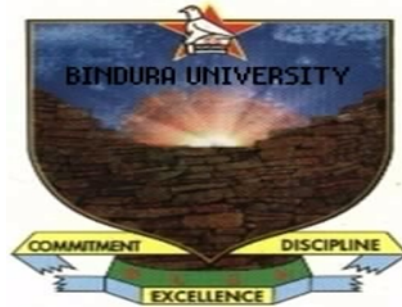# BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF COMMERCE

DEPARTMENT OF ACCOUNTANCY

GREY TOYOTA IMPORTS AND THE FINANCIAL PERFOMANCE OF AUTHORISED TOYOTA DEALERSHIPS: CASE OF MIKE HARRIS TOYOTA

TAKUDZWA PROPSER MANYOZO

B1851923

A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS OF THE BACHELOR OF ACCOUNTANCY (HONOURS) DEGREE OF BINDURA UNIVERSITY OF SCIENCE EDUCATION

JUNE 2022

RESEARCH PROJECT

APPROVAL FORM

The undersigned certify that they have supervised the student B1851923's dissertation entitled: Grey Toyota   imports and the   financial performance of authorised Toyota dealerships: Case of Mike Harris Toyota submitted in partial fulfillment of the requirements of the Bachelor of Accountancy (Honours) Degree of Bindura University of Science Education.

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SUPERVISOR   DATE

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DATE   : 13 June 2022

DEDICATION

This research project is dedicated to my family and all those who assisted me in the

Completion of my degree.

Commit your work to the LORD, and your plans will be established. (Proverbs 16:3)

ABSTRACT

The study sought to analyse the impacts of grey Toyota imports on the financial performance of authorized Toyota dealerships: Case of Mike Harris Toyota. The research was undertaken as a survey of the operations of the entity. In this study the researcher selected four departments of Mike Harris Toyota that comprises Marketing, New Vehicle Sales, Parts Sales and Finance Department. The researcher collected both primary and secondary data from the four departments of the entity through interviews and questionnaires. Furthermore, the sample size was selected of 23 members of staff at Mike Harris Toyota. The gathered data was then presented using a pie chart, statistical tables and analyzed using percentages, modes and means. The research shows that the penetration of grey Toyota imported vehicles in Zimbabwe had a negative impact on the financial performance of Mike Harris Toyota. In addition the research highlights the importance of government policies on protecting the local motor industry especially Toyota Franchise. The study was concluded by recommendations to the management that will help Mike Harris Toyota to improve their profitability. The recommendations include selling of Toyota components of grey imports and servicing of grey imports among others.

ACKNOWLEDGMENTS

First and foremost I would like to give all the glory and praise to the Almighty God for taking me through this journey. I feel greatly indebted to my project supervisor for his guidance, his profound knowledge and keen interest which helped me greatly in assembling this project.

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CHAPTER ONE

1.0 Introduction

This chapter will provide an overview of the study, which began in 2019, as well as the research problem, which will show the financial impacts of used Toyota vehicles on the financial performance of Mike Harris Toyota, an authorized Toyota franchise holder. The objectives of the study are also depicted, followed by the research questions, study limitations and delimitations, definition of key terms, and a chapter summary.

1.1 Background of the study

Mike Harris Toyota is an authorized Toyota dealer under Toyota Zimbabwe franchise .The prevailing harsh economic conditions has led to increased demand of grey Toyota imports from Japan through Beforward Japanese Car Exporter and SBT Japan since they are deemed to be cheaper. However the situation intensified in 2021 as disposable income and earnings were washed away by the rate of inflation. This have caused a drastic decline of vehicle sales at Mike Harris Toyota .Access to United State Dollars (USD) has been made difficult as most Zimbabweans earn funds in the local ZWL hence they is need to convert the funds into foreign currency .To add on to the above ,due to lockdowns necessitated by the Covid 19 pandemic many companies were forced to downsize hence reducing turnover and they could not afford to purchase new Toyota cars from Mike Harris Toyota but rather increased demand for grey Toyota imported vehicles.. The volume of Toyota imports increased significantly thereby affecting Mike Harris Toyota.

According to the financial gazette 2020,Mike Harris Toyota sales declined by 18,2% compared to other years ,this was due to increased preference of grey Toyota imports from Japan over those offered by local authorized car dealers such as Mike Harris Toyota .Brand new vehicles sold at Mike Harris Toyota costs from $23 000 USD up to $160 000 USD depending on the model ,however this costs is quite prohibitive especially to most Zimbabweans. This only leaves the market to very few individuals who are likely to be company owners or those employed in the strategic position, the government departments such as Ministry of Justice and Ministry of Health among others and other Nongovernmental Organizations such as PSI Zimbabwe.

Toyota Zimbabwe articulated that there is issue of low capacity utilization at Mike Harris Toyota since there is ample facilities for a huge trading area to stock imported brand new Toyota vehicles but only a few cars are ordered by clients due to a decline in demand .Fixed costs and variable cost remain too high ,variable cost continued to increase due to high marketing expenses which yield very little in terms of sales which is the same of using a loud speaker in a desert .Below is a table showing Toyota vehicle import trends from 2019 to 2021

Table 1.1: The movement   of Toyota   imports of vehicles from 2019 up to 2021

YEAR	TOYOTA CARS
2019	15 305
2020	17 019
2021	19 262
TOTAL	**51 586**

Source: Auto business magazine (January 2021issue)

Mike Harris Toyota was interviewed by the financial gazette team on July 31, 2020.CEO of the car dealer giant Mr B Kaukonde proposed that there is an increase in the number of agents who buy vehicles direct from Japan at a cheaper price than the local ones .These agents are mainly located along busy roads for example those opposite ZBC Radio Broadcasting along Simon Mazorodze road.

Toyota Zimbabwe Managing Director M Ohira ,announced through Toyota Dealership yearly review statement (2021 issue)   that the overall financial performance of its car dealers decreased by 4,5% compared from the previous year ,he made the announcement during Annual Toyota Car Dealer"s Conference held in South Africa   (Minutes 23 December 2019).All fingers still point to the grey imports which offers both brand new or very neat pre owned vehicles from Japan .Grey imports have compromised the performance of Mike Harris Toyota as a brand in the whole of Zimbabwe. This is due to easy access of the grey imports from Mussina South Africa were most Indians are offering these Japanese vehicles at very low prices yet it is very close to home .In an interview with daily news ,Mike Harris Toyota closed down its branch in Mutare due to increased preference   to the influx of grey imports. Downsizing was a corporate strategy to enhance the survival of Mike Harris Toyota.

Below is a table showing a sharp decline in sales at Mike Harris Toyota from 2019 to 2021

Table 1.2: Mike Harris Toyota Vehicle Sales Trends 2019-2021

YEAR	TOTAL SALES
2019	105
2020	94
2021	87
TOTAL	**286**

Source: Toyota Zimbabwe franchise holders   sales statistics (March 2021)

Mike Harris Toyota from 2019 to 2021 have decreased due to the rise in second hand Toyota imported cars as shown in table 1.2.More so, sales at Mike Harris were affected by the desire for government to purchase to purchase grey Toyota imports from Japan without supporting local authorised Toyota dealers such as Mike Harris who used to supply government departments with various Toyota models but now some ministries within the government such as Ministry of Home Affairs (Police Department) recently purchased Toyota Noah from model from Japan .

1.2 Statement of the problem

Since the continuous rise of the rate of inflation and continuous lockdowns as necessitated by COVID 19 pandemic , brand new product sales at Mike Harris Toyota have been decreasing at a fast rate   , the situation worsened in 2020 as disposable income and earnings of individuals of most companies within the private sector were reduced to half as most of the time lockdowns and national operating restrictions were tightened and the rate of inflation was increasing and continued to wash away earnings of most individuals in local currency ZWL. Earning in local currency implies the need to covert ZWL to foreign currency hence most individual finds it hard to purchase even the cheapest model from Mike Harris Toyota which costs 23 000 USD whereas the number of pre owned Toyota cars were dominating at an alarming rate. To add on to the above   , Mike Harris Toyota closed its Mutare branch in November 2019 due to declining sales accompanied with increasing fixed and variable costs. The purpose of this

research is to look into the impacts of used Toyota imports and profitability of Mike Harris Toyota as an authorized Toyota dealer.

1.3 Objectives of the study

1. To investigate the impact of used Toyota cars on Mike Harris Toyota's overall sales.

2. To discuss the extent to which government policies have helped Mike Harris Toyota.

3. To evaluate the contention between Mike Harris Toyota and second hand imports from Japanese.

4. To suggest how Mike Harris Toyota management can ameliorate their financial performance.

Main Research Question

How much of an impact did imported Toyota cars have on Mike Harris Toyota's financial Performance?

Sub Research Questions

1. How much did second hand Toyota imports affect Mike Harris Toyota's sales?

2. How can the government assist Mike Harris Toyota?

3. How does Mike Harris Toyota compete with grey Toyota imports?

4. What measures are available to Mike Harris Toyota management implementable to combat the negative effects of second hand Toyota cars?

1.4 Justification of the study

1.4.1 To the Researcher

The researcher fulfilled a portion of the prerequisites for a Bachelor of Accountancy (Honours) Degree, and he really did benefit from the research because he had the chance to gain professional experience with the Toyota Franchise and Toyota as a standing brand.

1.4.2 To the University

The study will be beneficial to the institution because since final observations could serve as a useful reliable source by other educators to supplement their research. The study also furnished them with latest methods for evaluating the impacts of used Toyota imports on the financial results of Mike Harris Toyota as an authorized Toyota dealer.

1.4.3 To the Firm (Mike Harris Toyota)

The research will help the authorised Toyota Dealer to ascertain methods to ameliorate their cash flows and overall sales which in turn increases profits as well as a competitive financial position as they are facing shrinking sales due to grey Toyota dominance.

1.5 Delimitations of the study

1. Mike Harris Toyota's profitability and sales were the focus of this study.

2. The research ranges from the year 2019 to 2021.

1.6 Limitations of the study

1. Management and other members of staff were not willing to divulge sensitive information in relation to particular profitability and sales ratios and other related data such as the annual percentage of labour turnover. The researcher guaranteed the respondents that information furnished was used only for this peace of research only and not to be shared to others.

2. Mike Harris Toyota qualitative and quantitative data was collected via phone, questionnaires, and electronic mails, for instance, management reports at Mike Harris Toyota.

1.7 Definition of key terms

Second Hand Toyota imports: Toyota vehicles, both used and brand new, that are lawfully purchased from the Japan or another exporting country to the other one through other ways apart from Toyota manufacturers or authorized distribution routes.

Authorised Toyota dealer: implies a Toyota registered dealer that offers vehicle servicing, parts sales and new vehicle sales of all Toyota brand new models and it should have a showroom and they are limited and controlled by the Franchise agreement from Toyota Zimbabwe.

Financial performance: the extent to which the firm is able to generate profits by operating far above its breakeven point, accompanied with high sales.

Competition: refers to an intense rivalry between to separate entities to fight for sales and income from the same clientele.

1.8 Chapter Summary

The study was outlined in this chapter. The chapter concentrated on the problem's background, problem statement, and research objectives. It also stated the study's practical limits and delimitations. This chapter also discussed the significance of the research to the researcher, the institute, and Mike Harris Toyota.

