1	5	3.75	1.359
F2. [Targeting high income earners]	24	1	5	3.38	1.096
F3. [Having real estate listings that appeal to young growing couples/families]	24	1	5	3.63	1.173
F4. [Focusing on serving clients looking for property in low density areas within Lusaka]	24	2	5	3.46	1.103
F5. [Providing property in locations specifically suited for a group of customers that require special features/ attributes and are willing to pay a premium]	24	1	5	3.83	1.435
F6. [Providing real estate listings to clients preferring lower prices or cheaper options in the market]	24	1	5	3.38	1.135

Note. 5 strongly agree, 4 agree, 3 neutral, 2 disagree, 1 strongly disagree

The study observed that on the strategies under Focus strategy of the firm to gain competitive advantage, majority the respondents either agreed or were neutral on the areas of focus the firm should adopt. For the two statements F2 on Targeting high income earners and F6 on providing real estate listings to clients preferring lower prices or cheaper options in the market majority of the respondents expressed neutrality while the for the rest of the statements F1, F3, F4, and F5 had means ranging from 3.41 to 4.20 which entails that the majority of the respondents agreed the if the firm focused on the stated areas as can be seen in the table above, competitive advantage would be gained and maintained by the firm. Providing property in locations specifically suited for a group of customers that require special features/ attributes and are willing to pay a premium was the most used Focus strategy with a mean of 3.83 and standard deviation of 1.435. The location and proximity of property to key infrastructure such as roads, schools, hospitals, and malls can result in a better performing real estate firm Reubenson (2013). The findings indicate the provision of specific real estate listings and services that serves a specific market segment is the second most utilized focus strategy. These findings concur with Onyango (2017) who asserts that focusing on a specific segment or superior expertise in a field, firms have better knowledge which helps them gain competitive advantage. It is interesting to note that the two least used strategies are targeting high income earners and providing real estate listings to clients preferring lower prices or cheaper options in the market.

### Correlation Analysis

In order to establish the relationship among study variables, a correlational analysis was conducted using cost leadership strategy, differentiation strategy and focus strategy as independent variables and competitive advantage as the dependent variable.



Table 5. Correlation Analysis

		Correlations				
			CA	CL	D	F
<b>Spearman's rho</b>	<b>CA</b>	Correlation Coefficient	1	-0.224	-0.086	-0.022
		Sig. (2-tailed)		0.292	0.689	0.918
		N	24	24	24	24
	<b>CL</b>	Correlation Coefficient	-0.224	1	.685**	.665**
		Sig. (2-tailed)	0.292		0	0
		N	24	24	24	24
	<b>D</b>	Correlation Coefficient	-0.086	.685**	1	.664**
		Sig. (2-tailed)	0.689	0		0
		N	24	24	24	24
	<b>F</b>	Correlation Coefficient	-0.022	.665**	.664**	1
		Sig. (2-tailed)	0.918	0	0	
		N	24	24	24	24

Note: \*\*. Correlation is significant at the 0.01 level (2-tailed).

A correlation analysis was undertaken using Spearman's correlation seeing that it was established that the data had a nonlinear distribution. As seen in Table 5 above, cost leadership (CL) as an independent variable and competitive advantage has  $r=-0.224$  which demonstrates a weak negative correlation between cost leadership as an independent variable and competitive advantage as a dependent variable. Similarly, concerning differentiation (D) as an independent variable and competitive advantage as a dependent variable  $r=-0.086$  also demonstrating a very weak negative correlation between differentiation as an independent variable and competitive advantage as a dependent variable. With Focus (F) as an independent variable and competitive advantage as a dependent variable  $r=-0.022$  also demonstrating a very weak negative correlation between differentiation as an independent variable and competitive advantage as a dependent variable. The inverse relationship however does not imply causality but just shows the direction of the relationship. According to (Black, 2012) a negative correlation indicates that high values in the cost leadership tend to be associated with low values in the competitive advantage and vice versa. This is the same for the correlation between differentiation and competitive advantage as well as that of focus and competitive advantage. However, this is of no much consequence as above correlation values generally indicate no relationship between our dependent variable, competitive advantage and each of the independent variables (i.e. cost leadership, differentiation and strategy) as the  $r$  in all their correlations is far from -1 (Black, 2012). Additionally, the larger p-values 0.292, 0.689 and 0.918 indicate that the results are not significant.

### Ordinal Regression Analysis

#### *Parameter Analysis*

The parameter estimates are given in the table below. Further, the table summarizes the effect of each predictor. The sign (+ or -) of the estimates for covariates and relative values of the estimates for factor levels can give important insights into the effects of the predictors in the model. For covariates, positive (negative) estimates indicate positive (inverse) relationships between predictors and outcome. An increasing value of a covariate with a positive estimate corresponds to an increasing probability of being in one of the "higher" increasing outcome groups (Elamir & Sadeq, 2010).

