Analyzing hypercompetitiveness in contemporary business development environments...



ANALYZING HYPER-COMPETITIVENESS IN CONTEMPORARY BUSINESS

DEVELOPMENT ENVIRONMENTS: DOES HYPER-COMPETITIVENESS RENDER

DETERMINING SYSTEMATIC STRATEGIC DIRECTION FOR ENTERPRISES

IMPOSSIBLE?

1. 0 Introduction

Presently, contemporary business development environments are gradually experiencing an increased level of competitiveness and dynamism. Majority of the technology-based enterprises are undergoing rapid changes hence making it a requirement for such entities to create new concepts as a way of coming up with the changes.[1]On previous occasions, business enterprises would maximize their levels of competitive advantage to gain market control something that proved to be sustainable for a given period. Nonetheless, this is no longer the case due to the reality of hyper-competition, which can be described as a new era of competition in the business world. Various business experts define hyper-competition as tactics used by organizations to upset the competitive advantage held by direct rivals.[2]In the technology-based industry, businesses try to gain competitive advantage through price adjustments complemented by the mastery of financial independence, the decline of boundaries, customer changes and integration of technology and innovations.

In the article *Revealing Your Hand: Caveats in Implementing Digital Business Strategy* by Grover and Kohli (2013), it was concluded that hypercompetition renders the determination of systematic strategic direction in enterprises impossible.[3]Due to the availability of hyper-competitiveness,

business tends to focus on understanding how normal operations are affected by the rapid changes in the modern business environment. These circumstances force business executives in the technology-based industry to come up with measures that are tailored to withstand such environmental changes. Hyper-competition affects the performance of businesses as well as the process of decision-making considering it has turned the world into one level field. This phenomenon is termed as globalization. The technology-based enterprises are experiencing significant changes regarding the cultural, social and economic business environments thus making it impossible to determine the systematic strategic direction of a business. Hyper-competition depends on technology and innovations considering they are essential elements in the disruption of competitive advantage held by market leaders.

The introduction of more efficient products in the technology-based industry has played a significant role in creating disruptions to the operations of market leaders. This form of innovation can be linked to the changes that were experienced in the beverage industry due to the introduction of energy drinks. This form of innovation on the long haul proved to be a success as it resulted in competitors coming up with new concepts and lines of energy drinks. Therefore, these kinds of changes brought about by the reality of hyper-competition make it had for business executives to determine the systematic strategic direction of an enterprise. Besides, hyper-competitiveness results in business experiencing customer changes, something that business executives cannot predict and occurs sporadically. [4]Customer changes possess the consumers to determine dramatic effects

on market leaders in the technology-based industry considering the success of a market.

The purchases made by consumers determine the success of an organization that specializes in the production of technology-based products.[5]For example, consumers may purchase wireless charging systems for one year and then decide to acquire wire-based charging systems for the following year. This situation underlines the vulnerability of an organization to the changes in the hyper-competitive markets. Due to hyper-competition, business executives in the technology-based enterprises are forced to assume that they operate in a business environment that is not confined to any given boundaries.[6]This situation has resulted in the elimination of boundary to entry; thus, presently it is quite easy for an outside business to invest in specific markets. The existence of hyper-competition has complicated business operations because for an enterprise to dominate a given industry, and then it is required to attain financial independence. The elimination of boundaries to entry jeopardizes the chances of a business controlling a particular industry. This research proposal will focus on the investigation of how hyper-competitiveness renders the determination of systematic strategic direction in enterprises impossible.

2. 0 Statement of the Problem

The technology-based enterprises have been affected by hypercompetitiveness drastically. It is evident that competition has its place in the modern day business environment where it influences activities and day-today operations.[7]Competition is the pinnacle of what defines the business

world. For that reason, these circumstances bring about the question of how businesses are affected by the reality of hyper-competition. Today, business executives are facing multiple struggles that are arising from the existence of competition within the global business arena. This level of competition has negatively affected the maintenance of strategic development within technology-based enterprises. An investigation conducted by Blodgett concluded that hyper-competition significantly harms business enterprises through various price factors, production and labor costs.[8]Price factors ensure that business remains operational; therefore, it is upon the management of business enterprises to determine how important pricing is to the achievement of success.

