

The Importance of Business Environmental Analysis: A Case Study of Zambian Breweries

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Abstract

This study's main purpose was to assess how well Zambian Breweries analysed business performance using SWOT (Strengths, Weaknesses, Opportunities, and Threats) and PESTLE (Political, Economic, Social, Technological, Legal, and Environmental) analytical approaches. The methodology involved the distribution of a survey through the Google Forms platform, to which 17 respondents answered, and the collection of data utilising that survey. The results of the study were generated by the Google platforms based on the respondents' responses. According to the study's findings, Zambian Breweries occasionally performed SWOT and PESTLE analyses to assess the internal and external environments of the business and to assist in decision-making. The study further shows that managers at Zambian Breweries use SWOT and PESTLE analyses to weigh the advantages and disadvantages of significant choices. SWOT and PESTLE assessments can be employed for both large and small projects, to make decisions on marketing campaigns, organisational changes, the adoption of new production methods, and the introduction of new products. The analysis phase involves gathering employee viewpoints, which enhances project understanding, acceptance, and execution. To understand how a company is operating, it is essential to understand its SWOT and PESTLE analyses. In order to build strategic strategies, businesses must perform comprehensive study, which calls for the SWOT and PESTLE studies. An internal environment study and competitive advantage identification are common goals of a SWOT analysis. PESTLE analysis can be used to look at the external factors that affect the business environment.

Keywords: *Analysis, PESTLE, SWOT, Strategy, Strategic Management.*

Introduction

In this study, the values of swot and pestle analyses for a corporate entity like the Zambian Breweries are examined.

Zambian Breweries Plc (Zambrew) produces and distributes a range of clear beers. Zambrew was born out of the Northern Breweries limited, a privately held company founded in 1963 by Labatt Breweries of Canada and the South African Breweries (SAB). The business was nationalized in Zambia when the Industrial Development Corporation Limited (INDECO) acquired 55% of the issued share capital from

SAB in 1968. The remaining 25% of the issued share capital owned by SAB was sold to ZAMIC, an Anglo-American company affiliate. Zambian Breweries limited was the new name for the Northern Breweries limited after Labatt sold INDECO its 20% share ownership in 1988. Zambrew operated two production plants, one in Lusaka (central division), the other in Ndola (northern division) [1].

A variety of clear beers are produced and sold by Zambian Breweries Plc (Zambrew). The company effectively controls the market for clear brew goods in Zambia thanks to its product

line-up, which includes well-known South African brands Castle Lager, Redd's, Castle Lite, Carling Black Label, and Ohlsson's Lager. The company also creates regional varieties sold under the Mosi Lager and Eagle Lager brand names to satiate local appetites. 2018 saw the completion of Zambia Breweries' sale of its Coca-Cola bottling operation to Coca-Cola Beverages Africa (CCBA), putting the company on track to concentrate on its clear beer business.

PESTLE and SWOT studies may be used as part of the process of scanning the environment so that management of a firm has a complete awareness of both the internal and external settings in which the organization is operating. Organizations use PESTLE analysis to identify the political, economic, sociocultural, technological, legal, and environmental aspects of their operations that have an impact. By employing a SWOT analysis, businesses can gain a better understanding of their internal strengths and weaknesses as well as the external opportunities and threats they must manage. Organizations must properly comprehend both their internal and external environments in order to develop strategies that ensure they have a competitive advantage in their various circles of influence (markets). This study's purpose was to assess how well Zambia Breweries analysed business performance using SWOT and PESTLE analytical approaches.

Statement of the Problem

Despite having a monopoly to manufacture and sell lager in Zambia, Zambia Breweries is now up against more rivals from imported alcoholic drinks. Numerous Zambia Breweries' annual reports make notice of performance difficulties within the business. For instance, Zambia Breweries Plc reportedly sustained enormous losses of about K15.5 million during the half-year period that ended June 30, 2020 [2]. The significant depreciation of the kwacha against the major convertible currencies, which increased the company's debt load and raised manufacturing costs, was the main reason for the

losses. The company insists that it is still well-positioned for a rebound thanks to its strong cash position of K185.8 million, commitment to cost management, and financial prudence. To enhance the performance of the Zambia Breweries, a different strategy is required. The structure might need to be changed to make it simpler to implement the plan. Conducting internal and external assessments is crucial to lessen the likelihood of a strategy drift.

Strategic drift [3], is the gradual reduction in a company's competitive activity that stops it from identifying and responding to changes in the business environment. The term "drift" refers to moving away over time from the realities of shifting economic, technological, and consumer demand situations. Strategic drift results in a loss of competitive advantage because of managerial complacency, increased operating costs, a decline in innovation, and a lack of market flexibility. An analysis of the industry and competitor environment is essential for businesses since it aids managers in understanding how the forces of competition impact and interact with organizations in the same sector.

Literature Review

A strategy is defined as "...management's action plan for running the business and executing operations". A company's strategy is defined as "consists of the competitive movements and business techniques that managers are utilizing to expand the business, acquire and satisfy consumers, compete successfully, conduct operations, and attain the goal levels of organizational performance." [4]. In order to ensure the effective and efficient achievement of corporate objectives, strategic management therefore encompasses a variety of tasks such as environment scanning, strategy design, strategy implementation and monitoring, assessment, and review of the implementation process.

Other authors define a strategy as "a cohesive set of distinct discrete acts in support of a system

of goals” [5] and is supported by a portfolio of self-sustaining critical mass or momentum of opinion within an organization. Ackerman’s depiction of strategy as a “coherent set of separate discrete actions” contrasts with Thompson, Strickland, and Gamble’s [4] definition of strategy as “competitive movements and business processes.” It is evident that these authors have a similar view of what comprises strategy because they appear to be focusing on how businesses seek to attain specific organizational performance goals.

