

# **The Formulation of a Strategy for a Japanese Company to Export Used Vehicles to the Sub-Saharan African Markets**

By

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200501063

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## Confidentiality Clause

To Whom It May Concern

Due to the strategic importance of the research conducted in this paper and the recommended strategy, it is hereby requested that the contents of this paper remain confidential and not be circulated for a period of 5 years.

Yours Sincerely,



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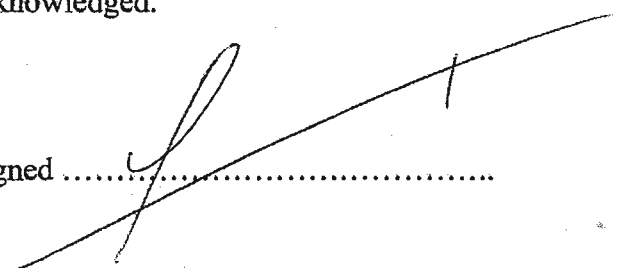
Michael Hulley

**DECLARATION**

This research has not been previously submitted for any degree and is not being currently submitted in candidature for any degree.

I declare that this Dissertation contains my own work except where specifically acknowledged.

Signed .....

A handwritten signature in black ink, consisting of a large, stylized initial 'J' followed by a long horizontal line that extends to the right and then curves slightly upwards.

Date ..... 31/12/2007 .....

31/12/2007

116062

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To all those who participated in data collection. To my colleagues in Japan, who assisted in gaining data and information, which was invaluable to this project, especially Naoko and Daniel. To Jay for his ongoing support and motivation. To my parents for their support and attention, and lastly my wife Diane for her patience and understanding.

## Abstract

*The wave of democratisation and economic liberalisation, which has shaped Africa over the past decade and a half has changed the continent and its business environment significantly. The costs of doing business are declining and returns increasing- in any language this is an environment worth investigating.*

Luis , et al 2006

This research investigates the formulation of a strategy, of a Japanese e-commerce company, trading in used vehicles , exported around the world from Japan. The research revolves around the strategy that Trust Company Ltd will embark on, in which they enter into the Sub Saharan Africa market, in terms of investment of people, infrastructure, and capital within the proposed markets , as opposed to their usual way of doing business, and that is the selling of vehicles on the internet, as had been done in the past. The proposed strategy is to install internet dealerships and make stock available in the decided markets in sub-Saharan Africa, where customers can purchase from these outlets instead of ordering from the internet, as had been done before in the past.

The aim is to identify the strategy, and analyse its effectiveness, as well as the impact on the customer, and to research if this strategy is effective in creating brand awareness, as well as increase in sales turnover, and competitive advantage. This will determine if the change in strategy is viable.

As there is no available academic literature on this topic, sampling is in the form of secondary data from questionnaires, as well as questionnaires to stakeholders, and the analysis of the data produced from these sources, through applied research.

Due to the nature of this business and the proposed strategy it would not be feasible to draw parallels to other industries , as the dynamics are not similar.

This data is also analysed in terms of academic modern business analysis methods. The intent here is to establish the direction of strategy and its effectiveness thereof.

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## 1. Introduction

Traditionally Japanese companies have put the customer first in their approach to strategy. This strategic approach can be detrimental if the forward planning into new markets is not calculated and thought-out accordingly. It is in light of this statement that Trust Company, an e-commerce based, used motor vehicle exporter in Japan, has embarked on an ambitious strategy to enter into the African markets, not only from an internet base, but also through on ground sales activity.

Trust Company Ltd, listed on the Tokyo stock exchange two years ago, and assured its investors of growth. This growth is to be in form of development in regions that have seen favourable market conditions, for Trust Company, over the past few years.

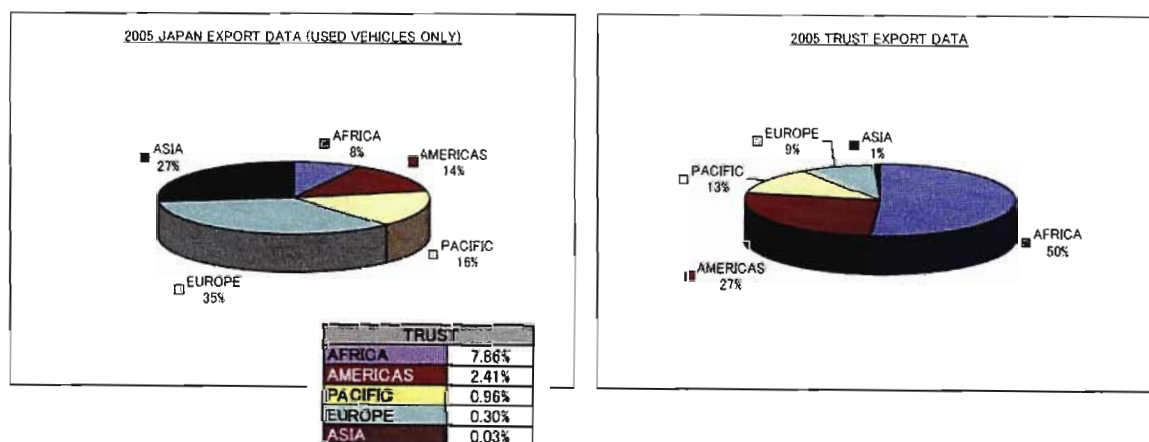


Figure 1.1 Japan and Trust Company Ltd Export Data

The above diagram indicates the market share of Trust Company Ltd compared with total market share. One notes that Trust Company Ltd is successful in the African market, which makes up only eight percent of the global market share.

It is on the basis of this strength that Trust Company Ltd has developed a strategy to expand into the African market and establish Internet dealerships in certain African cities. It is also considering placing stock in strategic areas in Africa, thus making the stock available to customers, for inspection prior to purchase, and to improve delivery times. It

is through this strategy that Trust hopes to grow market share in a market where they have dominance and presence, as well as secure market share from other exporters seeking to enter these markets.

### **1.1. Motivation for the research**

Many foreign companies enter African markets in the same manner that they would approach their own regional markets. Without full knowledge of the African market conditions this can lead to difficulties, and eventually failure by these companies. The motivation for this research was to assess the change in current sales strategy of a Japanese company, in its endeavour to succeed in a very difficult market, and determine if this is a potentially successful strategy.

### **1.2 Value of the research**

The value of the research will be that the change in strategy can be assessed, and its success or failure determined. This assessment will allow for better understanding of these target markets and the customers, and lower the barriers of entry. This entry is often made more difficult by the lack of understanding by foreign companies investing in Africa. The value of the research lies in the possibility that it will lead to fewer mistakes being made and improved assessment of the strategy before embarking on this venture. This will ultimately lead to cost savings and resources benefits for the company

### **1.3 Problem Statement**

Entrance into international markets, particularly African markets, can be treacherous, and strategy needs to be sound. Although mistakes will be made the task is to minimise these at little cost to the company. The problem that Trust Company faces is that they have embarked on a strategy of moving closer to the customer, at the customer's request, to increase and maintain market share, and dominate market position. Although this may be a sound strategic move, they face the additional setup costs of entering the market instead

of remaining at home office as an e-commerce trader in Japan. The problem statement is, Should Trust Company remain as an e-commerce based operation, or will the move to incorporate face to face , on ground , in market presence result in an increase in market share in Africa.

#### **1.4. Objectives of the research**

The objective is to assess the strategy for the intended move into the African market and to assess if the change in the current strategy will be effective for the company.

#### **1.5. Research Methodology**

Applied research, through secondary data and Questionnaires will be used to gather data from Trust Company Ltd customers, and other relevant parties that have been interviewed. The data from the questionnaires and the interviews will be analysed by use of, SWOT analysis, and Porters five forces model.

#### **1.6. Structure of the study**

### **Chapter 2**

Chapter 2 covers the literature review which reviews the broad features of international strategy, and discusses business level strategy, so that the concept can be understood and analysed. There is also a focus on the risks. The chapter ends with a description of the fundamentals of the used car export market in Japan, and the process in Sub-Saharan Africa, as well as the current process adopted by Trust Company Ltd.

### **Chapter 3**

Chapter 3 covers the methodology used and data collection process. This chapter explains the feature of the data collection and what methods will be used, and the effectiveness thereof. It will also explain the use of academic analyses to assess the data the has been collected.

### **Chapter 4**

In Chapter 4 the data that has been collected from the secondary data, and from interview schedules are presented. The chapter will further assess the relevance of the data for the markets in light of effective academic analyses.

### **Chapter 5**

Chapter 5 covers the discussion and the evaluation of the data. This chapter will assess the data that have been presented. It will also assess the suitability of the data, and will also make recommendations accordingly. The limitations will also be discussed.

#### **1.7 Summary**

The Conclusion of strategy of Trust Company Ltd is assessed in light of the above in order to determine the potential success of this strategy , and whether the problem statement is addressed.

The chapter two will deal with the literary review which will allow for better understanding in to the relevant market and the outlying factors of the strategy.

## **2. Literature review**

### **2.1. Introduction To International Strategy**

An international strategy is a strategy through which a firm sells its good or services outside the domestic market. One of the primary reasons for implementing an international strategy (as opposed to a strategy focused on the domestic market) is that international markets yield potential new opportunities (Hitt et al, 2003).

It is in light of this statement that VT holdings in Japan bought Trust Company Ltd into their stable. They have succeeded in the domestic vehicle market in Japan , and were now looking at expansive growth opportunities outside of Japan's borders. The historical strategy has been one of home based internet sales. Trust Company Ltd have not ventured alone into prospective markets , were the bulk of the customers are based , such as Zambia , Zimbabwe and Tanzania. They have rather relied on internet sales to generate sales ,and marketing through advertising in these respective markets.

The main factors to be considered when embarking on an international strategy are: increased market size; return on investment; economies of scale; advantage of location.

An increase in market size is a factor to consider in light of the fact that the Japanese domestic market is saturated and competition is tight. Return on investment would be a consideration , in that the investment needs to yield adequate returns, especially as extra costs are needed to enter such markets. In this case the initial return is small and the selling functions are on a positive cash flow , as customers pay upfront for units. Basically the only capital outflow is for stock investments in the relevant regions. The return on investment , is directly proportionate to the capital outflow for the stock holding.

Economies of scale are critical in the global auto industry (Hitt et al, 2003). The synergies for VT holdings in entering the foreign markets are that they are in a position to offload used vehicles from domestic dealers to the international market. Further to this, the knowledge gained from accessing the global markets , can set a platform for greater expansion with accessible domestic products at a later stage.

Location advantages need to be considered in light of the company's international strategy. Numerous factors are taken into account here, such as accessibility into these markets , as well as costs of set up and other basic costs. The African export market provides an opportunity through established ports , although barriers of entry will need to be assessed. The buying location remains static, and the export locations need to be developed accordingly.

## **2.2. International Business Level Strategy.**

In an international business-level strategy, the home county of operation is often the most important source of competitive advantage. The resources and capabilities established in the home country frequently allow the firm to pursue the strategy into markets located in other countries. Research indicates however, that as a firm continues its growth into multiple international locations, the country of origin diminishes in importance (Hitt Et al, 2003).

The strategic move to enter into the markets rather than operate as an e-commerce company may lead Trust Company Ltd into a situation where the export markets play a more dominant role in the business process. To further assess this possibility we look at Porter's model, Determinants of National advantage, to better asses the emergent strategy posed by Trust Company Limited



If one considers that demand dictate international business- level strategy then the African imported vehicle market must be regarded as significant as the demand currently exceeds the supply, since competition, until recently, has not been fierce.

The related and supporting industries, service back ups, bonded facilities, and extensive transport solutions, contribute to the attractiveness of the imported vehicle market in Africa.

The factors of production, an element in the determinants of national advantage, are not as demanding as would be required in an industrial environment; the factors do not prevent trade, and allow for low barriers of entry into the markets in this regard, and are therefore not as important as other elements in the business level strategy.

