BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF SCIENCE AND ENGENEERING

DEPARTMENT OF STATISTICS AND MATHEMATICS

Investigating Factors Contributing to Low Sales of Products in Microfinance and Trade Credit Companies. A case of Wisrod Investments in Zimbabwe.

Submitted By

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A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENT OF THE BACHELOR OF SCIENCE HONOURS DEGREE IN STATISTICS AND FINANCIAL MATHEMATICS

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JUNE 2023

DECLARATION OF AUTHOURSHIP

I CHRISTABEL MUZEYA, declare that research project is my original work and has not been copied or extracted from previous sources without due acknowledgement of the source.

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Dissertation Tittle: **Investigating Factors Contributing to Low Sales of Products in Microfinance and Trade Credit Companies. A Case of Wisrod's Investments.**

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DEDICATION

I dedicate this dissertation to my mother and father for their love and support along this educational journey as they always strived to get all that I needed during my studies. This year could not be a success without the support from my lovely parents.

I offer my deepest gratitude love for your boldness.

ACKNOWLEDGEMENTS

First of all my gratitude goes out to The Almighty God for his continued guidance and wisdom throughout the journey from the beginning to the completion of this research project above all his grace which is sufficient enough. Secondly, special thanks goes to my research supervisor Dr. T. W. Mapuwei who greatly helped me in preparing my research by going through my research, correcting it and at last accepting it. My sincere thanks goes to my lecturers, Bindura University Statistics and Financial Mathematics department and my fellow students for their support and assistance during my studies. I also thank the management of Wisrod Investments, for authorizing my request to carry out the study in their organization and for the immense support they gave me during data collection in their organization and among their clients.

ABSTRACT

This research was carried out in order to find out, factors contributing to low sales of products in microfinance and trade credit companies: A case of Wisrod Investments in Zimbabwe. Microfinance and trade credit companies play a crucial role in promoting financial inclusion and supporting small businesses in Zimbabwe. However, these companies face a range of challenges, including low sales, which can impact their ability to provide loans and credit to customers and remain financially stable. The study aims to investigate the factors contributing to low sales at Wisrod Investments, a microfinance and trade credit company in Zimbabwe, and to provide recommendations for improving sales. The study reviews relevant literature on microfinance and trade credit, including the importance of income, interest rates, inflation, and capital, in promoting sales and the challenges that these companies face in Zimbabwe. The researcher also conducted a quantitative research through secondary sources, including Wisrod Investments' financial records and the Reserve Bank of Zimbabwe's website, to collect data on these factors. IBM SPSS was used to fit a multiple linear regression analysis which was used to analyse the data, using five variables, one dependent and four independent variables. The study found that income, interest rates, inflation, and capital were all relevant factors contributing to low sales at Wisrod Investments. The study highlights the importance of considering these factors when making decisions about lending and credit, as well as the need for companies to continuously innovate and adapt to changing market conditions. The study concludes that there are several strategies that microfinance and trade credit companies can use to improve their sales, including group lending, intensive marketing, and new product development. These findings can be used by Wisrod Investments and other similar companies in Zimbabwe to improve their sales and contribute to the growth and development of the microfinance and trade credit industry. By implementing these strategies, microfinance and trade credit companies can play a more significant role in promoting financial inclusion and supporting small businesses in Zimbabwe.

Key words: intensive marketing, financial inclusion, multiple linear regression analysis, SPSS

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LIST OF ABBREVIATIONS

AUSAID	Australian Agency for International Development
ACCION	Community Cooperation in other Nations
ADB	Asian Development Bank
BDIFD	British department for International Development
CPL	Capital
CADEC	Catholic Development Commission
ESAP	Economic Structural Adjustment Programme
GDP	Gross Domestic Product
IFN	Inflation
ICE	Income
INR	Interest rate
MFIs	Microfinance Institutions
MSMES	Micro, Small to Medium Sized Enterprises
NGOs	Non-Governmental Organisations
NABARD	National Bank for Agricultural and Rural Development
RBZ	Reserve Bank of Zimbabwe
SMEs	Small and Medium-Sized Business
SLS	Sales
SPSS	Statistical Package for the Social Science
SEWA	Self Employed Women's Association
VIF	Variance Inflation Factor
ZAMFI	Zimbabwe Association of Microfinance

CHAPTER I

INTRODUCTION AND THE BACKGROUND OF THE STUDY

1.0 Introduction

According to (Ledgerwood et al. 2013), microfinance is viewed as a tool to help the extremely poor increase their incomes. According to Batra and Sumanjeet’s (2012) definition, microfinance pertains to the concept of offering of various provision of financial solutions to individuals with limited means households, including but not limited to savings, credit, insurance, and remittances. These services may also be extended to micro-enterprises. A variety of financial procedures are used in microfinance to assist the unbanked poor. Microfinance institutions are however encountering a number of issues in their daily operations despite playing a crucial part in reducing the myriad issues that unbanked citizens confront in the economy.

Expanding on the previous statement, the delivery of financial services, including savings, credit, insurance, and remittances, to individuals and small business owners with low incomes who often do not have access to traditional banking and financial institutions, is referred to as microfinance. Microcredit is the lending of tiny sums of money to the impoverished in order to assist them in starting or expanding extremely small companies. This overarching term may encompass a broader range of offerings, including but not limited to credit, savings, and insurance services. Additionally, the term "microfinance firms" refers to organizations that focus on providing very modest loans to extremely underprivileged people in underdeveloped nations. These lenders rely on peer pressure from the borrower's community to ensure repayment rather than utilizing collateral. A microfinance institution offers credit similar to a bank, but the loan amounts are smaller in comparison to traditional banks.

Therefore, this study seeks to investigate factors that contribute to low sales of products in microfinance and trade credit companies, a case for Wisrod Investments, which have realised loss of sales for a longer period of time, while its services are critical nationwide. The study is described in this chapter's introduction, which also includes the study's background, problem statement, objectives, research questions, significance, assumptions, scope, definition of terms, study limitations and lastly the study’s summary have been outlined.

1.1 Background of the Study

There can be no doubt about the role that microfinance and trade credit institutions play in the growth of an economy; therefore, conducting a study on the factors that are preventing them from having more sales is more crucial in order to find solutions that can be put into place to ensure sustainability in their hourly operations. Wisrod Investments is a microfinance institution (MFI) with the primary objective of championing and participating in the financial inclusion of the most disadvantaged and marginalized members of the society. It offers a variety of services and products that are suited to client's needs. Wisrod has been participating in the National Financial Inclusion Strategy through the provision of economic support to small and medium-sized businesses categorized as Micro, Small to Medium Sized Enterprises (MSMES) primarily fruit and vegetables vendors, flea market vendors, tuck-shops and formalized entrepreneurs.

Microfinance and trade credit companies have been recording low sales since the introduction of selling products on credit and Wisrod is not an exception. According to internal sources Wisrod has been operating losses of sales of products for the past 3 years. It have been noted that, the microfinance has been affected by inflation, interest rates, liquidity, capital and income. The above mentioned factors mainly contributed to low sales of products.

The microfinance introduced new products such as gas stoves, electric stoves, combined (gas and electric) stoves and combined (gas and electric) deep fridges as a turnaround strategy; it is not yielding much revenue as expected. This is because of high interest rate, in the sense that when they place 40% interest rate on products, the interest is high which causes a decrease in inflation thereby clients would have to buy where the interest rate is a bit lower. If there is high inflation, consumer's purchasing power decreases, resulting in lesser consumer spending and lower business sales. It is also because of income, if the income of the consumers is low, less spending occurs and the microfinance is hurt by the effect.

In 2022, Wisrod investments introduced strategies to increase sales; longer payment period and reduced the interest rate for products by 5% and sales have increased remarkably from August to December, in the year 2022 the study dwell much on scrutinizing the factors that contribute to low sales of products.

1.2 Statement of the Problem

The condition of the Zimbabwean microfinance and trade credit industry remains depressed due to a variety of factors, some mentioned above that are impeding its efforts to maximize its contribution to some of the development goals of the Zimbabwe Policies, such as reducing poverty in the nation. The unbanked civilians and young, growing poor business entrepreneurs will continue to be disadvantaged if these challenges are not highlighted, examined and possible solutions are not brought forth as the mandate of this research study. Consequently, it is important to understand and lessen the impact of these factors. In addition, the informal business sector and microfinance banks work together to change the small- to medium-sized businesses' operations, which are inextricably linked. Although microfinance institutions have made an effort to provide financial services to the most vulnerable people, their influence on the economic activities of their beneficiaries is still relatively small due to the regulatory environment's lack of support for the industry (Mago, 2013).

As also noted, for the past three years, Wisrod Investments has struggled to maintain consistent sales, which has led to the complete discontinuation of the sale of various previously offered products. Wisrod has devised certain sales marketing tactics in response to this conundrum, then a positive change in sales was noted. The tactic piqued the researcher's interest, leading the researcher to look into the factors that causes the products' low sales.

1.3 Research Objectives

The main objective goal of the study is to determine and examine factors that causes low sales in a microfinance and trade credit company using Wisrod Investments as a case study. The subsequent particular objectives were developed in order to accomplish the main objective:

- To determine the relationship between sales and factors that affect MFIs and trade credit companies.
- To assess how the aforementioned factors may affect the efficient running of MFI.
- To identify strategies that may be implemented to increase sales.
- To assess what can be done to manage sales more effectively.

1.4 Research Questions

1. What are the causes of low sales in a microfinance and trade credit company?
2. What is the relationship between sales and factors that affect MFIs and trade credit companies?
3. How the aforementioned factors may affect the efficient running of MFI?
4. What strategies can be implemented to increase sales?
5. What can be done to manage sales more effectively?

1.5 Assumptions

The researcher's assumptions were the following:

- The majority of microfinance organizations in Zimbabwe used the conclusions drawn from the sampled microfinance organization in this case from Wisrod Investments.
- The system of many currencies will continue to exist.
- Microfinance economic trade has no transaction costs.
- The company in this case Wisrod provided accurate and impartial information that was appropriate.

1.6 Significance of the Study

- It was worthwhile to perform this study because there had never been any research on this topic done within the organization. The results of the study could represent an important aspect to the success of the business' decision to make the required corrections and enhancements in light of the study's recommendations.
- Informed by the findings of this research, policymakers will be better able to make federal decisions and state regulations that will prevent repeating earlier mistakes.
- This study will identify the root causes of the problems MFIs and trade credit companies encounter in this case Wisrod Investments encounters and give the institutions advice on how to handle them effectively to keep their negative consequences to a minimum especially low sales experienced by Wisrod Investments.
- The findings of this study will give small and medium-sized businesses (SMEs) access to a wider range of financial as well as non-financial services which can be utilized for initiating or expanding their business activities, enabling them to operate smoothly, profitably, and successfully. This is due to the fact that the study will help MFIs and most importantly will help Wisrod to more effectively handle the difficulties to which they are exposed by utilizing the recommendations and effectively carry out their responsibility of providing services to low income earners.
- The research study provided other microloan and trade credit businesses with a clearer understanding of what influences sales performance and assisted them in developing policies that would address this, giving them a competitive advantage over rivals who are unaware of what influences sales performance in this sector.

1.7 Limitations of the Study

- Due to privacy concerns, it will be very difficult to gather genuine, accurate information about the low sales' vulnerabilities of companies, in this study of Wisrod. Some people may be reluctant to disclose the full degree of their hardships and data that affect them in an effort to not seem weak or vulnerable.
- The government and certain regulatory bodies may manipulate the statistics to create the desired view so that their interest rate policies and income policies seems to be working.
- On the other hand, NGOs like Wisrod and other persons could greatly underrate the problems with low sales in an effort to attract more foreign and domestic contributions and to also to attract more customers. So the secondary data of the company may be biased.
- Some companies like Wisrod balked at sharing information because of concerns about privacy and confidentiality, and the researcher had to persuade them by assuring them that the information would be kept private.

1.8 Delimitations of the Study

The investigation is based on the factors MFIs and trade credit companies, Wisrod in particular have faced between the years of 2020 and 2023, while other factors might have emerged from earlier years outside the study's bracketed time frame. Additionally, the experiment is more focused on the sample of the Wisrod Investments, however MFIs may be affected, react and function differently because of variations in the regional setting, since Wisrod is in Harare. MFIs in Zimbabwe continue to operate in a rather opaque way, with little information on their operations easily accessible to the public other from generic data regarding the performance and sales of the industry, even after being placed under the RBZ's oversight. The banks and non-banking financial institutions make up the majority of Zimbabwe's financial services industry.

According to Dr. Dhliwayo, a former deputy governor of the Reserve Bank of Zimbabwe, the Zimbabwe Stock Exchange, insurance companies, unit trusts, stock brokers, and microfinance institutions are only a few examples of the non-banking financial organizations in the financial system (RBZ, 2015). The focus of the research study is the microfinance and trade credit industry, which is crucial for absorbing Zimbabwe's economic shocks such significant industrial downsizing, skyrocketing unemployment rates, and rising rates of poverty.

