Analysing the impact of disruptive events on the performance of the automotive industry sales in Gauteng, South Africa

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ABSTRACT

The South African Automotive Sector contributes significantly to the country's economy and is linked to the financial and insurance sectors. This study aimed to examine the impact of disruptive events on the automotive sector's sales performance in South Africa. The study specifically aimed to identify the main factors that affect the automotive sector's sales performance and assess insights into vehicle sales performance during disruptive events in South Africa. The qualitative research approach was applied to achieve the aim and research objectives of this study. A critical literature review helped to analyse and evaluate existing information concerning disruptive events and how they impact the automotive sector globally and in South Africa. The empirical study was exploratory and descriptive and consisted of interviewed participants to gather and interpret their perspectives. The literature showed that, due to globalisation, disruptive events affect several countries or the whole globe. This is regardless of whether the disruptive event is a pandemic caused by an infectious disease or an economic crisis. The automotive sector comprises various national and international industries codependent on manufacturing, assembling, supply chain, and sales. Hence a disruptive event starting in one country causes delays in other industries and other countries. However, the literature shows that developing are severely affected by disruptive events compared to developed countries. This is because of the socio-economic challenges developing countries face that make it difficult to recover economically after a disruptive event. The empirical study shows that salespersons are aware of the impact of disruptive events on the automotive sector and vehicle sales performance. The participants of this study were highly experienced, with more than ten years of experience in sales. The results show a need for flexibility in sales because it allows a salesperson to refine their sales philosophy quickly when faced with a disruptive event. The recommendation is that salespersons view the impact of disruptive events on a broader scale to be cognisant of how companies and the whole sector is affected, as opposed to only being aware of the impact at a team and individual level.

Keywords: Automotive, sales, salesperson, vehicle, car, qualitative.

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LIST OF ABBREVIATIONS

AAAM	African Association of Automotive Manufacturers
ACEA	European Automobile Manufacturers' Association
ASEAN	Association of Southeast Asian Nations
AU	African Union
BEV	Battery elective vehicle
CEM	Customer experience management
DHS	Department of Homeland Security
DTIC	Department of Trade, Industry, and Competition
EAP	East Asia and the Pacific
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
ESG	Environmental, Social, and Governance
EU	European Union
EV	Electric vehicles
EVD	Ebola virus disease
FAO	Food and Agriculture Organization
GDP	Gross Domestic Product (was a spelling error on 1 section/sentence)
GDP	Gross Domestic Product
GVC	Global Value Chains
HCV	Heavy Commercial Vehicles
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immuno Deficiency Syndrome
IPCC	Intergovernmental Panel on Climate Change
JICA	Japan International Cooperation Agency
JSE	Johannesburg Stock Exchange
KZN	Kwa-Zulu Natal
LCV	Light Commercial Vehicles
LCV	Light Commercial Vehicles
MCV	Medium and Heavyweight Commercial Vehicles

MIOSA	Motor Industry Ombudsman of South Africa
NAACAM	National Association of Automotive Component and Allied Manufacturers
NAAMSA	National Association of Automobile Manufacturers of South Africa
NADA	National Automobile Dealers' Association
NWU	North-West University
OAU	Organisation of African Unity
OECD	Organisation for Economic Cooperation and Development
OEM	Original Equipment Manufacturers
PDNA	Post Disaster Needs Assessment
R&D	Research and Development
RMI	Retail Motor Industry
RSE	Retail Sales Effectiveness
SAAM	South African Association of Mediators
SAIC	Shanghai Automotive Industry Corporation
SEA	South East Asia
SETA	Sector Education and Training Authority
SSA	Sub-Saharan Africa
TESLA	Tesla Motors
TSAM	Toyota South Africa Motors
U.S.	United States
UHC	Universal Health System
UNICEF	United Nations Children’s Fund
UNIDO	United Nations Industrial Development Organisation
UNIDP	United Nations Development Programme
USA	United States of America
WB	World Bank
WBG	World Bank Group
WHO	World Health Organisation

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CHAPTER 1: INTRODUCTION AND BACKGROUND OF THE STUDY

1.1 INTRODUCTION

Disruptions affecting the global economy have resulted in transformations in the automotive sector. According to Traub-Merz (2017:9), most passenger vehicles were produced in countries referred to as the Triad before 2000: USA/Canada, the EU15, and Japan/Korea. However, things have changed. Demand has moved to other regions, and developing economies are also experiencing some growth. The author also stated that manufacturing in developing countries has since experienced notable growth until 2008/2009, indicating that the growth in the production of passenger vehicles is primarily due to the increase in the manufacturing capacity in developing economies, as opposed to those countries depending mainly on traditional industrialized countries.

Statista (2022) reports that the global automotive manufacturing market is estimated to grow from 2.7 trillion (2021) to 2.8 trillion U.S. Dollars in 2022. Further, there will be considerable changes in the automotive sector concerning technological advances, with an estimated 26% of new electric vehicle sales and 58 million self-driving vehicles globally. Moreover, this grants new opportunities and possible increased segmentation in the supplier business due to the technological advances it presents. However, there have been reports of a shortage of semiconductors that have negatively affected manufacturing and vehicle production globally; this is an essential part used in vehicle manufacturing. Coface (2022) reports that this will be a challenge until 2023 and may also harm the estimated growth of the manufacturing industry.

Martin (2022) reports that, in Africa, the challenge of manufacturing capacity has always existed. However, these challenges are currently addressed throughout the continent. The approach to compensate for limited manufacturing and production capabilities across Africa was to use imports. These imports cover over 50% of the continent's manufacturing products needs, including automotive parts, industrial machinery, and transport equipment. The manufacturing industry’s contribution to the Gross Domestic Product (GDP) in Africa is estimated to be only 10% of the GDP. The major suppliers are Europe at 35%, China at 16%, and the rest of Asia at 14% (including India).

In South Africa, the National Association of Automobile Manufacturers of South Africa (NAAMSA, 2022a) reports that the automotive sector contributes an estimated 6.4% to the GDP, with 4% being a contribution by the manufacturing industry and 2.4% by the sales industry. The manufacturing industry of the South African automotive sector contributes 27.6% of South Africa's manufacturing output. The manufacturing industry accounts for 15.5 % of exports out of the 104 sectors; it is the 5th largest exporter. Moreover, NAAMSA (2022a) highlights that the success of the South African Automotive Sector is due to the combination of good industrial policy and foreign investment, which is the foundation for the industrialization drive in South Africa and is the key driver of the notable economic growth. They further emphasise that "no other industry in South Africa has such an expansive reach across the country, delivering economic benefits and creating jobs in many different sectors" (NAAMSA, 2022a).

Disruptive events cause drastic changes in the economy, the market, industries, organisations, and social settings; they happen at a regional, national, or global level (Pells, 2009). However, the automotive sector is vulnerable to disruptive economic events. This study will investigate the impact of disruptive events on the Automotive Sector in Gauteng, South Africa, focusing on analysing the vehicle sales industry.

1.2 BACKGROUND TO THE STUDY

The Department of Trade, Industry, and Competition (DTIC, 2017:3) developed the South African Automotive Master Plan to 2035, released in November 2016 for scrutiny by relevant stakeholders. The intention was to make amendments before the official release in December 2018. The DTIC recognizes the automotive sector as the most important sector when it comes to manufacturing in South Africa. They report that about 33% of the value added by the manufacturing industries comes from the automotive sector manufacturing industry, directly or indirectly (DTIC, 2017:13). This makes it a key player in the drive for industrialization in South Africa. Using information from extensive South African Association of Mediators (SAAM) research conducted locally and internationally, the DTIC identified six pillars of the Automotive Master Plan: 1. Local market optimization; 2. Regional market development; 3. Localization; 4. Infrastructure development; 5. Industry transformation; 6. Technology and associated skills development (DTIC,

2017:22). The mandate of the SAAM is to coordinate, monitor, and evaluate the progress made to achieve the key objectives of the Automotive Master Plan, ensuring that all partners are achieving the set objectives. Therefore, the success of the Automotive Master Plan depends on each of the partners and stakeholders' contributions; government and private institutions.

Despite its claimed significance to economic development, the South African Automotive Sector does not receive sufficient assistance due to internal obstacles such as a lack of technical skills, capital, or labour problems (Worku, 2018:227). It may also result from external obstacles such as high entry hurdles or a few companies' industrial dominations. Additionally, the automobile sector has problems obtaining and using suitable technologies and innovations, limited management skills, limited internal capacity in terms of well-trained people, poor productivity, and regulatory concerns (Edoho, 2015:127).

According to Naude (2013:407-414), South Africa's automotive sector comprises over 450 automotive component manufacturers. Gereffi and Sturgeon (2013:329) report that these manufacturers are spread mainly in four provinces that constitute about 70%. The provinces are Gauteng (20%), the Eastern Cape (20%), KwaZulu-Natal (20%), and the Western Cape (10%). Nansai *et al.* (2014:1399-1400) state that, although the diversity of metals mined and manufactured in South Africa is a key draw for global vehicle manufacturers, a lack of specialized skills, labour unrest, and labour costs pose a danger to the South African Automotive Sector. Similarly, Giunta *et al.* (2012:1067) were of the notion that the South African Automotive Sector could expand at a rate of more than 10% per year if risk factors such as labour unrest, labour costs, and a shortage of specialized skills were to be addressed. In an earlier report, Barnes and Morris (2008) believed that South Africa's automotive industry could be used to produce the majority of the vehicles required on the African continent. This could potentially create millions of jobs for unemployed youth and increase the industry's current contribution to the country's GDP.

Muhammad *et al.* (2012:15-21) highlighted that the primary issue confronting the European Union (EU) automotive sector between 2008 and 2012 was a drop in vehicle demand due to the recession, which resulted in a decline in automobile output. Although demand began to increase in 2010, it failed to reach pre-crisis levels, and output began

to decline again in 2012. Furthermore, Muhammad *et al.* (2012:20) examined the causal relationship between various variables, including GDP, inflation, unemployment rate, lending rate, and automobile sales. The results of their study indicated the above factors have a long-term connection with automobile sales. The GDP variable is positively correlated with automobile sales. This demonstrates that the level of national wealth is a significant driver of the automobile sector.

In comparison, increases in inflation, unemployment, and interest rates have a detrimental effect on automobile sales. This is because the automobile sector's sales rate is a key indicator of economic development and success in any given nation. In this respect, prudent financial and economic measures must be adopted to prevent this outcome.

1.3 PROBLEM STATEMENT

The automotive sector contributes significantly to the country's economy. Business organisations across the value chain, from spare parts producers to leather seat manufacturers, contribute to the success of the vehicle sector. Automobiles are linked to other economic sectors, including banking, finance, insurance, and infrastructure. However, the unpredictability of the annual automobile sales is of concern; South Africa experiences fluctuations in fiscal revenues.

Occasionally, disruptive events occur globally, and their impact is felt by all developed and developing countries. Due to globalisation and the codependency of countries, South Africa is also influenced by what happens in the rest of the world, especially in the United States and Asia, which impacts South African trade and industry.

South Africa exports many locally produced vehicles and parts, such as BMWs and Mercedes parts, to other countries worldwide. This was disrupted by different disruptive events in the past few decades. The latest of these events is the Covid-19 pandemic, first identified in China and then spread to the rest of the world. This led to a drastic drop in vehicle demand and a severe drop in vehicle sales. South Africa's automotive sector experienced a 38.53% drop in sales; NAAMSA (2021a) reported that the total production year in July 2020 was 219 610 versus July 2019 at 357 276.

There were income cuts and retrenchments. Some car dealerships were forced to close their doors. When a disruptive event is a pandemic like Covid-19, customers may also be affected because selling a car requires seeing the vehicle, which may not be possible because of the lockdown restrictions of limited face-to-face encounters.

Thus, based on the preceding description of the automotive sector, the problem is synthesised into a current auto sales decline. Disruptive events such as the 2008 Recession, Technological influence, the Covid-19 pandemic, and the July 2021 South African unrest are some elements affecting the automobile sector's sales performance.

1.4 RESEARCH OBJECTIVES AND RESEARCH QUESTIONS

1.4.1 Primary research objective

This research project's primary objective was to examine disruptive events' impact on the automotive sector's sales performance in South Africa, Gauteng Province.

1.4.2 Secondary research objectives

The secondary objectives of this research project were the following:

- To determine the main factors that affect the automotive sector's sales performance in South Africa during disruptive events.
- To assess insights into vehicle sales performance during disruptive events in South Africa, Gauteng Province.
- To make recommendations based on the study's findings and conclude the research.

1.4.3 Primary research question

What was the impact of disruptive events on the automotive sector's sales performance in the Gauteng Province, South Africa?

1.4.4 Secondary research question

The secondary research questions of this research project were:

- What factors affected the automotive sector's sales performance in South Africa during destructive events?

- What contributed to the insights into vehicle sales performance during disruptive events in South Africa, Gauteng Province?
- Which recommendations can be made based on the findings of the study?

1.5 SCOPE OF THE STUDY/DELIMITATIONS

The study scope is divided into two sections, namely, the field of the study and the geographical demarcation of the study.

1.5.1 Field of the study

In South Africa, particularly in Gauteng, the automotive sector is impacted by a variety of disruptive events, including interest rates, new vehicle prices, personal disposable income, credit availability, fuel prices, fuel efficiency, and food inflation, as well as income rates, the global financial crisis, and Coronavirus. The main objective of this study was to analyse identified recent disruptive events that have impacted the South African automobile sector's sales performance, as well as other aspects that have affected sales as a consequence of disruptive events.

This study falls within marketing management and sales performance, specifically for automotive businesses.

1.5.2 Industry/business under investigation

This study analysed the success of sales performance in the Automotive Sector in Gauteng, South Africa, focusing on businesses such as auto financing, Original Equipment Manufacturers (OEMs), NAAMSA, and car dealerships. Many companies give their clients a diverse selection of brands at varying pricing points.

1.5.3 Geographical demarcation

The target population for this study included small and medium-sized automotive businesses in Gauteng, South Africa (refer to Figure 1.1: Map of the geographical areas of the study).

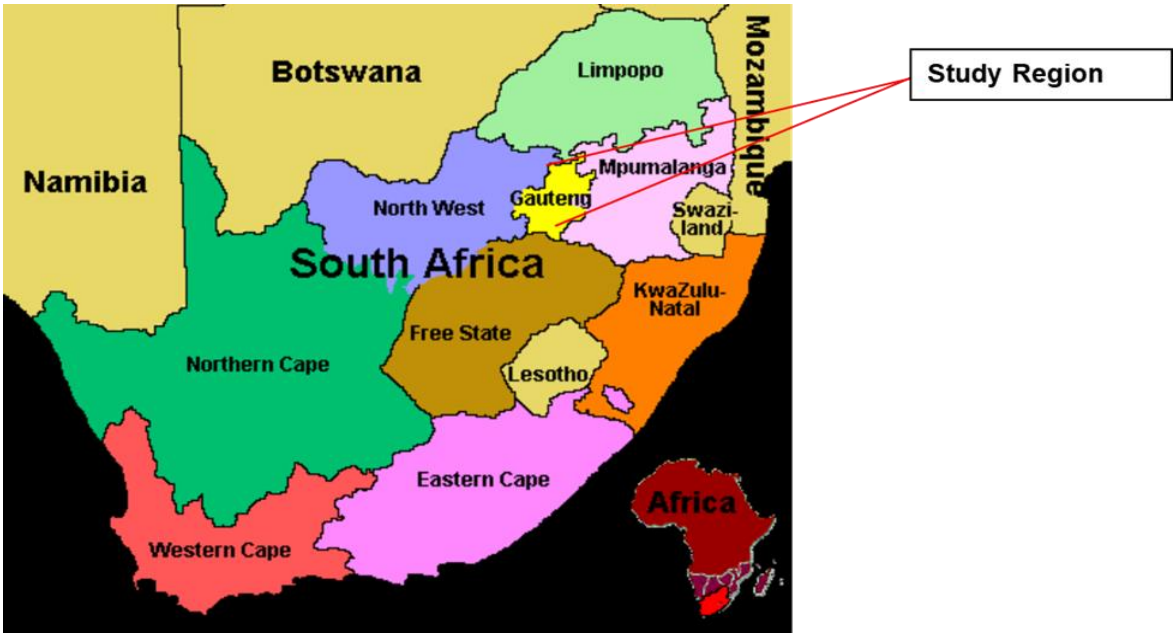


Figure 1.1 Map of the geographical areas of study (Source: south_african_map.gif)

1.6 RESEARCH DESIGN AND METHODS

A research methodology is a framework of how the study will be conducted, including the theoretical and philosophical assumptions underpinning the research and their consequences for the technique or methodologies chosen (Saunders *et al*., 2016:720).

The study consists of two stages. The first stage was a survey of the literature on disruptive events in South Africa to comprehend the automotive business properly. This was followed by empirical research investigating the major disruptive events affecting the automotive sector's sales performance in Gauteng, South Africa.

1.6.1 Preliminary literature review

This section serves to share information on the current body of knowledge concerning the phenomenon and concepts of interest, thereby helping the researcher avoid not only wasting resources by reinventing the wheel but also avoid conducting a study that does not add to the existing body of knowledge (Sajeevanie, 2021; Van der Waldt, 2021). The focus is on an overview of the automotive sector globally, followed by an overview of the African and South African automotive sectors. This is followed by an analysis of past disruptive events and, recently, the Covid-19 pandemic has affected the automotive

sector. The section ends with a conclusion that shares the researcher's views as informed by the information available in the literature.

1.6.1.1 Overview of the global automotive sector

The automotive sector consists of various industries that are interconnected and codependent: the manufacturing, maintenance, transportation, and sales industries (Broding & Fartasch, 2020). Papatheodouru and Harris (2007) give a summary of the history of the automotive sector. The sector's origin is in Germany and France. It then developed and expanded in North America during the mass production era and developed even further in Japan and the Republic of Korea. The authors state that China has recently become a leader in the sector, particularly in producing electric vehicles (EVs). The automotive sector is referred to as the industry of industries because it evolved simultaneously with twentieth-century industrial development and is associated with mass production and consumption.

Advancements in technology have affected the daily operations of businesses, affecting how manufacturers' productivity and human capital in the automotive industry are viewed (PwC, 2022). Manufacturers in both developed and developing countries are under even more pressure to improve productivity while reducing the cost of production and maintaining product quality. Ikome *et al*. (2022) state that, added to the above, manufacturers must strategically decide how and where to improve to remain competitive globally. Companies need to strike a balance between productivity and responsible production for them to be competitive in the global arena. The vehicle manufacturing industry is also responsible for ensuring that the environment is unharmed and other resources are unexploited due to their daily operations. This means that, despite the need to stay competitive, sustainability measures should be taken as part of Environmental, Social, and Governance (ESG) practice. Consideration of ESG practices are important in the vehicle manufacturing industry because of the raw material used and the heavy machinery used to turn those raw materials into car parts. Strike *et al.* (2006:851) refer to the vehicle manufacturing industry as a "pollution-intensive industry", which is a global concern that impacts each firm's competitiveness in the market.

The manufacturing industry does manufacture not only vehicle parts for new vehicles but also maintenance and replacement parts. Hence, it receives more pressure for fast production (KPMG, 2021). The maintenance industry is concerned with the after-sale maintenance of vehicles and parts replacements. This industry deals mostly with building relationships and trusts with clients and offering them maintenance plans for example. Professionalism and service quality are important in the vehicle maintenance industry because each brand competes to attract customers and keep them loyal (Hong *et al.,* 2020).

The 22nd Global Automotive Executive Survey was conducted by KPMG concerning the sales industry and perceptions of industry leaders about its future, especially focused on the effects of the Covid-19 pandemic. One of the negative impacts of the pandemic was network delays and declining car purchases, resulting in billion-dollar deficits (SAAM, 2021). When KPMG (2021) interviewed 1 000 executives in the global automotive sector in 2021, 53% indicated that they were extremely confident that the industry will experience profitable growth in the coming five years. However, there were differences in different regions: Europeans were less confident than executives in the United States (U.S.). They quoted Laurent Des Places, a Partner at KPMG in France, who highlighted the reality that there is political pressure due to ESG practices in Europe and also lower carbon emissions. Factors that have strained business models and are reported to result in slower vehicle manufacturing and sales. About 66% of American executives were confident in the potential growth, while the estimate for Germany was 49% and 55% for China. Concerning the transformation to digital consumers, 78% of the executives said that most customers will purchase new cars online by 2030. In addition, 47% indicated that they are of the notion that 60% of customers will purchase cars directly from automaker-led online sales by 2030.

Overall, digital and technological transformations facilitated by disruptive events lead the automotive sector; the Covid-19 pandemic is an example. According to Brown *et al.* (2021), the automotive sector is expected to experience significant transformations in the next ten years. These transformations will mostly result from digitalisation and new technologies that require amendments to business models. The authors highlight that these changes are beneficial because they lower the entry barriers to the market while

facilitating collaborations between industries and stakeholders. This includes research facilities because there is a constant need for Research and Development on new technologies and business models affecting various automotive sector industries.

1.6.1.2 Overview of the Automotive Sector in Africa

The automotive sector in Africa faces similar challenges of lack of infrastructure and capital limitations. However, Black *et al.* (2017) state that African countries' conditions are conducive to manufacturing. Yet, according to international standards, Africa has a low manufacturing capability. Black *et al*. (2017) explain that the African automotive sector became vulnerable because of the implementation of liberalization policies. These policies led to deindustrialization, lower profits and privatization. This has led to low export growth and the failure to generate enough employment, especially in the manufacturing industry. Black *et al*. (2017:13) concluded in their study that “the low level of industrialization in Africa represents an important potential obstacle to sustained development and is an indicator of the economic fragility of the region”.

Davies and Schillers (2018) report that the African sales industry is dominated by second-hand imported vehicles mostly because of limited income in African countries. In the three countries the report was based on (Ethiopia, Kenya, and Nigeria), the authors estimated that 80% of vehicles were imported as used vehicles. These imports are from the U.S., Europe and Japan. Although South Africa, Egypt, Morocco, and Algeria have enough established automotive assembly and manufacturing sectors, vehicles produced in Africa in 2015 only accounted for 0.9% of the global production. Regardless of these challenges, Davies and Schillers (2018) state that the policymakers in the African continent seek to boost manufacturing employment in the automotive sector; while diversifying export revenue sources and concurrently industrializing the economies of African countries.

The African Association of Automotive Manufacturers (AAAM) reported hope for the African continent's large-scale automobile production; however, they emphasise that it is only possible if the governments and the automotive sector collaborate (Awuah, 2019). Yet the AAAM acknowledges that this can only be achieved when the government provides frameworks and financing solutions that allow for an environment conducive to efficient manufacturing and industrialization in Africa. In disagreement with Davies and

Schillers (2018) above, the AAAM reports that African roads are dominated by modern and environmentally viable vehicles. This reality has positive outcomes concerning job security and sustainable industrialization. The AAAM highlight that Africa, a continent rich in raw materials needed for the manufacturing of vehicles, has a high potential for using this to its advantage; this includes copper, platinum, cobalt, bauxite, and lithium. They mentioned one of the initiatives to ensure that the procurement process is sustainable, the Drive Sustainability and the Global Battery Alliance.

The automotive sector in Africa faces challenges that make it impossible for it to be competitive globally. The Industry Global Union (IGU, 2021) countries in sub-Saharan Africa (Ghana, Ethiopia, Kenya, Namibia, Nigeria, Rwanda, and South Africa) have shown commitment to growing the automotive sector; through the implementation of targeted policies and establishing partnerships with the big players globally. The IGU (2021) also reports that these countries in the SSA have also implemented positive integration strategies that potentially attract investors. In so doing, there will be an economic boost by the automotive industry in each country that leads to job creation and improvements in industrialization. One can, however, postulate that Africa generally needs more time to unlearn old ways of doing business and adjust to new ways that will render the automotive sector globally competitive.

1.6.1.3 The importance of the automotive sector

The automotive sector is an important player in the economic development and growth of South Africa (NAAMSA, 2021b). The sector dominates in Gauteng, the nation's economic centre; the Eastern Cape, which is recognized for having the country's biggest industrial development region; and KwaZulu-Natal, which is home to Africa’s leading harbour. The NAAMSA (2021b) report further states that the multinational automotive firms contribute significantly to the growth of the country's leading socio-economic crisis (such as unemployment), and to the social uplifting of communities located in regional clusters where the sector is centred.

Throughout 2020, the wider automobile industry contributed 4.9% to GDP of which 2.8% was production and 2.1% was retail, decreasing from 6.4% in 2019; owing to the severe effects of Covid-19 on vehicle production and sales as a result of the national lockdown

restrictions (NAAMSA, 2021b). NAAMSA (2021a) highlights that the industry employed more than 29,99 people in March 2020, compared to 30,67 at the end of December 2019, representing a decrease of 670 jobs.

1.6.1.4 The structure of the South African Automotive Sector

The National Association of Automobile Manufacturers of South Africa (NAAMSA, 2021a) reports that the Automotive Sector in South Africa consists of 22 companies that produce vehicles and heavy trucks. That there are also seven major manufacturers of Light Commercial Vehicles (LCVs) and countless producers of Medium and Heavyweight Commercial Vehicles (MCVs and HCVs). Additionally, South Africa is home to 21 businesses that import and distribute new automobiles and trucks. Moreover, there are approximately 500 automobile equipment suppliers, including 180 first-tier suppliers (NAAMSA, 2021b).

The seven OEMs that dominate the value chain are BMW, Ford, Isuzu, Mercedes-Benz, Nissan, Toyota, and Volkswagen NAAMSA, 2021b). These businesses have a significant economic influence on Gauteng, the Eastern Cape, and KwaZulu-Natal. These OEMs and their associated partners are at the heart of the three major regions mentioned above. In Gauteng, which has the second-highest density of car production in South Africa, there are three OEMs: BMW, Ford, and Nissan, and about 40% of the South African Automotive equipment industry (NAAMSA).

According to the National Association of Automotive Component and Allied Manufacturers (NAACAM, 2021), the South African Automotive Sector organisational structure, the National Association of Automotive Manufacturers (NAAMSA), the Automotive Business Council, the National Association of Automotive Component and Allied Manufacturers, and the Retail Motor Industry Organisation (RMI) are among the organisations that make up the domestic automotive industry's manufacturing and retail sectors. Along with NAACAM, the main OEMs in South Africa are also members of the independent AAAM. At the same time, the Motor Industry Ombudsman of South Africa (MIOSA) serves as the sector's recognized adjudicatory forum (SAAM, 2021). The National Automobile Dealers' Association (NADA), an integral alliance of the RMI, is one

of eight organisations under the RMI branding that concentrate on franchised new car dealerships and qualified used vehicle retailers (SAAM, 2021).

The AAAM was founded in November 2015 to establish a thriving automobile ecosystem that would result in a robust business that generates considerable employment while supporting Africa's automotive sector in industrialization. The AAAM's mission is thus to consult with governments, industry associations, and leaders from the African automotive sector on possibilities to standardize, improve, and expand all facets of important domestic automotive sectors (SAAM, 2021).

Additionally, SAAM (2021) mentioned the MIOSA, founded in 2000 as a non-profit organisation. The MIOSA agency serves as the exclusive recognized resolving disputes platform, regulating and mediating interactions of individuals pursuing businesses in the automotive, customers, and associated sectors in South Africa.

1.6.1.5 The South African new vehicle market

Consumers are now driven by factors such as environmental concerns and technological advancements. This means that their preferences when it comes to new vehicles have changed, and that has affected the new vehicle market in varying ways.

In a report by BusinessTech (2022a), they quoted the chairperson of the NADA, Mark Dommissee, who reported that 41,382 units were sold in January 2022, representing an estimated 19.5% increase compared to January 2021. BusinessTech (2022a) reported that their projected sales increase for 2022 is between 10 and 15%. They cited Cyril Zhungu (the Head of Automotive Retail Finance at Standard Bank), who protected sales growth of between 8 and 10% in 2022. Zhungu stated that the market would experience sales of about 500,000 new vehicle units. However, the Head of Standard Bank (and Chairperson of NADA) expressed concerns regarding the increase in consumer debt levels and the expected 1.5% increase in interest rates.

The National Association of Automobile Manufacturers of South Africa (NAAMSA, 2022b) reported a 24.5% increase in sales of passenger vehicles, a 6.8% increase in sales of Light Commercial Bakkies & Mini-Buses, a 0.2% increase in sales of Medium Trucks & Buses, and a 16.7% increase in sales of Heavy Trucks & Buses. This was for February

2022 compared to February 2021, and they reported an overall industry increase of 18.5%. The total new vehicle sales top five reported by NAAMSA (2022b) were Toyota (13 458), Volkswagen Group SA (6 153), Suzuki Auto (3 240), and Hyundai Automotive Group South Africa (3 017), and Nissan (2 126). The projections by BusinessTech (between 10 and 15%) and the Head of Standard Bank's Automotive Finance (between 8 and 10%) are a bit lower than the actual estimate.

The increase in national new vehicle sales is occurring concurrently with an increase in export (12.3%), and that is a further positive contribution to the economic growth of South Africa (Stoddard, 2022). This means that, although there are no official reports, the automotive sector has employed more people and positively impacted the socio-economic status of those people and their families.

1.6.1.6 Trends in passenger vehicle sales

The drop in passenger vehicle sales comes as no surprise because of the Covid-19 pandemic and its negative impact on the global economy. Statista (2022b) reports that passenger vehicle sales were 74.9 million in 2019, dropped to 63.8 million in 2020, and then rose to 66.7 million in 2021. They report that South America and Europe sales dropped by 25% and were the hardest-hit regions. China, recognized as the largest market in sales, experienced a drop in February 2020. Still, it recovered by February 2021 from the negative impacts of the pandemic (rising to four times the sales of February 2020). Kopestinsky (2022) reported that, in the U.S., people between the ages of 18 to 25 bought more vehicles in 2020 due to the fear of contracting the virus while using public transportation, regardless of vehicle sales dropping in the same year.

According to data from the National Association of Automobile Manufacturers of South Africa (NAAMSA, 2021a), the new vehicles market contracted in December 2021, concluding a year of obstacles that included more Covid-19 phases and varieties, as well as several indigenous socio-economic concerns.

National new vehicle sales are significantly associated with overall economic strength, and the new vehicle market has performed in line with the country's expected GDP of around 5% in 2021. Additionally, NAAMSA (2021a) notes that, although new vehicle sales decreased by 29.2% from 536,612 units in 2019 to 380,206 units in 2020, the new vehicle

market made a tremendous remarkable recovery, expanding by 22.1% year year-on-year to 464,122 units in 2021. Table 1.1 below depicts the trend of new vehicle sales in South Africa from 2016 to 2021.

Table 1.1 Annual aggregate industry sales by sector since 2016

Sector	2016	2017	2018	2019	2020	2021	2021 / 2020 % Change
Cars	361,265	368,114	365,247	355,379	246,541	303,961	+23.3%
Light Commercials	159,316	163,317	159,525	153,221	110,912	133,079	+20.0%
Medium Commercials	8,436	7,890	7,913	8,690	6,735	7,518	+11.6%
Heavy Trucks, Buses	18,535	18,383	19,579	19,322	16,018	19,564	+22.1%
Total Vehicles	**547,552**	**557,704**	**552,227**	**536,612**	**380,206**	**464,122**	**+22.1%**

Source: NAAMSA (2021a)

The export sales are shared in Table 1.2 below, and they show the automotive sector's export performance from 2017 to 2021.

Table 1.2 Industry's export sales performance since 2017

	2017	2018	2019	2020	2021	2021 / 2020 % Change
Cars	230,957	221,681	260,843	178,788	170,788	-4.5%
Light Commercials	106,148	128,322	125,422	91,942	123,896	+34.8%
Trucks & Buses	990	1,136	827	558	584	+4.7%
Total Exports	**338,095**	**351,139**	**387,092**	**271,288**	**295,268**	**+8.8%**

Source: NAAMSA (2021a)

At the beginning of 2021, vehicle exports were recorded, with the vehicle export performance captured in 2019 before the CovidOVID-19 pandemic. As of 2021, automobile shipments were 295,268 units, representing a rise of 23,980 cars (8,8%). This contrasts with the 271,288 vehicles shipped in 2020 (NAAMSA, 2021a). Regrettably, political turmoil in Gauteng and KwaZulu-Natal, including the unforeseen circumstances declared by Transnet following the computer hackers in July 2021, has left a significant dent in the nation's economic recovery (NAAMSA, 2021a).

1.6.1.7 Effects of disruptive events on the automotive sector

Disruptive events create a permanent change in people's lives by destroying or shifting things and replacing them with new things, forcing people to adjust and adapt accordingly. Although it is the negative things that people usually focus on, some positive outcomes always result in new and better ways of doing things or living in general. Disruptive events can be caused by natural disasters or intended (such as nuclear war) or unintended man-made events such as corruption or climate change (Leo *et al.,* 2013). Andres and Marcucci (2020) state that one of the benefits of disruptive events is that they facilitate the process of businesses becoming more flexible and, therefore, more adaptable to change. Markets have become highly unpredictable and competitive as a result of globalisation. Disruptive events that occurred globally and some in South Africa are discussed in detail in the following sub-sections.

1.6.1.8 2008 Recession

The financial crisis is reported to have started in the United States (U.S.) in 2007, involving most institutions in the financial sector in the Organisation for Economic Cooperation and Development (OECD) countries. The OECD is a group of 37 member countries established in December 1960 to develop policies that enable prosperity, equality, and well-being for all (OECD, 2022); this is achieved through adhering to international standards and adopting suitable solutions for social, economic, and environmental challenges. Dullien *et al.* (2010) state that developing countries and emerging markets were only drastically affected when it became a global economic recession.

Chanda *et al.* (2018) listed the following main reasons as what led to the Great Recession that began in the U.S.:

- Before the crisis, the macroenvironment was favourable, with strong and stable economic growth in most countries, which led to investors and banks increasing their lending and taking high risks.
- Regulation and policies for lending were not tight enough, which meant that individuals and organisations were given loans they could hardly afford.

The Great Recession led to a drop in house prices and borrowers failing to make payments, the stress in the financial system that started in mid-2007, and then a spill to other countries (Chanda *et al.,* 2018). Concerning vehicle sales, Kopestinsky (2022) reports that U.S. vehicle sales dropped to 10.4 million in 2019 and are at their all-time lowest.

South Africa was officially declared to be in recession on the 26th of May 2009 by the National Treasury. Like the U.S. and most countries, South Africa had been experiencing economic growth and macroeconomic stability before the recession (OSISA, 2017). The automotive sector was reportedly one of the sectors that contributed a lot to the drop in the GDP because it was affected by inflation and a decline in the export of vehicle parts by the manufacturing industry. In the report, the manufacturing, engineering, and related services SETA (merSETA, 2010) analysed the recession's impact on employment and skills in the manufacturing, engineering, and related industries, highlighting that the automotive sector is the most critical under this umbrella. According to merSETA (2010), the production volumes of the motor vehicle, parts and accessories, and other transport equipment industry showed a dropped of 35.3% in year-on-year production volumes, as well as an estimated decline of 49.2% compared to the previous production-volume high. Employment declined from 35 458 in July 2008 to 30 325 in September 2009 in the vehicle assembly industry and then stabilised in July 2009. The manufacturing industry was reportedly the most hit when it came to employment. The merSETA (2010) indicated 18 000 job losses by the end of 2009 due to several firms' closures. Concerning the sales industry, merSETA (2010) reported a loss of 9 000 jobs and 300 dealership closures.

The Great Recession affected all countries globally, and it was even more devastating for developing countries because most already had debt challenges before the recession. Beyond that, it had an impact on the socio-economic factor of South Africa, leading to a wider gap between the rich and the poor, as well as showing that inequality is a serious problem in the country (Sitlu *et al.,* 2014). The generally less skilled citizens lost jobs mostly, and those dominated in South Africa.

1.6.1.9 The Covid-19 pandemic

South Africa's 2020 lockdown restrictions were imposed to protect the population against the spread of Covid-19 and, thereby, reduce the impact of the pandemic. However, before the lockdown, the automotive sector was reported to have experienced low disruption caused by rapid changes. Davies and Vincent (2020:5) stated that this was because of factors such as the congestion of cities with inadequate infrastructure and making a vehicle purchasing undesirable to some consumers. The technological shifts toward embracing new battery elective vehicle (BEV) power meant that employees needed skills development at a rate that the sector could not keep up with; the emergence and the increase of new competitors moving into the market.

Another challenge impacted the automotive sector during the Covid-19 pandemic. Smaller, second-tier automotive component manufacturers suffered the most losses (Barnes, 2020:1).

This was mainly because of their lower operating margins and limited access to lines of credit. Redda and Surujlal (2021) also reported that all industries in the automotive sector showed a contraction in May 2020, and the estimated drop in vehicle sales was 81% on a year-on-year basis. In general, job losses in the manufacturing industry were reported to be 15 000 in June 2021 (BusinessTech, 2021). There is currently no report on the estimated number of job losses in the manufacturing ior automotive sectors after the Covid-19 pandemic. What is interesting is the sudden shift in the mindset of South Africans concerning the move from not being receptive to the Fourth Industrial Revolution (4IR) to embracing it due to the events that demonstrated its importance because of the Covid-19 pandemic. The United Nations Industrial Development Organisation (UNIDO, 2021) reports that South Africans and other African countries were against the 4IR because robots replace manual labour. They reported that South Africans took a step further by calling for the government to create new jobs while protecting existing jobs in labour-intensive industries (UNIDO, 2021). One of those labour-intensive industries is the automotive sector's manufacturing industry, which is affected by technological advancements at different levels.

1.6.1.10 Technological influences

Advancements in technology refer not only to the benefits experienced by consumers and automated machines involved in vehicle assembly. That is why South Africans were not receptive to the 4IR as discussed in the above section. Mashiane (2021) highlighted that autonomous technology boosts the user's engagement while lowering the need for direct control while driving. Innovations and technological advances have affected how cars are built, how they are operated, and how they are maintained. Davies (2021) states that South Africa can only adjust by continuing to shift to more automated and technology-driven manufacturing. This encourages the country's automotive sector to deindustrialize. Such actions would require plans and strategic implementation of new skill sets in the manufacturing sector. South Africa remains challenged with low skill levels (Barnes & Lorentzen, 2003). This is just one factor that will slow the adoption and efficient use of new technologies in the automotive sector.

1.6.1.11 July 2021 unrest in South Africa

In July 2021, South Africa experienced violent socio-political unrest that resulted in the looting of shops and businesses, burning buildings, and causing disruption. It happened mainly in the Gauteng Province and the Kwa-Zulu Natal Province (Vhumburu, 2021). The unrest started as small protests in the Kwa-Zulu Natal Province (KZN). It quickly escalated into violent unrest after the Constitutional Court of South Africa sentenced former president Jacob Zuma to 15 months imprisonment because he had defied a court order. He was required to comply with a summons to appear before the Judicial Commission of Inquiry into Allegations of State Capture, Corruption, and Fraud in the Public Sector, including Organs of State. He had also undermined the authority of the Court through his casual and scandalous attacks.

According to the National Treasury (2021), Gauteng and KZN collectively account for approximately 50% of South Africa's GDP. They reported that there was damage to manufacturing plants that led to logistics issues; however, there were no reports of the impact on the automotive sector's manufacturing industry directly. This limited information indicates that the current proposed study has the potential to add to this knowledge through the qualitative and constructivist research it aims to take.

1.7 EMPIRICAL STUDY

The study's second phase was empirical research; it involved collecting primary data and analysing the data, followed by presenting the findings.

Moser and Korstjens (2018:12) state that participant observation, interviewing, and focus group discussions are the most often utilised data collecting techniques. This study employed a qualitative approach, using semi-structured interviews to gather data to get an insider's viewpoint on how disruptive events can affect sales performance success in Gauteng, South Africa's automobile sector. The qualitative research interview aims to elucidate the significance of prominent themes in the respondents' lives. The primary objective of interviewing is to ascertain the meaning of the respondents' statements.

Interview questions were identified as guided by the information gathered through the literature review. Braun and Clarke (2006) highlight that thematic analysis is a technique for discovering, analysing, and highlighting themes within data. Thematic analysis was used to analyse the data acquired during the interviews using the microsoft word and excel program. The interviewer will probe for further information on particular topics throughout the interview.

A research study's population is “an aggregate of all items in the field of inquiry” (Kothari, 2013:55). The target population for this research was dealership managers from diverse dealerships in South Africa's Gauteng Province. Primary data was collected using semi-structured interviews with nine retail dealership managers in the Gauteng province of South Africa. The procedure was carried out in stages, as guided by Saunders *et al.* (2019:130).

1.7.1 Research paradigm

As illustrated in Figure 1.2 below, study paradigms encapsulate how researchers conceptualize reality, construct knowledge, and acquire data regarding the issue under consideration (Tracy, 2019:38). Additionally, paradigms can refer to a framework, point of view, or worldview based on the researchers' assumptions and ideas about the social world (de Vos *et al*., 2011a:513). Paradigms vary in terms of how reality and knowledge are defined; the assumptions that underpin research and theory development; and the

techniques utilised to obtain, collect and analyse evidence (Creswell & Plano Clark, 2011; Tracy, 2019; Yvonne Feilzer, 2010).

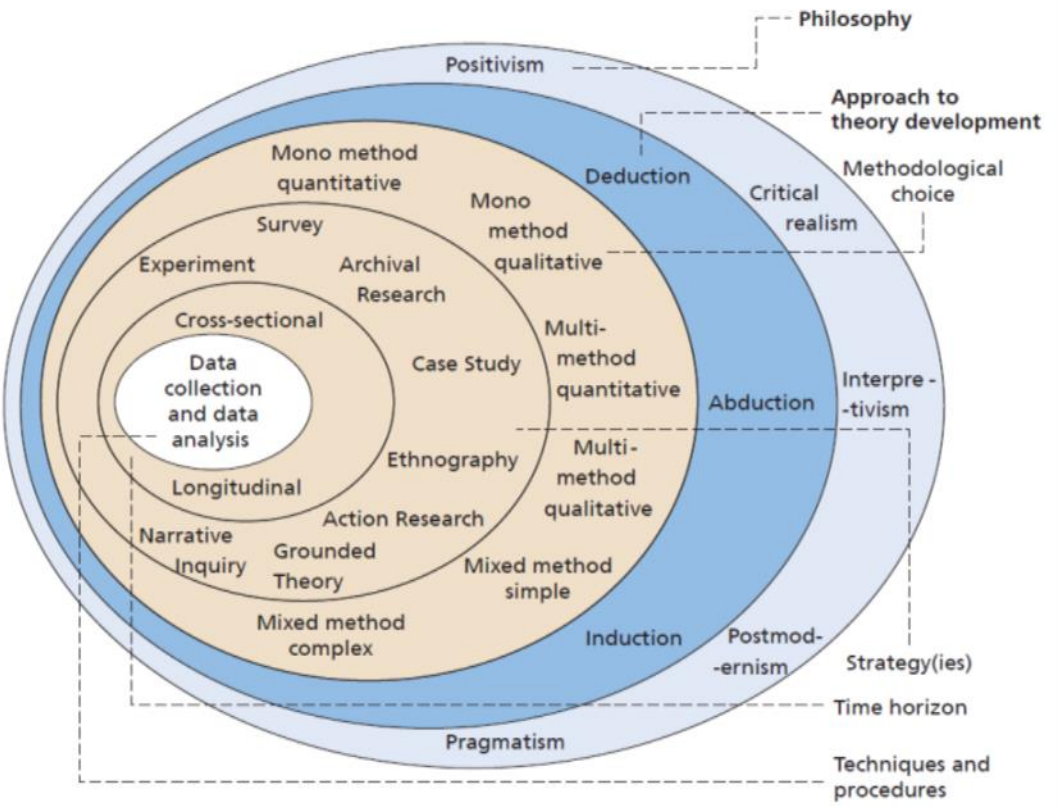


Figure 1.2 The research onion (Source: Saunders *et al.*, 2019:108)

Wong (2014:131) notes that there are four key philosophies: constructivism or interpretivism, positivism, critical realism, and pragmatism or realism. The interpretivism or constructivism philosophy was followed in this study. Interpretivism holds that reality is determined by the interpretations of those who have lived it, is subjective, and is best understood through the lens of the individual's meaning rather than the researcher's definition (Elliott & Timulak, 2005:147). Creswell (2021:13–65) describes constructivism simply as a method of study in which participants seek greater knowledge of the environment in which they live and work. Conversely, constructivism asserts that humans interpret reality and that the purpose of the study is to understand how individuals construct reality within their natural settings. Moser and Korstjens (2017) outline that qualitative research is associated with the constructivist or naturalistic paradigm.