Firm strategy, structure and rivalry, within the context of Trust Company's emergent strategy are the final aspects in the model, and are important factors, as they secure the longevity of the strategy, in the foreign market. Adaptation to change, and structure in export countries , as well as rival strategies become important elements for survival and success in these markets. The actual strategic choices managers make , may be the most compelling reasons for success or failure. (Hitt et al, 2003)

### **2.3. An international strategic choice**

There are numerous strategic factors to consider when entering a foreign market, and these are determined by the international entry mode. Here a company will have to decide the best method to adopt, in order to maximise their efficiency when entering the respective market. In essence the expansion can take place in different forms. These entry modes, can be as follows:

Exporting is an easy way of entering the markets, as it has low control , and low risk provided that payment is secure but the costs may be high.

Licensing is a method that is quite common nowadays: we see many companies embracing distributors in the respective regions. This allows for low cost distributorship in foreign markets. However, the control and the returns can be limited as the distributor becomes the determinant in the success of the market .

Strategic alliances are another method which can be effective if the synergies are compatible with the foreign markets. The result may be shared costs and resources. The danger in this method is that markets and synergies change and change must be prepared for in future endeavours.

Acquisition is an option for quick entry into the foreign market place . However the complexities of a takeover in a foreign market need to be assessed in their entirety as a takeover can be time-consuming and the problems that occur can be costly. Another option is to open a company in the foreign market. This can be costly and time consuming , and the complexities in certain markets can be excessive. The benefit however is that the returns and control are maximised.

#### **2.4. Risks Of An International environment**

The risks of entering onto foreign markets , are great , and there are determinants that are beyond the control of the organisation. These are basically political and economical risks. If one considers the political risks then government legislation and regulation , as well as possible unrest and instability need to be taken into account when embarking on a foreign market entry.

Economic factors are also relevant in that firstly they are interdependent on the political risks . The stability of the country's currency needs to be taken into account. Economic policies such as duty and excise , will also play an important role, as they can effect factors of production for foreign companies.

The above elements will discussed in more detail in Chapter 4.

## **2.5. Market Environment and Brief Background**

### **2.5.1. Considerations For The Imported Used Vehicle Market and specifically the sub-Saharan African market place.**

The export of used Japanese vehicles effectively began some 20 years ago. The predominant market at that stage was New Zealand , who had lifted restrictions on the import of such vehicles.

The Japanese motor manufacturers see this as a crucial factor to their business, and as a result the government has many initiatives to encourage this industry. The cost of registration of motor vehicles increases each year and as a result , with low interest rates , the new car market is stimulated. There are other contributing factors such as emission taxes on older vehicles and model replacement initiatives from manufactures to drive the consumer to part with an old vehicle and purchase a new unit.

This leaves dealers with the issue of the remaining vehicles. The most popular way to sell a vehicle in Japan is through a registered auto auction. These auto auctions on-sell to registered buyers, most of whom are exporters. The cars are exported to most right hand drive countries around the world that do not have regulations preventing the sale of these cars into those markets. South Africa has preventative trade barriers.

The attraction is the general quality of the product, the price and the low mileage that the vehicles do. Fierce competition between companies takes place at the auctions to drive the price up and select the right vehicles for the markets were the companies are active.

The next challenge is that of logistics. As the consumer will most always require delivery to the nearest port, the responsibility lies with the seller to ensure shipping is done accordingly. The lack of shipping space in vessels escalates as certain markets are overloaded. Sellers also have to compete against routes that new car manufacturers deliver to. The majority of cars are delivered via Roll on-Roll off vehicle carrying

vessels. However, of late many cars are being containerised, packing three to four cars into a container due to lack of shipping space on the vehicle carrying vessels.

If one considers the global sales to the different regions it is noted that there is substantial volume out of Japan to various regions with the order in volumes being, Europe, Asia, the Pacific, the Americas and Africa. For Trust Company the major markets are those of Africa and the Americas.

If one assesses the Chart ( Appendix 4 ) one notes that the Russian market is the predominant market, taking a large portion of the export volume. One may ask why this market is not investigated for research: the reason is that it is a closing market, with regulations coming about that will see an end of Japanese vehicle imports. This has also resulted in flood of units before the regulation is put into place.

The sales are mostly internet based with many companies having internet sites that sell the cars that they have bought at the auctions. Some companies may take a 50% deposit and search the auctions for the client's requested vehicle. Many companies will keep a stock holding of 20 -50 units , depending on yard space. In the case of Trust Company Ltd the average number of units under control at any time is in the region of 2000 units. The average turnover is approximately 900 units per month to approximately 141 countries.

The African market is considered a growth market as the GDP in countries increases , politics stabilise, and personal wealth increases and empowers potential customers. In Africa the Sub –Saharan region is the most lucrative markets right now. The reason for this is that most African countries are predominately right hand drive and have an established target market.

Furthermore there are already established shipping routes to these regions. The ports that are accessible to these markets are Durban , Maputo , Dar-es-Salam and Mombassa .

The port authorities in these regions , have put in infrastructure to cope with the influx of cars into these regions.

The spin-off of the delivery to these ports is that logistics infrastructures need to be catered for. There are many clearing agents in the relevant markets assisting customers to clear units. The delivery to the ports also allows for customers in landlocked countries such as Zambia , Zimbabwe and DRC , to collect their vehicles. This has also resulted in the need to transport the units to neighbouring countries , and large car carrier companies have been established to cater for these customers' needs.

In the port regions bond stores have been established that allow potential customers to purchase from these stores, clear the vehicle and drive to their home countries. There is currently an influx of these bond stores in Durban due to the growth in the markets around South Africa , and the ease of collection and delivery on the South African roads.

Trust Company Ltd. has elected not to establish itself in these port markets, as the markets tend to be price driven and quality and reliability are not potentially strong determinants in the purchasing consideration. As the markets become far more competitive, the possibility of bond stores expanding to interior countries is very high.

### **2.5.2 Considerations from other industries**

Due to the fact that no academic literature is available , for this particular industry in the Sub-saxhorn market , analysis of other industries could be an measure of the potential success.

The establishment of Japanese companies in Africa such as Toyota in Durban , and Mitsubishi's interest at Mozal in Mozambique , show significant growth and promise. However these are manufacturing industries. There are no examples to draw from, where e-commerce based companies have changed strategy , and approached the customers directly in a foreign market. The only similar strategy that could be drawn on, is the

advent of E-Bay stores in the USA , that have sprung up in order to support the e-commerce feature of this website , these however are seen more as trading partners than company owned stores. This is an example of an emergent strategy in a domestic market.

### 2.5.3 Trust Company Ltd limited Selling imported used Japanese Vehicles into Sub-Saharan Arica.

In order to assess the strategy of Trust Company Ltd the research set out to investigate the feasibility of the strategic approach by Trust Company Ltd The strategy is to expand from an e-commerce domain , to that of a face to face customer service centre in certain African markets. It is important to understand the current business model and how it will differ to that of the emergent strategy in Africa.

Currently , should a customer wish to purchase a vehicle the following steps need to be taken:

#### 1. The customer searches the website . [www.japanesevehicles.com](http://www.japanesevehicles.com)

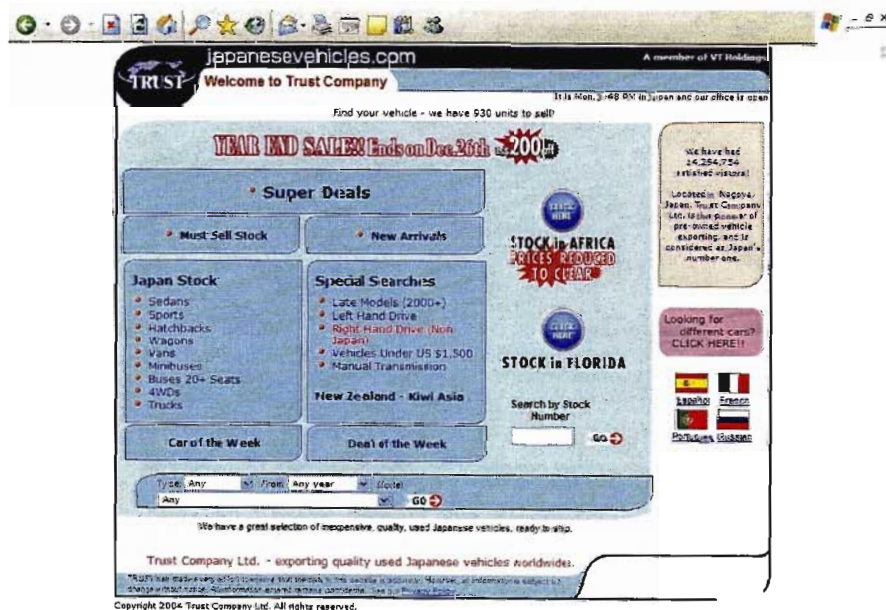


Figure 2.1. japanesevehicles.com website

2. Customer selects the type of vehicle that they will be looking for ;

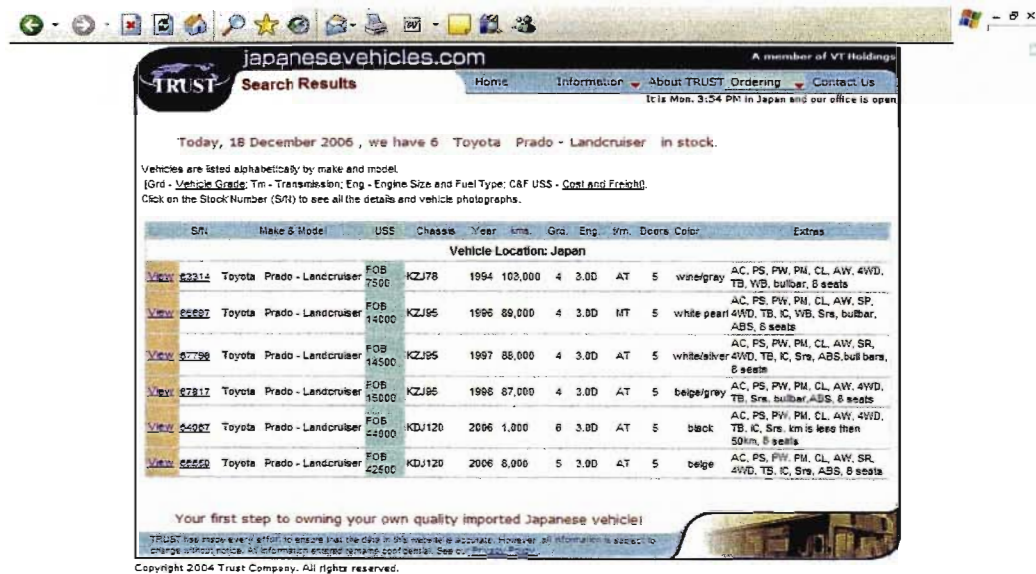


Figure 2.2. Specific stock selection the website

3. Customer opens an order and enters data that would be captured on an invoice

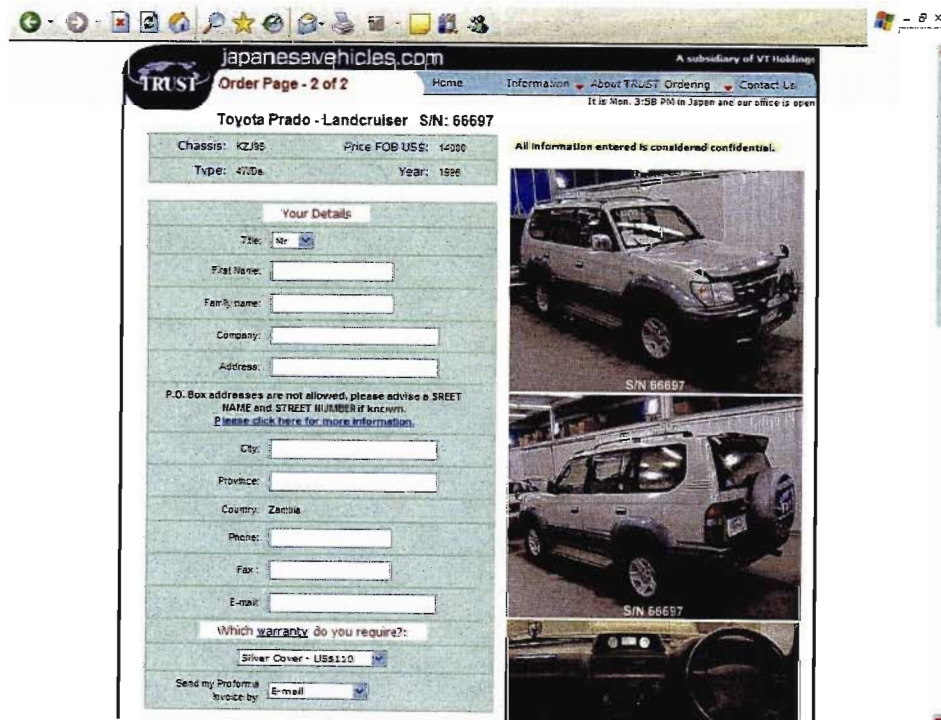



Figure 2.3 Internet order Page



4. The Invoice would then be generated automatically, allowing the customer to make payment.

**Proforma  
INVOICE**

Date:18-Dec-06



**TRUST**  
japanesevehicles.com

TRUST COMPANY LTD.  
SAKABE VT BLD. 3F 5-10-32 NISHIKI  
NAKA-KU NAGOYA 460-0003  
TEL:+(81)-52 219 90 24  
FAX:+(81) 52 219 90 25  
E-MAIL:sales@japanesevehicles.com  
**"Authorised Vehicle Exporter"**

