

## CHAPTER 1: INTRODUCTION AND PURPOSE OF STUDY

### 1.1 INTRODUCTION

The discovery over seventy years ago of a gold reef in the Northern Free State brought about a hive of business activity. This area, known as the Goldfields, includes Welkom, Virginia, Odendaalsrus, Allanridge, and Hennenman (Anon. 2009:1). Most successful businesses in the area are either directly or indirectly associated with the gold-mining industry.

Currently, the Matjhabeng Municipality, which incorporates the city of Welkom and the towns of Odendaalsrus, Virginia, Hennenman, Allanridge and Ventersburg, has a combined population of more than 500 000 (Anon. 2004:3). However, many people have come and gone in the Matjhabeng district as a consequence of mines undergoing restructuring and retrenchment. The municipality and the business sector have also suffered as a result (Anon, 2004:4).

During the past few years in the district, many pre-owned motor vehicle companies were opened and many closed down. This research project seeks to establish why so many companies closed down and particularly whether management or ownership itself contributed to their closure.

Generally speaking, residents of the district have speculated that the National Credit Regulator (NCR) had an influence on business closures, despite the intention of the NCR to protect both businesses and their clients.

*"The NCR was established as the regulator under the National Credit Act 34 of 2005 (the Act) and is responsible for the regulation of the South African credit enterprises. It is tasked with carrying out education,*

*research policy development, registration of enterprises participants, investigation of complaints, and ensuring enforcement of the Act” (Anon, 2009:1).*

According to the NCR job losses are caused mainly by the recession and not the NCR itself:

*“... recent job losses, linked to the current recession shown in the poorer performance of major industries of the economy, including manufacturing, financial services and retail and wholesale trade, are also affecting credit consumers' ability to meet debt obligations. However, the recent reductions in interest rates - the cuts now amount to a very significant 4.5% - together with increases in remuneration, should help to relieve the pressure on disposable income” (Anon, 2009:4).*

Job losses as well as the recession also impacted negatively on the pre-owned motor vehicle enterprises in the district. Hence, the general perceptions and speculation of residents in the Goldfields regarding the influence of the NCR on business closures applied also to pre-owned motor vehicle enterprises.

## **1.2 SIGNIFICANCE OF THE RESEARCH**

This research hopes to benefit the management and/or owners of pre-owned motor vehicle industries in the Matjhabeng area. In the long term, the community as a whole may benefit from this, since fewer industries may close down. The rule of supply and demand is also relevant in this regard: more companies in Welkom, and the rest of Matjhabeng, would result in more

competitive pricing of the product for all prospective clients of pre-owned motor vehicle enterprises.

A pre-study was conducted prior to the main research to observe whether a problem, obstacle or gap occurs within this enterprise. Such a problem, obstacle or gap that might occur could have had an impact on the enterprises of pre-owned motor vehicle companies.

According to the pre-study, many questions were unanswered, suggesting the need for further research.

If a research were not conducted, this could lead to the following crises within the pre-owned motor vehicle companies:

- 🎬 Long-term problems concerning the future of the business;
- 🎬 Difficulties in managing the outcome of current decisions;
- 🎬 Negativity regarding the business and even a possible decline of income (sales);
- 🎬 A negative image being portrayed;
- 🎬 A decline in the market segmentation percentage and
- 🎬 The product and labeling portraying the wrong message to the potential target market.

More details on the pre-study will follow in section 1.3.4, p 6 and also in chapter 2, paragraph 2.4.10, p 63.

### **1.3 PRELIMINARY SURVEY OF RELEVANT LITERATURE**

Literature Review is a survey of published articles and books that communicate theories and past empirical studies on a certain topic (Zikmund, 2003:53). Preliminary Studies could be the method in which a research initiative is purified in order to turn it into a research project. (Saunders, Lewis and Thornhill, 2003:485). More detailed information on Literature Review will follow in Chapter 2, p 27 - 66.

Literature review in this research focused on management knowledge which affected the pre-owned motor vehicle enterprises in the Matjhabeng area. Such a focus could therefore be accurately outlined.

#### **1.3.1 Micro-Environment**

The Micro-environment according to Bates (2006:251), includes everything that occurs internally within the business. It is influenced directly or indirectly by managerial decisions, which influence the growth and continued existence of the business. Thus the micro-environment should form part of management knowledge.