CHAPTER TWO

2.0 Introduction

Literature review is a method of finding conclusions, detailed study of and appraising academic articles on a particular subject Garrand, (2020).To add on to the above, it furnishes authentic publications on denotation of second hand Toyota imported cars and the adverse impacts on Toyota authorised franchise holders. The texts provides a detailed appraisal on previously researched texts by various researchers on the effects of governmental blueprints dealing with second hand Toyota imported cars, methods in which authorised Toyota Franchise Holders such as Mike Harris Toyota can ameliorate financial gains and the impacts of automotive boosting assistance offered by local banks such as CBZ on sales of Mike Harris Toyota. Chapter will summarize with an examination of contention within the automotive market and a chapter conclusion.

2.1 Purpose of Literature Review

In line with the findings of Ridley (2018), the impetus of a literature review is to furnish the historical background of a research problem, overview of the current context that matches the similar topic, it depicts the relevant theories which support the research topic, it also provides supporting evidence for a feasible problem that need to be solved by the researcher

In accordance with the findings of Grimes (2020) used Toyota imported cars constitute both pre owned and brand new cars that are lawfully purchased from an exporting country usually characterised by manufacturing firms of automobiles. Used Toyota cars of this kind came into existence through SBT and Beforward Japanese Car Exporter both exporting entities are housed in Japan.

Furthermore Gallini (2019) expounds grey Toyota imported cars as vehicles that were produced under monogram, license protection or patent and put into flow in the market of that region and then imported into another country without permission from the local franchise holder.

Unintended vehicles: This refers Toyota cars permitted to trade in one area but are committed to some other region for distribution, and so when they enter that country's market, they compete directly against certified Toyota franchise holders.

 Licensed vehicles: This refers to cars widely produced concurrence to a brand name but distributed via unpermitted methods...

Distress vehicles: These are automobiles purchased from Toyota dealerships that are not permitted to sell them because they have a larger supply or because they are phased out types in the area where they were created or developed.

Grey Toyota cars overshadowing Zimbabwe fall into the category of unplanned Toyota automobiles since they were constructed with the objective of being supplied to the Japanese people , since the cars are prone to depreciation ,they end up being too costly to repair, they were supplied to African countries.

 Furthermore, according to Zwick (2022), Toyota car imports are classified as inadvertent cars since they are manufactured in Japan and designed for the local market of the prescribed country, but due to strict legislative measures and stipulated rules in driving tests and territory, the vehicles become extremely expensive to maintain after six years and are auctioned to poor countries, mostly emerging economies known as LEDCs.

Furthermore, Toyota imported cars are often marketed at significantly lower rates than those prescribed by authorized Toyota dealers. Taking for instance, Toyota imported cars into Zim were purchased from Japanese at extremely low prices. According to Investor word (2021), Toyota imported cars from Japan cost between US$3600 and US 8400 including import duty for sedan cars, whereas new cars from Toyota dealerships in cost between US$19000 and US$120 000 including import duty and other associated costs, according to Auto business magazine (2019).

Toyota imported cars are pre owned and new cars that are lawfully purchased from a manufacturing country to an importing nation. This is through licensed Toyota franchise holders within a particular country. According to Kadarova and Dameko (2021), this was the kind of Toyota imported cars that was used in this study.

2.2. Impacts of Toyota imported cars on Mike Harris Toyota.

In line with the findings of Dube (2018), Toyota imported cars crushed the Zimbabwean Toyota market due to strong rivalry, and on the plus side, the Toyota imported automobiles gave Zimbabweans the opportunity to buy cars because they were inexpensive., reliable and affordable to many . Moreover, these grey Toyota imports led to an intense rivalry between brand new Toyota vehicles dealers such as Mike Harris Toyota and grey imports dealers especially those along major roads in Harare such as Lomagundi, Enterprise, Bulawayo Road and Beatrice in Harare. Furthermore, consumers have learned on a negative part that grey imported Toyota vehicles inappropriately repaired or fixed and a majority of customers became anxious due to complex mechanical expectations are beyond the capacity of unskilled motor mechanics (Simba, 2018).For instance Toyota Voxy which is a model that composed sophisticated mechanism which makes it difficult to service and to maintain that particular vehicle.

Hege (2022) indicated that major limitation of Toyota imported cars was the notion of tussling against locally authorised brands this led to diminishing income for the Toyota dealers. Case is the same with Mike Harris Toyota. The grey imported Toyota vehicle could out-compete the local authorised Toyota dealers and supervened into downsizing due to the absence of huge or supernormal profits. The Toyota dealer ended up operating at breakeven basis as the competition became worse by the day.

In most segments across the globe stir of Toyota imported cars denotes anything fancy in relation to the enactment as constituted under Toyota imported cars distribution ways. Grey Toyota imports includes the supplying of vehicles with a Toyota logo via methods of transportation indirectly authorised via brand owners Bilgin and Wuhrer (2018). Grey Toyota imports happens around global marketplace the term widely used was "grey market". It spells out a concept advocated by many firms to move towards Toyota dealerships are permitted to purchase automobiles straight from the plant housed in Japan. It is only felonious when grey Toyota importers breach whether production restrictions or a trading arrangement with brand owners, utilization in that region, or if the brand holder is located in the region where grey markets are intended for transportation.

The view of World International Property Organisation (2020) are proposed that clashing Toyota car importers and authorised Toyota dealers have led to greater choices of Toyota

vehicles available to the market. In full support of this perception Toyota imported pre owned cars are close alternative with a positive cross elasticity to Toyota cars which were purchased outside the country via authorised methods necessary for transportation. The continuous shipping in of second hand Toyota vehicles might enhance to intensified rivalry and increased variety of cars for many consumers in Zimbabwe. Porter's Five Forces Theory of competitiveness can be used to examine the influence of second hand Toyota cars on the financial results of approved Toyota dealers like Mike Harris Toyota.

Investorword (2021) articulated grey imports of Toyota vehicles developed a sense of brand indecision to customers. On the other hand, findings of Fellmeth (2020) customers will never face any indecision issues as long as they have enough funds to purchase a particular model of any vehicle brand they wish to have. Some of these second hand Toyota cars similar to such models like Toyota Hilux Pick Up trucks which are similar to the stock of authorised Toyota Dealers. Furthermore, customer uncertainty existed only when a second hand Toyota importers failed to provide the same guarantee assurance that the user had grown to anticipate and failed to disclose that they were unlicensed sellers in Zimbabwe's local market.

There are two key reasons for existence of Toyota imported automobiles in worldwide marketplaces, according to Song and Jiang (2021). Toyota imported cars prevailed due to the notion that Japanese automakers employ pricing differentials strategy to various nations and areas, but Toyota importers avoid such cost differences in order to properly ascertain their market. Toyota imported cars sales were also more efficient than approved Toyota dealers since second hand Toyota imported cars battle with legal Toyota dealers' automobiles, such as Mike Harris Toyota's, and had been supplied at reduced prices, which benefited both the seller and the customer in a given transaction.

2.3 Effects of the Zimbabwean government's measures on second hand Toyota imported cars.

According to the Sunday mail (June 12, 2021), the Japanese automotive sector(Toyota) experienced a rise in economic activities over the years, with local vehicle sales growing by 100 percent after the government announced that all premium vehicle import duties would be payable in both local and international money. Because Zimbabwe used the Zimbabwean dollar (ZWL), car importation became prohibitively expensive, boosting demand for domestic cars offered by local Toyota dealers such as Mike Harris Toyota.

According to Newsday (June 15, 2020) government through RBZ Governor JP Mangudya introduced foreign currency bidding auction system. This bidding is mainly participated with a minimum of 50 000 USD and a maximum of 500 000USD, so government departments and other few giants like OK supermarket participate and get the allocation, thus paving way for government departments to access foreign currency which they use to purchase vehicles directly from outside markets. This development left Mike Harris Toyota with no business since government departments were the major customers of the firm. This auction system is gradually destroying Mike Harris Toyota and other Toyota dealers, this is because Mike Harris Toyota is failing to get foreign currency allocation in time hence making it difficult for the dealer to purchase vehicles from Japan. In turn this leads to customer frustration especially those who would have made prepayments for vehicles or those who wants to use the vehicle urgently.

In accordance with the findings of Moyo (2018), in 2014, Toyota Dealerships experienced greater benefits as the duty of open trucks and other selected land cruiser models, and volumes for comparable cars surged by an anticipated 71% due to increased demand as its price was slightly slushed .The former Finance Minister Mr Tendai Biti broadcasted through electronic media the decrease of importation tariff Toyota open trucks and some selected land cruiser models.

In line with publications from World Trade Report (2021issue), Toyota Zimbabwe managing director Ian Howden advised that a Zimbabwean automotive sector strategic framework be developed in order for the Toyota market to resuscitate. Ian Howden also argued that the program should constitute a complete ban on all Toyota second hand importation so as to boost sales of local dealers such Mike Harris Toyota.

Government industrial measures have significant control towards business representation and evolution. Kuhudzai (2021) escalated that flexibility towards car importation of a nation leads to downsizing of domestic car sales as most citizens can quickly purchase order a car direct from japan through internet means. The sunrise industrial philosophy influences the basis of authorities strategies adopted by (LEDCs) to shelter, ensure and sustain the growth unripe local Zimbabwean dealership. Implementation of such hypothesis constitutes various aspects in relation to the economic, technological social and political environment were Toyota dealerships exist. Local enterprises in evolving nations rely heavily on policy makers for conservation towards them against well-developed foreign

competitors using embargos, and other workable strategies for a limited time period until their abilities reach the global benchmark.

When it is expected that shielding would continue, the protected local Toyota dealers will have less incentive to reduce productive efficiency. Because of the lack of proper competition, which drives the establishment of monopolistic and oligopolistic marketplaces in Zimbabwe, safeguarding local Toyota dealers resulted in limited interest and desire on the part of the safeguarded Toyota dealers to assimilate and improve. The market's wellbeing and negative externality is similarly tied to the level of protection.

Most of Less Economically Developed Nations (LEDCs) Toyota Car Dealers have ineffectively even after 10 to 15 years of safeguarding, they have not been able to achieve global standing, and they may not be able to do so if shielding tariffs are withdrawn.

One of the major consideration upon drawing up an industrial protective policy one crucial attribute to factor in is the environmental repercussions of second hand Toyota vehicle importation from Japan. Grey imported vehicles are the main fount of air pollution as their engines are older .Petrauskiene, Skvarnavi, and Dvarioniene(2020) discuss carbon dioxide, the main greenhouse gas climate variability. A detailed analysis of transactional activities of pre owned Toyota cars from United States into Mexico signifies that the second hand Toyota cars exported from United States into Mexico had increased air pollution levels than the vast of Toyota vehicles in United States which were usually identified with the brand LEXUS. Japan's regional and safety regulatory instrument has a robust zero tolerance policy towards old and smoking cars that are not road worthy. Toyota vehicles undergo a costly inspection and maintenance regime that serves to substantially increase the rate at which vehicles depreciate for customers since it is the biggest manufacture of vehicles worldwide. This constricts the second hand vehicles market in Japan.