The research, however, will focus on a microfinance organization in Harare, Zimbabwe's capital city and the centre of numerous economic activities. Thus, the study will focus on the factors in general, preventing Zimbabwe's microfinance institutions, like Wisrod from operating and selling its products effectively.

A Zimbabwean based company is the subject of the research because its exchange rate policies have changed over the previous several years in a number of ways. Since this is the most recent data point that encompasses the US era, the Zimbabwe dollar interest rate regime, and the subsequent introduction of an auction system, it will be that from 2009 post-dollarization through 2022. This is true since both the dollarization and the de-dollarization took place during this time. The RBZ auction floor and the parallel market will serve as the basis for measuring the exchange rate.

1.9 Definition of Terms

1.9.1 Microfinance

The term "microfinance" is frequently used to refer to financial services provided by various service providers to low-income and underprivileged customers. Actually, according to La Torre, Vento, and La Torre (2006), the phrase is frequently used more explicitly to indicate loans and other services from suppliers who self-identify as "microfinance institutions" (MFIs).

1.9.2 Trade Credit

A customer is allowed to purchase goods or services on trade credit, a form of company financing, and to pay the provider later, according to Laffer (1970). Utilizing trade credit allows companies to finance short-term growth and free up cash flow.

1.9.3 Microfinance Institutions

A microfinance institution is an organization that extends credit, much like a bank does, according to Gutierrez-Nieto, Serrano-Cinca, and Molinero (2007) in their journal titled "Microfinance Institutions and Efficiency". The loans are, however, less in size than those provided by traditional banks. Very small loans are referred to as microcredit. Micro entrepreneurs that need financial support to launch their firms usually make up an MFI's customer.

1.9.4 Sales

Sales are defined by India Times (2021) as actions that lead to the selling of products or services. Businesses have divided their sales organizations into a number of teams. The area, the product or service, and the target market are often taken into consideration when choosing these sales teams.

1.9.5 Microcredit

From a book called Introduction to microfinance (2018), Todd Wartkins argued that microcredit entails giving start-up companies in underdeveloped nation’s small loans with low interest rates.

1.9.6 Microloan

Microloans are brief, small-dollar lending agreements. It is accessible to those who work for themselves, start-up companies, small businesses, private persons, and microenterprises with little to no money. Microbusiness entrepreneurs and low-income households that have little to no access to banks or other lending institutions are offered a type of tiny loan known as a microloan. (Wartkins, 2018)

1.10 Chapter Summary

This chapter concentrated on providing the study's background, the research problem, the research objectives, the research questions, and the study's importance. Additionally, it addressed the study's delimitations and limits. Finally, a summary of the chapter was provided. The next chapter, chapter two will evaluate pertinent literature and lay the theoretical groundwork for the study endeavour.

CHAPTER II

LITERATURE REVIEW

2.0 Introduction

This study is based on a variety of studies on trade credit and microfinance that have been conducted. The authoritative literature on the subject of the before mentioned research challenge is reviewed in this chapter. The concept of microfinance and trade credit, a general understanding of microfinance, trade credit, microfinance and trade credit company performance in terms of monetary stability, influence and outreach, and elements influencing sales of MFI and trade credit companies, ways of managing sales more effectively, relationship between low sales and factors that affect MFI and trade credit companies and techniques that might be implemented to increase sales are all covered in the literature that has been evaluated.

Through an examination of the microfinance and trade credit experiences of several nations, this chapter covers the theoretical and empirical literature on the factors impacting the sales of MFI and trade credit companies.

2.1 Purpose of Literature Review

Thody (2007) defines a literature review as a comprehensive compilation of all relevant secondary sources related to the research topic. Therefore, this chapter includes a list of secondary sources that are pertinent to the subject matter of Wisrod investments' low sales and its determining factor. The primary goal of conducting a literature review is to gain understanding of various aspects of the research problem by sampling current viewpoints from secondary sources. Additionally, the literature review helps identify any gaps between previous studies and the present study

Hart (1998) argued that conducting a literature evaluation before starting any academic research is essential to ensuring the topic's suitability for inquiry. The following sections reviewed important concepts for the study.

2.2 The Concept of Microfinance

Although often perceived as a modern concept, microfinance have actually been in existence for centuries, with informal savings and loan groups found across the globe in places such as Ghana, Mexico, and India. Batra and Sumanjeet (2012) identified several key stages in the establishment of pawn shops by the Catholic Church in Europe during the 1400s as a means of providing an alternative to exploitative moneylenders. Various official lending and savings institutions have since established to cater to the needs of the underprivileged.

- During the early 1800s, there was an emergence of bigger and more formal financial institutions that provided savings and credit services mainly to urban and rural low-income groups in Europe.
- During the early 1900s, different versions of the savings and credit concept began to surface in rural parts of Latin America and other regions.
- During 1970s, several countries such as Bangladesh and Brazil initiated programs to provide loans to women entrepreneurs who were economically disadvantaged. The pioneers in this area were organizations like Grameen Bank in Bangladesh, Americans for Community Cooperation in Other Nations (ACCION) in Latin America, and Self Employed Women's Association (SEWA) Bank in India. Since the 1990s, the term "microfinance" has been more frequently used than "microcredit" since financial services for the poor have been introduced throughout time, including savings, money transfers, and insurance.

Batra and Sumanjeet (2012), have stated that microfinance has demonstrated the potential of poor individuals as consumers, which has led to the establishment of robust institutions focused on providing financial services to these individuals. Furthermore, private investors are now taking notice of microfinance industry. MFIs have started commercializing their operations to reach a larger number of low-income customers and are transforming into profit0oriented entities to attract greater levels of funding and attain more sustainable status (Batrra and Sumanjeet, 2012).

Microcredit or credit services used to be the main focus in the initial stages of microfinance development, but nowadays, they are just a single aspect of the broader concept. It's important to highlight that there exist various interpretations of microfinance in literature to have a better understanding of the concept.

Various nations have occasionally tried to define microfinance in the context of their own local conditions or devised definitions to suit their own purposes. However, the core tenet that microfinance is concerned with providing financial services to the underserved who lack access to conventional banking methods persists (Ledgerwood et al., 2013).

The formal definition of microfinance by Armendariz and Label (2011) is a group of financial tactics aimed at helping the unbanked poor. Microfinance, as defined by Robison (2001), is the provision of financial services, such as modest loans, savings accounts, and other comparable products, to people involved in small-scale industries like farming, fishing, selling commodities, running microbusinesses, and working for pay or commissions.

The NABARD Taskforce defines microfinance in India as the provision of financial services including microloans, savings accounts, and other products aimed at disadvantaged people in both rural and urban regions. According to Agarwal and Sinha (2010), this is a group of financial strategies used to assist urban areas in raising their earnings and standard of living.

The ABD defines microfinance as the provision of small-scale financial services to low-income people and their microbusinesses, including deposits or savings, loans, insurance, money transfers, and payment services.

ZAMFI defines microfinance in Zimbabwe as the provision of financial services, such as loans, savings, insurance, and training, to those who are economically disadvantaged and marginalized. As a result, the MFI Wisrod Investments, located in Harare, Zimbabwe, is used in this study as a case study.

2.3 The Concept of Trade Credit

Hasan and Habib (2019) described trade credit as the situation in which a customer is allowed to purchase goods or services on trade credit, a form of business financing, and then make payments to the provider later. Utilizing trade credit allows companies to finance short-term growth and free up cash flow. Due to the prevalence of trade credit as a source of funding, even in wealthy nations like the US, it has been extensively studied in both developing and developed nations. According to the US Flow of Funds Account (2011), trade credits, or the financing that suppliers offer to their customers for the purchase of goods, were the second-largest debt on the combined balance sheets of non-financial enterprises in the US as of 2009.

In terms of outstanding balances, trade credits are second only to corporate bond liabilities, accounting for more than 20 times the value of the assets supported by commercial paper and more than four times the amount owed to banks. Murfin and Njoroge (2012) discover that the biggest companies in the US are also net consumers of trade credit, despite the fact that trade credit has been proved to offer small businesses a funding option that relationship-based banking cannot handle.

Customers will be given a loan or line of credit known as trade credit by a supplier of raw materials or other inputs. Trade credit's primary objective is to enable businesses to purchase the goods they require to carry out their activities on the understanding that they would be compensated later. Since suppliers could be more qualified than banking institutions to deal with knowledge asymmetries and compliance issues, it is a significant source of alternative finance for financially challenged businesses.

According to the body of available research, trade credit may serve as a bank credit replacement, a viable source of funding for small businesses, and a crucial supply of cash during lean economic times. The 2003 research by Fisman and Love, which is in line with the literature that emphasizes the value of alternative finance in economies with underdeveloped financial markets, demonstrates that businesses in sectors that heavily rely on trade credit experience higher growth in nations with underdeveloped financial systems. According to Nilsen (2002), small businesses are more prone to rely on trade credit during hard financial circumstances. Cuat (2007) asserts that because trade credit is typically dependent on long-term relationships and is likely to contain sunk costs, suppliers have an interest in keeping their clients in business. According to McMillan and Woodruff (1999), who used data on private firms in Vietnam, a supplier is more likely to grant trade credit when the customer is a member of a business network, the customer has few sources of supply, and the relationship with the customer has been ongoing for a longer period of time. According to Wilner (2000), trade creditors, who rely more on the revenue of their clients, offer credit to financially troubled businesses at a higher rate than banks. According to Coricelli (1996), Poland's economic change was greatly aided by the private trade credit markets. According to Petersen and Rajan (1997), businesses that are credit-constrained give their clients less trade credit while demanding more from their suppliers. Trade credit, according to Cull, Xu, and Zhu (2009), is likely to serve as a loan replacement for clients of those businesses who are unable to secure conventional finance. Demirgüç-Kunt and Maksimovic (2001) assert that nations with underdeveloped legal systems are more likely to use trade credit.

Recent research shows that even in developed nations like the US, the average costs of market and bank finance can be lower than the costs of trade credits over a long period of time (e.g., Giannetti and Yu (2007), Giannetti et al, (2011), Kim and Shin (2007)). This is true despite the high initial fixed costs of trade credits. However, little research has been done on alternatives to trade credit and how they impact trade credit providers.

2.4 The General View of MFIs and Trade Credit Companies

The idea of microfinance and trade credit is based on helping the needy clientele, according to all definitions. According to Yunus (2007), one way to reduce the government's reliance on costly social services, elevate the income levels of the poor, and boost consumption to stimulate economic growth is by implementing certain measures, increase their efficiency by offering goods on credit, MFI and trade credit companies like Wisrod provide funds at relatively low costs and goods on credit, with long paying periods to poor communities and populations that were previously excluded from credit (Olsen, 2010). The common perception of microfinance and trade credit is that it is a durable, innovative instrument for reducing poverty that helps underserved poor people establish income-generating ventures and have access to goods on credit (Milana and Ashta, 2012).

Ngwenya and Ndlovu (2003) challenge the common perception of microfinance and trade credit in Zimbabwe by noting that MFIs and trade credit companies are predominantly sees as providers of microcredit and credit-based goods services. They offer small loans and hire-purchase agreements to individuals with verified salaries, who can arrange for stop orders to be deducted from their salaries on a monthly basis to repay the loan and goods obtained from these lending institutions. These people primarily consist of low-paid workers in the public and commercial sectors who struggle to make ends meet and depend on loans for consumption and credit goods for use (Mago et al., 2013). There is also the belief that loans and goods on credit can be given to unemployed people and unregistered microbusinesses with security, even if this is not acceptable to conventional banks but is acceptable to MFI and trade credit companies.

Even while there are certain NGOs operating in the Zimbabwean market that primarily offer financial services and trade credit services aimed at reducing poverty and/or supporting productive endeavours, their presence is quite restricted, hence salary-based consumer loans and trade credit on goods from private MFI and trade credit companies predominate (Mago et al., 2013). The broad perspectives and practices of microfinance and trade credit also frequently vary among nations, in addition to the numerous meanings of these terms. According to Mago et al., in more developed nations, microfinance and trade credit are often utilized in a broader context that encompasses services like payroll services, insurance services, as well as other goods and services such as purchasing goods on credit in addition to microcredit and savings. Microcredit or microcredit, micro savings and goods on credit may be the only services and products provided by MFI and trade companies in nations with less developed microfinance and trade credit industries.

The majority of MFI and trade credit companies in Zimbabwe only provide a limited selection of products, namely microcredit and goods on credit. With only a small number of organizations operating as deposit-taking microfinance banks and trade credit companies, the majority of MFI and trade credit companies operating in Zimbabwe are regulated under the credit-only model (MFBs) (Dube and Matanda, 2015.). As a result, the focus of this study is on the more limited definitions of microfinance and trade credit, which emphasizes microcredit, micro savings and goods on credit, while seeking to cover on the factors that causes low sales in such companies.

2.5 History of Microfinance and Trade Credit in Zimbabwe

Since the Catholic Missionary started the savings development program in 1963, the principle of micro-finance and trade credit is not new in the Zimbabwean socioeconomic system (Raftopoulos and Lacoste, 1998). However, the majority of microfinance and trade credit institutions started to appear in the 1990s, according to the United Nations Development Program (2009).