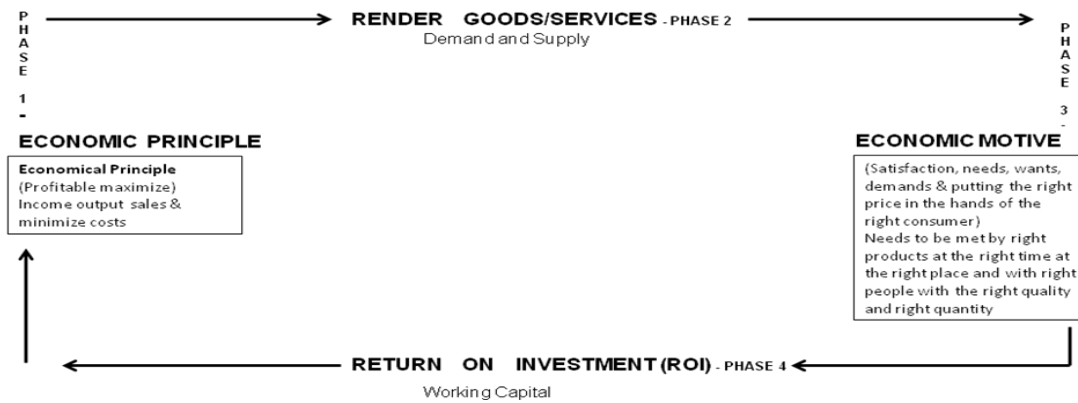
#### **1.3.2 Management Knowledge**

Management knowledge can be explained. It is important to know what management is, as noted by Anon (2011:1) in the website thefreedictionary.com:

*“The act, manner, or practice of managing; handling, supervision, or control: management of a crisis; management of factory workers.”*

The following diagram indicates the various activities of the free market system as an open market within an entrepreneurial environment and their influence on one another.

**Figure 1: Free Market System as an Open System**



Source: National Entrepreneurial Conference (NEC) and Prestige Research Seminar Presentations (Duvenage, 2010).

According to the diagram above there is a relationship between economic principle, rendering of goods and services, economic motive and return on investment.

### 1.3.3 Automobile enterprises

The National Association of Automobile Manufacturers of South Africa (NAAMSA), mentioned in July 2009 (Anon, 2009:1) that a huge sales decline in the motor vehicle enterprise would only change when the consumers spent money again after the interest rate had been lowered. It was suggested that this might even have helped the recovery of the global economy. Dramatic decreases in sales in the vehicle enterprise, was reported, to have had an influence on the profitability and viability of businesses. This resulted in many

businesses being closed down (Anon, 2009:1).

#### **1.3.4 Interviews during Pre-Study**

Various managers and/or owners within the new and pre-owned vehicle enterprises of Welkom were asked about the background of the pre-owned motor vehicle enterprises of Welkom. A combined summary of their answers is as follows:

During the 1980s, the Welkom area was booming, with the gold price at its highest ever. The mines employed a large part of the population. This injection made the area flourish even more, with the retail and automobile enterprises receiving the most attention. (Venter, Marais, Tober and Groenewalt, 2009:1).

The interviewees of the pre-study confirmed that in the late 1980s and the early 1990s, the boom came to a sudden halt, with the gold price dropping drastically, political instability and increasing crime levels in South Africa, sanctions employed against the country and international oil crises.

The NCR made it more difficult to obtain credit. This was extremely detrimental to the pre-owned motor vehicle enterprise, in that new vehicles were obviously the life blood of the pre-owned motor vehicle enterprise (Venter *et al*, 2009:2).

According to Venter, *et.al* (2009:3) few salespersons in the Welkom area have been able to identify that there is a trend that affects vehicle sales, a trend which re-occurs every eight to ten years. The enterprises encountered such difficulties in 1988 and 1998, when interest rates hiked, and 2008 and 2009 were the most difficult years ever experienced. According to the World Wide Web (www) site of Statistics South Africa (Stats SA), the motor trade sales report for May 2009 details a decrease in the number of vehicle sales as opposed to the same period in 2009 (Anon, 2009:1).

## 1.4 RESEARCH QUESTIONS

The pre-study identified crises within the management and marketing functions. These crises and functions had not been addressed properly within the pre-owned motor vehicle enterprises. This could have led to restrictions in management development.