On a global stage, the technology-based enterprises have gradually experienced a rapid increase in competition; as a result, they have been exposed to poor market performance and decision-making. Hyper-competition has resulted in businesses experiencing price fluctuation something that has drastically affected the costs of operation.[9]Small businesses that have access to limited resources have not been able to keep up with the changes brought about by the reality of hyper-competitiveness. Hyper-competition threatens the profit maximization of the majority of the businesses in the technology-based industry; hence, to remain operational business executives have been forced to come up with new concepts and measures. For example, due to high competition levels to attain the state of market dominance as industry leaders businesses have been forced to a merger. Through merging, companies get to pull their resources together in

the bid to gain significant market dominance through coming up with active pricing strategy development.

Small technology-based businesses are usually the most significant casualties of hyper-competition due to the existence of global competition and economy. On the worldwide stage, enterprises gain access to different options of selling, purchasing and hiring as such the level of competition has escalated. This situation has complicated the ability of small businesses to attain profitability within their service or trade. Hyper-competition has created a platform where enterprises are expected to face more firms and markets while trying to come up with strategies that can result in the attainment of market leadership and dominance. There are parts that small businesses find they are impossible to deal with most especially the outsourcing of employees. However, large enterprises face little challenges when trying to outsource employees because due to their vast resources they can hire employees from other countries or via online platforms. [10]This is an advantage that small businesses do not get to enjoy as they are forced to regulate themselves to a specific location that is within their scope or range of employment.

It is evident that the existence of high competition threatens the ability of businesses to exist and remain operational on a global stage. Hyper-competition affects the performance of companies as well as the process of decision-making considering it has turned the world into one level field. Hyper-competitiveness is associated with elevated levels of unpredictability hence these circumstances complicate how businesses can maintain strategic development. Hyper-competition has significantly disrupted the https://assignbuster.com/analyzing-hyper-competitiveness-in-contemporary-business-development-environments/

operations of businesses operations on either local or global fronts or both.

[11]These are the kind of changes that make technology-based enterprises worry about their survival rate regarding their ability to ensure that they turn losses into profits. Hyper-competition has damaging effects on the profit maximization of technology-based enterprises. This research proposal will be focusing on determining how hyper-competition has affected the ability of technology-based enterprises to determine systematic strategic direction.

3. 0 Research Questions

- a) In what manner does financial independence influence the maintenance of strategic development in a business?
- b) What are the effects of the decline of boundaries on the determination of systematic strategic direction in a business?
- c) In what ways do customer changes influence the determination of systematic strategic direction in a business?
- d) What are the impacts of the integration of technology and innovations on the determination of systematic strategic direction in a business?

4. 0 Research Hypotheses

HO 1:

Financial independence does not influence the systematic strategic development in business.

HO 2:

The decline of boundaries bears no impact on the determination of systematic strategic direction in business.

HO 3:

Customer changes does not influence the determination of systematic strategic direction in business.

HO 4:

The integration of technology and innovations does not determine the systematic strategic direction in business.

5. 0 Importance of the Study

5. 1 Business

Every technology-based enterprise will benefit from the findings of this study. This is because every business is maintained based on a plan that includes information regarding the analysis of how hyper-competitiveness levels render the maintenance of systematic strategic direction impossible. Besides, this study will solve the problem associated with the failure of business executives understanding how hyper-competition affects the level of maintaining strategic business development. The analysis of the impacts of hyper-competition helps businesses in the process of decision hence controlling the performance levels of a firm.[12]The findings of this study provide technology-based businesses with an opportunity to focus on the market and their competition. This situation offers the business executives with the perfect platform where they get to learn what their direct rivals are

doing and why. Through the analysis of financial independence, a decline of boundaries, customer changes and integration of technology and innovations, business executives will update their systematic strategic plans based on the changes in the general market.

5. 2 Government

Various researchers have concluded that it is evident that hyper-competitiveness affects contemporary development in the modern business. [13]This is a situation that is of interest to the government of the United States because it affects the determination of the systematic strategic direction for enterprises impossible. The findings of this study will ensure that the government gains an insight into how hyper-competition is changing the development and profit maximization function of technology-based enterprises. For that reason, the government will try to come up with new concepts that will provide businesses with the perfect tools to help in coping with the changes in the competitive markets.