2.4.1 Brazil government strategies on vehicle importations

In the 1970s, the Brazilian government erected trade barriers to stimulate local authorized dealers and other franchise holders, notably Toyota, to enter the country's automotive marketplace, as articulated Charmaz K'(2019) import substitution policy .There was flourishing of domestic automobile manufacturers which also diminished cost induced by franchised new car dealers inclusive of the Toyota franchise as they no longer imported.

When local car dealers outstretched to a particular point by the end of the 1990s, country's laws had begun to be eased in favour of the importers.

2.4.2. Cyprus government strategies and measures on vehicle importations

Like in Zimbabwe Cyprus has no motor vehicle manufacturing plants for all brand developers, the local market run on an absolute dealership arrangement as articulated by Nissanoff (2017)? After the loosening on import limitation in 2005, the top most authorised period of an imported locally dealership franchise available Toyota cars was lifted from one up to five years. The strategy change led to a surge in second hand Toyota cars with a huge amount being of the Toyota franchise as it is the biggest manufacturer in Japan and it attributed to the automotive dynamic marketplace constitution hence leading various customers to interchange preference of a brand new Toyota automobile or a good second hand Toyota from Japan.

2.4.3. Philippines government policies, strategies and measure towards second hand automobile imports

According to the Country's Commercial Guide (2021) the automotive sector is safe guarded by a total ban on all imports of latest authorised dealership cars that connotes to the existing franchise in the particular country however, their automotive sector is hampered by local content and export requirements that safeguard the country's automotive component manufacturers.

2.4.4. The Chinese government's rules and strict controls on automobile imports.

China's trade restrictions include annual limits, high import costs, and import stringent controls permission was put in place so as to safe guard their local automotive industry with the interest to protect its brands such as BAIC MOTORS, Ahmdi et al (2020). More so, Less Economically Developed Countries (LEDCs) trade barriers are widely implemented to safeguard their new industries that are too young to fight such competitions. The import fees hikes on car importation within the Chinese policy makers were fluctuating from 210 – 320 % in the year 2010 and 115% to 192 % through mid-2005, with import fees varying from 105 – 151% from 2013 to 2018. The centralized government set a restriction on locally produced vehicle brand importation in the automobile industry to improve

manufacturing cost advantages and allow local authorised vehicle dealers the opportunity to expand production. In addition, any organization that produces or integrates labelled cars with even below 65 % Chinese locally manufactured elements were   fined, as China requires that 63 per cent on automotive components   in brand new   cars   manufactured in the country and supplied by local firms such as BAIC Motors.

2.4.5. Imports of locally built vehicles are subject to government regulations in South Africa.

According to Global Automotive Consumer Study (2021) South African policy makers   placed an embargo on the imports of all pre   owned cars from Japan and other grey exporters, the ban includes all brands of locally manufactured cars and those that have production plants and those without plants in the destined country. In South Africa grey Toyota   imports and other brands such as Nissan, Mazda and Isuzu   are not   permitted   moving   on   national highway   till they   get to the targeted destination. Nation's administration aims were to uplift the overall performance of its firms and   boosting sales   of their locally authorised brands through   implementation   of Automotive Sector Sustainable   Agenda. . Their scheme prescribed   that its local brands remain relevant both on global and regional marketplaces. This strategy has enabled Toyota vehicle manufacturing plants in the designated country to be safeguarded.

2.4.6. American government's   strategy   on vehicle importations

In line with the findings of Ryan (2020), the U.S.A   had been   applying   pollution and protection restrictions to   local cars   monitored   by the National Roads   Authority, but these regulations are diverged out of those applied globally. To add on to the above, the National Roads   Authority   collaborates   with the Department Of Environment to aid in the impoundment of polluting vehicles.

 In line with the findings of Johnson (2019), vehicle producers   separated global marketplaces based on   price & location, implying that vehicle manufacturers created a global demand for second hand   labelled imports. Taking for in instance , in the U.K. the limitations apply to cars purchased top of the range from inexpensive Japan domestic brands purchased as pre-owned from Japan, Europe nations, and Singapore, each of which have stringent rules averse to older vehicles. Due to the nature of their stature, pre-owned automobiles from Singaporeans

and from the Japan preferred a need versions for branded cars that have not been produced within the U.K. Some grey branded imports were an agreement to their holders, due to the fact that branded automobiles could not fulfil British specifications and branded authorised cars could not be properly maintained within U.K.

2.4.7. Australian government schemes on vehicle imports

According to Rothme (2021) the importation of locally produced vehicles in Australia constituted most of the automobiles nationwide. These pre owned vehicles were maintained as such without negative feedbacks inside this country. The sector has been responsible for maintaining as well as distributing components for such automobiles. Additionally, despite decades of attempting to place an embargo, automobile firms have begun to participate largely on the importation of second hand cars from Japan.

As a result of the foregoing, it is clear that a nation's policy making scheme on automobile imports denotes a pivotal part in uplifting the economic wellbeing and financial condition of enterprises in its domestic automobile sector.

2.5 Strategies for authorised vehicle dealerships such as Mike Harris Toyota to can implement to boost profits.

According to Hoeft (2020), the primary aim or objective of all corporate entities is profitability. Therefore, in the absence of profit, the companies will fail in the due course. Revenue and costs were used to calculate an entity's profitability. Profits were gauged in relation to the income generated by the entity's financial transactions. Vehicle authorised distributors revenue has been the list price of vehicles in their country of manufacturer or the costs where the authorised vehicle dealers purchased various cars from a manufacturer. Therefore, following subtracting the buyer's cost and the authorised vehicle dealer's cost from this profit, the outstanding sum represented authorised dealer's financial gain.

Profitability was also described as the capacity to efficiently utilise resources for the betterment of an organisation. Hofstrand (2018) indicated that if an entity does not make good returns on a yearly basis chances of survival are limited. More so, estimating present and prior year's financial gain and forecasting. Proper methods of calculation are also an important attribute when calculating profits and placing a judgement of the authorised car dealer's.

According to Force Management (2021) authorised local dealers must target on economic expansion so as to increase profitability of their dealerships, it was suggested that the market for local brands increased at a faster rate than GNP maintain substantive entity perpetual costs in contrast against dealerships which advanced faster exceeding GNP. As a result, while analyzing trends of any authorized dealer, it is critical to factor in the country's economic fluctuations in order to correctly construct suitable policies in connection to the given business environmental expectations.

In addition to the above, Bousquin (2019) proposed that in a bid to enhance profitability of local authorised car dealers , dealers need to consider co relationship between the producers of vehicles and the fluctuations in request for such vehicles world over. Furthermore, it was suggested that authorised vehicle dealership revenues are shrinking in various areas, enticing and worth competing for local authorised car dealers in the country. As a result, the link connecting car producers and distributors can ameliorate the financial wellbeing of the authorized Toyota dealerships.

According to Kaldor (2020), in a bid to enhance profitability vehicle producers in the U.S .A relies upon vehicle dealerships for entirely top of the range cars and also offering vehicle proper maintenance and automotive components to vehicle purchasers. Researchers also indicated that car producers must explore strategies to collaborate with authorised dealerships to uplift their way of doing business since the success of car producers seems to have clear effect on the margin of the automotive firms. Experts articulated for authorized car dealership to be developed in a variety of attempts that improves their productivity, such as distributing automotive components and full servicing kits and distributing service stations.

To add on to the above, Toyota vehicle companies can uplift financial gains by offering free vehicle maintenance and check-ups to all its new and existing customers. The findings of Lind and Melander (2021), several Toyota distributors offers A class maintenance to second hand vehicles prior to actually auctioning them, which constitutes changing all loose components and placing good functioning ones and repairing suspension if it is faulty. Furthermore, after-sales maintenance such as fixing the whole vehicle when overdue improved Toyota vehicle distributors' margins since it enhances consumers' confidence within the brand. Offering services helps to boost sales of automotive parts which turns out to boost up profits.

Another aspect that might boost Toyota dealerships' revenue is customer loyalty and brand recognition. Consumer experiences, according to Mulflih (2021), determined customer loyalty. Satisfaction is the result of an assessment procedure that evaluates the difference between the customer's anticipation of the goods or a services and an impression against current service delivered. Product satisfaction, which was seen as a decisive element for the customer's contentment with their purchase, is based on brand loyalty. Toyota vehicles are known for their durability and high efficient engines characterised with more torque.

Singh,Gulati,Bhasin (2022) articulated that in order for Toyota distributors to ameliorate its financial gain , they should consult or call previous loyal clients to assess whether they are still interested in purchasing their vehicles and to explain why they are no longer purchasing from them. This could assist to retain old consumers which in turn boosts sales and dealer margins. In addition the dealers must engage in high promotion and marketing, as well as drop the cost of purchasing a car on the market, in order to entice people to purchase from their businesses.

Toyota dealerships in Zimbabwe must increase their marketing efforts in order to uplift their competitiveness. Marketing is extremely important and powerful towards automobile distribution since it motivates customers to purchase cars from Toyota car dealerships. Ncube and Mazhande (2021) separated marketing into macro marketing and micro marketing strategies. Micro marketing was defined as execution of operations focused at attaining corporate aims through fulfilling the expectations of consumers. Macro marketing is a method of directing an economy's movement of product or services as from producer to the customer in a manner that corresponds to the demand and supply of customer satisfaction.

In addition to the above,(Munetsi,2018) marketing is another activity Mike Harris Toyota has to venture into as a powerful driving force to boost sales and profits .Marketing involves printed media marketing and visual marketing through bill boards and televisions . Marketing is incredibly impactful in automobile sales since it promotes consumer knowledge of the brand, particularly Toyota. White (2020) divides marketing into micro marketing and macro marketing .Marketing through its public relations department enables the firm to know the type of cars that are preferred by customers. Customer feedbacks from marketing activities enables Mike Harris Toyota to know high performing models such as Toyota Legend 45.

The marketing structure devised by a Toyota dealer directly connotes to the overall out doing of the entity. In relation to the findings of Kolter (2021) effective marketing is a series of

undertakings aimed at attaining entity's objectives by increasing customer awareness and channeling a movement of providing quality goods and services for consumption to the general public. On such a macro scale, they articulated marketing as a business method linking market's movement of commodities from production to the public in an efficient fashion that balances the customer expectation gap.

Taylor and Francis (2021) suggested that marketing scheme indicates its focus market as well as the attributed marketing mixture, this strategy ameliorate profitability. This is a broad representation image of the next step on how an entity behaves in a specific market. Target marketing is defined as a marketing mix that is carefully tailored to the targeted clients. Innovative strategic planning is the most peculiar since dealers face lower profits due to capital expenditure. Moreover, local and international competition pose a harm to those who cannot produce vehicles with unique features and characteristics. They indicated that proper market research has to be done before setting out a garage or a manufacturing plant.

One of the key areas of marketing is enhancing a strong customer relationship as this has a significant impact on the overall total revenue of an organization and thus influencing automotive dealer margin. An important strategy to enhanced Customer Relationship Marketing is delivering the best service through a number of ways and schemes to enhance customer satisfaction. . The nature of the relationship between the buyer and the seller is dependent upon quality and efficient service delivery.

According to Fungai (2017) there is greater positive correlation among consumer feedbacks and the overall financial performance of the authorized dealers. Fundamental vehicle buyers demand more from an entity that the first time or new customers. Therefore many Toyota dealers worldwide who are in highly competitive markets channels most of their marketing strategies towards customer satisfaction as this is crucial in improving sales for the particular automotive dealer. Losing one customer in the vehicle sector is a good as losing a significant amount of revenue and so is profits (Kotler, 2021).