According to Moyo (1999), despite the supportive environment for microfinance and trade credit during the post-independence period, the Economic Structural Adjustment Programme (ESAP) resulted in unfavourable banking system liberalization. Instead of reducing poverty, ESAP led to credit providers charging high interest rates, making it difficult for the poor to obtain loans and goods on credit for either production or consumption.

Pearson and Hungwe (2000) reported that numerous global donors have boosted their participation in the microfinance and trade credit industry since 19800 to combat poverty in Zimbabwe. Mago (2013) stated that a variety of donor organizations for microfinance and trade credit, such as AUSAID, BDFID, Oxfam, CARE and CADEC, arose during Zimbabwe’s attainment of independence.

According to the Monetary Policy Statement (2013) and the Zimbabwe Association of Micro-Finance (ZAMFI), the microfinance and trade credit sectors had significant growth up until 2009. After that, however, the number of MFI and trade credit organizations in Zimbabwe dramatically decreased, falling from 1700 in 2003 to slightly around 150 in 2013. This tendency is further supported by the Reserve Bank's Monetary Policy Statement (2018), which notes that there are still fewer than 200 registered microfinance and trade credit institutions in Zimbabwe.

ZAMFI (2018) stated that the microfinance and trade credit industry has grown by leaps and bounds as a result of Zimbabwe's unparalleled economic episodes that have plagued the economy since the country's independence. Given its random structure, particularly since 2003, there isn't a clear pattern in the architecture of the microfinance and trade credit institutions in Zimbabwe. This supports the economic hypothesis that the microfinance and trade credit industry sneezes when the banking system coughs. Despite the significant and still underappreciated impact that the microfinance and trade credit industry makes to any economic system, it appeared to react to the anomaly as Zimbabwe's banking infrastructure has been on a downward spiral since 2003.

2.6 Factors that Causes Low Sales in a Microfinance and Trade Credit Company

This component re-examines material on the study's topic that is based on a broad perspective before narrowing to a local perspective. The review includes studies that have been done in regard to the financial soundness of microfinance and trade credit organizations and the factors that affect their sales, with perspectives from various parts of the world.

2.6.1 Income

According to (Abreu and Greenstein, 2011), income is any money or value that a person or business entity receives in return for delivering a good or service, using their capital, or both. Researchers from different fields independently found a link between applicants' wealth or income and their ability to acquire credit. Multiple studies, including those conducted by Okurul et al., (2000), Mwangi and Kihiu (2012), and Zeller et al., (2014), have reached the same conclusion that there is a significant and positive correlation between the two variables. Orata (2018) also found in his research on the factors affecting microfinance and trade credit in Kenya that many individuals in African countries are living below the poverty line due to the extremely low level of individual income in these regions.

The assumption is that when extending credit, financial and trade credit organizations are more focused on the borrower's capacity to pay back the loan and to pay for borrowed goods. They consider the borrower's income as a measure of their ability to repay the loan and to pay for goods since they view wealth and high income as collateral. Therefore, the lower the income or if there is no income the lower the sales of these organisations or there will be no sales at all.

2.6.2 Interest Rates

The fee that a lender assesses a borrower as a percentage of the principal, or the loan amount, is known as the interest rate, according to Björk (1997). An annual percentage rate, or APR (APR), is a common way to express the interest rate on a loan. Roberts (2013) noted that although while the interest rates charged by trading companies and microfinance institutions (MFIs) are lower than those of many short-term lenders in 'rich' nations, they are frequently criticized. The earnings from micro investments are rarely the main subject of complaints. There isn't much data, but it seems like farming profits are often comparable to or even somewhat higher than the interest rates associated with microcredit (Gonzalez, 2007) The interest rates that micro borrowers pay on their loans are significantly lower than the profits from small trade, which is a more common application of such borrowing. 2013 (Roberts). Due to the widespread subsidies for agriculture, low-cost agricultural financing needs to be enhanced and resurrected. Trade credit and microfinance do not replace subsidized agriculture financing.

Microfinance and trade loans are blamed for encouraging suicidal behavior in borrowers, increasing the wealth of wealthy investors, and serving as yet another weapon for capitalists to oppress and alienate the poor, according to Dichter and Harper (2007, passim). Events in Andhra Pradesh, India, where local politicians lobbied government representatives to exacerbate the issues brought on by greedy investors, ignorant lenders, and illiterate borrowers, have been a specific source of recent criticism. Even Muhammad Yunus, the Nobel Prize–winning inventor of microfinance, was removed from the board of his own Grameen Bank as a result of the problems that spread throughout Bangladesh (Economist 2010; Sriram 2010).

A variety of microfinance and trade credit-related issues, including as the organizations' too aggressive expansion ambitions, insufficient staff control, high client dropout rates, and multiple lending, have recently come under scrutiny. The interest rates charged are another aspect of microfinance that has frequently drawn criticism. Before the recent boom of sceptic books, "blogs," and comments, this criticism already existed. This study looks into the justification for this criticism as well as the connection between micro investment returns and the typical MFI and trade credit interest rates.

Indicators of the cost of borrowing other than stated interest rates are average asset yields. The 1,081 MFIs with data available to the MIX Market had average asset yields that ranged from 33% in Africa to 22% in Eastern Europe and Central Asia.

These interest rates are outstanding for lenders. It cannot be disputed that some credit card interest rates are greater than those "we" are accustomed to paying on mortgages, auto loans, or the bulk of bank overdraft charges (Rosenberg, Gonzalez, and Narain, 2009). These interest rates are equivalent to some microloan interest rates. The term "we" alludes to the consultants, authors, academics, politicians, donors, and other individuals who may or may not have a deep understanding of microfinance but who are categorically not its recipients. There are very few sectors that must have observers, funders, and even practitioners who are equally unlikely to be their clientele. In general the greater the interest rates charged by microfinance and trade credit companies, the lower their sales as customers will be resisting to pay more.

2.6.3 Inflation

(Ball, 2017) claimed that the Consumer Price indicator (CPI), which shows how the cost of a typical basket of goods changes over time, is an indicator that is used to measure inflation. Inflation reduces the purchasing power of consumers since things now cost more to buy than they did in the past. If wages are unable to keep up with the rise in average prices, consumer spending and the inflation rate will fall, which would also affect company demand and sales revenues.

Due to inflation, workers would need a higher salary to cover daily expenses. They might demand a pay raise, driving up costs for businesses. These costs will be borne mostly by consumers through higher prices, which contribute to inflation (Ball, 2017).

People will spend more money as their salaries rise. Therefore, the government can increase the minimum wage so that businesses must pay their employees more in order to promote consumption and counteract the impacts of inflation on consumers (Liebermann and Ungar, 1983). As a by-product of growing earnings, inflation is caused by higher prices for goods and services. This is referred to as "wage push inflation". If income growth does not keep up with inflation, real wages for workers will fall, leaving them with less disposable income for goods and services. This results in fewer sales revenues for the company.

2.6.4 Capital

Capital was defined by Fisher (1896) as money or liquid assets that are maintained on hand or purchased for use. All of a company's monetary-valued assets, such as its inventory, real estate, and equipment, can be widely referred to by the phrase. But cash flow is capital when it comes to budgeting.

Generally speaking, capital can be used to measure wealth as well as a vehicle for increasing wealth through direct investments or capital project investments. People keep capital and capital assets as part of their net worth (Cassar, 2004). Working capital for regular expenses, equity capital, and loan capital are all components of a company's capital structure.The way people and businesses finance their working capital and invest the money they have raised is crucial for their prosperity.

To continue producing goods and services and make a profit, businesses need cash (Cassar, 2004). Businesses invest their money in a range of different things in order to produce value. The two most common capital allocation types are labor and building additions. When a business or individual invests money, they want to make a profit that exceeds their investment costs.

The amount of money a company has on hand to support both its ongoing operations and anticipated future expansion is referred to as capital (Padachi, 2006).A business needs capital to carry out its operations, thus the more capital it has, the bigger its operations will be and, often, the bigger the sales will be. One source of capital for a business is the money it makes from running it.

2.7 Strategies that May be Implemented in Order to Boost Sales

This section gives strategies that can be used by microfinance and trade credit companies to increase their sales from previous related studies all over the world.

2.7.1 Group Lending

In order to ensure that clients' enterprises are successful and loan defaults are kept to a minimum, Brau and Gray (2015) advised microfinance and trade credit companies to promote group lending, carefully review the paperwork clients submit, and offer clients training and business ideas. Group lending can benefit microfinance and trade credit companies since low-income and/or jobless borrowers can act as each other's guarantors, which motivates them to adhere to repayment schedules.

2.7.2 Intensive Marketing

According to Zwikanu (2017), microfinance and trade credit companies should engage in extensive marketing to change the negative perceptions that the majority of people have of them, invest in CSR initiatives, take steps to become deposit-taking and no deposit institutions, and increase the frequency of loan repayments and increase a period of goods payment for they need to increase their cash flow, market their institutions, and lessen the negative perceptions that people have of microfinance and trade. In managing microfinance and trade credit companies in Zimbabwe, various approaches are generally needed. There are several methods for doing this, as suggested by examples from other nations. For instance, the President's Office in Uganda has a Minister who oversees MFI and trade credit companies. There is a Ministry of SMEs and MFI and trade credit institutions in Senegal. In simple terms if intensive marketing is used by microfinance and trade credit companies in Zimbabwe, their sales may also increase.

2.7.3 New Product Development

The vast majority of microfinance and trade credit companies continue to provide their typically salaried clientele with the same lending capabilities. If an unforeseen occurrence involving salaried clients occurs, this scenario undoubtedly increases concentration risk and the possibility of failure. Baraki (2018) suggests that microfinance and trade credit companies should come up with innovative products to cater to their clients, including those who are self-employed and do not receive regular salaries but have thriving small businesses generating cash flow. However, the management of such companies may lack the necessary expertise for effective product development sessions. Nonetheless, there is an abundance of local consultants and trainers who possess the skills needed for this task. Microfinance and trade credit companies are urged to work with such providers to develop cutting-edge new products. The introduction of new products can also increase sales in microfinance and trade credit companies.

2.7.4 Use of Management Information Systems

Because information systems technology enables businesses to track, evaluate, and report on their operations and a number of performance goals, including outreach and profitability, microfinance and trade credit enterprises heavily rely on it. Management, donors, and regulators can all benefit from these reports (CGAP, 2005).

The monitoring and financial management of incomes and expenses provide a number of issues as microfinance and trade credit firms grow, expand, or improve. According to Okeeffe and Fredrick (2002), a management information system supports institutional fundamental changes by making information accessible while avoiding interfering with microfinance and trade credit activities. Microfinance and trade credit companies need information systems that can produce accurate and relevant data for their management team to make informed decisions. These systems should focus on tracking loans, goods sold on credit, financial reporting, costs, income, and profit centres. To achieve this, microfinance and trade credit companies must allocate sufficient resources to purchase efficient MIS tools similar to the ones used by foreign institutions such as ACCION or microfinance banks. The successful implementation of an MIS will lead to reduced transaction costs, improved information flow, enhanced loan portfolio analysis, and better financial reporting. Additionally, it's crucial for these companies to have strong corporate governance practices as they play a pivotal role in improving financial performance and sales.

According to Okeeffe and Fredrick (2016), this transition places additional requirements on the microfinance and trade credit institutions' capacity to centralize data from several operating locations. Head Office must be more frequently and consistently aware of the situation and performance of their branches in order to meet regulatory reporting requirements and manage liquidity. Information, according to Mainhart (2017), is at the core of microfinance and trade credit organizations. Large amounts of important business data are kept in management information systems, from fundamental customer data to in-depth portfolio statistics analysis. They serve as a conduit, converting raw data into relevant information that may be used to administer a microfinance and trade credit institution successfully.

2.7.5 Loan from International Banking and Financial System

According to Matambo (2013), microfinance and trade credit institutions have the ability to obtain funding from commercial banks, however, they need to improve their strategies for delivering services and designing products to meet the expectations of their customers and ensure repeat borrowing to promote growth in operations. To further support this, donors should provide additional funding and encourage diversification of funding and product sources. During ties when the banking sector lacks liquidity, donors could provide medium and long-term lines of credit as a supplement to such funding, as short-term financing may soon become available from banks. In order to avoid a funding shortfall, microfinance and trade credit companies should also endeavour to acquire international foreign money, which may be less expensive than domestic funding. They should also coordinate the proper use of personal finances. Capital markets might help microfinance and trade credit institutions to become more self-sufficient.

Mulula (2017) also expressed interest in the topic of this study and suggested that microfinance and trade credit is a large industry requiring significant knowledge, focus, and orientation. Microfinance and trade credit organisations must strategically address business difficulties, such as establishing job responsibilities, hiring and training employees, monitoring employee performance, and instilling an acceptable culture to inspire staff, in order to develop a good management staff. As a result, the secrets of efficient microfinance and trade credit administration are mostly applicable to business. Microfinance and trade credit institutions should employ a hiring procedure or only academic requirements for hiring managerial staff.