Beckman and Rosenfield [6] cite Mintzberg et al. [7] as saying that “Strategy depends on basic building pieces, which are used in attack, defense, and movement. This suggests that businesses should give priority to developing and implementing plans. The foundation of an effective strategy is the discovery and use of new arrangements of these elements. Due to cultural institutions and technological advancements, there are restrictions on the possible combinations for every era. These borders eventually begin to appear inevitable and commonplace. Strategists stop challenging conventional thinking and adhere to a number of tried-and-true ideas. Therefore, it is critical for exceptional leaders to innovate strategically by identifying and putting novel combinations into action if a sound strategic decision is to be achieved.

A key element of any business strategy and the primary source of competitive differentiation for many organizations is adherence to a set of corporate values [8]. Many academic strategists believe that these principles should always come before firm rules, operations, and goals because of the growing importance of Corporate Social Responsibility (CSR) initiatives and the resultant value of ethical trading practices to consumers [9]. When Rumelt [10] emphasizes that these principles must also be continually reviewed to reflect the difficulties present in a working environment that is constantly evolving, he takes a different tack. The correlative method aids in choosing which data

must be collected and processed as this is crucial to identifying elements for appropriate and efficient decision-making [11].

Business level strategy is usually referred to as competitive strategy in most academic contexts since it concentrates more on how an organization competes in a specific market environment [12]. Business strategy is more thoroughly adjusted and constructed to take into account the immediate local and regional influence of markets, consumers, competitors, and other stakeholders, despite the fact that it may mirror the wider corporate plan established [13]. A company can be said to have a competitive edge over its competitors if it can generate and sustain a higher rate of profit than those competitors [14]. The complexity of the market in which these enterprises operate, as well as the prospect that market changes could give a business a competitive edge if it can do so quickly and efficiently, are both ignored by this perspective [15, 16].

There are essentially three general approaches to considering how to create and maintain this crucial competitive edge. The three main business strategies are concentration, differentiation, and cost leadership [17]. One is eligible for the cost leadership position if they are the lowest cost provider of the necessary goods or services on the market. A distinguishing strategy permits the delivery of goods and services to the market that have a unique, distinctive, or peculiar value in comparison to those of competitors [8]. The possibility of being “caught in the middle” of a corporate plan that combines these distinctive methods without taking into account both present and potential competitors is another problem [17].

Research Methodology

Data analysis may be summed up in one general description, despite the fact that there are numerous groups, organizations, and specialists who approach data analysis in varied ways. Data analysis is the process of modifying, analysing,

and cleaning raw data in order to obtain pertinent, meaningful information that aids commercial decision-making. Charts, pictures, tables, and graphs are frequently used to present the procedure's important data and insights, which lower the risks associated with decision-making [18]. The responses provided by various respondents were first processed using the Google Forms platform and were afterwards evaluated using the Microsoft Excel Program.

Target Population

Following the creation of a survey on the Google Forms platform, a sample of 17 responses was obtained via email from the Zambian Breweries Plc headquarters, located at Plot 6438, Mungwi Road, Lusaka, Zambia. As of 2019, the Zambian Breweries had 940 workers spread over its structures [19].

Instruments for Data Collection

The major tool for gathering data was the questionnaire. A survey was distributed using the Google Forms platform, and 17 people responded. A questionnaire is described as “a form that people fill out used to obtain demographic information and the opinions and interests of those questioned” [20]. It is a “method for the elicitation, recording, and gathering of information”. [21]. The advantages of questionnaires include the fact that information is collected from a large sample and diverse regions. Confidentiality is also upheld using questionnaires. A questionnaire also saves on time as opposed to an interview.

The journals and other dependable published sources were consulted for secondary data. As was said in the section on the literature review, these studies have been carried out all over the world. By evaluating the numerous studies that have already been completed, it is feasible to compile data that is accurate and thorough in connection to the research topic.

Data Analysis Technique

Data was analysed through Google Forms. The straightforward, user-friendly interface of

Google Forms is one of its main benefits. No coding or technical knowledge is needed to create a form or survey quickly and easily in Google Forms. You may personalize your form to reflect your unique demands and brand using Google Forms, which offers a variety of pre-built templates to pick from. It takes less time to construct a form with all the required fields, including name, email address, and job title, and to personalize the form's appearance to reflect your brand thanks to the user-friendly interface. The ability to track and analyse responses in real-time with Google Forms is another important benefit. You may examine and analyse the data right away as someone makes a response to your form or survey, providing you immediate insights into the ideas, viewpoints, and preferences of your audience.

Rationale of the Study

The rationale of this study is to use SWOT and PESTLE analyses at Zambian Breweries to identify factors that have an impact on how a firm operates and to provide useful information for strategic planning. Using the SWOT and PESTLE tools of analysis will help you make decisions with more awareness and information.

Ethical Consideration

Absolute truthfulness is a fundamental ethical rule; scientists cannot and should not invent facts to suit their own agendas. In essence, this shows that being honest is the most important requirement for any investigation. Since the ultimate goal is truth rather than the researcher's own reputation, this kind of honesty must be recognized, and to do so, the researcher must own his errors [22]. The respondent is the primary subject of the research study, hence the ethical issues pertaining to them are of utmost importance. Studies that concentrate on private and individual details, such as person's marital status or religious convictions, are particularly zealous about upholding that person's privacy. Due to this, the researcher took care to ensure

that no information was shared during the research without the respondent's consent.