Thus, the constructivist paradigm was employed to perceive and explain disruptive events impacting vehicle sales in South Africa's automotive market through the qualitative phase of the study.

A qualitative research approach was selected for this study because qualitative approaches are particularly effective in eliciting the meaning that people attribute to situations they encounter, thereby getting perceptions of participants who have had to experience the situation (Hammerberg *et al.,* 2016). The phenomenological approach was utilised to ascertain how participants make sense of the phenomena under investigation, namely the effects of disruptive events on sales performance success in the automobile sector.

Rather than focusing on the frequency of occurrence, the inductive method aims to discover meaning through the individuals' views and judgments (Ali & Birley, 1999:104). The inductive technique was utilised in this research, which presupposes that “reality is interpreted best through the eyes of participants" (Henwood & Pidgeon, 2003:16). The sub-section to follow is a discussion of the research strategy that was applied in this study.

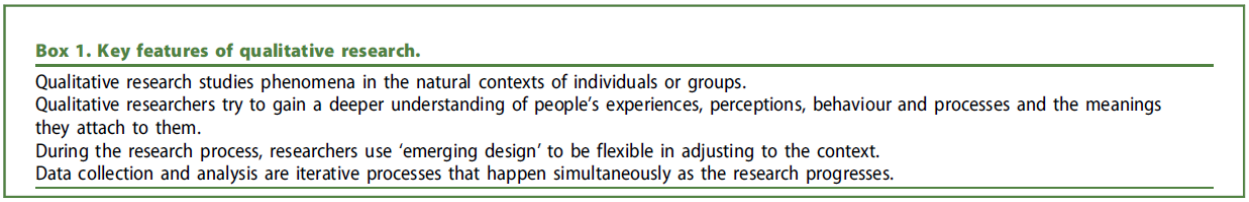
1.7.2 Research strategy

Throughout the study, the researcher employed a hermeneutic phenomenological method. Kafle (2011:186-187) outlines that hermeneutic phenomenology concerns people’s and groups' perceptions. It is an effort to portray the subject's reality as perceived through their life experiences. After analysing the transcribed materials, the researcher identified concepts. The concepts were interpreted in writing as participants' perceptions of their experiences. In contrast to pure phenomenology, which is purely exploratory, the researcher analysed and remarked on the evidence gathered (Sloan & Bowe, 2014).

1.7.3 Methodological choice

Qualitative research has been classified as exploring phenomena, often extensively and comprehensively, by collecting rich narrative sources utilising a flexible research approach (Moser & Korstjens, 2017). Qualitative research techniques often involve interviews and observations. Still, they may include case studies, surveys, and historical and document analyses (Mohajan, 2018:7). Moreover, Haradhan (2018:7) states that

qualitative research is a catch-all term that encompasses the theoretical perspectives of narrative, phenomenology, grounded theory, action research, case study, ethnography, historical research, and content analysis. Furthermore, Moser and Korstjens (2017) denote that qualitative research incorporates a range of diverse designs, which all have some core qualities as defined in Figure 1.3.



Box 1. Key features of qualitative research.

Qualitative research studies phenomena in the natural contexts of individuals or groups.
Qualitative researchers try to gain a deeper understanding of people's experiences, perceptions, behaviour and processes and the meanings they attach to them.
During the research process, researchers use 'emerging design' to be flexible in adjusting to the context.
Data collection and analysis are iterative processes that happen simultaneously as the research progresses.

Figure 1.3 Key features of qualitative research (Source: Moser & Korstjens, 2017:272)

This study applied a qualitative research approach to gather data through semi-structured individual interviews to determine why particular disruptive events highlighted in the literature review may be significant determinants of sales success in the South African car sector.

1.7.4 Research design

Chong and Yeo (2015:258) describe qualitative research as exploring people in their natural context and constructing a sense of the examined phenomena through the transformation and interpretation of the acquired data. Kotzé (2007:44) emphasised the importance of a research design as a process and a roadmap. Data collection and analysis are included in the process of designing research. Its aim should be to resolve the type of research problem under consideration. The research methodology describes the methods used for data collection, analysis, presentation, and interpretation (Kotzé, 2007:44).

The term "study designs" refers to research studies' techniques and processes to gather, analyse, interpret and report data to accomplish their analytical objectives (Creswell & Plano Clark, 2011). According to De Vos *et al.* (2011:433-448), study designs are critical since they assist researchers in making rational methodological choices and interpretations for their research. Thus, according to Creswell and Plano Clark (2011), studies can be conducted in one of three ways: qualitative, quantitative, or mixed

methods. This study adopted the qualitative approach to analyse disruptive events that impact sales success in the automotive sector in Gauteng, South Africa.

1.7.4.1 Qualitative study design

In the widest sense, a qualitative study design is an unstructured research that analytically focuses on eliciting fresh insights and offering direction for future research (Stebbins, 2001). According to Kumar (2018:12) and de Vos *et al.* (2011:65), qualitative investigations study, observe and describe the nature of a certain event, subject, or phenomenon. Additionally, Patton and Cochran (2002) state that qualitative research is designed to observe social interaction and elicit participants' experiences, perceptions, and perspectives on a certain subject (Quinlan *et al.*, 2015:124). According to de Vos *et al.* (2011:65) and Ritchie *et al.* (2013:72), qualitative studies use a small sample size to provide a more detailed image. Measuring student investment potential: a mixed-methods approach 37 elucidates the phenomenon in detail. Additionally, qualitative research often collects data through interviews and focus groups (Denzin & Lincoln, 2011:286). Conversely, qualitative surveys such as those conducted by Moller *et al.* (2009:369) and case studies such as those undertaken by Malhotra and Dash (2010:104) might be used to gather data.

This research used a qualitative study approach to gather text data through semi-structured interviews to understand better why particular disruptive events highlighted in the literature review may be significant determinants of sales success in the South African car sector. Qualitative data and analysis can clarify and explain statistical results by diving deeper into participants' viewpoints.

1.7.5 Time horizon

Due to the constraints of the literature review (a shortage of current research), this study focuses on the automotive sector’s success in Gauteng, South Africa. According to Saunders et al. (2019), research questions benefit from choosing the appropriate time horizon. Malhotra *et al.* (2017) also explain that the temporal horizon is cross-sectional. As a result, this research conducted a cross-sectional analysis of the most recent data collected between January and November 2022.

1.7.6 Study population and sampling

1.7.6.1 Population

Alvi (2016) refers to the population as all the members who meet a certain specified criterion for a research investigation. A target population refers to individuals or groups to whom the study applies (Kitchenham & Pfleeger, 2002:17). These individuals or groups share general characteristics. They have information that the researcher requires (Quinlan *et al.,* 2011:312).

The empirical study was conducted only in the Johannesburg area, in the Gauteng Province. The target population was car dealerships in the Gauteng Province, and managers were interviewed as representatives. Primary data was collected through semi-structured interviews with retail dealership managers in Gauteng, South Africa. The procedure was carried out in stages, as outlined by Saunders *et al.* (2019:130).

1.7.6.2 Sampling frame

According to StatsSA (2019), Gauteng is South Africa's smallest province; however, it is heavily urbanized, with an estimated population of over 15 million people. Non-probability sampling approach was used. South African-registered dealerships were selected, and purposive sampling was used because they are accessible to the researcher. The sample size was dependent on a saturation plus one basis. The selected dealerships fell under the following leading dealerships: Audi, BMW, Ford/Mazda, General Motors, Honda, Mercedes-Benz, Nissan, Toyota, and Volkswagen.

1.7.6.3 Sampling method

Non-probability sampling refers to sampling procedures in which an individual's likelihood of being picked for inclusion in the sample is uncertain (Quinlan *et al.*, 2011; Tansey, 2007:322). Judgment sampling refers to a sample that was selected solely based on the researcher's opinion of which aspects best reflect the features and characteristics of the population (Grinnell Jr & Unrau, 2005; Luborsky & Rubinstein, 1995:153). Purposive sampling is another term for judgment sampling (Barreiro & Albandoz, 2001; Strydom, 2011b:232). According to Cant *et al*. (2005:166), marketing researchers commonly employ quota sampling to discover various subgroups that closely reflect the

characteristics of a population. In snowball sampling, initial participants are requested to find other persons who have comparable traits and are willing to engage in the study (Strydom, 2011b:233). Finally, convenience sampling refers to data collected from persons to whom the researcher has easy access (Kitchenham & Pfleeger, 2002:19).

Non-probability sampling approaches were implemented in this qualitative investigation. Purposive sampling was used to identify dealership managers from various dealerships in Gauteng, South Africa. Purposive sampling enables the researcher to guarantee that individuals exhibit certain features (Saunders *et al.*, 2012). Kumar (2018) notes that purposive sampling permits the researcher to determine who can supply the most knowledge to accomplish the study's aims. As a result, the researcher welcomed participants of both genders, racial groups, and tenures. The researcher expected to reach saturation of around nine individuals. The process was repeated until the saturation point was reached, plus one. The primary inclusion criteria were established per the criteria provided; hence, the researcher sought to recruit diverse people but was not restricted.

1.7.6.4 Sampling size

The sample size is the number of people chosen from the target population to participate in research to make compelling conclusions (Berndt & Petzer, 2011; Chuan & Penyelidikan, 2006:182). Qualitative samples generally comprise a limited number of individuals to gain considerable detail about the investigated phenomena (Creswell & Poth, 2016:662). According to Marshall (1996:523), a qualitative sample is acceptable when it sufficiently addresses the study's research topic. Consequently, quantitative samples are generally significantly bigger than qualitative samples.

Qualitative studies often have a considerably smaller sample size than quantitative research (Mason, 2010). Creswell and Poth (2016) believe that a sample size of between five and twenty-five people is acceptable. This modest sample size aided in the development of a more detailed description of the phenomena under investigation. Similarly, Moser and Korstjens (2018:11) state that in qualitative research, a fundamental concept is to sample till data saturation is reached. The saturation of data was applied in this study, and it refers to the accumulation of qualitative data to the extent that a notion

of closure is achieved due to newer data producing repetitive knowledge. This research used a qualitative sample until it reached saturation, which was based on data saturation.

1.7.7 Designing the measuring instrument

Kumar (2018) highlights that the strength of semi-structured interviews is the relatively close flexibility of the subject and the format they allow. To guarantee dependability and consistency and to ensure adequate preparation, interviews were scheduled using interview questions, rules, and guidelines for the execution and management of the interviews (Boyce & Neale, 2006; Qu & Dumay, 2011). This ensured that the interviews were thorough and methodical since they would be outlined beforehand the subjects to be presented and the questions to be addressed by interviewees (Jacob & Furgerson, 2012:2). The research schedule was developed per the literature and the study goals.

A set of pertinent questions were compiled to ensure that each interview adhered to the fundamental lines of questioning while being adaptable (Jacob & Furgerson, 2012:2). The interview session included themes or fields of study, and the interviewer was granted an opportunity to ask questions that clarified and explained the planned topic or issue. A consent letter was distributed to participants informing them of the protocols and their rights (Jacob & Furgerson, 2012:20). Qualitative data was collected utilising semi-structured interviews. The data was collected until data saturation was reached.

1.7.8 Collection of data

The study's primary objective was to investigate disruptive events that affect sales performance in South African automotive companies, particularly vehicle dealerships in Gauteng. The researcher's objective was to elicit comprehensive replies and perspectives from respondents rather than simple yes or no opinions. This necessitated the use of semi-structured interviews. Moser and Korstjens (2018:13) outline that observation, interviewing, and focus group discussions are the most often utilised data collecting techniques. Observation is a technique for collecting data that involves taking part in and observing a group of people over a prolonged period. Interviews are a technique of data collecting in which an interviewer interviews participants in person, over the phone, or online (Moser & Korstjens, 2018:13).

The interviews were based on open-ended questions, and the researcher sought a range of clarifications on the participant's views and any new topics that may arise throughout the interview. The interviews lasted between 45 and 60 minutes. Microsoft Teams and Zoom were used to conduct the online interviews in a secure environment. In advance of the interview, participants were reassured that any information they provide will be kept private and secure (Carson *et al.*, 2001).

Furthermore, before the commencement of the interview, each respondent was asked for their approval to have their voice recorded. The semi-structured interviews were guided by an interview schedule, and data was collected until data saturation was reached. All dialogue was recorded throughout the semi-structured interviews to analyse the data properly. Documents, including informed consent forms and notes from the unstructured interview, were retained in lockable data storage cabinets. All electronic information, comprising transcribed data and electronic tape recorders, was saved on encryption key computers, with access restricted to the research team working with the data. Data was downloaded, saved, and backed up as quickly as possible on password-protected computers and removed from the recorder. After five years, hard copies and digital data will be securely incinerated, erased, and discarded.

1.7.8.1 Data analysis

Following data collection, the data was analysed to acquire a precise depiction of the respondent's perspectives (Ehlers, 2017:12). Braun and Clarke (2006) state that when dealing with verbal data, such as interviews, the material must be transcribed into written form before conducting a thematic analysis. Thematic analysis is a technique for detecting, analysing, and reflecting on patterns contained within data. It organises and explains your data collection in detail in the simplest way possible (Braun & Clarke, 2006). Furthermore, Bryman and Bell (2014:350) state that theme analysis is a convenient process that is not predicated on a particular spiritual perspective.

The transcripts of the participant's responses were analysed thematically according to six phases underlined by (Braun & Clarke, 2006:87). These steps are stipulated in Figure 1.4: familiarising yourself with your data, generating initial codes, searching for themes, reviewing themes, defining and naming themes, and producing the report.

It is critical to realise that qualitative analysis principles are suggestions, not laws, and they should be implemented appropriately to match the study objectives and data (Braun & Clarke, 2006:86). These authors further state that an analysis is not a sequential process in which one step is followed by the next. Rather than that, it is a more continuous procedure, with movement backwards and forwards between stages as required.

Phase	Description of the process
1. Familiarizing yourself with your data:	Transcribing data (if necessary), reading and re-reading the data, noting down initial ideas.
2. Generating initial codes:	Coding interesting features of the data in a systematic fashion across the entire data set, collating data relevant to each code.
3. Searching for themes:	Collating codes into potential themes, gathering all data relevant to each potential theme.
4. Reviewing themes:	Checking if the themes work in relation to the coded extracts (Level 1) and the entire data set (Level 2), generating a thematic 'map' of the analysis.
5. Defining and naming themes:	Ongoing analysis to refine the specifics of each theme, and the overall story the analysis tells, generating clear definitions and names for each theme.
6. Producing the report:	The final opportunity for analysis. Selection of vivid, compelling extract examples, final analysis of selected extracts, relating back of the analysis to the research question and literature, producing a scholarly report of the analysis.

Figure 1.4 Phases of thematic analysis (Source: Braun & Clarke, 2006:87)

A computer program called Atlas.ti 8® (www.atlasti.com) was used to aid in the thematic analysis of the data. The program streamlines the process of obtaining categories and themes, as well as the process of sorting data (Beaulaurier *et al.*, 2008:237). Davidson and Skinner (2010:456) advocate for the use of this software analysis due to its high efficiency of working more smartly without the usual tangled mess of numerous papers, being user-friendly, providing structure, and facilitating the characterization of effective quotes related to the respondents.

1.8 TRUSTWORTHINESS

Moser and Korstjens (2017:121) note that qualitative researchers refer to trustworthiness, which asks, "Can the results be trusted?" There are several concepts and characteristics of trustworthiness. The best-known theory is Lincoln and Guba's credibility, transferability, dependability, and confirmability.

According to Lincoln and Guba (1985), trustworthiness is used interchangeably with validity and dependability in qualitative research. Trustworthiness is defined by four philosophical principles that will serve as criteria for increasing the value of research

findings in this study, in line with the methodologies and standards used to ensure rigour (Cope & Kalantzis, 2014). The following necessary actions were undertaken to guarantee that the research complies with an appropriate level of rigour:

- Credibility: The study proposal was submitted for peer assessment and was reviewed by a competent study supervisor. Member-checking techniques will be utilised to ensure that the study findings are trustworthy or credible (Creswell & Creswell, 2018). According to Moser and Korstjens (2017:121), member checking is a process of returning data, analytic classifications, insights, and findings to individuals in the group from which the data were gathered. It reinforces the data even more so, since the researcher and responders see it differently.
- Dependability: Data analysis and consensus discussions with the research leader will be undertaken to establish agreement on the topics of the study. The study assessed consistency and determined whether the results could be replicated (Creswell & Creswell, 2018:314).
- Transferability: The study's capability to be translated to another setting and compared to other studies. A complete description of the research and the methodology employed are provided (Creswell & Creswell, 2018:314).
- Conformability: The researcher's transcripts and coding were compared to the supervisor's to ensure they were consistent. This was done through meetings with the supervisor, transcriptions of the recordings, and independent coding. Audits will be used to access the field notes (Creswell & Creswell, 2018:314).

1.9 ETHICAL CONSIDERATIONS

Whether the study participants are informed or indifferent to ethics, the researcher has a moral and professional duty to be ethical (Neuman, 2011:145). The researcher sought ethical approval from North-West University (NWU) for approval for this work. All the individuals who were chosen for the study received letters through emails from the researcher requesting their consent to participate. Before the interviewing procedure, participants were sent consent documents to sign. Participation in the study was voluntary, and participants had the option of the freedom to disengage throughout the

study procedure. The researcher provided certainty that participants would not be exposed to any danger or damage and that their anonymity would be maintained. Throughout the research, no participants' identities were used; pseudonyms were employed in place of their real names. All digital information was saved on an encrypted computer and will be used only for the research.

Given (2008:10) believes that the data collection procedure should incorporate voluntarily informed permission and preserve the confidentiality of all study participants. This study's objectives were communicated to participants. By completing the informed consent form, participants indicated their willingness to participate in the study of their own volition. The informed consent form had the NWU letterhead attached to it. The names and contact information of the scholar and the lead supervisor were not provided on the informed consent form.

1.10 CONTRIBUTION OF THE STUDY

The study is expected to contribute as follows:

1.10.1 Marketing professionals

The study findings will provide valuable insights to marketing professionals in the automotive sector. This will be achieved through the learning of new trends as well as what the modern customer values concerning new vehicles.

1.10.2 Automotive Industry

The study of sales performance will offer insight into the enabling and constraining factors in Gauteng, South Africa, during disruptive occurrences. The research will uncover variables affecting future automobile sales due to unforeseeable occurrences. This research will assist organisations in developing strategies that will enable them to make more informed decisions regarding the sales impacts of future disruptive occurrences, thus improving customer satisfaction. It will enable the implementation of comprehensive policies and procedures that will effectively assist the sales process. Additionally, other companies in the automotive sector, the marketing community, and the general public will be given pertinent information and perspectives to assist them in better understanding the impact of disruptive events on the automotive industry.

1.10.3 General academia

The findings of this study will add to the already available body of knowledge and form part of future learning material. Those interested in future research in automotive industry sales marketing will find the findings useful since they will recommend further areas on this topic.

1.11 LIMITATIONS OF THE STUDY

Berglund (2007:88) states that phenomenological methods are criticized for sharing some limitations associated with qualitative research methodology. Berglund (2007:88) identifies two particular critiques levelled at researchers who use a phenomenological method, the first being the "dependence on interpretation" and the second being the "exclusive emphasis on the study participant" Berglund (2007:88). The researcher ensured that the results were based on the "life-world" experiences of the study participants and that the primary critique is the "dependence on interpretation."

The research study adopted a qualitative method, examining disruptive events' effect on the success of sales performance in Gauteng, South Africa's automobile industry. The arguments and criticisms centred on the qualitative study's unstructured approach, the dependence on the researcher's perspective, the judgment on emphasis areas, and the lack of conventional protocols to follow (Bryman & Bell, 2014:50). Additionally, the qualitative study on sales performance in the Automobile Sector in Gauteng, South Africa, raises the issue of repeatability.

Limited participation on the part of respondents may limit the breadth of the research since not all respondents chosen were not willing to provide information for this study. To circumvent this, the researcher will request an introduction letter from the university to establish the research's validity. The period may be a constraint on the study since adequate information would not be acquired within the allotted time or timetable. To address this issue, the researcher took time off work to guarantee an appropriate response rate.

Due to the study's qualitative approach, a small research sample, time and financial limitations, and participant availability, further interviews with a broader demographic

scope may contribute to the study. The study employed an exploratory method and recommended further research to expand the sample population.

1.12 THE LAYOUT OF THE STUDY

This report comprises the following chapters:

Chapter One: Introduction and background of the study

The first chapter explains the study's background, problem statement, and rationale. Chapter one is the basis for the study's research objectives and questions. Additionally, the chapter includes a preliminary review of the literature and a synopsis of the study's research design and methods. Finally, the chapter discusses the study's significance, limitations, and ethical considerations; and the chapter concludes with the dissertation's layout.

Chapter Two: A critical analysis of distractive events globally

Chapter two will provide a review of the literature. There will be a discussion of all pertinent and related theories. This will contain an overview of the global automotive industry's dynamics, the South African Automotive Industry's sales performance drivers, and disruptive events affecting the automotive sector's sales performance.

Chapter Three: Research design and methods

This chapter will provide details on how the research will be done. The chapter explains the study's methodology, population, sample size, data collection methodologies, and delimitations.

Chapter Four: Analysis and interpretations

This chapter will examine the study's participants' qualitative information, including interviews and focus groups. The Atlas.ti qualitative data analysis software will be employed to analyse the data.

Chapter 5: Main findings, conclusions, and recommendations

This chapter will share the main findings of this study. In summation, conclusions will be drawn, and positive recommendations will be offered.

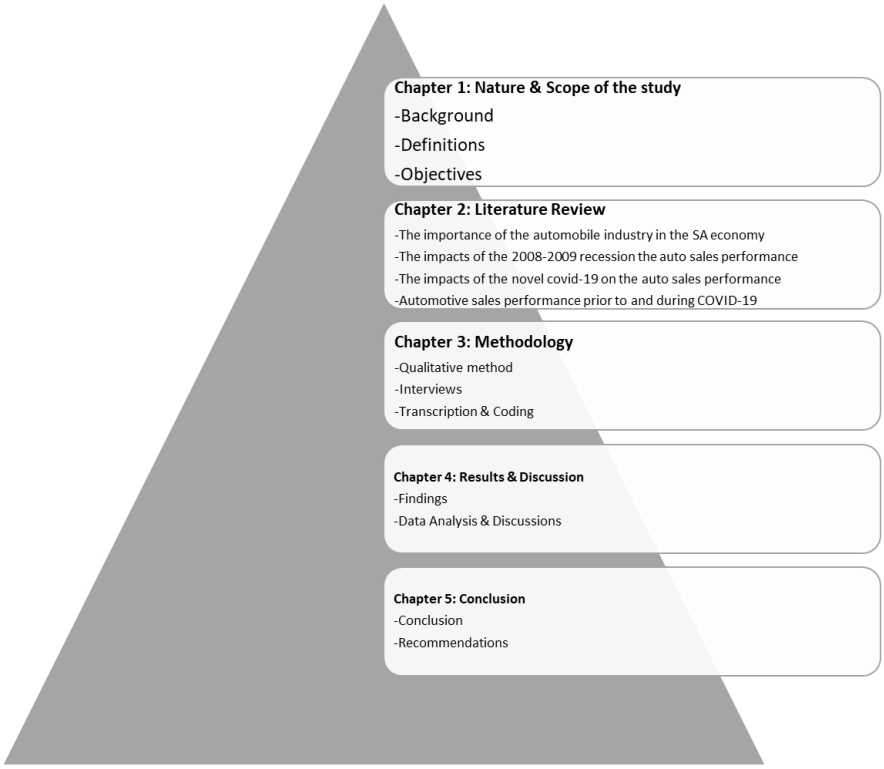


Figure 1.5 Chapter layout (Source: Author's compilation)

1.13 CHAPTER SUMMARY

In principle, this chapter (Chapter One) describes the study's context, problem statement, and justification. The study's objectives and research questions were outlined. Additionally, the chapter explains the study's research design and methods, its importance, limits, ethical issues, and the chapter structure for this dissertation. The next chapter explores pertinent literature relating to the study's subjects.

CHAPTER 2: A CRITICAL ANALYSIS OF DISRUPTIVE EVENTS GLOBALLY

2.1 INTRODUCTION

This chapter critically analyses disruptive events and their impact on the global economy, South Africa, and the automotive sector. The main focus is on the automotive sector's performance when hit by disruptive events, thereby analysing past trends to illustrate the impact of the disruptive events. This literature review chapter serves to gather information available in the literature and organisational reports to achieve the following objective of this study: "*to determine the main factors that affect the automotive sector's sales performance in South Africa during destructive events*".

Using a critical analysis approach in the literature review helps the researcher make meaningful contributions to the existing body of knowledge because of the details it provides. As Snyder (2019:334) highlights, the critical literature review approach is usually applied in business literature. The desired outcome is knowledge advancement, plus the generation of a new conceptual framework or theory. Dodgson (2021:30) identifies three phases in the critical analysis of the literature. Analysis phase (cross-case comparisons as well as within-case analysis); Reconstruction phase (a meaningful synthesis of relationships between variables while creating new knowledge as per the study findings). These phases were followed when developing this chapter to achieve the above research objective: The deconstruction phase (breaking concepts into discreet data points or variables). The chapter's terminology aims to assess, critique and synthesise new knowledge.

2.2 DISRUPTIVE EVENTS

Disruptive events permanently change people's lives by destroying or shifting things and replacing them with new things, forcing people to adjust and adapt accordingly (Leo *et al.*, 2013:229). The definitions of disruptive events differ depending on the scholar's field of study and experiences or the available information to them. Pells (2009:1) defines a disruptive event as "a significant event with drastic potential consequences". The author

gives examples such as natural disasters caused by extreme weather (cyclones, hurricanes, or floods) and a political change that happened in November 2008 when Obama became President of the United States, resulting in global consequences. This gives a generalised definition of disruptive events, while other authors gave more narrow definitions.

Sargut and McGrath (2011:27) focused on market disruption. They stated that, based on the intensity of competition and threat experienced, they might be eroding (lower intensity), dominating (average intensity), and obsoleting (higher intensity) in the order of lower to higher intensity. The authors explain that market disruption is mainly intentionally caused by a brand or a business through innovation, for example, resulting in innovation disruption. This means that a business entity strategically develops a business model aimed at causing market disruption while setting up the specific business to explore, exploit, and claim competitive advantages. When disruptive innovation succeeds, there will be new revenue streams. At the same time, consumers' acceptance and adaptation to a modified product or service yield a higher return, resulting in market reaction emanating from brand recognition (Zentner, 2012:1). The email disrupted communication and led to less use of postal services and a reduction in the need for envelopes.

At an organisation level, Buckley and Ward (2016:12) state that a disruptive event is a sudden change or shock that is unique and presents new challenges and opportunities. These major events may be global or national, resulting in the need to effect immediate changes to the organisation's strategies and goals. The July 2021 unrest in South Africa is an example of a national disruptive event (Vhumunu, 2021), while a pandemic such as the recent Covid-19 pandemic is an example of a global disruption having an impact on organisations.

When an infectious disease is a pandemic, it becomes a disruptive event that causes a shift that impacts the economy, and the health sector, while facilitating the intensity of the use of digitalised measures. Kinnunen and Georgescu (2020:56) analysed the Covid-19 pandemic as a disruptive event that led to more virtual means of communication and greatly reduced face-to-face meetings and teachings. This highlighted the need for

improvement in the skill set in varying countries, especially developing countries such as South Africa.

As guided by the following generalised definitions:

- Pullen (1993:2) - “abrupt events that occur without precedent resulting in discontinuities associated with environmental complexity, event novelty, and faulty assumptions”.
- Leo *et al.* (2013:227) - “those events that destroy or disintegrate existing things and replace them with something new. This can have negative as well as positive consequences”.

In this study, a disruptive event refers to an unanticipated event that causes distractions and significant changes in varying areas of people’s lives, negatively affecting the economy and the socio-economic state of the people.

According to Hymen *et al.* (2020:3), disruptive events become more prominent when they increase in magnitude and relevance to a state where they compromise the ability of people to continue with their normal daily activities. The need to understand disruptions emanated from the resultant impact that caused discontinuities in business and people’s lives and sparked the interest in management sciences (Christensen, 1997:82). When a discontinuity is applied in full by the disruptive event, it enforces radical innovation. In contrast, a partial discontinuity leads to incremental innovations (Garcia *et al.*, 2002:117).

Disruptive events are mostly global. As a result of the interconnectedness of continents and countries, these globalised events affect countries worldwide. Nyu and Nilssen (2020:384) gave examples of disruptive events: natural disasters and other climate change issues, disease outbreaks, technological and cyber changes, and trade disputes and policies. Organisations are now more vulnerable because of globalisation which has also led to international trade and each organisation striving to remain competitive in the local plus international market (Nyu & Nilssen, 2020:383). Disruptive events also lead to financial losses that may last for consecutive years (Cavusgil & Deligonul, 2012:135). This is why managers are expected to respond speedily, to implement proactive measures while adequately allocating the needed resources (McNulty & Marcus, 2020).

Sanchis and Poler (2014:607-609) proposed a categorisation framework of disruptions proposed and it consists of the following elements:

- Source: this refers to what triggered the disruption.
- Disruptive event refers to any event that can be predicted or an unpredictable situation that disrupts an organisation's normal operation and stability. Barroso *et al.* (2011:1872) explain that the organisation is then pushed to a state where it experiences instability.
- Consequence: this refers to the impact of the disruptive event on the normal operation of an organisation, which also affects the organisation's performance.

This categorisation framework of disruptions proposed by Sanchis and Poler (2014:607) indicates an initial overview of an organisation's resilience analysis. For an organisation to measure its resilience, there needs to be detailed information concerning the source of the disruption and knowledge obtained for analysis. However, the organisational resilience issue is beyond this study's scope.

Although it is the negative things that people usually focus on, some positive outcomes always result in new and better ways of doing things or living in general. Disruptive events can be caused by natural disasters or intended (such as nuclear war) or unintended man-made events such as corruption or climate change (Leo *et al*., 2013:229). Andres and Marcucci (2020:5) state that one of the benefits of disruptive events is that they facilitate the process of businesses becoming more flexible and, therefore, more adaptable to change. Globalised markets have become highly unpredictable and competitive. The global automotive sector, as shared below, is a background needed to understand how various disruptive events in the past have impacted its industries.

2.3 AUTOMOTIVE SECTOR

The automotive sector refers to a wider and more general segment composed of various industries with a specific group of companies with a narrowed focus (Bureau, 2018). The automotive sector consists of various industries that are interconnected and codependent: the manufacturing, maintenance, transportation, and sales industries (Broding & Fartasch, 2020:3). Rezaeinejad (2021:24) states that the automobile sector is

industrial and cannot operate within national boundaries because codependent industries manage its inputs and outputs.

The automotive sector is referred to as the industry of industries because it evolved simultaneously with twentieth-century industrial development and is associated with mass production and consumption. Historically, the automotive sector originated in Germany and France (Papatheodouru & Harris, 2007). The sector then developed and expanded in North America during the mass production era and developed even further in Japan and the Republic of Korea. According to Papatheodouru and Harris (2007), China has recently become a leader in the sector, particularly in producing EVslectric Vehicles (EVs). Broding and Fartasch (2020:2) highlight that the sector's importance emanates mainly from its linkages within the domestic and international economies and its complex value chain.

Technology advancements affect businesses' daily operations, manufacturers' productivity, and human capital in the automotive sector (PwC, 2022:17). Manufacturers in both developed and developing countries are under even more pressure to improve productivity while reducing the cost of production and maintain product quality. Ikome *et al.* (2022:1169) state that, added to the above, manufacturers must strategically decide how and where to improve to remain globally competitive. The vehicle manufacturing industry is also responsible for ensuring the environment is unharmed. Other resources must also not be exploited in daily operations (Purcel *et al.*, 2020:14). This means that sustainability measures should be taken as part of ESG practice despite the need to stay competitive. ESG practices are considered important in the vehicle manufacturing industry because of the raw material and the heavy machinery used in manufacturing car parts. Strike *et al*. (2006:851) refer to the vehicle manufacturing industry as a "pollution-intensive industry", which is a global concern that impacts each firm's competitiveness in the market. Companies need to strike a balance between productivity and responsible products for them to be competitive in the global arena.

The manufacturing industry does not only manufacture vehicle parts for new vehicles. The industry must also maintain and provide replacement parts. Hence, the industry receives more pressure for fast production (KPMG, 2021:18). The maintenance industry

is concerned with the after-sale maintenance of vehicles and parts replacements. This industry deals mainly with building relationships and trust with clients and offering them maintenance plans, for example. Professionalism and service quality are important in the vehicle maintenance industry because each brand competes to attract customers and keep them loyal (Hong *et al.*, 2020:5).

The 22nd Global Automotive Executive Survey was conducted by KPMG concerning the sales industry and perceptions of industry leaders about its future, especially focused on the effects of the Covid-19 pandemic. One of the negative impacts of the pandemic was network delays and declining car purchases, resulting in billion-dollar deficits (SAAM, 2021:19).

When KPMG (2021:32) interviewed 1 000 executives in the global automotive sector in 2021, 53% indicated that they were extremely confident that the industry will experience profitable growth in the coming five years. However, there were differences in different regions: Europeans were less optimistic than executives in the United States (U.S.). KPMG (2021:33) quoted Laurent Des Places, a Partner at KPMG in France, who highlighted the reality of political pressure due to European ESG practices and lower carbon emissions. Factors that have strained business models are reported to result in slower vehicle manufacturing and sales. About 66% of American executives were confident about the potential growth. The estimate for Germany was 49%, and 55% for China. Concerning the transformation to digital consumers, 78% of the executives said that they believe that most customers will purchase new cars online by 2030. In addition, 47% indicated that they are of the notion that 60% of customers will purchase cars directly from automaker-led online sales by 2030.

Overall, the automotive sector is led by digital and technological transformations facilitated by disruptive events; the Covid-19 pandemic is the most recent example. According to Brown *et al.* (2021:7), the automotive sector is expected to experience major transformations in the next ten years. These transformations will mostly result from digitalisation and new technologies that require amendments to business models. Brown *et al.* (2021:7) highlight that these changes are beneficial because they lower the entry barriers to the market while facilitating collaborations between industries and

stakeholders. This includes research facilities due to the need for constant Research and Development concerning new technologies and business models that will be effective in the various industries of the automotive sector. The effects of disruptive events in various regions and the automotive sector are discussed below.

2.4 THE IMPACT OF DISRUPTIVE EVENTS ON THE GLOBAL ECONOMY

The impact of disruptive events in various countries and continents globally is discussed in this sub-section, looking at how and to what extent the disruptive events affected business and society in general. Disruptive events such as natural disasters, financial crises, and pandemics affect the economy negatively because they adversely slow down productivity across sectors and industries (World Bank, 2020:97). The World Bank (WB, 2020:97) further explains that natural disasters damage the infrastructure. Pandemics cause delays in production and other systems, such as the supply chain. All these disruptive events cause uncertainty, reduced economic activities, and job losses. The discussions below provide an overview of the impact of disruptive events in the East Asia and Pacific region and the North American region, as guided by the classification of the World Bank (Beltekian, 2022). Figure 2.1 is an illustration of the world's regions.

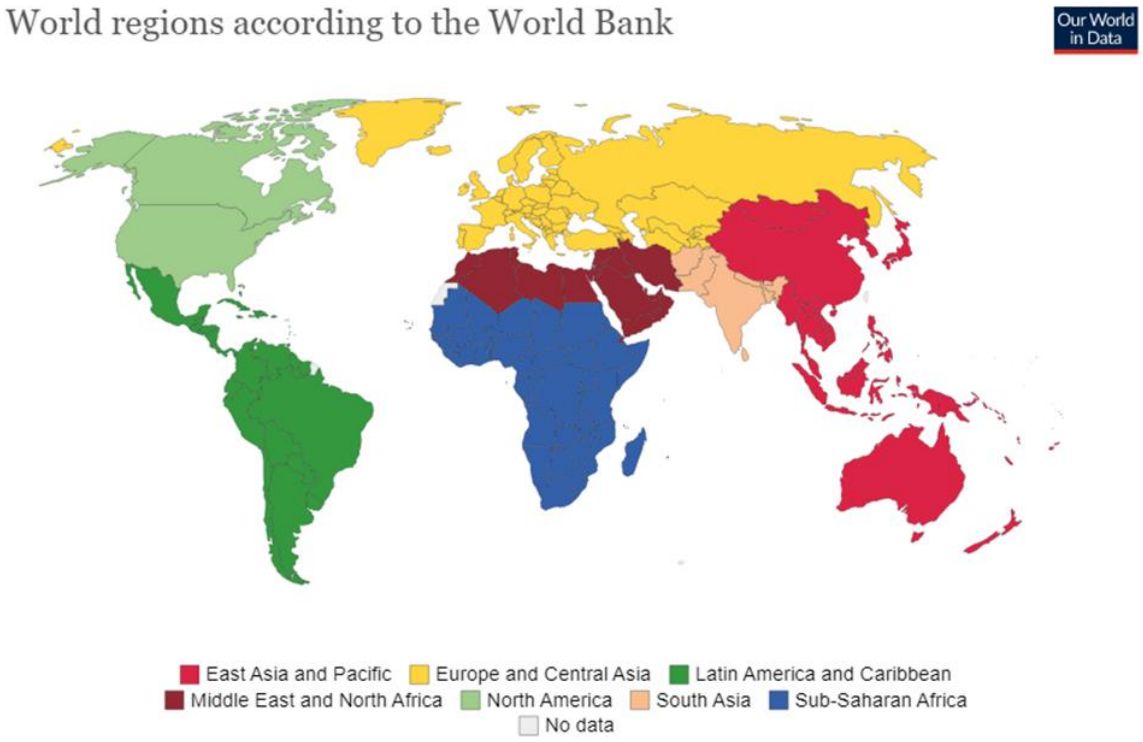


Figure 2.1 Regions of the world according to the World Bank (Source: Beltekian, 2022)

2.4.1 East Asia and the Pacific

East Asia and the Pacific (EAP) accounts for about 33% of the global population, which makes it the world's largest region, with an estimated population of 2.1 billion (World Bank Group 'WBG', 2022). The region comprises countries such as China, Japan, Indonesia, and Southeast Asia. The WBG (2022) also reports that the EAP "bears the brunt of 70% of the world's natural disasters, affecting more than 1.6 billion people in the region since 2000". Natural disasters mainly hit Pacific Island countries, with rising sea levels in the coastal areas and atoll islands. Examples of the impact of disruptive events in New Zealand and Southeast Asia.

New Zealand is situated in the South Pacific Ocean, consisting mainly of the North and South Islands and the 61 smaller islands (Treloar & Hill, 2005:89). Wang (2012) analysed the impact of the Canterbury earthquakes on New Zealand. On the 4th of September 2010, the Canterbury region of New Zealand was struck by a 7.1 magnitude1 earthquake around 4:35 am. The epicentre happened about 40 kilometres from Christchurch, the largest urban area on the South Island of New Zealand (GeoNet, 2010). Within less than six months, on the 22nd of February 2011, a magnitude 6.3 earthquake (classified as an aftershock of the September quake) hit again in the Canterbury region. This happened around lunchtime, with the epicentre closer to Christchurch (GeoNet, 2011). Wang (2012:6-7) states that the first earthquake resulted in few deaths compared to the aftershock because it happened in the early hours of the morning while most people were asleep, compared to during lunchtime when people were at school and work.

The New Zealand Parliament (2011) reported that the Canterbury earthquakes were ranked at the top of the most costly natural disasters since 1950, with the total employment in the Canterbury region decreasing by 26,800 (8 per cent%) by September 2011. Citing the 2011 New Zealand budget, Wang (2012:7-8) reports that the estimated overall direct loss due to both earthquakes is around $15 billion, which equalled about 8 per cent% of the country's national GDP. This was due to the dramatic drop in economic activity due to the significant decline in business and consumer confidence in the Canterbury region. There were also limited exports of goods and a severe

compromise of the export of services. However, there are no detailed reports on economic losses for various sectors and industries.

Southeast Asia consists of countries that are mostly members of the Association of Southeast Asian Nations (ASEAN). It has the third largest labour force (comes after China and India). At the same time, it was the fifth largest economy reported for 2018 with a combined GDP of US$3 trillion (Deloitte, 2020:9). ASEAN country members include countries such as Brunei Darussalam, Cambodia, Indonesia, Malaysia, and Thailand (OECD, 2020:9).

Southeast Asia is at the top of the list of the most disaster-prone regions in the world. The region is affected by most natural hazard-based disasters (Gupta, 2010:2). Typicallymeteorological (such as tropical storms), hydrological (such as floods), climatological (droughts and wildfires), and geophysical hazards (such as earthquakes), occur. Thomalla *et al.* (2017:342) report that the Philippines and Vietnam coastlines are exposed especially to tropical storms forming in the northwestern Pacific Ocean and tracking westwards. The coastline of Myanmar is exposed to tropical storms forming in the North Indian Ocean and tracking eastwards.

According to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), climate-related extremes, such as heat waves, droughts, and floods, have made ecosystems and human systems vulnerable (IPCC, 2014:53).

Santos *et al.* (2016:59) state that extreme weather has resulted in overwhelming impacts on society and ecosystems, destroyed the infrastructure and left the economy adversely affected to the point where it took years to recover. One of those is a natural event that occurred in 2013, called Typhoon Haiyan or Yolanda.

Typhoon Haiyan took place on the 8th of November 2013 in the SEA region, and 7,354 people were reported dead in the Philippines (BBC News). The estimated damages caused were estimated at over 10 billion USD. The BBC News (2013) reports that Typhoon Haiyan was the second most robust landfalling tropical cyclone on record and one of the deadliest natural disasters in the Philippines' history. Holliday (2013) reported that the Leyte province was the hardest hit, where a high level of rice and sugar is produced.