2.8 How to Manage Sales more effectively

According to (Jobber & Lancaster, 2009), selling is the most straightforward way to comprehend how nature functions and complete a transaction. Making a sale may be a highly difficult process that frequently calls for the application of numerous principles, strategies, and exceptional personal talent. The purpose of the simple "how it is done" method is to understand how to successfully complete the selling activity by completing a contract. Selling is a conceptual approach to that technique.

The sales process is the most important link between a business and its customers because 16 companies spend a lot of money training their salespeople in the art of persuasion. Selling is the action carried out by a business or organization using a workforce known as a salespeople, Salesforce, or salesperson to carry out both organizational and selling functions (Marshall & Johnston, Relationship Selling and Sales Management, 2005). Selling is not just about setting up appointments and closing deals, according to The Sales Bible. It is not even a concern with the calibre of your goods and services. However, selling depends on your personality, attitude, and level of commitment to personal greatness. The philosophy of sales is how accountable the salesperson is for the actions they take when making sales and how well they could assist both consumers and themselves. This way, the salesperson can finally succeed in their challenge of making sales (Gitomer, 2008). The following are the Ten Commandments for selling or other sales activity success or are ways how sales can be managed successfully and effectively:

1. Think refers to framing the sell as a mind-set in your thoughts. The salesman will become friendlier, smiling, energetic, upbeat, self-assured, pleasant, and prepared beyond frightened by adopting this mind-set when approaching the sale. Everybody develops their attitude in a unique way.
2. To believe is to have faith in your ability to overcome the fear of providing goods or services, which also increases the level of trust between the business and its clients. As a result, it will produce better results in marketing activities with little fear.
3. Engage will create a personal connection or engagement between the salesman and the client. It is simpler to market to friends than to strangers because they already know who the seller is.
4. Discover encourages customers to buy for their own reasons rather than the salesperson's influence. The majority of people don't grasp their primary requirement or motivation, therefore it's crucial to uncover it and assist them in doing so before they make a buy.
5. Asking questions will help the organization's staff to learn more about the potential buyer and other environmental information that may be helpful and advantageous to the organization during the selling process.
6. Look at the salesperson's aptitude for understanding customers' points of view and problems.
7. "Dare" refers to a salesperson's willingness to take a chance. In order to develop trust in taking risks, the buyer must be treated well both before and after the sale.
8. Own referred to determine who is at fault when sales are not made. The salesperson needs to accept responsibility rather than placing the blame on themselves. Take lessons from every experience and take action to enhance the future.
9. To sell for the relationship rather than the commission is to earn. "You can make money if you make a sale, but you can create fortune if you make a friend." Those quotes show how building relationships with customers through the sale of assistance will lead to their long-term profitability and loyalty.
10. Show that you can use it to inspire the salesman to be better. The salesperson will enter a good competition and push themselves to perform at their absolute best in every selling activity by demonstrating their excellent performance and wonderful

results. People may need to demonstrate what they can do to enhance themselves in order to perform better.

The Ten Commandments listed above will help an organisation, including microfinance and trade credit companies to increase sales, succeed and reach the objectives (Gitomer, 2008). Study 18 of consultative selling by Hannan (2004) explained that selling is also a transfer of value that involves allocating customer resources (time, talent, and money) to be moved to the goods or services those customers are purchasing. Value exchange is required not only in face-to-face selling but also in sales calls and telemarketing. As a result, selling is not just about the exchange of goods or services offered by salespeople for payment from their clients; it can also involve a transfer of value between salespeople and clients in the form of knowledge, expectations, value added, and a long-term relationship throughout the offering of goods or services.

2.9 Empirical review

A study by (Mwololo, 2018) titled "Aspects affecting sales performance among retail businesses in Kenya: A case of Tusker Mattresses Ltd " examined those factors as they relate to Tusker Mattresses Ltd. The study's precise goals were to ascertain how promotions affected retail sales performance, pricing, competitiveness, and consumer loyalty, among other factors. The administration of Tuskys by the organization, as well as future researchers and other retail organizations, benefited from this study. The study used a sample of 60 individuals drawn from the entire organization. The researcher conducted her study in a descriptive manner. The study's outcomes were shown on a table and in conversations for simple decoding and analysis in order to present the findings. Promotion was shown to have an average impact on sales performance, according to 87% of respondents, and a negative impact on sales performance. According to 82% of respondents, pricing had a modest, if not always average, impact on sales performance. 83% of the respondents said that competition findings had an impact on sales performance, and they assessed this impact as rather significant. The results on customer loyalty were then determined by 73% of respondents, who evaluated them at low to occasionally average levels. The study's findings proposed that promotions have an average impact on how well retail businesses perform in terms of sales, and that this impact is seen across all retail businesses. The study's findings regarding pricing revealed that it has an impact on how well retail businesses perform in terms of sales, but it was unclear to what extent this impact was felt since great and average effects alternated, leaving no clear stance. It was not very clear how the competition among retail businesses affected sales performance or how strongly it affected it. Customer loyalty clearly has an impact on how well a retail business performs in terms of sales. In order to help businesses understand how well or negative sales performance is affected, the study recommended more research on the elements that influence sales performance among retail enterprises with regard to promotion. The study should investigate how pricing impacts sales performance and how it affects a retailer's ability to remain in business. Determine the effect that competition has on sales performance so that retail organizations can plan how to counteract negative effects and systematically adopt favorable effects for high productivity. The study agreed that in Africa companies' sales can be affected by certain factors, such as competition, which is a good start for the current study however the author's study was limited to retail companies only, then the current study seeks to explore factors which are quantitative in a context of a microfinance and trade credit company.

Another study by Oktavian and Kirbrandoko (2016) examines the variables influencing the sales success in PT Srirara Kanaka Pratama's direct selling firm (PT SKP). A rising segment of small and medium-sized firms, particularly in the area of alternative employment, includes direct selling. This study's objective was to identify, evaluate, and formulate the managerial implications of the key elements affecting the sales performance at PT SKP in the Jabodetabek region. Descriptive analysis was used in this study to examine the respondent's characteristics, and multiple linear regression analysis was used to determine the variables that influence PT SKP's sales performance. 60 participants that are active members of the study are the respondents. The study's findings indicated that incentives and rewards from sold goods are the main factors influencing PT SKP's sales performance. By developing activities and programs that support such a condition as part of the managerial implementation to boost the sales performance of its members, PT SKP will provide more alluring incentives or bonuses, raise the number of members who earn bonuses, and increase the amount of bonuses. Additionally, as a perk to motivate members and boost sales, it will produce more alluring products with greater selling potential, similarly this current study will suggest strategies to manage sales and to increase sales and also it will seek to investigate factors causing low sales which was not touched by the study (Oktavian and Kirbrandoko, 2016)

According to (Makandwa, 2018), the ongoing economic turmoil is having a negative impact on all industries in Zimbabwe, including the microfinance sector. The Microfinance Institutions (MFIs) are facing various challenges that are detrimental to their functioning and their sustainability in the long run. The primary goal of this study was to examine the problems MFIs face and the factors that contribute to them. This was accomplished by using a descriptive survey study approach to collect information from MFI executive directors, loan administrators, and accountants. From a research population of 68 registered MFIs in Masvingo's Central Business District, 25 MFIs were randomly chosen and systematically chosen. Observations, interviews, and questionnaires were utilized to acquire both secondary and primary data. The study's key result was that most MFIs face tough competition as their main problem. Other issues included lack of liquidity, nonperforming loans, system issues, and inadequate employee capabilities. According to additional research, MFIs primarily rely on shareholder funds for funding, while the government only offers technical assistance. The study found that the current economic conditions and insufficient government support present challenges for MFIs. Nonetheless, clients' quality of life was observed to be improving as a result of MFIs' services. To enhance their cash flows, public image, and overall marketing efforts, the study recommended that MFI undertake extensive marketing campaigns, make investments in CSR initiatives, steps should be taken to become deposit-taking institutions, and loan repayment frequency should be increased. The report also recommended that MFIs promote group lending, carefully analyze the documentation that clients provide, and provide clients with business guidance and training in order to guarantee that their clients' enterprises are successful and loan defaults are kept to a low. The above study is a good one since it brings the situation of factors home, Zimbabwe and the context of Microfinances, however it didn't touch the issue of trade credit, which is going to be explored in the current study. Also adding on, that study analyzed qualitative factors, while the current one is going to investigate quantitative factors, which is more effective and practical. That study, by (Makandwa, 2018), gave a context of Masvingo province and explores a number of microfinances while the current one is more specific by investigating Wisrod Investments, that is unique and the company is based in Harare, which is an advantage as Harare is the heart of the country and generally there is a lot of activity than in Masvingo in terms of microfinance and trade credit business.

Finally, a study by Karaki (2018) titled "An analysis on the factors causing sales drop at department store: A case study of Nepal Bazar International Pvt. Ltd." was carried out with the aim of analyzing the factors causing sales drop at Nepal Bazar and offering useful suggestions to improve its performance. With this perspective in mind, a thorough evaluation and description of factors such as market competition, marketing mix (including the four p's), salesperson, change in customer perception, and inventory management has been made. The company should focus on the internal and external factors that influence store choice, which have also been evaluated. Finally, based on the findings, several suggestions for how to improve the current situation have been made. The quantitative positivism paradigm that guided this study's descriptive research design allowed for the collection of data in both numerical and verbal and graphical forms. The theoretical underpinnings and analyses have been examined in the available literature. The researcher used both primary and secondary sources of data to conduct this study. With 23 questions specifically aimed at the clients, a questionnaire survey was used to obtain the primary data. The statistical analysis used to assess the quantitative data included the use of correlation, hypothesis testing, mean, and standard deviation. Additionally, Mr. Ram Nepal, a sales manager at Nepal Bazar, was subjected to an interview during which pre-planned questions were put to him. The impact of competitors, poor product quality, incorrect price, bad product placement, ineffective promotion, disqualified salesperson, and subpar inventory management are the main conclusions reached by the researcher. Since the company's sales revenue has been significantly impacted since May 2018, the research has provided a very helpful proposal to address the issue and enhance its operational effectiveness.

In conclusion, the author made the case that the current results demonstrate that the sales decline was caused by poor product quality, excessive prices, ineffective promotion, and bad inventory management, all of which changed how customers saw the new shopping center's market competition. The following study questions have all been answered thanks to the use of descriptive statistics, one sample t-tests, and correlations between the variables. Additionally, this discovery has aided the researcher in closing a gap. In order to take advantage of its first-mover advantage and approach clients differently, Nepal Bazar should change its brand to resemble a serpent. The findings mandate that all eight elements be taken into consideration while creating new strategies to improve business performance, necessitating the adjustments in tactics.

2.10 Conceptual Framework

A conceptual framework, according to Varpio (2020), is a diagram that depicts the expected link between the cause-and-effect factors. It draws attention to the study objectives and organizes how they relate to get to insightful findings. Similar to a research design, having a conceptual framework is crucial because "A conceptual framework is a collection of interconnected terms, definitions, and assertions that explain how the variables relate to one another. A property of a phenomenon that can be seen or measured is called a variable "(Hussey and Collis) (2009, p. 188). The literature review helped the researcher identify independent factors. This is one of the key factors in forming and sustaining the entire research project. Similar to how it has been utilized in secondary data collecting, observations, and regression analysis, this framework has also been used to create hypotheses that may be evaluated for cause and effect against empirical data.

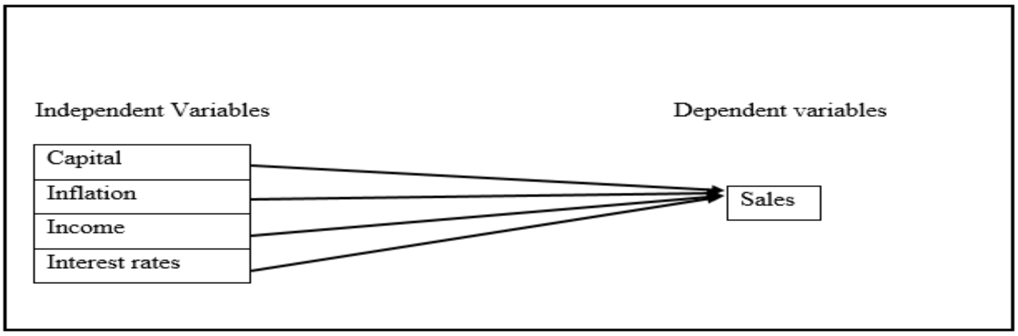

Figure 3.2: The Conceptual Framework of the Study

The independent variables are shown on the left side of the above figure, and the dependent variables are shown on the right side. Independent factors for this study are capital, inflation, income and interest rates while sales is the only dependent variable as shown. The arrows directing to the dependent variable from each and every independent variable shows that these on left affect that on the right side.