The findings of the changes in customer relationship denotes the extent to which entity's customer interrelation and the consumer may be ameliorated so as to boost profit margins. The basic objective of maintaining such a relation in in obedience of a principle that states that be good to one customer so that a friend tell a friend. Gordon (2020).

According to Cooper (2019) in a model of intense customer availability crisis entities must become more detailed with the level of market dominance and composition they attain at

the national grounds. He indicated that market dominance commands the reflection of management's leadership styles and proper marketing strategies.

2.6 Competitiveness in a dynamic automotive market

According to Mashizha, Maumbe, and Sibanda (2019), the dynamic automobile market is extremely competitive. In line with the publications from Herald (2019), the grey Toyota imports in Zimbabwean setup has had a severe influence on the economic success and financial situation of Toyota dealerships. Toyota imported cars commenced overshadowing the domestic automobile sector by 80% market dominance, this led approved Toyota agents to see revenues and overall profitability shrinking. Several vehicle distributors in Zimbabwe are part of the Toyota dealership franchise, including Croco Motors, Faramatsi Toyota, BR Toyota, and Mike Harris Toyota. All of these Toyota dealers share a common goal: to provide vehicle repairs and automotive components while also selling top of the range Toyota vehicles.

According to Chanakira and Masunda (2019), competition is the effort that is made to distribute products or services on such a daily basis. Toyota dealer competitions are attempts to persuade customers to buy particular Toyota vehicles or use their services instead of those supplied by a competitor. For instance, many Toyota distributors sell automobiles with warranties, which means that each car sold has a time limit or a particular distance miles that the car dealer is obligated to service for free.

2.7 .Empirical Evidence

D. Thunde (2018): The effects of Toyota imported cars towards brand new authorized Toyota dealerships.

The objective of the research aimed at ascertaining whether there is a co relationship between rising in Toyota imported cars and the detrimental impact on Toyota dealerships as a near alternative goods towards new automobiles sellers. This piece of research aims to respond the succeeding questions which follow:

1. What influence do Toyota second hand imported cars have on the sales margins of authorised Toyota dealerships in Namibia and Tanzania?

2Assuming that effects were adverse, what countermeasures were they employing?

Observations stated that, the dynamic local industry for authorised Toyota cars dealerships is primarily driven by the presence of commercial loans, government participation in curbing interest rates, and the state is the major consumer. Toyota imported cars had no substantial adverse effects towards Toyota licensed distributors.

It was established that Toyota imported cars influenced total revenue and overall business performance since Toyota imported cars are largely demanded by many due to their prices and moderate performance.

T.J.Prusa (2021): The Effects of Used Toyota Automobiles Trade in LEDSs

The study concluded that used Toyota imported cars dominates more than half of total value of all Toyota automobiles imported from other countries. Used Toyota cars have created a mentality in which most Africans depends largely on government efforts and strict policies towards managing grey imported automobiles since a most of them do not consider themselves deserving or capable of affording Toyota vehicle offered by licensed distributors due to the nature of their economies. This mentality is that of purchasing second-hand Toyota cars which tends to be problematic in future. Hence, the researcher instigated that it is easy for developed nations to manufacture vehicles continuously and sells older models to developing countries which dominates African nations, especially those with poor policies towards used car imports. The author also suggested that Africa is conducive ground for dumping of older models and banned vehicles from developing nations.

J.Zhao, ZZ Jiang, M Sun (2021): The Effects of dumping vehicles and Market Volatility on the Falling Quality of Service rendered by Authorised Toyota Dealers.

Findings were buttressed by over 20 years of researches on used marketplaces created world over. The findings developed a variety of aspects important towards used Toyota industry monitoring, ranging from advancing many of those early developed ideas on ways to curb used Toyota marketing efforts:

1. Creating a detailed case research towards used Toyota vehicle industry performance.

2. Collecting relevant facts towards measures taken by authorised Toyota vehicle dealers against importers of used Toyota cars from foreign countries.

The findings of this research depicts a vivid picture of the adverse affects of grey Toyota vehicle market performance on deterioration in the quality of maintenance works offered under Toyota dealerships, the corrosion of goodwill between customer and buyer relationships, the sabotaging of producer pricing schemes, demolition of market freedom, as well as concentration towards corporate image capacity. These findings focused on dual angles of used Toyota vehicle industry regulation as it assisted approved Toyota vehicle dealers sustain in those scenarios. The findings instigated that primary objective aims to empower Toyota dealers such as Mike Harris Toyota significantly decrease grey Toyota vehicle market performance through implementation of strict policies and rules.

Findings gathered advent effects on the existence of second hand Toyota vehicles towards the sales of dealers in Ukraine new Toyota cars marketplace. Observers designed unique technique in solve these effects. Aim towards construction of the thesis were into three phases , focused towards grouping expected effects on pre-owned Toyota imported car would pose towards approved Toyota distributors overall revenue , regarding limited evaluation strategy are to be implemented carefully. Secondly, the findings permitted for applicable where forecasting elements can be checked by others to gather the same outcome. Lastly the researchers constructed a variable analysis so as to allow other researchers to add on to the existing findings.

The evaluation indicated that with the lawful dynamic environment changing favourable purchasing pre owned Toyota cars, top of the range Toyota cars demand was anticipated as declining each year as the number of the grey Toyota imports continues to dominate the market. The findings also articulated that the middle -to-high range effects towards brand new Toyota vehicle sales could worsen if import tariffs are eased.

A.B Iftikhar and F Iftikhar (2017): Imported Second Hand Toyota Vehicle Buyers' Perceptions towards ease of serving and maintenance.

Efforts were made in this research to determine vehicle consumers' attitudes toward the importation of old Toyota cars and their cheap servicing and maintenance.

The following were the aims of the research:

1. Guaranteeing   an   extent   for   concern   towards imported used vehicles by considering availability of components and cheap servicing .

2. To highlight   the reasons   that motivates   and demotivate   the choice   for grey Toyota imports.

 3. By   making use of the accounting information system to ascertain   the link   between the population   features and the capacity an imported Toyota vehicle.

Findings   indicated   that one fifth   of the respondents signalled   a positive preference   in the imported used Toyota cars .The researcher established that Toyota dealerships should also engage into servicing these second hand cars from Japan so as to enhance their survival. Also, it is observed that the population   attributes   such as number age, sex, average   household income and the number of earning members in the family have significant impact on the positive perception a and demand towards the imported second hand Toyota cars from many African countries.

Furthermore, it became established that the hurdles erected by a national authorities   were crucial towards   demotivating   informants   from purchasing pre owned   Toyota vehicle.

2.8. Chapter   Summary

 Chapter focused on a review of the literature on the impacts of pre-owned Toyota imported cars   on   financial wellbeing   of authorised Toyota dealerships   in the case of Mike Harris Toyota. The chapter also placed emphasis on key elements constituted   on   the research subject matter, including   definitions of pre-owned Toyota imported cars, a review of Toyota Zim, and the effects of policy decisions on Toyota vehicle importation. The next   chapter will embark   the research approach that will be employed in this study.

CHAPTER THREE

RESEACH METHODOLOGY

3.0. Introduction

Research Methodology is the method of gathering unprocessed information for a research study. Rajasekar et al (2018) proposed research methods as numerical methods, algorithms and schemes used in observations. It constitutes ways suggested by the researcher in a research study process. Rajasekar et al (2018) states that scientific research methods use measurements and observation for justification other than mere logics only. The following chapter indicates the research approach and is the overall view of how the researcher rectified the research problem. The researcher used Saunder's (2017) research on , which highlights the researcher's theories, ways used, research strategy, preferences , the research techniques and procedures. A variety of philosophies and tactics were indicated including the one chosen for this study, clearly stated and justifications for each philosophy choice.

3.1. Research design

Research design is a frame developed to collect data such that useful information for logic decisions is obtained. Kumar (2017), articulated a research design can be described as a research plan used by the researcher to produce accurate, logical, and real and economic outcome to a question. This study is an explanatory and cross-sectional research with major objective to analyse the impact of grey imports and the financial performance of Mike Harris Toyota. Explanatory research helps in enhancing relations that exists between variables, hence discovers how one variable impacts the other and also give meaningful reason to one or more components. Cross-sectional research produces detail on an idea at a specific time phrase, whilst longitudinal research stresses on the idea successive time phrases, Saunders et al. (2017).The study relied on structured questionnaire for collecting and gathering information. Quantitative data analysis was applied.

3.1.1. Justification of Research Design

Researcher embarked on explorative research approach after critically considering the following application and benefits.

1. There was provision of a chance for using first hand deeper insight that was free of the bias of the original researcher.
2. Fostered to come pace with new discoveries or research as it emerged.
3. This technique was simply complemented by other techniques while maintaining the research study's validity.
4. Nevertheless, the study acknowledged the ongoing obstacles of that design, which include time and expense.

3.1.2. Surveys

A survey, according to Neves and Hewitt (2021), is a data gathering technique used to acquire information about organizations and individuals. Surveys became prominent in mental research since they are used to gather individual reported data for population studies. A survey can be carried out in various methods, including questionnaire and interview. The researcher benefited from employing surveys since they were simple to execute as well as to develop, and they acquired a huge portion of data in a short period of time. The main disadvantage of making use of a survey was that it to enhance that a large proportion of the chosen group would respond.

3.1.2.1 Benefits of Survey Technique

1. It enhances greater room for development of new ideas and identifying usual reactions.

2. It furnished information on what happened in the past and what individuals are believing and perceiving in the present.

3. Significant degree of flexibility and adaptability to the environment.

3.1.2.2. Limitations of   Survey Technique

1. It is difficult for everyone to respond in the manner prescribed.

2. It was difficult for the respondents to remember information in relation to contentious issue.

3.2. Population

Rinjit (2020) articulated   a population as "the combination of all   varieties   of similar grouping   residing in a   place." The population of this research   constituted   financial personnel, marketing team personnel, the new vehicle sales department, and the parts sales department. To add on to the above, population is divided into   : reachable population and targeted   population according to   Pandey and Pandey (2021). The targeted population is a number   of people who were useful for the research, whereas the accessible population is a subset of the target population. The reachable population in this study was 32 persons, whereas the targeted   population was 26 employees, as indicated in Table below.

Table 1.3 showing distribution of MHT employees

MHT Departments	Population	Sample Size	Percentage
Finance Department	7	6	86%
Marketing department	10	8	80%
New Vehicle Sales Department	6	6	100%
Parts Sales Department	9	6	67%
TOTAL	32	26	81%

Source: Primary Data

To enable a representative sample of proper size, the study took three circumstantial considerations: the accurate level (sampling error), confidence level as well as organizational degree of variability. Sample size is defined as selecting a part of a group or the whole with sole intension of gathering enough data (Khan, 2019). It is an identified part or certain part, which is used to ascertain the feature of the entire population.

Purpose of the sampling was to provide a sufficient and appropriate measure of the entire population. Emory and Cooper (2019) states that a sample constitutes using a small number of units for the target group to make proper assessment of the total population. The researcher used statistical and the central limit theorem which outlines that for a statistical analysis of data, the minimum size of a sample for any data category should be 30, as this is most likely to offer an acceptable chance of normal distribution Greener(2018). Therefore, the researcher determined a sample of 32 employees of Mike Harris Toyota. This was done because a small sample is easy to understand and work on, but it constitutes high risk of sampling errors.