Overall, the World Bank Group (WBG, 2017:1) reports that the Philippines was left with the following after Typhoon Haiyan: damage and losses estimated at $12.9 billion, the slowing down of the national economic activity almost to a full%age halt in 2013 and then a further decrease of 0.3% in 2014. This resulted in about 2.3 million people being pushed into poverty.

2.4.2 North American region

The North American region consists of the United States, Canada, Mexico, and the island of Greenland, including the DHS region's Central America and the Caribbean (Beck, 2020). The region's countries are interconnected. Once a disruptive event hits one country, it also affects the next. For example, Kayyem (2022:2) gives an example of the annual flooding of the Red River in North Dakota; this river overflows into Canada. The United States' experience with a disruptive event is discussed below.

In the *United States (U.S.)*, the 2008 Recession (financial crisis) is reported to have started in 2007. The financial crisis involved most institutions in the financial sector in the OECD countries. The OECD is a group of 37 member countries established in December 1960 to develop policies enabling prosperity, equality, and well-being for all (OECD, 2022). This was and still is achieved through adhering to international standards and adopting suitable solutions for social, economic, and environmental challenges. According to Chanda *et al.* (2018:7), the institutions involved in the inauguration of this global crisis were the following: commercial banks, mortgage lenders, investment banks, credit rating agencies, and insurance companies. However, the recession eventually affected all sectors and people from all societal backgrounds. Dullien *et al*. (2010:54) state that developing countries and emerging markets are only drastically affected when it becomes a global economic recession.

Chanda *et al.* (2018:10-11) listed the following principal reasons as what led to the Great Recession that began in the U.S.:

- Before the crisis, the macroenvironment was favourable, with strong and stable economic growth in most countries, which led to investors and banks increasing their lending and taking high risks.

- Regulation and policies for lending were not tight enough, which meant that individuals and organisations received loans they could hardly afford.

The Great Recession led to a drop in house prices and borrowers failing to make payments, the stress in the financial system that started in mid-2007, and then a spill to other countries (Chanda *et al*., 2018). Concerning vehicle sales, Kopestinsky (2022) reports that U.S. vehicle sales dropped to 10.4 million in 2019, at an all-time lowest.

The impact of the financial crisis on the USA's GDP was strongly associated with unemployment. The statistics show that unemployment was 1.9% in 2007, -0.3% in 2008, -3.1% in 2009, 2.4% in 2010, 1.8% in 2011, and 2.2% in 2012 (Shala *et al.,* 2013:112). This metric indicates how the financial crisis affected the labour market throughout the six years, and it was at its lowest in 2009. It is aligned with organisations across sectors closing their doors because they did not survive the negative impacts of the financial crisis.

When Mittal (2009:1) reviewed the literature, they reported that increases in food prices negatively impacted developing countries more. The author highlighted that low-income countries with a deficit challenge were affected mainly by import bill increases and significant cereal price increases plus freight charges. Mittal (2009:1) reported that food import bills grew by 56% between 2007/2008, following a 37% increase in 2006/2007 in developing countries. This emphasises the reality that the 2008 crisis may have started in the U.S. Still, its impact was felt globally, especially in developing countries, as further elaborated in the discussion of the Sub-saharan African region below.

2.5 THE IMPACT OF DISRUPTIVE EVENTS ON THE AFRICAN CONTINENT

The African Union (AU) was launched in 2002, it is the successor of the Organisation of African Unity (OAU), and it consists of 55 member states that are divided into the following six regions (African Union, 2022): North (7 countries), South (10 countries), West (15 countries), East (14 countries), Central (9 countries) and Diaspora (referring to the estimated 1.7 million people who live outside the continent but continue to contribute towards its development). Figure 2.2 is an illustration of the regions of Africa as per the AU. Three of these regions are discussed below regarding disruptive events and how they impacted them. However, the United Nations Office for Disaster Risk Reduction

(UNISDR, 2017) warns that there is acute under-reporting of economic losses due to disasters in Africa, with only less than 14% of all disasters reported. This means that the discussions to follow may be limited due to the limited availability of relevant data.

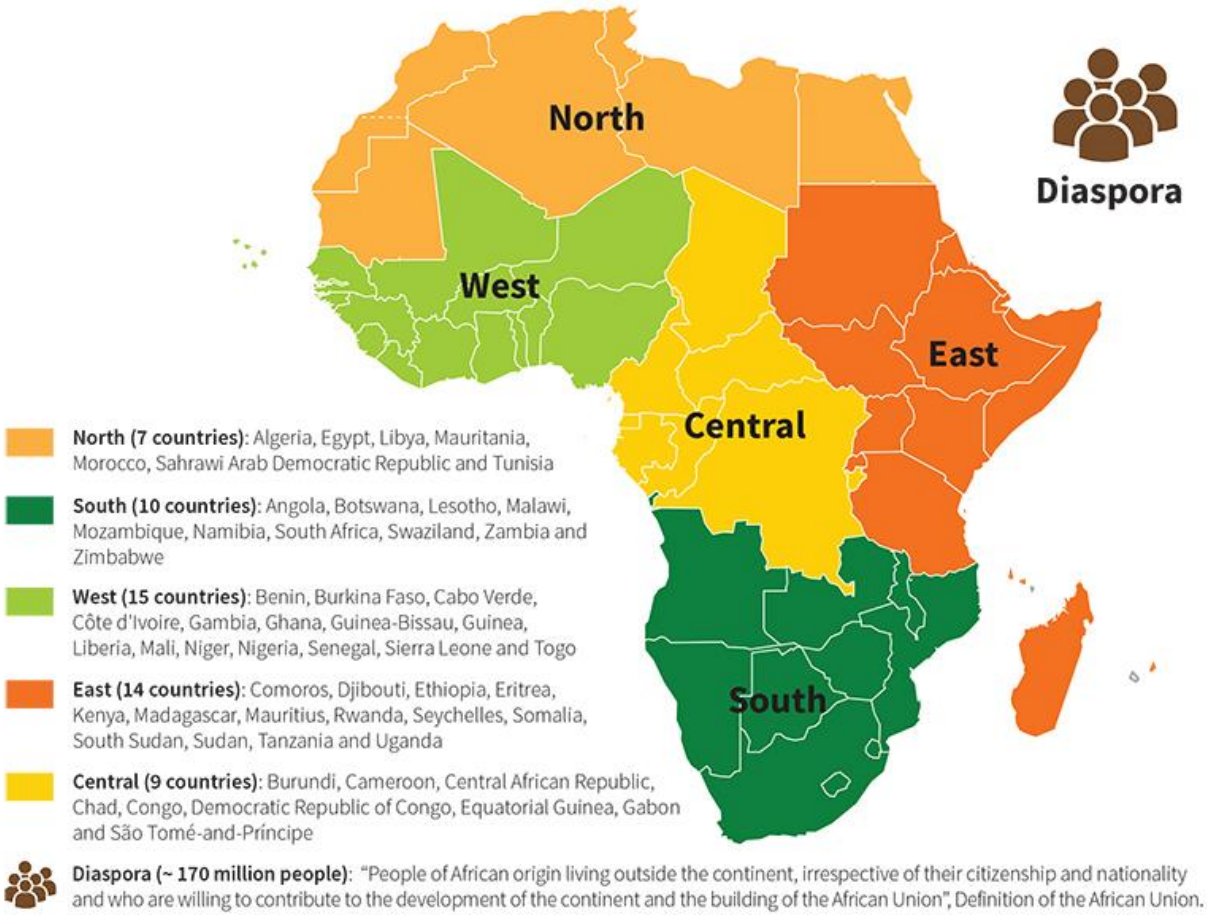


Figure 2.2 Six regions of Africa as demarcated by the African Union
(Source: Sahel and West African Club Secretariat, 2017)

2.5.1 North African region

Countries in the North African region are the following: Algeria, Egypt, Libya, Mauritania, Morocco, Sahrawi Arab Democratic Republic, and Tunisia. The World Bank (WB, 2021) reports that Tunisia is at a higher risk of natural hazards such as floods, drought, forest fires, and snowstorms. From 1957 to 2018, 54% of the disasters reported in Tunisia were droughts, while, in the same period, floods caused an estimated 60% of total economic losses.

The September 2018 floods caused by torrential rain in Nabeul, Cap Bon and Kasserine (north-eastern Tunisia) affected about 1791 farmers with an estimated $102 million in losses in agriculture. The Altlas Magazine (2019) reports that the agricultural sector is one of the most significant sectors in Tunisia, contributing 10% to the GDP. It employs about 14% of the labour force and accounts for 10% of exports. This is why most disruptive events, especially those caused by natural disasters, are usually focused on agricultural-related losses.

Belhout and Fujimi (2019:8) reviewed studies published by the Japan International Cooperation Agency (JICA) concerning flood loss estimation and concluded that there is a need for Tunisia to develop a local flood damage estimation tool and procedure. The authors recommended the “estimation function curve”. This limited reporting of the economic losses in various sectors in Tunisia shows that the report by the United Nations Office for Disaster Risk Reduction (UNISDR, 2017) indicated that there is acute under-reporting of economic losses due to disasters in Africa remains a reality.

2.5.2 West African region

The Ebola virus disease (EVD), an epidemic in Guinea, Liberia and Sierra Leone, is also an example of how health impacts the GDP. From 2014 to 2016, an EVDbola virus disease (EVD) outbreak in the West became a regional epidemic (Heymann *et al.*, 2015:1887). The United Nations Economic Commission for Africa (UNECA, 2015) estimated the impact of the epidemic in 2014. The findings showed that the GDP of the three countries was between 2% and 5% lower than it would have been had there not been an epidemic. The World Bank Group (WBG, 2015:2-3) reported the following year, after the onset of the EVD outbreak: that the GDP total losses for the three countries through 2015 would amount to a total of US$ 2.2 billion (US$ 240 million for Liberia, US$ 535 million for Guinea and US$ 1.4 billion for Sierra Leone).

The United Nations Development Programme (UNDP, 2016) reports that, in Sierra Leone, the inflation rate increased from 6.39 to 7.8% by April 2015. The fact planting season in the region in July and August meant a major food crisis in early 2015 that went beyond Guinea, Liberia and Sierra Leone. However, the focus should be on reporting on the failed

health systems in the region and the need to improve them instead of focusing on economic losses due to the epidemic (Hushie *et al.*, 2021).

2.5.3 Central Africa region

The Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome (HIV/AIDS) pandemic affects the economy indirectly. Provident funds have to mature early, more citizens have to depend on the government for social security programmes, or the government's tax income is reduced due to fewer people working (Haacker, 2002:17-18). Dixon *et al.* (2002:232) agree that the HIV/AIDS pandemic negatively impacts the labour supply by increasing the mortality and morbidity rate, also leading to a significant compounded loss of skills in the labour market.

Manu *et al.* (2015) conducted a study in Cameroon's Northwest region of Cameroon, and the findings showed that most people infected with HIV/AIDS were in the working age group of 15 to 45 years of age. This has a significant negative impact on the labour market. The results of the same study also showed the following: there was a high rate (80.5%) of food shortage that was mainly due to the ill health of workers (53.1%), followed by drought (19.5%), climate change (12.4%) and inadequate cultural practices (12.4%). What caused even more challenges in the labour market was other workers having to leave work in the farming sector to care for those who were infected with HIV/AIDS and were too sick to care for themselves.

This shows that the issue of HIV/AIDS goes beyond the specific person but affects family members and poses a burden in the country's health sector, thereby affecting various aspects of the country's economy. Most of this impact is due to the labour force being negatively affected across sectors when the affected people have to skip or leave work.

2.5.4 South Region

The South Region includes the following countries: Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, and Zimbabwe. On the 14th of March 2019, tropical Cyclone Idai hit the port of Beira in Mozambique and then proceeded to other areas in the region. Malawi, Mozambique, and Zimbabwe were also hard-hit by Cyclone Idai. It was reported by United Nations Children's Fund (UNICEF, 2019) to be

the worst natural disaster in the region for at least two decades. The UNICEF reports that Cyclone Kenneth followed Cyclone Idai after six weeks (25th of April). It started in northern Mozambique, making it the first time in history that two powerful tropical cyclones hit a region in one season. Cyclone Idai's torrential rains, strong winds, heavy precipitation, riverine, and flash flooding resulted in deaths and the destruction of people's livelihoods and damaged infrastructure. The United Nations Office for the Coordination of Humanitarian Affairs (OCHA, 2019) reported that over 600 people died while about 1.85 million people were in need in Mozambique in April 2019.

The government of Mozambique, in collaboration with non-government organisations and international entities such as the EU, performed a Post Disaster Needs Assessment (PDNA) between April and May 2019. The report showed that the most significant damages and losses were in the following sectors (World Bank 'WB', 2019:6):

- Productive - US$ 1,191 million.
- Infrastructure - US$ 797 million.
- Social - US$ 693 million.

The recovery was estimated at US$ 2.9 billion for repairing the infrastructure and physical assets only. The GDP forecast signified a 2.2% decrease (from 4.7 to 2.5%). This decrease resulted from an increase in the poverty rate (from 64 to 79% in affected areas) and inflation. The report of the International Labour Organisation (2019:24-25) indicates that, in the short term, there was a spike in the price of non-food items (not listed). In the medium term, Beira's inflation rate increased from 6% to 8% during 2020.

South Africa recently experienced heavy rains on the eastern coast that caused floods in the KZN and the Eastern Cape provinces. Tandon (2022) reports that the death toll was at 400, and it occurred from the 11th to the 12th of April 2022. Comins (2022) reported an estimated 1.8% loss in the GDP in Durban by the end of 2022, stating that businesses in the city may take at least three months to recover. The author quoted the eThekwini Municipality mayor, Mxolisi Kaunda, who indicated that a survey was conducted, and the preliminary results showed that the following sectors were the most affected:

- Manufacturing - R431 million.
- Agriculture - R12.6 million.
- Construction - R18 million.
- Wholesale and retail - R46 million.
- Warehousing and logistics - R33 million.

Comins (2022) also quoted the eThekwini Municipality Deputy Head for Economic Development, Ajiv Maharaj, who stated that the city was losing about R28 million daily in GDP because of businesses closed in affected areas.

According to the KwaZulu-Natal Premier, Sihle Zikalala, the Department of Trade, Industry and Competition performed a survey that indicated that, of the 31 220 jobs lost, 68% were in the eThekwini municipality (Sanews, 2022). Zikalala reported that about 30 000 job losses were from the manufacturing industry, that Toyota was the most hit, and that their Durban South basin had to be closed (Sanews, 2022).

The sections above focused on the impact of disruptive events globally and on the varying regions of the world. The following sections focus on the automotive sector particularly and how the sector was affected by disruptive events globally, in Africa and South Africa.

2.6 THE AUTOMOTIVE SECTOR AND DISRUPTIVE EVENTS

The top five nations that are producers in the automotive sector are the following: China, the United States of America (USA), Japan, Germany, and India (INS Global, 2022). The International Trade Administration (2022) states that China is the largest vehicle market globally in sales and manufacturing output. The International Trade Administration (2022) also reports that, by 2025, the estimated domestic production in China will be 35 million. The automotive sector in the USA constitutes 3% of the GDP, and it employs 923,000 in the manufacturing industry while 1.2 million are employed in the sales industry (Ariella, 2022). In Japan, Leussink (2021) reports a 43.1% increase in the production of cars in November 2021; this is a 9.5% increase since October 2021. However, the challenge experienced in Japan is a drag on global parts and chip supply issues. JapanTimes (2022) reports that domestic production used to exceed 10 million units between 1980 and 2008. However, it fell to 7.93 million units in 2009 and has remained around that number since.

It reported that the decrease in domestic output was due to a relocation of factories overseas.

Germany is well-known for having an automotive sector that is one of the leading producers of premium vehicles. The sector is reported to have companies that invest an estimated EUR 28.3 million in internal Research and Development (R&D) more compared to other manufacturing sectors (GTAI, 2022:4). Added to that, Germany Trade & Invest (GTAI, 2022:4) reports that there are plans on investing EUR 150 billion in digitalisation, electric mobility and drive systems, hydrogen technology and transport safety in the near future. Figure 2.3 illustrates the premium vehicle production for various countries in 2021. Germany has the largest share of Europe's automotive market, accounting for an estimated 25% of passenger vehicles. At the same time, there was a production of 15.5 million vehicles by German automobile manufacturers in 2021 (GTAI, 2022:3).

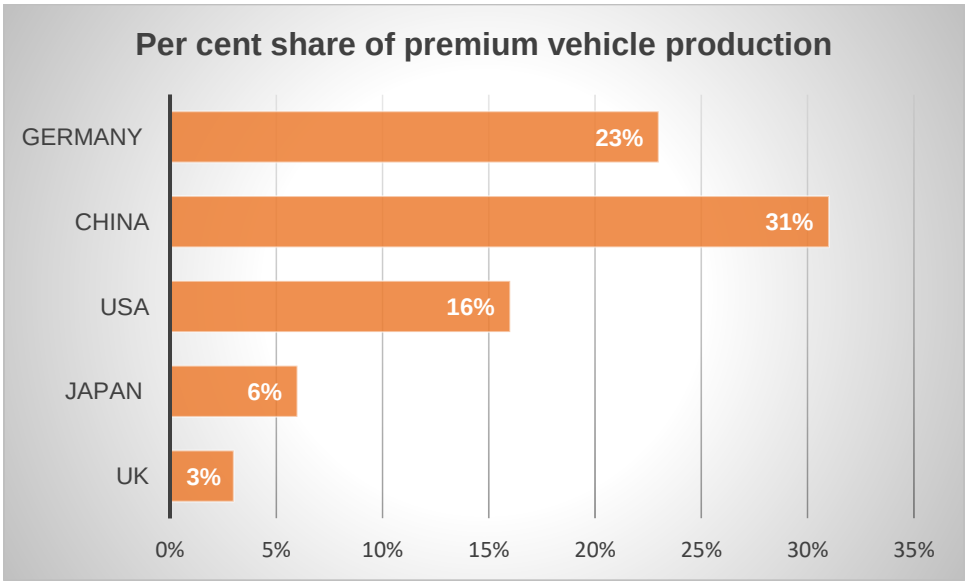


Figure 2.3 Percent share of premium vehicle production per country

(Adopted from GTAI, 2022)

In India, the vehicle production volume for the financial year ending in 2022 was 22.9 million units (Sun, 2022). Business Standard (2022) reports that, according to India Ratings and Research, vehicle sales are projected for possible growth of 5 to 9% year-on-year in the financial year 2022-23.

2.7 THE COVID-19 PANDEMIC'S IMPACT ON THE MAJOR ROLE PLAYERS

Manufacturing industries are reported to be the key pillars of each country's economic growth and development. Kufelová and Raková (2020:2) state that the automotive sector remains competitive globally because its manufacturing industry drives it. The automotive sector was affected by the Covid-19 pandemic due to lockdown measures that resulted in a severe decrease in international trade. At the same time, international travel restrictions and stringent border control also spiked international trade costs (Klein *et al*., 2021:5). This agrees with Song *et al.* (2021:3), who report that there are currently two main challenges globally: the pandemic's impacts and the global trade dispute. The authors highlight that the U.S.–China trade war, combined with the pandemic, has resulted in significant economic uncertainty, posing a threat to Global Value Chains (GVCs). Hence, the automotive sector faced notable challenges due to the pandemic's effects and supply chain problems. These global challenges are discussed in the sub-sections to follow.

2.7.1 Manufacturing production

The Covid-19 pandemic has shown how vulnerable manufacturing companies are globally and their supply chains (Eldem *et al*., 2022:3). Xijia (2022) reports that vehicle production in China is recovering from the negative impacts of the pandemic in the manufacturing industry. This author states that Shanghai Automotive Industry Corporation (SAIC) reported a combined daily output of 13, 000 units for SAIC Motor Passenger Vehicle Co, the SAIC Volkswagen Automotive Corp, and the SAIC General Motors Corp. This was the normal output level before the pandemic in Shanghai (Xijia, 2022). The SAIC also experienced a 30% year-on-year increase in the Yangtze River Delta. This was expected to be heading towards the normal production level. Added to that, Xijia (2022) reports that *Svenska Kullagerfabriken* (SKF), a manufacturer and supplier of bearings (supplying major vehicle companies), is experiencing an output that is 90% of the normal production level in Shanghai. Also, Tesla Motors (TESLA), an electric vehicle-producing company, reported that it currently produces 50% of the pre-pandemic 2,000 vehicles per day (Brown, 2022). Tesla has been a significant global driver of vehicle production since 2005 and accounts for 26.3% of the "additional car

production”. Its recovery from the pandemic has affected the global markets (The Geography of Transport Systems, 2022).

Boranova *et al.* (2022:15-16) state that the European automotive sector supply chain is vulnerable to disruptions due to two main factors on the supply side: 1. The supply chain in auto manufacturing is one of the most complex and long supply chains, compared to other industries, and 2. The production of vehicles mainly depends on foreign suppliers, compared to other industries. On the demand side, Boranova *et al.* (2022:17-18) highlight that “the demand structure of the European auto sector exposes the sector to shocks to final demand, both within and outside of Europe”.

Vehicle production dropped by 4.5 million in 2020 compared to 2019 Boranova *et al.* (2022:9). The authors highlight that disruptions in the “complicated supply chains” of the automotive sector contributed significantly to the compromised performance of the sector at a later stage, where Covid-19 infection rates and lockdown regulations globally spiked the demand for key components. This resulted in longer shipping times of inputs, therefore, causing disruptions. Boranova *et al.* (2022:12) an example of the shortage of semiconductor components in 2021 when “semi-conductor supplies were diverted to consumer electronics, such as gaming systems, home electronics, and personal computers, whose demand skyrocketed”. The authors indicate that supply chain disruptions continued to intensify through.

2.7.1.1 Sales of vehicles

In February 2020, there were already reports of a vehicle sales drop of up to 92% in China, while European countries reported a 7.4% sales drop compared to 2019. In India, companies such as Mahindra stopped their production sales because of lockdown regulations (Nayak *et al.*, 2020:3). The United States of America (USA) experienced a drop in sales of 15% during 2020, while sales in Western Europe dropped by 14% (Nayak *et al.*, 2020:5). Table 2.1 shares the light vehicle sales in different countries in February 2020.

Table 2.1 Light vehicle sales performance in February 2020
(adapted from Accenture, 2020:11)

Region/Country	Sales% drop/increase
China	-80.4
Japan	-10.6
South Korea	-17.9
Western Europe	-6.5
Eastern Europe	+4.5
USA	+8.3
Canada	+2.9
Brazil and Argentina	-4.5

The above estimates show significant sales drops in most countries, while only Eastern Europe, the USA, and Canada showed a minimal increase in sales.

2.7.1.2 Job losses and business closure

Electrification already affected job losses in the automotive sector before the Covid-19 pandemic, with estimates in Table 2.2 below (Leggett, 2022).

Table 2.2 Estimated job losses by 2030 due to electrification

Reporting bodies	Region/Country	Estimated job losses
German Association of Automotive Industry (VDA)	Europe	215 000
US-based Economic Policy Institute	United States	75 000
Germany's National Platform Future of Mobility (NPM)	Germany	400 000

On the 20th of April 2020, the European Automobile Manufacturers' Association (ACEA, 2020) reported that a minimum of 1,138,536 European jobs were affected by the Covid-19 pandemic. This was out of 2.6 million jobs in the manufacturing industry. However, this estimate was only for car, truck, van and bus manufacturers' employees, which meant that the number would have been much higher if it included the automotive supply chain industry. Germany had the highest number of job losses (586 519), followed by France (90 000), then Italy (69 382). The above total estimate included the United Kingdom at an estimated 65 455 job losses.

2.8 THE COVID-19 PANDEMIC IN THE AUTOMOTIVE SECTOR IN AFRICA

Before the Covid-19 pandemic, Africa experienced increased demand for new vehicles until 2018 (ReportLinker, 2021). The region experienced a 4% (1.17 million units) drop in new vehicle sales in 2019 due to a slowdown in the economy compared to 2018 (1.22 million units). ReportLinker (2021) further reports that passenger cars accounted for 73.81%, while commercial vehicles accounted for 26.18% of the above estimates.

However, commercial vehicles increased by about 0.33% in 2019 to 308 319 units as compared to 307 301 units sold in 2018. In comparison, Egypt experienced a 26.55% increase in new vehicle sales: to 231 238 units in 2020 compared to 182 713 units sold in 2019 (ReportLinker, 2021).

Reporting in the African region is limited because the focus is on the potential of African countries rather than the status quo in the Automotive Sector of Africa. ModorIntelligence (2021) reports that the “African market has one of the highest growth prospects across the world”, and that, currently, multinational vehicle manufacturers are developing production plants in Angola, Ethiopia, Ghana, Kenya, Namibia, Nigeria, Rwanda, South Africa, and other countries. This indicates the potential to boost manufacturing for the automotive market in Africa. Yet South Africa, Egypt, Morocco, and Algeria have sizeable automotive assembly and manufacturing sectors.

2.8.1 The Covid-19 pandemic in the automotive sector in South Africa

The South African Automotive Sector contributes significantly to the country's economy, accounting for 6.8% of the GDP in 2018 (NAAMSA, 2020). When adding manufacturing’s share of the GDP, the contribution was 11.76% in 2018 (World Bank, 2019). The automotive manufacturing industry employed 110 000 directly and indirectly, while the automotive sector employed about 457 000 jobs in 2018 (Fin24, 2019). This makes the continuity of the South African Automotive Sector extremely important because it is needed for the country's future industrial and economic landscape.

When Ori, Tromp, and Sanjith (2020:13) interviewed executives from various automotive sector associations such as the NAACAM, National Association of Automobile Manufacturers of South Africa (NAAMSA), and NADA, 66% of the participants reported

that they were already experiencing a decline in earnings in May 2020 due to the impact of the Covid-19 pandemic. About 55% of the participants stated that their earnings would be halved or more. In South Africa, Ori *et al.* (2020:16) report that the automotive sector was already experiencing challenges before the pandemic stating that 24% of the participants indicated that their Earnings before interest, taxes, depreciation, and amortization (EBITDA) had already declined by 8 to 10% before the pandemic. At the time of the interview (during May 2021), 91% of the participants indicated that they planned to increase their prices towards the end of 2020, while 4% said that they would reduce their prices due to a reduction in consumer demand (Ori *et al.*, 2020:22).

Upon interviewing representatives from NAAMSA (Mikel Mabasa, CEO), NADA (Mark Dommisse, chairperson), and WesBank (Chris de Kock, CEO), Venter (2021) reported the following findings:

- The Motor Industry Bargaining Council estimated that 16 183 jobs were lost in South Africa's sales industry from the 1st of March to the 30th of September 2020 (not only vehicle dealerships).
- The drop in new vehicle sales was 29.1% in 2020, down to 380 449 units (the lowest experienced over the past 20 years).
- South African vehicle exports decreased 29.8% in 2020, down to 271 819 units (more than 60% of which go to Europe).

Recently, the BusinessTech (2022a) quoted the chairperson of the NADA, Mark Dommissee, who reported that 41,382 units were sold in January 2022; this represents an estimated 19.5% increase compared to January 2021. BusinessTech (2022a) reported that their projected sales increase for 2022 is between 10 and 15%. Cyril Zhungu (the Head of Automotive Retail Finance at Standard Bank) projected sales growth in 2022 of between 8 and 10%. Zhungu stated that the market would experience sales of about 500,000 new vehicle units. The Head of Standard Bank and the Chairperson of NADA, however, were concerned about the increase in the debt levels of consumers and the expected 1.5% increase in interest rates.

The National Association of Automobile Manufacturers of South Africa (NAAMSA, 2022b) reported a 24.5% increase in sales of passenger vehicles, a 6.8% increase in sales of

Light Commercial Bakkies & Mini-Buses, a 0.2% increase in sales of Medium Trucks & Buses, and a 16.7% increase in sales of Heavy Trucks & Buses. This was for February 2022 compared to February 2021, and they reported an overall industry increase of 18.5%. The total new vehicle sales top five reported by NAAMSA (2022b) were Toyota (13 458), Volkswagen Group SA (6 153), Suzuki Auto (3 240), Hyundai Automotive Group South Africa (3 017), and Nissan (2 126). Projections by BusinessTech (between 10 and 15%) and the Head of Standard Bank's Automotive Finance (between 8 and 10%) are conservative compared to the actual estimate.

The increase in national new vehicle sales is occurring concurrently with an increase in export (12.3%), and that is a further positive contribution to the economic growth of South Africa (Stoddard, 2022). This means that, although there are no official reports, the automotive sector has employed more people and positively impacted the socio-economic status of those people and their families.

2.9 CONCLUSION

This chapter aimed to critically analyse disruptive events and their impact on the economy, focusing on the automotive sector. The critical literature review served as a way of obtaining knowledge advancement while contributing to developing a new conceptual framework.

Although definitions of disruptive events differ according to factors such as the field of study and the scholar's experience, they are caused generally by natural disasters, events in the market, or global, national or organisational events. The researcher refers to disruptive events as unanticipated events that cause distractions and significant changes in varying areas of people's lives, negatively affecting the economy as well as the socio-economic state of the people.

Regardless of the world region, the automotive sector contributes significantly to each country's economy through the manufacturing, sales, and supply chain industries. This contribution is in various ways, including job creation and other forms. However, because of its high dependence on manufacturing, disruptive events adversely affect the automotive sector. This is because most disruptive events result in a hold of the normal daily operations, sometimes leading to the employee being unable to reach their

workplaces or being restricted by the authorities. The industry has experienced this during the strict Covid-19 lockdown regulations.

Although developed and developing countries are equally affected by disruptive events, it is evident that developed countries are better equipped to respond and recover from such events. However, in each country, disruptive events affect manufacturing, people's jobs, and the profitability of companies, leading to a negative impact on the particular country's economy and the global economy. At the same time, the limited reporting in developing countries, especially in Africa, poses a limitation concerning measuring (with a high level of certainty) the extent to which such countries were affected by disruptive events.

CHAPTER 3: RESEARCH DESIGN AND METHODS

3.1 INTRODUCTION

This chapter details the research design, methods, and techniques applied by the researcher to achieve the primary and secondary research objectives. The reasons for each method and technique are also shared and explained accordingly. The primary research objective was " to examine the impact of disruptive events on the automotive sector's sales performance in South Africa, Gauteng Province". The secondary research objectives were: 1. To determine the main factors that affect the automotive sector's sales performance in South Africa during destructive events, 2. To assess insights into vehicle sales performance during disruptive events in the Gauteng Province of South Africa, and 3. To make recommendations based on the study's findings and conclude the research. The sub-sections following are a step-by-step outline of the methods and techniques applied to achieve these objectives, as well as the actions taken to ensure that the findings of this study have an acceptable level of trustworthiness.

3.2 RESEARCH APPROACH

The philosophies and principles of the qualitative research approach were applied in this study. The first part of the study is the critical literature review, followed by an empirical study. Qualitative research helps a researcher understand how things are and why they are in that manner. This is achieved through systematically applying various methods, leading to the researcher achieving the study's aim (Anas & Ishaq, 2022:90).

The qualitative methodology was applied in this study because the researcher intended to gather information, interpret, and document how disruptions affected the automotive sector, focusing on the Gauteng province of South Africa (Patton, 2015:7). The empirical data facilitated a deep and rich understanding of the studied phenomenon. The researcher collected qualitative data to gather the perception of retail dealership managers to make meaning of their experiences. The researcher also observed that their experiences affected their behaviours, attitudes, values and beliefs, goals and cultural perspectives (Patton, 2015:9). Applying the qualitative method enabled the researcher to contribute to the existing body of knowledge.

Out of the three main methods of the qualitative research approach (interviewing, focus groups, and observations), the researcher used a combination of interviewing and observation (Denny & Weckesser, 2022:1166). During semi-structured interviews, the researcher also observed that some respondents' changed their body language when asked specific questions.

3.2.1 Research Philosophy

The philosophy of the qualitative research approach relevant to this study is phenomenology. This results from the researcher seeking to understand the realities of the automotive sector retail managers in their natural environment (Pryce *et al*., 2014:88). According to Qutoshi (2018:216), "phenomenology is an approach to educate our vision, to define our position, to broaden how we see the world around us, and to study the lived experience at a deeper level". The author adds that phenomenology is more than philosophy. It is also a method of enquiry. However, Cohen, Manion and Morrison (2007:21) caution that the researcher's beliefs must not bias the findings. They must be presented as an accurate representation of the participants' perceptions. Therefore, the researcher ensured that the participants' views were reported and analysed as is and that there was no manipulation or intentional misinterpretation.

This research followed the interpretive paradigm because participants were actively involved, including the needed human element to the study and its findings (De Vos *et al*., 2011:7).

The paradigm was relevant because people, in general, are constantly seeking to understand the world they live in (Creswell, 2007:20). This allowed the researcher to view the participants' world through their perceptions resulting from their experiences with disruptive events.

3.3 RESEARCH DESIGN

A research design explains the steps taken to conduct the study where the details of the applied methods and techniques are shared and the reasons for choosing the particular methods and techniques. According to Vizcarguenaga-Aguirre and López-Robles

(2020:4), a research design is chosen because of the study's objectives, existing knowledge and the available resources (including the time needed to conduct the study).

3.3.1 Critical literature review

A critical review entails analysing and evaluating many sources to explore the existing information concerning the phenomenon of interest. This study performed a critical literature review to analyse the impact of disruptive events on global economies, specifically the automotive sector. The critical review analysed various disruptive events' impact on industries, supply chains, and employment statuses in each country. The critical review analysis was guided by themes emanating from this study's objectives and other sub-themes that developed as the information was gathered. Therefore, the critical review was performed systematically, where each theme was analysed from a global, African, and South African context. The critical review helped the researcher clarify this study's aim and objectives (Saunders & Rojon, 2011:2).

3.3.2 Empirical study

This study followed exploratory and descriptive aspects of research to analyse and explain how disruptive events affected the performance of sales in the automotive sector in the Gauteng Province, South Africa (Strydom, 2013:155). The results and findings explain how disruptive events affected the competitiveness of the sales industry and how the sales managers' strategies, such as the new marketing strategies adopted after a disruption.

Ginsberg (2001:158) states that an explanatory research design can be applied where the focus is on the cause and the resultant change in a group. This study focused on determining how disruptive events affected sales managers and the changes they had to adopt due to the impacts of such events. Therefore, the relationship was not linear but complex because it was analysed using perceptions of people through the collection of qualitative data.

3.4 TARGET POPULATION AND SAMPLING

3.4.1 Target population

The researcher contacted several motor groups at the beginning of 2022 in Gauteng, Hatfield and Motus motor groups. The target population was the vehicle sales outlets in Gauteng, and the sales managers were the potential participants who were pre-determined by the researcher because they potentially possessed the needed information for this study (Asiamah et al., 2017:1614). After obtaining permission from both groups, however, the researcher chose Motus Automotive Retail because they are one of the biggest with various dealerships. Motus Automotive Retail is a passenger and light commercial dealer.

The researcher then contacted the dealer and communicated with the franchise executive, Nizam Omar. An online teams meeting was held where Omar granted permission and assigned the researcher 23 sales executives and managers from various dealerships holding different positions, such as sales managers and parts managers.

3.4.2 Sampling strategy

3.4.2.1 Sampling frame

The 23 sales executives and managers from the various dealerships of Motus Automotive Retail in Gauteng Province formed the sampling frame for this study. A sampling frame refers to the identified units within the target population, and it was the 23 sales executives in this study (Wilmot, 2005:222).

3.4.2.2 Sampling method

Non-probability sampling was used in this study. It refers to sampling procedures where individuals within a population do not have an equal chance of being selected for a study (Tansey, 2007:322). The type of non-probability sampling applied was purposive sampling because the researcher judged participants to possess the needed information (Strydom, 2011:232). Kumar (2018:23) notes that purposive sampling permits the researcher to determine who can supply the most knowledge to accomplish the study's aims. Snowball sampling was also applied because the researcher knew a few potential participants who then provided referrals for other sales managers. The process continued

until saturation was reached (Strydom, 2011:233). This then led to the realisation of the above sampling frame, which was the start of the interviewing process.

3.4.2.3 Sampling size

The sample size is the number of people chosen from the target population to participate in research to make compelling conclusions (Chuan & Penyelidikan, 2006:182). Qualitative samples generally comprise a limited number of individuals to gain considerable detail about the investigated phenomena (Creswell & Poth, 2016:662). According to Marshall (1996:523), a qualitative sample is acceptable when it sufficiently addresses the study's research topic. Consequently, quantitative samples are generally significantly bigger than qualitative samples. Moser and Korstjens (2018:11) state that in qualitative research, a fundamental concept is to sample till the data saturation is reached. The principle of data saturation was applied in this study. Data saturation refers to accumulating qualitative data to the extent that a notion of closure is achieved because the newer data produce repetitive knowledge. The data for the empirical study will be collected until it reaches saturation. This modest sample size will aid in developing a more detailed description of the phenomena under investigation.

3.4.2.4 Face validity

A pilot study is a study conducted on a smaller scale before the main research study and determines if the proposed study is feasible (Eldridge *et al.*, 2016:18). A researcher follows the same steps and methods to gather if the proposed study has the potential to produce the desired outcomes. In this study, the researcher consulted a few people with an MBA degree and those who were still students acquiring the same degree. They were contacted via email and asked to review the data collection instrument. The responses were from three people who provided feedback and suggestions. The researcher then applied the needed changes accordingly. Therefore, the pilot study served as a pre-test of the data collection instrument while also giving the researcher some clarity on how to achieve the primary and secondary research objectives (Shakir & Rahman, 2022:1620).

3.5 DATA COLLECTION

3.5.1 Critical literature review data

The critical review performed in this study was done using journal articles, organisational publications, and reports from reputable organisations. The researcher followed Ridley's steps in the SQ3R technique (2012:64), and the acronym stands for **S**urvey, **Q**uestion, **R**ead, **R**ecall, and **R**eview. The steps taken were as follows:

- Survey. Each publication was browsed through to determine the overall idea.
- Question. While reviewing the text, the researcher considered a few questions related to this study's concepts.
- Read. The researcher read the promising publications to get an understanding and determine if they can be included in the chapter.
- Recall. Recalling the key facts shared in the publication.
- Review. The text was then reviewed to ascertain whether the current study's key points were important.

The collected data for the critical literature review was then analysed by looking at the global perspective, the African situation, and the South African context.

The included publications were selected because they had the information to analyse investigated concepts. The main focus was the impact of disruptive events on the different industries in the automotive sector. No demarcation was set for the year of publication because disruptive events have been happening for centuries, and the researcher also wanted to get the historical context.

3.6 EMPIRICAL STUDY

The data for the empirical study was collected through online interviews where motor sales executives and managers were interviewed through semi-structured interviews. The researcher contacted the potential participants and made appointments with those who responded. The online interview sessions were from the 8th of November 2022 until the 20th of the same month. The information was transcribed to prepare it for data analysis.

3.6.1 Data analysis

Qualitative data analysis entails analysing textual data and using approaches such as content and thematic data analysis, which leads to research findings (Turner *et al*., 2021:5). This study performed a textual analysis of journal articles and grey data as well as interview answers from participants. The details are shared in the sub-sections to follow.

3.6.2 Secondary data analysis

Analysing the journal articles and business documentation involved selecting the documents that provided the needed information to help the researcher get a perspective at three levels: global, African, and local (South Africa). This meant that the researchers analysed the literature on the overview of the automotive sector globally, in Africa, and South Africa, identifying key sector players and gathering how they were affected by various disruptive events. This approach also showed how different countries and world regions were affected by the disruptive events and how they responded and took action to mitigate them.

Comparison of the global and local situation is because globalisation has led nations to learn from one another. When a researcher knows how one country mitigated a challenge, they can recommend strategies that may be helpful in the local economy (Li, Easterby-Smith, Lyles & Clark, 2016:642). Yet such recommended strategies to policymakers or the relevant sector depend on the available resources and sometimes the existing skill sets in the country.

3.6.3 Primary data analysis

The data was analysed using thematic analysis. Although thematic analysis is flexible, the researcher followed these general guidelines by Kiger and Varpio (2020), namely to familiarise oneself with the data, generate initial codes, search for themes, review the themes, define and name the themes, and produce the report. The main themes were from the research objectives, while the researcher observed other themes when preparing the data for analysis. The identified themes are shared in the next chapter, where the results of this study are discussed.

3.7 TRUSTWORTHINESS

3.7.1 Credibility

Credibility entails an outline of the actions taken by a researcher to provide enough supporting evidence that the shared information, as well as the findings of the study truly represent what was studied. The researcher triangulated the information to identify patterns by comparing academic articles and industry publications (Stahl & King, 2020:26). The research also ensured that they used peer-reviewed journal articles and organisational reports from accredited companies to provide reliable information.

3.7.2 Transferability

Transferability concerns the researcher's effort to provide detailed contextual information to allow the reader to relate the research to their situation or other similar situations (Johnson *et al*., 2019:8). This means that it measures the extent to which the study findings can be compared to other population groups. To achieve this, the researcher shares detailed information in this report concerning the population and sampling procedure, the collection and analysis of the data, the results, and the findings, allowing the reader to relate and make comparisons.

The qualitative nature of the study may mean that some may perceive it as relevant to the automotive sales industry in Gauteng only. However, the unique aspect of the study is the impact of disruptive events in the industry (Shenton, 2004:66). Therefore, the study's findings are transferable.

3.7.3 Dependability

Dependability is concerned with the ease of the study can be repeated. This means the researcher needs to share enough details on how the methods and techniques were followed during the research process. Therefore, consistency exists between the methods and techniques. Similar future studies should obtain similar results.

The researcher gives detailed explanations on how each technique was performed and why, making it possible for other researchers to repeat the methods and techniques applied, with the potential of obtaining similar results and findings. Another benefit of this action, as highlighted by Nowell, Norris, White, and Moules (2017:3), is that it empowers

the researcher because they get some comprehension of the procedures, leading to higher research efficiency.

3.7.4 Confirmability

Confirmability is the proof a researcher provides that the obtained results are a true reflection of the performed analysis, clarifying that they do not suffer from a bias due to the researcher's interpretation (Johnson *et al*., 2019:8). The researcher compares the results with those from other studies, thereby verifying other studies' results.

3.7.5 Ethical considerations

This sub-section describes the steps the researcher took to ensure an ethical study. Arifin (2018:30) states that ethical considerations are essential in qualitative research because of the depth of the information provided by participants during interviews. Making the participants vulnerable and sometimes putting them at risk for potential harm. As a result, the researcher took precautions to protect this study's participants.

3.7.5.1 Approval to conduct the research

The researcher sought approval from the NWU's research ethics committee to conduct this study. The approval was granted, and data collection only commenced upon receiving the approval. This gave the delegated experts judge the procedures to be followed and ensured that they were in line with the university's standards.

3.7.5.2 No incentives for participation

The organisations and the participants did not receive any incentives to participate in this study. They knew their participation was an act of charity and kindness, helping the researcher add to the existing body of knowledge in the South African Automotive Sector (Kang & Hwang, 2021:8).