The focus point in this study was middle management (micro-environment). Middle management consists of eight functional areas (Finance, Production, Marketing, Purchase, Human Resources, Maintenance, Public Relations, and Administration). All of these areas were not analysed in the study: the focus would be on certain factors within management and the marketing function.

To meet this objective, the communication mix (Elements of the communication mix – personal selling, mass selling, sales promotion, advertising, and publicity) had to be implemented and addressed.

The main focus therefore was management as well as the marketing function. By means of one questionnaire these functions were evaluated with three sub-divisions. The divisions were as follows:

- 🎬 The first division would focus on Managerial knowledge (some basic and additional tasks of a manager).
- 🎬 The second division would concentrate on environmental analysis and the physical appearances of the company itself (to support management and marketing evaluation).
- 🎬 The last division of the questionnaire would give attention to the marketing function in the communication mix.

Results were analysed in order to obtain findings which then could result in recommendations.

The main research problem was thus formulated and three subsidiary research questions were derived from the main research question.

The following main research problem was formulated:

- Which factors influenced management knowledge in the pre-owned motor vehicle enterprises?

The following subsidiary research questions were formulated to address the research problem:

- What effects on management knowledge were caused by restricting factors in the communication mix?
- What were the specific consequences of management knowledge on the marketing function?
- What were the results of management knowledge (Task responsibility of management) on the physical and environmental appearances of the pre-owned motor vehicle companies?

## 1.5 AIMS AND OBJECTIVES OF RESEARCH

Research objectives were a transparent, detailed record that recognised what the investigator would like to achieve as a result of doing the research (Saunders *et.al*, 2003:488). The aim was to focus on factors influencing management knowledge in the pre-owned motor vehicle enterprises in Matjhabeng, so as to analyse relevant aspects within the managerial and marketing functions. Certain crises had been identified in a pre-study which



showed that specific functional areas had been neglected and did not feature in or contribute to the effective functioning of management knowledge in the pre-owned motor vehicle enterprises.





The researcher identified the following primary objective within the research:

### **1.5.1 Primary Objective**

To establish and analyse the factors that influence management knowledge in the pre-owned motor vehicle enterprises of Matjhabeng.

### **1.5.2 Secondary Objectives**

Contemplation of the primary objective suggested the relevance of further objectives:

-  To identify specific factors that influenced the managerial process. (Focus would be on four basic and seven functional tasks.)
-  To determine specific elements in the marketing function that would have an effect on management knowledge of the pre-owned motor vehicle enterprises in Matjhabeng. (Marketing research would focus on market segmentation; and the marketing function would be analysed as part of the eight functional areas, as well as part of tactical (or medium term) planning.)
-  To analyze specific elements (personal selling, mass selling, sales promotion, advertising, and publicity) within the communication mix. (Promotional Strategy).)
-  To identify specific elements in the physical environment which might influence management knowledge.

- To determine the importance of management as well as the marketing function in the pre-owned motor vehicle enterprises of Matjhabeng.
- To conduct a physical and environmental analysis (Physical appearances of the enterprise itself, such as availability of motor vehicles to test drive, workshop, number of motor vehicles on the floor, etc.) in order to determine the effect of these elements on return of investment (part of economic principle, rendering of goods and services, satisfaction of needs, wants and economic motive as well as return on investment).

## **1.6 RESEARCH DESIGN AND METHODOLOGY**

Research Design can be seen as a master plan specifying the methods and the procedures for the collecting of and analysing needed information. (Zikmund, 2000:59). While exploratory research can be described as a method that the researcher utilizes to produce insights for current and future research studies (Solomon, Marshall and Stuart, 2009:131).

As no research on this topic had ever been conducted, the researcher considered the qualitative and the quantitative research designs and the exploratory research method to be used as the major research method of the study.

### **1.6.1 Population and sampling**

For this research, the population was that of the Free State and the target population being the Lejweleputswa region. The sample was the pre-owned motor vehicle enterprises.

*"Sample is the set subject from a larger population" (Zikmund, 2000:64).*

Permission to gather this information was given by each manager or owner of a company for both the pre-study and the main research. During both the pre-study and the main study, the researcher promised to maintain the appropriate standards of confidentiality of sample, willingness, and free participation of all respondents involved.

The reason for and the objective of the study were discussed and clarified with respondents.