3.2.2. Sampling

According to Nayak and Singh (2021), sampling refers to a procedure used during data analysis to identify a sufficient sequence of goals from a sample so as to discover the characteristics of the variables under inquiry. The sample for this study consisted of 4 departments from Mike Harris Toyota.

3.2.3. Non probability sampling

Non-probability sampling techniques, according to Lyon (2018), are widely utilized when the quantity of elements in a sample might be independently selected. Other factors guide the choice on such settings, and the researchers utilized subjective sample.

3.2.3.1. Benefits of non-probability sampling

1. Reliability of the data was increased by choosing persons who could supply the finest information.

2. The data collected was useful for the research as it constituted equal samples of the targeted organization.

3.2.3.2. Limitations   of non-probability sampling

1. A sample could not be supported statistically.

2. In compiling a sample, incorrect judgments may be made.

3.3. Research instruments

3.3.1. Questionnaire

A questionnaire, according to Krosnick (2018), is a research object that constitutes   a sequence of questions and   justifications for collecting data from people. Since   they were inexpensive, questionnaires were often utilized in surveys. In questionnaires, two sorts of questions were used: open ended question or closed ended question.

3.3.1.2. Merits of using   Questionnaire

1. They are economical, particularly when the investigation constituted huge samples, and were thus applicable in scenarios were   funds were limited.

2. Decreased falsity as a result of comparable topic responses   and the absence of intermediary biases.

3. The author's personal view had no effect on how respondents answered questions.

4. It was straightforward to set up because collected data and compilation could be accomplished quickly   with software programs, and it became faster to   gather   information from various people.

5 .It enhanced participants' confidentiality when appropriate, and respondents were allowed to answer to questions when having a free   schedule.

3.3.1.3. Demerits   of using a Questionnaire

1. No one was available for assistance in case respondents experienced challenges responding to a particular issue.

2. I had no idea who would respond: You could never get assurance that a questionnaire was responded by the intended recipient.

3 .Low response rate: The return rate from participants was lower than expected. Other individuals refused to complete the questionnaires. There was no complete response to the questionnaires.

3.3.1.4. Open ended questions

The style of question enhanced responder cooperation while also fostering logical thinking according to Neuert, Meitinger, and Behr (2021). The study selects these questions since they generated responses that the observer was unaware of.

The benefits of open-ended inquiries included: higher variety of data because responders were had an opportunity to outline what they know about a particular topic.

To add to the above, the limitations of open-ended inquiries were that they required time and participant's best effort.

3.3.1.5. Closed ended questions

According to Luebker (2021), closed-ended inquiries permit participants to furnish variety of answers. Closed-ended inquiries, in particular, have pre-planned replies, and responders are frequently requested tick the appropriate response.

The benefits of included being fast and easy to respond.

Efficient time management the answers were simple to code, and responders were constituted into groups of answers.

The limitations of were that responders were unpermitted to convey more difficult interpretations and were not allowed to generate thoughts.

3.3.2. Telephone interviews

According to Rimondini (2019), phone interviews are conversations between 2 or more individuals who are in separate geographic locations in relation to a specific reason.

Phone interviews were employed by the observer as they save time and money on travel. Phone interviews enabled the respondent and researcher to express, specify issues as they arose, and they were less cost effective than in-person interview.

Moreover, phone interviews proved dependable since the interviewer may get hold of the responder at any moment to ask for clarification, also there was a high probability of the respondent and the researcher sharing their views.

However, there were limits to phone interviews, including no accounts on search for material for reference reasons, networking challenges that arose throughout the process, and the interviewer's limited towards seeing nonverbal movements.

3.4. Types of data

3.4.1. Primary data

Emory and Cooper (2014) highlighted that refers to it as information that is gathered for first interval from a source for particular reasons but is not analyzed statistically. Telephone calls were used to acquire actual data for this project.

3.4.1.1. Benefits of gathering Primary Data

1. Data captured was much useful for the study, and the information gathered was used solely for project purposes.

2. Data acquired proved to be recent, entails being related to current business conditions.

3. It became particular to the research topic, and the analysis could furnish prescribed knowledge.

4. It became free of misrepresentations because there was suitable data for the project.

3.4.1.2. Limitations of Primary Data

1. There had been a high degree of time spent during the process.

2 It became too costly to travel to the data source.

3.4.2. Secondary data

This includes information collected due to particular of reasons attributable to the research. Data captured included Mike Harris Toyota's year end financials and sales information.

3.4.2.1. Benefits of Secondary Data

1. It was cost effective since it allowed the accessing useful information through reading academic studies, texts, and corporate documents without any difficulty.

2. Enhanced availability of information as it was quicker.

3. It furnished a framework for comparison of information gathered during the study.

3.4.2.2. Limitations of Secondary Data

1. Searching for relevant information proved to be time consuming.

3.5. Reliability and Validity

According to Forbes and Greene (2021), reliability is a measure of how error-free data is, and it is demonstrated when two more than two unrelated scholars examining the same particular topic over the same period produce similar outcomes. Interview schedules and questionnaires were validated prior to getting issued to responders to improve the reliability of the instruments employed. According to Rose and Johnson (2020), 91 percent of questionnaire responses were legitimate, allowing conclusions to be drawn, while 100 percent of interview responses were considered valid.

3.6. Pilot Testing

The surveys were authenticated by pilot testing. Furthermore, preliminary analysis was conducted prior to doing the final questionnaire inquiry. This was carried out so as to enhance the instrument's reliability, simplicity, as well as validity. The pilot survey enabled us to restructure several of the questions for more relevancy as well as clarification, as well as uncover participants' misunderstanding.

3.7. Data Presentation

Data must be presented and grouped   after being collected and structured   in a meaningful form so as to clearly outline   the research problem. In presenting data the researcher used tables, line graphs, bar graphs and pie charts. Graphs, tables and pie Charts   were used because they highlight   and interpret data simply.

3.8 Data Analysis

Cantos and Konorev (2021) articulated   it   as a structured method   of illustrating, analysing, and reviewing information   using logic and   mathematical   approaches. The applicability of the findings to the research objectives is grouped in data analysis. The collected data was assessed using proportions based upon   observations. Furthermore, statistics modes and means were employed to compare information provided.

3.9. Ethical Considerations

Each time a study research is being carried out there are many ethical   consequences   the researcher's should factor in. Ethics refers to stipulated   norms or values of   habits that mentors   moral   conducts about the attitude   and   relationships   amongst individuals. Ethics satisfies   that no individual   faces the boldness   actions of research procedures. The researcher was   permitted   the chance by Mike Harris Toyota management at the head office. This study utilized   questionnaires to gather   data and the respondents were allowed   permission   to privacy, right to confidentiality as well as right not to disclose   their names.

 Candidates were given an equal opportunity to be or deny to be a part of the research, even if the questionnaire was already halfway, they had the authority to quit and their enhanced right to privacy was also honoured through not exposing their names. The researcher outlined on the introductory paragraphs of the questionnaire that no other individual   had the authority to   the data captured from candidates. Patton, (2020), suggested that in order to take account of ethical sets, the researcher   must highlight the purpose of the need for research to the candidates and   clearly highlight research reason and commitments hence participants were informed   that the questionnaire were only for educational   purposes and   no commitments were highlighted as a remuneration for completely answering to the   questionnaire.

3.10 Chapter Summary

This chapter discussed the project design, research tools and data types employed within research. The author outlined nonprobability sample as a sample technique, the study's sample size, and the data interpretation and evaluation methodologies. The collected data is thoroughly analysed and presented in the next chapter.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.0 Introduction

This chapter gives attention to results gathered through phone interviewing method as well as questionnaire. Columns and pie charts, data presentation methods were utilized to convey observations prior to data analysis. The research results were attributed to the research objectives stated in the first chapter, as well as the results of the scholars assessed in second chapter's literature review. A chapter summary will conclude this chapter.4.1 Analysis of response rate analysis

4.1.1. Questionnaires

A maximum number of 26 questionnaires were issued, with 23 (88 percent) returned. On the other hand, 3 (12%) surveys were failed, with the failed questionnaire consisting of 1 from the Marketing Department and 2 from the New Vehicle Sales Department. The fact that questionnaires from the Marketing Department were distributed via email was ascribed to the fact that members of staff indicated that they had limited time to complete physical copies of the questionnaires due to the nature of their employment. Two questionnaires from the New Vehicle Sales Department were not returned because several employees were attending a seminar. The table below provides an overview of questionnaire response rates for questionnaires issued out and collected for feedback.

(Table 4.1) Questionnaire response rate

MHT Departments	Issued Out Questionnaires	Collected (Feedback)Questionnaires	Rate of response
Finance Department	6	6	100%
Marketing Department	8	7	88%
New Vehicle Sales Department	6	4	67%
Parts Sales Department	6	6	100%
TOTAL	26	23	88%

Source: Primary Data

Respondent's presentation by departments in the Organization

Fig 4.1 Distribution of Respondents by   Departments
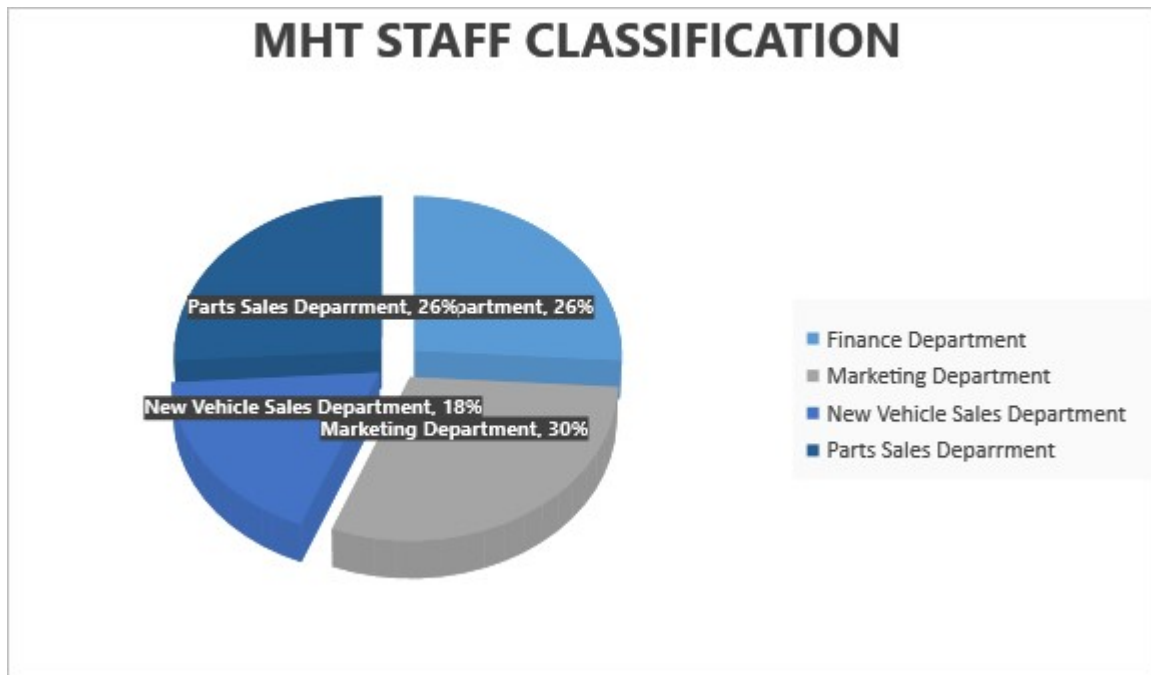
Fig 4.2 depicts the composition and classification   of Mike Harris Toyota staff by each department. The highest number of respondents was from the marketing department with 30% since they have adequate information regarding the overall sales of the entity. Parts sales and finance had equal representatives since the two departments have proper information which relates to their financial performance and the overall parts sales impact on Mike Harris Toyota. New vehicle Sales department had the least number of representatives since most of the staff are always out of office due to nature of their job hence the researcher captured them on telephone interviews.