3.7.5.3 Informed consent

Informed consent ensures that participants know why they are needed as part of the study while fully explaining the study's objectives and processes to be followed (Newman, Guta & Black, 2021:4). Participants were requested to provide a signed consent form before the meeting. The researcher also attached the consent form and the interview guide when

inviting potential participants (sales executives and managers) to the online meeting. The researcher also used a few minutes of the online interview session to brief each participant about issues, such as the time the interview is expected to take, before starting with the online interview. Participants were informed that they could stop at any point during the interview if they felt uncomfortable or had decided to participate no longer.

CHAPTER 4: ANALYSIS AND INTERPRETATIONS

4.1 INTRODUCTION

This chapter is a presentation of the results of the analysis of the empirical study and their interpretation. Therefore, the study achieved the primary objective: “to examine the impact of disruptive events on the automotive sector’s sales performance in South Africa, Gauteng Province”. The chapter is structured according to the questions in the interview guide.

The interview guide was divided into three sections, forming this chapter’s structure. The answers and thematic analysis of only Question 1 are shared in this chapter, while the rest are attached as Annexures 1 to 11. Also included as appendices are the following: examples of the consent form, the introduction letter, the interview guide and transcripts.

4.2 PARTICIPANT PROFILE

The profile of the participants is shared in Table 4.1, and there were nine participants, eight of them male. Three participants were pre-owned sales managers, two were sales managers, another two were parts managers, and one was a new vehicle sales manager, while the last participant was a dealer principal.

Table 4.1 The profile of participants of this study

Participant	Gender	Dealership name	Position in organisation
PAR001	Male	Dealership 1	New Vehicle Sales Manager
PAR002	Male	Dealership 2	Pre-owned Vehicle Sales Manager
PAR003	Male	Dealership 3	Sales Manager
PAR004	Male	Dealership 4	Pre-owned Vehicle Sales Manager
PAR005	Male	Dealership 4	Parts Manager
PAR006	Male	Dealership 6	Parts Manager
PAR007	Male	Dealership 4	Sales Manager
PAR008	Male	Dealership 8	Pre-owned Vehicle Sales Manager
PAR009	Female	Dealership 9	Dealer Principal

The background of the participants was obtained by asking them the question below. That also led to the identification of themes concerning the exact field each participant was in. The data reduction and the identified themes, with a thematic analysis of the interview guide questions, are discussed below.

4.3 PARTICIPANTS BACKGROUND

The participants' background was obtained by asking them the question below. The question also identified the themes of each participant's exact field. The data reduction and the identified themes, with a thematic analysis of the interview guide questions, are discussed below.

Question 1: Could you briefly profile your work activities and what it entails?

This question aimed to get the participants' background information to determine if they possessed the information needed to answer the research questions of this study. The background information is presented in Table 4.2 and the initially identified themes.

Table 4.2 Participants' background

Participants	Participant response	Identified themes
PAR001	Okay, so basically, it is the management of the new car sales department, which entails the marketing aspects, the admin aspects and also the sales side of it. So, managing the sales team with regards to their sales funnels, their sales activities and so on, and also streamlining or facilitating the marketing from the dealership side and then liaising between our head office as well as with our manufacturer, Nissan South Africa, in terms of reaching our sales goals and sales targets.	Marketing Management Vehicle Sales
PAR002	Okay, so basically, I am a used car sales manager. I manage the pre-owned vehicles, the demo vehicles and all your training that comes through from your new car department and the used cars. I currently have five sales executives under me. I have an admin lady that is also under me and a recon??? that is under me. That entails my department. So the daily operation of our department is obviously selling pre-owned vehicles. Ideally, I must be very competitive with the pricing of the vehicles that we sell. And your brand. We have different platforms that we advertise on. We have to make sure that our vehicles are always up to date and advertised on Internet platforms to generate Internet leads.	Marketing Management Vehicle sales
PAR003	I obviously must manage staff and manage stock, manage sales and make sure all three work together properly.	Management Inventory management
PAR004	Okay. So, what my job is? I obviously run a sales team on the used car side. We have budgets and targets where we sell used car	Management Vehicle sales

	vehicles. The used car vehicles come from trade-in vehicles on the new car side. If somebody is buying a new vehicle and they want to trade their old vehicle in, I look at those vehicles, I price them, I recon them, and if they are fit for retail, we recon them, and we advertise and sell them. I purchase vehicles daily from various sources to bring into vehicle stock that we can retail. The vehicles that are traded in that are not fit for retail, we send to an auction, and those vehicles also get managed by me. And then obviously my job is to make sure that we turn a profit in my department, manage my sales staff, manage any discrepancies or any fights or anything that may come up as a problem during the month. Yes, that is basically the long and short of it.	Inventory management
PAR005	I am the parts manager. I look after the parts department. In other words, every single part that comes into my stock that is going to be supplied to customers, whether it be external customers or internal customers, I manage all of that. I order the stock for parts for vehicles that come in. So, I oversee the whole parts department.	Management Inventory Management
PAR006	Okay, I am a sales manager. I am at the new vehicle department for Nissan in Menlyn Pretoria, managing the department, driving sales, and making sure that my people are happy, and that is the main job that I have.	Management Vehicle sales
PAR007	So my job is to keep the customers happy, to keep our shareholders happy, to keep our managing directors happy, and to give them a	Management

	return on their investment. And also, to keep me happy and motivated.	
PAR008	I am the used car manager at Nissan in Centurion. My primary activities are to manage the used car department and to achieve the budgeted numbers monthly, budgeted numbers in terms of Rand value and the units in terms of sales. For me to achieve that, there are certain criteria and tools I need. The first is to have a good team, to have enough staff members to achieve those goals, and the second important thing is to have the right stock. Sourcing of stock is a key issue in my line of work and getting the right stock is important on the used car floor. A used car manager is judged on the type of stock you can get, and obviously, getting the right stock equals good sales in terms of return. So, briefly, that is my role here.	Management Vehicle sales Inventory management
PAR009	Okay, so I am currently the dealer principal at Motus Nissan in East Rand Mall. Basically, I have five managers under me, which is a used car manager, a new car manager, a service manager, a parts manager and then a financial manager. They report directly to me. They then obviously have staff members that report directly to them. But the basic doing of the work is very operational. Obviously, when you have got a financial manager, she obviously handles the financial side of it. My side is more operational. I get very involved in the activities of what happens in the business, in the customer relationships, customer satisfaction, and exactly what is happening in the day-to-day business. Although I have the managers reporting to me, I also get very involved with the actual down-on-the-ground staff, as well as have my management meetings, make sure we are	Management

	profitable, make sure we are following the correct processes as per company policies, sum up the checks and make money.	

4.3.1 Extracted themes

The full dataset was reduced into manageable themes identified through thematic analysis by reviewing participants' responses. There were four initially identified themes, and they are shared in Table 4.3. The table also shares the emerged themes from the initially identified themes.

Table 4.3 Initially identified and emerged themes

Initial Themes	Mentions	Emerged Themes
Management	9	Management
Inventory management	4	
Marketing	2	Vehicle sales performance
Vehicle sales	5	

The number of times participants mentioned the emerged themes is shared in Table 4.4. Management was mentioned 13 times, while vehicle sales performance was mentioned seven times.

Table 4.4 Emerged themes mentions

Emerged Themes	Mentions
Management	13
Vehicle sales performance	7

Although five themes were identified, two themes emerged strongly (Management and vehicle sales performance), which are discussed in the following sub-sections.

4.3.2 Emerged themes

Theme1: Management

The definition of management evolved over centuries as the perspective of the responsibilities and management styles changed, and the current definitions also encapsulate the leadership role of managers. Kinicki and Williams (2018:5) define management as “the pursuit of organisational goals efficiently and effectively by integrating people's work through planning, organising, leading, and controlling the organisation’s resources”. In agreement, Kaehler and Grundei (2019:22) broadened the definition of management. They stated that it consists of elements that address people and non-people-related issues and steer the organisation’s production or resource operations while influencing the market. The above is achieved through strategic and operational management to achieve the divisional objectives within the organisation and also the organisation’s objectives.

Some of the participants’ statements were the following:

> **PAR001** “*So, managing the sales team with regards to their sales funnels, their sales activities and so on, and also streamlining or facilitating the marketing from the dealership side and then liaising between our head office as well as with our manufacturer, Nissan South Africa, in terms of reaching our sales goals and sales targets*”.
>
> **PAR004** “*The used car vehicles come from trade-in vehicles on the new car side. If somebody is buying a new vehicle and wants to trade their old vehicle in, I look at those vehicles, I price them, I recon them, and if they are fit for retail, we recon them, and we advertise and sell them. I purchase vehicles daily from various sources to bring into vehicle stock that we can retail..... And then obviously, my job is to make sure that we turn a profit in my department, manage my sales staff, manage any discrepancies or any fights or anything that may come up as a problem during the month*”.
>
> **PAR007** “*So my job is to keep the customers happy, to keep our shareholders happy, to keep our managing directors happy, and to give them a return on their investment*.”
>
> **PAR009** “*I get very involved in the activities of what happens in the business, in the customer relationships, customer satisfaction, and exactly what is happening in the day-to-day business. Although I have the managers reporting to me, I also get very involved with the actual down-on-the-ground staff, as well as have my management meetings, make sure we are profitable,*

make sure we are following the correct processes as per company policies, sum up the checks and make money".

The participants generally mentioned the responsibilities of being a manager, which include planning, organising, controlling, and leading, as mentioned in the definition of management by Kinicki and Williams (2018:5). This demonstrates the importance of effectiveness and efficiency in management, as highlighted by Kaehler and Grundei (2019:22). According to Lotich (2021), all organisations need to plan and be ready when a disaster strikes. However, there was no mention of risk management or the steps taken to ensure that an organisation is prepared for disasters or disruption events in the context of this study. The author states that an organisation's managers need to understand what risk is and the different potential risks. One must have a disaster organisational recovery plan and a recovery kit that contains the organisation's vital documentation (such as insurance policies). This must be stored safely at a different location. In addition, a detailed communication plan should explain the "who, where, what, when, and how" of disaster communication. This level of readiness will benefit organisations during disruptive events.

Theme 2: Vehicle Sales Performance

Vehicle sales are the process of selling vehicles by car dealerships. It requires that the sales manager be knowledgeable on factors such as what makes a customer interested in buying or switching between the different brands (Chalder *et al.*, 1999:119). This goes beyond the act of economic exchange because there are actions taken that lead to the final realisation of the actual sale.

The statements of some participants were as follows:

PAR002 "*So the daily operation of our department is obviously selling pre-owned vehicles*".

PAR003 "*I obviously run a sales team on the used car side. We have budgets and targets where we sell used car vehicles*".

Under normal circumstances, a salesperson approaches walk-in customers. The participants did not make mention of the pre-sale preparation involved and other approaches that can be used when the dealership is not operating as per the norm due to unforeseen situations such as a disruptive event. Such may change in situations we

have experienced with the Covid-19 pandemic, where people needed to stay home to avoid the spread of the Coronavirus.

The amount and quality of marketing also influence vehicle sales performance by the sales team, which leads to a potential increase in achieving the set targets. Only PAR001 and PAR002 indicated that they were involved in marketing, and their statements were as follows:

> **PAR001** *"...which entails the marketing aspects, the admin aspects and also the sales side of it*".
>
> **PAR002** "*We have different platforms that we advertise on. We have to make sure that our vehicles are always up to date and advertised on Internet platforms to generate Internet leads*".

Cronje *et al.* (2007:283) define marketing as a process "consisting of management tasks and decisions directed at successfully meeting opportunities and threats in a dynamic environment, by effectively developing and transferring a need-satisfying market offering to consumers, in such a way that the business, consumer and society objectives will be achieved". The different ways of marketing may need to be changed during disruptive events, such as a shift from traditional marketing to digitalised ways and social media platforms.

Participants were also asked about their sales experience through question 2, which is discussed below.

Question 2: Please elaborate on the following: Experience in automotive sales; Your sales philosophy; Sales success rate.

Theme1:Experience in automotive sales

Details on participants' experiences are shared in Table 4.5 below, and the research themes identified accordingly.

Table 4.5 Sales experience

Participant	Participant Response	Research Themes
PAR001	I have a decade's worth of experience with Nissan.	Highly experienced
PAR002	Look, I have been in the industry since 2005. And I have been a sales manager since 2013.	Highly experienced
PAR003	33 years.	Highly experienced
PAR004	10 years as a sales manager and as a sales executive or the total in the motor industry, I would say about 15 years.	Highly experienced
PAR005	I have been a parts manager for about 25 years.	Highly experienced
PAR006	22 years.	Highly experienced
PAR007	1994. So almost 30 years, 28 years.	Highly experienced
PAR008	I have been in the automotive industry since 2006.	Highly experienced
PAR009	32 years.	Highly experienced

Only one theme was identified and labelled "Highly experienced". The range of the sales experience of participants is from 10 years to 33. The results obtained by Abdolvand and Farzaneh (2013:2668) show that sales experience is the most crucial salesperson characteristic because the experience empowers a refined presentation of products and services. An experienced salesperson has a long history of selling products and services. This level of sales experience means that the salesperson has developed valuable skills such as communication, attentive listening, negotiation and problem-solving. It also means that the challenges they faced in the sales field have prepared them better for uncertainties while also analysing the impact of unexpected disruptions in the workplace and the market. In addition, a disruptive event also caused a relationship disruption between salespersons and their customers, after a disruptive event. Schmitz *et al*. (2020:84) state that a highly experienced sales manager will help employees to find ways to explore customers and potentially increase sales. Therefore, the ability of experienced managers to observe changes and the needed actions makes the participants of this study capable of sharing the information required for this study concerning disruptive events in the past and the impact they had on sales performance.

Theme 2: Sales Philosophy

The sales philosophy reflects what participants think about the sales process and the approaches they apply throughout the process. Six themes were identified (customer-oriented, relationship-based, transparency and honesty, value-based [honesy and liability], revenue generation, and differentiation). However, two central themes emerged. They are discussed below:

- Theme 2.1: Customer-oriented

Customer-oriented was mentioned seven times, and some of the participants had this to say:

> **PAR001** "I believe in providing a client with all the necessary information to make an informed decision with regard to their vehicle purchase and also to provide every single client with a personal solution with regards to their transport problem, let us call it that".
>
> **PAR005** "Well, my belief is everybody is always saying that the customer is looking for the best price. Sure, they are looking for the best price, but it comes down more to service. If you can give a better service than the next guy, I promise you that person will purchase from you and not from the other person".

The customer-oriented philosophy means that the salesperson puts the customer first and pays attention to the needs and preferences of the customer. It entails taking note of the customers' perceptions, attitudes, and level of satisfaction. This means that the focus is on finding solutions for customers instead of the priority being on increasing sales and making higher profits (Brännback, 1999:4).

According to Madhani (2020:8), the customer-based approach "has a positive impact on customer experiences, and customer experiences significantly impact future spending in both transactional and relationship-oriented businesses". This means that a salesperson has to ensure that they give customers a pleasant and memorable experience. Customer experience refers to the interactions between the salesperson (and the whole company) and the customer. It is a process that starts from attracting the customer to discovering the provided services to closing the sale (Wereda & Grzybowska, 2016:199). Therefore, the salesperson must give each client a personalised experience for the customer to remain loyal potentially.

- Theme 2.2: Relationship marketing

Relationship marketing emerged as a theme when relationship-based, transparency and honesty, and value-based were merged. Relationship marketing is a dimension of customer relationship management concerned with customer loyalty and long-term customer engagement (Nwakanma & Jackson, 2007:55). The aim is to develop and maintain strong customer connections to the brand, leading to lasting business associations, guaranteed free work-of-mouth promotion, and acquiring information from customers that can generate leads. As one participant indicated, addressing value-based as well as honesty and liability:

> **PAR008** "I do on value-based. That, in return, determines everything else for me. Because if I have the right values, the foundation is based on values in terms of honesty, liability, and all those values, you automatically get a sales philosophy in turn which is good customer service, and profitability".

Another participant's response addressed transparency and honesty by stating that:

> **PAR007** "So look, I am a straightforward person. I call a spade a spade. I do not believe in beating around the bush. My staff know that. And you know, we know what we need to do, and that is what we are here for. From the time I walk in in the morning until the time I leave, it is work. We do have our play in between, but there are no friends at work, friends you have after work".

Addressing the relationship-based philosophical approach, another participant had this to say:

> **PAR001** "engage with the client on a personal level while being able to provide them with all the required information in a professional manner".

Johanesová and Vańová (2020:32) state that relationship marketing "is based on the tenets of the customer experience management (CEM), which focuses on improving customer interactions to foster better brand loyalty". The concept of the association between a salesperson and the customer means that the salesperson needs to ensure that the customer receives a personalised experience that is not only memorable but also facilitates the customer to refer potential customers to them. Accordingly, Verma (2022:472) states that there is a distinction between relationship marketing and customer relationship marketing, highlighting that the former is customer-specific. The latter is brand-specific and at an organisation level. The author explains that relationship

marketing entails prioritising customers' needs, focusing on what one can do for the customer over a lengthy period.

It is postulated that sales representatives and managers may have had to change their sales philosophy strategies due to disruptive events. This is because customer preferences have been transformed due to some of those events. An example is how customer behaviour was changed by the Covid-19 pandemic, with some customers now preferring digital interactions due to the recent unpleasant experiences (Charm *et al*., 2020:2).

Theme 3: Sales success rate

When participants were asked about the success rate experienced due to their sales efforts, five main themes were identified that were merged into two, as presented in Table 4.6. Two secondary themes were identified. However, both were insignificant because they were each only mentioned once.

Table 4.6 Identified themes and emerged themes on the sales success rate

Identified themes	Emerged themes
Declining vehicle sales Increasing vehicle sales Fluctuating vehicle sales	Vehicle sales performance
Increased Profitability Market demand/Pricing	Profitability

The emerged themes are discussed below, and they are vehicle sales performance and profitability.

- Theme 3.1: Vehicle sales performance

Vehicle sales performance is measured comprehensively, as opposed to only focusing on performance compared to the target, and one of the recommended methods is Retail Sales Effectiveness (RSE). When measuring the RSE, the actual sales are divided by the expected sales for the same period, and 100% is the pass mark. The expected sales are obtained by taking the national market share of the vehicle brand and using it to get the percentage share of the sales in the dealer's area in the same period (Crea, 2014). However, this is a measure for the whole company, not per individual salesperson or sales manager's team.

According to Birt and Vigar (2002:37), how an individual salesperson behaves is affected by their environment, and such constructions negatively affect the constructs of the salesperson when they are inconsistent. This leads to dysfunctional activities that affect the performance of the salesperson and the whole organisation. As a result, leading to customer dissatisfaction because the salesperson is not behaving as expected by customers from an effective salesperson. The outcome is bad word-of-mouth which harms marketing efforts. Although there is a scarcity of data on salespersons' effectiveness, Jin and Lu (2021) state that the contributing factors for effectiveness are mostly not measurable. The authors highlight that effectiveness is measured indirectly by looking at the change in factors such as the commission level and the attendance rate when a new salesperson joins the sales team.

Participants did not clearly understand this question because their answers were not specific. The responses were rather general and did not focus on individual participants' observations of their sales efforts.

> **PAR001** "It has gone up in certain ways, but it has also gone down in certain ways, and it fluctuates. So, it is difficult to answer that question in a sense".
>
> **PAR004** "We are ahead in our division. Last year we won the used car sales dealer department from Nissan in South Africa out of 190 dealers or something for mega stores, which is the big dealers, not small satellite dealers. So, it is going well, it is tough, but it is going well".
>
> **PAR009** "Obviously Covid has affected us extremely badly in the motor industry and our sales at this specific dealership because I was here before and I was in sales, we were doing probably about 110 units a month. We are now averaging between 30 and 40 on the new car side".

This means that this question and the emerging theme of vehicle sales performance have not yielded the desired results of identifying what participants did to improve vehicle sales performance and the outcomes experienced by the individual salesperson or sales manager. Hence the results are not comparable with the literature.

- Theme 3.2: Profitability

Profitability's synthetic definition is that "the enterprise's capacity to obtain profit is considered a decisive instrument for the market economy mechanism, for shaping production according to consumers' needs. Profitability means obtaining an income from product sales that should exceed expenses" (Geamănu, 2011:116). Profitability measures the profit as compared to the size of a company. Therefore, it is a relative measure of the efficient use of the company's resources to generate profit. Participants of this study mentioned an increase or decline in profits and not profitability, indicating fluctuations. One participant reflected on the past and said:

> **PAR007** " When I started here, this year was 13 years in this company, we were doing a gross profit of about R300 000. At the moment, we do a gross profit of about R900 000".

The focus on profit by participants is understandable because it is a straightforward measure at an individual level. However, profitability is more valuable at the organisational level.

4.3.3 Section 1 – Determine the main factors that affect the automotive sector's sales performance in South Africa during destructive events

This section focused on the study's core, namely identifying the impact of past disruptive events on sales performance. Questions were asked to achieve this study's objectives. The emerging themes are discussed from here on. The thematic analysis process appears in Annexures 4 to 8.

Question 3: In your perspective, which disruptive occurrences have harmed sales performance previously?

Several themes were identified. The primary themes were merged into two emerged themes: disruptive events and economic pressures. The emerging themes are discussed below. Please refer to Annexure 3 for a full thematic analysis.

Theme 1: Disruptive events

Participants identified disruptive events, including riots, floods, looting, and the Covid-19 pandemic. The disruptive events have been mentioned a total of 14 times, and participants said the following:

> **PAR001** "So firstly, I mean the big one would be Covid, and lockdowns naturally affected us quite heavily..... If you think about the looting and stuff that happened in KZN as well as the flooding, the recent strikes affected us as well".
>
> **PAR005** "Well, Covid was a big disruptive event because paired with that, a lot of our parts for the Nissan vehicles come from all over the world, but it gets affected in places like India and Japan".

When there are disruptions, the automotive sector and its industries experience events such as notable challenges in Chinese parts exports, interruptions across Europe's manufacturing industry, and closure of some of the assembly parts in the U.S. (Priguza & Brooker, 2022). This has been experienced recently with the Covid-19 pandemic, which affected the supply chain, production, sales operations, and regulations. Disruptions lead to changes when it comes to customer interactions. It also affects the demand-supply dynamics, resulting in the need for changes in business models in the automotive sector (Deloitte, 2018:3). Participants of this study were aware of the impacts of disruptive events and that sales of vehicles were affected. The participants were also cognizant of the connectivity between different industries within the automotive sector, which is why they could explain why sales were affected by delays in manufacturing and vehicle assembling plants (Deloitte, 2018:4).

Theme 2: Economic pressures

This emerged theme includes fuel price increases and the interest rate and it was mentioned five times by participants. Participants explained how the interest rate affects customers and the demand for vehicles:

> **PAR002** "The interest rate is an issue now, and it is going up a further point, I think. Compared to somebody that bought a vehicle last year, their interest rate was at 7.25, and it has gone up to 9.75. So, there is a big jump. Previously if you were buying the car for R3 500, it has probably gone up to R5 500".
>
> **PAR004** "Another example that you can use is most definitely interest rate increases, and we have had a few of those this year. After Covid the interest rate went way down as they tried to stimulate

> the economy a bit and get people to buy again, which was fantastic, but we always knew that it would never last. Consumers end up with very little, if anything, left at the end of the month. The more they have, the more they spend. When the interest rates were so low, people went and bought vehicles at pricing that they normally probably would not have been able to afford because of the interest rate. And not taking a fixed interest rate back then is now costing them big time".

Economic pressures are those events that affect the economy negatively, such as a recession or increases in the general costs of products due to inflation. Pesch and Ziebell (2022) report an increase in consumer prices by 8.5% in March 2022 (compared to the same time in 2021), while employee wages only increased by 5.6%, negatively affecting the buying power of employees. In early May 2022, the Federal Reserve increased its benchmark interest rate by 0.5%. This can slow the economy and trigger a recession, making it difficult for companies to sustain the revenue needed to stay in business. This is elaborated by PAR004, who stated that customers have little to spend on vehicles (and other needs) when faced with economic pressures.

Question 4: If so, how did these disruptive occurrences affect your sales results?

There were seven identified themes, and one of these themes was a secondary one. The primary themes were merged into two (see the discussion below and refer to Annexure 4 for a detailed thematic analysis).

Theme1: Vehicle sales performance

This theme consists of the primary themes: reduction of offering "special", declining vehicle sales, and increased profitability. The participants indicated the following:

> **PAR001** "...but also where we used to fight tooth and nail to do a deal and where we historically were much more readily willing to give away margins on vehicles, which became a thing of the past. So only having 20 cars means that we are going to sell those cars at full price or full retail price without having to discount the car. So that is the major change that we have seen in the business over the last couple of years with all the disruptions that we have had, less volume but more profitability per unit".

> **PAR006** "Obviously, our turnover of units that we have moved went down. We were normally about a 50-unit dealer, and after Covid we averaged about 30 units. The sales went down by about 40%. But like I said, what we lost in units, we made up on profit".

NADA (2022) reported that the vehicle sales market in South Africa is showing resilience amid the economic pressures it faced due to disruptive events. Vehicle sales performance is reported per disruptive event, and there were reports of the impact of the severe floods in the KZN Province of South Africa. The closure of the Toyota South Africa Motors (TSAM) manufacturing plant due to damages from the flood led to a 22.6 percent% decrease in new LCVs, bakkies and mini-buses in South Africa in May 2022 compared to May 2021 (Dealerfloor Motor Industry News, 2022). Table 4.7 presents the percentage increase in sales per vehicle segment (South Africa) for October 2022.

Table 4.7 Percent increase in vehicle sales in October 2022

Vehicle segment	Percent increase
Passenger cars	10.4
Light commercials	14.3
Medium trucks	29.9
Heavy trucks and buses	3.7

Source: NADA (2022)

This is contradictory to the results of this study because the participants indicated that they lost unit sales while there was an increase in profit. However, the NADA reports an increase in sales across all segments.

Theme2: Consumer buying behaviour

This emerged theme consists of the identified themes: changed consumer spending behaviour, alternative transportation, and alternative supply. Consumer buying behaviour is a process that starts with the research consumers perform on a product or service, including the actions taken to make the final decision (Banerjee, 2010:12).

The marketing teams of organisations invest a lot in understanding consumer buying behaviour to influence the consumers to their favour, using approaches that often touch consumers emotionally.

Participants state that disruptive events make customers cautious when it comes to deciding on a purchase, saying:

PAR004 “So, what is the opportunity cost they need to calculate? These small factors in the economy affect the consumer's behaviour on various levels, and that is an example that I can give you as to why a customer that really wants to buy a car is putting off buying that car continuously because they are trying to measure what the effect would be. Not all customers are financially inclined where they can calculate these things off the top of their heads. They have to see what it actually does in their budgets. It creates a delay in the decision-making process, and it can also cancel that opportunity completely where it gets eliminated when a customer realises that they cannot afford to buy a car, even if they really, really wanted to or really need to, for that matter. Some people really need to buy cars, but they are just not able to do”.

PAR008 “It creates uncertainty and with uncertainty, there is a lack of commitment from customers. And in turn that affects our sales. In a better market condition, we would have easily sold the vehicle because it satisfies the customer's needs, he wants the vehicle, but now, obviously, the uncertainty keeps him away from committing to that purchase”.

Customers may be persuaded in various ways when they are in doubt and uncertain about which decision to take. Kingsly and Kumar (2022:4) suggest personalised offers and discounts and make the customer see the importance of owning a car, especially during or after a disruptive event such as the Covid-19 pandemic. Another example is that customers know about electric cars but may not fully know the benefits of owning one.

Question 5: To your knowledge, did the 2008 economic recession affect the performance of automotive sales?

The Great Recession started as what seemed like isolated turbulence in the housing market in the U.S. and then surprised other sectors and industries as it spread and became fully blown by the end of 2007. In developing countries, there were food and energy price shocks that led to food riots and protests from mid-2007 to early 2008 (Verick & Islam, 2010:11). Also, “the food and oil crisis was (and is), therefore, arguably a much greater concern for low and middle-income countries than the global financial crisis that affected rich, highly globalised economies more severely” (Verick & Islam, 2010:12). The automotive sector and its sales industry were also affected and, from the response of the participants, there were themes identified that led the emerged themes: Vehicle sales performance, Customer buying behaviour, Unemployment, while the rest of the identified themes were secondary. Please refer to Annexure 5 for a full thematic analysis.

Theme1: Vehicle sales performance

Participants said the following concerning vehicle sales performance:

> **PAR002** "The sales were taking a knock at that time, but we did not have a break in the interest rate at that time. We had a low-interest rate and then it just hiked drastically".
>
> **PAR003** "Thinking back now, in 2008, people just stopped buying completely. What I have noticed since Covid is people buying down, and the price of fuel that is gone through the roof. People are now downscaling. At that stage, no, people just stopped buying completely".
>
> **PAR004** "The rental side in our own company took a massive knock. We closed rental businesses during Covid because nobody travelled, and nobody needed rental vehicles".

Although the impact was uneven, the global vehicle sales industries in each country were affected by the Great Recession. The vehicle sales industry was reported to be weak during and after the Great Recession, and Afzal *et al.* (2013:136) state that it was because of the fuel increase. Pavlínek (2012) states that it is not surprising because the automotive sector is sensitive to business cycles. Hence one participant also mentioned that rentals were also affected by the 2008 economic recession.

Theme2: Consumer buying behaviour

Consumer buying behaviour changed due to the economic impact of the Great Recession, as participants indicated:

> **PAR001** "...people tend to hold onto their money a little bit longer before making that decision to purchase a vehicle. We can see the same when the repo rate jumps up and down. So, when there are talks about an increase in interest rate, naturally, there will be a couple of weeks to a month or two worth of hesitancy from consumers in terms of making that final decision or giving the go-ahead actually to purchase. And I think the same is true when there are talks of a recession. People tighten their belts and will not necessarily spend so easily".
>
> **PAR003** "...in 2008, people just stopped buying completely. What I have noticed since Covid is people buying down, and the price of fuel that has gone through the roof. People are now downscaling. At that stage, no, people just stopped buying completely".

When there is a recession, there is also a resultant reduction in consumer income. Because the consumers are the driving force of all the markets, their spending drives the economy (Valášková & Klieški, 2015:290). Some participants mentioned that customers were reluctant to purchase because of the recession, which is understandable because

of their economic status at the time. Customers are constantly making decisions after searching and evaluating, this changes according to the needs and maximum utility of the product or service (Okoro *et al*., 2021:278).

Theme3: Unemployment

Unemployment is a theme caused by many factors mentioned by participants, such as business closure and retrenchments due to the recession. As explained by one participant:

> **PAR004** " A lot of businesses closed, and a lot of people put themselves into big debt. A lot of people lost their jobs. Financially, it was an unheard-of impact. It has never happened before".

The 2008 recession resulted in a drop in employment, from 13.7 million employed people in South Africa in 2008 to 12.9 million in 2010, a 5.8% decrease (Verick, 2011:4). This impact was even more of a reality for those with limited skills because companies could easily let them go (Verick, 2011:24). Accordingly, Marumoagae (2014:380) states that unemployment in South Africa was affected because the country's employment depends on the primary sectors. Such sectors are always the most affected by global economic recessions and disruptive events. The loss of jobs by customers and the cut in salaries for some customers contributed to the drop in sales in the automotive sector sales industry.

Question 6: Please elaborate on the effect of Covid-19 on automotive sales performance.

There were three emerging themes concerning the impact of the Covid-19 pandemic on automotive sales in South Africa. They are discussed briefly below. (Please refer to Annexure 6 for a detailed thematic analysis).

Theme 1: Customer changed behaviour

Participants had the following to say concerning how customers' behaviour changed when they experienced the impacts of the pandemic.

> **PAR004** "It is also consumer behaviour because people were so scared that they might not have an opportunity further down the line to go and buy that vehicle or at their pricing or whatever the case is".

> **PAR008** "Well, you know, once again, uncertainty comes into play. It affected a lot of our sales. Lockdown started in March, in that same month, uncertainty became visible because there was a two-week notice before the lockdown happened. People are uncertain. People are at home. Everybody was unsure of what is the next step. It just created uncertainty".

A survey conducted from the 18th to the 29th of September 2020 showed that an estimated 79% of South African consumers had tried a new shopping behaviour they intend to apply even after the Covid-19 pandemic (Frederick *et al*., 2020). The participants of the above survey indicated that they planned to use online shopping mostly for various categories. Schelin's (2020:32) study showed that consumers were more concerned about buying essentials, and products were considered needs, as per Maslow's Hierarchy of Needs theory. The authors emphasised that consumers were more concerned about their lower-level needs, which do not include buying a vehicle in the current study context.

Theme 2: Unemployment

The Covid-19 pandemic affected the unemployment rate in South Africa because there were businesses that closed their doors and employees who were retrenched. Statistics South Africa (StatsSA, 2020:10-13) reports that about 42% of businesses closed down due to the pandemic in the Gauteng Province. While some (8.1 percent%) of those who were employed lost their jobs or had to close their businesses during the lockdown, out of which 1.4 percent% became unemployed, and 0.5 percent% were out of the labour force. Some employees who indicated that they did not lose their jobs had a salary cut (21 percent%) in South Africa.

Agreeably, participants of this study indicated that a lot of people, colleagues and clients lost their jobs:

> **PAR008** "Some customers would opt to sell their vehicles because they are not working".

Some customers replaced their cars with lower-value ones because they either lost their jobs or faced salary cuts.

Theme 3: Employee contribution and enhanced digital strategy

Participants indicated that there were changes they implemented as a way of adjusting to the new way of doing business and closing sales. The pandemic frustratingly affected

the workplace, and the salespersons and management found ways to work under such circumstances.

> **PAR003** “So, it did change the salesman's and the sales manager's jobs. We had to work a lot harder, but we did. That is why I say it did not hurt us the way a furniture shop or a non-critical company would have been affected”.

> **PAR005** “But then I was back at work, and we were used to working until 13:00. But it would only be myself and one salesman here. So, the productivity that you got was not good”.

The changes included the adaptation and more use of digital ways of communication:

> **PAR003** “That initial contact people want to be done via social media or digital content. We just had to sharpen ourselves up to do the leg work a little bit harder”.

The pandemic meant that employees and managers practised remote working while they used digital platforms for communicating, such as virtual meetings and more use of social media for marketing and ensuring online presence (Boland, De Smet, Palter & Sanghvi, 2020). One participant indicated that employees needed to work hard during the lockdown restrictions. This means the pandemic could have served as a stepping stone for some South African Automotive salespersons because it created a way to be conscious of customer needs and to develop needed skills for the future. Automation and robotisation in the automotive sector forced employees to learn new and refine existing skills (International Labour Organisation (ILO, 2021:33)).

Vehicle sales performance and Limited customers at the dealership

Although there was a drop in vehicle sales it picked, there was an increase in parts sales:

> **PAR005** “Yes, well, on the car sales side, they battled for a while, but they are back up where they were, or they are getting back to where they were. On my part's side, it has taken a while. I am not there yet where we need to be as before, but we are also getting a slow increase in sales”.

> **PAR008** “that obviously affected our sales in terms of reaching numbers, in terms of reaching our normal targets. So, it was a big disruption in sales”.

> **PAR009** “We were not allowed to go and see customers, and only two customers were allowed in the dealership at a time”.

The low number of customers visiting vehicle dealerships was because of the lockdown restrictions to reduce the spread of the Coronavirus. The South African Government

(2020) listed the following restrictions for the first phase of the lockdown for car dealerships: dealerships and used car outlets could operate at up to 30% of employment, provided there is one employee or customer per every nine square metres of floor space; small businesses were only allowed to operate with a minimum of five employees; to practise mainly remote working for making vehicles sales by using the Internet or e-commerce or telephone; face-to-face contact was expected to be kept to a minimum and only on appointment; test drives were conducted only on appointment. The above are only examples of what was expected, the regulations that affected vehicle sales and limited the number of customers at the dealerships.

Question 7: Have you observed any difference in car sales results since the Covid-19 pandemic restrictions have been lifted?

Out of the nine identified themes, two were secondary, while seven were merged into two emerged themes that are discussed below. The thematic analysis is shared in Annexure 8.

Theme 1: Digital sales channels

There had to be a change to more use of digital ways of making sales, as one participant explains"

> **PAR001** "Well, yes. Not that Covid initiated this whole thing, but there has always been a push for the last call it 5 to 10 years, there has been a heavy push to what they call a digitized, a digitalisation in terms of vehicle sales where you can have the same kind of experience from a digital perspective in terms of your buying process versus your physical dealership process. So, there has been a big drive to digitize a lot of the systems so that you have the option: I can come to the dealership and buy a vehicle, but I do not have to. I can always sit at home and make my entire purchase online. So that is a big push that has kind of been accelerated by Covid because we needed to start doing business a little differently. So there is a lot of drive in terms of being able to have a virtual showroom where people can log onto the website and move through your vehicles and see what your dealership looks like without actually having to come in".

The sales industry had to digitalise their operations and customer service because of the pandemic, which required that they strengthen their digital transformation platforms while aiming to achieve the same level of efficiency (Malinga, 2020). Customer preference for searching and comparing car models online increased due to the pandemic in South

Africa. This is because it provides convenience and it saves them time (News24, 2020). This is why vehicle dealerships needed to adjust and adopt the approach of making digital sales a norm.

Theme 2: Vehicle sales performance

Participants indicated that they experienced challenges with the sales of new vehicles, but used vehicles showed an increase, and they explained:

> **PAR002** "It picked up when we started getting back into the groove of selling".
>
> **PAR004** "... but then as the restrictions got lifted and we went into different levels of Covid, the market did overcorrect itself and a lot of dealers, the ones that managed to survive the initial impact, had record months in terms of sales... So, there was a shift in the market with that. Yes, we did very well later after the restrictions got lifted".

Recently, the Automotive Business Council (Naamsa) of South Africa reported an increase in new vehicle sales of 18.2% in November 2022 compared to the same month in 2021 (Dludla, 2022). However, they reported that Toyota is still struggling to fully recover after the four months of floods, which added to the negative impact of the pandemic (Dludla, 2022). In comparison, the sales of used vehicles have been reported to have increased by 43% by WeBuyGuys, an online used cars seller and buyer platform (BusinessTech, 2022b). The above reports agree with the responses of the study participants.

Question 8: During the July 2021 looting turmoil (KZN and Gauteng) in South Africa, have you observed any difference in the sales performance at your dealership?

Concerning the July 2021 looting turmoil and how it affected the sales industry, one theme emerged and is discussed below. The thematic analysis is shared in Annexure 9.

Theme 1: Business operations

The July 2021 looting in the Gauteng and the KZN provinces happened after lockdown levels four and five, which were strict and affected business operations heavily. Omarjee (2021) reported that "recent unrest in KwaZulu-Natal and Gauteng, as well as a cyberattack on Transnet, had negatively impacted vehicle imports and exports. The

associated losses to the industry are estimated at over R3 billion". This means that the automotive sales industry was affected by various economic pressures within a short period from 2020 through to 2021 and the present. Participants of this study said:

> **PAR002** "had one branch that was looted where vehicles were actually damaged, and parts were stolen from the vehicles. The whole dealership was vandalised".
>
> **PAR004** "So, we closed earlier for I think two days. Each day we closed a little bit earlier after they said that the guys were going to go protest and stuff at whatever times just as a precautionary measure. But in terms of operations and monetary wise, I do not think we felt such a big impact in our region on the looting than the people down in KZN, they were smashed down in KZN".

Damages caused to assets and property led to lost sales orders, decreasing potential generated profits (Madzena, 2021). Dealership brands such as Nissan and Isuzu also reported disturbances in business operations because they were forced to close doors for about three days to ensure the safety of their employees and assets (Furlonger, 2021). In a survey performed to determine the impact of the unrest on businesses in South Africa, about 11% of participants reported that they experienced disruptions in business operations due to disruptions in the supply chain. The estimate was 10% in the Gauteng Province, the focus area of this study (PPGI, 2021:14-15). Although the survey did not focus on vehicle sales, the industry was equally affected and suffered like other industries.

4.3.4 Section 2: Assess insights into vehicle sales performance during disruptive events in South Africa, Gauteng Province.

Question 9: During these disruptive occurrences, what lessons have you acquired about car sales?

The themes for this question are discussed concurrently because they are strongly interrelated and cut across the various disruptive events. Therefore, a general approach was taken by the researcher. The following themes emerged: resilience, supply of stock, multi-channel marketing strategies, digital transformation, and vehicle sales performance (see Annexure 10).

One of the most important elements of doing business and management is flexibility, and one participant stated that:

> **PAR001** "I think it has basically just honed our ability to be a little bit more flexible and also a little bit more adaptable".

The same participant also added that one needs to be transparent to customers concerning the status quo:

> **PAR001** "And also your customer management suffers because if there is no transparency with regards to what is going on and when the vehicles will be coming and what are the delays and so on because there were so many different disruptions all along the supply chain, it makes it difficult to keep your customers informed as well".

Flexibility means that an organisation and its management can adjust easily when unexpected changes or events require a speedy adjustment in operations, facilitating business sustainability (Mezher & El-Khalil, 2021:1055). Transparency, on the other hand, is not all concerned with the salesperson giving a customer the needed information. It also entails ensuring consistency with the provision of the information (UCN, 2022). Sustainability in business requires resilience and survival under unfavourable market conditions and various pressures, such as disruptive events.

The digital transformation needed due to disruptions does not only refer to natural disasters and pandemics. The automotive sector also experienced the need for transformation due to digitalisation and automation. This has been happening gradually over time and has been recently accelerated by the Covid-19 pandemic. All the above factors affect vehicle sales either by causing a decrease in performance or providing an unexpected opportunity for the sector.

4.3.5 Section 3: Provide the opportunity to give any feedback you would like to bring to the attention that the first two sections for further research were not covered.

Question 10: What would you suggest to the automotive industry in curbing the effect of any potential future disruptive event on their sales performance?

The suggestions provided by participants are the things they have already mentioned above and were discussed. This includes the emerged themes: Supply of stock, resilience, and digital transformation (see Annexure 11). The participants said:

PAR002 “An online showroom where people can go and click on a vehicle that they want. We have that now. So, you can go and click on a vehicle that you want. There is an option for you to do your finance as well online”.

PAR003 “I would say resilience and being determined and being aggressive is the only way that we can counteract anything that comes our way”.

PAR005 “What I am doing on my side, and I am sure the big manufacturers may be looking at doing the same same thing, is to increase your inventory levels”.

PAR008 “have the right tools in place in terms of digital marketing, and use them to your advantage”.

The participants generally suggest more flexible ways of working and digital ways of communicating with customers and marketing in the vehicle sales industry.

4.4 CONCLUSION

Chapter 4 presented the analysis and interpretation of the empirical study part. The participants' backgrounds showed that they were mostly involved in management responsibilities, while others were involved in vehicle and parts sales, marketing, and inventory management. All participants were highly experienced (10 to 33 years) in sales. Their experience means that they were suitable for giving the answers needed in this study, and they were better able to give valuable suggestions for the Vehicle Sales Industry in South Africa. The participants indicated that they applied two philosophies: customer-oriented and relationship marketing, which require making the customer a priority and ensuring they have an unforgettable experience with the salesperson and the organisation.