Discussion/Results

SWOT Analysis

SWOT is an acronym for strengths, weaknesses, opportunities, and threats. A SWOT analysis assesses the internal and external possibilities and dangers in the environment of an organization, as well as its strengths and weaknesses. The internal analysis is used to pinpoint the organization's resources, capacities, core competencies, and competitive advantages. The external study looks at the resources of rivals, the industry environment, and the overall

environment to identify market opportunities and dangers. Utilizing the knowledge of the business internal and external settings, a SWOT analysis aims to help it create its effective strategy.

SWOT Analysis for Zambia Breweries Plc

Respondents were asked when a SWOT analysis was last conducted for the Zambian Breweries Plc. There were various responses with 47.1% indicating that a SWOT analysis was conducted a year ago, 41.2% said that they could not remember while 11.8% said that SWOT analysis was conducted two years ago. The results are shown in Figure 1 below.

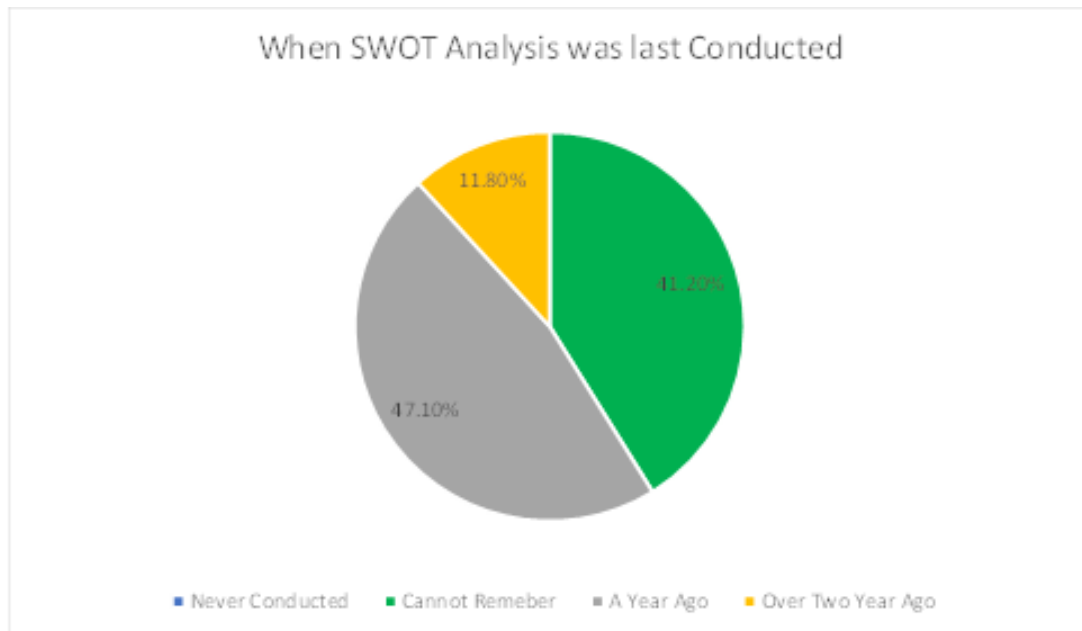


Figure 1. Respondent's Responses on When SWOT Analysis was Conducted at Zambia Breweries

Respondents were also asked how they rated the priority that the Zambia Breweries placed on the SWOT analysis process. 58.8% believed that the Zambia Breweries placed a very high

priority of SWOT analysis on its agenda, 35.3% said the company placed high priority while 5.9% did not give any opinion. The results are indicated in Figure 2.

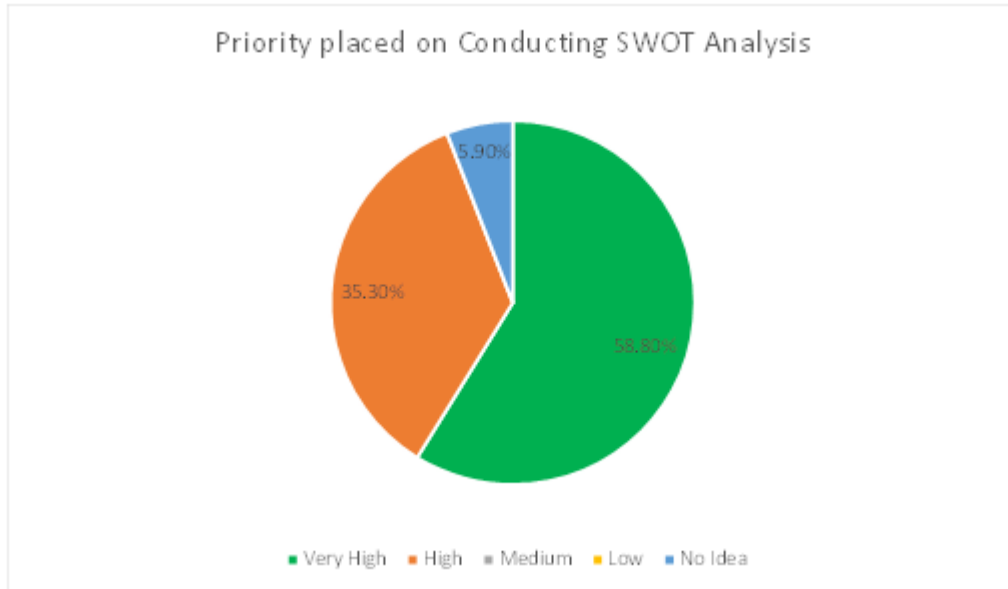


Figure 2. Respondent's Responses on the Priority given to Conducting SWOT Analysis at Zambian Breweries

Respondents were asked how they rated the importance of SWOT analysis to the effective operation of the Zambian Breweries Plc. The responses were as follows; 41.2% said that

SWOT analysis was important to the effective operation of the company, 35.3% thought it was very important while 23.5% said it was fairly important as shown in Figure 3.