<b>1. Invoice No.</b>	<b>363129</b>		
<b>2. Customer</b>	Customer No. 168144 TBA, , , E-mail: lusaka@japanesevehicles.com		
<b>3. Details</b>	Sr:	66697	
	Make:	TOYOTA PRADO - LANDCRUISER	USD 14,000
	Chassis:	KZJ95-0026112	
	Year:	96	
		INSURANCE	USD 110
<b>4. Freight</b>	Shipment from Nagoya to	<b>DURBAN</b>	USD 1,700
	<b>CIF</b> ( Cost,Insurance and Freight )		USD 15,810
<b>5. Payment Due Now</b>	Please remit <b>USD 15,810</b> to:		
	account name: Trust Company Ltd.	account #:	1112328
	bank name The Bank of Tokyo-Mitsubishi UFJ, Ltd.	branch:	<b>NAGOYA MAIN OFFICE</b>
	swift code:	<b>BOTKJPJT</b>	
	<b>Quote INVOICE NUMBER 363129 In message box on TRANSFER, this will ensure quicker payment confirmation and shipping.</b>		
<b>6. Documents</b>	Will be sent upon receipt of Bank Transfer for full amount		
<b>7. Shipping</b>	Shipped per Next Vessel from Nagoya to <b>DURBAN</b> Upon receipt of payment we will commence shipping immediately.Priority Shipping Guaranteed!		
<b>8. Benefits</b>	For any queries you may have,please send us an E-mail to <a href="mailto:africa@japanesevehicles.com">africa@japanesevehicles.com</a> Our expert team is always at your service. <i>japanesevehicles.com - the Trusted Name in Export Vehicles</i>		

*Drive With Pride*

Figure 2.4 Computer generated , Pro-forma Invoice



5. Upon receipt of funds, a confirmation is sent out , and shipping details and ETA advised , as well as an option to select a clearing agent of customer's choice.

The difference with the new strategy is that an internet dealership will be created in the selected market. The markets that trust company ltd have selected, are those of Zambia, Zimbabwe and Uganda.

The setup in these markets will be in the form of an internet dealership. This format will look similar to that of an internet café, however the users will only be able to browse for units at [www.japanesevehicles.com](http://www.japanesevehicles.com). There will customer service staff on hand to assist with any queries and obtain invoices and payment , which can be made in the respective home country.

There will be an availability of local stock as well as the internet site that one would find on Japan. The stock that would be available is the stock most favourable to the particular market. Infrastructure plays an important role as there would be a need for a facility in which to transact and cater for bonded units on site.

Expanding markets such as Zambia , Zimbabwe and Uganda are important to the growth of Trust Company Ltd in that they increase the market share in the African region, and the ability to improve growth, substantiated by being closer to the customer, is the relevant reason for the expansion into these territories

Closing markets are of concern, and with the ability to be on the ground as markets close others will have to be opened.

Complexities are a factor in that logistics become crucial to the success of the endeavour. The customer will measure the sale by the ability of the company to deliver the goods.,

Should they not want the vehicles that have been selected from the stock on the ground , that is kept at strategic locations , but rather on the internet.

When the customer orders Japan stock from local representatives, their ability to deliver the product , in a quick turnaround time , will be assessed by the customer , and can contribute to the success or failure of the sale.

## **2.6. The Competitive advantages in the market**

It becomes important to explore the relevant competitive advantages as they will determine the success of the new strategy. The following factors have been deemed relevant in the respective industry , as well as in the market place and will be discussed accordingly.

### **2.6.1 Cost advantage in the market**

Pricing becomes very relevant in that consumers will have to determine the higher costs for the goods that are available within the market or wait for the units to be purchased and delivered to the respective markets. The pricing can be improved on if better logistics costs are negotiated from within the delivery markets. This may see to a competitive advantage in the pricing.

### **2.6.2 Differentiation advantage**

The concept of being close to the customer can be seen as a differentiation advantage. With many competitors competing on the internet, the strategy that allows for personalised customer service may result in many customers turning to this type of service as they may feel more comfortable parting with their money to an individual rather than online (Hitt et al, 2003).

### **2.6.3 Service Advantage**

The service advantage , may be that of the logistics benefits that the consumer may reap. This can also be seen as the extended customer service that will be facilitated, and these advantages will be crucial in determining extended competitive advantage against that of other companies entering the African market place.

### **2.7. Conclusion**

This chapter dealt with an understanding of the infrastructure of the markets through the literature review and the intention of what is to be analysed , in light of the introductory statements.

An account of the international strategy from a secondary point of view , as well as a business level strategy was given. It is also important to highlight the risks associated with the strategy , as well as the competitive advantages available to the company within the relevant markets.

An account of the industry from a global perspective , brought down to a Sub Saharan African perspective was given. The workings of the Trust Company Ltd. infrastructure were also accounted for and it is in light of this structure and the change thereof that the research will be analysed with consideration for the markets and analysis of the customers therein . Comparisons to other industries is very difficult due to the dynamics of this industry , and the fact that it is an ecommerce industry evolving into retail customer service , on a regional scale.

In light of the above, the next chapter will describe the type of research that will be done , in order to best assess the strategy that Trust Company Ltd will be embarking on.

### **3 Methodology and data collection**

#### **3.1 Introduction**

The strategy of Trust Company Ltd was assessed in light of the analysis put forward in this section. The research that was conducted was qualitative in nature. The applied research that has been conducted is relevant, in that it explores the various avenues of the business, and analyses the various elements within the industry, from the customers to the suppliers, not withstanding internal members in the company.

The purpose of the applied research proposal is to analyse the effectiveness of the change in strategy by Trust Company limited, from internet based sales, to personal sales on the ground, and to assess if this is a viable strategy for this company to embark on.

#### **3.2 Purpose of the research**

The purpose of the research is develop an understanding of the market conditions , and that of the customers requirements , as well as a better understanding of the target market in the proposed region, taking the future strategy into account. The evaluation of the data, and the result thereof will be crucial to the organisation , and the assessment of this information will result in better emergent strategy ,and ultimately cost savings and better planning for Trust Company Limited , and to determine if the change in strategy will be beneficial to Trust Company in the long run.

#### **3.3 Timescale of the research**

The timescale for completion of the research project was nine months. This is due to the fact that the data collection needs to be relevant to current market conditions. This can be a volatile industry, with ever changing legislation from governments in terms of locality, and customs duty and excise fundamentals. All of these will have an impact on the customer's response, and it is therefore vital the research was done within this allotted time frame.

### **3.4 Literature sources available**

There was a distinct lack of relevant information in the availability of Journals, Newspapers and books as well as a lack of frequency of what was available. Much of the research was available through the internet, as this is an e-commerce based industry. Also taking into account that this is a Closed industry, Trust Company is open in terms of financials as it is listed on the Tokyo Stock Exchange , with only 1 other Used Vehicle exporter. However no feasible strategy comparison is available. With assistance from the GSB at the University of Kwa-Zulu Natal , an attempt was made to search for similar businesses and experiences , non of which showed to be relevant or valid. Due to the nature of this particular industry it proved very difficult to draw parallels from other industries , as most we manufacturing based industries.

### **3.5 Approach to the research project**

The approach to the research project, was one of realism; and testing the theories that were put forward, in terms of the change in strategy. The best way to do this was through data collection by means of Secondary data collection , and then interpret this data , as well as primary data through interviews and to develop conclusions, against the theories that were put forward.

### **3.6 Research ethics and access to information**

The feasibility of the research project, made access to information quite difficult in terms of primary and secondary data , this was only available from Company questionnaires. However due to the nature of the industry , and the captured clientele , the access to primary data was accessible , and the questionnaires put forward by Trust company were relevant to the applied research in that they created a better understanding of the target market , and cross referenced the markets approach to the product , to analyse if it was internet or on actual retail contact that motivated the consumer.

In terms of ethics, clearance was given by all interviewee's prior to interview. The Trust Company Limited questionnaires, database and company information was cleared prior to the research project getting under way.

Taking the questionnaires into account, the use of the results, that were accumulated by Trust Company provided important research information. The use of Interview schedules were used with consent from stakeholders. The research project was granted approval by the ethical consideration committee of the University of Kwa-Zulu Natal.

### **3.7 Sampling**

The sampling that was approached in this research project, was not large by nature, and core samples were taken from within the target markets. The sampling was divided into two sections of data collection, both from secondary data obtained from Trust Company Ltd Questionnaire. Questionnaire 1 was applied in locally in Africa, at the internet retail outlet received 108 responses. Questionnaire 2. was placed on the internet, and a sample of 1349 respondents was received. Therefore taking real and relevant assessments into account, from dedicated purchasers it was found that this method was most effective in streamlining the questionnaires, and limiting the opportunity of errors.

The sampling was systematic by nature, and this allowed for a lower sample, but accuracy was not neglected.

### **3.8 Data Collection**

Data collection was done in the form of questionnaires, through secondary data, as a method of applied research.

One of the questionnaires was put on the internet for the global customer base. The questionnaires were also completed by the customers on the ground in the proposed markets. Two different types of questionnaires were used to collect data. Further more Data has also been gathered from the Trust Company Ltd database, which allows for interpretation in conjunction with the strategy. An interview schedule was also put

forward to stake-holders, in order to determine their interpretation of the expansion, and the spin off effect on their respective businesses.

### **3.9 Secondary data**

The access to secondary data, and the reliability and accuracy of the secondary data, had to be assessed. This was the most viable form of data if the problem statement was to be assessed using applied research methodology. Questionnaires, databases and websites were the best source of secondary data. Secondary data provided for few resource requirements, and in many instances allowed for the data to be assessed in light of the intended strategy.

### **3.10 Primary Data**

The data collection, was mostly in the form of primary data , through questionnaires and interviews. This presented for structured data information, and allowed for formulated data analysis. The use of structured group interviews allowed for comparative answering on different levels.

The questionnaires were of unambiguous nature, and were closed questions. This allowed for ease of data collection.

### **3.11 Research Strategy**

The Applied research is exploratory in nature in that the strategy is assessed in light of analyses determined to be effective in evaluating the research problem. The use of secondary data will allow for extensive evaluation of the relevant target markets and assessment of the consumers. The secondary data and academic analysis , will be analysed in terms of market regions and the emergent strategy.