Table 4.3: Distribution of questionnaire respondents by working experience

For how long have you been working at this organization?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 4 years	2	8.7	8.7	8.7
	5 to 7 years	5	21.7	21.7	30.4
	Above 8 years	16	69.6	69.6	100.0
	Total	23	100.0	100.0	

Table 4.3 shows that 8.7 % of the respondents have been employed for less than 4 years at Mike Harris Toyota while 21.7 percent have been employed within the range of 5 – 7 years. The observation also highlights that 69.6 percent have been in the organization for 8 years and above and contributes the majority of the sample. Overall 30.4% of respondents served the organization for less than 7 years. The findings implies that accuracy of the responses was enhanced as most of the answers were from experienced staff (Chung, 2018)

Respondent's   level of education

Fig 4.2A Pie Chart Showing the level of education

QUALIFICATIONS

DEGREE, 17% 9%

DIPLOMA, 74%

- DIPLOMA
- DEGREE
- MASTERS/PROFESSIONAL
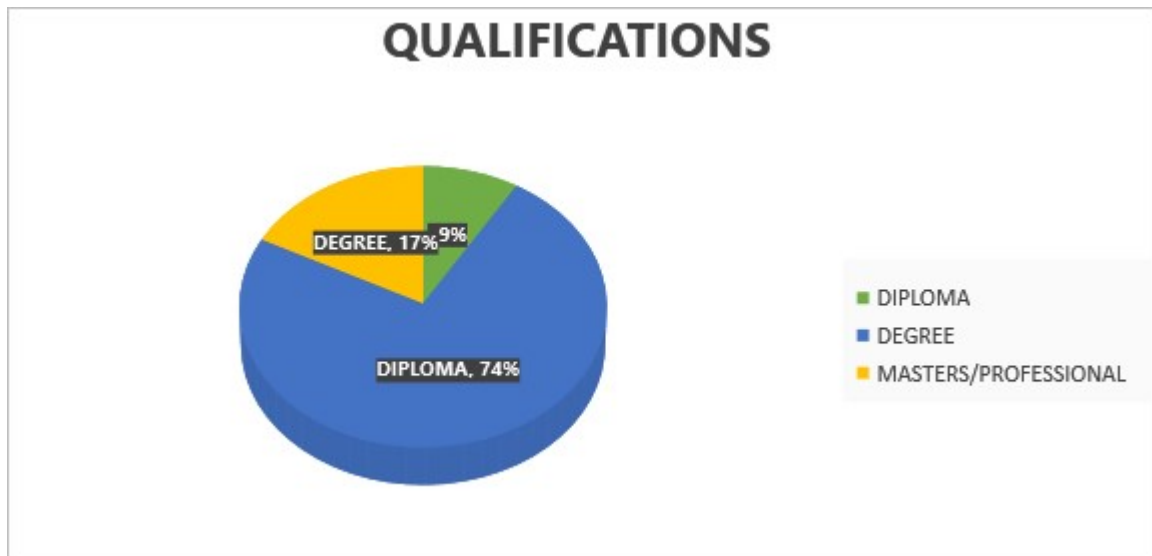
Fig 4.4 shows distribution of Mike Harris Toyota staff by level of education with the highest percentage recorded under those with degrees, followed by those with masters or professional courses which constituted   17% of the entire population and only a lower percentage of 9 represented those with diplomas. Since Mike Harris Toyota is not a listed company there was need to ascertain the level of education of its staff members. The population constituted highly educated personnel and this helped to curb bias and truthfulness towards the questions and also to enhance dependability of suggested responses.

Fig 4.3Imported used Toyota vehicles have affected the sales of Mike Harris Toyota?

Descriptive Statistics

T	N	Minimum	Maximum	Mean	Std. Deviation
: Imported used Toyota vehicles have affected the sales of Mike Harris Toyota?	23	1	5	3.87	1.392
Signs in which sales have been affected	0				
There has been low customer turn out ratio	23	1	5	4.09	1.203
. Some customers have stopped servicing their cars at your organization	23	1	5	4.52	1.039
Number of Automotive Parts and vehicles sold have been decreasing each year	23	1	5	3.70	1.363
Your organization has been used as a source of quotations only.	23	1	5	2.52	1.563
Your organization has lost its major customers including corporates	23	3	5	4.26	.810
Valid N (listwise)	0				

Key 1= Very Small Extent   2= Small Extent   3=Moderate Extent 4 = Large Extent 5 =Very Large Extent

The five point Licket scale is considered an interval scale .From 4.1 to 5.0 implies that that respondents alludes to a very large extent, from 3.0 to 4 means respondents agree to a large extent. From 2.4 to 2.9 implies that respondents are moderate extent .From 1.0 to 2.3 means respondents agree to a small or very small extent.

As highlighted by Fig 4.5 above are indications which buttresses how sales of Mike Harris Toyota have decreased over the years due to grey Toyota imports. Some customers have stopped servicing their cars at Mike Harris Toyota, the outcome was as follows (Standard

Deviation = 1.039.Mean = 4.52), this point clearly shows that most of the respondents agreed to a very large extent that over the years the number of serviced vehicles decreased. Followed by indications that the organization lost its major customers including corporates over the years from 2019 to 2021 with (SD =0.810 Mean = 4.26) which also to a larger extent has led a decreased sales of the Toyota giant. Another indication of decreasing sales was low customer turn out ratio with a (SD= 1.203 Mean 4.09), many respondents alluded to a very large extent that most of their customers were purchasing grey imports hence reducing sales for their organization.

To add on to the above the volume or number of automotive parts sold have decreased over the years with (SD= 1.363 Mean =3.70), a ranger within 3.0 to 4 means respondents alludes to a large extent that the total sales decreased.

The organization has been used as a source of quotations only, was within the moderate range with a standard deviation of 1.563 and a mean of 2.52, being moderate implies that some of the respondents agreed whilst other respondents alluded to a very lesser extent. An entity being used as a source of quotations means customers are purchasing vehicles, services and automotive parts from grey imports suppliers. It shows that Mike Harris Toyota stuff experienced continuous drop in sales over the years. There was no question which fell under the category of very small extent in relation to the licket scale, and this means that most of the Toyota dealer stuff were to a greater extent alluding to the indications that they have been losing sales.

Fig 4.4 .The extent to which government policies have benefited Mike Harris Toyota?

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
The extent to which government policies have benefited Mike Harris Toyota?	0				
Embargo on vehicles whose model exceeds 10 years.	23	1	5	2.52	.994
Subsidizing imports made by Toyota Zimbabwe	23	1	5	1.91	1.125
Tax breaks for dealers under Toyota Zimbabwe franchise	23	1	3	1.43	.590
Government purchased its vehicles from Mike Harris Toyota	23	1	5	4.04	1.296
Valid N (list wise)	0				

Key 1= Very Small Extent   2= Small Extent   3=Moderate Extent 4 = Large Extent 5 =Very Large Extent

The five point licked scale is regarded as an interval for data capturing and software analysis from 4.1 to 5 means to a very large extent, from 3.0 to 4.0 means large extent, from 2.5 to 2.9 means moderate extent, from 1.5 to 2.4 means small extent and finally from 1 to 1.4 means very small extent.

Fig 4.6 depicts that the measure of supporting local Toyota dealers through purchasing vehicles from them was widely successful with a mean of 4.04 and a standard deviation of 1.296.This

was followed by an embargo placed on the importation of vehicles whose model exceeds 10 years with a standard deviation of 0.994 and a mean of 2.52 which falls within the moderate extent of success. The table also shows that subsidizing vehicle imports made by Toyota Zimbabwe with a mean of 1.91 and a standard deviation of 1.125 which falls under small extent of success. Lastly the findings discovered that tax breaks for dealers under Toyota Zimbabwe franchise recorded a mean of 1.43 and a standard deviation of 0.590.

Fig 4.5 Grey imported cars impose massive competition on Mike Harris Toyota?

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Your organization faced a sharp rise in brain drain.	23	2	5	4.39	.839
High costs on promotional campaigns	23	1	5	2.96	1.522
Loss of skilled personnel to grey import sellers	23	3	5	4.52	.593
Valid N (listwise)	23				

Key 1= Very Small Extent   2= Small Extent   3=Moderate Extent 4 = Large Extent 5 =Very Large Extent

The five point licket scale is considered or regarded an interval scale. From 4.10 to 5.10 the mean is considered very large extent, from 3.10 to 3.90 the mean is regarded as alluding to a large extent, from   2.50 to 3.0 the mean is considered as alluding to a moderate extent. From 1.5 to 2.4 the mean is regarded as alluding to a small extent and finally 1.0 to 1.40 the mean is regarded as alluding to a very small extent.

As shown in fig 4.7 above are indications of intense competition posed by grey imports vehicles towards Mike Harris Toyota. The main indication as alluded by respondents fall under the

category of very large extent and this was a continuous increase in number of skilled personnel leaving the organization to seek employment grey imports car dealers, this indication had a standard deviation of 0.593 and a mean of 4.52.

To add on to the above indication, it was followed by a sharp rise in brain drain as Mike Harris Toyota and it was denoted by a lot of employees alluding to a very large extent that was represented   by a standard deviation of 0.839 and a mean of 4.39.This indication was one of the major highlights.

More so, the respondents moderately alluded that the entity encountered high costs on promotional campaigns due the extreme competition environment that was created by grey Toyota imports that have dominated the Zimbabwean automotive market.

Fig 4.6: Do the strategies implemented by management improve profitability of your organization?

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
: Do the strategies implemented by management improve profitability of your organization?	0				
Offering high discounts to all cash customers	23	1	5	2.57	.992
Offering after sell service to their customers	23	1	5	3.87	1.058
High advertising on Toyota Zimbabwe's facebook page	22	1	5	2.09	1.151
Valid N (listwise)	0				

Key 1= Very Small Extent   2= Small Extent   3=Moderate Extent 4 = Large Extent 5 =Very Large Extent

The five point licket scale is considered or regarded an interval scale. From 4.10 to 5.10 the mean is considered   very large extent, from 3.10 to 3.90 the mean is regarded as alluding to a large extent, from   2.50 to 3.0 the mean is considered as alluding to a moderate extent. From 1.5 to 2.4 the mean is regarded as alluding to a small extent and finally 1.0 to 1.40 the mean is regarded as alluding to a very small extent.