The sample was then obtained as follows:

- 🎬 A list of all pre-owned motor vehicle companies was sought.
- 🎬 Random sampling technique was employed.
- 🎬 Visits to the selected companies were arranged.
- 🎬 Data cleansing, coding and capturing was done there-after by the statistician and feedback was gathered from the analysis.

The researcher revised the list of all pre-owned motor vehicle companies after six months and nine months, and the names of these companies were then added to or subtracted from the list of current pre-owned motor vehicle companies within Matjhabeng. The researcher highlighted and captured all vehicle companies listed on the "Yellow Pages" both manually and electronically. The researcher contacted the financial departments of all banks which work with pre-owned motor vehicle companies in order to obtain new and updated lists of current businesses. The researcher drove to the small towns of the region to ensure that all companies were included in the study. The researcher contacted the pre-owned motor vehicle companies to enquire about other pre-owned motor vehicle companies, as well as to further define

the list of companies into their number of years in business.

### **1.6.2 Qualitative Study**

*"Qualitative Research is the collection, analysis and interpretation of data that cannot be meaningfully quantified, that is summarized in the form of numbers"* (Wiid and Diggins, 2009:84).

Qualitative research is also known as exploratory research, which is a tool used to create insights for future studies (Solomon *et al.*, 2009:133). In this study, personal interviews were conducted to gather qualitative data for the pre-study and main research.

### **1.6.3 Quantitative Study**

Quantitative research is seen as the logical way in which data is used and normally involves numerical analysis of data (Partington, 2002:101).

In this study the focus was on a combination of quantitative and qualitative research in order to better optimise results.

### **1.6.4 Data Collection**

For the purposes of this research, the researcher conducted personal interviews within the field study. A personal interview may be defined when:

*"The interviewer asks questions for one or more respondents in a face-to-face situation"* (Du Plessis and Rousseau, 2003:24).

Information was captured on a tape recorder and by means of the interviewer making notes. Semi-structured, open-ended and closed ended interviews were conducted throughout the research. Random sampling was used and

companies were visited for the interviews. Approximately ten questions formed part of each section of the main study. The time frame of the interview did not exceed thirty minutes. More detail on the questionnaire will follow in section 3.6, p 82.

A questionnaire for data collection was used. Questions for the main research study's questionnaire were structured and the questions were applicable and according to the specific gaps that were identified from the interviews questionnaire in pre-study in July 2009.

### **1.6.5 Data analysis, reporting and procedures**

This is the phase in which the investigator finds various consistent actions to change information into a format that will answer questions (Zikmund, 2003:60).

The study focused on the pre-owned motor vehicle companies. Personal recorded interviews were conducted using a questionnaire that was pre-set. All the companies received the same questions in the questionnaire.

The data received was categorized accordingly and used for the researcher's findings. Interpretation of all data was presented by means of applicable graphs, charts, polygon and circular pie charts, line charts, bar charts, block graphs, horizontal and vertical histograms, and tables. The procedure is also known as descriptive data analysis. See chapter 4, p 91-207.

While the researcher made use of the stratified sampling method, use was also made of the inferential data analysis method in which the researcher could compare the various companies' answers to see whether there was a difference in a company having been in business for more than fifteen years or less than fifteen years. The themes in this data analysis required explanation

as the companies were compared, this being especially true regarding open-ended questions. Within the statistical analyses, percentages, calculations, mean, ratios and indices for expressing the outcome of data, were all used.

### **1.6.6 Validity**

*“Validity is the quality of a test doing what it is designed to do.”*(Salkind, 2009:117).

The pre-study conducted in July 2009 identified the gap regarding the enterprises and topic. Hence, the validity of the questions for the main research was more effective. In the main research study the questionnaire was part of the triangulation that will be discussed below in section 1.6.8, p 15.

### **1.6.7 Reliability**

Reliability includes the examined achievement and the true reflection of the element within the research (Salkind, 2009: 110). During this study all questions asked were compared and checked with all the companies involved. A smaller research was conducted in a similar area to compare the data and to ensure that the data gathered was reliable and in line with the specific enterprise and area. This research was known as a control group which consisted of 10% of the sample. The control group was completed in Kroonstad, Free State, as it is also a rural town in the vicinity of Welkom, Matjhabeng.

A prescribed answer sheet was written by a statistician for the specific questionnaire of this research. This ensured that the data captured were correct and a reliable comparison of answers could be made. The aim was to ensure the reliability of the research and the validity of the study, throughout both the research project and the pre-study.