### **3.12 Questionnaire design.**

The design of the questionnaires was of closed format by nature by Trust Company Ltd. They were easy to complete, as well as being basic they were found to be reliable. They allowed for ease of data analysis through the presentation of the data.

Below is questionnaire 1 and 2 , and the interview schedules. Question 1 is targeted towards Local respondents.

Questionnaire 1 is market specific to the actual change that will take place in terms of strategic change.

Questionnaire 2 is more product based and understanding customer demographics , and relevant in obtaining broad based understanding of the market, but vital in cross assesmne tof the target market , which is specific to the chage strategy.

Permission was granted from Trust Comnay limited to use the company resources to obtain data – See Appendix 3 .



### **3.13 Questionnaire 1 ( Appendix 1)**

This questionnaire was handed to customers who frequented the internet retail outlets in Africa, in order to assess the viability of the strategy. The questions posed were closed questions by nature.

The questions were structured in such a way , as to ascertain , the customers need for stock availability. The questionnaire would also be able to determine the customers payment and logistics requirements, all of which are crucial to the decision making by Trust Company Ltd. Each element of the purchase process is questioned, and the customers preference is allocated.

As all these preferences are analysed , a pattern will develop that will determine that customers wants , and if the strategy is in line with the customers requirements. This will determine , where the customer would prefer to view stock , make payment , and collect stock ; all of which are relevant determinants in the growth strategy.

As Trust Company Ltd. are determined to embark on this strategy , it then becomes vital to understand the customer needs , and questionnaire 2 provides vital information about the customers , so as to make the strategy successful through better understanding. This questionnaire was confidential and no interviewees details were made public.

### 3.14 Questionnaire 2 – ( Appendix 2)

The questionnaire is relevant to the applied research in that it creates a better understanding of Trust Companies Target Market, and what their needs and wants are.

If Trust Company Ltd are to embark outright in this strategy it has to understand the target markets , advertising and market longevity , in order to perform effectively .

Due to the fact that the questionnaire data has been collected from Internet and local respondents, it will also allow for comparison between the two, with the latter being the more prolific target market.

The questionnaire was designed in such a way that the target market can be assessed in terms of the following:

- Age – this will determine the age of the target market
- How the respondent found/identified Trust Company Ltd- this will determine the most effective form of communication to attract customers
- The type of vehicles that the respondents would look for – to ascertain buying advantage in Japan.
- What purpose they would be used for – to determine what type of vehicles to pre-purchase , and how to market this purchase.
- The length that they would keep the vehicles for – to identify the longevity of the market before customer repurchase another unit.
- How often the visited the new facility – to ascertain the frequency of customer visits.
- What vehicle they are currently driving – compare against that of the intended purchase , to observe sale evolution in the market place.
- How many vehicles they currently own – to note if repeat customers or dealers capable of multi-purchasing.
- Who drives the vehicle – to determine the decision maker from customer base.
- Whether they would like to receive an invoice there and then – to ascertain if the customer will make use of the customer service centre against that of the internet.

Questionnaire 2 is vital , in that the Trust Company Limited has not assessed its target market , rather it has purchased product that sells , based on past performance. If the company is to embark on a growth strategy with the region , it becomes vital to ascertain who the customer is. The data collected will allows for evaluation of the cross section of customers in this region. It will also allow for evaluation in comparison to other market sectors , around the globe , and will influence the purchase , selling and marketing process , as the Trust Company Limited expand into the region.

This questionnaire was placed on the e-commerce website to obtain a large sample , form an existing customer base. Due to the fat that the questionnaire was placed on the website it falls under the disclaimer and privacy conditions of Trust Company Limited , therefore no customer details are released or made public , as per the legal and ethical requirements.

<http://www.japanesevehicles.com/privacy.php?lang=en>

### **3.15 Interview schedule**

The following interview schedule was sent to five stake-holders :

Grant Lendrum – SDV Zambia – Clearing and forwarding agent for Trust Company Ltd. in Zambia

Neville Bester – Vehicle Delivery Service – Cross Border Car carriers Johannesburg

Denis Tugume – Flitlinks -Clearing agent Kampala – and possible sales agent Uganda

Kuben Naidoo – AVECS – clearing and forwarding agent Durban

Jay Nishiyama – Presdient of Trust Company – (questions were altered to make sense; to get perspective from his strategic point of view)

## Interview Questions

<ul style="list-style-type: none"><li>• 1 . Which six African countries would you determine to be Trust's most lucrative markets.</li></ul>
<ul style="list-style-type: none"><li>• 2. Do you think that the move from an E-commerce operation to, a ' Closer to you ' concept, is a good one; and why?</li></ul>
<ul style="list-style-type: none"><li>• 3.How has Trust Company's strategy impacted on your business?</li></ul>
<ul style="list-style-type: none"><li>• 4. What further changes would you like to see , that would have an impact on your business.</li></ul>
<ul style="list-style-type: none"><li>• 5. Taking your answer to question 4, into account - what do you think would be the end result to the final customer?</li></ul>

Figure 3.1. Interview questions

The above will determine how the relevant stakeholders in their respective businesses ,and regions see the lucrative markets for Trust Company , and how they see the knock-on effect on their businesses , and the end result for the consumer.

### 3.16 Analysis in the research project

Further analysis of the markets has been done by:

- Swot Analysis – This will done to determine the micro and macro factors concerning the industry and ultimately assist in the evaluation of the strategy and research problem.
- Porters five forces model – This analysis will be used to determine the competitors threat of substitution and new entrants ; the strength buyers and suppliers.

Each analysis will include an evaluation from the FAROUT rating system framework from Strategic and Competitive Analysis ; Fleisher and Bensoussan (2003). This framework provides a means of evaluating analytical tools used in the process of collecting, processing and evaluating of data. The framework seeks to verify that the correct analytical tools have been selected, thereby ensuring efficiency, effectiveness and the efficacy of the process and findings (Fleisher and Bensoussan 2003).

The system includes a five point rating scale to assess each analytical tool. The scale ranges from one (1) at the lowest end of the scale and five (5) for the highest/best score.

FAROUT is an acronym for:

F – Future Orientation of the tool.

A – Accuracy which takes the probable source of data into account.

R – Resource Efficiency. What is the volume of resources (financial, people, data) required?

O – Objectivity or the presence/absence of bias and or mindsets.

U - Usefulness of the tool based on the strategic output that the tool can deliver.

T – Timeliness. How time effective is the tool?

### **3.17 Summary**

The above notes the intent in which to present the data , in order to achieve the applied research objective. The methods that have been used are qualitative by nature, and the data are presented in graph format ,and analysed accordingly. The academic analysis is presented in bulleted format in order to highlight the relevant points applicable to the respective industry and market places.

The methodology chosen was deemed to be the most effective , in that it covered the various aspects of the industry from macro to micro as well as the customers' and

stakeholders' points of view thereby giving an analysis from different perspectives , both broad and narrow , and assisting in determining the applied research objective.

The different questionnaire will allow for an in depth analysis of the customers demographics , and of the customers purchasing patterns , this will facilitate a better understanding , in which to make recommendations , based on the findings of this data. Questionnaire 1 is more specific towards the Retail strategy , in giving an insight into the customers needs . Questionnaire 2 is broader by nature , however it provides data that will allow for assessment of the relevant target markets , as well as strategic advantage in areas of purchasing , sales turn around and marketing , all or which are relevant to obtain advantage in the new strategy.

## 4. Presentation of Data

### 4.3 Result of Questionnaire 1

1 Where would you prefer to purchase your vehicle?				
Japan	Durban Stock	Jo'burg Stock	Harare Stock	Lusaka Stock
92	5	0	3	15

2 Where would you prefer to pay for your vehicle?		
Japan	Lusaka	Other
32	75	8

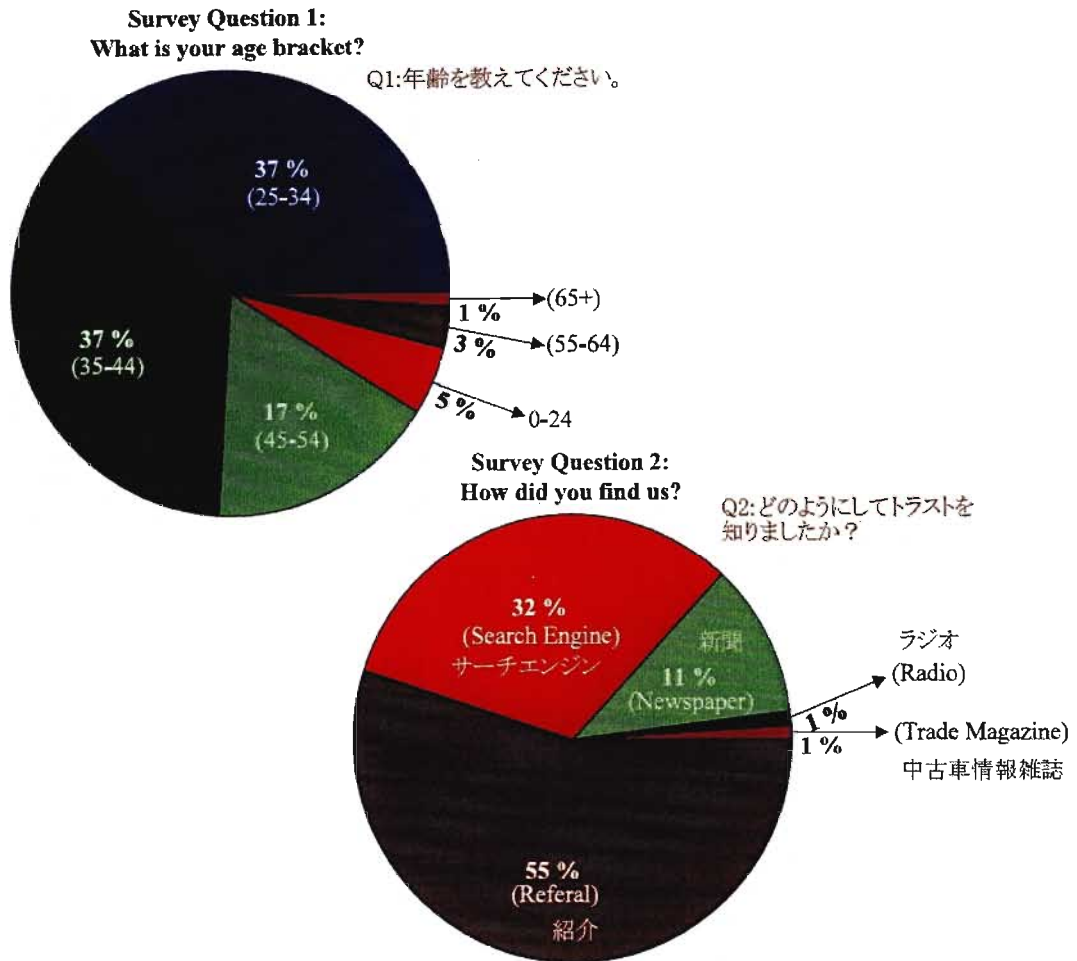
3 How would you prefer to pay for your vehicle?		
TT	Cash	Credit Card
46	69	0

4 Would you prefer your vehicle to be delivered or would you prefer to collect at Port?			
Deliver final destination		Collect at port of Delivery	
10		105	

5 Where would you prefer to collect your vehicle?					
Durban	Dar-es-salaam	Jo'burg	Gaborone	Harare	Lusaka
13	82	0	0	4	16

6 Would you like your clearing agent to be:			
Trust Agent	Your Agent	Recommended list of Agent	
27	82	5	

## 4.2 Findings of global questionnaire

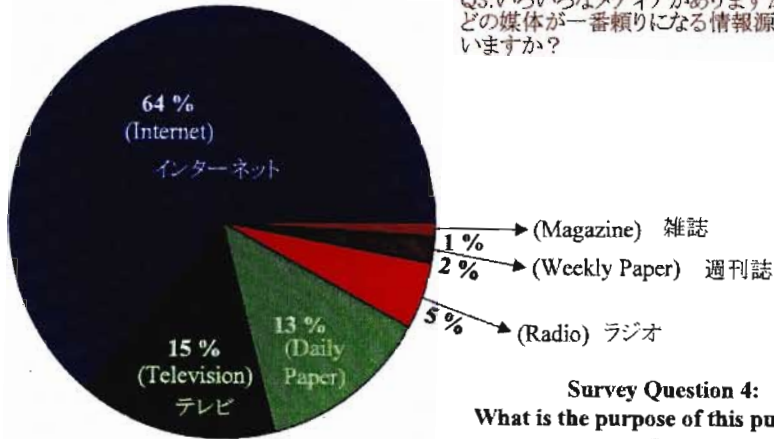


Total number of surveys, without duplicates was **1,349**.