Market hyper-competition in the technology-based industry can be connected to war because the objective of market leaders is to gain complete dominance. Most of the market leaders want to control the entire market.[14]This situation is further complicated by the desire of direct rivals also to gain control of the market. Thus, the findings of this study will help the government to understand the effects of hyper-competition thereby coming up with some rules of engagement. Although the United States market is free, the government still has the responsibility of establishing the lines that businesses cannot ignore. The reality of hyper-competition has

violated some of the laws against false advertising and fraud as well as those against consumer rights violation. Through understanding the downside of hyper-competition, the government will ensure that businesses do not unfairly disadvantage other companies by copying their trademarks, copyrights, and patents.[15]

5. 3 Scholars

This research proposal will be of significance to academic and practice-based scholars because it will help them to gain unprecedented knowledge into the effects of hyper-competitiveness on the decision making regarding strategic development in organizations. The area of hyper-competition has proven to be examinable; thus, any findings provide scholars with information that can be explored and used to explain a specific phenomenon. The research findings of this study will give the scholars significant insight into how to deal with the issues regarding hyper-competitiveness in a contemporary business environment. The research proposal will also highlight the different gaps and areas that have not been explored by other researcher, creating a basis for future research work. The underlying reason behind the conduction of research work is for the researchers to accumulate meaningful solutions that can be regarded as a commendable achievement[16]. This research proposal will provide scholars with information concerning the different limitations that often face researchers in conducting a study in the contemporary business environment.

6. 0 Overview of Methodology

The research methodology in this research proposal will provide the outline for the designs and procedures that will be used in furthering the aims of the study. This section will give the readers the essential explanations of different methods, for instance, sampling techniques, sample size, target population and instruments of research complemented by other specifications. An overview of the research methodology in this proposal will provide elaboration on the methods of analysis and data collection as a way of answering the research questions. Additionally, under this section, different sources will provide support for theoretical elements as vital first-hand information.

6. 1 Research Design

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A qualitative research design will be used in providing answers to the topical research questions. Qualitative research can mainly be described an explanatory research.[17]For that reason, researchers use a qualitative research design as a way of attaining an understanding of the fundamental motivations, opinions, and intentions. The use of qualitative research design will provide significant insights into the effects of hyper-competition on the maintenance of strategic business development in technology-based enterprises. By using this type of research design, the study will go ahead and expose events in opinions and thoughts, and further focus on investigating the local phenomenon. The research study will use different qualitative data collection methods, especially the semi-structured and unstructured techniques that will involve the use of observations and individual interviews. A qualitative research design is fit for this study because it focuses on and highlights the process of data collection; https://assignbuster.com/analyzing-hyper-competitiveness-in-contemporary-

therefore, acting as an essential element in providing answers to the research questions.

6. 2 Justification for the Qualitative Research Design

The necessary information acquired for this study indicates that a qualitative research design will prove to be the perfect fit. The research topic in this study is sensitive; therefore, it provides the need for the investigation to apply the use of a qualitative research design.[18]It is anticipated that due to confidentiality reasons most of the technology-based enterprises will be cautious towards providing important details concerning how their business operations have been affected by hyper-competition. These circumstances give the reasons why the use of qualitative research design will be suitable for this research study because it will result in the acquisition of useful data. As opposed to quantitative research design, the qualitative one does not rely on sample size because it is possible to come up with valuable data even from a small sample group.

The topic phenomenon of this research proposal is complex thus requiring the use of hypotheses; this situation makes the use of qualitative techniques imperative. The method of qualitative research design will provide the researcher with a platform that will be used in acquiring data and more insights into the effects of hyper-competitiveness on strategic business development efforts in an organization. Having a restricted sample size also underlines the importance of utilizing qualitative techniques in trying to answer the research questions. The use of a qualitative research design provides detailed insights by "painting the real picture" of a research

phenomenon, an important element that might not be revealed using quantitative techniques.[19]

6. 3 Population and Sample Size

This study focuses on the technology-based enterprises that have been affected by the increasing growth and growing popularity of hyper-competition in the United States. This situation will provide the researcher with the right platform to examine the how hyper-competitiveness renders the determination of systematic strategic direction for enterprises impossible. To reduce the effects of biases the information that will be collected to answer the research questions will be collected from individuals who will be the right representation of the target population.[20]The complexity of the local phenomenon will potentially make it difficult for the researcher to gain access to bigger sample size. Therefore, this situation supports the importance of the research proposal utilizing the techniques of a qualitative research design that can acquire useful data even from a smaller sample size.