The core of this study was to determine the impact of disruptive events on the Vehicle Sales Industry in South Africa. As per the participants' perception, the impact of these disruptive events was analysed, focusing on emerging themes such as vehicle sales performance, customer change behaviour, and unemployment. The 2008 Great Recession, the 2021 July unrest, and the Covid-19 pandemic were featured and analysed accordingly.

The main findings, conclusions, and recommendations are discussed in Chapter 5, as well as the recommendations of this study.

CHAPTER 5: MAIN FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

5.1 INTRODUCTION

This chapter concludes the findings of the critical literature review and the empirical study in chapters 2 and 3.

The first section focuses on the conclusions concerning the critical literature and the empirical study. The second section is the recommendations that were informed by the findings of this study.

5.2 LIMITATIONS

The researcher could not locate a dealership with most of the vehicle brands because she could not get hold of the CEO of the dealership, which resulted in the sample size being smaller and covering a narrow area of Gauteng Province. This may mean that this study's findings may not represent the population accurately.

5.3 ACHIEVEMENT OF OBJECTIVES

The study’s success is assessed based on whether its objectives were achieved and to what extent.

5.3.1 The primary objective was:

This research project's primary objective is to examine disruptive events' impact on the automotive sector’s sales performance in South Africa, Gauteng Province.

The following secondary objectives were formulated to achieve the primary objective:

- To determine the main factors that affect the automotive sector’s sales performance in South Africa during destructive events.
- To assess insights into vehicle sales performance during disruptive events in South Africa, Gauteng Province.
- To make recommendations based on the study's findings and conclude the research.

5.4 EXPECTATION SUMMARY

To address issues relating to disruptive events' impact on the automotive sector's vehicle sales industry, the researcher identified vehicle sales performance and customer change behaviour as the main factors.

Disruptive events affect vehicle sales because they affect the economy and the industries linked to the sales industry, such as manufacturing and the supply chain. Disruptive events may lead to job losses and the closure of some businesses, including car dealerships. For a car dealership to remain sustainable, its employees (salespersons and sales managers) must adopt adaptable sales philosophies even during disruptive events. Therefore, ensuring the company remains competitive regardless of disruptions in the market.

The conclusions are shared following the interview guide's structure and are presented in tabular format. At the same time, the findings for both the critical literature review and empirical study are shared. In Table 5.1, the questions from the interview guide are presented with an identification of the relevant objectives. In Table 5.1, the questions from the interview guide are presented with an identification of the relevant objectives.

Table 5.1 Table of conclusions

Objectives	Questions	Chapter 2 – Literature	Chapter 4 – Empirical	Objective conclusion
-	1 Could you briefly profile your work activities and what it entails?	Kaehler and Grundei (2019:22) indicated that the definition of management should be broadened to be inclusive of elements used for addressing people and non-people-related issues and steering the organisation's production or	PAR001 "Okay, so basically, it is the management of the new car sales department..." PAR002 "I manage the pre-owned vehicles..." PAR009 "Basically, I have five managers under me, which is a used car manager, a new car manager, a	This question served to identify the background of participants as a way of showing that they were the most suitable for sharing their perspectives on the impact of disruptive events on the sales industry of the

		resource operations while influencing the market. The responsibilities of a manager including planning, organising, controlling, and leading (Kinicki & Williams, 2018:5).	service manager, a parts manager and then a financial manager....”	automotive sector.
To determine the main factors that affect the automotive sector’s sales performance in South Africa during destructive events.	2 Please elaborate on the following: • Experience in automotive sales • Your sales philosophy	Abdolvand and Farzaneh (2013:2668) identified sales experience as the most crucial salesperson characteristic because the presentation of the product or service is refined with experience. According to Madhani (2020:8), the customer-based approach “has a positive impact on customer experiences, and customer experiences have a significant impact on future spending in	PAR004 “10 years as a sales manager and as a sales executive or the total in the motor industry, I would say about 15 years”. PAR007 “1994. So almost 30 years, 28 years”. **PAR005** “Well, my belief is everybody is always saying that the customer is looking for the best price. Sure, they are looking for the best price, but it comes down more to service. If you	All participants indicated that they were highly experienced, and that means they were better able to identify the main factors that have affected the sales performance of the South African Automotive Sector. The sales philosophies applied were consumer oriented and relationship marketing, which helped in the identification of the factors that may cause

		both transactional as well as relationship-oriented businesses". Relationship marketing is a dimension of customer relationship management that is concerned with customer loyalty and long-term engagements with customers (Nwakanma & Jackson, 2007:55). Although there is a scarcity of data on salespersons' effectiveness, Jin and Lu (2021) state that the contributing factors for effectiveness are mostly not measurable. The authors highlight that effectiveness is measured indirectly by looking at the change in factors such as the commission level and the attendance rate when a new	can give a better service than the next guy, I promise you that person will purchase from you and not from the other person". **PAR008** "I do on values-based. That in return, determines everything else for me. Because if I have the right values, the foundation is based on values in terms of honesty, liability, and all those values, you automatically get a sales philosophy in turn which is good customer service, and profitability".	challenges leading to the compromising of vehicle sales during disruptive events.

	• Sales success rate	salesperson joins the sales team. Profitability means obtaining an income from production sales that should exceed expenses" (Geamănu, 2011:116). Profitability measures the profit as compared to the size of a company, therefore, it is a relative measure of the efficient use of the company's resources to generate profit.	**PAR001** "It has gone up in certain ways, but it has also gone down in certain ways, and it fluctuates. So, it is difficult to answer that question in a sense". **PAR007** " When I started here, this year was 13 years in this company, we were doing a gross profit of about R300 000. At the moment we do a gross profit of about R900 000".	Vehicle sales performance and profitability were identified to be impacted by disruptive events, and they are negatively affected as a result.
To determine the main factors that affect the automotive sector's sales performance in South Africa during destructive events.	3 In your perspective, which disruptive occurrences have harmed sales performance previously?	When there are disruptions, the automotive sector and its industries experience events such as notable challenges in Chinese parts exports, interruptions across Europe's manufacturing industry, and closure of some of the assembly parts in the U.S.	**PAR001** "So firstly, I mean the big one would be Covid, and lockdowns naturally affected us quite heavily..... If you think about the looting and stuff that happened in KZN as well as the flooding, the recent strikes affected us as well".	Various disruptive events and economic pressures have been reported to have a negative impact on the vehicle sales performance, such as the Covid-19 pandemic, increases in the interest rate, and the July 2021

		(Priguza & Brooker, 2022). Pesch and Ziebell (2022) report that, due to various economic pressures, there was an increase in consumer prices by 8.5% in March 2022 (compared to the same time in 2021), while employee wages only increased by 5.6%, negatively affecting the buying power of employees.	**PAR002** "The interest rate is an issue now, and it is going up a further point, I think. Compared to somebody that bought a vehicle last year, their interest rate was at 7.25%, and it has gone up to 9.75%. So, there is a big jump. Previously if you were buying the car for R3 500, it has probably gone up to R5 500".	unrest in South Africa.
To determine the main factors that affect the automotive sector's sales performance in South Africa during destructive events.	4 If so, how did these disruptive occurrences affect your sales results?	Vehicle sales performance is reported per disruptive event and there were reports of the impact of the severe floods in the KZN Province of South Africa. The closure of the TSAM manufacturing plant due to damages from the flood led to a 22.6% decrease in new LCVs, bakkies, and mini-buses in South	**PAR006** "Obviously, our turnover of units that we have moved went down. We were normally about a 50-unit dealer, and after Covid we averaged about 30 units. The sales went down by about 40%. But like I said, what we lost in units we made up on profit".	This objective needed the background of the experiences of participants to be shared to ascertain they were experienced enough to share their perceptions. Accordingly the objective was achieved because the findings show that disruptive events affect sales at the

		Africa in May 2022 compared to May 2021 (Dealerfloor Motor Industry News, 2022). Customers may be persuaded in various ways when they are in doubt and uncertain about which decision to take. Kingsly and Kumar (2022:4) suggest personalised offers and discounts as well as making the customer see the importance of owning a car, especially during or post a disruptive event such as the Covid-19 pandemic.	**PAR008** "It creates uncertainty, and with uncertainty, there is a lack of commitment from customers. And in turn that affects our sales. In a better market condition, we would have easily sold the vehicle because it satisfies the customer's needs, he wants the vehicle, but now obviously, the uncertainty keeps him away from committing to that purchase".	individual, team, organisation, and national/global. Such factors include the flexibility of the salesperson and the sales manager, customer change behaviour, and the relationship between sales representatives and customers.
To assess insights into vehicle sales performance during disruptive events in South	5 To your knowledge, did the 2008 economic recession affect the performance	The vehicle sales industry was reported to be weak during and after the Great Recession and Afzal *et al.*	**PAR002** "The sales were taking a knock at that time, but we did not have a break in the interest rate at that time.	The 2008 economic recession resulted in changes in customer

Africa, Gauteng Province.	of automotive sales?	(2013:136) state that it was because of the fuel increase. When there is a recession, there is also a resultant reduction in consumer income. Because the consumers are the driving force of all the markets, their spending drives the economy (Valášková & Klieški, 2015:290). The 2008 recession resulted in a drop in employment, from 13.7 million employed people in South Africa in 2008 to 12.9 million in 2010, a 5.8% decrease (Verick, 2011:4).	We had a low-interest rate and then it just hiked drastically". **PAR003** "...in 2008 people just stopped buying completely. What I have noticed since Covid is people buying down, and the price of fuel that is gone through the roof, people are now downscaling. At that stage, no, people just stopped buying completely". **PAR004** " A lot of businesses closed, and a lot of people put themselves into big debt. A lot of people lost their jobs. Financially it was an unheard-of impact, it has never happened before".	behaviour and a drop in the unemployment rate, factors which harmed vehicle sales performance.
To assess insights into vehicle sales performance during disruptive events in South Africa, Gauteng Province.	6 Please elaborate, on the effect of Covid-19 on automotive sales performance.	A survey conducted from the 18th to the 29th of September 2020 showed that an estimated 79% of South African consumers had tried a new shopping behaviour that they	**PAR004** "It is also consumer behaviour because people were so scared that they might not have an opportunity further down the line to go and buy that	The impact of the pandemic included a change in customer behaviour, a decrease in the unemployment rate, and the

		intend to apply even after the Covid-19 pandemic (Frederick, Hattingh & Hamlakan, 2020). Statistics South Africa (StatsSA, 2020:10-13) reports that about 42% of businesses closed down due to the pandemic in the Gauteng Province. Some employees who indicated that they did not lose their jobs had a salary cut (21%) in South Africa. While some (8.1%) of those who were employed lost their jobs or had to close their businesses during the lockdown, out of which 1.4% became unemployed and 0.5% were out of the labour force. The pandemic meant that employees and managers practised remote working while they used digital platforms for	vehicle or at their pricing or whatever the case is". **PAR008** "Some customers would opt to sell their vehicles because they are not working". **PAR005** "But then I was back at work, and we were used to working until 13:00. But it would only be myself and one salesman here. So, the productivity that you got was not good".	need for employees to change the management of the workplaces (working less hours and practicing remote working).

		communicating such as virtual meetings and more use of social media for marketing and ensuring online presence (Boland, De Smet, Palter & Sanghvi, 2020). The low number of customers visiting vehicle dealerships was because of the lockdown restrictions with the aim of reducing the spread of the Coronavirus (The South African Government, 2020).	**PAR005** "Yes, well, on the car sales side, they battled for a while, but they are back up where they were, or they are getting back to where they were. On my part's side, it has taken a while. I am not there yet where we need to be as before, but we are also getting a slow increase in sales".	
To assess insights into vehicle sales performance during disruptive events in South Africa, Gauteng Province.	7 Have you observed any difference in car sales results, since the Covid-19 pandemic restrictions have been lifted?	Customer preference for searching and comparing car models online increased due to the pandemic in South Africa. This is because it provides convenience and it	**PAR001** "So, there has been a big drive to digitize a lot of the systems so that you have the option: I can come to the dealership and buy a vehicle, but I do not have to. I can always sit at	There were improvements observed in vehicle sales performance while salespersons and sales managers adopted digital ways of

		saves them time (News24, 2020). Recently, the Automotive Business Council (Naamsa) of South Africa reported an increase in new vehicle sales of 18.2% in November 2022 compared to the same month in 2021 (Dludla, 2022).	home and do my entire purchase online. So that is a big push that has kind of been accelerated by Covid because we needed to start doing business a little differently. So there is a lot of drive in terms of being able to have a virtual showroom where people can log onto the website and move through your vehicles, and see what your dealership looks like without actually having to come in". **PAR004** "... but then as the restrictions got lifted and we went into different levels of Covid, the market did overcorrect itself and a lot of dealers, the ones that managed to survive the initial impact, had record months in terms of sales....	communicating with employees and customers.

			So, there was a shift in the market with that. Yes, we did very well later after the restrictions got lifted".	
To assess insights into vehicle sales performance during disruptive events in South Africa, Gauteng Province.	8 During the July 2021 looting turmoil (KZN and Gauteng) in South Africa, have you observed any difference in the sales performance at your dealership?	Damages caused to assets and property led to lost sales orders, decreasing potential generated profits (Madzena, 2021). Dealership brands such as Nissan and Isuzu also reported disturbances in business operations because they were forced to close doors for about three days to ensure the safety of their employees and assets (Furlonger, 2021).	**PAR004** "So, we closed earlier for I think two days. Each day we closed a little bit earlier after they said that the guys were going to go protest and stuff at whatever times just as a precautionary measure. But in terms of operations and monetary wise, I do not think we felt such a big impact in our region on the looting than the people down in KZN, they were smashed down in KZN".	Business operations changed due to the July 2021 unrest and that had a negative impact on vehicle sales performance throughout South Africa.
To assess insights into vehicle sales performance during disruptive events in South Africa, Gauteng Province.	9 During these disruptive occurrences, what lessons have you acquired about car sales?	Flexibility means that an organisation and its management can adjust easily when some unexpected changes or events require a speedy adjustment in	**PAR001** "I think it has basically just honed our ability to be a little bit more flexible and also a little bit more adaptable".	Vehicle sales is impacted similarly when the South African vehicle sales industry is hit by a disruptive event. Job losses are leading to a higher

		operations, therefore, facilitating business sustainability (Mezher & El-Khalil, 2021:1055). Transparency, on the other hand, is not all concerned with the salesperson giving a customer the needed information. It also entails ensuring that there is consistency with the provision of the information (UCN, 2022).	**PAR001** "And also your customer management suffers because if there is no transparency with regards to what is going on and when the vehicles will be coming and what are the delays and so on because there were so many different disruptions all along the supply chain, it makes it difficult to keep your customers informed as well".	unemployment rate and salary cuts, which negatively affects vehicle sales because customers can no longer afford to pay for the cars they own or buy new cars. There is also usually a shift in consumer preferences that are influenced by the "new normal," as we have observed with the Covid-19 pandemic; affecting communication channels too. This requires salespersons to be flexible.
To make recommendations based on the findings of the study and conclude the research.	10 What would you suggest to the automotive industry in curbing the effect of any potential future disruptive event on their sales performance?		**PAR002** "An online showroom where people can go and click on a vehicle that they want. We have that now. So, you can go and click on a vehicle that you want. There is an option for you to do your	The recommendations by participants served to partly inform the recommendations of this study that are shared in the sub-section to follow.

			finance as well online”. **PAR003** “I would say resilience and being determined and being aggressive is the only way that we can counteract anything that comes our way”. **PAR005** “What I am doing on my side, and I am sure the big manufacturers may be looking at doing the same same thing, is to increase your inventory levels”. **PAR008** “have the right tools in place in terms of digital marketing, and use them to your advantage”.	

5.5 RECOMMENDATIONS (BASED ON LITERATURE)

- Focus more on the opportunities presented by disruptive events instead of only focusing on negative impacts.
- Adapting more digitalisation and automation while ensuring improvements in the skill set of salespersons and sales managers.

5.5.1 Problem revisited

In Chapter 1, the preliminary review of the literature indicated that vehicle sales performance is affected by various factors due to disruptions of different magnitudes. However, the reporting and research performed in South Africa mean that the extent of the impact of disruptive events was measured accurately. This is because of how such events present economic pressures and each dealership's market competitiveness. This led to the development of this study's objectives which were achieved by performing both a critical literature review and an empirical study, allowing for the exploration of insights into how vehicle sales performance is affected by the impact of disruptive events. The study objectives were met, and the recommendations based on the empirical findings are shared below.

5.6 RECOMMENDATIONS (BASED ON EMPIRICAL FINDINGS)

- Use more ways of digital communication between salespersons and clients through the use of various platforms. This should include marketing, constant research on what the customer wants, and observations of customer behaviour.
- Salespersons and sales managers must be trained on the global realities concerning sales and how each individual contributes to vehicle sales. This will help each salesperson or sales manager view disruptions and their impact on a global level instead of an individual or dealership level.

5.7 OVERALL RECOMMENDATIONS

There is a need for knowledge systems to be improved in the sales industry of the Automotive Sector in South Africa, where an environment is created for employees to continuously learn as the market is constantly changing and disruptive events result in transitions and transformations. This has been shown by how we have observed customers changed behaviours and the approach needed to maintain sales and make new sales during disruptive events and beyond.

5.7.1 Suggestions for further research

- This research needs to be performed on a wider scale in South Africa.

- A survey needs to be conducted to gather information on consumers' perceptions concerning how they change behaviour amid a disruptive event.

5.8 CONCLUSION

This study aimed to examine the impact of disruptive events on the Automotive Sector in South Africa, focusing on the vehicle sales industry in the Gauteng Province. The critical literature review and the empirical study findings led to the study meeting the primary and secondary research objectives. In this final chapter, the researcher assessed whether each secondary research objective was met, and it ended with the study's recommendations guided by the findings.

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APPENDICES

APPENDIX A: RESEARCH-INFORMED CONSENT

NWU BUSINESS SCHOOL

NWU Business School
North-West University
Private Bag x6001
Potchefstroom, 2520
http://commerce.nwu.ac.za/business-school

INFORMED CONSENT FORM

NORTH-WEST UNIVERSITY: MBA-Research project

RESEARCHER: TH MQWATHI (33448094)
CELL: 060 503 2159
EMAIL: tebogomq@gmail.com

STUDY SUPERVISOR: PROF JJ PRINSLOO (082 904 0977)

Dear respondent,

This Informed Consent form serves to confirm the following information as it relates to the research project titled: "Analyzing the impact of disruptive events on the performance of the automotive industry sales in Gauteng, South Africa"

1. The purpose of this study is to evaluate the disruptive events on the performance of the automotive industry sales within your work organization.
2. The procedure to be followed is that of a qualitative research design, using open-ended interview questions whereby respondents are given the opportunity to communicate their views on the noted topic.
3. The estimated completion time for the interview is 30 minute, the interview will be recorded and the recording will be stored on a Google drive for at least 5 years after the study, the recordings will however, be accessed by ONLY the researcher and study leader/supervisor during that period.
4. Should you feel uncomfortable at any point during the interview, you can make your discomfort known and immediately withdraw from participating, without any liabilities.
5. Your participation is voluntary; therefore, no incentives of any form will be given.
6. As the researcher, I am not part of your organisation, therefore there is no foreseeable conflict of interest concerning my role as a researcher within the company, consequently, anonymity will be maintained throughout the interviews as such you will be always referred to as respondent A or B or C and your role in the company will not be mentioned at any point.
7. The information you will provide will be used for academic research purposes and the research will be published (dissertation, journal article, conference paper etc.).

8. The results of the study will be shared with the organisation and your anonymity will be retained throughout.
9. With reference to the Protection of Personal Information (POPI) Act that took effect on the 1st of July 2021, the act is focused on providing protection for the citizen's private information. Hence, no names nor job descriptions or titles will be reported. The interview recording will be password protected.
10. A summarized copy of the final report will be made available to the respondents upon request.

.....

I _____hereby declare that I have read and understood the content of the Informed Consent Statement and give my full consent to TH Mqwathi (33448094) to use the information from the interview in her MBA research project.

Signature: _____

Date: _____

APPENDIX B: INTERVIEW GUIDE

NWU BUSINESS SCHOOL

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ANNEXURE B

Dealership sales manager semi-structured interview - questions

This interview guide aims to analyse the impact of disruptive events on the performance of sales in the automotive industry in Gauteng, South Africa. Your assistance would be greatly appreciated.

Please state the dealership's name: _____

Position in the organization? _____

Interview date and time _____ _____

The interview will ideally be completed in 30 minutes, and it consists of three parts:

* Section 1 - determine the main factors that affect the automotive sector's sales performance in South Africa during destructive events.
* Section 2 - to assess insights into vehicle sales performance during disruptive events in South Africa, Gauteng province.
* Section 3 - provides the opportunity to give any feedback that you would like to bring to the attention that the first two sections for further research were not addressed.

Please note: the interview will be recorded

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Background

1. Could you please provide a brief description of your work activities and what they entail?
2. Please elaborate on the following:

- How many years of automotive sales experience do you have?
- How would you describe your sales philosophy?
- What is the success rate of your sales efforts?

Determine the main factors that affect the automotive sector's sales performance in South Africa during destructive events:

3. Can you identify any disruptive events that have impacted sales performance from your perspective?
4. Could you please describe how these disruptive events affected your sales results, if so?
5. How did the 2008 economic recession affect automotive sales, to your knowledge?
6. Please comment, on the effect of COVID-19 on automotive sales performance.
7. Since the COVID-19 pandemic restrictions have been lifted, have you observed any difference in car sales results?
8. Have you observed a difference in the sales performance at your dealership in response to the looting turmoil in July 2021 (KZN and Gauteng)?

Assess insights into vehicles sales performance during disruptive events in South Africa, Gauteng province:

9. What lessons have you learned about car sales as a result of these disruptive events?

Provides the opportunity to give any feedback that you would like to bring to the attention that the first two sections for further research were not covered

10. How would you suggest the automotive industry curb the impact of any future disruptive event on their sales?

Thank you for your participation.

APPENDIX C: QUESTIONS

ANNEXURE 1

Question 2 - Please elaborate on the following:

Question 2.1 - How many years of automotive sales experience do you have?

Participant	Participant Response	Research Theme
PAR001	I have a decade's worth of experience with Nissan.	Highly experienced
PAR002	Look, I am in the industry since 2005. And I am a sales manager since 2013.	Highly experienced
PAR003	33 years.	Highly experienced
PAR004	10 years as a sales manager and as a sales executive or the total in the motor industry I would say about 15 years.	Highly experienced
PAR005	I have been a parts manager for about 25 years.	Highly experienced
PAR006	22 years.	Highly experienced
PAR007	1994. So almost 30 years, 28 years.	Highly experienced
PAR008	I have been in the automotive industry since 2006.	Highly experienced
PAR009	32 years.	Highly experienced

ANNEXURE 2

Question 2.2 - How would you describe your sales philosophy?

Participant	Participant Response	Research Theme
PAR001	I believe in providing a client with all the necessary information to make an informed decision with regards to their vehicle purchase and also to provide every single client with a personal solution with regards to their transport problem, let us call it that. So that is kind of my philosophy to kind of engage with the client on a personal level while being able to provide them with all the required information in a professional manner.	Consumer oriented Relationship based
PAR002	Well, look, we obviously want to give our customers the best deal possible and obviously a good quality vehicle. We do not actually want to sell cars that are not of a good standard with good mileage and conditions. But we try our utmost best on the older cars to try and get them up to standard. But my philosophy is your integrity and your honesty to a client.	Consumer oriented Relationship based
PAR003	My philosophy regarding sales is always to listen to customers. Analyse their needs. Qualify them. Always be open, honest, and helpful. And most important, generate revenue for the company.	Consumer oriented Revenue generation
PAR004	The sales philosophy is very simple. If you have decent stock and you have decent salespeople that look after customers, that are customer-centric, you will always have sales and you will always be successful.	Consumer oriented
PAR005	Philosophy? Well, my belief is everybody is always saying that the customer is looking for the best price. Sure, they are looking for the best price, but it comes more down to service. If you can give a better service than the next guy, I promise you that person will purchase from you and not from the other person.	Consumer oriented
PAR006	Well, my philosophy is to be open and honest with the people that you are working with, it does not matter if it is a customer or one of your fellow colleagues.	Transparent and honesty
PAR007	So look, I am a straightforward person, I call a spade a spade. I do not believe in beating around the bush, my staff know that. And you know, we know what we need to do and that is what we are here for. From the time I walk in in the morning until the time I leave, it is work. We do	Transparent and honesty

	have our play in between but there are no friends at work, friends you have after work.	
PAR008	First and foremost, I believe in a values-based organisation and when you create a values-based organisation in terms of your department, customer service is a default, customer satisfaction is a default. So, I base everything I do on values-based. That in return determines everything else for me. Because if I have the right values, the foundation is based on values in terms of honesty, liability, and all those values, you automatically get a sales philosophy in turn which is good customer service, and profitability. It entails a philosophy.	Consumer oriented Value-based (honesty and liability)
PAR009	I believe that customers come first, without customers we obviously will not have a business. I believe that we need to do something different. We always need to do something different to the dealership next door. I believe in excellent customer service and loyalty to the customer and your brand.	Consumer oriented Differentiation

ANNEXURE 3

Question 2.3 - What is the success rate of your sales efforts?

Participant	Participant Response	Research Theme
PAR001	Well, Tebogo, that is a tricky question to answer in light of all the disruptions that we faced over the last couple of years. So, volume is definitely down due to supply chain issues. However, profitability is up because we did not have a lot of stock volumes to sell in the last call it up to July. For about a year and a half to 2 years, we had minimal stock, so we had to rethink our actual methodology in terms of how we transact. So going over 10 years I cannot really tell you that it has gone up. It has gone up in certain ways, but it has also gone down in certain ways, and it fluctuates. So, it is difficult to answer that question in a sense.	Declining vehicle sales Increase Profitability Fluctuating vehicle sales
PAR002	We have a target that we need to reach monthly and generally we get there. Sometimes we do miss out by 2 or 3 vehicles but generally, we get there. Obviously, we have a budget in our business for each department and sometimes we get to budget and sometimes we do not. After Covid there was a shortage of new vehicles because of the components to manufacture vehicles, and there were a lot of stock shortages and backorders on vehicles. So, I think the pre-owned department had boomed at that time. We are paying more for cars than they are worth and selling them. So obviously we were very profitable at that time. And obviously, when the stock is short the price is obviously more. In a couple of months now, things have returned to normality where cars are coming through on the new car department. So, you must obviously adjust to that now and get your prices in line and stock in line as well.	Increasing vehicle sales Market demand Pricing Increased Profitability
PAR003	Over the years it fluctuates. Over the years many things have changed in the motor trade. When I say one of the biggest things, I must do is embrace change. Motor trade-in the olden days, when I say olden days, I mean early 1990's, there was not much change, you carry on doing everything, but certain things started being implemented, laws and governance and things like that, and you must adapt to that and change your ways. So, I would say that is the most important thing – that I have been able to change with the times. Guys who are non-successful and I am talking about the older generation now, could not adapt to change and obviously fell out of the boat	Fluctuating vehicle sales Embrace change

	and whatnot. So yes, I would say my ability to embrace change is my biggest success in what I do.	
PAR004	I just looked at our tracker this morning. We are ahead in our division. Last year we won the used car sales dealer department from Nissan in South Africa out of 190 dealers or something for mega stores which is the big dealers, not small satellite dealers. So, it is going well, it is tough, but it is going well.	Increasing vehicle sales
PAR005	At the moment it is very up and down.	Fluctuating vehicle sales
PAR006	Currently, we are doing better. Not a lot of people can say this, but we are even doing better than before Covid. And the reason is we are not selling as many vehicles but with stock shortages and all the conundrums we have got in the industry, the stock is scarce. So, the profits that we retained were better. The number of units went down, but we retained way more profit. No, not at all. Well, the interest rate definitely helped us to sell more vehicles at the end of the day. People were keen and willing to buy because of the interest rate. The instalments that we had were very attractive. The only downside that we had was stock availability. But the stock that we had, was sold at maximum profit.	Increasing vehicle sales Market demand Pricing Increased Profitability
PAR007	When I started here, this year was 13 years in this company, we were doing a gross profit of about R300 000. At the moment we do a gross profit of about R900 000.	Increased Profitability
PAR008	It is hard for me to say because at that time I was never at one specific dealership and I am also new here, this is my first month here at this specific dealership. So, it is hard for me to answer that question.	Unsure
PAR009	I will be very honest with you. Sales at the moment are down if I can compare it to the years 2000 to 2010. What happens in the industry is that every 7 years there's a dip. We know that it is going to happen, but we never plan for it. Obviously Covid has affected us extremely badly in the motor industry and our sales at this specific dealership because I was here before and I was in sales, we were doing probably about 110 units a month. We are now averaging between 30 and 40 on the new car side. Customers' behaviour, economic behaviour, the economics of the country, Covid, there are a lot of	Declining vehicle sales

	different things that have happened which have worsened in the past couple of years. So instead of it only lasting a year, your 7-year twitch or whatever, it is been carrying on for 7 years. So, it is been very difficult, I will be honest with you, and we have dropped in sales, but we keep on, we still believe that customer excellence is what we need to thrive on.	

ANNEXURE 4

Question 3 - Can you identify any disruptive events that have impacted sales performance from your perspective?

Participants	Participant Response	Research Themes
PAR001	Yes definitely. There have been quite a few over the last couple of years as we have mentioned. So firstly, I mean the big one would be Covid, and lockdowns naturally affected us quite heavily. However, we only started feeling the brunt of that effect quite a bit after Covid concerning supply chain issues. So, the key issue that we are still facing and are going to face for the next year or so is your semiconductor shortages. That definitely has a large impact on the vehicles that we do get, the stock levels that we do have as well as the time it takes to get the vehicles because the supply chain worldwide has kind of been thrown on its head. So, we do suffer concerning that. Not only that, but recent events in South Africa have also hampered our ability to sell. If you think about the looting and stuff that happened in KZN as well as the flooding, the recent strikes affected us as well, and also Transnet hacked a couple of months ago in terms of their systems and so on. So all these types of things affect how we do business because it directly affects or impacts how quickly we can get vehicles or if you want to put it the other way around, how long delays we are faced with before we can actually get vehicles or then not get vehicles because what we have seen is that we would have a forecast from a manufacturer that they would build a certain amount of vehicles for a specific month and then due to disruptions those numbers have been reduced within a month by up to 60%. So where they initially said they build for example 1 100 MP200s, they end up building 450 to 500. So that has a major impact on our ability to deliver to our clients. I mean, we were at one point delivering, I think about 120 days in arrears. We were trying to supply vehicles to clients that have ordered vehicles.	Covid-19 Lockdown Looting Floods Riots Transnet IT system disruption
PAR002	The interest rate is an issue now, and it is going up a further point, I think. Compared to somebody that bought a vehicle last year, their interest rate was at 7.25 and it has gone up to 9.75. So, there is a big jump. Previously if you were buying the car for R3 500, it has probably gone up to R5 500.	Interest Rate

PAR003	I will not say the most disruptive thing that has happened in my career, but the last 3 years have been challenging. I would say more political events like 2021 with the riots in Durban. That affected the motor trade a lot, and not just us. I would say nature as well has affected us, the floods in Durban. Now obviously the riots and the floods are all in Durban and Durban is where we get our cars. When Durban shuts down, there is no way of Johannesburg, Cape Town, or anybody getting stock, the stuff is stuck there. A lot of people would say Covid had an effect. To me personally, yes, there was not an effect, but not for a long period. It did put people on the back foot. A lot of people lost their jobs. A lot of people's incomes were reduced. But as soon as we started getting out of that lockdown, which I would say about 3 or 4 months after 100% lockdown, we started recovering quickly.	Riots Floods Covid-19
PAR004	Yes, there are a few, and as small as they might seem, they do have an effect. So, in the motor industry, and automotive industry on the sales side, we are the industry that normally shows an effect first if something happens in the market. So, for instance, fuel pricing that goes up can affect sales quite drastically because what happens is even if it is just an R1 increase per litre, which is R1 extra for the consumer that does not necessarily change so much on their budget. But what happens is they would put off buying a vehicle immediately and rather see how it works in a couple of months to see if it is going to be a good idea for them to do that. They would rather fix up the vehicle that they have, and spend a bit of money, instead of buying a new car for R300 000. They will rather spend R15 000 and repair the vehicle that they currently have, even though they would prefer to buy a new vehicle. It is just making more money sense for them to do that. That is the first example. Another example that you can use is most definitely interest rate increases and we have had a few of those this year. After Covid the interest rate went way down as they tried to stimulate the economy a bit and get people to buy again, which was fantastic, but we always knew that it would never last. Consumers end up with very little if anything left at the end of the month. The more they have, the more they spend. When the interest rates were so low, people went and bought vehicles at pricing that they normally probably would not have been able to afford because of the interest	Fuel price increase Consumer Buying Behaviour Interest Rate

	rate. And not taking a fixed interest rate back then is now costing them big time.	
PAR005	Well, Covid was a big disruptive event because paired with that a lot of our parts for the Nissan vehicles come from all over the world, but it gets affected in places like India, and Japan. So, what happened with Covid is it gets interrupted. All these guys that work in the ports to make sure that the parts get shipped and stuff like that, they were off, or they were working in shifts, so we were not getting the parts to supply that we usually used to get. So that interrupted it. And on the manufacturing side of the parts, a lot of those people also obviously were off sick and whatever. So the parts could not be manufactured. So that also has a big impact.	Covid-19
PAR006	Well, obviously Covid had a huge impact on manufacturing, and after Covid there was a shortage of electronic components worldwide.	Covid-19
PAR007	So, from our perspective, I would say load-shedding. I will tell you why Load-shedding is playing a big part because the fact is that once you have load-shedding it affects your telephone. Although we have a generator, your telephone lines do not work properly. You cannot hear people properly. Customers cannot hear you when they are trying to make a booking and people just get very frustrated and opt to go somewhere else.	Load-shedding
PAR008	The interest rate is a big key factor. I think the events of Covid also had a bit to play in terms of sales. And also, there was a time when new cars were in short supply, and we benefited. And the market is finding its balance now. So, in turn, that creates some challenges. It creates a bit of a seesaw.	Interest Rate Covid-19

PAR009	Most definitely. So obviously Covid has been a huge effect. It is obviously affected the economics of the country, it is affected the interest rates, it is affected fuel hikes, it is affected importing of steel to build vehicles. It is had a huge impact on the motor industry because the motor industry thrives on all of those things. As soon as the interest rate goes up, people start thinking should they buy, or should they not buy which is a natural thing for people to have. I will be honest with you, there are a lot of things that can affect the motor industry as a whole, striking, interest rates hikes, the economics of the country, and the uncertainty of where we are going. I think a lot of people have uncertain of where South Africa is going at the moment. We love our country, and we believe in our country, but we still have a little bit of a question mark on whether we should spend money. That affected us quite a lot.	Covid-19 Riots Interest Rate

ANNEXURE 5

Question 4 - Could you please describe how these disruptive events affected your sales results, if so?

Participants	Participant Response	Research Themes
PAR001	So briefly, I think the biggest change with regards to sales numbers and so on is that the sales numbers naturally went down in terms of volume because naturally, we have less stock, but also where we used to fight tooth and nail to do a deal and where we historically were much more readily willing to give away margins on vehicles, which became a thing of the past. So only having 20 cars means that we are going to sell those cars at full price or full retail price without having to discount the car. So that is the major change that we have seen in the business over the last couple of years with all the disruptions that we have had, less volume but more profitability per unit.	Supply of Stock Reduction of offering "special" Increased profitability
PAR002	People are obviously feeling the pinch of all these types of things, and they are going to be cautious about spending money and buying vehicles. Yes, people are using Uber, carpool, and train.	Consumer buying behaviour Alternative transportation
PAR003	Okay, well, it did, especially the strikes and the floods. We just could not get stock, so obviously our sales dropped. We were doing about 50%/60% of what we should have been doing. But yes, I imagine not just Cape Town, but Johannesburg was affected as well big time by it. Correct yes. So, with the riots, with the floods, the same effect. The boats obviously could not offload the stock. Now recently we had the Transnet strike, which affected us too, we could not get our stock, but luckily those strikes are short-lived, and it will affect us by 2 weeks in a month. So, it is easy to recover. The floods on the other hand were a little bit longer because roads were damaged, and the carriers could not bring the cars up and down.	Low inventory
PAR004	It does. As I said, the customer has a budget, he is currently paying R3 500 an example on a vehicle, or R4 000 per month on a vehicle. The vehicle's nearing a certain stage where the mileage is getting a bit high, or the vehicle might be going out of a maintenance plan. The customer now has to weigh up the option of do I extend the	Consumer buying behaviour

	maintenance plan for an extra R40 000 on the car or do I go and trading this vehicle in on a vehicle that I am going to now pay R5 000 or R5 500 for a brand new vehicle or a used vehicle for that matter, and I will have another five years of maintenance plan on the car if it is a new vehicle for instance. So, what is the opportunity cost that they need to calculate? These small factors in the economy affect the consumer's behaviour on various levels and that is an example that I can give you as to why a customer that really wants to buy a car is putting off buying that car continuously because they are trying to measure what the effect would be. Not all customers are financially inclined where they can calculate these things off the top of their heads, they have to see what it actually does in their budgets. It creates a delay in the decision-making process, and it can also cancel that opportunity completely where it gets eliminated when a customer realises that they cannot afford to buy a car, even if they really, really wanted to or really need to, for that matter. Some people really need to buy cars, but they are just not able to do so	
PAR005	Yes, it most definitely affected the sales because I cannot supply the part the customer requires. I find it a lot nowadays, just to give you an example, for an insurance company, say if your car is at a panel beater and they are repairing after you have had an accident if I cannot supply the part, a lot of the insurance companies these days say get an off the market part. So, it is a non-genuine part that they fit onto the vehicle. So obviously if I cannot supply the part I lose out because I do not supply non-genuine parts.	Low inventory Alternative supply
PAR006	Obviously, our turnover of units that we have moved went down. We were normally about a 50-unit dealer, and after Covid we averaged about 30 units. The sales went down by about 40%. But like I said, what we lost in units we made up on profit.	Declining vehicle sales Low inventory Increased profitability
PAR007	I think with sales, you know also with Covid, I know Covid's gone but the effects of Covid are still going through us. You know where some people are still, the big companies are buying but I do not think the middleman is actually thinking of spending, they are still trying to be very conservative when it comes to the pocket. And the competition, the right to repair has affected us. You know the people now opt to go elsewhere. They do opt to go	Consumer buying behaviour Alternative supply Reduction of offering "special" Low inventory

	elsewhere, and you know we are a big???, we just cannot give things away, we have expenses to meet. We are not like the layperson down the street, his expenses are minimal. So, all those things have affected us badly. The fact that there is a shortage of motor vehicles, new cars are a shortage, the shortage of the chips to get cars into the country. So, you know, you will find that for the OEMs, we only get the majority of our stock in the last week of the month.	
PAR008	It creates uncertainty and with uncertainty, there is a lack of commitment from customers. And in turn that affects our sales. In a better market condition, we would have easily sold the vehicle because it satisfies the customer's needs, he wants the vehicle, but now obviously the uncertainty keeps him away from committing to that purchase.	Consumer buying behaviour.
PAR009	First of all, the number of units that we sell. Second all, it is another effect that came through, was the floods in Durban which affected the building of cars. The stock situation on manufacturers countrywide, the importing of cars has slowed down. We are not getting as much stock as we used to get. Customers are not only looking at one brand now because a certain brand cannot supply, so then they go and look at other brands. The loyalty of customers is not as loyal as it used to be. We could not import steel, so we could not build cars. Not only the dealerships and the sales have been affected, but the manufacturers, the OEMs, everybody's been affected negatively with regards to this. Where we were keeping 60 units of new cars in stock a couple of months ago for a few months, we used to finish our month with 2 or 3 cars in stock. So it has made a huge impact on the sales of units. By not being able to supply the chips from overseas, that company closed down due to Covid and it was the only supplier of the certain chip that made all the cars work. So for a long time, we could not build. You know those things happen and it is the uncertainty of it, this is not a normal circumstance. In the 32 years that I have been in the industry, this is the first time these things have happened. So we normally have an answer to the solution of the 7-year drop. We	Declining vehicle sales Low inventory Alternative supply Consumer buying behaviour

	have not had answers to the solution. We have had to learn, and we have had to make a lot of changes.	

ANNEXURE 6

Question 5 - How did the 2008 economic recession affect automotive sales, to your knowledge?

Participants	Participant Response	Research Themes
PAR001	Well, look, I mean, I missed 2008 one, but I am sure there was if I am not mistaken, a recession again in roundabout 2015 that we faced. I got into this industry roundabout 2011. So, look, in all honesty, we have been in a recession forever if you look at it like that, but I think the most economically wise, is where you would see something like if there are talks of a recession, people tend to hold onto their money a little bit longer before making that decision to purchase a vehicle. We can see the same when the repo rate jumps up and down. So, when there are talks about an increase in interest rate, naturally there will be a couple of weeks to a month or two worth of hesitancy from consumers in terms of making that final decision or giving a go-ahead to actually purchase. And I think the same is true when there are talks of a recession, people tighten their belts and will not necessarily spend so easily. So, from a retail perspective, I think where you see that the most are in your private market. So, your individual purchaser, whether it is a family car or so, might hold onto their current car for an additional year or two when there is a bit of uncertainty. It is not so much the case always with business clients because they use those vehicles to do their business, and once the vehicle gets to a certain age their business model might require them to change that vehicle. Small businesses might also hang onto their vehicles a bit longer and hang on to their cash flow a bit longer.	Consumer buying behaviour
PAR002	At that time, obviously, we were in the same boat that we are in now. Obviously, we just have to ride the wave and just hope for the best. That is what we are going to do. The sales were taking a knock at that time, but we did not have a break in the interest rate at that time. We had a low-interest rate and then it just hiked drastically. And the economy in 2008 was not as bad as it is now.	Declining vehicle sales

PAR003	At that stage, I was at Mercedes-Benz in George. It affected us big time. I think if I can remember back that far. Yes, I landed up having to leave George and returned to Cape Town because obviously George is a holiday destination and when people do not have money, they do not buy cars. So, I had to relocate back to the city centre to get more business. Yes, but it had quite a big economic effect on us. Thinking back now, in 2008 people just stopped buying completely. What I have noticed since Covid is people buying down and the price of fuel that is gone through the roof, people are now downscaling. At that stage, no, people just stopped buying completely.	Consumer buying behaviour
PAR004	You know, that was also another big blip on the radar. What happened was for three months the automotive industry, and the retail side went dead. The rental side in our own company took a massive knock. We closed rental businesses during Covid because nobody travelled, and nobody needed rental vehicles. It was a massive expense base that we needed to cover. It was unpredictable and we have never been through something like that where we did not have an opportunity to try and make up some money. A lot of businesses closed, and a lot of people put themselves into big debt. A lot of people lost their jobs. Financially it was an unheard-of impact, it has never happened before.	Low vehicle hire Businesses closed Consumer Debt Job loss
PAR005	I cannot remember that far back. On the parts side, it has always been good. We have made what we need to make, like the targets we have been set to achieve, have made those targets, but it is more in the last year, a year and a half that it has gone completely falling out of the bus type of thing.	Fluctuating parts sales
PAR006	I cannot remember exactly what the sales were at that stage, it went down a lot but that was purely because of the interest rate we had at that stage. It was just not affordable or feasible to purchase a vehicle on HP at the interest rates we had. So, the interest rate then was affecting us quite a lot.	Declining vehicle sales Consumer affordability Rising Interest Rate
PAR007	We were not affected too much, but we were affected by part sales and whatnot, and still today we are affected by part sales, the deliveries. There are shortages. Lots of companies are closed.	Vehicle part logistics Low inventory Businesses closed

PAR008	To be honest, I know it affected sales quite a bit. In turn, obviously, the business had to find diverse ways of keeping the doors open. But it is difficult for me to give you a proper factual answer to that. So, I am not going to answer the question because I will just be giving you a thumb suck, it is not right.	Unsure

ANNEXURE 7

Question 6 - Please comment, on the effect of Covid-19 on automotive sales performance.