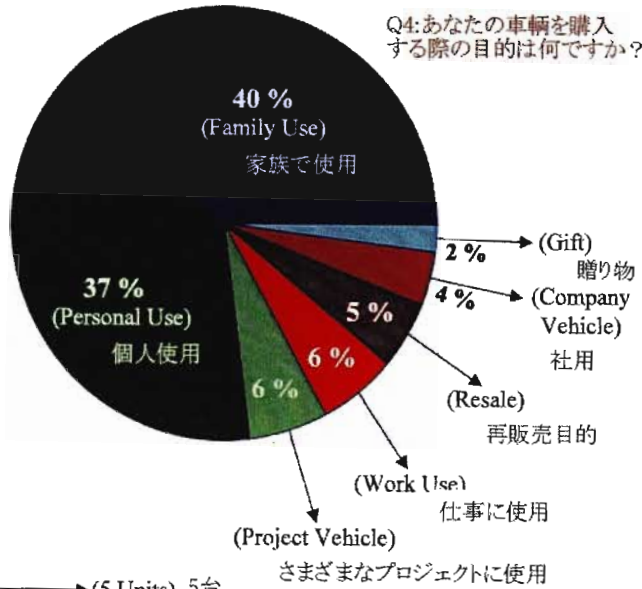
**Survey Question 3:**  
Of the various types of media available to you, which one of these sources do you rely on most often for your news and information?

Q3:いろいろなメディアがありますが、どの媒体が一番頼りになる情報源としてありますか？



**Survey Question 4:**  
What is the purpose of this purchase?

Q4:あなたの車両を購入する際の目的は何ですか？



Q5:車を何台所持していますか？

**Survey Question 5:**  
How many cars do you have in your family

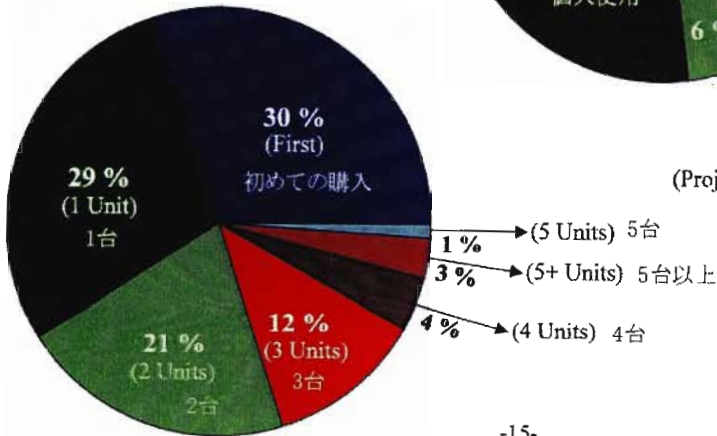


Figure 4.1. Results of Internet based Questionnaire



### 4.3 Raw Data of Local questionnaire

Customer#	Age Bracket	How did you find us?	How often are visits to facility?	Model planning to Purchase?	Purpose of purchase?	Vehicles currently owning	Who drives this vehicle?	How long would you keep a car?	Quotation?
1	35-44	Newspaper	First	2-3 tons Canter	Utility	Three	Self	4 years	No
2	35-44	Search Engine	First	7 ton tipper track (Mitsubishi)	Business	Eight Trucks	Drivers	2 years	Yes
3	25-34	Newspaper	First	Corolla	Business	None	N/A	4 years	Yes
4	25-34	Newspaper	Sometimes	Corolla	Domestic	None	N/A	3 years	Yes
5	35-44	Newspaper	First	Corolla	Evangelizing	None	N/A	5 years	Yes
6	25-34	Newspaper	Sometimes	Corolla	Domestic	None	N/A	3 years	Yes
7	35-44	Newspaper	First	Corolla	Evangelizing	None	N/A	5 years	Yes
8	25-34	Newspaper	Second	Corolla	Business	N/A	N/A	3 years	No
9	25-34	Newspaper	First	Corolla	Mobility	N/A	N/A	More than 5 years	Yes
10	25-34	Search Engine	First	Cresta	Personal	One	Self	1 year	Yes
11	45-54	Newspaper	First	Honda Civic/Corolla	Domestic	Two	Self	5 years	Yes
12	35-44	Newspaper	First	Mark II Toyota	Domestic	One	Drivers	3 years	Yes
13	35-44	Newspaper	First	Mark II Toyota	Domestic	One	Drivers	3 years	Yes
14	35-44	Saw poster at Shop	Sometimes	Mazda B1800	Domestic	One	Self	2 years	Yes
15	25-34	Newspaper	First	Mazda Bongo	Utility	one	Wife	More than 5 years	Yes
16	35-44	Newspaper	First	Mercedes Benz A160	Personal	One	Self	More than 5 years	Yes

17	25-34	Newspaper	Sometimes	Mitsubishi	Business	One	Self	4 years	Yes
18	35-44	Newspaper	First	Pajero	Personal	One	Self	3 years	No
19	25-34	Referral	First	RAV4	Domestic	One	Self	3 years	No
20	25-34	Newspaper	First	Toyota Carina	Domestic	One	Young brother	2 years	Yes
21	25-34	Direct Mail	Once a week	Toyota Crown	Personal	Four	Self	5 years	No
22	35-44	Referral	Sometimes	Toyota Hiace	Family Use	N/A	N/A	5 years	Yes
23	45-54	Newspaper	First	Toyota Hilux	Utility	One	Wife	5 years	Yes
24	25-34	Newspaper	First	Toyota Vista	Domestic	One	Self	1 year	Yes
25	55-64	Newspaper	First	Any 4WD	Private/Bush	Three	Self	4 years	Yes
26	35-44	Newspaper	First	Canter	Delivery of farm input	One	Self	2 years	No
27	Under 25	Newspaper	Sometimes	Canter	Hire	Two	Drivers	4 years	Yes
28	25-34	Internet	First	Carina ED	Family Use	One	Self	More than 5 years	Yes
29	25-34	Newspaper	Second	Corolla	Business	N/A	N/A	3 years	No
30	25-34	Newspaper	First	Corolla	Mobility	N/A	N/A	More than 5 years	Yes
31	25-34	Newspaper	Sometimes	Mazda Capella	Personal	N/A	N/A	More than 5 years	Yes
32	35-44	Search Engine	Everytime am free	Mini buses or light trucks	Business	Three	Drivers	3 years	Yes
33	55-64	Newspaper	First	Pick up/Vans/ Cars	Personal	One	Self	3 years	Yes
34	45-54	Newspaper	Sometimes	RAV4	Transportation	None	N/A	More than 5 years	Yes
35	35-44	Newspaper	First	Surf Toyota	Family Use	Two	Wife and Self	4 years	No
36	35-44	Newspaper	Sometimes	Corolla	Personal	None	N/A	4 years	No
37	25-34	Referral	Once a week	Corolla	Leisure	One	Self	4 years	No

38	45-54	Newspaper	Sometimes	Corolla	Personal	None	N/A	5 years	Yes
39	55-64	Newspaper	First	Estima	Domestic	One	Self	More than 5 years	Yes
40	Under 25	Newspaper	First	Golf/ Subaru	Personal	N/A	Self	3 years	No
41	45-54	Referral	Sometimes	Hiace Van	Supervision	One	Self	5 years	Yes
42	25-34	Newspaper/ SearchEngine	First	Mazda Eunos	Family Use	Two	Wife	4 years	No
43	25-34	Other	First	Minibus	Business	Two	Self	3 years	Yes
44	25-34	Newspaper	First	Nissan Sunny	Domestic	One	Self	More than 5 years	No
45	25-34	Newspaper	First	Prado	Personal	Four	Drivers	More than 5 years	Yes
46	35-44	Newspaper	First	Sedans	Resale	None	N/A	2 years	Yes
47	45-54	Newspaper	First	Starlet	Daughters	One	Self	3 years	Yes
48	Under 25	Search Engine	Sometimes	Tipper Canter	Business	One	Self	5 years	Yes
49	35-44	Referral	Once a week	BMW	Personal	Two	Self	less than a year	No
50	25-34	Newspaper	Sometimes	Corolla	Personal	None	N/A	N/A	Yes
51	35-44	Other	First	Double Cab Hilux Toyota	Business	None	N/A	More than 5 years	No
52	35-44	Newspaper	First	Mark II Toyota	Domestic	One	Self	3 years	Yes
53	25-34	Saw poster at Shop	First	Mazda Astina/Lantis	Personal	Two	Self	More than 5 years	Yes
54	45-54	Newspaper	First	Mazda Bongo	Personal	none	son	5 years	Yes
55	25-34	Newspaper/ SearchEngine	First	Mazda Eunos	Family Use	Two	Wife	4 years	No

		e							
56	Under 25	Newspaper	Second	Sedans	Personal	Three	Drivers	4 years	Yes
57	25-34	Search Engine	First	Toyota Hilux	Family Use	One	Self	More than 5 years	Yes
58	25-34	Newspaper	First	Toyota Vista	Family Use	None	N/A	N/A	Yes
59	25-34	Newspaper	Sometimes	Windom	Personal	None	N/A	3 years	Yes
60	35-44	Newspaper	First	2-3 tons Canter	Utility	Three	Self	4 years	No
61	45-54	Newspaper	First	Corolla	Family Use	None	N/A	less than a year	No
62	25-34	Newspaper	Sometimes	Corolla	Personal	None	N/A	N/A	Yes
63	45-54	Newspaper	First	Mazda Bongo	Personal	none	son	5 years	Yes
64	25-34	newpaper	First	Mitsubishi Rosa	Business	None	Drivers	More than 5 years	Yes
65	25-34	Direct Mail	Once a week	New MARK II	Resale	THREE	Drivers	More than 5 years	yes
66	35-44	Newspaper	First	Pajero	Personal	One	Self	3 years	No
67	35-44	Referral	every week	Subaru impreza	Family Use	Two	Self	less than a year	Yes
68	35-44	Newspaper	First	Toyota Hilux	Business	One	Family	4 years	Yes
69	Under 25	Other	First	Toyota sprinter	Personal	None	Self	More than 5 years	Yes
70	25-34	Other	First	Toyota sprinter	Personal	None	Self	More than 5 years	Yes
71	25-34	Search Engine	Second	Toyota Wagons	Domestic	one	self	5 years	yes
72	55-64	Newspaper	First	Van	Business	One	Family	More than 5 years	Yes
73	25-34	Referral	First	Corolla	Personal	None	N/A	More than 5 years	Yes