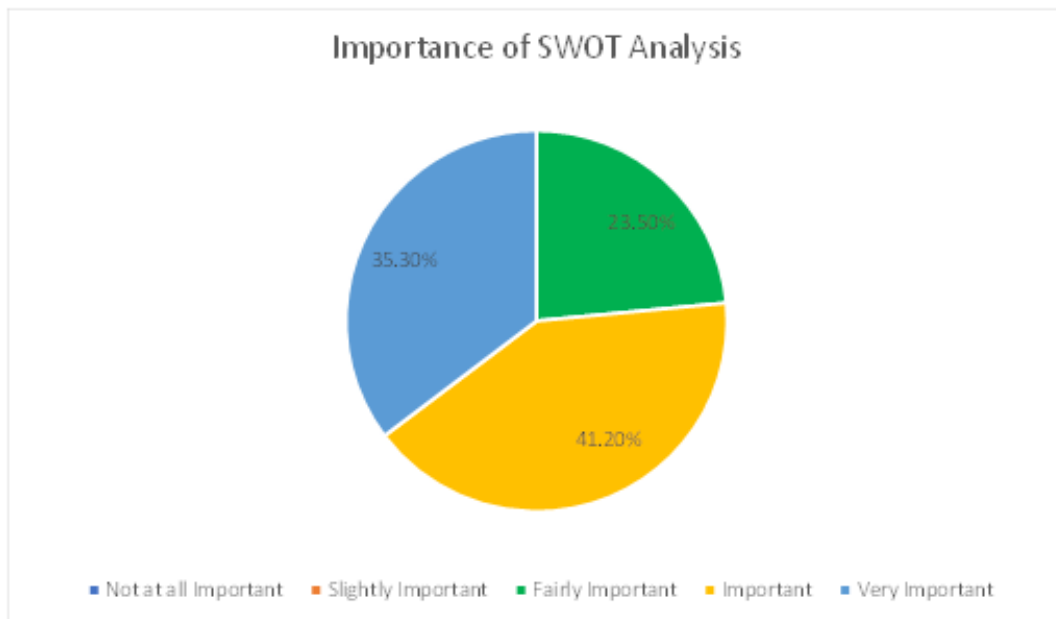


Figure 3. Respondent's Responses on the Importance of SWOT Analysis Process to the Effectiveness Operations at Zambian Breweries

Further inquiries were made on respondents at Zambian Breweries Plc regarding the use of SWOT analysis when addressing significant challenges that weren't addressed during the strategic planning process. These were the responses: 58.8% of respondents claimed that

SWOT analysis was used to address significant issues that were not addressed during the strategic planning phase, while 41.2% were unsure of the use of SWOT analysis in such situations. The results are shown in Figure 4 below.

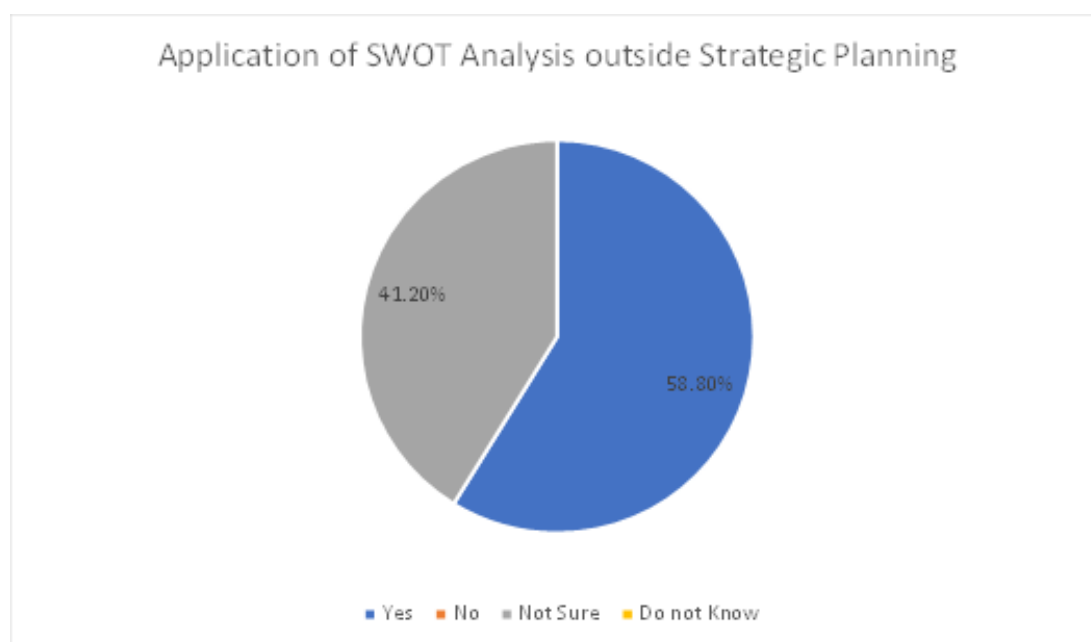


Figure 4. Respondent’s Responses on the Application of SWOT Analysis Process When Dealing with Issues Outside Zambian Breweries Strategic Plans

Table 1. The Following Table Illustrates Zambian Breweries SWOT Analysis

S/No	Strengths	Weaknesses
1	Ownership of top brands in the local clear beer	Lacking a definite competitive edge over important clear beer
2	Brand worth	“High sugar” carbonates are linked to a brand.
3	Highly technical distribution method	Inadequate product diversity
4	Favourable financial situation	Unfavourable publicity
S/No	Opportunities	Threats
1	Prioritizing health and wellbeing	Because of health concerns, less people are drinking Zambian Breweries local beer
2	Increasing brand awareness and diversifying product offering	Market share going to other suppliers instead
3	Packaging innovation	Negative publicity resulting from trends of water use
4	Involvement in acquisitions	Currency exchange rate fluctuations

Strengths

A variety of clear beers are produced and sold by Zambian Breweries Plc (Zambrew). The company effectively controls the market for clear brew goods in Zambia thanks to its product line-up, which includes well-known South African brands including Castle Lager, Redd’s, Castle Lite, Carling Black Label, and Ohlsson’s Lager. The company also creates regional

varieties sold under the Mosi Lager and Eagle Lager brand names to satiate local appetites. 2018 saw the completion of Zambian Breweries’ sale of its Coca-Cola bottling operation to Coca-Cola Beverages Africa (CCBA), putting the company on track to concentrate on its clear beer business.