6. 4 Type of Data

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In the book *Creative research methods in practice* by Kara (2015), it was concluded that secondary data refers to the pre-existing information that was collected to serve a particular primary need but still can be used subsequently by other researchers to serve a secondary need.[21]The technology-based industry is fast-paced due to increased levels of competition hence it can be described as highly dynamic. As a result, in the bid to answer the topical questions the researcher will be required to borrow https://assignbuster.com/analyzing-hyper-competitiveness-in-contemporary-

from the previous findings and conclusions of other researchers regarding the same research topic. The assessment of the changes in the technology-based industry in the United States provides a significant basis for this study. The analysis of the effects of hyper-competitiveness will help in the identification of the research gaps, therefore, offering questions that will need to be addressed in the future. The secondary data that will be used in this study will be retrieved from the following journals: <code>Business & Professional Ethics Journal, MIS Quarterly, MIR: Management International Review, Information Systems Research, Strategic Management Journal, Journal of Information Technology, and Journal of International Business Studies .</code>

6. 5 Research Instruments

Various important instruments of research will be used in this research proposal; they will include academic journals and primary data collected from the respondent. The instruments of research inform the process that will be used in collecting data.[22]The instruments of research that will be used will play an integral role in providing the right information concerning the effects of hyper-competition on the strategic development of the technology-based enterprises. The collected data will ensure that the researcher gains access to the following factors; financial independence, a decline of boundaries, customer changes and integration of technology and innovations influence systematic strategic development.

6. 6 Sampling Techniques

Through the identification of the right target population, this study will gain the usage of a valid process of data collection. These circumstances stress how crucial it is for the researcher to select the right sample to be used in this study as a representation of the population size. To sample the population size, this research will use the random sampling technique to identify the particular sample that will be used to answer the research questions. The use of random sampling maintains the trustworthiness of the process used in collecting data as it eliminates the instances of bias.

[23]Random sampling will ensure that the study provides an approach that is well thought when trying to answer the research questions.

6. 7 Data Analysis

This study will attain the right patterns that will be used in analyzing the collected data through the provision of detailed descriptions. To analyze the collected data in this study the researcher will use qualitative statistical software, such as SPSS and NVivo 12. The use of qualitative statistical software will make it easier for the researcher to gain access to a more simplified way that can be used to organize vast amounts of data.[24]This process is achieved by utilizing the statistical software to interpret the collected data. The methods of sampling, data collection and analysis do coexist thus it is imperative that the researcher revises the process of analysis while interpreting the collected data.

6. 8 Data Processing and Presentation

Graphs and tables will be used to organize and present the collected data.

Various researchers have argued that by using tables to present that https://assignbuster.com/analyzing-hyper-competitiveness-in-contemporary-business-development-environments/

analyzed data, the researchers of a particular study made use of elaborate tables.[25]The use of tabular forms provides researchers with the right avenues through which they can analyze the facts and relationships underlined by the collected data. This situation is illustrated by the various factors that ensure hyper-competitiveness affects the level of maintaining strategic development. Through the visual presentation of the analyzed data, the researcher will ensure that data is also presented in a cartographic form that will include the utilization of graphs and diagrams. The graphical presentation is also another form that can be used in presenting collected and analyzed data.[26]To analyze the casuals and correlation hypotheses, the researcher will also conduct different statistical tests as a way of boosting the reliability of the research conclusions.

6. 9 Research Limitations

The availability of limited academic resources on the issues regarding the effects hyper-competition will include one of the most significant factors that will hamper the success of this research study. In addition, investigations into determining how high competition has influenced the profit maximization function and the performance of firms in the technology-based industry are still in the novel stages. This situation guarantees the lack of adequate empirical materials that can be used to support the research findings.

7. 0 Definition of Key Terms and Concepts

Hyper-competition: The strategies that are applied by different firms focused on disrupting the competitive advantage held by direct rivals who enjoy the https://assignbuster.com/analyzing-hyper-competitiveness-in-contemporary-business-development-environments/

role of being market leaders.[27]This is a phenomenon that occurs rapidly hence it is unpredictable.

Technology-based enterprises: These are businesses that majorly use technology to run operations that involve the provision of products and services that are based on new technology.

Strategic development: These are strategies that play an integral role in the creation and maintenance of business operations. These strategies provide specific goals and objectives that can be changed and tailored to respond to the changes in the market environment.[28]

Qualitative research design: These are oldest scientific techniques used in research and have proven to be useful in the study of motivations, opinions and the behavior of human beings by researchers and scientists.

Contemporary business: These are the settings and concepts that characterize the modern-day improvements in the business environment.

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