74	45-54	Newspaper	Sometimes	Corolla	Personal	None	N/A	5 years	Yes
75	25-34	Newspaper	Sometimes	Corolla	Personal	None	N/A	N/A	Yes
76	35-44	Newspaper	First	Mark II Toyota	Domestic	One	Self	3 years	Yes
77	25-34	Referral	other	Sedans	Personal	None	N/A	5 years	Yes
78	25-34	Search Engine	First	Toyota Hilux	Family Use	One	Self	More than 5 years	Yes
79	35-44	Newspaper	First	Toyota Hilux	Business	One	Family	4 years	Yes
80	35-44	Newspaper	First	2-3 tons Canter	Utility	Three	Self	4 years	No
81	25-34	Search Engine	First	Cresta	Personal	One	Self	1 year	Yes
82	Under 25	Referral	Second	Mark II Toyota	Transportation	None	N/A	5 years	Yes
83	35-44	Newspaper	First	Pajero	Personal	One	Self	3 years	No
84	35-44	Search Engine	Mainly	Toyota Corona Premio (MT)	Personal	One	Self	5 years	Yes
85	35-44	Newspaper	Sometimes	Toyota Corona Premio/Mark II	Personal	None	N/A	More than 5 years	Yes
86	25-34	Direct Mail	Once a week	Toyota Crown	Personal	Four	Self	5 years	No
87	Under 25	Search Engine	Second	Toyota Crown	Home/Business	Three	Self	More than 5 years	Yes
88	35-44	Newspaper	Sometimes	Honda CR-V	Personal	One	Self	2 years	No
89	25-34	Came across shop	First	Nissan Sunny	Transportation	None	N/A	More than 5 years	Yes
90	55-64	Saw the shop	First	Sedan Corolla	Private use	Two	Self and wife	More than 5 years	No
91	Under 25	Referral	Second	Toyota Corolla	Leisure	None	N/A	More than 5 years	No
92	25-34	Referral	Sometimes	Toyota Grande 1995	Family Use	None	N/A	More than 5 years	Yes

								years	
93	35-44	Newspaper	Sometimes	Canter Mitsubishi	Utility	None	N/A	3 years	Yes
94	25-34	Newspaper	Everyday	Mark II Toyota	Resale	None	N/A	3 years	No
95	35-44	By a friend	First	Mitsubishi Delica	Commercial use	None	N/A	N/A	Yes
96	25-34	Newspaper	Second	Starlet	Personal	None	N/A	5 years	No
97	35-44	Newspaper	First	Toyoace	Farm use	None	N/A	N/A	Yes
98	25-34	Search Engine	Sometimes	Toyota Camry	Personal	One	Self	3 years	Yes
99	Under 25	Newspaper	First	Toyota Corolla	Personal	None	N/A	N/A	Yes
100	45-54	E-mail on PC	First	Mitsubishi Delica	Personal	None	N/A	N/A	Yes
101	35-44	Newspaper	First	Toyota Corolla	Personal	One	Self	More than 5 years	Yes
102	35-44	Newspaper	First	Toyota Corolla	Personal	One	Drivers	5 years	Yes
103	35-44	Newspaper	First	Toyota sprinter	Transportation	None	N/A	5 years	Yes
104	Under 25	Referral	First	Truck 1984 model	Business	None	N/A	More than 5 years	Yes
105	Under 25	Newspaper	First	Vintage Sprinter	Official use	One	Self	2 years	Yes
106	25-34	Internet	Weekly	2ton Truck/Benz/BMW Sedans	Family Use	One	Self	4 years	No
107	25-34	Search Engine	Sometimes	Corolla	Personal	None	N/A	2 years	No
108	35-44	Newspaper	Sometimes	Vista and Canter	Domestic	None	N/A	2 years	Yes

Table 4.1. Data Collection from Local questionnaire.

#### 4.4 Results of Local questionnaire

##### Question 1

Age Bracket	Percentage (%)
Under 25	9.25%
25-34	41.6%
35-44	32.4%
45-54	9.25%
55-64	4.62%

##### Question 2

How did you find Us	Percentage (%)
Mail	3.66
Internet	1.83
Newspaper	62.38
Referral	10.09
Search Engine	11,00
Other	10.09

##### Question 3

How often do you visit our facility?	Percentage (%)
First time	58.71
Second time	7,33
Sometimes	21,10
Weekly	7,33
Other	4,58



#### Question 4

Model planning to purchase	Percentage (%)
Toyota Corolla	19,26
Toyota Mark II	7,33
Toyota Hilux	5,50
Toyota Sprinter	2,75
Mitsubishi Canter	5,50
Other	59,25

#### Question 5

Purpose of unit of Purchase	Percentage (%)
Business	11,92
Domestic	12,84
Family	10,09
Personal	34,86
Utility	5,50
Transport	3,66
Resale	2,75
Other	17,43

#### Question 6

No of vehicles currently owned	Percentage (%)
One	34,86
Two	10,09
Three	7,33
Four	2,75
None	35,77
N/a	6,42

### Question 7

Who Drives the vehicle	Percentage (%)
Driver	8,25
Family	2,75
Self	36,69
N/a	40,36

### Question 8

How long to you intend to keep the vehicle	Percentage (%)
1 Year	2,75
2 Years	8,25
3 Years	18,34
4 Years	14,67
5 Years	17,43
Less than a Year	2,75
More than 5 Years	25,68

### Question 9

Would you like to receive a quotation now	Percentage (%)
Yes	71,55
No	26,60

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#### 4.5. Interviews Schedule

##### Question 1 .

Which six (6) African countries would you determine to be Trust's most lucrative markets?

Interviewee	Answer
Grant Lendrum	a. Ghana b. Kenya c. Zambia d. Zimbabwe e. Tanzania f. Mozambique
Neville Bester	a. Zambia b. Zimbabwe c. Botswana d. DRC e. Angola (Left hand drive.) f. Namibia
Kuben Pillay	a. Zambia b. Namibia c. Zimbabwe d. Botswana e. Congo f. Lesotho/Swaziland/Moz
Denise Tugume	No idea where Trust sells more units today. But Trust's market for tomorrow is in those countries without a lot of import restrictions. For example in Uganda, any kind of vehicle can be imported and registered – any year, RHD, LHD, ETC, and this widens the opportunity



Jay Nishiyama	<ul style="list-style-type: none"> <li>a. Zambia</li> <li>b. Zimbabwe</li> <li>c. Uganda</li> <li>d. DRC</li> <li>e. Botswana</li> <li>f. Namibia</li> </ul>
---------------	--

## Question 2

Do you think that the move from an E-commerce operation to, a ' Closer to you ' concept, is a good one; and why?

Interviewee	Answer
Grant Lendrum	<p>Yes it is good, as people need the attention and personal touch, especially in Africa.</p> <p>However this is only effective if Trust controls and maintains the “ closer to you” concept</p>
Neville Bester	<p>I would most definitely agree. This gives the buyer the comfort in the support he would get, and also Trust the opportunity to have the direct one on one relationship with their customer. Understandably their would be a 'set-up cost' but this would be amortised over a period of time. The investment would give a better long term return.</p> <p>This style would also reach another market that does not have E-commerce accessibility, and would be reached as passing trade or through conventional advertising and word of mouth.</p>
Kuben Pillay	<p>It is a brave new concept which should work. It is also important not to mix the identities and roles of the Trust and the new business. In my opinion the "closer to you market" should be done under a different banner but "IN ASSOCIATION WITH TRUST" This is done to keep</p>

	<p>the original brand intact and independent. Just remember that the new "franchises" can do either do a lot of damage or good to the Trust however it should not be left to chance hence the independence.</p>
Denise Tugume	<p>It depends on how you define 'closer to you'. I think the product does not have to get closer at this stage – considering our market niche. However, I think people should get closer to provide an interface with the clients.</p>
Jay Nishiyama	<p>Yes, I think the move from an e-commerce operation to a "Closer to You" concept is a good move.</p> <p>I think it's matter of time before the customers start demanding more. In the beginning no exporter carried stock in the local markets, the closest was at the port cities. Now, you can find vehicles in the local markets. Customers will pay more for convenience, confidence and service. Therefore, less will choose buying from the internet. In any market, where there are both physical dealerships and Internet purchasing option for vehicles, the physical dealership out sells the internet.</p>

### Question 3.

How has Trust Company's strategy impacted on your business?

Interviewee	Answer
Grant Lendrum	Trust Strategy has had a negative impact on our business, you still have your slow and busy months, but SDV has lost revenue due to our commitment to Trust on not handling other competitors business
Neville Bester	Our business gained the benefit of a centralised communication point on behalf of the importer to liaise and explain the process to expedite the delivery of vehicles. VDS also enjoyed additional market share with the extra sales to these destinations.
Kuben Pillay	My business caters for importation. It should not be affected however it should increase as long as Trust invests time in promoting both the new businesses.
Denise Tugume	It enabled us to embrace the attributes of e-commerce; and generally the positives and negatives that come with that.
Jay Nishiyama	Increase exposure, Trust's customers will be our future customers. Growth with Trust

#### Question 4.

What further changes would you like to see, that would have an impact on your business.

Interviewee	Answer
Grant Lendrum	More volumes arriving pre sold.
Neville Bester	I believe that Trust would require to invest in more quality stock on the ground at each location. This would give them the edge and ability to sell more vehicles. Consignment stock being placed with approved dealers would also give scope for additional sales and marketing.
Kuben Pillay	I would like to use Trust as shipping agent in Japan. Trust has the infrastructure that will be able to develop new business. Using the infrastructure there could be a lot more cross trade. Obviously this can be done under another banner.
Denise Tugume	I would like to see Trust's increased interest to sell that car to that client. Currently, Trust sells the car to that client who has laboured to find out about Trust. I think it should be the other way.
Jay Nishiyama	Branding ;signage on property and trucks; easier tracking on carriers ; customer updating

### Question 5

Taking your answer to question 4, into account - what do you think would be the end result to the final customer?

Interviewee	Answer
Grant Lendrum	Better quality product and service to the customer, thus better image for Trust
Neville Bester	The end result would allow the customer to 'see and feel' the product that he intends to purchase.
Kuben Pillay	I cannot answer this. The clients that we meet are convinced that getting a vehicle from Japan or Durban is much better.
Denise Tugume	The end result to the final customer will be positive. He will have enough information to enable him/her make a purchase decision. Quality, Choice, etc.
Jay Nishiyama	Better Quality, Better Value per \$, Better Service



## 4.6. SWOT Analysis

### Strengths

- Strong Brand Awareness
- Effective pricing through logistics infrastructure
- Service efficiency through logistics infrastructure
- Management in end user markets
- Strong network base

### Weaknesses

- Limited to certain markets
- Rely on key skills by individuals in company
- Management change
- Product differentiation not controlled
- Rely on logistics partners

### Opportunities

- New country market opportunities
- Left hand drive market
- Outgrowing competitors
- Expanding strategy
- Expand though African continent
- Economic improvement in markets

### Threats

- Competitors copying strategy
- More competition entering interior marketplace
- More pressure from customer in terms of price and quality
- Low market growth in established markets
- Economical and political threat from changing markets
- Barriers of trade through changes in legislation and revenue criteria.

FAROUT FRAMEWORK					
F	A	R	O	U	T
2	3	4	3	4	4

Figure : 4.2.

The SWOT analysis is sufficient for short term planning which is advantageous as the markets are currently very dynamic , although the strategy will need to be analysed regularly. It allows for a quick picture of the current analysis of Trust Company Ltd. Resource Efficiency, Usefulness and Timeliness all score four out of five. Accuracy and Objectivity are lower , and will need to be cross-validated.

#### **4.7. Porters Five Forces Analysis**

Industry analysis provides a structural analysis and outline of the industry, its participants and characteristics. The objective is to, identify profit potential protect competitive advantage and assess positive and negative forces.(Fliesher et al 2003)

##### **4.7.1. Industry Competitors and Rivalry**

There is a distinct difference among the competitors and rivals in that the competition takes place in different fields. Competitors are found on the internet competing for the net based customer. The other type of rival is the bond store seller in the port cities. Although the latter is small, banded together they do have significant market share. Competitors compete on different levels in terms of price, quality and availability. Slow industry growth results in increased competition, and aggressive market share combat.

Strategic stakes have increased and moves to open up in interior markets show this. A price dominated market increases competitiveness in other areas.

##### **4.7.2. The Threat Of New Entrants.**

- Low entrance costs means new entrants into market are always a threat.
- Customers are gaining strong product knowledge, and demanding aspects from new entrants who are delivering service values and raising the bar.
- It must be said though that the Trust Company Ltd Brand is strong against that of new entrants and there is confidence from customers as Trust has been doing business for 19 years.
- Capital requirements are low if a cash upfront system is initiated. Few cash flow problems are likely to be incurred in this aspect therefore start up costs are minimal for new entrants.