Despite not producing any carbonated soft drinks, the company still broke records by selling 2.3 million hectolitres of clear beer, an

increase of 9% over the previous year. This was slightly above budget, with a net producer income of K2 billion at year's end, 17% more than in 2018. Excise tax was paid in the sum of K547 million to the government, which was 12% and 17% more than in 2018. The argument that the industry can reinvest and boost production thanks to the government's approach of stabilizing excise tax at reasonable rates, which is what the rise in excise payments achieves. *Zambian Breweries* is currently in a taxable situation due to the expiration of several of the investment incentives provided by the Zambia Development Agency and paid K111 million in corporate income tax in 2019. This is because company tax credits from past losses have been used [23].

The *Zambian Breweries* takes great pride in demonstrating "our truly *Zambian* character" in everything it does, from purchasing regional items from small-scale farmers to promoting *Zambian* musical talent at events across the nation. Through its 'Manja Pamodzi' clean-up initiative, support for local businesses, and promotion of tourism in Livingstone's renowned Mosi Oa Tunya (Victoria Falls), after which its enduring Mosi Premium Lager is named [23], the company actively contributes to the prosperity of the community.

Zambian Breweries embodies the thunderous and upbeat spirit of their "ZED" nation while continuing to promote their shared global dream of "bringing people together for a better world" by developing and marketing beer brands that consumers adore and that make them feel connected to their heritage, proud of their country, and optimistic about the future [23].

Weaknesses

The completion of the sale of *Coca-Cola* Beverages Africa (CCBA) to *Zambian Breweries* was completed in 2018, allowing the company to concentrate only on its clear beer business. With a distribution network that is extremely sophisticated, the *Coca-Cola* bottling company is able to sell more than 2 billion cases

of *Coca-Cola* products across more than 28 countries and three continents. *Coca-Cola* products are distributed by both substantial distributors and a huge number of independent distributors. More than 11,000 individuals are employed by more than 2500 different manual distribution enterprises in Africa, which collectively generate more than \$500 million in annual income [24]. *Zambian Breweries* were denied the much-needed profits as a result of the decision to sell the *Coca-Cola* bottling operation.

Coca-Cola is the third most valuable brand in the world, with an estimated \$81.6 billion brand value. Due to increased customer loyalty and enhanced negotiating power with suppliers, this position provides the organization with a number of significant advantages. The feasibility of a competitive advantage is also supported by a strong brand value, which therefore justifies raising the profit margin.

Parallel imports from South Africa and Namibia have significantly increased as a result of the Company's failure to completely meet the demand of the *Zambian* market. *Zambian Breweries* has reportedly lost about 5% of its market share along the rail line (between Lusaka and the Copperbelt) and about 50% of its market share along *Zambia's* borders [25]. *Zambian Breweries Plc*, the industry leader, has been concerned about the effect of competitors' strong advertising campaigns on domestic and imported beer on sales volume.

Due to the unfavourable health effects of its products and unsuitable marketing tactics, The *Zambian Breweries* Company has received negative press. The high sugar content of Mosi and Eagle products has generated contentious media debates and conversations.

Opportunities

The *Zambian Breweries* Company needs to seize this opportunity to expand its product offering and establish its brand. The business must broaden its selection to include particular goods such as foods in order to minimize its

reliance on beverages alone for its long-term growth possibilities.

Zambian Breweries has the chance to further boost the value of its brand by emphasising the health benefits of its beverages in order to meet the target market segment's media-fuelled health-related worries. As a result, the business must introduce a new line of alcoholic beverages that are calorie and sugar free.

Zambian Breweries Company has a strong probability of incorporating cutting-edge components into current packaging techniques or possibly coming up with cutting-edge package concepts given the rapid and significant developments in manufacturing and other technology.

Zambian Breweries should partner with other businesses and make big acquisitions. The company needs to look for new acquisition and strategic partnership options with more vigour.

Threats

Customers may decide not to purchase alcoholic beverages from Zambian Breweries due to growing health concerns, which would be detrimental to the company's long-term business prospects. This is due to the fact that the primary lager, Mosi drinks, has a significant amount of sugar carbonates, which is inconsistent with the target customer segment's rising health concerns as well as the broader trend toward better living.

Zambian Breweries' market dominance is consistently threatened by alcoholic imports from South Africa. To lessen this threat, Zambian Breweries must investigate fresh, long-term sources of competitive advantage.

It is extremely difficult for Zambian Breweries to estimate how much to charge for its goods or services due to the impact of currency movements. The continual pricing adjustments that Zambian Breweries must make in response to exchange rate variations will have an impact on its customers and market. The company would suffer an exchange loss if the price was not raised since it would be selling its goods for less than what it thinks they are worth.