Participants	Participant Response	Research Themes
PAR001	Well, I would not say that we were impacted, apart from lockdown and not being open for that section of time, we were not, there were a couple of things that had to change. So, there was a lot of hesitancy, especially from private buyers, with regards to coming into the dealership, and hesitancy doing test drives in the vehicle due to sanitising requirements. We had to adopt quite a few new practices and principles about being compliant in terms of health and safety standards, being able to make sure that our clients knew that they would be safe and healthy to come, and test drive our cars and so on. So yes, it was quite a bit of adaptation in terms of how we did business. But initially, I would not tell us as a dealership per se, I know that there are dealerships out there that struggled quite a bit. We were fortunate enough that our business was not as heavily impacted immediately after Covid. We started only feeling the crunch a bit later due to semiconductor shortages and so on. But yes, there was quite some uncertainty for quite a while from buyers, yes.	Business Operation Consumer buying behaviour Regulatory stringency and adaptability Low inventory
PAR002	We were obviously closed for like 2 to 3 months. And obviously, it impacted a lot of businesses and people themselves. A lot of businesses had to restructure themselves. A lot of people lost their jobs with retrenchments. It took some time to get back and when you got back, it was gradually starting to increase the sales and pick up back to normality. But I think the most part was the restructuring of a lot of businesses. Most of the private businesses could not sustain them, so some of them closed as well. You can say restructuring of businesses. Obviously, it is cost-cutting for a business. So, where they have extra hands, or their business has shrunk and they have extra people, they will obviously have to change stuff. So, you can say restructuring or even resizing a business.	Business Operation Business restructuring/ resizing a business Retrenchments

PAR003	Obviously, it did affect me. But like I said earlier, it was not a long-lasting thing. If you looked at annual sales, yes, it affected all dealerships, all corporations where we had that 2 or 3 month of absolute shutdown. The automotive industry was lucky during that lockdown period that we were granted status by the government, we had passes to remain open and carry on trading. I forgot the name of it now. So, it did change the salesman's and the sales manager's jobs. We had to work a lot harder, but we did. That is why I say it did not hurt us the way a furniture shop or a non-critical company would have been affected. The digital strategy has been there many years since it existed. We had to just sharpen ourselves. So, our digital platforms were all in place and had been for many years before Covid because it is the way the world's moving. That initial contact people want to be done via social media or digital content. We just had to sharpen ourselves up to do the leg work a little bit harder.	Business Operation Sales team job activities changed Overworking Enhance digital strategy
PAR004	A massive drop. Especially in the hard lockdown, we had almost no sales if any on my side. It was horrible. Then when the levels opened and we were able to go back to trade, the first month was a little bit touch and go and then we expected it to be very difficult for the following months. What happened was there was a massive overcorrection of the market, we did very, very well. We had a couple of record months late in 2020. It is also consumer behaviour because people were so scared that they might not have an opportunity further down the line to go and buy that vehicle or at their pricing or whatever the case is. So, we overcorrected quite dramatically, I would say in sales. But it was only late on Covid, late in 2020 that that happened, but the initial impact was horrible. We lost lots of money on sales.	Declining vehicle sales Business Operation Market correction Consumer buying behaviour
PAR005	Like I said Covid hit us badly because we had to close for that lockdown period. I was in lockdown for a week, 2 weeks. But then I was back at work, and we were used to working until 13:00. But it would only be myself and one salesman here. So, the productivity that you got was not good. And then obviously the sales were not good because a lot of people were closed. So yes, it impacted it badly.	Business Operation Less working hours Understaffed Less productivity Declining vehicle sales Increase vehicle part sales

	Yes, well, on the car sales side, they battled for a while, but they are back up where they were, or they are getting back to where they were. On my part's side, it has taken a while. I am not there yet where we need to be as before, but we are also getting a slow increase in sales.	
PAR006	On the manufacturing side, it was difficult for us to obtain stock from the OEMs purely because of social distancing. Initially, people were scared to come to the dealerships. There were a lot of things about online selling and so forth. But as South Africans are, we are scared for two weeks and then we overcome it and then we go on. The volume of people was not that much but I think the quality of people at the end of the day that came in to purchase a vehicle, was better at the end of the day.	Low inventory Regulatory stringency and adaptability Increase online vehicle sales Low volume of customers
PAR007	I think companies that restructured during Covid-19, are seeing the benefits now because they are coming back on board, things have changed. Our NP200 is still our main dealer which is a business vehicle. Very few buy them for personal use and we are still selling them monthly. It is a locally produced vehicle. And you know, lots of companies have closed, lots of manufacturers have closed. Yes, the fact is that most of our cars are microchip dependent and that is one of the main effects, of the availability of the microchip. Even if it is a locally manufactured car, we still need the microchip.	Low inventory
PAR008	Well, you know, once again uncertainty comes into play. It affected a lot of our sales. Lockdown started in March, in that same month uncertainty became visible because there was a two-week notice before the lockdown happened. People are uncertain, people are at home. Everybody was unsure of what is the next step. It just created uncertainty and that obviously affected our sales in terms of reaching numbers, in terms of reaching our normal targets. So, it was a big disruption in sales. I do not think people returned the vehicle specifically to the dealership. If there was a return, it was done to the bank. But there was a%age of customers that would have loved to downgrade because they are working from home. Some customers would opt to sell their vehicles because they are not working. So, there was a%age of everything.	Consumer buying behaviour Declining vehicle sales Downgrading of vehicles Job loss

	There was a little of this and a little bit of that and you are 100% correct in what you said as well.	
PAR009	Covid hit us as an unknown, as a total new challenge that we had to deal with as something that we as South Africans have never been through before at our ages, perhaps our ancestors had gone through it but we had never been through it. So it was a very stressful time to try and keep your people motivated while they were sitting at home in lockdown. You know, we still had groups, we still got on Teams, we met up every day although we could not work. We still kept each other motivated. There were a couple of dealerships that were open for the ambulances and police and all of that that had to be serviced and repaired for the emergency services. It was an extremely scary time in South Africa. Obviously due to this, we thought that after the lockdown, we were going to battle for a very long time to get our feet back on the ground to get the business running. I will be honest with you, for the first three months after the lockdown, most of the dealerships had their best months ever. Although coming out of a negative situation, walking into a dealership and thinking that it is going to be a difficult time ahead, the 3 months that came flew and it put a lot of motivation into people. We still discuss these things that can happen again and we need to learn from them, we need to understand what we need to do, and how we need to do things. There are a lot of changes that we have had to make in the dealerships: We were not allowed to go and see customers, and only two customers were allowed in the dealership at a time. But we pulled through. It is like a norm now.	Employee demotivation Business Operation Online meetings Limited customers

ANNEXURE 8

Question 7 - Since the Covid-19 pandemic restrictions have been lifted, have you observed any difference in car sales results?

Participants	Participant Response	Research Themes
PAR001	Well, yes. Not that Covid initiated this whole thing, but there has always been a push for the last call it 5 to 10 years, there has been a heavy push to what they call a digitized, a digitalisation in terms of vehicle sales where you can have the same kind of experience from a digital perspective in terms of your buying process versus your physical dealership process. So, there has been a big drive to digitize a lot of the systems so that you have the option: I can come to the dealership and buy a vehicle, but I do not have to, I can always sit at home and do my entire purchase online. So that is a big push that has kind of been accelerated by Covid because we needed to start doing business a little differently. So there is a lot of drive in terms of being able to have a virtual showroom where people can log onto the website and move through your vehicles, and see what your dealership looks like without actually having to come in. So that is a big movement that has been accelerated by Covid especially. Yes and no. So you will always get people that want to come in. But look, I mean, over the last 10 to 15 years online sales have tremendously increased. I mean, if you look at Takealot and all these types of platforms, that is where the world is going. I mean, 50% of people want to buy online, 50% of people want, I am just guesstimating, I am not saying that is the figures, but you get certain people that want to buy online, certain people that want to buy in person. And I think over the last couple of years, it has increased tremendously to the point where we as an automotive industry need to adopt those practices as well.	Increase online vehicle sales Virtual showroom
PAR002	It picked up when we started getting back into the groove of selling. So, it has picked up, but there are also challenging months like last month, this one. It is a bit challenging now.	Increasing vehicle sales

PAR003	Yes, we went back to where we were before. If anything, we have improved from our side, that is from Renault's side. Our market shares have increased. Our units that Renault sells have increased post-Covid.	Increasing vehicle sales Increased market share
PAR004	So like I said, early on was bad, but then as the restrictions got lifted and we went into different levels of Covid, the market did overcorrect itself and a lot of dealers, the ones that managed to survive the initial impact, had record months in terms of sales and that is down to consumer behaviour. It was not pricing. I think the customers or the consumers were scared that they might not be able to buy the same vehicle for the same price due to a supply problem. And we did have supply issues. So, there was a shift in the market with that. Yes, we did very well later after the restrictions got lifted.	Increasing vehicle sales Changed Consumer spending behaviour
PAR005	Yes, well, on the car sales side, they battled for a while, but they are back up where they were, or they are getting back to where they were. On my part's side, it has taken a while. I am not there yet where we need to be as before, but we are also getting a slow increase in sales.	Increasing vehicle sales Increasing vehicle part sales
PAR006	Definitely, the sales picked up a bit after Covid. Obviously, after Covid there were some challenges that impacted us. As I mentioned before, electronic components of which there was a shortage worldwide. Then the war in Ukraine obviously affected the fuel prices which affected a lot of other things in the economy. I picked up in the last three months that there is a decline in sales. So yes, we can start seeing that the interest rates, the crunch on the economy, and the uncertainty in the economy, are starting to affect our sales in the last three months. There was a little bit of an upturn after Covid and now there is a downturn because of what we are experiencing in the world.	Increasing vehicle sales
PAR007	Look, it is stabilised. I think car sales have stabilised, but I think used car sales are still a bit of a contentious issue at the moment. That is a problem since there is a shortage of used cars because there are not enough new cars.	Stabilised vehicle sales

	Yes, the import and export of parts for building the cars, the import and export of the vehicles, the strikes we have at the harbour. Remember, our cars may be assembled locally, but all our parts are imported. I would say 50% of the parts are imported for locally assembled cars. So there is still a shortage of all of those?	
PAR008	There was a period like I said to you, there was a shortage of new cars supply. On the used car side, we benefited from that because we had stock and benefited from it, especially since we capitalised on the shortfall of new cars. So, it is hard to say that after the lockdown, the market was not as fair as it was before the lockdown. So, to answer your question, I am going to be diplomatic and say I cannot give you an answer for certain and say that we benefited, but in terms of the used cars, there was a bit of benefit because there was a short supply of new cars. I would not specifically say it is because the restriction was lifted. By default, if the restriction is lifted, we will sell more cars, because if there are restrictions we are sitting at home, we cannot sell any cars.	Increasing vehicle sales
PAR009	I think they have stayed stagnant; I will be honest with you. From my dealership's perspective and from the OEM's, when you look at national results and from the OEM's, I think from the Covid time to today everybody still has the little challenges that they need to deal with and we are still battling to import and export and do what we need to do, and it is not as quick as what we are used to. So yes, we still have our challenges. I think it has remained a little bit stagnant and I think it is going to stay this way for a couple of months more. But I definitely see an incline in sales, I definitely see positivity in the industry because the manufacturers are starting to build, they are starting to see what can be done and what cannot be done. I think they used Covid as an excuse more so than an opportunity to learn and to change.	Stagnant vehicle sales Supply of Stock Increasing vehicle sales

ANNEXURE 9

Question 8 - Have you observed a difference in the sales performance at your dealership in response to the looting turmoil in July 2021 (KZN and Gauteng)?

Participants	Participant Response	Research Themes
PAR001	Well, yes, a little bit because our stock was delayed. So, our import vehicles, that means the vehicles that we import from other factories around the world, which includes a lot of our passenger vehicles, docks in Durban. So, with the looting and everything, the carrier services were not operational due to fears of looting and truck burning and so on. So, there was a bit of a stock shortage and a stock delay in receiving stock while that was going on.	Supply of stock
PAR002	I do not think we were much affected up in Gauteng as much as KZN was. When I speak to some of my colleagues down in KZN, they are struggling now compared to Gauteng. The ex-company that I used to work for down in KZN, had one branch that was looted where vehicles were actually damaged, and parts were stolen from the vehicles. The whole dealership was vandalised.	Dealership Vandalism
PAR003	It affected the whole country. As I said because the supply chain was broken. That looting was quite hectic because it was not just looting, there were another couple of strikes after that in Durban. So, I would say for a good month or so our supply chain from Durban which feeds the whole country was affected. So, if I say how did that affect us, it was harsh. Because all our cars are imported. But even companies like Toyota, their factories in Durban which were partially destroyed in the floods as well, had to shut down. Durban is our hub for the motor industry. If something happens there, like the looting, like the floods, like the strikes, that is the place it starts, the whole country is affected.	Supply of stock
PAR004	Not at our dealership, not in our area up in Gauteng. So, what happened was that period when the massive looting was, we had dealers down there, so we had inside information as to what was going on. When that happened, there were talks of it happening up here in Gauteng also. So, we closed earlier for I think 2 days. Each day we closed a little bit earlier after they said that the guys were going to go protest and stuff at whatever times just as a precautionary measure. But in terms of	Business operations

	operations and monetary wise, I do not think we felt such a big impact in our region on the looting than the people down in KZN, they were smashed down in KZN.	
PAR005	Yes. it impacted me but it did not impact me, how can I say, it was not bad? Do you know what I am saying? It impacted me because there were some delays. But I still got the parts, but it did play a small role in impacting us because we could not get for instance the parts that were coming from Durban Harbour to Johannesburg. We eventually got it, but it did impact it, yes.	Supply of stock
PAR006	It definitely impacted us a lot. A lot of our stock comes from Durban via porting in Durban. And yes, for a while we were battling to get stock. Obviously, the people from the carriers were intimidated. They could not go onto the roads. So yes, it did impact us quite severely. And vice versa, the people that were in Durban could not receive stock from our Rosslyn plant. There was a huge financial impact on us for a month or so.	
PAR007	No. I do not think that. That was just a brief period. The coastal cities got hit harder than us. Yes, that is over now. That impact may have been for that time, but I think there is no backlog. I think the Transnet strike that they just had at the harbour recently has an effect at the moment.	Unsure
PAR008	Each brand had elements of disadvantages because of the looting. Especially if you look at the Toyota brand. They had bigger challenges than most other automotive brands. But in turn on the used car side, if you had Toyota on your floor, it became a bit of a scarce resource. And we capitalised on that from a used car perspective. To answer your question, yes, there was a bit of an impact on performance because especially if you look at the entire automotive sector. Toyota was affected because they could not supply, there was an issue there not only with the looting but also in terms of the floods and stuff like that. It was a sequence of events, right? If it was not the looting, it was the floods.	Supply of stock
PAR009	Not specifically here. I think that was a very bad time for mostly KZN, It did not affect our business-wise. I think more emotionally because we all have families there. So I think on that side it was a bit of a scare. But like I say, these things happen and it is not only in South Africa, it is everywhere in the world, I think we just advertise it more. We go through	Supply of stock

	these different phases in life and it is what happens, we need to learn from it. In Johannesburg, Cape Town side, I do not think it affected business that much other than obviously the cars dock in Durban, so our imports took a while to get here, but we also had the opportunity to go and fetch them, you can collect. It did slow down, but it did not affect us in a negative way that we had to go to huge lengths of retrenchments and all the rest.	

ANNEXURE 10

Question 9 - What lessons have you learned about car sales as a result of these disruptive events?

Participants	Participant Response	Research Themes
PAR001	It is difficult to think about something in particular. I think it has basically just honed our ability to be a little bit more flexible and also a little bit more adaptable because I think that one of the biggest concerns or one of the biggest issues that have come up about the supply, especially the supply chain disruptions in terms of getting stock, how much you are getting, when you are getting it, that sort of stuff, has led to a point in our business model where it was very stop-start. So if you do not know what you are getting and if you do not know what volume you are getting and when you are getting it, and sometimes you get this month and not next month and so on, it kind of puts you in a position where you cannot properly fulfil your different roles and your functions that you need to do. So marketing, for example, you cannot properly market something because you do not know whether you have those units next month or not. The same thing to pipeline management, you cannot really manage your pipeline in terms of stock if one month you are getting this and the other month you are not getting any. And also your customer management suffers because if there is no transparency with regards to what is going on and when the vehicles will be coming and what are the delays and so on because there were so many different disruptions all along the supply chain, it makes it difficult to keep your customers informed	Flexibility and adaptability Inventory management Customer transparency Business Perspective

	as well. So I cannot think of a specific new lesson that was learned, but it allowed you or allowed you to have to focus on certain aspects of your business differently or view various aspects or different functions in your business in a different way to adapt your functionality.	
PAR002	I think we always must have a backup plan or Plan B. So obviously you have to have a strong marketing department that is going to assist you with marketing your business. I think that is the most important thing, getting your business marketed. If you go back to the years I started, social media, I think, has become the most powerful tool now for selling vehicles. Internet websites, Facebook, Instagram. Even Google ads as well to drive people to your dealer. Look, we were on top of our digital transformation because we obviously have a big marketing department that manages our marketing, and they are up to scratch and speed with stuff. Most of your customers now are shopping online.	Contingency planning Strong marketing strategies Social media marketing Increase online vehicle sales
PAR003	It is difficult because like I said, we change monthly. So, it is not just disruptive events, we must learn lessons every month through anything. Like the smallest thing, fuel price increase, the Rand Dollar, all that, it affects us monthly. I would say the lesson I have learned is to be more resilient. We as people must be more resilient. So, if I go back 10 or 20 years ago, something big happened, everybody will go what now, we do not know what to do. We crawl away, hide away and hope it goes away. What I have learned with disruptive events, be it looting, be it Covid, or whatever, I think we have become more resilient, and we react quickly. So Covid obviously came before the looting or just after, the looting came just after Covid, but Covid shook us up. So, when the looting happened, we were already on the ball when it comes to responding to disaster or disruption.	Resiliency

PAR004	I can tell you that with this overcorrection that we have had and where we were able to sell vehicles at much higher pricing to customers, I can tell you what has happened, and fortunately, we have all done it, but what has happened, what is going to happen is we are going to have a problem further down the line. So, the replacement cycle of a vehicle is between 2 ½ and 3 years, maybe 2 and 3 years or used to be. We have now extended that cycle because for a customer to be able to get out of his current vehicle is about 4 years because of the impact the retail value had at the time of sale. I think we have learned the lesson that we have shot ourselves in the foot and the customers have shot themselves in the foot. But I think if the opportunity were available for people to sell the cars again at those ridiculously high prices, people would still sell them at that price and the customers would still buy them at that price. Like I said, right in the beginning, people just do not learn, unfortunately. There are processes in place that big companies put into place like us, where we do not do transactions, we try and limit the transactions where we need to overextend on certain vehicles and obviously to protect the consumer and to protect ourselves. There are processes and policies in place. As a company, you can never control the market. If the market demands a certain thing at a certain price, there is nothing that you are going to do to stop that from happening. We will still sell them at the wrong price and the customers will still buy them if the market made it available for us to do that.	Increase replacement cycle Customer buying behaviour.
PAR005	Well, on my side, on the parts side, is just to try and make sure that I have enough of what I need to supply to the customers. Instead of keeping 4 of 1 item, you keep 6. Do you know what I mean? So that you have that little bit of leeway or a lead time if it takes longer to get to you. Yes, technology has also changed a lot. A lot of these vehicles now are controlled by computer boxes and that also sort of an impact on Covid because the electronics that go into the computer box could not be manufactured. After all, the guys were off. So, there has been a definite change in technology. They used to say in the olden days if you had pliers and a piece of wire you could fix	Inventory management Vehicle computer system Component shortages Advanced technology

	a car, but that is not the case anymore. You need a computer to fix a car.	
PAR006	Well, obviously there are always ways to overcome, you cannot be in a comfort zone when it comes to business in general, not only car sales. And if you are dealt a blow you need to be able to overcome it and make use of other avenues to sell vehicles. I never heard of a Teams meeting prior to Covid. Now we are doing Teams meetings left, right and centre. A thing that we always had in a dealership was a physical brochure that you gave to the customers. After Covid there are no brochures, we are only working with electronic brochures for instance. You can send the specs of a vehicle electronically. If a customer is interested in a vehicle, you can send him a video of the vehicle for instance to entice him and set up a one-on-one meeting. We take vehicles to people's homes to do test drives. That was something that we never did prior to Covid, it was rarely done, but if a customer now insists on it, it is not frowned upon. Prior to Covid, if somebody wanted you to go to their house, you had to make 100% sure that you are going to the right person's house because there were a lot of scams. We had to adapt to accommodate the customers in their comfort zone.	Exploring options Alternative vehicle sales Online meetings Digital brochure Video Marketing Vehicle testing
PAR007	Try and keep your team, do not have extra fat basically. When it comes to stock control, people control, because the moment you have extra, that is the time the bosses look at to get rid of people, to cut numbers. It is not a pleasant thing to tell a person. you are being retrenched. I think something like that affects the new car team more, where people are going online, and everything has been done online. Us, yes there is a lot of online when it comes to bookings, but that is just about it. If you are not a subscriber to a newspaper, you are not going to get much to read. Everything is going to subscriptions and that is how it is going, that is how the whole world is going. So we also need to be on that bandwagon.	Efficient team Increase online vehicle sales

PAR008	From a used car perspective, specifically to used cars, if you have a vehicle, say 90% of the time, on the used car side you have one specific make of this vehicle with specific mileage, and a specific price. You can still sell cars during this disruption purely because of that. There is one vehicle that suits one customer. He has been looking for that. It has the right mileage, the right colour, it is the right price. You can still sell it because during that disruption because on used cars you look directly at satisfying customers' needs in terms of vehicle mileage, and budget. So, on the used car side, yes, you can still sell vehicles whether there is a disruption or not. I think what we have was sufficient to at least contact the customer. There is always room for improvement in terms of technology, you know, because you must look at all aspects when you consider implementing modern technology, you need to look at legal requirements, you need to look at the customer wanting to view the vehicle, test drives the vehicle, all kinds of stuff like that. So, in terms of what we had, it was sufficient for us to still conclude a sale in terms of digital advertising, and digital strategies. It was more than sufficient to conclude a sale. We had all the tools to do it digitally, but considering a sale consists of many other elements, not just the inquiry and the connection with the customer and his wanting the vehicle, there is a legal requirement that needs to also be taken into consideration. So, in terms of that, we obviously need to cater for that as well. But in terms of selling vehicles and having the right technology and the right digital plan, we are equipped for that.	Increased vehicle sales.

PAR009	At the end of the day, people still need transport. I have learned quite a bit from our emergency services people because we were still open for them, but they do not have time to come and see dealerships and to buy cars. They are still travelling by taxi only because they do not have the time. So my change on the whole aspect is, they are important people in our lives, we need to go out and we need to service them. We cannot expect people to walk into our dealerships anymore. We need to be out there advertising and doing sales differently. Before we sat and waited for people to come in, it no longer works like that. We need to go and help the community out there.	Multiple advertising channel.

ANNEXURE 11

Question 10 - How would you suggest the automotive industry curb the impact of any future disruptive event on their sales?

Participants	Participant Response	Research Themes
PAR001	It is really difficult. We are well-geared to manage whatever disruptions we face. I mean in the end, there is only so much that we can do. So as an example, if there is a specific part on back order that does not allow your manufacturer to complete the build of a specific vehicle, there is not much you can do about that. And the most important thing is transparency between not just yourself and your customer or end user, it is the entire system. So transparency between the manufacturer, retailer, which is us the dealer, and then your end user or customer so that nobody is left in the dark when disruptions do happen.	Customer transparency Stakeholder transparency
PAR002	It is hard to say, if we go into another lockdown when businesses are obviously closed, then you are not going to be allowed to sell cars. I think if they do allow you, you have to have a digital showroom. An online showroom where people can go and click on a vehicle that they want. We have that now. So, you can go and click on a vehicle that you want. There is an option for you to do your finance as well online.	Online showroom

PAR003	It is a bloody difficult question. That one is so difficult. The industry and any other industry for that matter, must not forget what happened with Covid and with the looting and stuff like that. The problem is we forget too soon about bad things that happened. And when they reoccur, we have forgotten about it and moved on and we cannot react quickly enough. So, I think the industry must always stay on its toes and expect the worst. Now, and I will say especially in this country, there are a lot of things affecting us, the load-shedding, things are going a little bit rough now. People are being retrenched in some companies, not ours, but things are getting tough. We just have to push through. I would say resilience and being determined and being aggressive is the only way that we can counteract anything that comes our way. How do you suggest the automotive curb the impact of future disruptive events? We cannot exactly tell the motor industry to close down the Durban Harbour and start using Cape Town Harbour because we do not have disruptive events here. It is not going to happen. So, it is very difficult to have a plan for them to implement. I do not know. A lot of things must change in this country. Everybody knows about load-shedding. It has become a way of life for us now. We all live with it. We can jump up and down. We can scream at the ANC. We can scream at Eskom. It is not helping. So, it is a matter of just having to be prepared and be tough when things like this happen, and they will happen, and we can battle through it. There is no suggestion I could make to them to curb the impact; it is impossible I would say. It is not like they say okay guys, we start importing more cars and then store them in places where you do not have disruptions. That is not going to happen.	Vigilant Resiliency Prepared and tough

PAR004	So like I said, I think we have learned lessons from it, but the trick is to actually implement the solution. There is no use in knowing what you need to do and not doing it. What we can do is, now know that it was not impossible for us to keep certain businesses afloat. I think possibly making provisions at a head office level for certain things. Because we are a company that is listed on the JSE where there are investors who needed return on investment, put a policy or clause in place where there is some form of clawback or retention policy on pay-outs that need to go to stockholders. There must be something that we can do in terms of that to try and keep some form of kitty if I can say it in a basic way. For instance, where there is going to be a huge financial impact to prevent ourselves from having to close businesses again, having to lose well-trained staff and for them to lose their incomes and their livelihoods is sad to have gone through that. I think Motus is a very good company to be in because they are really focused on their employees and really put a lot of effort into the individuals and their businesses and support. So, I think they could make some form of provision and I am sure they are, well I know they are. In our business currently, we have made provisions for instance on stock where they are overpriced, where we had to pay the wrong price to get them. We have made provision for those differences. As a big business overall, I think they could, if they had not done it yet, make provisions that would lighten the blow if this were to happen again.	Financial future planning
PAR005	What I am doing on my side, and I am sure the big manufacturers may be looking at doing the same same thing, is to increase your inventory levels. I know it is not always possible and I know it costs money for the vehicle to stand at the dealership or the part to sit on your shelf, but it helps in a way because it makes the impact of these disruptions a little less.	High inventory

PAR006	I think I need to do my doctorate in giving you that answer. That is a difficult answer to give. I mean Covid was unforeseen. The impact of Covid on the rest of the world is something that was unforeseen. Nissan always kept about 10 000 units of rubber at the Rosslyn plant. But to streamline everything and to save money, a lot of manufacturers do not carry stock on rubber anymore, so they order as it comes in, they just disperse it. It is really going to be a difficult answer for me to give you. At some stage we were all happy-go-lucky, hunky dory like one of my sales executives would say, and within two weeks we were in a total lockdown. So, there is not really something that you can do to avoid an impact like that at the end of the day. The manufacturers need to be healthy, not only the manufacturers but the retailers. For instance, if I can use the Motus group, we did not retrench anybody, there were voluntary retrenchments. I think you need to keep your balance sheet healthy so that if you do hit a slump or a Covid period, you can have a little bit of fat that you can live on. That is the only thing that I can tell you that I can see. There is not really something that you can do to overcome an epidemic like Covid. Yes, I do not have an answer for you.	Healthy manufacturing Healthy balance sheet
PAR007	Remember, so if they say keep extra, you are going to pay extra interest. So it is very difficult. When it comes to service, the only stock I keep is engine oil. Everything else comes from a different department. They cannot keep too much because it is an interest-paying thing. For a new car lying on the floor is interest bearing, parts are interest bearing, and used cars are interest bearing. So it is very difficult, how do you curb something like that? That is something I do not think I have the intellect to answer exactly, I am being honest with you. Better inventory management, yes.	High inventory
PAR008	It is hard to suggest because I mean an event that affects us besides interest rates, is not something that we can foresee. I mean we cannot foresee Covid coming. So, what is your plan for that? And you cannot foresee a flood coming, you cannot foresee people looting. What you can do is **always safeguard yourself,** make sure you have the right tools in place in terms of digital	Safeguard the business Digital marketing tools

	marketing, and use them to your advantage. It is not always about curbing; it is about using the tools you have at your disposal to make the most of it. That is more important than wanting to curb a problem of which you are unaware.	
PAR009	Any disruptive thing that happens, it is a different thing that happens. We have challenges with the economics of the country, we have challenges with a lot of things. Only when that event happens, can we decide or learn going forward. We cannot 2 months before something happens, say that is what is going to happen. It is an extremely difficult question to ask, but I think if we stay positive and we stay motivated and we keep our staff because people are good and we like to look after them. In disruptive times I think communication is huge. So instead of hiding, we cannot supply these cars because they are busy toy-toying down the road, be honest and open. There needs to be transparency in these things going forward because it can help the industry in the long run if we do know 2 months before it starts happening, then we can start preparing for it. So I think with the OEMs, manufacturers, economics, our leaders, transparency and honesty are huge things that we need to live by.	Positive and motivated team Transparency and honesty

APPENDIX D: INTERVIEWS

ANALYSING THE IMPACT OF DISRUPTIVE EVENTS ON THE PERFORMANCE OF THE AUTOMOTIVE INDUSTRY SALES IN GAUTENG, SOUTH AFRICA

Miss TH Mqwathi (33448094) under the supervision of Prof Hein Prinsloo

PARTICIPANT 1

9 NOVEMBER 2022

Miss Tebogo Mqwathi: ... time and doing this with me and thank you for your support for this meeting.

Participant 1: No problem.

Miss Tebogo Mqwathi: Note that this meeting is recorded, I have to say that. Okay, so the purpose of this meeting is actually to analyse the impact of disruptive events on the performance of sales in the automotive industry, specifically in Gauteng, in South Africa.

Participant 1: Okay.

Miss Tebogo Mqwathi: I am going to ask you a few questions, three to be precise, I will note them down. Could you please specify the dealership name that you work for?

Participant 1: I am with Motus Nissan Parow.

Miss Tebogo Mqwathi: What's this?

Participant 1: Motus Nissan in Parow.

Miss Tebogo Mqwathi: Okay, and what is your position in the organisation?

Participant 1: I am the sales manager for the new car department.

Miss Tebogo Mqwathi: Great. Allright, thank you for that information. I will fill in that information, interview date and time, it is fine. Let us not worry about it now. Let us jump into it quickly. So, I have structured this interview into three sections. I will just tell you each section when we move into it so you can have an idea as to what I am talking about at this moment. So section 1, I am aiming to determine the factors that affect the automotive sales performance in South Africa during unforeseen events. Section 2, I want to assess the insights into vehicle performance during disruptive events in South Africa, Gauteng province. Section 3, is where I am providing you with an opportunity or where we discuss or give feedback that you think we need to take attention to it so we can be able to address unforeseen circumstances in future.

Participant 1: Okay.

Miss Tebogo Mqwathi: If I speak too fast, please stop me. I know I tend to talk more quicker.

Participant 1: That is all good.

Miss Tebogo Mqwathi: Allright, so I am sure you are looking at the questionnaire now. So now I am in the background section. The first question would be, could you please provide a brief description of your work activities and what they entail?

Participant 1: Okay, so basically, it is the management of the new car sales department, which entails the marketing aspects, the admin aspects and also the sales side of it. So

managing the sales team with regards to their sales funnels, their sales activities and so on, and also streamlining or facilitating the marketing from the dealership side and then liaising between our head office as well as with our manufacturer, Nissan South Africa, in terms of reaching our sales goals and sales targets.

Miss Tebogo Mqwathi: Allright, so the vehicles you are dealing with, the new vehicles, is it the commercial vehicles or does it involve buses?

Participant 1: Basically it would be passenger vehicles for Nissan as well as light commercial vehicles. Light commercial vehicles only include your single cab bakkies and if you have them, panel vans and that sort of stuff. Currently, with Nissan, we have a mix of both. So we have light commercial vehicles and we have passenger vehicles.

Miss Tebogo Mqwathi: Allright, great, because I am interested in the light and passenger. That is awesome. Allright, thank you for that Wynand. Could you please elaborate on the following: How many years of automotive sales experience do you have?

Participant 1: I have a decade's worth of experience with Nissan.

Miss Tebogo Mqwathi: Is it the only automotive company for which you have worked?

Participant 1: That is correct.

Miss Tebogo Mqwathi: Ohh great. How would you describe your sales philosophy?

Participant 1: I believe in providing a client with all the necessary information to make an informed decision with regards to their vehicle purchase and also to provide every single client with a personal solution with regards to their transport problem, let us call it that. So that is kind of my philosophy to kind of engage with the client on a personal level

while being able to provide them with all the required information in a professional manner.

Miss Tebogo Mqwathi: Allright, Okay, thanks for that. What is the success rate of your sales efforts?

Participant 1: Well, I have been here for 10 years, so it is fairly good.

Miss Tebogo Mqwathi: In terms of percentage, are you going up? Are you going down? Have you seen any fluctuation maybe?

Participant 1: Well Tebogo, that is a tricky question to answer in light of all the disruptions that we faced over the last couple of years. So volume is definitely down due to supply chain issues. However, profitability is up because we did not have a lot of stock volumes to sell in the last call it up to July. For about a year and a half to 2 years, we had minimal stock, so we had to rethink our actual methodology in terms of how we transact. So going over 10 years I cannot really tell you that it has gone up. It has gone up in certain ways, but it has also gone down in certain ways and it fluctuates. So it is difficult to answer that question in a sense.

Miss Tebogo Mqwathi: Yes, allright, no problem. But then I will take it as you are saying, it is good in your 10 years experience.

Participant 1: Look, I mean, otherwise we will not be here.

Miss Tebogo Mqwathi: Yes, allright, thanks Wynand. Okay, so in the next section, we are going to determine the factors that affect automotive sector sales performance in South Africa, Gauteng, during disruptive events. The first question under that section would be, can you identify any disruptive events that have impacted sales performance from your perspective?

Participant 1: Yes definitely. There have been quite a few over the last couple of years as we have mentioned. So firstly, I mean the big one would be COVID and lockdowns naturally affected us quite heavily. However, we only started feeling the brunt of that effect quite a bit after COVID concerning supply chain issues. So the key issue that we are still facing and are going to face for the next year or so is your semiconductor shortages. That definitely has a large impact on the vehicles that we do get, the stock levels that we do have as well as the time it takes to get the vehicles because the supply chain worldwide has kind of been thrown on its head. So we do suffer concerning that. Not only that, but recent events in South Africa have also hampered our ability to sell. If you think about the looting and stuff that happened in KZN as well as the flooding, the recent strikes affected us as well, and also Transnet hacked a couple of months ago in terms of their systems and so on. So all these types of things affect how we do business because it directly affects or impacts how quickly we can get vehicles or if you want to put it the other way around, how long delays we are faced with before we can actually get vehicles or then not get vehicles because what we've seen is that we'd have a forecast from a manufacturer that they would build a certain amount of vehicles for a specific month and then due to disruptions those numbers have been reduced within a month by up to 60%. So where they initially said they build for example 1 100 MP200s, they end up building 450 to 500. So that has a major impact on our ability to deliver to our clients. I mean, we were at one point delivering, I think about 120 days in arrears. We were trying to supply vehicles to clients that have ordered vehicles.

Miss Tebogo Mqwathi: Wow, that is very insightful. Thank you for that. Okay, having said that, could you please describe how these events affected your sales results?

Participant 1: So briefly, I think the biggest change with regards to sales numbers and so on is that the sales numbers naturally went down in terms of volume because naturally, we have less stock, but also where we used to fight tooth and nail to do a deal and where we historically were much more readily willing to give away margins on vehicles, which

became a thing of the past. So only having 20 cars means that we are going to sell those cars at full price or full retail price without having to discount the car. So that is the major change that we have seen in the business over the last couple of years with all the disruptions that we have had, less volume but more profitability per unit.

Miss Tebogo Mqwathi: Okay, allright, I know you said you have 10 years with Nissan so far. The next question is about the 2008 economic recession. I would like to know how it affected your sales, but to your knowledge, I am thinking you were not into automotive by then, but probably you can share some knowledge in that judging from your experience.

Participant 1: Well, look, I mean, I missed the 2008 one, but I am sure there was if I am not mistaken, a recession again in roundabout 2015 that we faced. I got into this industry roundabout 2011. So look, in all honesty, we have been in a recession forever if you look at it like that, but I think the most economically wise, is where you would see something like if there are talks of a recession, people tend to hold onto their money a little bit longer before making that decision to purchase a vehicle. We can see the same when the repo rate jumps up and down. So when there are talks about an increase in interest rate, naturally there will be a couple of weeks to a month or 2 worth of hesitancy from consumers in terms of making that final decision or giving a go-ahead to actually purchase. And I think the same is true when there are talks of a recession, people tighten their belts and will not necessarily spend so easily. So from a retail perspective, I think where you see that the most are in your private market. So your individual purchaser, whether it is a family car or so, might hold onto their current car for an additional year or 2 when there is a bit of uncertainty. It is not so much the case always with business clients because they use those vehicles to do their business, and once the vehicle gets to a certain age their business model might require them to change that vehicle. Small businesses might also hang onto their vehicles a bit longer and hang on to their cash flow a bit longer.

Miss Tebogo Mqwathi: Yes, these disruptive events. Okay, thank you. We touched base on COVID and some of the questions up there, but for the sake of this question, could you please comment on the effect of COVID-19 on automotive sales performance?

Participant 1: Well, I would not say that we were impacted, apart from lockdown and not being open for that section of time, we were not, there were a couple of things that had to change. So there was a lot of hesitancy, especially from private buyers, with regards to coming into the dealership, and hesitancy doing test drives in the vehicle due to sanitising requirements. We had to adopt quite a few new practices and principles about being compliant in terms of health and safety standards, being able to make sure that our clients knew that they would be safe and healthy to come and test drive our cars and so on. So yes, it was quite a bit of adaptation in terms of how we did business. But initially, I would not say us as a dealership *per se*, I know that there are dealerships out there that struggled quite a bit. We were fortunate enough that our business was not as heavily impacted immediately after COVID. We started only feeling the crunch a bit later due to semiconductor shortages and so on. But yes, there was quite some uncertainty for quite a while from buyers, yes.

Miss Tebogo Mqwathi: Okay. So since the COVID-19 pandemic restrictions have been lifted, have you observed any difference in car sales?

Participant 1: Well, yes. Not that COVID initiated this whole thing, but there has always been a push for the last call it 5 to 10 years, there has been a heavy push to what they call a digitised, a digitalisation in terms of vehicle sales where you can have the same kind of experience from a digital perspective in terms of your buying process versus your physical dealership process. So there has been a big drive to digitize a lot of the systems so that you have the option: I can come to the dealership and buy a vehicle, but I do not have to, I can always sit at home and do my entire purchase online. So that is a big push that has kind of been accelerated by COVID due to the fact that we needed to start doing business a little differently. So there is a lot of drive in terms of being able to have a virtual

showroom where people can log onto the website and move through your vehicles, and see what your dealership looks like without actually having to come in. So that is a big movement that has been accelerated by COVID especially.

Miss Tebogo Mqwathi: Okay, so are you saying people no longer want to come to the dealership and kick the tire and then walk around the car?

Participant 1: Yes and no. So you will always get people that want to come in. But look, I mean, over the last 10 to 15 years online sales have tremendously increased. I mean, if you look at Takealot and all these types of platforms, that is where the world is going. I mean, 50% of people want to buy online, 50% of people want, I am just guesstimating, I am not saying that is the figures, but you get certain people that want to buy online, certain people that want to buy in person. And I think over the last couple of years, it has increased tremendously to the point where we as an automotive industry need to adopt those practices as well.

Miss Tebogo Mqwathi: Okay, allright. So I think the next point, the looting turmoil in July 2021 in KZN and Gauteng, I think we did talk about it a little bit but let us just see, have you observed a difference in sales performance at your dealership in response to that turmoil in July?

Participant 1: Well yes, a little bit because our stock was delayed. So our import vehicles, that means the vehicles that we import from other factories around the world, which includes a lot of our passenger vehicles, docks in Durban. So with the looting and everything, the carrier services were not operational due to fears of looting and truck burning and so on. So there was a bit of a stock shortage and a stock delay in receiving stock while that was going on.

Miss Tebogo Mqwathi: Okay, wow, yes that was terrible. Allright then. And the next section, let us try to assess the insights into vehicle performance during these unforeseen

circumstances in South Africa. It is just one question under that, it is the second last question. What lessons have you learned about car sales as a result of these disruptive events?

Participant 1: It is difficult to think about something in particular. I think it has basically just honed our ability to be a little bit more flexible and also a little bit more adaptable because I think that one of the biggest concerns or one of the biggest issues that have come up about the supply, especially the supply chain disruptions in terms of getting stock, how much you are getting, when you are getting it, that sort of stuff, has led to a point in our business model where it was very stop-start. So if you do not know what you are getting and if you do not know what volume you are getting and when you are getting it, and sometimes you get this month and not next month and so on, it kind of puts you in a position where you cannot properly fulfil your different roles and your functions that you need to do. So marketing, for example, you cannot properly market something because you do not know whether you have those units next month or not. The same thing to pipeline management, you cannot really manage your pipeline in terms of stock if one month you are getting this and the other month you are not getting any. And also your customer management suffers because if there is no transparency with regards to what is going on and when the vehicles will be coming and what are the delays and so on because there were so many different disruptions all along the supply chain, it makes it difficult to keep your customers informed as well. So I cannot think of a specific new lesson that was learned, but it allowed you or allowed you to have to focus on certain aspects of your business differently or view various aspects or different functions in your business in a different way to adapt your functionality.