Fig 4.8 indicates that offering after sale services to its customers proved to be considerably the most useful strategy implemented by Mike Harris Toyota management with a standard deviation of 1.058 and a mean of 3.87.The table also depicts that offering of high discounts to its customers has been successful to a moderate extent with a standard deviation of 0.992 and a mean of 2.57.Lastly high advertising on Toyota Zimbabwe's (Franchise holder) facebook page was indicated by a small extent of success with a standard deviation of 1.151 and a mean of 2.09.

Discussion of Findings

Research Question 1

The purpose of this question was to identify the major indications of a decrease in sales of Mike Harris Toyota. The researcher gathered that the major indications of low sales put under review were as follows; low customer turn out ratio, customers   stopped servicing their cars at the organization, number   of automotive parts and vehicles   sold have been decreasing each year, the organization has been used as a source of quotations only, the   organization has lost its major customers including corporates.

The fact that most of their customers stopped servicing cars at their organization led to a significant drop in sales at Mike Harris Toyota. This goes parallel with D. Thunde's results, which indicated that pre owned imported Toyota cars had no substantial influence on brand new automobile sellers. Low rate of vehicle   servicing has a great impact on the total revenue of the entity since it is the major source of income for the Toyota giant through selling of labour hours. The study finds out that the entity has engaged itself into servicing some of the grey Toyota imports to   enhance its survival as the completion is becoming worse by the day. This indication recorded the highest mean which means that most of the respondents alluded to it to a very large extent.

To add on to the above, the number of automotive parts and vehicles sold decreased each year .This indication was alluded by the respondents to a very large extent. The researcher gathered that a decrease in vehicle sold had a positive impact on automotive parts sales, this attributes to the fact that you sell parts to your buyer of vehicle. On the other hand grey import vehicle sellers sell parts to the ones who purchase their vehicles. A drop in the vehicles sold led to a decline in total sales of Mike Harris Toyota hence affecting total revenue and cash flow of Mike Harris Toyota.

The researcher also gathered that the organization was used as a source of quotations only and the buyers never showed up. Respondents agreed to this indication on a moderate extent which implies that some were not sure whilst others alluded on a very large extent. There was need for the firm to have a competitive pricing strategy so as to reduce this quotation dilemma.

Discussion of Findings

Research Question 2

The purpose or aim of this question was ascertain whether government policies and measures to help local Toyota dealers have been successful to an acceptable extent. The researcher observed that government's measure to purchase its vehicles from Mike Harris Toyota has been of greater importance to the entity and this was supported by Auto business magazine (February 2020) which highlighted that Zimbabwean government has embarked on purchasing its vehicles from local car dealers through a tendering process done at Procurement Regulatory Authority Of Zimbabwe (PRAZ)

This was evidenced by a highest mean being recorded from this particular measure.

Government's effort of placing an embargo on all grey imports whose model exceeds 10 years was moderately successful. This is supported with the researches of T.J Prusa (2021) observed that various regulations have been implemented by a majority of African nations to prevent pre owned Toyota imported car activities. This was due to the fact that it was a blanket policy for all authorized car dealers in Zimbabwe, this means that it was partly useful to Toyota dealers as the current vehicle models offered by grey imports are relatively cheaper than those brand new vehicles offered by Mike Harris Toyota. Many respondents did not appreciate the relevance of this policy because their source of problem was the pricing issue.

Subsidizing vehicle imports made by Toyota Zimbabwe (franchise holder) on behalf of its authorized dealers was widely unsuccessful as most of the respondents alluded through the

questionnaire that it was successful to a small extent. The reason was that the measure was short lived since it only lasted for 6 months during the year 2020 were the country experienced persisting lockdowns due to Corona Virus.

The government of Zimbabwe also initiated tax breaks for all Toyota dealers so as to improve their cash flows. This was widely unsuccessful as the majority of the respondents placed their tick on very small extent. The main reasons directly attributable to this failure were due to the fact that it was tried for only 3 months the policy was immediately revoked, also tax breaks were only awarded 5% of the total tax figure which a particular Toyota dealer was supposed to pay. This amount was too little to make an impact on big car dealers such as Mike Harris Toyota.

Discussion of Findings

Research Question 3

The aim of this question was to ascertain whether the indications suggested by the researcher were correlating positively to what the respondents faced and this was highlighted in the literature by J.Zhao, ZZ Jiang, M Sun (2021) who stated that grey imports led loss of skilled personal in various African competitive countries .The indications include a sharp rise in brain drain, decrease in the quality of service delivery, high costs on promotional campaigns and loss of skilled personnel to grey import sellers. The researcher gathered that loss of skilled personnel to grey import sellers was a clear sign that grey importers were out shining Mike Harris Toyota in terms of revenue generation and also demand for Toyota vehicles .A number of Mike Harris Toyota employees left the entity to occupy positions such as sales consultant, parts sales consultant and also pro Toyota technicians who helped in repairing and servicing these grey imported vehicles. Intense competition compromises the going concern of the entity hence anxious employees flew away from the organization due to limited job security.

Mike Harris Toyota also faced a sharp rise in brain over the years, this was due to the fact that most of its employees are highly skilled and their services are required globally. This brain drain was intensified by grey imports as the entity was deemed to be paying its employees a half salary for 3 consecutive months as it had lost its customers. A number of employees searched for batter jobs in other countries were the business environment is stable and conducive for local Toyota dealers. This was supported further by the Motor Componentry magazine (March 2019 issue) which stated that a number of authorized car dealers have been losing key staff to the grey importers.

The Toyota giant also ran into a massive promotional campaign so as to regain its lost customers who were preferring grey Toyota imports over what they could offer. However a number of respondents were on a moderate view or extent which implies that running a promotional campaign was not due to competition from grey Toyota imports but a modern way of doing business in the dynamic business environment.

Discussion of Findings

Research Question 4

The objective of this question was to ascertain the extent of successfulness of the strategies implemented by management of Mike Harris Toyota. A.B Iftikhar and F Iftikhar (2017)suggested that Toyota dealerships should engage themselves in offering repairs and maintenance to Toyota imported automobiles and supplying Toyota components of pre-owned Toyota imported cars to ameliorate its financial status in harsh economic conditions of Zimbabwe. The researcher gathered that offering after sale service to all its customers proved to be the best and most relevant strategy to be implemented. This is because it provided vehicle buyers with a chance to enjoy one year full service guarantee including vehicle towing in case of any break downs. Most of the respondents alluded that to a very large extent this has been successful as upon implementation the volume of sales increased .However this didn't swept away the impact of grey Toyota imports towards Mike Harris Toyota as they were offering cheaper substitutes with a relatively lower price.

To add on to the above, offering high discounts to its customers was moderately successful .The researcher finds out that this was due to short duration of the strategy as it ended up shrinking the overall cash flows of the Toyota giant. Some of the respondents alluded that if the policy was to be implemented for a longer period the financial situation of the entity was going to improve dramatically. Respondents also stated that the discount facility was not properly marketed due to limited funding.

More so, marketing on Toyota Zimbabwe's face book page widely unsuccessful as the majority of the respondents alluded that it was to a small extent. The reason attributable to this fact was that since most of Mike Harris Toyota customers are corporates that implies that they have limited time to peruse through Toyota Zimbabwe's face book page. Respondents also alluded that Toyota Zimbabwe's facebook page markets all companies registered under its franchise such as Croco Toyota, Faramatsi and Motorcity Toyota among others hence implying that

customers may prefer the services of other authorized dealers at the expense of their organization due to proximity reasons.

4.3. Telephone interviews

Thirteen phone interviews were successful out of a total of thirteen conducted (100 percent).The scholar carried phone interviews so as to ascertain and strongly evaluate the true position of Mike Harris Toyota and also to identify a true reflection of the advent impact of pre-owned Toyota imported cars on the financials of the entity through asking a separate staff member which did not participate during questionnaire.

4.3.1 Response presentation and analysis for telephone interviews

First Question: To what extent have pre owned Toyota imported cars impacted Mike Harris Toyota's total revenue in 2019 and 2021?

Many respondents alluded that grey Toyota imports adversely impacted the total revenue of Mike Harris Toyota. For example, during the first quarter the Toyota giant used to sell at least 72 vehicles per quarter and an average of 300 brand new vehicles per year, but the entity faced a significant decline of 28 vehicles per quarter. This signifies that Mike Harris Toyota's revenue declined by 61% matching to the total revenue the entity was receiving before the penetration of a significant amount of grey Toyota imports. To add on to the above questionnaires indicated that 82% of respondents agreed that the penetration of grey Toyota imports impacted adversely the performance of Mike Harris Toyota. This is shoots off from the findings of D.Thunde (2018) who articulated that grey imports did not have a significant negative impact on Toyota dealers.

Therefore the existence of grey Toyota imports in Zimbabwe led to a decline in sales of Mike Harris Toyota since most of the respondents agreed that the grey Toyota imports adversely impacted the total revenue of the entity. The literature of Williams (2018) highlighted that the grey Toyota imports vehicles reduce the demand of locally available vehicles.

Question 2: How can the Zimbabwean government intervene to assist Mike Harris Toyota

On this question all Mike Harris Toyota staff being interviewed suggested that the Zimbabwean government must place an embargo the grey Toyota imports so as to boost performance of the local Toyota giant. Most of the respondents from new vehicle sales and the marketing department indicated that it is wise for the Zimbabwean government to adopt the policies similar to those in South Africa to place an embargo on grey imports as this is key in protecting sunrise companies.

On the other hand, other interviewees proposed that the Zimbabwean government must only allow importation of grey imports whose brand is not an authorized dealer in Zimbabwe. This is for instance the importation of brands such as audi, renalt and also dodge has no significant impact to local dealers such as Mike Harris Toyota since the above mentioned brands does not offer pickup trucks, durable engines that makes the African terrains like what Toyota is best known and hence they do not pose direct competition to Mike Harris Toyota and other Toyota dealers in Zimbabwe.

Therefore the Zimbabwean government must place an embargo on grey Toyota imports in the country so as enhance and revive the local Toyota dealers such as Mike Harris Toyota and was indicated in the literature of Parsons (2019) relating to South Africa's policies on imported vehicles from Japan.

Question 3: How is Mike Harris Toyota surviving intense competition from grey Toyota imports?

On this question most of the respondents agreed that Mike Harris Toyota was surviving the intense competition from grey Toyota imports with a lot of difficulty .The prices of vehicles offered by the Toyota giant are way too much above those of grey Toyota imports from Japan were the main manufacturing plant is located. The respondents also alluded that the prevailing harsh economic condition of in Zimbabwe pressured the customers to opt for grey Toyota imports since they are cost effective.

On the other hand few respondents confirmed that Mike Harris Toyota has engaged itself into servicing grey Toyota imports on the backyard so as to survive the competition. To add on to the above, questionnaires proved that that 71% of the interviewees disagreed that Mike Harris Toyota was surpassing the intense competition with grey Toyota imports. Hence forth, Mike Harris Toyota was facing a lot of competition from these grey importers which

have seen the entity plunged into a declining sales dilemma and this was highlighted in the literature by Porter (2008)

Question 4: How prosperous have been the methods adopted by the management of Mike Harris Toyota to fight against the adverse impacts of grey Toyota imports?