The conceptual framework for this study is depicted in the following figure, which includes Sales (SLS as a dependent variable and independent variables Capital (CPL), Inflation (IFN), Income (ICE), and Interest Rates (INR)). A dependent variable is a variable that alters as a result of an independent variable's manipulation, whereas an independent variable is a variable that a researcher manipulates or varies in an experimental study to explore its effects. It is the result that the researcher is interested in measuring, and it "depends" on the free variables of the study. Response variables are another name for dependent variables (they react when a different variable changes). The cause is the independent variable. It’s worth is unaffected by the other study variables. Effect is the dependent variable. Changes in the independent variable have an impact on this variable's value. The researcher is next interested in determining the impact of those independent factors on sales at Wisrod Investments for this study. The study is also interested in establishing the relationship between each independent variable and sales after testing and examining each one's relationship. The investigation will make use of the subsequent multiple regression model.

$$SLS = \alpha + \beta\ CPL + \beta\ IFN + \beta\ ICE + \beta\ INR + \varepsilon$$

Where SLS stands for Wisrod Investments' sales, which are expected to be impacted by CPL, capital needed for the company to keep stock on hand for customers, IFN for the country's inflation rate, also expected to have an impact on sales, ICE for potential customers who may need small loans from Wisrod, and INR for interest rates, which are the fees added on top of all loans and credit-worthy purchases set by the company.

In addition to the above model, the following hypothesis are used in this investigation:

H_0: There is no significant relationship between low sales and independent variables in Wisrod Investments.

H_1: There is a significant relationship between low sales and independent variables in Wisrod Investments.

2.11 Chapter Summary

Those researches mentioned above illustrates a variety of factors that cause low sales in microfinance and trade credit companies and issues that are being experienced by several businesses in the world, including strict regulation, a lack of wholesale finance, inadequate human resources, credit defaults, and a lack of product diversification. The elements emphasized in the aforementioned empirical research make it clear that corporate governance procedures, fund subsidies, and technical innovation are the key determinants of how successfully microfinance and trade credit companies and all other businesses operate around the world. According to Wrenn (2005), microfinance and trade credit companies must be efficient, effective, financially viable, and technologically innovative in order to introduce new product lines to the market and offer competitive prices that guarantee successful operations, financial viability, increase sales and market sustainability. The next chapter contains an explanation of the research methodology.

CHAPTER III

RESEARCH METHODOLOGY

3.0 Introduction

The many strategies and approaches that have been employed to gather pertinent data and information and for this study, these are covered in this chapter. It begins by describing the primary research paradigm, which serves as the foundation upon which all other supporting procedures and approaches are built. It also looks at the demographic of the study, the sample, the sampling techniques utilized, the data collection procedures, the data presentation and analysis procedures, the methodologies employed to achieve the objectives, and the literature review. The chapter summary marked the conclusion.

3.1 Research Paradigm and Research Approach

To improve the complete research study process, also known as methodology, one should be able to select a research paradigm before delving into research design (Collis and Hussey, 2009). A research paradigm, according to Kuhn (1962), is a set of political presumptions that academics use to agree on how to comprehend and approach a subject. As a result of people's shifting ideas about knowledge and reality, as well as the passage of time, new research paradigms have been developed.

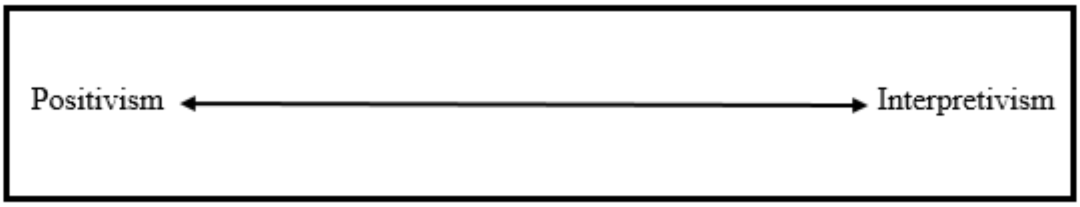

Figure 3.1: The Main Research Paradigms

Because she conducted her research using the natural sciences and various scientific procedures, the researcher chose "Positivism" among the two basic paradigms depicted in the above image. The researcher has used a variety of theories to define the definition and logical reasoning in order to increase the precision, objectivity, and rigor of data collecting.

Inductive and deductive research methodologies are substantially the same, according to Bryman and Bell (2011). Due to the positivist paradigm on which this study is founded and the deductive technique that it uses, which works with accepted theories and concepts, in order to determine the reasons for the decline in sales at a microfinance and trade credit organization, in this case Wisrod Investments, the researcher employed the deductive method. The hypothesis from chapter one should also be tested, and a conceptual framework should be developed to gather the necessary data for accurate and reliable analysis. According to Saunders, Lewis, and Thornhill (2009), this approach is more codified and structured than the inductive approach.

3.2 Research Design

There is more to a study design than just a schedule or sketch. Although it will be influenced by the project research design, it contains in-depth information about the work schedule that must be carefully planned in order to finish the allotted project. The research methodology, procedures, and strategies that will be used to gather and analyze the required data are outlined in a master plan or comprehensive strategy. To ensure that all the data will adequately address the initial study objectives and research questions, the researcher has developed a very well-organized research strategy for the completion of this dissertation (Collis and Hussey, 2010). (2009).

For each study, it is crucial to use the best research methodology, in accordance with Bryman and Bell (2011), in order to support the task and collect correct and trustworthy data for the formation of relevant results. Because the data will be in numerical form and the research is based on well-established ideas and concepts, the researcher chose to employ a quantitative research approach.

For this investigation, the researcher employed quantitative research techniques. In quantitative research, post-positivist assertions were typically employed by the researcher to enhance knowledge (Creswell, 2009). The deterministic post positivist ideology, which asserts that causes almost likely have an impact on consequences or results, is the foundation of quantitative research methods. As a result, the research on challenges conducted by post positivists emphasizes the necessity of identifying and assessing the variables that influence results.

Therefore, by studying the relationship between variables, quantitative research offers a way to test unbiased theories. In order to generalize about the population and identify and investigate factors that contribute to low sales in this company, the research's primary motivation for using a quantitative approach was to analyze the relationship between low sales of a microfinance and trade credit company, in this case Wisrod Investments, and factors affecting them. The study employed secondary papers and journals from the entire population to gather the necessary data.

There are three different sorts of study designs, according to Lyons and Coyle (2007): exploratory, causal, and descriptive. The researcher has chosen a casual study strategy from among them because it allows for the identification of the size and type of cause-and-effect interactions. Since sales is the impacted variable in this research and factors impacting sales can be viewed as causes, it is better to take a casual approach to understanding the relationships between variables.

Experimental research design, also referred to as causal research design, looks at cause-and-effect interactions (Scriven, 2008). The greatest method to comprehend how one variable, like capital, may influence another variable, is through a well-designed experiment (for instance, sales of a microfinance and trade credit company). In an experiment, one or more independent factors are changed to see how they may affect one or more dependent variables (in this study, these independent variables include capital, income inflation, and interest rates) (such as sales in this context). The researcher can "manipulate" independent variables, but dependent variables are those that are influenced by changes in independent factors (Scriven, 2008). The huge number of samples in this research design may be easily measured for quantitative purposes, and it is very constructive. Finding out what a group of individuals think, feel, and do in relation to a particular topic is typically beneficial. Since the positivist study is the foundation of this research, the researcher must select either a descriptive or causal research design.

The researcher chose descriptive research since experiments were the most popular approach for gathering data and because the main study question also relied on hypothesis testing (Oppewal, 2010). The researcher chose a casual strategy since it is simpler to identify the underlying causes of system processes. This makes it possible for the researcher to take the appropriate steps to solve issues or improve outcomes. It offers duplication if required. Evaluation of the effects of changing practices and methodology is aided by causal analysis. The selection of subjects is systematic. As a result, it helps to increase internal validity (Erickson, 2017). The capacity to evaluate how changes affect already-existing phenomena, events, processes, and the like, as this research aims to evaluate factors as causes of changes in sales. Additionally, it aids in bridging the gap in correlational research by locating the sources of variable correlations.

3.3 Instruments used to Collect Data

Secondary data sources and published documents were employed in the study to gather information. This assisted the researcher in gathering relevant information regarding the current study. The financial reports of microfinance and trade credit companies, annual reports pertaining to the loan distribution, the provision of goods on credit to clients, and loan repayment by clients, as well as books, journals, government reports, NGOs reports, plan and evaluation documents, policy guideline documents, and documents and reports of the government, were pertinent documents that the researcher used. In this study, secondary data were gathered using desk-based, desk-based, and observational data collecting methods.

3.4 Population

The sample is really taken from a subset of the target population known as the study population. Given that it exceeds Henry's definition (1990), it may be correct to claim that the sample frame is an operationalized representation of the research population. Additionally, a sample is picked from the population, which (Polit and Hungler, 1999) define as the entirety of all items, subjects, or individuals that match a specific set of criteria.

Operational data from Wisrod Investments, a microfinance and trading company, make up the study's target population. The fundamental goal of Wisrod Investments Pvt Ltd, a microfinance and trade credit company established in Zimbabwe in 2011, is to champion and take part in the financial inclusion of the most underprivileged and marginalized members of our society. As a result, the study has an advantage because there is enough information since the company has been in operation for more than ten years.

3.5 Sample and Sampling Techniques

Sampling is the process of selecting samples from a group or population in order to estimate and anticipate the outcome of the population as well as to identify the unidentified piece of information. A sample, according to Black (2010), is a portion of the population that is the focus of your investigation. The sampling process has benefits and drawbacks. One advantage of sampling is that it can shorten the amount of time and money needed to complete a research project. One disadvantage is the potential for a researcher to miss out on information on the population being studied, especially regarding its qualities (Black, 2010). Only via research can they be guessed at or predicted. This suggests that there is a good chance the estimate will prove to be inaccurate. Sampling merely enables a researcher to make assumptions about the situation as it is, rather than revealing the truth (Venter and Strydom, 2002).

This study has used a sample of Wisrod Investments' microfinance and trade credit company data for the three years between 2020 and 2022. This quantitative data includes sales, revenues, interest rates applied, inflation rates that affect the company, capital employed by the company, and consumer income. When selecting a sample from the target population, the researcher utilized her own judgment to decide what she felt was important and valuable for her study. The term "purposive sampling" refers to this method. Purposeful sampling allowed the researcher to obtain a large amount of information from the collected data. As a result, researchers can now evaluate the extent to which their findings apply to the overall population. The most recent data years are those covered within the research period of 2020–2022. It is anticipated that recent research would add more fresh implications to this research topic. Annual data from their sample period have been obtained by Ono (2001) and Nadiri (1969). Because they think that sales and the factors that affect them are short-term variables that vary often over short periods of time and may be effectively displayed by yearly statistics. The annual data is gathered for this thesis as the database is published as an annual report.

3.6 Procedures of Collecting Data

Krishna et al. (2021) defines data collection as the systematic acquisition and measurement of information on pertinent variables, which enables researchers to address specific research queries, examine hypotheses, and evaluate outcomes. The authors also state that there are processes followed while gathering data for a study known as data collection methods. In this study, quantitative data were primarily gathered from secondary sources, as will be discussed in the next section. Data collection might be qualitative or quantitative.

3.6.1 Secondary Data

Kotler and Armstrong (2000), secondary data is described as information that was already collected for purposes other than the current study. This is the information that other researchers gathered to support the knowledge claims in their study objectives. In fact, the researcher combined secondary data from internal and external sources and conducted in-depth studies of it. Therefore, secondary information was gathered from the website of Reserve Bank of Zimbabwe and the financial statement of Wisrod Investment.

3.6.2 Justifications for the Use of Secondary Data

Compared to primary data, secondary information is easier to get and less expensive, and it provides the researcher with the necessary knowledge and insight, making it simple to come to well-considered findings and make recommendations. Due to the researcher's limited time, she found that utilizing secondary data was advantageous as it was readily available and helped balance the research time needed to gather all necessary information. Indeed, the researcher's knowledge base was widened by exposure to a variety of studies conducted by other scholars and theorists thanks to secondary data. However, because the researcher had a limited amount of time to complete the study, it took a lot of time to go through the entire text to weed out information relevant to the issue. As a result, data generalization occurred when gathering secondary information. Some of the secondary material was published years ago in this dynamic context, it can be old and meaningless. However, the researcher took the utmost care to analyze and assess the sources that were pertinent, valuable, and up to date for the study.

3.7 Data Presentation and Analysis Procedures

Data analysis is the process of extracting facts and meanings from tabulated data in order to determine the significance and logic of the data. This means dissecting complicated data into clearer, simpler chunks for the primary goal of straightforward understanding. As a result, this illustrates how deductive and inductive logic can be applied accurately to the research process when analysing and interpreting data. Data analysis is performed in order to establish links between variables, test hypotheses, and draw certain conclusions in addition to providing meaning to facts and numbers.

After data analysis, the researcher presented the data in a way that helped the readers grasp it more clearly. Three basic formats, namely narratives, tables, and graphs, were used to present the data. Tabling involves organizing information in a structured format using rows and columns, whereas narratives rely on written essays to present data without the use of tables or graphs.

Additionally, graphing is a method of visual or pictorial information presentation. Multiple regression analysis, specifically, was employed in the study to analyse the data that had been acquired for the purpose of the research study.