### **1.6.8 Triangulation**

Part of triangulation was the Primary and Secondary sources used to conduct the study. These sources had an influence on the study itself. Primary sources are, for example, theses, internet articles and journals. These contain current data on the topic. Secondary sources include books, dictionaries, and encyclopaedias, some of which maybe older than a hundred years. It was decided to make use of data not older than ten years. These two sources are discussed in full below in section 1.7.1, p 16 and 1.7.2, p17.

The pre-study, the main research study and the control group also formed part of the triangulation process. Together, the three data collection tools and the research produce and can be identified as the validity and the reliability.

### **1.6.9 Pre-Study**

As mentioned earlier in section 1.2, p 3, a pre-study was conducted prior to the main research in order to observe whether a gap or problem did occur within the pre-owned motor vehicle enterprises. Many questions arose and unanswered questions were derived from this study. More detail on the Pre-study to be discussed in section 2.4.10, p 61.

## **1.7 LITERATURE STUDY**

The importance of literature study is to ensure that the researcher has investigated all possible areas of previously researched studies within the same or similar field of study. This, in turn, ensured that the study was not a duplication of a previously researched study. The researcher also learned more about the subject of the study and investigated various points of views relating to the research. This assisted the researcher to have more valid

subject material when the specific field of study was completed. A more detailed description of the various sources in literature study follows in chapter 2, p 27-66.

### **1.7.1 Secondary Sources**

Secondary data may also be viewed as historical data that have been collected previously for another project (Zikmund, 2000:58). This view is confirmed by the author of *Statistics for Marketing and Consumer Research*, (Mazzocchi, 2008:28) who says that secondary data is data that is already available and has been used for research in the past. Zikmund mentions in his new book *'Essentials of Marketing Research'*, Second Edition that secondary sources can still be seen as historical data, the same view found in 2000 in his book, *'Business Research Methods'*. Peter and Donnelly (2009:32) see secondary data as data researched for another project, but which can be used for any other research project.

In *'Essentials of Entrepreneurship and Small Business Management'* secondary data is defined as data that has been compiled and is available for other uses (Zimmer and Scarborough, 2008:130).

Secondary data are the facts that have been gathered for a certain reason other than the original crises at hand (Solomon *et al.*, 2009:132). It is important that the Secondary sources are not old and/or out dated, since this would affect the validity and reliability of the research. In this study the sources used were not be older than ten years and preferably not older than four years. Data should be relevant to the research itself. In this research secondary data were made use of.



### 1.7.2 Primary Sources

Primary Data is data collected and used specifically for a research project (Zikmund, 2000:58). Peter and Donnelly Jnr enlighten us that Primary research is the same as stated by Zikmund above, namely that

*"Primary research is data that was collected for a specific research problem that was under investigation" (Peter and Donnelly, 2009:32).*

Primary data is also explained by Solomon *et al.*, (2009:132) as :

*"... data from research conducted to help make a specific decision. While Primary data is described as first and form most there to purposefully solve the problem and data is gathered from the beginning, such as surveys, observation and experiments." (Wiid and Diggins, 2009:71).*

Primary Literature is also known as grey literature and is the first incidence of a section of written work (Saunders *et al.*, 2003:51). Examples of Primary sources are internet articles, visits, theses and journals. Since no known literature or sources were available on the specific topic in the specific researched area known as Matjhabeng, the data of this research project was primary data.

### 1.7.3 Questionnaires

A questionnaire can be defined as a set of questions to create the facts needed to achieve a research project's objectives (Wiid and Diggins, 2009:171). Part of a questionnaire involves closed questions, which is when the respondent is given a list of questions to answer (Saunders *et al.*, 2003:481).

In this study a structured questionnaire was used to gather data on the topic. Minimal open ended questions, together with closed ended questions formed part of the questionnaire. The questionnaire was personally handed over by the researcher to the manager or owner at a specific pre-owned motor vehicle company at a pre-arranged appointment. All the questions and queries on the questionnaire were handled by the researcher self. The pre-study interviews' questionnaires consisted of two sections. The first, section A, requested biographical information from the respondent; the second, section B, focused on the respondents' management skills, with specific focus on the tactical planning, marketing and public relations within the company. The questionnaire (as mentioned above in section 1.6.4, p 13) had a minimum of ten questions and was designed for the main study derived from findings of the pre-study. The time frame of the interview in the pre-study did not exceed thirty minutes of the respondent's time. The official questionnaire consisted of three different sub-divisions that formed part of one main questionnaire. The questionnaire was personally handed over by the researcher to the manager or owner of the enterprise on the specific pre-arranged date. All questions were handled by the researcher self. All managers and owners completed an identical questionnaire. The sub-divisions within the questionnaire were as follows:

- The first division focused on Managerial knowledge (some basic and additional tasks of a manager).
- The second division concentrated on environmental analysis and the physical appearances of the company itself (to support management and marketing evaluation).
- In the last division of the questionnaire, attention was given to the marketing function in the communication mix.