**Table 6. Parameter Estimates**

Parameter Estimates		Estimate	Std. Error	Wald	df	Sig.	95% Confidence Interval	
							Lower Bound	Upper Bound
<b>Threshold</b>	[CA = 1.00]	-0.715	1.693	0.178	1	0.673	-4.034	2.604
	[CA = 2.00]	-0.097	1.685	0.003	1	0.954	-3.401	3.206
	[CA = 3.00]	0.091	1.685	0.003	1	0.957	-3.212	3.395
<b>Location</b>	Cost Leadership	-1.421	0.88	2.608	1	0.106	-3.146	0.304
	Differentiation	1.13	0.891	1.608	1	0.205	-0.617	2.876
	Focus	0.299	0.833	0.129	1	0.719	-1.333	1.931

According to Table 6, cost leadership has estimate of -1.421 which indicates that as a unit increases in cost leadership, it decreases the probability of competitive advantage by 1.421 at a non-significant level of confidence of 0.106 (since p-value is larger than 0.05) which entails that the effect is statically insignificant and may only be by chance. Therefore, we fail to reject the null hypothesis that states that cost leadership strategy does not lead to competitive advantage in real estate firms. This finding contradicts (Zhang & Ren, 2006; Bayraktar, Hancerliogullari, Centinguc, & Calisir, 2017; Ali & Anwar, 2021b; Meng, 2019) who found that cost leadership is the most effective strategy for real estate businesses. The observed coefficient for differentiation has positive effect where a unit change in differentiation strategy increases the probability of turnover by 1.130 at significance level 0.205, also indicating association by chance alone as the relationship is not statistically significant. Therefore, we fail to reject the null hypothesis that states that Differentiation strategy does not lead to competitive advantage in real estate firms. These findings contradict (Gareche, Hosseini, & Taheri, 2019; Islami, Latkovikj, Drakulevski, & Popovska, 2020; Datta, 2010). In terms of Focus Strategy, A unit increase in focus was observed to have a positive effect on competitive advantage with an increase of 0.299. Focus has a larger level of significance of 0.719 indicating lesser cause and effect relation or probability of competitive advantage as compared to cost leadership and differentiation. Therefore, we fail to reject the null hypothesis that states that focus strategy does not lead to competitive advantage in real estate firms. This contradicts (Tanwar, 2013; Muriungi, 2018; Onyango, 2017).

The results with regards to the effective strategies in leading to competitive advantage are not consistent with Porter (1985) who argued that differentiation, focus and cost leadership strategies provide an organization with competitive advantage which is the key determinant to superior performance. According to Mekić and Mekić (2014), Porter also claimed that the three generic strategies he proposed work every single time in achieving competitiveness regardless of changes that may happen. Moreover, reviewed literature of similar studies (Ali & Anwar, 2021b; Bochere, 2015; Muriungi, 2018; Jin, 2019; Gareche, Hosseini, & Taheri, 2019; Alfaraj, 2017; Bayraktar, Hancerliogullari, Centinguc, & Calisir, 2017; Anene, 2019; Rattanaprichavej, 2012) confirm Porters claims. Jin (2019) found that differentiation was better than cost leadership in leading to competitive advantage while (Rattanaprichavej, 2012) found cost leadership to be more effective. Tanwar (2013) confirms the effectiveness of Focus strategy especially for smaller firms. Bayraktar, et al. (2017), finds that competitive strategies such as cost-leadership and differentiation can lead to increased performance with innovation bridging the gap. In the real estate industry cost leadership requires effective cost control in areas such as the advertising, research and development, and environmental standards Bayraktar, et al. (2017).

## Conclusion

The real estate industry like other industries is affected by economic shocks and unforeseen events like the Covid-19 pandemic which dampen the level of activity, result in vacancies, businesses closing down, and defaults on loans as well as increased competition. This negatively affects their performance making it a necessity for real estate firms to have effective competitive strategies to be able to survive and outperform the competition in the market.

The aim of the study was to analyse the effectiveness of strategies real estate firms are use in order to gain competitive advantage. The first objective of the study sort to assess how the real estate industry is gaining competitive advantage. The literature reviewed uncovered various strategies used from a global perspective down to the local level with a focus on cost leadership, differentiation and focus strategies. The second objective was to determine the strategies being used to gain competitive advantage in Lusaka. The third objective was to evaluate the effectiveness of the key strategies in gaining competitive advantage. In order to address the above objectives, a census survey of 37 real estate firms operating within Lusaka, registered with ZIEA was conducted. Questionnaires were distributed using Google Docs of which 24 firms successfully responded. The data reviewed that 58% of the firms operate as agencies, 17% each for Brokerage and Real Estate Development. The least responses of 8% came from firms specialising in other business activities within the real estate space.

Under the Cost leadership strategy, the majority of firms achieved this by using social media as an advertising tool, followed by the use of cost control mechanisms and the monitoring of budgets. In terms of Differentiation, the highest number of firms said they ensured prompt response to enquiries and customer queries seconded by the maintenance of a good reputation by consistently providing quality property listings in the market. Under Focus, the most used strategy was the provision of property in locations specifically suited for a group of customers requiring special features/ attributes and willing to pay a premium for it. This was seconded by the provision of specific real estate listings and services that serves a specific market segment. The overall strategy used by the firms was found to be Differentiation.

In order establish the effect of the generic competitive strategies on competitive advantage, a correlation analysis and ordinal regression analysis were carried out. Both analyses found no significant relationship between the variables which resulted in the failure to reject the Null hypotheses. The results contradicted Porter's claims that the competitive strategies of Cost leadership, differentiation and Focus lead to competitive advantage.

Based on the results, a key recommendation of the study is for firms to focus on strategy implementation to make sure they are implementing strategies that are in line with their goals and resources/capabilities.

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