3.7.1 Multiple Regression Analysis

According to Gozali (2013:96), regression analysis is used to quantify the relationship between two or more variables that describe the basis of a relationship between a dependent variable and an independent variable. Multiple regression analysis is shown on an equation below:

$$\mathbf{Y=\alpha+\beta_1X_1+\beta_2X_2+B_3X_3+.......+\varepsilon}$$

Information:

Y = dependent Variable.

α = Constants.

β = Value of the regression of each variable.

X = the independent variable

ε = Error Value.

3.7.2 Research Tests

3.7.2.1 F Statistic Test

This test is performed to see if all independent variables have the potential to affect the dependent variable at the same time. The F table is used to compute the F test. The H1 hypothesis is accepted and the H0 hypothesis is rejected if the estimated F is greater than F, demonstrating that the independent variable is significant in relation to the dependent variable. If the estimated F is less than F, indicating that the independent variable has little to no effect on the dependent variable, the H0 is accepted and the H1 is rejected.

3.7.2.2 Partial Significance Test (T Statistics Test)

To determine whether independent variables have a personal impact on the dependent variable, use the t test. If H0 is accepted, it may be assumed that it does not have a substantial impact; but, if H0 is denied, it indicates that there is significant impact, according to Sugiyono (2014:250).

3.7.2.3 Correlation Coefficient (R) and Determination Coefficient (R2)

The coefficient test is used to assess the magnitude of the significant linear relationship between the dependent and independent variables. There is a considerable negative correlation between the variables if R is close to 1.00. R can have values between -1.00 and

+1.00. Both independent and dependent variables are evaluated using a coefficient of determination. This test yields a value that varies from 0 to 1. (1). The dominating criteria is applied if the coefficient value is close to zero (0) since it identifies the variable that will result in the existence of the dependent variable. The coefficient evaluates the precision of the estimated value in respect to the regression line and the sample of data.

3.7.2.4 Classical Assumption Test

i. **Normality Test**

According to Santoso (2012: 293). To ascertain if the sample the researcher collected is regularly distributed, a normality test is used. The linear regression model's presumptions made by experts imply that the error is spread equally. The Kolmogorov-Smirnov test is used by the SPSS program to examine data for normality.

ii. Multicollinearity Test

Based on Gujarati (2012:432). To determine whether a regression model can be formed between the independent variables, the multicollinearity test is used. The Variance Inflation Factor (VIF) and tolerance level can be used to determine whether multicollinearity is present. The tolerance number for multicollinearity is almost 1. VIF has a maximum value of 10, and if it is less than 10, multicollinearity symptoms are not present.

iii. Heteroscedasticity Test

According to Gujarati (2012:406). If there are no similarities between variations or residuals from one observation to the next, the heteroscedasticity test will find that a regression model is valid. The researcher will use the rank test of spearman to assess whether there is any heteroscedasticity, which calls for the correlation of independent variables to have an absolute value from residual (error).

3.8 Chapter Summary

The methodology gave the context for how the study was carried out. The research design, data sources, and data collection methods were among the key details that were covered. The validity and reliability of each instrument employed in the study process were thoroughly examined, and this analysis served to support the research conclusions. As a result, the benefits and drawbacks of research tools were discussed. Finally, the chapter covered the steps involved in data analysis and presentation, which are two of the most crucial elements in helping readers understand . The research results are detailed in the section that follows.

CHAPTER IV

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.0 Introduction

This chapter is devoted to the presentation of, analyzing, and discussing the data collected from secondary sources in the previous chapter. The chapter begins by providing an overview of the data collection process, including the methods used to gather data from the target population and the instruments employed to collect the data and a sample of data collected is shown, for a certain year. The chapter then proceeds to present the data in a tabular format, providing an in-depth analysis of data and results from SPSS. Furthermore, the chapter includes a discussion of the results obtained from the data analysis, highlighting the key factors that contribute to low sales of products in microfinance and trade credit companies. The discussion is supported by statistical analyses and multiple regression analysis, which help to identify patterns and relationships in the data. The chapter will end with a chapter summary.

4.1 Presentation of Findings

In this chapter, the data for the study was obtained secondary sources. Data was obtained from Wisrod Investments' financial records, as well as other sources such as the RBZ website. The data was analyzed using various statistical tests, including correlation analysis, level of significance, dependability, and predictability of the data distribution. To establish a strong foundation for the analysis of the collected data, the chapter begins with a clear explanation of the study's problem, literature review, and research methodology. The focus of the data analysis was kept limited to what was relevant to the study's objectives and problems. After analyzing the data using regression and hypothesis testing, the chapter draws a conclusion on the reasons for the low sales of microfinance and trade credit organizations. Additionally, it presents the findings from the case study on Wisrod Investments' low sales in the microfinance and trade credit industries. This chapter is crucial as it provides a clear picture of the researcher's actual findings and sets the stage for reaching the study's conclusion.

4.1.1 Data Collected

Data for this study was obtained from secondary sources, and the collection process was successful. The data covers a three-year period from January 2020 to December 2022, and a sample of year 2020 data is presented in the following table:

Table 4.1: Sample Data Collected

Date	Capital (USD)	Income (USD)	Inflation %	Interest rate %	Sales (USD)
Jan-20	200 000	900	1.8	30	600 000
Feb-20	150 000	870	11.7	30	155 000
Mar-20	85 000	1 500	19.6	30	80 000
Apr-20	100 000	750	15.3	30	120 000
May-20	165 000	580	13.5	30	180 000
Jun-20	70 000	600	29.4	30	80 000
Jul-20	215 000	450	16.7	30	300 000
Aug-20	10 000	570.8	1.4	30	15 000
Sep-20	18 000	2 400.60	-0.5	30	18 050
Oct-20	150 600	925	1.4	30	135 220
Nov-20	160 325	650.1	2.2	30	161 235
Dec-20	155 200	540	2.8	30	155 150.25

Table 4.1 above shows a typical year 2020 of data used in this study. Three year period data were used, with a date column showing month and year of the record, capital used by Wisrod, especially working capital was recorded in United States Dollars, Average customer's income was also collected in USDs (The company have these records as they need information for collateral), country's inflation rate was also recorded in percentages per month as it tends to affect sales of Wisrod and other Microfinance and trade credit companies in Zimbabwe. Interest rates charged by Wisrod to its customers were also recorded, each month in this defined period, then Wisrod's sales were also collected in USDs.

4.1.2 Classical Assumption Test

This section's goal is to evaluate how well the multiple regression model fits the data that was gathered. The traditional assumptions test, which is described in chapter three, was applied to achieve this. The normalcy test, the multicollinearity test, and the heteroscedasticity test are the three tests that make up this test. The heteroscedasticity test determines whether there is a consistent difference in variance between the independent and dependent variables, the multicollinearity test determines whether there is a high correlation between various independent variables, and the normality test determines whether the data has a normal distribution. These assessments were made to make sure the regression model's input data was reliable and acceptable.

4.1.2.1 Normality Test

The normality test was performed to see whether the distribution of the dependent variable (sales) and independent variable (capital) was normal. The Kolmogorov-Smirnov (KS) method was used to determine the normality of the data. The results of the normality test for this investigation are displayed in Table 4.2. The test's outcome value indicates whether or not the data is distributed regularly. In this case, if the outcome is greater than 0.05, it indicates that the data is regularly distributed.

Table 4.2 Normality Test

Equation	Unstandardized residual	Sig.(2 tailed)	Explanation
Effects of CPL, IFN, ICE, INR to SLS	0.555	0.611	Normal

Source: SPSS Data Processed, 2023

The normality test result is presented above together with the sig, which is based on table 4.2. Is greater than (0.05). The normality test from the KSZ unstandardized residual for the study's equation is 0.555, and the sig. value is 0.611, which is greater than (0.05). It implies that the distribution of the data is typical.

4.1.2.2 Multicollinearity Test

To find out whether the independent variables have any relationship with one another, the multicollinearity test is used. High levels of correlation among the independent variables can compromise the regression model's precision. The Variance Inflation Factor (VIF) and the tolerance value are computed for each independent variable to carry out this test. The independent variable's influence to the overall variance of the model is shown by the independent variable's VIF value. When the tolerance value is less than 0.10 or the VIF value exceeds 10, there is likely to be significant multicollinearity among the independent variables, and the regression model may not be accurate.

Table 4.3: Multicollinearity Test Results

Model	**Collinearity Statistics**		**Conclusion**
	Tolerance	**VIF**	
CPL	.421	1.012	No Multicollinearity
IFN	.511	1.001	No Multicollinearity
ICE	.632	1.245	No Multicollinearity
INR	.455	1.654	No Multicollinearity

Source: SPSS Data Processed, 2023

No independent variable's tolerance value is less than 0.1, and no independent variable's variance inflation factor (VIF) value is less than 10, according to the findings of the multicollinearity test shown in Table 4.3. This suggests that the model fails to show significant multicollinearity, which means that the independent variables do not have strong correlations with one another.

4.1.2.3 Heteroscedasticity Test

The heteroscedasticity test is a method used to analyze the residual variance in inequality equation models. It is used to determine if the differences in residual variance between observations are significant. If the residual variance is different from the variance of other observations, it indicates that heteroscedasticity is present. On the other hand, if the residual variance is similar across observations, it suggests that the equation model is sound and homoscedasticity is present. To further evaluate this, a graph can be plotted between the dependent variable's value prediction (ZPRED) and the residual. If the pattern of the residuals appears to be randomly distributed, it indicates homoscedasticity. The results of the heteroscedasticity test are presented in figure 4.1.

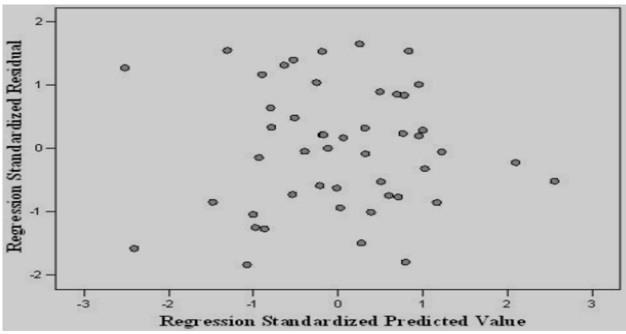

Figure 4.1: Heteroscedasticity Test

Figure 4.1 displays the residual data and reveals that it is spread out in a random manner without forming any specific pattern, such as a U-shape, a curve, a narrow pattern, or a wavy pattern. This indicates that there is no heteroscedasticity present in the capital, inflation, income, and interest rate to sales variables in this multiple regression model.

4.2 Multiple Regression Analysis

Once the data have been tested for traditional assumptions and the homoscedasticity and multicollinearity of the data have been confirmed, the statistical test that will support the regression analysis comes next. In this study, IBM SPSS 22 was used to evaluate the data. Multiple linear regression was employed, and the results are presented in table 4.3 below.

Table 4.4: Results of Multiple Regression

	Unstandardized Coefficients		**Standardized Coefficients**		
Model	**β**	**Std Error**	**Beta**	**t**	**Sig**
(Constant)	0.051	0.0356		1.12	0.031
CPL	0.555	0.0987	0.103	2.543	0.000
IFN	-0.057	0.0435	0.185	-0.678	0.001
ICE	0.276	0.0877	0.135	1.542	0.010
INR	-0.143	0.0274	0.176	-1.355	0.002

Source: SPSS Data Processed, 2023

According to Table 4.4, the nominal coefficients from the unstandardized regression analysis can be represented as follows: SLS= 0.051 + 0.555 CPL - 0.057 INF + 0.276 ICE - 0.143 INR. The multiple linear regression model's independent variables have an impact on the dependent variable, as indicated by the regression coefficient. The sales value will be equal to 0.051 if all independent variables are constant or equal to zero because 0.051 is the constant value. The capital variable's regression coefficient is 0.555, meaning that if capital increases by 1 unit (on a scale), the company's revenues will rise by 0.555 units (on a scale). The regression coefficient for the inflation variable is -0.057, which suggests that the company's revenues will fall by 0.057 units (scale) if inflation increases by 1 unit. The regression coefficient for the income variable is 0.276, indicating that if income increases by 1 unit (scale), the company's sales will increase by 0.276 units (scale). The coefficient for interest rate is -0.143, suggesting that if interest rates increase by 1 unit (scale), the company's sales will decrease by 0.143 units (scale).

4.3 Hypothesis Tests / Research Tests

Determining out how much an independent variable has an impact on a dependent variable is its primary objective of hypothesis testing. The coefficient determination, F-test, and T-test are used in this study to test hypotheses, as was already discussed in chapter three. These results of the hypothesis tests form the basis of the multiple linear regression model used in this study.

4.3.1 Coefficient of Determination

Finding the coefficients serves to assess how well the model can account for the variation in the dependent variable. The coefficient determination analysis's findings are shown in table 4.5's adjusted R-squared column as follows:

Table 4.5: Coefficient of Determination

Model	**R**	**R Square**	**Adjusted R Square**	**Std Error of the Estimate**
	.809[a]	.654	.610	64.36415

a. Predictors: (Constant), CPL, INF, INE, INR

b. Dependent Variable: SLS Source: SPSS Data Processed, 2023

Table 4.5 shows that the adjusted R-squared value is 0.610. This indicates that the sales variable accounts for 61% of the variation in the dependent variable, meaning the total variation of the sales in relation to the individual variables is actually explained in the model.