#### **1.7.4 Interviews**

Interviewers' administered questions are a data collection technique in which an interviewer reads a set of questions to the respondent in a predetermined order and records the answers (Saunders *et al.*, 2003:480). Open and closed questions were part of the official interview in the pre-owned motor vehicle enterprise study. The interviews in the pre-study were semi-structured, so as to present the continuous flow which would assist comparisons at the end of the study in the triangulation process.

*"Personal Interviews are when an interviewer asks questions of one or more respondents in a face-to-face situation"* (Du Plessis and Rousseau, 2003:24).

Personal recorded interviews were conducted for the main research project. All interviews were tape-recorded with the permission of the respondent, after which a transcription of the transaction was done by the researcher. Not more than ten companies were interviewed for the pre-study. The main research followed a similar format, except that a more structured questionnaire was completed by the respondent with the assistance of the researcher.

#### **1.7.5 Sampling Methods**

According to Solomon *et al.*, (2009:144), sampling is a procedure of selecting respondents for the research. Sampling can also be described as a procedure that uses a small number of items, or a proportion of items, to make a conclusion regarding the whole population. This may be seen as a section of the larger population (Zikmund, 2003:58).

The official manner of obtaining permission from the owners of the companies for this research was as follows. A personal request was made to the owner or manager of the company to obtain the information, by means of

questionnaires, from the manager/sales representative of the various companies.

In the original proposal the researcher intended to have a sample of 10% of the population. As more businesses than expected were eliminated from the list, the researcher found it necessary to increase the percentage of the sample so as to have more companies participating in the main research and not to have less companies participating in the pre-study. The researcher therefore decided to change the sample to 20% in order to maintain the effectiveness of the study. Ten companies were researched in the main study which ensured the reliability and validity of the main research.

#### **1.7.5.1 Purpose of Sampling**

In this study the researcher needed to choose between two sampling methods, known as probability sample and non-probability sample. The researcher chose the probability sample because the researcher intend for the target populations to have a fair chance within the research.

Probability methods included the following sampling techniques: simple random sampling, systematic sampling, stratified sampling and cluster sampling.

In this study the researcher made use of the stratified sampling method. The two areas in which the stratified sample fell consisted, firstly, of companies being in business for more than fifteen years and, secondly, companies being in business for less than fifteen years. These two areas allowed for a more equal chance of respondents in both areas being interviewed and resulted in a more reliable and valid contribution to the research.

For the pre-study, the researcher made use of a sample of 10% of the total motor vehicle enterprises of Matjhabeng, which equated to ten companies.

Had the researcher made use of a 10% sample on the main research, the sample would have consisted of only five companies, so the researcher decided to increase the sample to 20% in order to have ten companies researched and hence ensure the reliability and validity of the main research.

Table 1: Example of stratified random sampling within the main research

	Years of pre-owned motor vehicle companies	More than fifteen years	Less than fifteen years
Populations	51	33	18
Sample	10	6	4
Research percentage	20%	20%	20%

Source: Researcher

The sample for this research project was the pre-owned motor vehicle enterprises of Matjhabeng (see section 1.6.1, p 10-12). The companies involved were owned or managed by people of all race groups and by both genders. No favour was given to any particular group – the study was pure research related. The type of pre-owned motor vehicle companies which participated in the research were the companies selling vehicles in all price ranges and not consisting of any particular level of income. The clients of these companies were people who were legally allowed and able to purchase vehicles. All these elements were covered within the research project.

### **1.7.5.2 Independent Variables**

*“Independent variable is a variable that is expected to influence a dependable variable.” (Zikmund, 2003:50).*

In this study the independent variable is the knowledge of management. The micro-environment (see section 1.3, p 4) includes the top management, middle management and lower management of the enterprise.