PESTLE Analysis

Political, Economic, Sociocultural, Technological, Legal, and Environmental is referred to as PESTLE. Entrepreneurs and business owners frequently use the pestle analysis technique while making decisions or growing their businesses. They frequently have reservations about the outcomes and possible reactions from others. These inquiries are the focus of the pestle analysis. Whether a new product is being introduced or an old one is being developed, it is crucial for the growth and development of the business. An understanding of external environmental factors that affect the company is aided by pestle analysis. How such knowledge might help the company is the current concern [26].

When was the latest PESTLE study performed for Zambian Breweries Plc? respondents were asked. There were a variety of responses: 52.9% indicated a PESTLE analysis was done a year ago, 35.3% said more than two years ago, and 11.8% said they couldn't recall the last time a PESTLE analysis was done. The outcomes are displayed in Figure 5.

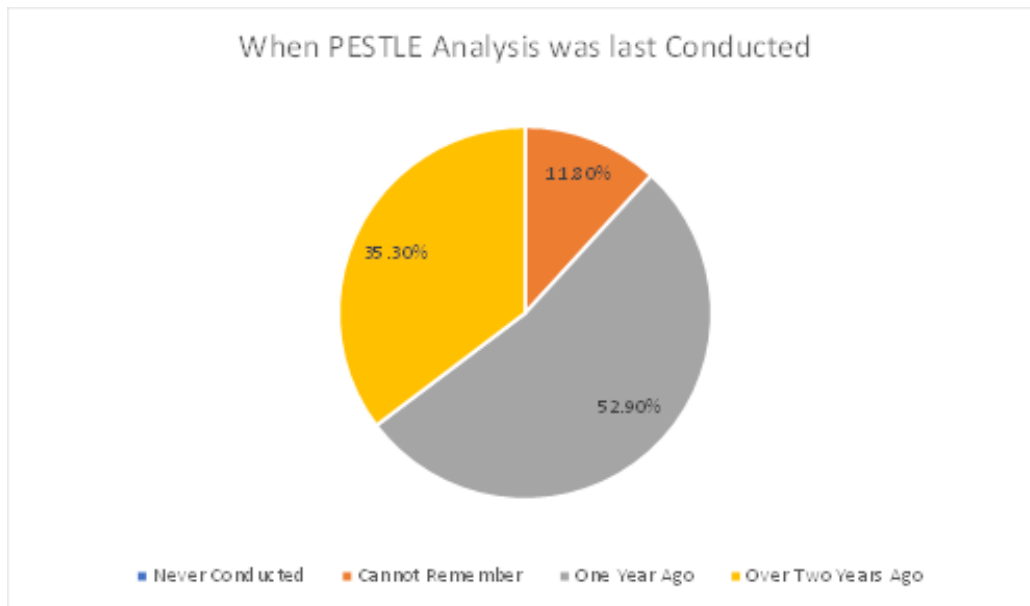


Figure 5. Respondent’s Responses on When PESTLE Analysis was Conducted at the Zambian Breweries

Additionally, respondents were graded on how important they thought the PESTLE analysis process was by the Zambian Breweries. PESTLE analysis was given a very high priority on the Zambian Breweries’ agenda, according to

35.3% of respondents, while another 35.3% stated it was given a medium importance. 23.5% claimed that the business gave high priority while 5.9% did not express an opinion. Figure 6 presents the outcomes.

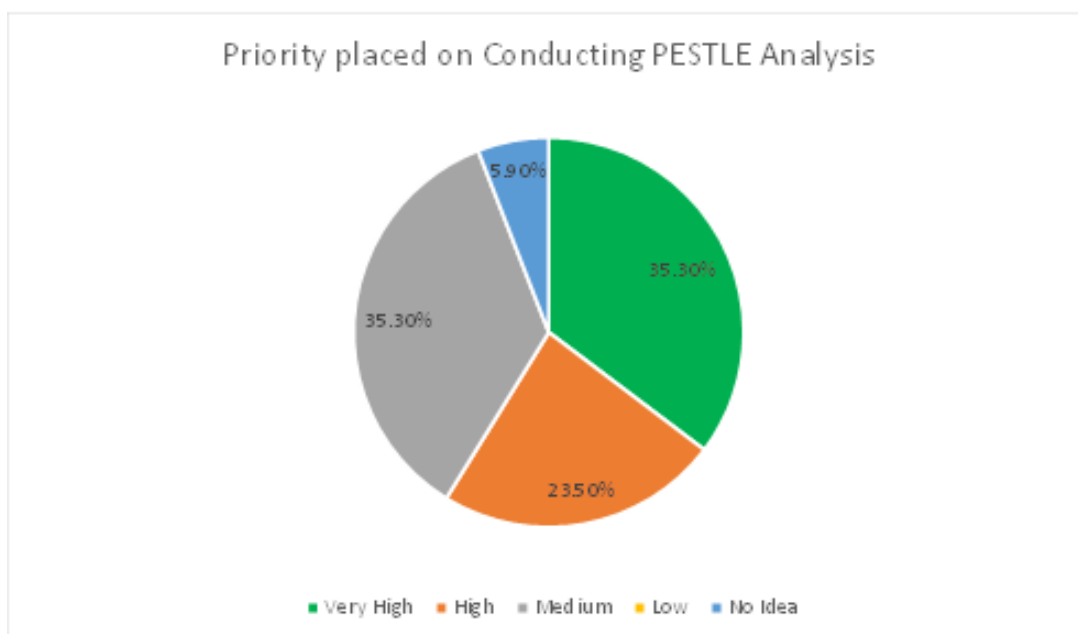


Figure 6. Respondent’s Responses on the Priority Given to Conducting PESTLE Analysis at Zambian Breweries

The importance of PESTLE analysis to the efficient running of Zambian Breweries Plc was rated by respondents. The responses were as follows: 11.8% said it was just little important,

17.6% said it was fairly important, 23.5% thought it was very important while 47.1% said it was important for the company’s efficient operation as shown in Figure 7.