- It is very easy for customer to switch to another company as a price /quality differential prevails.
- Limited access to shipping lines and logistics is a problem to new entrants.
- Government legislation changes continually but it can be adapted to and is not major threat to a new entrant.

#### **4.7.3. The Threat Of Substitution.**

- We see e-commerce copy cats open up , such as [www.Japanesecars.com](http://www.Japanesecars.com) [www.japanesevehicles.cc](http://www.japanesevehicles.cc) that try to ride on established brand loyalty, in anticipation that customers will be lured to their site.
- Substitution in the form of copying invoice layout, pricing, website design, process flow, are all factors that create a substitution scenario .
- Substitution is very easily done, as all information is there to be seen on the internet.

#### **4.7.4. The Strength Of Suppliers.**

- Increased markets for carriers as there are limited numbers of carriers and demand often exceeds supply.
- Limited logistics substitutes due to complexity of logistics
- Limited shipping from Japan, as trade surplus results in space wars on vessels
- Supplier prices can affect sale , and affect purchase decisions, terms of availability , delay and expediting.
- Supplier is critical part to value added process.

#### **4.7.5. The Strength Of Buyers.**

- Intense buying at auctions.
- Buyer activity crucial to success on sales floor
- Backward integration prevalent as input is equal to output
- Many buyers from rival companies competing – result in price increasing , especially on demand models.

- Ability to purchase from dealerships does release competition at auction , but market price prevails.

FAROUT FRAMEWORK					
F	A	R	O	U	T
5	2	3	3	5	3

Figure: 4.3

The Five Forces analysis allows for the Future Orientation analysis for Trust Company Ltd.. The analysis also scores full points for Usefulness as it can be used for both current and dynamic strategy formulation (Fleisher and Bensoussan 2003). Fleisher and Bensoussan note that a weakness of this tool is its Accuracy especially if it is not part of a broader industry analysis (2003).

This analysis is effective for Trust Company Ltd , however due to the objectivity further secondary research would need to be analysed.

## **5. Evaluation And Recommendation.**

### **5.1. Evaluation of Data collected from Questionnaire 1.**

This data is very significant in that it determines the buying patterns of the customers. It is clear that the customers favour purchasing stock from Japan. They do however prefer the payment method to be in Cash , and pay Locally. Taking the data into account , the Port of Dar Es salaam is more favoured than the expected Port of Durban.

This data should be analysed at a later stage when the local stock offering is available in the local markets , and then determine customer response. What this data does realise , is that Trust Company Ltd. may be embarking on a strategy that may not be beneficial according to customer response. The recommendation from the data , is that stock should remain in Japan , and improved logistics alliance in the port of Dar-es-salaam should be looked at . New ventures for local payments initiative should be considered , in order to cater for customers wishing to pay locally. The data raises a concern that this may not be the best strategy for the Trust Company Limited, as per the results from interviewees indicate that they would not see a direct benefit. As the strategy progresses, further research would need to be done , on the effectiveness of the retail outlets.

#### **5.1.1 Evaluation of data presented in the Global internet questionnaire and Local questionnaire 2.**

The data results from Questionnaire 2 are pertinent , as they allow for on overview of the local and internet customer base. This questionnaire is vital , as Trust Company Ltd. will embark on this strategy , it becomes important that the information is used in order to successfully compare the difference between the Local purchasing customer ,and the internet based customer. Trust Company Ltd. will have to use the data from the local based customers questionnaire , in order to maximise on the strategy to appeal to the local customer base.

Data from the internet questionnaire has been compared with data from the local questionnaire 2

Mostly referral business an internet based business as well as turnover period on a purchase is appx 3 years is reflected in the results of the questionnaires.

Responses to the local questionnaire indicate that attraction was from advertising rather than referral. Figures show intended target markets, and period of ownership to analyse turnaround period for resale. Note age and ownership are similar to that of the global figures. What this determines is that the African market is similar to the global market, however the forces of attraction to the sale are from advertising, as opposed to referral business in the global market.

What is very important is the result that the majority want an invoice to be produced immediately. This then determines that the customer would prefer the on-hand personalised service, and that the internet dealership will add value to the process.

The majority of respondents had visited the facility for the first time. Although 29% had been there before , the results showed that there was an increase in new comers , this then determines that new customer are attracted , rather than the established internet customers , this is important , as this could show related market share growth potential.

The other determinants , such as types of vehicles , and owner ship , will assist in establishing the right products for the African customer adds value to the buying process. Through purchasing and selecting vehicles that the customer shave indicated interest in purchasing , and satisfying the customers needs at the point of purchase at the auctions in Japan.

### **5.1.2. Interview schedule**

This was designed to get ideas and opinions from stakeholders, and assess their point of view. There is a notable difference in opinions from the various parties. The different persons see opportunities in different markets. They all agree on the benefit of moving closer to the customer, and as a result would like to see an increase in the sales volumes, as this has a direct impact on their respective businesses. The recommendations based on the stakeholders point of view , is to embark on the decided strategy.

### **5.1.3 SWOT Analysis**

#### **Strengths**

One notes that the strength in suppliers can also be a threat in that Trust Company Ltd. as they become so reliant on logistics to succeed.

Therefore service and pricing can also be viewed as a threat to the company in light of this comparison.

#### **Weaknesses**

The limitation in certain markets can be seen as opportunities to expand into other regions.

Management change can be seen as opportunities to explore new strategies.

The non control of product differentiation allows for diversity for customers.

#### **Opportunities**

New market opportunities can be costly.

Outgrowing competitors means they will be forced to catch up , and strengthen.

Economic improvements may see a reduction in the number of second hand cars purchased and an increase in competition through new car purchasing.

## **Threats**

Competitors copying strategy results in equal comparison.

Competition results in success for strong companies.

### **5.1.4 Porter's Five forces**

#### **Industry Competitors**

Competitors on the internet and on the ground – indications are that they will approach interior markets.

#### **The Threat Of New Entrants.**

The threat is real , as there are low barriers to entry on cash flow ( due to payment in advance by customers), and an established industry available to those with simple know how for internet based selling and global shipping.

#### **The Threat Of Substitution.**

Substitution is a dominant factor in that many look-a-like companies are opening , and emulating the brand image of the current successful companies.

The substitution is evident in many forms, such as internet sites, logistic , and processes.

#### **The Strength Of Suppliers.**

This becomes a crucial part of the business , as the shipping is very competitive and the ability to ship more vehicles through alliances, the ability to move more vehicles via carrier through alliances , are definite advantages, and put the company ahead of competitors.



## **The Strength Of Buyers.**

As shown , backward integration is evident. The prime reason for the sale of the vehicles is for profit , and the buyer becomes the determinant in the factoring of the profitability of the units. The strength of the buyer is vital to the success of the company in the industry.

## **5.2 Recommendations**

Taking into account the factors that have been discussed and presented, it is important to revisit the value of the research in order to best determine the recommendations.

The value of the research will be in the fact that the strategy can be assessed and determined. That will allow for better understanding of these target markets and the customers, and lower the barriers of entry that are often made more difficult by the lack of understanding by foreign companies investing into Africa . The value is in the fact that fewer mistakes will be made as loss of time equates into money losses for foreign companies investing into Africa.

Ultimately the research indicated that Trust Company Ltd. should not place stock on the ground and should look for alternatives in improving logistics, and payment facilitation. Should this not be an option, the following would be recommended based on the applied research

The following recommendations are made in light of the research project.

### **5.2.1 Franchising**

This appears to be the most feasible option for Trust Company Ltd to enter into these markets. As its products are pre-sold the option of control is home based ,and the franchise on a commission base does not release the control. It lowers the barrier to entry and the investment costs are very low. This is almost the same as a distributorship. However it is important to maintain the brand status, furthermore if the strategy is not successful , the exit strategy will not be as detrimental to the company.

### **5.2.2 Strategic Logistics alliance**

A strategic logistics alliance is vital to the success of the new strategy in that with the increase in supply there will be an increase in the demand for logistics especially car carriers into interior regions. The strategy to align Trust Company Ltd With VDS will be a successful endeavour. VDS are the largest carrier company and have 68 units , each unit capable of carrying 8 cars and they focus on cross border transport . The sale is not over for the customer until the car is delivered.

Furthermore, the alliance that has been developed with SDV is significant. SDV are prominent in Africa as clearing , forwarding and warehousing agents, and have substantial premises throughout Africa. The current success of the bond store in Lusaka allows for the concept to be adopted in other regions as Trust Company Ltd expands.

Furthermore , Trust Company Ltd. needs to consider other areas of growth , such as Dar-es – Salaam , as the markets are changing towards this port , and research indicates that customers are looking for representation in this port.

### **5.2.3 Cost Competition vs Service offering**

With the alliance of the logistics partner, volume vs. rates can be negotiated, and this in turn will improve rates as well as service levels for customers.

### **5.2.4 Auxillary service offering**

Not only will Trust Company Ltd Threats be in a position to deliver and clear a vehicle in the home county of the customer but it will hand over the vehicle to the customer after a full quality inspection – as opposed to what is done by the opposition who leave the vehicles at the border or the port. Furthermore there will be parts back up for all customers who have purchased from Trust Company Ltd.

### **5.2.5 Set up Costs; Infrastructure; Location**

As discussed the set up costs need not be extensive and the concept of a franchisee is the most cost effective. The infrastructure is already in place with use of SDV premises in the various regions and the creation of the Internet dealership will be the responsibility of the franchisee under the guidance of Trust Company Ltd.

The options for location that were selected; Zambia, Zimbabwe and Uganda, are sound locations in that there are low barriers to entry and the markets are currently enjoying good sales.

This brings one to the need for franchise support and the best option for this is to create a dealer support centre in Johannesburg where most of the transshipment takes place.

This will allow for accurate logistics ,and real time dealer support.

### **5.3 Limitations of study:**

One of the issues was the distinct lack of academic information on this subject, and the industry .Information was gathered from the local source of the Trust Company Ltd Database.

The research needs further evaluation ,as to how data could change over time .

Data gathered from customers can only help to a certain degree

The differences between target market , feasibility , and strategy need to be better determined.

It is a very wide topic, and Threats needs to be narrowed down to specifics e.g.. target market or logistics, and specifics of the industry need to be determined.

Another limitation to be considered is the location of the researcher , based in Zambia and Zimbabwe , The lack of academia is notable , and has an effect on the research project.

#### **5.4. Further research**

Due to the lack of academic literature availability on this topic the following are options for further research.

Opportunity to investigate industry as whole .

Opportunity to investigate the market in each region

Opportunity to research impact of market on socio-economic conditions in Africa

The study should be repeated with a bigger survey, in more regions to test the recommendations made.

#### **5.5 Summary**

The research was set up in such a way that the introduction was approached with the initial concept , and the literature review in Chapter 2 provided for an understanding of the industry and the secondary data therein. Chapter 3 revolved around the methodology , and structure of the research , which was followed by the presentation of the data in Chapter 4. The analysis and recommendations , are presented in Chapter 5.

## **6. Conclusion:**

The applied research set out to investigate the feasibility of the strategic approach by Trust Company. The strategy is to expand from an e-commerce domain , to a face to face customer service centre in certain African markets. The study allowed for the relevant areas to be assessed , in terms of customer target markets , customer impression and longevity of the business in the respective regions – through the use of questionnaires , as a means of secondary data.

Also relevant was the comparison of the local questionnaire against that of the global, in order to determine the difference in approach, in approach to the global market, and the local African market, in order to gain a better understanding.

The interview schedule allowed for assessing the differing opinions of stakeholders, since their opinion matters, as does the alliance with these stakeholders.

The SWOT analyses allowed for Macro and Micro assessments and the SWOT analysis enabled a momentary snapshot into the situation of the business in its strategic region. Porters five forces model further assessed the contributing factors to the business strategy and provided insight into these factors.