### **1.7.5.3 Dependent Variables**

Dependent variable is a variable in the form of a measurement that is methodically restricted and is believed to predict or change the independent variable (Wiid and Diggins, 2009:141).

## **1.8 DEMARCATION OF THE FIELD OF STUDY**

In this study the demarcation of the field of study refers to five specific towns in the Matjhabeng region (see section 1.1, p 1) where the study of pre-owned motor vehicle enterprises took place.

Matjhabeng has a population of more than 500 000 (see section 1.1) and there are more than seventy new and old vehicle companies within Welkom alone. See annexure B and C for a map on the fraction of the industries within Welkom, Matjhabeng, that was used as part of the pre-study in July 2009. Annexure D indicates that some of the owners of the pre-owned motor vehicle enterprises have more than two pre-owned motor vehicle enterprises in the same area. The demarcation of the field of study included the surrounding towns of Welkom, which is the remainder of the Matjhabeng area, so as to ensure greater effectiveness of the study.

## 1.9 LIMITATION OF FIELD OF STUDY

Due to time and financial limitations the study was confined to Matjhabeng area and not to the whole of the Lejweleputswa region. Moreover, unfortunately, the respondents may have considered the information requested by the researcher as confidential to them and the owners. Such information may even have been the specific reason for the specific selected company to still be in business, while other pre-owned motor vehicle companies have failed to survive.

## 1.10 ETHICAL ISSUES

Ethical issues are explained as:

*"Ethical issues relates to the respondent and the general public is if primary concern when researchers conduct qualitative research and then disguises the purpose of the research, the comfort level of the respondent, misusing the research findings, and using deceptive procedures and techniques." (Du Plessis and Rousseau, 2003:31).*

Research Ethics is defined as taking an ethical and specific method in carrying out the marketing research that never does any damage to the respondent (Solomon *et al.*, 2009:147).

In this study, ethical considerations included the following. The management of the company had a choice to participate. Each respondent was questioned voluntarily. The respondent's confidentiality was not to be divulged. The respondents had the option to deny participation in the study. All respondents were informed of the purpose of the research. The results of the study would be provided to the company on request of the respondent. No questions were asked in the research project that could reflect negatively on the respondent.

## 1.11 PROGRAM OF THE STUDY

### 1.11.1 Chapter Division

CHAPTERS	DESCRIPTION OF CHAPTER
CHAPTER 1	This chapter focuses on the introduction, problem statement, description of the problem, objectives and aims of the research methods, demarcation of the research, definition of terms, and the outlay of the study.
CHAPTER 2	This chapter consists of an overview of literature regarding factors influencing management knowledge in the pre-owned motor vehicle enterprises of Matjhabeng.
CHAPTER 3	This chapter focuses on the research methodology and investigates the problem area as formulated. The nature of the sample and the method of data collection are defined. The actual research resumes and data is collected accordingly.
CHAPTER 4	This chapter provides presentation and analysis of the research results. Data collected is recorded in a meaningful and presentable format.
CHAPTER 5	This chapter presents the findings, conclusions, and recommendations.



### 1.11.2 Time Frame

ACTIVITIES	TIME SCHEDULE
Literature Chapter	April 2011
Development and evaluation of questionnaires and interview questions	April 2011
Conducting empirical survey	May 2011
Data Capturing	May 2011
Data Analysis	June 2011
Preliminary Presentation of project	June 2011
Final Project presentation	July 2011

## **1.12 CONCLUSION**

During this chapter, the study the interviewer interprets data and draws conclusions to be communicated to decision makers (Zikmund, 2003:61).

Although the pre-study was conducted prior to the main research, it was found that this research could be viable and conductible, namely the factors influencing management knowledge in the pre-owned motor vehicle enterprises of Matjhabeng.

By means of an empirical study, the researcher intended to establish that the research project would have a positive impact on the community and the pre-owned motor vehicle enterprises itself. This study is important as it can assist managers of the specific enterprises to evaluate their company's structures and management and not just consider the external influences on their businesses. In this way, factors of management knowledge could influence the pre-owned motor vehicle enterprises of Matjhabeng.

Since no hypothesis on the title existed, the researcher had to do extensive research on various aspects of the motor vehicle enterprises, nationally and globally. The researcher included all aspects of the title to be researched. This research was linked to information on the motor vehicle industry. More information on the research is found in chapter two.