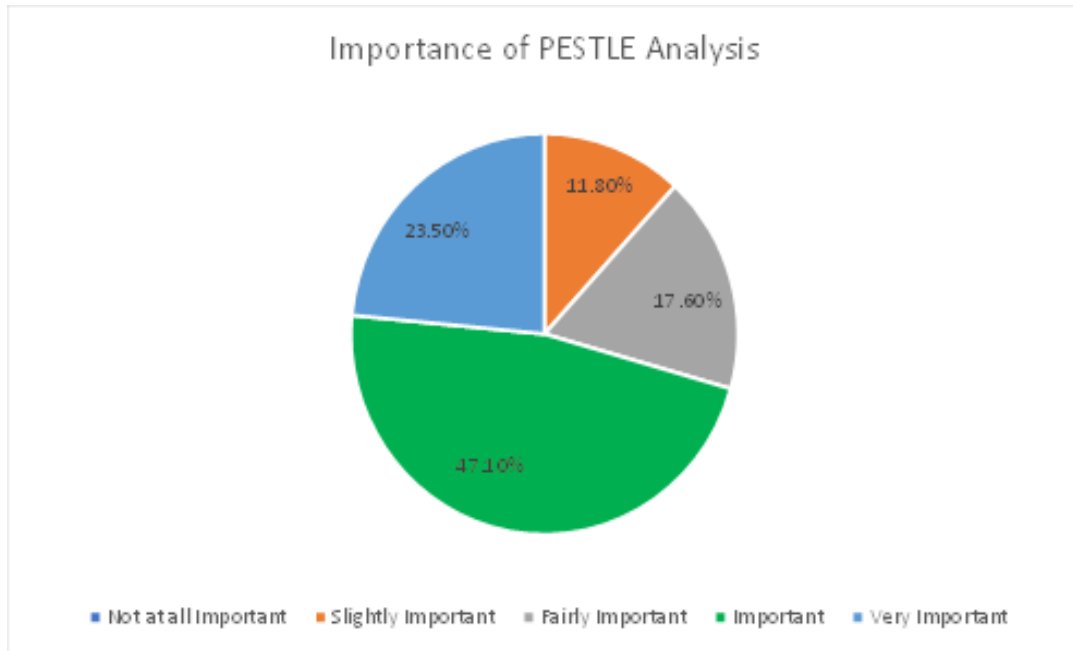


Figure 7. Respondent’s Responses on the Importance of PESTLE Analysis Process to the Effectiveness Operations at Zambian Breweries

The usage of PESTLE analysis to solve important difficulties that weren’t addressed throughout the strategy planning process was further questioned of respondents at Zambian Breweries Plc. The replies were as follows: 47.1% of respondents claimed that PESTLE

analysis was used when dealing with key issues that were not addressed during the strategic planning phase, while 52.9% of respondents were unsure if it had. Figure 8 shows the outcomes.

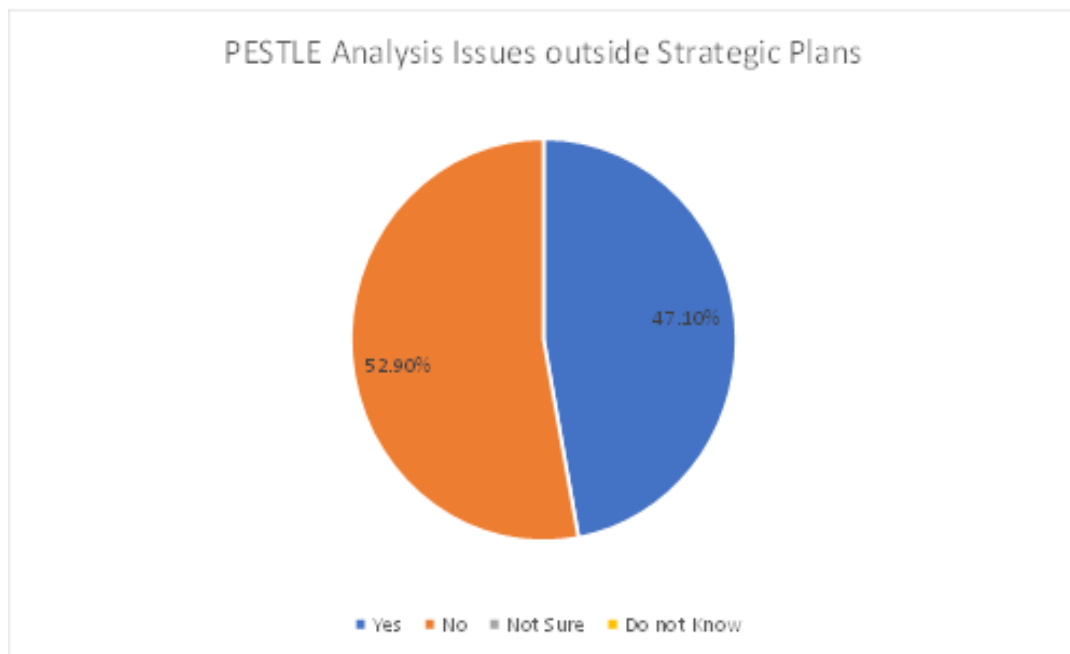


Figure 7. Respondent’s Responses on the Application of PESTLE Analysis Process When Dealing with Issues Outside Zambian Breweries Strategic Plans

Political Factors

Zambian Breweries is impacted by a number of political factors on the national and international levels. These include, but are not limited to, the degree of political stability of the country, the impact of domestic and foreign lobbying organizations, and the viewpoint of the government on the industry and the corporation. The entire economy is under significant stress as a result of the enormous debt that the Zambian government is now holding. The Zambian government is largely dependent on domestic debt sales to finance its activities because it is unable to access international financial markets owing to default. As a result, interest rates have increased and the private sector's access to credit has been restricted.