4.3.2 F-Test

The F-test is used to evaluate the simultaneous effect of independent and dependent variables. The results of the F-test for this study are presented in table 4.6 below.

Table 4.6: F-test Results

Model	**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
Regression	5.758	4	1.887	20.569	.000^a
Residual	1.232	31	.103		
Total	6.990	32			

a. Predictors: (Constant), CPL, INE, INF, INR.

b. Dependent Variable: SLS Source: SPSS Data Processed, 2023

Table 4.6's findings lead to an F-calculation that is higher than the 0.05 crucial threshold at 20.569. As the estimated value is smaller than the p-value of 0.05, this implies that the null hypothesis (H_0) is rejected and the alternative hypothesis (H_1) is accepted. According to the data, capital, income, inflation, and interest rates are the independent factors in Wisrod Investments that have a significant beneficial relationship with poor sales. Inferring that they concurrently have a positive and significant impact on sales, this suggests that a rise in one of these independent variables can result in an increase in sales.

4.3.3 T-Test

To examine the hypothesis and determine whether each independent variable significantly affects the dependent variable, the T-test is performed. Table 4.7 below lists the findings of the T-test used in the present study.

Table 4.7: T-Test Results

Model	Unstandardized Coefficients		Standardized Coefficients		
	β	Std Error	Beta	t	Sig
(Constant)	0.051	0.356		1.12	0.031
CPL	0.555	0.0987	0.103	2.543	0.000
IFN	-0.057	0.0435	0.185	-0.678	0.001
ICE	0.276	0.0877	0.035	1.542	0.010
INR	-0.143	0.0274	0.176	-1.355	0.002

Source: SPSS Data Processed, 2023

The hypothesis outcome will be explained using data from Table 4.7 as follows:

i. To determine if capital and sales are related, the Hypothesis Test for Capital (CPL) was conducted. Table 4.7 reveals that the coefficient of regression () is 0.555 and sig. or if the p-value for probability is 0.000. Significant is defined as a P-value 0.05. It implies that capital significantly and favorably affects sales. Therefore, keeping other variables constant, the second hypothesis (H_1), that there is link between dependent and independent variables, is accepted.

ii. Table 4.7 displays the results of the Hypothesis Test for Income (ICE) (to examine the association between income and sales). The coefficient of regression () is 0.276 and sig. or the p-value (probability value) is 0.010. (0.05). Significant is defined as a P-value 0.05. It implies that money significantly and favorably affects sales. Holding other factors constant, the second hypothesis (H_1) is therefore accepted.

iii. As shown in Table 4.7's Hypothesis Test for Inflation (INF), the coefficient of regression () is -0.057 and sig. alternatively the p-value for probability is 0.001 (0.05). Significant is defined as a P-value 0.05. It implies that sales are significantly and negatively impacted by inflation. As a result, the study's second hypothesis (H_1) is accepted.

iv. Table 4.7's Hypothesis Test for Interest Rate (INR) reveals that sig. and the coefficient of regression () are both -0.143. Or the p-value for probability is 0.002. (0.05). Significant is defined as a P-value 0.05. It implies that interest rates have a negative and substantial impact on sales. As a result, the study's second hypothesis (H_1) is accepted.

4.4 Discussions

The findings of this study are compiled in Table 4.8 below based on the aforementioned hypothesis testing:

Table 4.8: Findings Summary

Independent variable	**B**	**Sig. Result**	**Description**
Capital	0.555	0	H1 accepted
Inflation	-0.057	0.001	H1 accepted
Income	0.276	0.01	H1 accepted
Interest rate	-0.143	0.002	H1 accepted

In this study, there is a relationship between the independent variables and the dependent variable. However, capital and income have a positive relationship with sales, while inflation and interest rate have an inverse relationship with sales. The null hypothesis (H_0) was accepted since all of the independent variables, including capital, income, inflation, and interest rate, were tested and proven to have a significant relationship. The alternative hypothesis (H_1) was rejected as it contradicts the null hypothesis.

4.4.1. The Influence of Capital to Sales

Microfinance and trade enterprises cannot escape the fact that capital is a critical component in every industry. They require funds for their daily operations, for offering trade credit services to their clients, and for providing loans to clients as well. The availability of stocks increases with capital, resulting in increased availability of sales and typically higher sales.

The results of the hypothesis test show that capital significantly and favorably affects sales. According to the test, capital has a significant level, or p-value of 0.000, and a regression coefficient that can reach up to 0.555. The multiple linear regression analysis's findings support H1, rejecting the null hypothesis that capital has little or no impact on sales. The results of this study corroborate those of studies by Kurnia et al. (2014), Saputra (2012), Aqmalia (2014), and Wanodya (2013) that indicated capital had a favorable and significant impact on sales.

4.4.2. The Influence of Inflation to Sales

The value of money fluctuates over time, which is reflected in inflation. Although some level of inflation is normal for any economy, the government generally seeks to maintain low levels of inflation. An index like the Consumer Price Index (CPI) is used to measure inflation, which shows how the cost of a typical basket of goods changes over time. Inflation decreases consumers' purchasing power because it costs more to buy the same items now than it did in the past. If people's income cannot keep up with rising prices, they will spend less, which will decrease demand for microfinance and trade services and reduce their ability to generate sales.

Microfinance and trade employees may also require higher wages due to inflation to cover their daily expenses. This will increase the company's expenses and potentially lead to higher interest rates for borrowers. As people's incomes rise due to higher wages, they will spend more, leading to inflation as businesses pass on higher prices to consumers. By increasing the minimum wage, the government may encourage firms to pay their employees more, which will boost consumer spending and lower inflation. However, real wages will decrease if income growth lags behind inflation, leaving individuals with less discretionary income for goods and services. Additionally, this will result in a decline in sales for trade credit and microfinance businesses.

A moderate degree of inflation can actually benefit the performance of businesses. First, with inflation, businesses can increase their prices and earn more revenue. Second, with inflation, borrowers may be more likely to take out loans and make purchases on credit, which can increase sales for microfinance and trade credit organizations. However, a study conducted by the researcher found that inflation significantly and negatively affects sales. The study used a hypothesis test and found that inflation has a multiple linear regression coefficient of -

0.57 and a significance level of 0.001. This suggests that if inflation rises, sales will decline. As a result, the researcher concludes that H_1 is supported by the data. In a hyperinflation environment MFIs sales are likely to be affected negatively.

4.4.3. The Influence of Income to Sales

Depending on a number of variables, the revenue impact may have either good or negative consequences on sales. The income impact is the fluctuation in consumer spending caused by changes in income. As money (or the capacity to spend more) rises, so does the demand for products and services. Contrarily, if revenue falls, the opposite happens. Less spending generally leads to reduced pay, which is harmful for the microfinance and trade lending sectors.

Depending on the sort of business and whether or not a consumer's income increased or dropped, the income effect is beneficial for a firm. If a consumer's income increased and the business sold common things, sales would increase. The company will experience a loss in revenue if a consumer's income drops. If a company, such as a discount shop, sells inferior goods, the opposite will be true. Regardless of the sort of business or whether a consumer's income increased or decreased, the income effect is detrimental to a corporation. If a consumer's income increased and the business sold common things, sales would increase. If a consumer's income decreases, the company will suffer. Conversely, if the business sells inferior products, like a cheap shop.

The goal of the income effect is to measure how changes in consumer income impact the level of demand for products and services. The specific commodity or service will also have an impact on how customer purchasing patterns change. A consumer's desire to spend money increases as their income does, especially on higher-quality goods. When consumers' incomes fall, they will spend less money overall and especially on higher-quality goods. A hypothesis test reveals that income significantly and favorably affects sales. Income has a coefficient regression of up to 0.483 according to the results of multiple linear regression, and it has a significance level or p-value of 0.010. It implies that if income rises, Wisrod, a microfinance and commerce company, will see an increase in sales as a result. The H_1 is approved as a result. The results of this study were also consistent as they agree with the fact that, the lower the income or if there is no income the lower the sales of these organizations or there will be no sales at all, as also discovered by Orata (2013), reviewed in chapter two. The author also stated that there is a significant positive relationship between income both of the company and of consumers with sales.

4.4.4. The Influence of Interest Rate to Sales

The typical trade finance interest rates range from 1.25 to 3% per month, with the cost of borrowing decreasing as the amount of credit available in the economy increases. MFIs charge interest rates that range from 20 to 70%, with the industry average being 30%. Credit supply and demand both have an impact on interest rates; when demand for credit increases or decreases, correspondingly, so do interest rates. The availability of credit also affects the interest rate, with an increase in credit availability leading to lower interest rates and a decrease in credit availability leading to higher rates. The amount of money available to borrowers increases as credit becomes more accessible, and this increased credit availability results in a decrease in the cost of borrowing.

The amount of credit accessible to the economy decreases as borrower's delay debt repayment, resulting in higher interest rates and lower sales. For example, if a borrower chooses to delay paying their credit card payment, they not only pay more interest but also reduce the amount of credit available in the market. This leads to an increase in interest rates for the economy as a whole. In general, Wisrod sales decrease as loan rates rise and vice versa. A hypothesis test revealed that interest rates have a significant negative impact on Wisrod sales, with a regression coefficient of -0.143 and a significance level or p-value of 0.002. This suggests that a rise in interest rates will lead to a decrease in Wisrod sales, which is a microfinance and commerce company. However, higher interest rates can be advantageous for microfinance and trade businesses, as they can capitalize on the difference between the interest they charge consumers and the income they generate from investments.

4.5 Summary

The findings of the research conducted by the author on the microfinance and trade credit organization, Wisrod, during a specified time period are presented in this chapter. The chapter begins with a review of the traditional assumption test, which determines if the multiple regression used in the study is appropriate. Three tests were conducted: heteroscedasticity, multicollinearity, and normality. These tests were all successful, indicating that the data was normal, the multiple regression model did not exhibit multicollinearity, and it did not exhibit heteroscedasticity. Based on the data, a multiple linear regression model was developed. The dependent variable of sales is found to be significantly positively correlated with the independent variables of income, capital, inflation, and interest rates. Sales and inflation have a negative correlation, but interest rates and income have a positive connection. As a result, it was decided to adopt hypothesis H_1, which asserts that there is a strong correlation between the independent factors and the dependent variable. Each independent variable and its effect on the dependent variable are carefully examined in this chapter. It serves as the most important section of the study, as it addresses both the main research question and the author's primary objective. The research summary, conclusion, and recommendations for microfinance and trade organizations on how to better manage their factors are presented in the following chapter.

CHAPTER V

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter is the final chapter of this research project, which aimed to investigate the factors contributing to low sales of products in microfinance and trade credit companies. In this chapter, the researcher will provide a summary of the project background and objectives before outlining the key findings of the research. She will then draw conclusions based on these findings, followed by a set of recommendations for Wisrod Investments and other similar companies. Finally, she will provide a brief summary of the main points discussed throughout the research.

5.1 Summary of the Study

The research aimed to investigate the factors contributing to low sales of products in microfinance and trade credit companies, with a case study of Wisrod Investments. The research commenced by, introducing the topic, giving background of the study and the problem statement where it is noted, for the past three years, Wisrod Investments has struggled to maintain consistent sales, which has led to the complete discontinuation of the sale of various previously offered products. The study then provided the study's objectives and aligning question, the significance of the study, limitations and delimitations were outlined.

The project then proceeded with a review of relevant literature to identify existing research on the topic and to establish a theoretical framework. Concepts like microfinance and trade credit were also reviewed. The researcher then conducted a quantitative research through secondary sources which includes, Wisrod Investments' financial records and the Reserve Bank of Zimbabwe’s website, to collect data on factors that may be contributing to low sales. Then income, interest rates, inflation and capital, were found to be the relevant factors for this research. Multiple linear regression analysis was used to analyze that data, using five variables, one dependent and four independent variables. The relationships between these variables were established and examined using hypothesis and correlations. The research also highlighted the importance of group lending, intensive marketing and new product development in improving sales. Based on these findings, the researcher drew conclusions that Wisrod Investments and other similar companies can use to improve their sales. Overall, the research provides valuable insights that can be used to improve the sales of microfinance and trade credit companies, particularly Wisrod Investments, and ultimately contribute to the growth and development of these companies.

5.2 Summary of the Findings

The influence of independent variables to the dependent variable is shown in the above multiple linear regression analysis result based on the regression coefficient. The constant value is 0.051, which means that the sales value will be equal to 0.051 if capital, inflation, income, and interest rates are all constant or equal to zero (0). Regression coefficient for the capital variable is 0.555. With the premise that all other independent variables remain constant, it means that if capital increases by 1 unit (scale), the company's sales will increase by 0,555 units (scale). Regression coefficient for the inflation variable is -0.057. With the assumption that all other independent variables remain constant, it means that if inflation rises by 1 unit (scale), the company's sales will fall by 0,057 units (scale).