All Mike Harris Toyota respondents alluded that indeed the entity has been implementing various strategies but with a limited probability of success due to the fact that grey imports models keep evolving and dominating the local market of Zimbabwe. The marketing department stuff also alluded appropriate marketing need to be in place so as to rightfully convince customers that genuine Toyota brand new vehicles are extremely durable that grey imports.

4.4 Analysis of secondary data

Table 4.2 and Table 4.3 show how the domination of grey Toyota imports have impacted the financial performance and the cash flow of Mike Harris Toyota from 2019 to 2021.

Table 4.2: Profit and Loss trends for 2019, 2020, and 2021.

Year	Budgeted Profit/(Loss) ZWL	Actual Profit/(Loss) ZWL	Variance
2019	161,5 Million	156,32 Million	5.18 Million
2020	121,34 Million	(56,4 Million)	177.74 Million
2021	108.56 Million	84,55 Million	24.01 Million

Source: Mike Harris Toyota financial accounts for year 2021

Table 4.3: Cash flow trends for year 2019, 2020 and 2021

Year	Budgeted cash inflow/(outflow) (ZWL)	Actual cash inflow/(outflow) (ZWL)	Variance
2019	154,33 Million	147,39 Million	(6,94) Million
2020	117,45 Million	53.32 Million	(64,13) Million
2021	97,24 Million	41,44 Million	(55.8) Million

Source: Mike Harris Toyota financial   accounts for year 2021

Table 4.2 and Table 4.3 depicts secondary data of the financial statements extracts of Mike Harris Toyota which illustrate how grey Toyota imports have been impacting the Toyota authorized giant. From 2019 to 2020 there was an adverse   variance between the budgeted and actual profits as well as the budgeted cash inflow and actual cash inflow. The major reasons for o these variances was directly attributable to the advent of Covid 19 which seen a lot of business downsizing hence leading to a limited customer base for Mike Harris Toyota as vast of its customers are from corporates and some selected individuals. The grey Toyota   imports were increasing in the market as they could match the prevailing harsh business environment which was attributed to lockdowns resulting in significant decline   of Mike Harris Toyota sales   and profitability and this was indicated in the literature of Weigand (2018).

To add on to the above   on questionnaires 82% of the respondents alluded to the fact that penetration of grey Toyota imports impacted adversely the performance of Mike Harris Toyota   and on interviews most of the interviewees suggested that grey Toyota imports dominating the Zimbabwean market has impacted negatively the total revenue and profitability of Mike Harris Toyota.

4.5 Chapter   Summary

The purpose   of this chapter was to furnish a detailed analysis   and presentation of   the data collected from the field. More so, in data analysis both qualitative and quantitative techniques were used. The following chapter will be used to make recommendations. Furthermore the final concluding remarks to this research will be next chapter.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This is the final   chapter of the research on the impacts   of grey Toyota   imports and the financial performance of Mike Harris Toyota. The chapter aims   to ascertain   whether the objectives or purpose   of the research have been attained.

5.1 Summary of findings

• The conclusions were gathered   from the study's main   findings as well as their discoveries in relation to the research objectives. The major   purpose   of the research   was to analyze the impacts   of grey Toyota imports on the financial performance of Mike Harris Toyota.

• The first objective was to analyze the extent to which   imported Toyota   vehicles have affected   the sales of   Mike Harris Toyota. This was obtained   through an evaluation of primary data and secondary data, and various literatures as suggested   by scholars. The outcome and conclusion of the findings   was that a majority of Mike Harris Toyota clients stopped servicing their cars at their entity. Also the dominance   of grey Toyota   imports led to a low customer turn out ratio as they preferred buying from grey importers of similar Toyota vehicles.

• The second objective was to discuss the impact of the government policies and measures   on importation of Toyota   vehicles. The findings stated   that the government policies and measures towards the importation of Toyota vehicles are very key towards the performance and survival of Toyota authorized dealers such as Mike Harris Toyota. The research founds out that placing an embargo towards vehicles whose model exceeds 10 years is   moderately effective to   those under Toyota Zimbabwe franchise. Government should continue to purchase most of its Toyota cars from Mike Harris Toyota as it   helps   the entity to push its sales, since the government consists many departments and ministries.

•The third objective was to ascertain whether Mike Harris Toyota was facing high competition from grey Toyota imports. The findings stated that indeed the Toyota giant was facing a lot of

competition as evidenced by a sharp rise in brain drain, loss of skilled personnel to grey import sellers and also high costs on promotional campaigns.

•The fourth objective was to evaluate the extent to which measures implemented by the management have improved profitability of the organization. The findings gathered that indeed various strategies were being implemented but with a moderate extent of success. Strategies implemented include offering high discounts to all cash customers, advertising on Toyota Zimbabwe's face book page and also offering after sale service. Of all the three strategies offering after sale service was considered to be widely effective hence it should be in existence for longer period of time.

5.2 Conclusions

The research was widely successful as the outcome indicated that Mike Harris Toyota was facing intense competition from grey Toyota imports and its cash flows and profits have been affected negatively. Data was gathered through questionnaire, telephone interviews and management reports of the entity.

5.3 Recommendations

•Mike Harris Toyota should maintain a huge stock of various vehicle models as this attracts corporates. Customers or corporates are derailed if the company fails to supply the prescribed number of vehicles at once since they might end up opting other suppliers with huge stocks of vehicles.

• Mike Harris Toyota should consider servicing and selling grey Toyota automotive parts on a larger scale so as to increase its sales and uplift their organization to the competitive edge, lead time has be short i.e time taken to order the vehicle from Toyota Zimbabwe and being received by the client.

•Mike Harris Toyota engage into massive marketing through electronic and printed media on the relevance and importance of purchasing brand new Toyota cars rather than grey imported ones. The entity should embark on customer follow up to identify areas of improvement.

•Government should place an embargo towards the importation of Toyota vehicles whilst subsidizing the local authorized Toyota dealer so that it initiates importation of affordable Toyota cars which are attainable to many people of Zimbabwe and other sun rise SMEs.

•The Toyota authorized dealer's management should note the significance of upgrading promotional tactics to its customers, offering vehicle service of high quality as this helps to build a better brand in the dynamic automotive business environment.

5.4 Suggested areas of further research

Further studies might be considered to:

•To analyze the impacts of grey Toyota imports towards the financial performance of all authorized Toyota dealers in Zimbabwe.

•To investigate the impacts of vehicle financing schemes towards the performance of Toyota authorized dealers.

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BINDURA

UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF COMMERCE

16 April 2022

To whom it may concern

Dear sir/madam

RE: APPLICATION FOR AUTHORITY TO CONDUCT RESEARCH.

I am writing to request permission to conduct research at your organization. I am a fourth-year student at Bindura University of Science Education pursuing a degree in Accounting. Currently undertaking a research on **Grey Toyota imports and the financial performance of Mike Harris Toyota.** I am requesting information from your organization as well as permission for employees to respond to my questionnaires.

I'm looking forward to hearing from you.

Yours faithfully

………………………

TAKUDZWA   MANYOZO

Accounting student

APPENDIX II: A QUESTIONNAIRE FOR RESPONDENTS

<u>**RESEARCH TITLE:**</u>

GREY TOYOTA IMPORTS AND THE FINANCIAL PERFOMANCE OF MIKE HARRIS TOYOTA.

INSTRUCTIONS

(i)   Please respond to all questions.

(ii) Respond by ticking [√] the applicable in questions where responses are provided and briefly explains where spaces are provided.

(iii) Please note that all your responses will be treated with strict confidentiality and the study will be used for academic purposes only.

(iv) Please do not write your name anywhere on the questionnaire for the completed form to remain anonymous.

(v)   There are no right or wrong answers, hence, please answer all questions accurately and honestly to the best of your knowledge and opinion.

SECTION A: DEMOGRAPHIC INFORMATION

1. What is your position in the organisation?

i, Finance Accountant

ii, Marketing Officer

iii, Parts Sales Consultant

iv. New Vehicle Sales Consultant

2. State your highest qualifications? (*please tick where appropriate*)

(a) Diploma   (b) Degree

(c) Master and or Professional

(d) Other_____ (please specify)

3. You have been employed in your organization for?

(a) Less than 4 years [ ]   (b) 5 to 7 years [ ]

(c) 8 to 10 years [ ]   (d) More than 11 years [ ]

SECTION B: Imported used vehicles have affected the sales of Mike Harris Toyota ?

4.(a) To what extent have grey Toyota imports affected the sales of your organisation? *Tick where applicable*

Key 1= Very small extent **2**= Small extent **3**=Moderate Extent **4**=Large extent **5**=Very large extent

Signs in which sales have been affected	1	2	3	4	5
i. There has been low customer turn out ratio					
ii. Some customers have stopped servicing their cars at your organization					
iii. Number of Parts sold have been decreasing each year					
iv. Your organization has been used as a source of quotations only.					

4 (b) For any other ways which have affected the sales of your organisation   please specify?

……………………………………………………………………………………………………

……………………………………………………………………………………………………

……………………………………………………………………………………………………

……………………………………………………………………………………………………

…………………………………………………………………..

4 (c) Before grey imports your firm have been selling over 500 vehicles per year?. *Tick where applicable*

Yes {   }   No {   }

SECTION C: The extent to which government policies have benefited Mike Harris Toyota?

5. (a) Following are the policies in which government have tried to assist local Toyota dealers such as Mike Harris Toyota. Indicate by ticking on the extent to which your entity has benefited or improved from the implemented policies from 2019 to 2021.

Key 1= Not yet incorporated, 2= Lower extent, 3= Moderate extent (3- 5 sentences), 4= High extent, 5= Excellent extent.

Government Policies	Not yet incorporated	Lower Extent	Moderate Extent	Higher Extent	Excellent Extent
Embargo on vehicles whose model exceeds 10 years.					
Subsidizing imports made by Toyota Zimbabwe					
Tax breaks for dealers under Toyota Zimbabwe franchise					
Government purchased its vehicles from Mike Harris Toyota					

5 (b) Please specify and explain other policies if any, that have been of importance to your organisation

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SECTION D: Grey imported cars impose massive competition on Mike Harris Toyota?

6 .(a) Following are indications that Mike Harris Toyota have suffered intense competition from grey Toyota imports available in Zimbabwe. Indicate by ticking in the box that best suites your point of view and experience from 2019 to 2021.

Key 1= Not yet incorporated, 2= Lower extent, 3= Moderate extent (3- 5 sentences), 4= High extent, 5= Excellent extent.

Indications of competition faced	Not yet incorporated	Lower Extent	Moderate Extent	Higher Extent	Excellent Extent
Your organization faced a sharp rise in brain drain.					
High costs on promotional campaigns					
Loss of skilled personnel to grey import sellers					

SECTION E: Do the strategies implemented by management improve profitability of your organization?

7 .(a) Following are strategies implemented by management to improve profitability of the organization . Indicate by ticking in the box that best suites your point of view and experience from 2019 to 2021

Key 1= Not yet incorporated, 2= Lower extent, 3= Moderate extent (3- 5 sentences), 4= High extent, 5= Excellent extent.

Strategies implemented by Management to improve profitability	Not yet incorporated	Lower Extent	Moderate Extent	Higher Extent	Excellent Extent
Offering high discounts to all cash customers					
Offering after sell service to their customers					
High advertising on Toyota Zimbabwe's facebook page					