Economic Factors

Additional significant issues include inconsistent policy, widespread corruption, and low labour productivity. According to Transparency International's 2021 Corruption Perceptions Index, Zambia dropped four spots from the survey's launch in 2012 to finish 117th out of 180 nations. Zambia's real labour costs are higher than those of other countries in the region despite having low nominal wages because of the country's low productivity, strict labour laws, generous benefits for formalized workers, and high training costs because there is a shortage of qualified labour in the country [27]. Zambian Breweries has found it challenging to conduct business in a calm manner due to the current environment.

Several uncontrollable external economic factors have an impact on the sales of Zambian Breweries Plc. These variables include things like the rate of overall and sectoral economic growth, tax and currency rates, interest rates, labour expenses, and other things. Conflict is an appropriate illustration of an economic element that had a big impact on the majority of enterprises globally.

In today's globalized culture, like the conflict in Ukraine and Russia, conflict in one place has an impact on the entire planet. The world's largest producers of wheat, gas, fertilizer, and other essential items are Russia and Ukraine [28]. Supply chain disruptions have already had a major negative impact on the economy and finances, particularly in developing nations who are already coping with Covid-19 and climate change. Supply and price volatility will make the world's food systems unstable, which will also raise debt levels and reduce economic opportunities.

Perhaps the most important economic element that has negatively impacted Zambian Breweries performance in recent years has been exchange rate swings. The company modifies previous loss rates depending on anticipated changes in the GDP, inflation, and currency rate of the nation in which it sells its goods as being the most important elements.

Social Factors

The pursuit of a healthy lifestyle and growing consumer health worries about obesity, which are fuelled by high sugar levels, are the most significant social developments that have a direct and significant impact on Zambian Breweries performance. Demographic changes, evolving family structures and values, media opinions of the brand, and the health and welfare of the target market group are other social factors that have a big impact on Zambian Breweries.

In addition to the prevention, recognition, and treatment of alcohol consumption, Zambian Breweries lays a high focus on the function of statutory organizations and other important participants in putting the law into practice. The business keeps in touch with a range of stakeholders in an effort to work together to lessen the negative impacts of alcohol addiction, including regional councils, public health organizations, the Zambia Revenue Authority, and the Ministry of National Guidance and Religion. According to Zambian Breweries,

alcohol that is made, sold, distributed, and consumed moderately is acceptable [23].

Technological Factors

When comparing the technological prowess of different possibilities, technological aspects are features that are considered. Organizations view it as an essential tool for increasing operations and capacities. Accordingly, technological improvements have a wide range of effects on enterprises. A worker who is highly effective and driven is probably more productive. Additionally, a company has a better chance of developing a customer loyalty base when it maintains closer contact with both its current and potential customers. The management of *Zambian Breweries* believe that by keeping up with technology advancements and changes, it will be better able to comprehend the business transformational phase and improve the operations of the company.

Legal Factors

The rules and regulations governing consumer protection, labour legislation, employee health and safety, and competition, among others, must be properly followed by *Zambian Breweries*. Changes to these laws and regulations will most certainly have both a direct and indirect effect on how well *Zambian Breweries* perform. Due to the size and complexity of their operations, *Zambian Breweries* frequently faces legal challenges.

For instance, in January 2011, Mr. Kapansa Mwansa (Appellant) bought a castle lager beer from the Titanic bar in Kapiri Mposhi Riverside, Zambia. After ingesting the beverage, the appellant saw some floating particles. Before reporting the event to the police, the appellant showed the bartender the drink. The Kapiri Mposhi Municipal Council received the beer bottle and transferred it to the Lusaka Food and Drug Control laboratory for examination. Twelve days later, it was determined that the weird ingredient in the beer was actually a fungus. The appellant then, sued *Zambian*

Breweries (Respondents), seeking compensation for consequential losses and physical harm caused by the Respondent's negligence and breach of the statutory duty of care in the manufacture and bottling of the Castle beverage.

Environmental Factors

Water depletion, which is the main resource utilized to make the alcoholic beverages produced by the company, can be regarded as the environmental factor having the largest influence on the commercial operations of *Zambian Breweries*. A number of natural issues, including ozone layer thickness, air pollution, and global warming, may also have an indirect impact on the performance of the *Zambian Breweries*. Furthermore, environmental conditions during natural disasters like floods, earthquakes, and tornadoes may have a direct impact on how well *Zambian Breweries* perform.

Any company of the magnitude of *Zambian Breweries* is expected by some stakeholders, the general public, and non-governmental organizations in particular to act responsibly towards society and show a commitment to addressing a number of environmental challenges. Negative press coverage could harm the brand's reputation if this expectation is not delivered. The excessive use of water and energy, breaches of labour and human rights, and the general depletion of natural resources are all being addressed by *Zambian Breweries*' CSR strategy.

Conclusion

SWOT and PESTLE analyses are essential for companies to develop strategic strategies. SWOT analyses identify a company's competitive advantage and examine potential opportunities and threats. PESTLE analyses examine external elements that have an impact on the business environment. The *Zambian Breweries* organization uses SWOT and PESTLE analyses to assess the benefits and drawbacks of important decisions. Employees'

perspectives are gathered during the analysis phase, which improves project comprehension, acceptance, and execution.

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Conflict of Interest

I, Jubert Twambo hereby declare that there is no conflict of interest of any kind.

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