Miss Tebogo Mqwathi: Okay, so if I am hearing you correctly, you are saying during these disruptive events you had an opportunity to enhance your operational strategy, for example in terms of your inventory, and you had an opportunity to enhance your digital platforms as well?

Participant 1: Definitely, yes. It is not just even an opportunity, I mean it was forced on you without you having a choice really.

Miss Tebogo Mqwathi: Okay, I get you. Allright, so the last question Wynand, this is about giving feedback actually, how would you suggest the automotive industry curb the impact of any future disruptive events on their sales?

Participant 1: It is really difficult. We are well-geared to manage whatever disruptions we face. I mean in the end, there is only so much that we can do. So as an example, if there is a specific part on back order that does not allow your manufacturer to complete the build of a specific vehicle, there is not much you can do about that. And the most important thing is transparency between not just yourself and your customer or end user, it is the entire system. So transparency between the manufacturer, retailer, which is us the dealer, and then your end user or customer so that nobody is left in the dark when disruptions do happen.

Miss Tebogo Mqwathi: Yes, allright, I like that idea, I think it will work. I am thinking of myself as a customer. Allright. Wynand, we have reached the end of our interview now. Wow, we took 21 minutes, which is great.

Participant 1: That is good.

Miss Tebogo Mqwathi: Allright, I just want to thank you for your participation. I really appreciate it. And supporting my dissertation.

Participant 1: That is a pleasure.

Miss Tebogo Mqwathi: Once I am done, I do not know when, I will share the paper with you so you can see what I am suggesting or what the paper is all about. I think it can add some insights into the automotive industry.

Participant 1: Thank you so much.

Miss Tebogo Mqwathi: Have a lovely afternoon.

Participant 1: You too.

Miss Tebogo Mqwathi: Cheers, bye-bye.

Participant 1: Bye.

ANALYSING THE IMPACT OF DISRUPTIVE EVENTS ON THE PERFORMANCE OF THE AUTOMOTIVE INDUSTRY SALES IN GAUTENG, SOUTH AFRICA

Miss TH Mqwathi (33448094) under the supervision of Prof Hein Prinsloo

PARTICIPANT 2
10 NOVEMBER 2022

Miss Tebogo Mqwathi: Okay, I am recording now. Allright. So, before we begin the interview, I would like to get some info from you. If you look at the top of the questionnaire, you can see that there are some questions that I need from you. Firstly, let me tell you the purpose of this meeting before I get into the interview. My name is Tebogo Mqwathi. I am studying MBA at Northwest University. This is my last year. So, this meeting is about my dissertation. This part of the dissertation is to complete field work, which is the data collection, which is what I am doing right now. So, I am trying to analyse the impact of disruptive events on the performance of sales in the automotive industry in Gauteng specifically, in South Africa. Is that clear Prinesh?

Participant 2: Yes, that is fine. Thank you.

Miss Tebogo Mqwathi: Allright, now let us begin. Could you please state the dealership name that you work for?

Participant 2: It is Motus Nissan and Renault Menlyn.

Miss Tebogo Mqwathi: Are you dealing with new car sales or commercials?

Participant 2: I am in the pre-owned department.

Miss Tebogo Mqwathi: Thank you for that. Okay, and then, what position do you hold in the organisation?

Participant 2: I am the pre-owned sales manager.

Miss Tebogo Mqwathi: I will fill in the interview date. So, I have sent you a consent form that needs to be signed and sent back to me, but the one I provided on the e-mail request was not signed by my professor. So, when we are done with this meeting, I will send you the one that you need to sign via e-mail. I would really appreciate it if you can return it to me.

Participant 2: No problem.

Miss Tebogo Mqwathi: Allright, so the meeting will take less than 30 minutes, I hope so, and it consists of three parts. In section 1, we are trying to determine the factors that affect the automotive sector's sale performance. The second section is to get insights into vehicle sales performance during these unforeseen events in South Africa. The third section would be to provide some suggestions or feedback as to how can we curb these

unforeseen circumstances that affect sales in future. Allright, if you feel I speak too fast Prinesh, please stop me.

Participant 2: No, that is fine. Thank you. I can hear you.

Miss Tebogo Mqwathi: Okay, we are going to start with the section on the background. The first question I am going to ask you is, could you please provide a brief description of your work activities and what they entail?

Participant 2: Okay, so basically, I am a used car sales manager. I manage the pre-owned vehicles, the demo vehicles and all your training that comes through from your new car department and the used cars. I currently have 5 sales executives under me. I have an admin lady that is also under me and a recon ??? that is under me. That entails my department. So the daily operation of our department is obviously selling pre-owned vehicles. Ideally, I must be very competitive with the pricing of the vehicles that we sell. And your brand. We have different platforms that we advertise on. We have to make sure that our vehicles are always up to date and advertised on Internet platforms to generate Internet leads.

Miss Tebogo Mqwathi: Okay. And then how many years of, sorry to cut you Prinesh, how many years have you been in this pre-owned sales vehicles department?

Participant 2: Look, I am in the industry since 2005. And I am a sales manager since 2013.

Miss Tebogo Mqwathi: Okay, so you worked in different roles. Okay, allright. Thank you for answering that question. Let us move along. Could you please elaborate on the following: How many years of automotive sales experience do you have? I think you have answered that, you said from 2005, am I correct?

Participant 2: Correct.

Miss Tebogo Mqwathi: Okay. And then how would you describe your sales philosophy?

Participant 2: Description. Well, look, we obviously want to give our customers the best deal possible and obviously a good quality vehicle. We do not actually want to sell cars that are not of a good standard with good mileage and conditions. But we try our utmost best on the older cars to try and get them up to standard. But my philosophy is your integrity and your honesty to a client.

Miss Tebogo Mqwathi: Do you also consider customer unique products for certain customers?

Participant 2: We are in the Renault and Nissan franchises. So ideally a customer that wants to buy a Nissan Renault will come through, but also as I explained to you on Internet sales. Obviously, in pre-owned we keep a vast variety of other cars.

Miss Tebogo Mqwathi: What is the success rate of your sales efforts?

Participant 2: We have a target that we need to reach monthly and generally we get there. Sometimes we do miss out by 2 or 3 vehicles but generally, we get there. Obviously, we have a budget in our business for each department and sometimes we get to budget and sometimes we do not.

Miss Tebogo Mqwathi: Okay, so would you say it is fluctuating or are you going up or are you going down?

Participant 2: After COVID there was a shortage of new vehicles because of the components to manufacture vehicles, and there were a lot of stock shortages and backorders on vehicles. So, I think the pre-owned department had boomed at that time.

We are paying more for cars than they are worth and selling them. So obviously we were very profitable at that time. And obviously, when the stock is short the price is obviously more. In a couple of months now, things have returned to normality where cars are coming through on the new car department. So, you must obviously adjust to that now and get your prices in line and stock in line as well.

Miss Tebogo Mqwathi: Okay, allright. Thank you, Prinesh. Let us move along to the section where we are trying to determine the factors that affect the automotive industry sales performance in Gauteng, South Africa. Could you please identify any disruptive events that have impacted sales performance from your perspective?

Participant 2: The interest rate is an issue now, and it is going up a further point I think. Compared to somebody that bought a vehicle last year, their interest rate was at 7.25 and it has gone up to 9.75. So, there is a big jump. Previously if you were buying the car for R3 500, it has probably gone up to R5 500.

Miss Tebogo Mqwathi: Sjoe, that sounds painful, Prinesh.

Participant 2: Interest rate, obviously loadshedding because robots will be off, and people do not want to go out when it is loadshedding.

Miss Tebogo Mqwathi: True.

Participant 2: So, they are staying indoors and to get to places sometimes when it is loadshedding is going to take you some time because of travelling time. The major thing now is the economy. People's salaries are not increasing according to the fluctuation of the interest rate as well as the economy. If you look at your normal groceries, the prices have gone up, but you get your normal increase per annum as per the motor industry.

Miss Tebogo Mqwathi: Absolutely, I agree with you on that. Now, having said that, would you describe how these disruptive events affect your sales results if so? Please let me know if you would like me to put more context into the question.

Participant 2: People are obviously feeling the pinch of all these types of things, and they are going to be cautious about spending money and buying vehicles.

Miss Tebogo Mqwathi: So would you say because of things like interest rates going up, some people can downgrade their cars, some people can sell their cars and opt for other options or other means of transport instead of having that car, you are paying R5 000 versus paying R3 000?

Participant 2: Yes, people are using Uber, carpool, and train.

Miss Tebogo Mqwathi: Okay. So, in 2005, you said that is when you started with sales, and in 2013 you moved to sales in the pre-owned department. How would you think or what would you say how did the 2008 economic recession affect the sales to your knowledge?

Participant 2: At that time, obviously, we were in the same boat that we are in now. Obviously, we just have to ride the wave and just hope for the best. That is what we are going to do.

Miss Tebogo Mqwathi: If you can remember, did you see sales dipping down or what was the sales performance indicator by then? Did you see them going down?

Participant 2: The sales were taking a knock at that time, but we did not have a break in the interest rate at that time. We had a low-interest rate and then it just hiked drastically. And the economy in 2008 was not as bad as it is now.

Miss Tebogo Mqwathi: Okay. So, we have talked about the recession and the economy. Let us talk about the current monster that we have right now. Could you please comment on the effect of COVID-19 on auto sales performance? What effect did COVID have on the sales performance in the automotive industry?

Participant 2: We were obviously closed for like 2 to 3 months. And obviously, it impacted a lot of businesses and people themselves. A lot of businesses had to restructure themselves. A lot of people lost their jobs with retrenchments. It took some time to get back and when you got back, it was gradually starting to increase the sales and pick up back to normality. But I think the most part was the restructuring of a lot of businesses. Most of the private businesses could not sustain them, so some of them closed as well.

Miss Tebogo Mqwathi: Would I be correct by saying some of the factors that affected the automotive industry could be employment, could be restrictions probably or business being liquidated?

Participant 2: You can say restructuring of businesses. Obviously, it is cost-cutting for a business. So, where they have extra hands, or their business has shrunk and they have extra people, they will obviously have to change stuff. So, you can say restructuring or even resizing a business.

Miss Tebogo Mqwathi: Yes. Okay. So, since the COVID-19 pandemic restrictions have been lifted, have you observed any difference in car sales results?

Participant 2: It picked up when we started getting back into the groove of selling. So, it has picked up, but there are also challenging months like last month, this one. It is a bit challenging now.

Miss Tebogo Mqwathi: Okay, allright. Let us talk about the looting turmoil that happened in July 2021, specifically in KZN and Gauteng. Have you observed a difference in the sales performance at your dealership in response to this looting turmoil?

Participant 2: I do not think we were much affected up in Gauteng as much as KZN was. When I speak to some of my colleagues down in KZN, they are struggling now compared to Gauteng.

Miss Tebogo Mqwathi: Allright. So just to put some insights into it and I am speaking from your knowledge from your networks or your colleagues, how were they affected by this looting turmoil? Were cars stolen? If you could just share some insights on that just in general.

Participant 2: The ex-company that I used to work for down in KZN, had one branch that was looted where vehicles were actually damaged, and parts were stolen from the vehicles. The whole dealership was vandalised.

Miss Tebogo Mqwathi: Yes, that was hectic.

Participant 2: But it depends on which areas the dealerships were located at.

Miss Tebogo Mqwathi: Okay, thank you. Let us move to the next section where we are going to assess insights into vehicle sales performance during these unforeseen circumstances. This is your second last question. What lessons have you learned about car sales because of these unforeseen events or disruptive events?

Participant 2: I think we always must have a backup plan or Plan B. So obviously you have to have a strong marketing department that is going to assist you with marketing your business.

Miss Tebogo Mqwathi: Yes.

Participant 2: I think that is the most important thing, getting your business marketed.

Miss Tebogo Mqwathi: Okay. So, have you learnt anything in terms of technology?

Participant 2: If you go back to the years I started, social media, I think, has become the most powerful tool now for selling vehicles. Internet websites, Facebook, Instagram. Even Google ads as well to drive people to your dealer.

Miss Tebogo Mqwathi: Okay. And in terms of digital transformation, I am looking at your marketing, people could not come to your dealer and be kicking tires and all that. In terms of digital transformation, did these disruptive events find you ready or did they enhance your digital platform, or were you on top of your digital transformation?

Participant 2: Look, we were on top of our digital transformation because we obviously have a big marketing department that manages our marketing and they are up to scratch and speed with stuff. Most of your customers now are shopping online.

Miss Tebogo Mqwathi: Yes.

Participant 2: Obviously, they look at the car on the website and then some of them will drive to you and come and look at the vehicle or some will put an inquiry through and then you contact them.

Miss Tebogo Mqwathi: Okay, that is awesome. I am happy to hear that you guys were ready. Let us move on to the last section, which is providing an opportunity to give feedback. So, I am allowing you to give feedback. The last question to you Prinesh, is how would you suggest the automotive industry curb the impact of any future disruptive events on their sales?

Participant 2: It is hard to say, if we go into another lockdown when businesses are obviously closed, then you are not going to be allowed to sell cars. I think if they do allow you, you have to have a digital showroom. An online showroom where people can go and click on a vehicle that they want. We have that now. So, you can go and click on a vehicle that you want. There is an option for you to do your finance as well online.

Miss Tebogo Mqwathi: That is awesome. That is great.

Participant 2: So, everything is going digital.

Miss Tebogo Mqwathi: This is just a bonus question: Do you think the age factor is factored into digital sales? Do you think old people do not do that in your observation or do old people still want to come and touch the car, or is it the millennials that are simply happy to buy online?

Participant 2: Look, you are looking at ages from 25 to 45, 50, that will do that, but the older generation people obviously still want to see, feel and touch a vehicle.

Miss Tebogo Mqwathi: Okay, I get you, I understand. My mother's like that with her banking. Prinesh, we have reached the end of the interview. It was quite impactful and insightful. I really appreciate your time and your participation in this. It will really add so much value to my dissertation. Thank you for taking the time in your busy schedule and assisting me with this. I really appreciate it. Also, one thing I want to say is I will share the paper, I do not know if you like reading or not, but nonetheless, I will share the paper with you once it is done. I will be sharing some suggestions that I have.

Participant 2: No problem.

Miss Tebogo Mqwathi: Allright, thank you so much Prinesh, I really appreciate your time. Have a lovely day.

Participant 2: You too, thank you.

Miss Tebogo Mqwathi: Could you please remember to send the signed consent form? I am going to send it to you right now.

Participant 2: No problem. You can send it now, and I will send it during the day.

Miss Tebogo Mqwathi: Okay, no problem at all. Thank you so much. Have a lovely day.

Participant 2: You too, thank you. Bye.

Miss Tebogo Mqwathi: Bye.

ANALYSING THE IMPACT OF DISRUPTIVE EVENTS ON THE PERFORMANCE OF THE AUTOMOTIVE INDUSTRY SALES IN GAUTENG, SOUTH AFRICA

Miss TH Mqwathi (33448094) under the supervision of Prof Hein Prinsloo

PARTICIPANT 3

10 NOVEMBER 2022

Miss Tebogo Mqwathi: Okay, I am recording now. Allright, let us get to it. Firstly, my name is Tebogo Mqwathi, I am currently enrolled at Northwest University, Business School completing my MBA this year by God's grace if I pass.

Participant 3: Great stuff.

Miss Tebogo Mqwathi: So the purpose of this meeting is for my data collection. So, I need to collect data from experts like you who work in the automotive industry. The main purpose of this is to analyse the impact of disruptive events on the performance of sales in the automotive industry in South Africa, Gauteng to be specific.

Participant 3: Okay, I am in Cape Town.

Miss Tebogo Mqwathi: Okay, but you sold cars in Gauteng at some point?

Participant 3: No, I am a Capey, born and bred. But what happens in Johannesburg does affect us down here, so I will be able to.

Miss Tebogo Mqwathi: Yes, I am sure of that. Allright, so, I am going to ask you a few questions that I need you to give me some info about you. So which dealership are you at?

Participant 3: Motus Renault Parow.

Miss Tebogo Mqwathi: Allright. And what is your position in the organisation?

Participant 3: I am a sales manager.

Miss Tebogo Mqwathi: Okay. Interview date. Okay, one more thing, on the meeting request there is a consent form that I would like you to sign for me and return to me. The purpose of that is to say you read the consent form, that you can withdraw anytime, and it will be kept for how long and it is going to be used, blah, blah, blah, blah, blah. Those conditions we have there.

Participant 3: Yes.

Miss Tebogo Mqwathi: Okay. So, this interview is going to take 30 minutes, but in my experience, it takes less than that. So, we have 3 sections. The first section is to determine the fixtures that affect the automotive sector sales performance in South Africa.

Participant 3: Yes.

Miss Tebogo Mqwathi: And for unforeseen circumstances. And the second section, we are trying to determine insights into the vehicle sales performance during these unforeseen circumstances. The third and last section would be to provide an opportunity to give feedback as to how you think or suggest we can curb these unforeseen circumstances in future. Allright. So, let us begin with the first question or the first part, which is the background. Richard, could you please provide a brief description of your work activities and what they entail?

Participant 3: Okay. I obviously must manage staff and manage stock, manage sales and make sure all 3 work together properly.

Miss Tebogo Mqwathi: Okay, how big is your team, if I may ask?

Participant 3: 4 salesmen and a driver and myself.

Miss Tebogo Mqwathi: Okay. Allright then. Could you please elaborate on the following: How many years of automotive sales experience do you have?

Participant 3: 33 years.

Miss Tebogo Mqwathi: My goodness, Richard, 33 years.

Participant 3: Yes, I started in 1989 in the military as a salesman.

Miss Tebogo Mqwathi: I was a baby then. Well done, man. That is great. Wow. You are full of insights; I am so happy.

Participant 3: I can tell you some stories about this trade.

Miss Tebogo Mqwathi: Okay, so how would you describe your sales philosophy in these 33 years?

Participant 3: My philosophy regarding sales is always to listen to customers. Analyse their needs. Qualify them. Always be open, honest, and helpful. And most important, generate revenue for the company.

Miss Tebogo Mqwathi: Allright. And get some incentives, right?

Participant 3: Correct yes and earn a living.

Miss Tebogo Mqwathi: Allright. What will you say is the success rate of your sales efforts?

Participant 3: Over the years it fluctuates. Over the years many things have changed in the motor trade. When I say one of the biggest things I must do is embrace change. Motor trade in the olden days, when I say olden days I mean early 1990's, there was not much change, you carry on doing everything, but certain things started being implemented, laws and governance and things like that, and you must adapt to that and change your ways. So, I would say that is the most important thing – that I have been able to change with the times. Guys who are non-successful and I am talking about the older generation now, could not adapt to change and obviously fell out of the boat and what not. So yes, I would say my ability to embrace change is my biggest success in what I do.

Miss Tebogo Mqwathi: Okay, understood. So, we will get into that at a later stage, we will break it down a bit. So now let us move to the second section where we are determining factors that affect the automotive industry sales performance in South Africa during disruptive events.

Participant 3: Yes.

Miss Tebogo Mqwathi: The first question there would be, can you identify any disruptive events that have impacted sales performance from your perspective?

Participant 3: I will not say the most disruptive thing that has happened in my career, but the last 3 years have been challenging. I would say more political events like 2021 with the riots in Durban. That affected the motor trade a lot, and not just us. I would say nature as well has affected us, the floods in Durban. Now obviously the riots and the floods are all in Durban and Durban is where we get our cars. When Durban shuts down, there is no way of Johannesburg, Cape Town, or anybody getting stock, the stuff is stuck there. A lot of people would say COVID had an effect. To me personally, yes, there was not an effect, but not for a long period. It did put people on the back foot. A lot of people lost their jobs. A lot of people's incomes were reduced. But as soon as we started getting out of that lockdown, which I would say about 3 or 4 months after 100% lockdown, we started recovering quickly.

Miss Tebogo Mqwathi: Okay, allright. Having said that, could you please describe then how these disruptive events affected your sales results if so?

Participant 3: Okay, well, it did, especially the strikes and the floods. We just could not get stock, so obviously our sales dropped. We were doing about 50%/60% of what we should have been doing. But yes, I imagine not just Cape Town, but Johannesburg was affected as well big time by it.

Miss Tebogo Mqwathi: So it was mainly the shipping of stock or the value chain was impacted in your operations?

Participant 3: Correct yes. So, with the riots, with the floods, the same effect. The boats obviously could not offload the stock. Now recently we had the Transnet strike, which affected us too, we could not get our stock, but luckily those strikes are short-lived, and it will affect us by 2 weeks in a month. So, it is easy to recover. The floods on the other hand were a little bit longer because roads were damaged, and the carriers could not bring the cars up and down.

Miss Tebogo Mqwathi: Okay, I understand. Allright, thanks, Richard. Now let us talk about the economy. I am glad you have been there for 33 years. How would you say the 2008 economic recession affected automotive sales to your knowledge?

Participant 3: At that stage, I was at Mercedes-Benz in George. It affected us big time. I think if I can remember back that far. Yes, I landed up having to leave George and returned to Cape Town because obviously George is a holiday destination and when people do not have money, they do not buy cars. So, I had to relocate back to the city centre to get more business. Yes, but it had quite a big economic effect on us.

Miss Tebogo Mqwathi: Okay. Would you say then people downgraded cars or people bought cheaper cars during the economic recession? How did it affect the sales? Is it because people returned their cars or people were not paying, and therefore their cars had to be repossessed or people were just not buying anymore because they are trying to tighten their pockets?

Participant 3: Thinking back now, in 2008 people just stopped buying completely. What I have noticed since COVID is people buying down and the price of fuel that is gone through the roof, people are now downscaling. At that stage, no, people just stopped buying completely.

Miss Tebogo Mqwathi: Okay, I see. Allright. I hear you touching base on COVID. The next question is could you please comment on the effect of COVID-19 on automotive sales performance?

Participant 3: Obviously, it did effect. But like I said earlier, it was not a long-lasting thing. If you looked at annual sales, yes, it affected all dealerships, all corporations where we had that 2 or 3 months of absolute shutdown. The automotive industry was lucky during that lockdown period that we were granted status by the government, we had passes to remain open and carry-on trading. I forgot the name of it now.

Miss Tebogo Mqwathi: I get what you mean, you were given a go-ahead or a permit to actually open stores.

Participant 3: Normal retailers like furniture shops were not given that. The motor trade was given that because obviously, we had to service and maintain crucial services' cars and things like that. In that same thing, we were allowed to retail cars as well. It was challenging. People were not allowed to drive around and buy cars. So, we converted quite effectively to a better digital system and concentrated on digital marketing and communication with people. We were also permitted to go to customers' houses. We were in lockdown in March, hey? April already we were allowed to go and sell cars to people. So, it did change the salesman's and the sales manager's jobs. We had to work a lot harder, but we did. That is why I say it did not hurt us the way a furniture shop or a non-critical company would have been affected.

Miss Tebogo Mqwathi: So talking about digital transformation, would you say your digital strategy was in place at the moment when COVID hit us or did it enhance your digital strategy or you had to put up a digital strategy from scratch?

Participant 3: The digital strategy has been there many years since it existed. We had to just sharpen ourselves. So, our digital platforms were all in place and had been for many years before COVID because it is the way the world's moving. That initial contact people want to be done via social media or digital content. We just had to sharpen ourselves up to do the leg work a little bit harder.

Miss Tebogo Mqwathi: Okay, I understand.

Participant 3: We did not have to improve our systems at all.

Miss Tebogo Mqwathi: Okay, that is good, you guys were ready. So, at some point, the COVID-19 pandemic restrictions were lifted. Have you observed any difference in car sales results?

Participant 3: Yes, we went back to where we were before. If anything, we have improved from our side, that is from Renault's side. Our market shares have increased. Our units that Renault sells have increased post-COVID.

Miss Tebogo Mqwathi: Okay, that is awesome though. So now we spoke about the looting turmoil in July 2021 which was in KZN and lightly in Gauteng. In your opinion have you observed any difference in sales performance at your dealership in response to that looting, on this question, now that you mention that it did not happen in Cape Town, I am relying on the fact that you do have colleagues that are in different branches, and you are in an executive team. So, you heard how they were affected. Do you have any comment on that?

Participant 3: It affected the whole country. As I said because the supply chain was broken. That looting was quite hectic because it was not just looting, there were another couple of strikes after that in Durban. So, I would say for a good month or so our supply chain from Durban which feeds the whole country was affected. So, if I say how did that affect us, it was harsh. Because all our cars are imported. But even companies like

Toyota, their factories in Durban which were partially destroyed in the floods as well, had to shut down. Durban is our hub for the motor industry. If something happens there, like the looting, like the floods, like the strikes, that is the place it starts, the whole country is affected.

Miss Tebogo Mqwathi: Yes, that was a very terrible thing to watch. Allright Richard, let us move into assessing the insights into sales performance during these scary unforeseen circumstances. This is your second last question. What lessons have you learned about car sales because of these disruptive events?

Participant 3: It is difficult because like I said, we change monthly. So, it is not just disruptive events, we must learn lessons every month through anything. Like the smallest thing, fuel price increase, the Rand Dollar, all that, it affects us monthly. I would say the lesson I have learned is to be more resilient. We as people must be more resilient. So, if I go back 10 or 20 years ago, something big happened, everybody will go what now, we do not know what to do. We crawl away, hide away and hope it goes away. What I have learned with disruptive events, be it looting, be it COVID, or whatever, I think we have become more resilient, and we react quicker. So COVID obviously came before the looting or just after, the looting came just after COVID, but COVID shook us up. So, when the looting happened, we were already on the ball when it comes to responding to disaster or disruption.

Miss Tebogo Mqwathi: Okay, great lessons I hear. Thank you. Richard. Let us move to the last section which is your last question. This section tries to determine or get feedback or suggestions on things that we can bring to attention and understand how we can curb this. So, my question to you is, how would you suggest the automotive industry curb the impact of any future disruptive events on their sales?

Participant 3: It is a bloody difficult question. That one is so difficult. The industry and any other industry for that matter, must not forget what happened with COVID and with

the looting and stuff like that. The problem is we forget too soon about bad things that happened. And when they reoccur, we have forgotten about it and moved on and we cannot react quickly enough. So, I think the industry must always stay on its toes and expect the worst. Now, and I will say especially in this country, there are a lot of things affecting us, the loadshedding, things are going a little bit rough now. People are being retrenched in some companies, not ours, but things are getting tough. We just have to push through. I would say resilience and being determined and being aggressive is the only way that we can counteract anything that comes our way. How do you suggest the automotive curb the impact of future disruptive events? We cannot exactly tell the motor industry to close down the Durban Harbour and start using Cape Town Harbor because we do not have disruptive events here. It is not going to happen. So, it is very difficult to have a plan for them to implement. I do not know. A lot of things must change in this country. Everybody knows about loadshedding. It has become a way of life for us now. We all live with it. We can jump up and down. We can scream at the ANC. We can scream at Eskom. It is not helping. So, it is a matter of just having to be prepared and be tough when things like this happen, and they will happen, and we can battle through it. There is no suggestion I could make to them to curb the impact; it is impossible I would say. It is not like they say okay guys, we start importing more cars and then store them in places where you do not have disruptions. That is not going to happen.

Miss Tebogo Mqwathi: Okay, thank you for those suggestions. I love resilience and begin aggressively and pushing forward all the time. That brings us to the end of our interview, Richard. I would like to thank you for participating.

Participant 3: I hope I was of assistance.

Miss Tebogo Mqwathi: Yes, of course, you were. I really appreciate it. It brought so much insight. Plus, your experience helps a lot as well because you can talk about 2008. It is so much additional insight for me. So, what is going to happen from now on is I am

going to transcribe this and do my analysis. With God's grace, if I am done this year, I will share the paper with you just for reading, if you like reading.

Participant 3: I completed my degree in 2020, just before COVID. I know you are doing a master's, it is a bit different, so I know what this is about.

Miss Tebogo Mqwathi: Yes, you do, quite challenging, I am telling you.

Participant 3: It is yes.

Miss Tebogo Mqwathi: Allright Richard, thank you for your time and do have a lovely day. Please remember to sign the consent form and send it to me.

Participant 3: Yes, I will do that.

Miss Tebogo Mqwathi: Allright. Have a lovely day further. Thank you so much.

Participant 3: What is the e-mail address again?

Miss Tebogo Mqwathi: It is tebogo.mqwathi@firstrand.co.za. I will send you a blank e-mail.

Participant 3: Great. Okay Tebogo, thank you, good luck hey.

Miss Tebogo Mqwathi: Thank you so much, Richard.

Participant 3: It is a pleasure. Bye.

ANALYSING THE IMPACT OF DISRUPTIVE EVENTS ON THE PERFORMANCE OF THE AUTOMOTIVE INDUSTRY SALES IN GAUTENG, SOUTH AFRICA

Miss TH Mqwathi (33448094) under the supervision of Prof Hein Prinsloo

PARTICIPANT 4

11 NOVEMBER 2022

Miss Tebogo Mqwathi: And it is on now. So, okay, I am Tebogo Mqwathi, I am currently enrolled at Northwest University Business School. I am doing my second year of phase two of the MBA which I need to complete by the end of this year. There is a consent form that I have sent you. I would like you to sign the consent form for me and return it. You need to put your signature on page 2 of the consent form and send it to me.

Participant 4: No problem, I have printed it out and I will mail it back to you.

Miss Tebogo Mqwathi: Allright, that is great. Okay. The purpose of this meeting or interview is to analyse the impact of disruptive events on the performance of sales in the automotive industry in South Africa. I am going to ask you a few questions that you were supposed to fill in there, but I will fill them in for you. So please state your dealership name.

Participant 4: It is Motus Nissan East Rand Mall.

Miss Tebogo Mqwathi: Okay, and what is your position in the organisation?

Participant 4: I am the used vehicle sales manager.

Miss Tebogo Mqwathi: Okay, I will fix it later. Date and time. The consent form, Okay you will send me those when you have it. Let us begin with the interview. The interview takes 30 or less than 30 minutes, and it consists of three parts. In the first section, we are trying to determine the factors that affect automotive sales performance. In the second section, we are trying to assess insights into sales performance during these unforeseen circumstances. The third phase would be to provide an opportunity to give feedback or to have some suggestions on how we can deal with those unforeseen circumstances in the future. Let us jump into the first section, the first phase, which is about your background. Bernard, could you please provide a brief description of your work activities and what they entail?

Participant 4: My current working activities?

Miss Tebogo Mqwathi: Yes.

Participant 4: Okay. So, what my job is? I obviously run a sales team on the used car side, we have budgets and targets where we sell used car vehicles. The used car vehicles come from trade-in vehicles on the new car side. If somebody is buying a new vehicle, and they want to trade their old vehicle in, I look at those vehicles, I price them, I recon them, and if they are fit for retail, we recon them and we advertise and sell them. I purchase vehicles daily from various sources to bring into vehicle stock that we can retail. The vehicles that are traded in that are not fit for retail, we send to an auction and those vehicles also get managed by me. And then obviously my job is to make sure that we turn a profit in my department, manage my sales staff, manage any discrepancies or any fights or anything that may come up as a problem during the month. Yes, that is basically the long and short of it.

Miss Tebogo Mqwathi: Allright, thank you for that. How many people do you have under you?

Participant 4: I have 5 sales executives, I have an FNI, I have a stock controller and a recon clerk and then we also share drivers in the dealership.

Miss Tebogo Mqwathi: Okay, that is awesome. Allright Bernard, could you please elaborate on the following: How many years of automotive sales experience do you have?

Participant 4: 10 years as a sales manager and as a sales executive or the total in the motor industry I would say about 15 years.

Miss Tebogo Mqwathi: That is loyal.

Participant 4: It is a good business to be in. It can get tough at times, but if you make provision in the good times, you will survive the tough times.

Miss Tebogo Mqwathi: Yes, that is great. How would you describe your sales philosophy?

Participant 4: Sales philosophy is very simple. If you have decent stock and you have decent salespeople that look after customers, that are customer-centric, you will always have sales and you will always be successful.

Miss Tebogo Mqwathi: That is awesome. If it is customer-centric, I do agree with you. So, what is the success rate of your sales efforts?

Participant 4: I just looked at our tracker this morning. We are ahead in our division. Last year we won the used car sales dealer department from Nissan in South Africa out of 190 dealers or something for mega stores which is the big dealers, not small satellite dealers. So, it is going well, it is tough, but it is going well.

Miss Tebogo Mqwathi: Okay, the next section we are moving to now is to determine the factors that affect automotive sectors' performance in South Africa. Can you identify any disruptive events that have impacted sales performance from your perspective?

Participant 4: Yes, there are a few, and as small as they might seem, they do have an effect. So, in the motor industry, and automotive industry on the sales side, we are the industry that normally shows an effect first if something happens in the market. So, for instance, fuel pricing that goes up can affect sales quite drastically because what happens is even if it is just an R1 increase per litre, which is R1 extra for the consumer that does not necessarily change so much on their budget. But what happens is they would put off buying a vehicle immediately and rather see how it works in a couple of months to see if it is going to be a good idea for them to do that. They would rather fix up the vehicle that they have, and spend a bit of money, instead of buying a new car for R300 000. They will rather spend R15 000 and repair the vehicle that they currently have, even though they would prefer to buy a new vehicle. It is just making more money sense for them to do that. That is the first example. Another example that you can use is most definitely interest rate increases and we have had a few of those this year. After COVID the interest rate went way down as they tried to stimulate the economy a bit and get people to buy again, which was fantastic, but we always knew that it would never last. Consumers end up with very little if anything left at the end of the month. The more they have, the more they spend.

Miss Tebogo Mqwathi: Yes, things are tough at the moment.

Participant 4: When the interest rates were so low, people went and bought vehicles at pricing that they normally probably would not have been able to afford because of the interest rate. And not taking a fixed interest rate back then is now costing them big time.

Miss Tebogo Mqwathi: Yes, I know, I am one of them.

Participant 4: Not just also on cars, but also home loans and stuff like that. It is very difficult. People are paying a lot more per month for their houses now. So yes, it is tough, the market is very tough at the moment. There is no way around it.

Miss Tebogo Mqwathi: Yes, absolutely. Allright Bernard, thank you for answering that question. I think you have touched base on the next question, but then for the sake of this interview, could you please describe how these disruptive events affect your sales or affected your sales, if so?

Participant 4: It does. As I said, the customer has a budget, he is currently paying R3 500 an example on a vehicle, or R4 000 per month on a vehicle. The vehicle's nearing a certain stage where the mileage is getting a bit high, or the vehicle might be going out of a maintenance plan. The customer now has to weigh up the option of do I extend the maintenance plan for an extra R40 000 on the car or do I go and trading this vehicle in on a vehicle that I am going to now pay R5 000 or R5 500 for a brand new vehicle or a used vehicle for that matter, and I will have another five years of maintenance plan on the car if it is a new vehicle for instance. So what's the opportunity cost that they need to calculate? These small factors in the economy affect the consumer's behaviour on various levels and that is an example that I can give you as to why a customer that really wants to buy a car is putting off buying that car continuously because they are trying to measure what the effect would be. Not all customers are financially inclined where they can calculate these things off the top of their heads, they have to see what it actually does in their budgets. It creates a delay in the decision-making process, and it can also cancel that opportunity completely where it gets eliminated when a customer realises that they cannot afford to buy a car, even if they really, really wanted to or really need to, for that matter. Some people really need to buy cars, but they are just not able to do so.

Miss Tebogo Mqwathi: Okay, allright, I understand. So, talking about the economy, how did the 2008 economic recession affect automotive sales to your knowledge?

Participant 4: 2008 was tough, it was very bad. But what happened was, this is the problem with people, we always say, okay, this is what happened, we are going to learn from this and we will not go down the same rabbit hole. And a lot of people lost their cars, a lot of people lost businesses, and motor dealerships closed. A lot of things happened back then, and they said that it would not happen again, but the easier the market became, the more lenient they became in the decision-making processes and the more risks they ended up taking, thinking that it is never going to change, it will not go back to a worse position in the economy. And unfortunately, it is marketing, markets are always up and down. There are always going to be peaks and valleys. And when like I said earlier, if you are in a good position, you need to make provision for the bad times and not everybody does that. We learned a lot in the motor industry in 2008, especially with the Consumer Protection Act and all those things that come into play. But it helped the consumer because, to be honest, there was a lot of bad business that was happening with the big companies, with profiting, a lot of money off the back of consumers that were not on the same level to make those kinds of decisions or were not aware of what was going on. So, for the consumer, it was better and it has been better. I think we will go through a couple more scenarios and it still will not change.

Miss Tebogo Mqwathi: Yes, 2008 was terrible. Okay Barnard, please comment on the effect of COVID-19 on automotive sales performance.

Participant 4: You know, that was also another big blip on the radar. What happened was for three months the automotive industry, and the retail side went dead. The rental side in our own company took a massive knock. We closed rental businesses during COVID because nobody travelled, and nobody needed rental vehicles. It was a massive expense base that we needed to cover. It was unpredicted and we have never been through something like that where we did not have an opportunity to try and make up some money. A lot of businesses closed, and a lot of people put themselves into big debt. A lot of people lost their jobs. Financially it was an unheard-of impact, it has never happened before.

Miss Tebogo Mqwathi: Then on the sales side, in terms of the sales performance, would you say you noticed a drop in sales during COVID?

Participant 4: A massive drop. Especially in the hard lockdown, we had almost no sales if any on my side. It was horrible. Then when the levels opened and we were able to go back to trade, the first month was a little bit touch and go and then we expected it to be very difficult for the following months. What happened was there was a massive overcorrection of the market, we did very, very well. We had a couple of record months late in 2020. It is also consumer behaviour because people were so scared that they might not have an opportunity further down the line to go and buy that vehicle or at their pricing or whatever the case is. So, we overcorrected quite dramatically, I would say in sales. But it was only late on COVID, late in 2020 that that happened, but the initial impact was horrible. We lost lots of money on sales.

Miss Tebogo Mqwathi: Okay Bernard, which does not sound nice. Okay, after the COVID-19 pandemic, at some point the restrictions have been lifted. Have you observed any difference in car sales? Did it go up? Did you see any difference?

Participant 4: Yes, I am elaborating a bit too much on every point because I jump the gun on your question.

Miss Tebogo Mqwathi: It is okay.

Participant 4: So like I said, early on was bad, but then as the restrictions got lifted and we went into different levels of COVID, the market did overcorrect itself and a lot of dealers, the ones that managed to survive the initial impact, had record months in terms of sales and that is down to consumer behaviour. It was not pricing. I think the customers or the consumers were scared that they might not be able to buy the same vehicle for the

same price due to a supply problem. And we did have supply issues. So, there was a shift in the market with that. Yes, we did very well later after the restrictions got lifted.

Miss Tebogo Mqwathi: That is good news. At least you are making money now. Allright, touching on the supply chain, during July 2021 we experienced looting turmoil, specifically in KZN and Gauteng. We should just base it on these two. Have you observed a difference in the sales performance at your dealership in response to this looting turmoil?

Participant 4: Not at our dealership, not in our area up in Gauteng. So, what happened was that period when the massive looting was, we had dealers down there, so we had inside information as to what was going on. When that happened, there were talks of it happening up here in Gauteng also. So, we closed earlier for I think 2 days. Each day we closed a little bit earlier after they said that the guys were going to go protest and stuff at whatever times just as a precautionary measure. But in terms of operations and monetary wise, I do not think we felt such a big impact in our region on the looting than the people down in KZN, they were smashed down in KZN.

Miss Tebogo Mqwathi: So we are moving to the second last phase now which is assessing insights into vehicle sales performance. It is just one question under that phase. What lessons have you learned about car sales because of those disruptive events?

Participant 4: I can tell you that with this overcorrection that we have had and where we were able to sell vehicles at much higher pricing to customers, I can tell you what has happened, and fortunately we have all done it, but what has happened, what is going to happen is we are going to have a problem further down the line. So, the replacement cycle of a vehicle is between 2 ½ and 3 years, maybe 2 and 3 years or used to be. We have now extended that cycle because for a customer to be able to get out of his current vehicle is about 4 years because of the impact the retail value had at the time of sale. I

think we have learned the lesson that we have shot ourselves in the foot and the customers have shot themselves in the foot. But I think if the opportunity were available for people to sell the cars again at those ridiculously high prices, people would still sell them at that price and the customers would still buy them at that price. Like I said, right in the beginning, people just do not learn, unfortunately. There are processes in place that big companies put into place like us, where we do not do transactions, we try and limit the transactions where we need to overextend on certain vehicles and obviously to protect the consumer and to protect ourselves. There are processes and policies in place. As a company, you can never ever control the market. If the market demands a certain thing at a certain price, there is nothing that you are going to do to stop that from happening. We will still sell them at the wrong price and the customers will still buy them if the market made it available for us to do that.

Miss Tebogo Mqwathi: I hear you.

Participant 4: That is the sad part of it. But business is business, and this is just one blip on the radar in the market I think, the motor industry, is big, but obviously many other industries would have similar impacts due to these things.

Miss Tebogo Mqwathi: Allright, okay, thank you. So, the last question is how you would suggest the automotive industry curb the impact of any disruptive events on their sales in future.

Participant 4: So like I said, I think we have learned lessons out of it, but the trick is to actually implement the solution. There is no use in knowing what you need to do and not doing it. What we can do is, now know that it was not impossible for us to keep certain businesses afloat. I think possibly making provisions at a head office level for certain things. Because we are a company that is listed on the JSE where there are investors who needed return on investment, put a policy or clause in a place where there is some form of claw back or retention policy on pay-outs that need to go to stockholders. There

must be something that we can do in terms of that to try and keep some form of kitty if I can say it in a basic way. For instance, where there is going to be a huge financial impact to prevent ourselves from having to close businesses again, having to lose well-trained staff and for them to lose their incomes and their livelihoods is sad to have gone through that. I think Motus is a very good company to be in because they are really focused on their employees and really put a lot of effort into the individuals and their businesses and support. So, I think they could make some form of provision and I am sure they are, well I know they are. In our business currently, we have made provisions for instance on stock where they are overpriced, where we had to pay the wrong price to get them. We have made provision for those differences. As a big business overall, I think they could, if they had not done it yet, make provisions that would lighten the blow if this were to happen again.

Miss Tebogo Mqwathi: Okay, sounds great, great feedback and suggestions, but I somehow do not hope for any future disruptive events ever again.

Participant 4: Yes, I really hope we never have to go through that again.

Miss Tebogo Mqwathi: Allright, we have reached the end of our meeting Bernard. I would like to thank you for taking your time and assisting me in this. It means a lot towards my dissertation submission. At the end of the year or early at the beginning of the year, my paper will be marked and if I pass and the paper is published, I will share it with you for some reading, if you like reading. But I will share it with you anyway for some insight.

Participant 4: Thank you so much. I am glad I could have helped, and I hope I did help all the best.

Miss Tebogo Mqwathi: You did a lot, thank you so much. Your experience comes in handy; I appreciate that.

Participant 4: Thank you, have a wonderful day.

Miss Tebogo Mqwathi: Okay, thank you. You too, enjoy your day.