These analyses allowed for the various elements from Micro to Macro, and from customers to suppliers to be analysed. Consequently a greater understanding of the business was achieved, and as a result the recommendations put forward are from a more informed standpoint. The result of the research indicates that Trust Company Ltd. are not making the right decision, in the current strategy. Due to the fact that Trust Company Ltd. will continue to embark on this strategy , recommendations have been put forward to limit exposure , and to also succeed , based on information received form questionnaire. This strategy needs to be reassessed within six months , in order to determine market changes and dynamics , and to determine if the strategy is successful.

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[http://www.cc.gatech.edu/classes/cs6751\\_97\\_winter/Topics/quest-design/](http://www.cc.gatech.edu/classes/cs6751_97_winter/Topics/quest-design/)

## **Internal data**

Trust Company Ltd internal Data base – Japan

Trust Company Ltd. Questionnaires – Local and Internet based.

## 8. Appendix 1

1 Where would you prefer to purchase your vehicle?

Japan Stock	Durban stock	Johannesburg stock	Harare Stock	Lusaka Stock

2 Where would you prefer to pay for your vehicle?

Japan	Lusaka	Other :
		( Fill in Location)

3 How would you prefer to pay for your vehicle?

TT	Cash	Credit Card

4 Would you prefer your vehicle to be Delivered or would you prefer to Collect at Port ?

Deliver final destination	Collect at port of Delivery

5 Where would you prefer to collect your vehicle?

Durban	Dar es Salaam	Johannesburg	Gaborone	Harare	Lusaka

6 Would you like your clearing agent to be :

Trust Agent	Your Agent	Recommended list of Agents



## Appendix 2.

# Welcome Card



TRUST COMPANY LTD.  
 SAKAE VT BLD. 3F 3-10-32 NISHIKI  
 NAKA-KU NAGOYA 460-0003  
 TEL: +(81)-52-219-9024  
 FAX: +(81)-52-219-9025  
 E-MAIL: africa@japanesevehicles.com

Since we would like to send you information of fun events and vehicles, your cooperation will be greatly appreciated

Name:		
Address:		
Tel/Mobile No.	Fax No.	Email:

**1. What is your age bracket?**

- Under 25       35 to 44       55 to 64  
 25 to 34       45 to 54       65 or Older

**2. How did you find us?**

- Direct Mail       Referral       Television / Radio  
 Newspaper       Search Engine       Other \_\_\_\_\_

**3. How often do you visit our facility?**

- First       Sometimes  
 Second       Other \_\_\_\_\_

**4. What models are you planning to purchase?**

\_\_\_\_\_

\_\_\_\_\_

**5. What is the purpose of this purchase?**

\_\_\_\_\_

\_\_\_\_\_

**6. What vehicle are you currently driving?**

Make: \_\_\_\_\_ Year: \_\_\_\_\_

Model: \_\_\_\_\_

**7. How many vehicles do you currently own?**

\_\_\_\_\_

\_\_\_\_\_

**8. Who normally drives this vehicle?**

- Myself       Other \_\_\_\_\_

**9. On average how long would you keep your car?**

- Less than 1 Year     2 Years       4 Years       More than 5 Years  
 1 Year       3 Years       5 Years

**10. Would you like to receive a quotation today?**

- Yes  
 No



**TRUST COMPANY LTD.**  
3/F SAKAE VT BLDG.  
3-10-32 NISHIKI, NAKA-KU  
NAGOYA 460-0003, JAPAN  
Tel: +81-52-219-9024 / Fax: +81-52-219-9025

Permission to Use Company Data and Questionnaire  
REF: 200501063

To Whom It May Concern;

This letter serves to confirm that Michael HULLEY has permission to use company information, for his applied research dissertation. The use of the database material has been acknowledged, and is allowed to be used in the dissertation. The use of the questionnaire 1 and 2, and the results, have been granted permission to be published in the questionnaire. The applied research project is beneficial to the company, and we therefore encourage the use of this data.

We wish Michael HULLEY all the success in this project.

Sincerely,

A handwritten signature in black ink, appearing to read "Naoko Tsunekawa".

Naoko Tsunekawa  
Overseas Operations Manager  
Trust Company Ltd.

名古屋市中区錦3丁目10番32号  
栄VTビル3F  
電話(052)219-9058 FAX(052)219-9028  
株式会社 トラスト  
代表取締役 伊藤 誠 英

A red circular seal or stamp, likely an official seal of the company or the representative, located at the bottom right of the Japanese text block.

## Appendix 4

### 2005 Japan Export Data (Used Vehicles Only)

#### AFRICA

		COUNTRY	UNITS
1	6	South AFRICA	31,415
2	9	KENYA	18,322
3	22	UGANDA	8,415
4	26	TANZANIA	6,055
5	35	MAURITIUS	2,764
6	40	MOZAMBIQUE	1,757
7	41	BOTSWANA	1,723
8	46	ZAMBIA	1,037
9	52	ZIMBABWE	709
10	56	SWAZILAND	581
11	61	NIGERIA	402
12	66	CONGO, REPUBLIC of	285
13	67	GHANA	283
14	69	CONGO, DEMOCRATIC REPUBLIC of	265
15	70	MALAWI	263
16	78	NAMIBIA	181
17	82	LESOTHO	145
18	87	CAMEROON	97
19	90	GABON	75
20	91	ANGOLA	72
21	97	RWANDA	61
22	102	BURUNDI	49
23	103	GUINEA	40
24	108	MADAGASCAR	30
25	110	SUDAN	28
26	113	TOGO	24
27	119	BENIN	14
28	123	LIBERIA	13
29	125	SEYCHELLES	13
30	129	SOMALIA	11
31	130	DJIBOUTI	10
32	136	MOROCCO	7
33	138	COTE D'IVIRE	6
34	139	D.R. SAO TOME and PRINCIPE	6
35	142	MALI	6
36	147	TUNISIA	5
37	148	ETHIOPIA	4
38	151	SENEGAL	4
39	156	GAMBIA	3
40	157	MAURITANIA	3
41	164	CENTRAL AFRICA	2
42	165	COLOMBIA	2
43	169	GUINEA BISSAU	1
<b>AFRICA TOTAL</b>			<b>75,188</b>

## PACIFIC

		COUNTRY	UNITS
1	2	NEW ZEALAND	132,645
2	13	AUSTRALIA	14,177
3	34	FIJI	2,803
4	42	PAPUA NEW GUINEA	1,586
5	47	TONGA	1,033
6	48	MICRONESIA	986
7	55	PALAU	595
8	58	SOLOMON ISLANDS	522
9	68	KIRIBATI	268
10	99	COOK ISLANDS	55
11	116	HAITI	21
12	124	Northern MARIANA ISLAND	13
13	126	Other AUSTRALIAN Territories	12
14	131	GUAM	8
15	133	NIUE ISLANDS	8
16	135	MARSHALL ISLANDS	7
17	137	PUERTO RICO	7
18	158	TUVALU	3
19	173	VANUATU	1
<b>PACIFIC TOTAL</b>			<b>154,750</b>

## EUROPE

		COUNTRY	UNITS
1	1	RUSSIA	268,685
2	5	U.K.	31,967
3	14	CYPRUS	12,708
4	24	IRELAND	6,983
5	31	MALTA	3,628
6	37	TURKEY	2,061
7	54	GEORGIA	610
8	65	GERMANY	289
9	79	NETHERLANDS	174
10	83	NORWAY	133
11	84	UKRAINE	111
12	92	FRANCE	72
13	95	FINLAND	63
14	101	SWEDEN	50
15	107	LITHUANIA	31
16	111	GREECE	27
17	112	SPAIN	25
18	114	BELGIUM	23
19	117	HUNGARY	21
20	120	BULGARIA	14
21	121	ICELAND	14
22	122	ITALY	14
23	128	DENMARK	11
24	132	LATVIA	8
25	134	AUSTRIA	7
26	140	ESTONIA	6
27	141	GIBRALTAR (Br.)	6
28	144	SERBIA and MONTENEGRO	6
29	145	POLAND	5
30	146	SWITZERLAND	5
31	155	CZECH	3
32	159	ALBANIA	2
33	161	BELARUS	2
34	171	PORTUGAL	1
35	172	TADZHIKISTAN	1
<b>EUROPE TOTAL</b>			<b>327,766</b>

## AMERICAS

		COUNTRY	UNITS
1	4	CHILE	47,491
2	8	PERU	19,522
3	17	SURINAME	11,276
4	19	JAMAICA	9,494
5	20	TRINIDAD and TOBAGO	8,932
6	25	DOMINICAN Republic	6,681
7	29	U.S.A.	4,122
8	30	BAHAMAS	3,646
9	32	GUYANA	3,436
10	33	BARBADOS	3,157
11	38	CAYMAN ISLANDS	1,956
12	43	CANADA	1,557
13	44	GRENADA	1,196
14	45	ANTIGUA and BARBUDA	1,163
15	49	BOLIVIA	910
16	50	St. VINCENT & the GRENADINES	799
17	51	DOMINICA, COMMONWEALTH of	798
18	57	St. CHRISTOPHER and NEVIS	579
19	60	St. LUCIA	403
20	63	BRITISH ANGUILLA	309
21	73	BERMUDA	234
22	75	NETHERLANDS ANTILLES	225
23	85	MONTSERRAT	109
24	94	TURKS, and CAICOS ISLANDS	70
25	96	GUATEMALA	63
26	98	HONDURAS	58
27	104	FRENCH West INDIES	38
28	106	BRITISH VIRGIN ISLANDS	35
29	109	PARAGUAY	29
30	115	CUBA	22
31	118	PANAMA	21
32	153	ARGENTINA	3
33	162	BELIZE	2
34	163	BRAZIL	2
35	166	UNITED STATES VIRGIN ISLANDS	2
36	167	EL SALVADOR	1
37	168	FALKLAND ISLANDS and DEPENDENC	1
<b>AMERICAS TOTAL</b>			<b>128,342</b>

**ASIA**

		<b>COUNTRY</b>	<b>UNITS</b>
1	3	U.A.E.	113,823
2	7	PHILIPPINES	21,497
3	10	SRI LANKA	17,550
4	11	MALAYSIA	17,544
5	12	KAZAKHSTAN	16,970
6	15	PAKISTAN	11,780
7	16	SINGAPORE	11,498
8	18	BANGLADESH	10,564
9	21	HONG KONG	8,529
10	23	MONGOLIA	7,206
11	27	North KOREA	5,220
12	28	THAILAND	4,146
13	36	INDONESIA	2,683
14	39	MYANMAR	1,790
15	53	AFGHANISTAN	666
16	59	CHINA	430
17	62	MACAO	387
18	64	Republic of KOREA	293
19	71	MALDIVE	239
20	72	LAOS	235
21	74	KYRGYZSTAN	234
22	76	IRAN	221
23	77	BRUNEI	191
24	80	LEBANON	168
25	81	VIETNAM	159
26	86	CAMBODIA	106
27	88	EAST TIMOR	91
28	89	EGYPT	90
29	93	TAIWAN	72
30	100	INDIA	52
31	105	JORDAN	36
32	127	SAUDI ARABIA	12
33	143	OMAN	6
34	149	KUWAIT	4
35	150	NEPAL	4
36	152	SYRIA	4
37	154	BHUTAN	3
38	160	BAHRAIN	2
39	170	IRAQ	1
<b>ASIA TOTAL</b>			<b>254,506</b>



UNIVERSITY OF  
KWAZULU-NATAL

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11 JANUARY 2007

MR. M HULLEY (200501063)  
GRADUATE SCHOOL OF BUSINESS

Dear Mr. Hulley

**ETHICAL CLEARANCE APPROVAL NUMBER: HSS/06895A**

I wish to confirm that ethical clearance has been granted for the following project:

**"The emergent strategy formulation of a Japanese company, Trust Company Limited, in Sub-Saharan Africa"**

Yours faithfully

.....  
MS. PHUMELELE XIMBA  
RESEARCH OFFICE

cc. Faculty Office (Christel Haddon)  
→ cc. Supervisor (Mr. R Challenor)