Regression coefficient for the income variable is 0.276. With the premise that all other independent variables remain constant, it means that if income increases by 1 unit (scale), the company's sales will increase by 0.276 units (scale). The coefficient for interest rate is -0.143. The sales of the corporation will drop by 0.143 units if interest rates increase by a unit (scale).

After coefficient of determination, the independent variable, sales, explains 52.5% of the data. Capital, income, inflation, and interest rate are all factors. The additional variable outside the model accounts for the remaining 0.475, or 47.5%, of the total.

H_0 was; there is no significant relationship between low sales and independent variables in Wisrod Investments while H_1: says there is a significant relationship between low sales and independent variables in Wisrod Investments. After F-test H_0 is rejected and H_1 is approved since the significant value from the aforementioned table is 0.000 and it is less than the probability value (p value) of 0.05. It indicates that there is a strong correlation between low sales and independent variables in Wisrod Investments or that the independent variables, which include capital, income, inflation, and interest rate, have a positive and significant influence on sales simultaneously.

After T-tests to find relationships between each independent variable and the dependent variable, the findings show that capital significantly and favourably affects sales. Therefore, keeping other variables constant, the second hypothesis (H_1), that there is a relationship between dependent and independent variables, is accepted. Income also significantly and favourably affects sales. Holding other factors constant, the second hypothesis (H_1) is therefore accepted. In addition, sales are significantly and negatively impacted by inflation. As a result, the study's second hypothesis (H_1) is accepted. Interest rates have a negative and substantial impact on sales. As a result, the study's second hypothesis (H_1) is accepted.

Overall, there is a relationship between independent variables and the dependent variable in this study, but capital and income tend to have a positive relationship with sales, while inflation and interest rate tend to have an inverse relationship with sales. Noting that: H_0: This hypothesis was accepted since all of the independent variables, namely capital, income, inflation, and interest rate, have been tested and proven to have a significant relationship. H_1: Because it contradicts the above, this hypothesis was rejected.

5.2.1 To Determine the Relationship between Sales and Factors that Affect MFIs and Trade Credit Companies

Based on the findings of this study, the objective of determining the relationship between sales and factors that affect MFIs and trade credit companies has been partially satisfied. The study found that capital, inflation, interest rates, and income all had a significant impact on low sales in the microfinance and trade credit industry. These findings support the hypothesis that these factors play a role in the sales of MFIs and trade credit companies. However, it should be noted that the study did not examine the relationship between sales and these factors in a quantitative way, as the objective specified.

The findings of this study are consistent with previous literature on the topic. A study by Ahmed and Hasan (2018) found that interest rates were a significant factor affecting the profitability of microfinance institutions in Bangladesh. Another study by Ghosh and Datta (2017) found that interest rates and inflation were significant factors affecting the performance of microfinance institutions in India. Similarly, a study by Banerjee et al. (2019) found that interest rates and inflation were significant factors affecting the performance of microfinance institutions in Nepal. Researchers from different fields independently found a link between applicants' wealth or income and their ability to acquire credit. Multiple studies, including those conducted by Okurul et al., (2000), Mwangi and Kihiu (2012), and Zeller et al., (2014), have reached the same conclusion that there is a significant and positive correlation between the two variables.

5.2.2 To assess how the Aforementioned Factors May Affect the Efficient Running of MFI.

The objective of assessing how the aforementioned factors may affect the efficient running of MFIs has been partially satisfied through the study. The regression analysis revealed that capital, inflation, and income had a significant impact on sales, while interest rates did not. The analysis also showed that all variables were significantly different from zero, indicating that they have a significant impact on sales.

These findings are consistent with previous literature on the topic. For example, a study by Akter et al. (2017) found that access to capital was a key factor affecting the performance of MFIs in Bangladesh. Similarly, a study by Huang and Cheng (2019) found that inflation had a significant impact on the profitability of MFIs in China.

However, the study did not explore the impact of other factors such as government regulations, market competition, and technological advancements on the efficient running of MFIs. These factors are also important in determining the overall efficiency of MFIs and trade credit companies. Therefore, further research is needed to fully assess the impact of all relevant factors on the efficient running of MFIs and trade credit companies.

5.2.3 To Identify Strategies That May Be Implemented To Increase Sales

Based on the findings of the study, it can be said that the objective of identifying strategies that may be implemented to increase sales has been partially satisfied. The study found that capital, inflation, and income had a significant impact on sales, while interest rates did not. This suggests that MFIs and trade credit companies may need to focus on increasing their capital, income, and addressing inflation to improve sales.

However, it is important to note that the study did not explore the effectiveness of specific strategies to increase sales. Future studies could investigate the impact of different strategies, such as offering lower interest rates or increasing marketing efforts, on sales.

The findings of the study are consistent with previous literature on the topic. For example, a study by Quisumbing et al. (2012) found that increasing access to credit and financial literacy training could increase the productivity of smallholder farmers in sub-Saharan Africa. Another study by Karim and Ahmed (2019) found that offering low-interest loans to small and medium-sized enterprises could increase their access to finance and improve their financial performance. Brau and Gray (2015) advised microfinance and trade credit companies to promote group lending, carefully review the paperwork clients submit, and offer clients training and business ideas. According to Zwikanu (2017), microfinance and trade credit companies should engage in extensive marketing to change the negative perceptions that the majority of people have of them, invest in CSR initiatives, take steps to become deposit-taking and no deposit institutions, and increase the frequency of loan repayments and increase a period of goods payment for they need to increase their cash flow, market their institutions, and lessen the negative perceptions that people have of microfinance and trade.

5.2.4 To Assess What Can Be Done To Manage Sales More Effectively

Based on the findings of the study, it can be said that the objective of assessing what can be done to manage sales more effectively has been partially satisfied. The study found that capital, inflation, and income had a significant impact on sales, while interest rates did not. This suggests that MFIs and trade credit companies may need to focus on increasing their capital, income, and addressing inflation to manage sales more effectively.

However, the study did not explore the specific strategies that could be implemented to manage sales more effectively. Future studies could investigate the impact of different strategies, such as offering discounts or incentives to customers, on sales.

The findings of the study are consistent with previous literature on the topic. For example, a study by Haugh and Perks (2018) found that offering discounts and promotions to customers could increase sales for small businesses. Another study by van der Zwan et al. (2016) found that providing training to sales staff could improve their performance and increase sales.

Overall, the study suggests that there are potential strategies that MFIs and trade credit companies could implement to manage sales more effectively, such as increasing capital, income, and addressing inflation. However, further research is needed to determine the effectiveness of specific strategies and to fully understand the relationship between sales and the factors affecting them.

5.3 Conclusions

Based on the analysis of the four factors, it was found that capital, inflation, interest rates, and income had a significant impact on the low sales of products in microfinance and trade credit companies, specifically in the case of Wisrod Investments. The results of the multiple regression analysis, t-test, f-test, and correlations all support this conclusion. Furthermore, it is recommended that Wisrod Investments and other microfinance and trade credit companies take these factors into consideration when developing strategies to increase sales. This could include measures such as securing additional capital or exploring ways to mitigate the negative effects of inflation and interest rates on sales. Improving the income of potential customers could also be a key factor in boosting sales. Overall, this study provides valuable insights for microfinance and trade credit companies looking to identify and address factors contributing to low sales. It is hoped that these findings will be useful in developing effective strategies to improve sales and ultimately achieve greater success in their respective markets.

5.4 Constraints of the Study

1. **Time constraints:** The researcher had limited time to conduct the study and collect data. This have limited the scope of the study and the depth of analysis.
2. **Resource constraints:** The researcher had limited resources, such as funding and access to data, which have affected the scope of the study and the quality of the analysis.

5.5 Recommendations

Based on the findings from this study, there are several recommendations that can be made to address the factors contributing to low sales in microfinance and trade credit companies, specifically in the case of Wisrod Investments. These recommendations include:

1. **Increase capital:** One of the main factors identified in the study was the lack of capital as a major contributor to low sales. The study reveals that the coefficient of regression () is 0.555 and sig. or if the p-value for probability is 0.000. (0.05). Significant is defined as a P-value 0.05. It implies that capital significantly and favorably or positively affects sales. Therefore, keeping other variables constant, the second hypothesis (H_1), that there is a relationship between dependent and independent variables, is accepted. Therefore, it is recommended that Wisrod Investments and other microfinance and trade credit companies increase their capital investments to expand their products and services. This could be achieved through various means, such as attracting new investors or obtaining loans from financial institutions.
2. **Mitigate the effects of inflation:** The study found that inflation had a significant negative effect on sales. As the Hypothesis Test for Inflation (INF), the coefficient of

regression () is -0.057 and sig. alternatively the p-value for probability is 0.001 (0.05). Significant is defined as a P-value 0.05. It implies that sales are significantly and negatively impacted by inflation. Therefore, it is recommended that Wisrod Investments and other microfinance and trade credit companies take measures to mitigate these effects. This could include adjusting their pricing strategies, investing in research and development to create more innovative products, and identifying new markets to expand their customer base.

3. **Explore ways to reduce interest rates:** The study found that high-interest rates negatively impacted sales. The hypothesis Test for Interest Rate (INR) reveals that sig. and the coefficient of regression () are both -0.143. Or the p-value for probability is 0.002. (0.05). Significant is defined as a P-value 0.05. It implies that interest rates have a negative and substantial impact on sales. It is therefore recommended that Wisrod Investments and other microfinance and trade credit companies explore ways to reduce interest rates to make their products and services more affordable to customers. This could include negotiating lower rates with financial institutions or seeking alternative sources of funding.
4. **Improve customer income:** The study found that low customer income was a significant factor contributing to low sales. The Hypothesis Test for Income (ICE) (to examine the association between income and sales). The coefficient of regression () is 0.276 and sig. or the p-value (probability value) is 0.010. (0.05). Significant is defined as a P-value 0.05. It implies that income significantly and positively affects sales. Therefore, it is recommended that Wisrod Investments and other microfinance and trade credit companies focus on improving the income levels of their target customers. This could include offering training programs to customers to help them develop new skills and secure better-paying jobs, or partnering with other organizations to provide access to resources that facilitate income growth.

These recommendations, if implemented effectively, have the potential to significantly improve sales in microfinance and trade credit companies, specifically in the case of Wisrod Investments. They are designed to address the key factors identified in the study and help companies develop effective strategies to achieve greater success in their respective markets.

5.6 Suggested Areas for Future Research

Future research in a variety of areas, including the one that follows, could build on this study's findings:

1. **Exploring the impact of other factors on sales:** While this study focused on the impact of capital, inflation, interest rates, and income on sales, there may be other factors that influence sales that were not considered. Future research could explore the impact of other factors such as marketing strategies, customer satisfaction levels, and competition on sales.
2. **Examining the effectiveness of different sales strategies:** This study did not explore specific sales strategies that could be employed to boost sales in microfinance and trade credit companies. Future research could examine the effectiveness of different sales strategies, such as referral programs, loyalty programs, and social media marketing, to determine which strategies are most effective in this context.
3. **Conducting a broader study:** This study focused on the case of Wisrod Investments and may not be representative of all microfinance and trade credit companies. Future research could conduct a broader study across multiple companies to determine whether the factors identified in this study are consistent across the industry.
4. **Investigating the impact of macroeconomic factors**: This study focused on the impact of microeconomic factors such as capital, inflation, interest rates, and income on sales. Future research could investigate the impact of macroeconomic factors such as GDP growth, political instability, and global economic trends on sales in microfinance and trade credit companies.

Overall, there are several areas for future research that could build on the findings of this study and provide insights into how microfinance and trade credit companies can improve sales and achieve greater success in their respective markets.

5.7 Chapter Summary

Chapter 5 of this study titled "Investigating Factors Contributing to Low Sales of Products in Microfinance and Trade Credit Companies: A Case for Wisrod Investments" provides a summary of the study, summary of the findings, conclusions, recommendations, and suggested areas for future studies. The study aimed to investigate the factors contributing to low sales of products in microfinance and trade credit companies, specifically in the case of Wisrod Investments. The research used multiple regression analysis, t-test, f-test, and correlations to investigate the impact of capital, inflation, interest rates, and income on sales. The findings of the study revealed that capital, inflation, interest rates, and income had a significant impact on sales. The study found that lack of capital was a major factor contributing to low sales, and high inflation and interest rates negatively impacted sales. The study outlines a number of recommendations that Wisrod Investments and other microfinance and trade credit businesses might use to boost sales in view of the findings. These recommendations include increasing capital investments, mitigating the effects of inflation, reducing interest rates, and improving customer income levels. The study concludes that microfinance and trade credit companies need to consider these factors when developing strategies to increase sales. The findings offer valuable insights for microfinance and trade credit companies looking to identify and address factors contributing to low sales. Finally, the study suggests several areas for future research, including exploring the impact of other factors on sales, examining the effectiveness of different sales strategies, conducting a broader study across multiple companies, and investigating the impact of macroeconomic factors on sales in microfinance and trade credit companies. In summary, Chapter 5 provides a comprehensive overview of the study's findings, conclusions, recommendations, and future research areas. It serves as a valuable reference for microfinance and trade credit companies looking to improve their sales and achieve greater success in their respective markets.

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