ANALYSING THE IMPACT OF DISRUPTIVE EVENTS ON THE PERFORMANCE OF THE AUTOMOTIVE INDUSTRY SALES IN GAUTENG, SOUTH AFRICA

Miss TH Mqwathi (33448094) under the supervision of Prof Hein Prinsloo

PARTICIPANT 5

11 NOVEMBER 2022

Miss Tebogo Mqwathi: Okay, we are on now. Allright, thanks for making time and allowing me an opportunity to interview you for my MBA.

Participant 5: No problem.

Miss Tebogo Mqwathi: Kindly note that I have sent you a consent form that I would like you to complete. Put your signature on page 2 and complete part of page 3 where I am asking dealership name, position and organisation, interview date and time.

Participant 5: Okay.

Miss Tebogo Mqwathi: And send it back to me. I would really appreciate that.

Participant 5: I will do that for you.

Miss Tebogo Mqwathi: Okay, thank you so much. So now if we begin with the interview, the purpose of this interview is to analyse the impact of disruptive events on the performance of sales in the automotive industry in Gauteng, South Africa.

Participant 5: Okay.

Miss Tebogo Mqwathi: So this interview is scheduled for 30 minutes, but sometimes I finish quicker. It is about 3 parts or 3 sections of the interview. In the first one, we are trying to determine the factors that affect automotive sales performance in South Africa. The second one is to get insight into vehicle sales performance during these disruptive events in South Africa. The third part of it, which is the last, would be to provide feedback or suggestions as to how we can manage future disruptive events.

Participant 5: Okay. I just want to check one thing with you. You are talking about vehicle sales, but I do not deal with sales at all. I am the parts manager. So, I look after the parts department.

Miss Tebogo Mqwathi: Okay. I do not think that is a problem, Tell me if I am incorrect because if you are working with parts, somewhere, somehow the sales component plays a part in the selling chain. Because without parts there are no sales.

Participant 5: Sure.

Miss Tebogo Mqwathi: And if the supply chain is interrupted by these disruptive events, therefore you are affected as well, therefore sales are impacted.

Participant 5: Okay, no problem.

Miss Tebogo Mqwathi: Allright. So, let us start with the background then. Could you please provide a brief description of your work activities and what they entail?

Participant 5: I am the parts manager. I look after the parts department. In other words, every single part that comes into my stock that is going to be supplied to customers, whether it be external customers or internal customers, I manage all of that. I order the stock for parts for vehicles that come in. So, I oversee the whole parts department.

Miss Tebogo Mqwathi: Okay. Allright, thank you for answering that question. The second question would be could you please elaborate on the following, how many years of automotive sales experience do you have?

Participant 5: I have been a parts manager for about 25 years.

Miss Tebogo Mqwathi: Wow, it is huge. Okay, that is great. How would you describe your sales philosophy?

Participant 5: Philosophy? Well, my belief is everybody is always saying that the customer is looking for the best price. Sure, they are looking for the best price, but it comes more down to service. If you can give a better service than the next guy, I promise you that person will purchase from you and not from the other person.

Miss Tebogo Mqwathi: Okay.

Participant 5: So, my philosophy is I strive to give the best service that we can.

Miss Tebogo Mqwathi: Okay, noted. Thank you. What is the success rate of your sales effort?

Participant 5: If you say success rate do you say for instance 1 out of 10?

Miss Tebogo Mqwathi: Have you seen fluctuations? Are you selling a lot now? Are you up and down? Are you dropping?

Participant 5: At the moment it is very up and down.

Miss Tebogo Mqwathi: Okay, it is fluctuating.

Participant 5: Yes, it is fluctuating totally.

Miss Tebogo Mqwathi: Okay. Let us move to the section on determining the factors that affect automotive sector sales performance in South Africa. Could you please identify any disruptive events that have impacted sales performance from your perspective?

Participant 5: Well, COVID was a big disruptive event because paired with that a lot of our parts for the Nissan vehicles come from all over the world, but it gets affected with places like India, and Japan. So, what happened with COVID is it gets interrupted. All these guys that work in the ports to make sure that the parts get shipped and stuff like that, they were off, or they were working in shifts, so we were not getting the parts to supply that we usually used to get. So that interrupted it. And on the manufacturing side of the parts, a lot of those people also obviously were off sick and whatever. So the parts could not be manufactured. So that also has a big impact.

Miss Tebogo Mqwathi: Okay, we will come to that COVID question later on. It is okay, though. Could you please describe how these disruptive events affected your sales results if so?

Participant 5: Yes, it most definitely affected the sales because I cannot supply the part the customer requires. I find it a lot nowadays, just to give you an example, for an insurance company, say if your car is at a panel beater and they are repairing after you have had an accident if I cannot supply the part, a lot of the insurance companies these

days say get an off the market part. So it is a non-genuine part that they fit onto the vehicle. So obviously if I cannot supply the part I lose out because I do not supply non-genuine parts.

Miss Tebogo Mqwathi: Yes, I get it. How did the 2008 economic recession affect automotive sales to your knowledge?

Participant 5: I cannot remember that far back. On the parts side, it has always been good. We have made what we need to make, like the targets we have been set to achieve, have made those targets, but it is more in the last year, a year and a half that it has gone completely falling out of the bus type of thing.

Miss Tebogo Mqwathi: Okay, allright. Could you please comment on the effect of COVID-19 on automotive sales performance? You touched base on that earlier on.

Participant 5: Like I said COVID hit us badly because we had to close for that lockdown period. I was in lockdown for a week, 2 weeks. But then I was back at work, and we were used to working until 13:00. But it would only be myself and 1 salesman here. So, the productivity that you got was not good. And then obviously the sales were not good because a lot of people were closed. So yes, it impacted it badly.

Miss Tebogo Mqwathi: Yes, what a terrible period. Okay, so since the COVID-19 pandemic restrictions have been lifted, have you observed any difference in car sales results?

Participant 5: Yes, well, on the car sales side, they battled for a while, but they are back up where they were, or they are getting back to where they were. On my part's side, it has taken a while. I am not there yet where we need to be as before, but we are also getting a slow increase in sales.

Miss Tebogo Mqwathi: Okay, allright. That is great to see that at least there is a little bit of a spike there. Okay, so have you observed a difference in sales performance at your dealership in response to the looting turmoil that took place in July 2021 in KZN and Gauteng?

Participant 5: Yes. it impacted me but it did not impact me, how can I say, it was not bad? Do you know what I am saying? It impacted me because there were some delays. But I still got the parts, but it did play a small role in impacting us because we could not get for instance the parts that were coming from Durban Harbor to Johannesburg. We eventually got it, but it did impact it, yes.

Miss Tebogo Mqwathi: Allright. So, what lessons have you learned about car sales because of these unforeseen circumstances?

Participant 5: Well, on my side, on the parts side, is just to try and make sure that I have enough of what I need to supply to the customers. Instead of keeping 4 of 1 item, you keep 6. Do you know what I mean? So that you have that little bit of leeway or a lead time if it takes longer to get to you.

Miss Tebogo Mqwathi: Get the inventory higher at least.

Participant 5: Yes.

Miss Tebogo Mqwathi: In terms of technology, have you learned anything?

Participant 5: Yes, technology has also changed a lot. A lot of these vehicles now are controlled by computer boxes and that also sort of an impact on COVID because the electronics that go into the computer box could not be manufactured. After all, the guys were off. So, there has been a definite change in technology. They used to say in the

olden days if you had pliers and a piece of wire you could fix a car, but that is not the case anymore. You need a computer to fix a car.

Miss Tebogo Mqwathi: Okay. So Dewald, how would you suggest the automotive industry curb the impact of any future disruptive events on sales performance?

Participant 5: What I am doing on my side, and I am sure the big manufacturers may be looking at doing the same same thing, is to increase your inventory levels. I know it is not always possible and I know it costs money for the vehicle to stand at the dealership or the part to sit on your shelf, but it helps in a way because it makes the impact of these disruptions a little less.

Miss Tebogo Mqwathi: Okay, allright. That was quick. This brings us to the end of the interview. So Dewald, thank you so much for giving me this opportunity. I really appreciate it. All the information you have given me will lighten up my insights and be a big addition to my dissertation data analysis. I really appreciate it.

Participant 5: No problem.

Miss Tebogo Mqwathi: One last thing. Please do not forget to send me back the consent form.

Participant 5: If I do not get to it today, I will get to it by Monday for you.

Miss Tebogo Mqwathi: Allright, no problem. Allright, thank you. Have a lovely day.

Participant 5: You too.

Miss Tebogo Mqwathi: Bye.

ANALYSING THE IMPACT OF DISRUPTIVE EVENTS ON THE PERFORMANCE OF THE AUTOMOTIVE INDUSTRY SALES IN GAUTENG, SOUTH AFRICA

PARTICIPANT 6

11 NOVEMBER 2022

Miss Tebogo Mqwathi: Okay, we are recording now. Allright, let us get into it. First, let me introduce myself. I am Tebogo Mqwathi currently enrolled at NWU Business School doing my MBA. This is my last year. One of the requirements is for me to finish a dissertation for my Master's. So, this part that we are doing now is my data collection. Okay, so in that consent form that I have sent you, there are 2 parts that I would like you to complete for me: On page 2, the declaration where you say I was blah, blah, blah, blah and then the signature and the date. And if you go down a bit on page 3 where you are going to state the dealership name that you work for, position in the organisation and the interview date and that is it, then just send it back to me. Allright, so the purpose of this meeting is for me to analyse the impact of disruptive events on the performance of sales in the automotive industry in Gauteng, South Africa. This interview usually takes less than 30 minutes but let us try and see how far we get. So, it is about 3 sections. The first section is to determine the factors that affect the automotive sales performance in South Africa during these unforeseen events. The second section will be to assess insights into vehicle sales performance during these unforeseen circumstances within South Africa. The last section would be to provide an opportunity for you to give feedback as to how we can manage unforeseen circumstances in future.

Participant 6: Okay.

Miss Tebogo Mqwathi: So let us start with the first section, which is the background. Could you please provide a brief description of your work activities and what they entail?

Participant 6: Okay, I am a sales manager. I am at the new vehicle department for Nissan in Menlyn Pretoria, managing the department, driving sales, and making sure that my people are happy and that is the main job that I have.

Miss Tebogo Mqwathi: Okay, allright. And then could you please elaborate on the following: How many years of automotive sales experience do you have?

Participant 6: 22 years.

Miss Tebogo Mqwathi: All the people in the automotive industry are honest. Everybody I spoke to is more than 10 years. That is impressive. It means it is a good industry.

Participant 6: Yes.

Miss Tebogo Mqwathi: So how would you describe your sales philosophy?

Participant 6: Sorry, Tebogo, just repeat that.

Miss Tebogo Mqwathi: How would you describe your sales philosophy?

Participant 6: Well, my philosophy is to be open and honest with the people that you are working with, it does not matter if it is a customer or one of your fellow colleagues.

Miss Tebogo Mqwathi: Okay. What is the success rate of your sales efforts?

Participant 6: If you say sales effort, is it as a department and you need to elaborate a little bit more on the sales effort, are you asking me what is our closing ratio currently when it comes to the input that we have versus the output that we get?

Miss Tebogo Mqwathi: I am trying to understand the success rate of your sales. In terms of your financial reports, are you doing well at the moment, have sales spikes or dropped? I just want to understand what your success rate is.

Participant 6: Currently we are doing better. Not a lot of people can say this, but we are even doing better than before COVID. And the reason is we are not selling as many vehicles but with stock shortages and all the conundrums we have got in the industry, the stock is scarce. So, the profits that we retained were better. The number of units went down, but we retained way more profit.

Miss Tebogo Mqwathi: Could the interest rate be the reason for that?

Participant 6: No, not at all. Well, the interest rate definitely helped us to sell more vehicles at the end of the day. People were keen and willing to buy because of the interest rate. The instalments that we had were very attractive. The only downside that we had was stock availability. But the stock that we had, was sold at maximum profit.

Miss Tebogo Mqwathi: Okay, I hear you. Allright, Vos, let us move to the second section where we are looking into factors that affect the automotive sector sales performance in South Africa during these unforeseen circumstances. So, the first question there is, can you identify any disruptive events that have impacted sales performance from your perspective?

Participant 6: Well, obviously COVID had a huge impact on manufacturing, and after COVID there was a shortage of electronic components worldwide.

Miss Tebogo Mqwathi: Okay.

Participant 6: So those are the two major factors that had a huge impact on our industry.

Miss Tebogo Mqwathi: Okay, I get you. Can you please describe how these disruptive events affected your sales results if so? When you talked about COVID, how it impacted your manufacturing or rather the entire value chain, then how did it affect your sales? Did you lose customers? Did you gain more customers or what happened there?

Participant 6: Obviously our turnover on units that we have moved went down. We were normally about a 50-unit dealer, and after COVID we averaged about 30 units. The sales went down by about 40%. But like I said, what we lost in units we made up on profit.

Miss Tebogo Mqwathi: Okay, awesome. Another disruptive event that we experienced globally, was the 2008 economic recession. If you can remember, how did the economic recession affect automotive sales?

Participant 6: I cannot remember exactly what the sales were at that stage, it went down a lot but that was pure because of the interest rate we had at that stage. It was just not affordable or feasible to purchase a vehicle on HP at the interest rates we had. So, the interest rate then was affecting us quite a lot.

Miss Tebogo Mqwathi: Yes, I can imagine. Allright. Vos. I know you spoke about COVID as an unforeseen circumstance that disrupted sales. But for the sake of collecting data, question 6 is please comment on the effect of COVID-19 on automotive sales performance.

Participant 6: On the manufacturing side it was difficult for us to obtain stock from the OEMs purely because of social distancing. Initially, people were scared to come to the dealerships. There were a lot of things about online selling and so forth. But as South Africans are, we are scared for two weeks and then we overcome it and then we go on. The volume of people was not that much but I think the quality of people at the end of the day that came in to purchase a vehicle, was better at the end of the day.

Miss Tebogo Mqwathi: Okay, would you say COVID-19's existence has improved your digital platforms or you had a very stable digital strategy in place when COVID hit us?

Participant 6: No, I think definitely if you did not improve on your digital side of things, you were lacking behind at the end of the day.

Miss Tebogo Mqwathi: Yes, definitely. Allright. So, at some point, the COVID-19 pandemic restrictions were lifted. Have you observed any difference in car sales results post the COVID-19 restrictions?

Participant 6: Definitely, the sales picked up a bit after COVID. Obviously, after COVID there were some challenges that impacted us. As I mentioned before, electronic components of which there was a shortage worldwide. Then the war in Ukraine obviously affected the fuel prices which affected a lot of other things in the economy. I picked up in the last three months that there is a decline in sales. So yes, we can start seeing that the interest rates, the crunch on the economy, and the uncertainty in the economy, are starting to affect our sales in the last three months. There was a little bit of an upturn after COVID and now there is a downturn because of what we are experiencing in the world.

Miss Tebogo Mqwathi: Okay. It sounds like business is getting there.

Participant 6: Yes.

Miss Tebogo Mqwathi: Allright Vos. What lessons have you learned about car sales because of these unforeseen circumstances?

Participant 6: Well, obviously there are always ways to overcome, you cannot be in a comfort zone when it comes to business in general, not only car sales. And if you are dealt a blow you need to be able to overcome it and make use of other avenues to sell vehicles. I never heard of a Teams meeting prior to COVID. Now we are doing Teams meetings left, right and centre. A thing that we always had in a dealership was a physical

brochure that you gave to the customers. After COVID there are no brochures, we are only working with electronic brochures for instance. You can send the specs of a vehicle electronically. If a customer is interested in a vehicle, you can send him a video of the vehicle for instance to entice him and set up a one-on-one meeting. We take vehicles to people's homes to do test drives. That was something that we never did prior to COVID, it was rarely done, but if a customer now insists on it, it is not frowned upon. Prior to COVID, if somebody wanted you to go to their house, you had to make 100% sure that you are going to the right person's house because there were a lot of scams. We had to adapt to accommodate the customers in their comfort zone.

Miss Tebogo Mqwathi: Yes, what a journey, we all had to improve our technology usage. But it came out beautifully though, I cannot say I am complaining. Allright, Vos, we have reached the end of our interview. I have one last question for you. How would you suggest the automotive industry curb the impact of any future disruptive events on their sales?

Participant 6: I think I need to do my doctorate in giving you that answer. That is a difficult answer to give. I mean COVID was unforeseen. The impact of COVID on the rest of the world is something that was unforeseen. Nissan always kept about 10 000 units of rubber at the Rosslyn plant. But to streamline everything and to save money, a lot of manufacturers do not carry stock on rubber anymore, so they order as it comes in, they just disperse it. It is really going to be a difficult answer for me to give you. At some stage we were all happy-go-lucky, hunky dory like one of my sales executives would say, and within two weeks we were in a total lockdown. So, there is not really something that you can do to avoid an impact like that at the end of the day. The manufacturers need to be healthy, not only the manufacturers but the retailers. For instance, if I can use the Motus group, we did not retrench anybody, there were voluntary retrenchments. I think you need to keep your balance sheet healthy so that if you do hit a slump or a COVID period, you can have a little bit of fat that you can live on. That is the only thing that I can

tell you that I can see. There is not really something that you can do to overcome an epidemic like COVID. Yes, I do not have an answer for you.

Miss Tebogo Mqwathi: It is okay. What I am picking up is that your manufacturing needs to be intact and robust in a way. You must be able to focus your inventory, and always have enough if you can.

Participant 6: If you can have a little bit of fat, yes, so that if something does happen, you can have a month's supply in advance. That is the only thing that I can see that will help you through a tough period at the end of the day.

Miss Tebogo Mqwathi: Okay Vos, I made a bit of a slumber here, I skipped question 8. I am just quickly going to jump into it because I need an answer to that question. So, in July 2021 we experienced the looting turmoil in Gauteng and KZN. Have you observed any difference in the sales performance at your dealership in response to this looting turmoil?

Participant 6: It definitely impacted us a lot. A lot of our stock comes from Durban via porting in Durban. And yes, for a while we were battling to get stock. Obviously, the people from the carriers were intimidated. They could not go onto the roads. So yes, it did impact us quite severely. And vice versa, the people that were in Durban could not receive stock from our Rosslyn plant. There was a huge financial impact on us for a month or so.

Miss Tebogo Mqwathi: Okay, allright. Vos, those are all the questions that I had for you thank you so much for participating and taking your time and assisting me with this. Once my paper has been published, I will share it with you. I do not know if you like reading, but I will tell you which sections to read that would be of your interest. So, thank you so much for all your time and constant communication. I really appreciate that so much.

Participant 6: Thanks a lot and all of the best with your thesis hopefully I can learn something from it when you send it to me. And that one of the questions can help you somewhere with something.

Miss Tebogo Mqwathi: Allright, thank you so much. Please remember to send me the consent form even if it is Monday because I am thinking it is already late now. So, if it is Monday, it is still fine.

Participant 6: Yes, will do so for you.

Miss Tebogo Mqwathi: Okay, thank you, enjoy your afternoon.

Participant 6: Bye-bye.

Miss Tebogo Mqwathi: Cheers, bye.

ANALYSING THE IMPACT OF DISRUPTIVE EVENTS ON THE PERFORMANCE OF THE AUTOMOTIVE INDUSTRY SALES IN GAUTENG, SOUTH AFRICA

Miss TH Mqwathi (33448094) under the supervision of Prof Hein Prinsloo

PARTICIPANT 7
14 NOVEMBER 2022

Participant 7: ... transcription has started.

Miss Tebogo Mqwathi: Yes, thank you. So, my name is Tebogo Mqwathi. I am currently enrolled at NWU Business School completing my MBA this year if I make it with this

dissertation. Yes, and the purpose of this meeting or this interview is to analyse the impact of disruptive events on the performance of automotive sales in Gauteng, South Africa.

Participant 7: Right.

Miss Tebogo Mqwathi: So Najeeb, I am not going to show the video because sometimes it disrupts the connection. I do not know if you are okay with that.

Participant 7: Okay, that is fine.

Miss Tebogo Mqwathi: Okay. So before we begin, there is one request that I have for you. With the meeting request, I have sent you a consent form. Could you please complete page 2, where there is a declaration, you have to declare your signature and date, and then if you go to the next page, it is where you have to state your dealership name, your position in the organisation, interview date and time? And that is it. Then just send it back to me.

Participant 7: Okay.

Miss Tebogo Mqwathi: Okay, allright, let us go through it then. So this interview takes less than 30 minutes or 30 minutes max, usually. It consists of three parts. The first part is section 1, where I am trying to determine the main factors that affect the automotive sector sales performance in South Africa during these unforeseen circumstances. In section 2 the aim is to assess insights into vehicle sales performance during these unforeseen circumstances in South Africa. In the last section, we are going to give you an opportunity to provide feedback on things that were not touched on in sections 1 or 2 or what can be done further to curb the disruptive events going forward.

Participant 7: Okay. You are aware that I am in after-sales?

Miss Tebogo Mqwathi: In what?

Participant 7: After sales, I run the workshop, not the sales department.

Miss Tebogo Mqwathi: Ohh, yes, no, it is okay. How I look at it, tell me if you agree with me, how I look at it is that either way the value chain is linked. So if there are no sales, you have no parts to sell.

Participant 7: If there are no sales, there are no after-sales, 100%.

Miss Tebogo Mqwathi: I am sure, some of the questions you might not be able to answer but based on your experience I am sure you would be able to give me an indication of what's happening because I do believe you are in the executive team, so you get financials at the end of the year, you get insights, you get reportings and all of that. So I am just going to depend on the fact that you will have an idea of your strategy at this point.

Participant 7: Okay.

Miss Tebogo Mqwathi: Okay, allright, let us start then. The first part is the background. Could you please provide a brief description of your work activities and what they entail?

Participant 7: Okay. So I am a service manager of a Nissan franchise dealership.

Miss Tebogo Mqwathi: Okay.

Participant 7: I run the service department consisting of about 20 staff.

Miss Tebogo Mqwathi: Okay.

Participant 7: Half are technical and half are administration.

Miss Tebogo Mqwathi: Ohh, okay.

Participant 7: So my job is to keep the customers happy, to keep our shareholders happy, to keep our managing directors happy, to give them a return on their investment.

Miss Tebogo Mqwathi: Okay, I see. Allright, thank you.

Participant 7: And also to keep me happy and motivated.

Miss Tebogo Mqwathi: Yes, of course. Allright. Najeeb, please elaborate on the following: How many years of automotive sales experience do you have?

Participant 7: From 1994.

Miss Tebogo Mqwathi: Sjoe, how many years is that, there comes the mathematics now.

Participant 7: 1994. So almost 30 years, 28 years.

Miss Tebogo Mqwathi: It is so impressive. Everyone I have spoken to; they have worked for more than 10 years. It must be a very cool industry.

Participant 7: This is the only thing I know, and this is the only thing I can do and it does put food on the table, gets my children through school, gets my children through university. You do have your difficulties, but it can be mind pleasing and there can be some satisfaction. Yes, definitely.

Miss Tebogo Mqwathi: Yes, I hear you. That is awesome to hear. So how would you describe your sales philosophy?

Participant 7: So look, I am a straightforward person, I call a spade a spade. I do not believe in beating around the bush, my staff know that. And you know, we know what we need to do and that is what we are here for. From the time I walk in in the morning until the time I leave, it is work. We do have our play in between but there are no friends at work, friends you have after work.

Miss Tebogo Mqwathi: Yes.

Participant 7: This is business and that is it. Whatever decisions I make, it is business decisions, not personal ones. Personal decisions are made at home.

Miss Tebogo Mqwathi: Okay, I hear you. And what would you say is the success rate of your sales efforts so far? By that I mean when you compare your financials like in the past 3 years, past 4 years, what do you see?

Participant 7: When I started here, this year was 13 years in this company, we were doing a gross profit of about R300 000.

Miss Tebogo Mqwathi: Yes.

Participant 7: At the moment we do a gross profit of about R900 000.

Miss Tebogo Mqwathi: Ohh wow, so it is going higher.

Participant 7: It is going higher, but I think the bosses are also getting a bit greedy.

Miss Tebogo Mqwathi: Would you say is it in units or is it in profits?

Participant 7: I am talking about gross profit.

Miss Tebogo Mqwathi: Ohh, gross profit, okay.

Participant 7: In rands and cents. For the service department only.

Miss Tebogo Mqwathi: Yes, I get that.

Participant 7: So with the dealership, it is not the same. At the dealership, there are lots of odds and ends, and admin fees to come out and this to come out and what not, and you find that it is difficult to get all departments firing in one month on all cylinders.

Miss Tebogo Mqwathi: Okay. Allright then, let us move along. Thank you for answering all the questions in that section. Let us move along to the main factors that affect the auto industry sector's performance in South Africa. Can you identify any disruptive events that have impacted sales performance from your perspective?

Participant 7: So from our perspective I would say loadshedding. I will tell you why.

Miss Tebogo Mqwathi: Yes.

Participant 7: Loadshedding is playing a big part because the fact is that once you have loadshedding it affects your telephone. Although we have a generator, your telephone lines do not work properly. You cannot hear people properly. Customers cannot hear you when they are trying to make a booking and people just get very frustrated and opt to go somewhere else.

Miss Tebogo Mqwathi: Ohh, I see.

Participant 7: So that is one of them. Secondly, to keep your staff's morale up.

Miss Tebogo Mqwathi: Yes.

Participant 7: I would say the youngsters of today do not want to really work.

Miss Tebogo Mqwathi: Okay.

Participant 7: Any excuses to leave the job and go, I will do something else. Look, I am being serious, it is you know, you cannot get the people, I actually do not know what to do, how to get my technical team motivated.

Miss Tebogo Mqwathi: That does not sound nice Najeeb. Anyway, let us just proceed. Could you please describe how these disruptive events affected your sales results, if so?

Participant 7: I think with sales, you know also with COVID, I know COVID's gone but the effects of COVID are still going through us. You know where some people are still, the big companies are buying but I do not think the middleman is actually thinking of spending, they are still trying to be very conservative when it comes to the pocket. And the competition, the right to repair has affected us.

Miss Tebogo Mqwathi: Yes.

Participant 7: You know the people now opt to go elsewhere. They do opt to go elsewhere and you know we are a big ???, we just cannot give things away, we have expenses to meet. We are not like the layperson down the street, his expenses are minimal. So all those things have affected us badly.

Miss Tebogo Mqwathi: Okay.

Participant 7: The fact that there is a shortage of motor vehicles, new cars is a shortage, the shortage of the chips to get cars into the country. So you know, you will find that for the OEMs, we only get the majority of our stock in the last week of the month.

Miss Tebogo Mqwathi: Okay.

Participant 7: And then it is a push for them to try and sell it. And you know you do feel sorry for the salesperson. Try and keep a customer going the whole month to tell him, sir, it is coming, it is coming, it is coming, it is coming.

Miss Tebogo Mqwathi: Yes.

Participant 7: You know what, people do start looking elsewhere too.

Miss Tebogo Mqwathi: Yes, I hear you. Allright, so how did the 2008 economic recession affect automotive sales to your knowledge, if you can remember?

Participant 7: We were not affected too much, but we were affected with part sales and what not, and still today we are affected with part sales, the deliveries.

Miss Tebogo Mqwathi: Okay.

Participant 7: There are shortages. Lots of companies are closed.

Miss Tebogo Mqwathi: Yes.

Participant 7: So, parts are a bit of a problem.

Miss Tebogo Mqwathi: Okay, talking about the value chain, could you please comment on the effect of COVID-19 on automotive sales performance?

Participant 7: I think companies that restructured during COVID-19, are seeing the benefits now because they are coming back on board, things have changed. Our NP200 is still our main dealer which is a business vehicle. Very few buy them for personal use and we are still selling them monthly. It is a locally produced vehicle. And you know, lots of companies have closed, lots of manufacturers have closed.

Miss Tebogo Mqwathi: Did COVID-19 affect your manufacturing component of the value chain?

Participant 7: Yes, the fact is that most of our cars are microchip dependent and that is one of the main effects, the availability of the microchip. Even if it is a locally manufactured car, we still need the microchip.

Miss Tebogo Mqwathi: Okay, I see, allright. So since the COVID-19 pandemic restrictions were lifted, have you observed any difference in car sales results?

Participant 7: Look, it is stabilised. I think car sales have stabilised, but I think used car sales are still a bit of a contentious issue at the moment. That is a problem since there is a shortage of used cars because there are not enough new cars.

Miss Tebogo Mqwathi: Would I be correct if I am saying the reason there are no new cars is because of the imports and exports that affected ...

Participant 7: Yes, the import and export of parts for building the cars, the import and export of the vehicles, the strikes we have at the harbour. Remember, our cars may be assembled locally, but all our parts are imported. I would say 50% of the parts are imported for locally assembled cars. So there is still a shortage of all of those?

Miss Tebogo Mqwathi: Okay, I see. If you can remember, in July 2021 we experienced a looting turmoil in KZN and Gauteng. Have you observed a difference in the sales performance at your dealership in response to this?

Participant 7: No. I do not think that. That was just a brief period. The coastal cities got hit harder than us.

Miss Tebogo Mqwathi: Didn't it end up impacting you guys in Gauteng as well as you depend on the harbours?

Participant 7: Yes, that is over now. That impact may have been for that time, but I think there is no backlog. I think the Transnet strike that they just had at the harbour recently has an effect at the moment.

Miss Tebogo Mqwathi: Okay, I hear you. Okay now, what lessons have you learned about car sales as a result of these disruptive events?

Participant 7: Try and keep your team, do not have extra fat basically.

Miss Tebogo Mqwathi: Say that again.

Participant 7: Do not have extra fat.

Miss Tebogo Mqwathi: Okay.

Participant 7: When it comes to stock control, people control, because the moment you have extra, that is the time the bosses look at to get rid of people, to cut numbers. It is not a pleasant thing to tell a person. you are being retrenched.

Miss Tebogo Mqwathi: And then in terms of technology, what would you say about your digital marketing strategy, digital sales, what have you learned about that during these unforeseen circumstances?

Participant 7: I think something like that effects the new car team more, where people are going online, everything has been done online. Us, yes there is a lot of online when it comes to bookings, but that is just about it. If you are not a subscriber to a newspaper, you are not going to get much to read. Everything is going to subscriptions and that is how it is going, that is how the whole world is going. So we also need to be on that bandwagon.

Miss Tebogo Mqwathi: Yes, true. Allright, for our last question today, how would you suggest the automotive industry curb the impact of any future disruptive events on sales?

Participant 7: When it comes to parts and new cars and used cars?

Miss Tebogo Mqwathi: Yes.

Participant 7: Remember, so if they say keep extra, you are going to pay extra interest. So it is very difficult. When it comes to service, the only stock I keep is engine oil. Everything else comes from a different department. They cannot keep too much because it is an interest-paying thing. For a new car lying on the floor is interest bearing, parts are interest bearing, and used cars are interest bearing. So it is very difficult, how do you curb something like that? That is something I do not think I have the intellect to answer exactly, I am being honest with you.

Miss Tebogo Mqwathi: But if I heard you correctly your emphasis is on inventory management. At this moment we do not know how we can do that because either way there are positives and negatives. But you are saying better management of your inventory could assist you.

Participant 7: Better inventory management, yes.

Miss Tebogo Mqwathi: Okay, I hear you. I also do not know what we can do at this moment. I will tell you though before I finish this paper. Allright, Thank you Najeeb.

Participant 7: Will you send me a copy of your paper after you submit it?

Miss Tebogo Mqwathi: Absolutely. I will do that.

Participant 7: I would love to read it.

Miss Tebogo Mqwathi: Yes, I will do that, I hope you enjoy it. I will definitely send it to you after it has been published. I need to publish it first.

Participant 7: Yes, I understand.

Miss Tebogo Mqwathi: Thank you so much for your participation.

Participant 7: It is a pleasure, my dear. It is a pleasure and good luck.

Miss Tebogo Mqwathi: Thank you so much. Enjoy your day. Please do not forget to send me the consent form.

Participant 7: I will do that.

Miss Tebogo Mqwathi: Okay, thanks, bye.

Participant 7: Bye.

ANALYSING THE IMPACT OF DISRUPTIVE EVENTS ON THE PERFORMANCE OF THE AUTOMOTIVE INDUSTRY SALES IN GAUTENG, SOUTH AFRICA

Miss TH Mqwathi (33448094) under the supervision of Prof Hein Prinsloo

INTERVIEW 8

15 NOVEMBER 2022

Miss Tebogo Mqwathi: I am just waiting for that little red dot up there, then we can begin. Okay, we are on. My name is Tebogo Mqwathi, I am currently enrolled with NWU completing my MBA this year. A dissertation is one of the requirements that they have that you must complete a certain dissertation to add value to a certain industry. In this case, I chose to analyse the impact of disruptive events on the performance of the automotive industry, and sales in Gauteng, South Africa, and this was because I was working for West Bank at that time, hence I was more clued up with the automotive industry. So, there is one thing that I would like to request from you. Upon finishing this meeting could you please complete page 2 for me, which is a declaration to say that you've read the consent form, I have given you consent, I have told you that you can end the recording anytime you want, blah, blah, blah, blah, and your signature and the date of the interview. Then if you move to page 3, the question there says please state the dealership name, position in the organisation, interview date and time. And please return the signed copy to me. I would really appreciate that.

Participant 8: Okay, no problem.

Miss Tebogo Mqwathi: Thank you so much, Khalil. Okay, let us get into the interview. The interview takes about 30 minutes, but we usually finish quickly depending on how fast we are or understand each other. So, the interview consists of three sections, in

section 1 we are determining the factors that affect the automotive sales performance in South Africa during disruptive events. In section 2 we assess the insights into the sales performance during these unforeseen circumstances in South Africa, specifically in the Gauteng province. And section 3 provides the opportunity to give feedback or suggestions as to how we can deal with these unforeseen circumstances in the future. Are we still good Khalil?

Participant 8: Yes, we are good.

Miss Tebogo Mqwathi: Okay, thank you. So now let us start with the background. This is about you. Could you please provide a brief description of your work activities and what they entail?

Participant 8: I am the used car manager at Nissan in Centurion. My primary activities are to manage the used car department and to achieve the budgeted numbers monthly, budgeted numbers in terms of Rand value and the units in terms of sales. For me to achieve that, there are certain criteria and tools I need. The first is to have a good team, to have enough staff members to achieve those goals, and the second important thing is to have the right stock. Sourcing of stock is a key issue in my line of work and getting the right stock is important on the used car floor. A used car manager is judged on the type of stock you can get and obviously getting the right stock equals good sales in terms of return. So, briefly, that is my role here.

Miss Tebogo Mqwathi: You said your position in the organisation is the used vehicle manager, sales manager?

Participant 8: Yes.

Miss Tebogo Mqwathi: Okay, could you please elaborate on the following: How many years of automotive sales experience do you have Khalil?

Participant 8: I have been in the automotive industry since 2006.

Miss Tebogo Mqwathi: Okay.

Participant 8: And in terms of sales, I would say 6 to 7 years. But before that, I was in the HR environment or head office environment.

Miss Tebogo Mqwathi: Okay, allright, thanks for that. Good experience I see there. How would you describe your sales philosophy?

Participant 8: Sales philosophy?

Miss Tebogo Mqwathi: Yes. Do you want me to put context in? Please do not hesitate to ask me if you do not get my question.

Participant 8: Please put some more context into it.

Miss Tebogo Mqwathi: Philosophy. What are your sales principles and beliefs? Do you believe, I am just giving high-level examples here, in customer satisfaction? Do you believe in giving the best service or do you believe in just giving me money, I want money.

Participant 8: First and foremost, I believe in a values-based organisation and when you create a values-based organisation in terms of your department, customer service is a default, customer satisfaction is a default. So, I base everything I do on values-based. That in return determines everything else for me. Because if I have the right values, the foundation is based on values in terms of honesty, liability, and all those values, you automatically get a sales philosophy in turn which is good customer service, and profitability. It entails a philosophy.

Miss Tebogo Mqwathi: Okay, allright, thank you for that. What is the success rate of your sales effort?

Participant 8: Can you elaborate on it?

Miss Tebogo Mqwathi: That is the success rate of your sales effort. By that, I mean comparing to the last five financial years when you have been with Motus, have you seen your sales going up, or going down, where are you now? Are you better than 3 years ago? Are you better than a year ago? Is it always spiking or is it going down all the time?

Participant 8: It is hard for me to say because at that time I was never at one specific dealership and I am also new here, this is my first month here at this specific dealership. So, it is hard for me to answer that question.

Miss Tebogo Mqwathi: Okay, no problem at all. Let us move to the next section, which is to determine the main factors that affect the automotive sector's sales performance in South Africa, Gauteng, during these unforeseen circumstances. Can you identify any disruptive events that have impacted sales performance from your perspective?
Participant 8: The interest rate is a big key factor.

Miss Tebogo Mqwathi: Okay.

Participant 8: I think the events of COVID also had a bit to play in terms of sales.

Miss Tebogo Mqwathi: Okay.

Participant 8: And also, there was a time when the new cars were in short supply, and we benefited. And the market is finding its balance now. So, in turn, that creates some challenges. It creates a bit of a seesaw.

Miss Tebogo Mqwathi: Okay, so you mentioned if I heard you correctly, it is interest rates?

Participant 8: Interest rate is a significant factor.

Miss Tebogo Mqwathi: Allright. Then having said that, could you please describe how these disruptive events affected your sales results if so?

Participant 8: It creates uncertainty and with uncertainty, there is a lack of commitment from customers. And in turn that affects our sales. In a better market condition, we would have easily sold the vehicle because it satisfies the customer's needs, he wants the vehicle, but now obviously the uncertainty keeps him away from committing to that purchase.

Miss Tebogo Mqwathi: Okay, thanks for that. In 2008 globally we experienced an economic recession. According to your knowledge, how did the 2008 economic recession affect your automatic sales? To your knowledge? In 2008 you were in auto but not in sales, but you can just highlight to your knowledge.

Participant 8: To be honest, I know it affected sales quite a bit. In turn, obviously, the business had to find diverse ways of keeping the doors open. But it is difficult for me to give you a proper factual answer to that. So, I am not going to answer the question because I will just be giving you a thumb suck, it is not right.

Miss Tebogo Mqwathi: Okay, allright. Let us move to the recent one then, COVID-19. Please comment on the effect of COVID-19 on automotive sales performance.

Participant 8: Well, you know, once again uncertainty comes into play. It affected a lot of our sales. Lockdown started in March, in that same month uncertainty became visible because there was a two-week notice before the lockdown happened. People are

uncertain, people are at home. Everybody was unsure of what is the next step. It just created uncertainty and that obviously affected our sales in terms of reaching numbers, in terms of reaching our normal targets. So, it was a big disruption in sales.

Miss Tebogo Mqwathi: Just a follow-up question, Khalil, I want to get more into the effect. Would it be that people returned their cars because they lost their jobs due to COVID or people returned or downgraded because now they were no longer travelling to work, they were working from home? Were those the effects that impacted your sales performance?

Participant 8: I do not think people returned the vehicle specifically to the dealership. If there was a return, it was done to the bank. But there was a percentage of customers that would have loved to downgrade because they are working from home. Some customers would opt to sell their vehicles because they are not working. So, there was a percentage of everything. There was a little of this and a little bit of that and you are 100% correct in what you said as well.

Miss Tebogo Mqwathi: Okay. So, since the COVID-19 pandemic restrictions have been lifted, have you observed any difference in car sales results?

Participant 8: There was a period like I said to you, there was a shortage of new cars supply. On the used car side, we benefited from that because we had stock and benefited from it, especially since we capitalised on the shortfall of new cars. So, it is hard to say that after the lockdown, the market was not as fair as it was before the lockdown. So, to answer your question, I am going to be diplomatic and say I cannot give you an answer for certain and say that we benefited, but in terms of the used cars, there was a bit of benefit because there was a short supply of new cars. I would not specifically say it is because the restriction was lifted. By default, if the restriction is lifted, we will sell more cars, because if there are restrictions we are sitting at home, we cannot sell any cars.

Miss Tebogo Mqwathi: Okay, I get you, allright. Have you observed a difference in the sales performance at your dealership in response to the looting turmoil in July 2021, specifically in KZN and Gauteng?

Participant 8: In terms of my staff or in terms of sales?

Miss Tebogo Mqwathi: In terms of sales performance. I know that the bigger part where it took place was KZN but let us look at it in terms of the value chain because KZN is your hub where you get all the parts or vehicles.

Participant 8: Each brand had elements of disadvantages because of the looting. Especially if you look at the Toyota brand. They had bigger challenges than most other automotive brands. But in turn on the used car side, if you had Toyota on your floor, it became a bit of a scarce resource. And we capitalised on that from a used car perspective. To answer your question, yes, there was a bit of an impact on performance because especially if you look at the entire automotive sector. Toyota was affected because they could not supply, there was an issue there not only with the looting but also in terms of the floods and stuff like that. It was a sequence of events, right? If it was not the looting, it was the floods.

Miss Tebogo Mqwathi: Yes, I remember that. That was terrible.

Participant 8: You must take them together, you cannot separate them, because it is a big supply, especially coming from the Durban side.

Miss Tebogo Mqwathi: Okay, thanks Khalil, for that. Let us move to the second last part or section, which is the insights into vehicle-filled performance during these unforeseen circumstances. What lessons have you learned about car sales because of these disruptive events?

Participant 8: From a used car perspective, specifically to used cars, if you have a vehicle, say 90% of the time, on the used car side you have one specific make of this vehicle with specific mileage, a specific price. You can still sell cars during this disruption purely because of that. There is one vehicle that suits one customer. He has been looking for that. It has the right mileage, the right colour, it is the right price. You can still sell it because during that disruption because on used cars you look directly at satisfying customers' needs in terms of vehicle mileage, and budget. So, on the used car side, yes, you can still sell vehicles whether there is a disruption or not.

Miss Tebogo Mqwathi: Okay. So, in terms of technology during these disruptive events, what did you learn? I am talking about your digital strategy and your digital marketing. Have you learned anything? Did COVID or these events find you ready technologically, or did you have to enhance some of your processes and systems?

Participant 8: I think what we have was sufficient to at least contact the customer. There is always room for improvement in terms of technology, you know, because you must look at all aspects when you consider implementing modern technology, you need to look at legal requirements, you need to look at the customer wanting to view the vehicle, test drives the vehicle, all kinds of stuff like that. So, in terms of what we had, it was sufficient for us to still conclude a sale in terms of digital advertising, and digital strategies. It was more than sufficient to conclude a sale. We had all the tools to do it digitally, but considering a sale consists of many other elements, not just the inquiry and the connection with the customer and his wanting the vehicle, there is a legal requirement that needs to also be taken into consideration. So, in terms of that, we obviously need to cater for that as well. But in terms of selling vehicles and having the right technology and the right digital plan, we are equipped for that.

Miss Tebogo Mqwathi: Okay, allright. Did people still want to come to the dealer and kick tires and all that?

Participant 8: Customers always want to come in, especially on the used car side, because they want to view the vehicle. They want to make sure there are no deep scratches, and things like that because it is a used vehicle. A customer wants that peace of mind. So, they come to the dealership to view it and test drive the vehicle. It is always important. It is something that you always find on a used car side. Even though the first initial contract is done digitally, customers would always want to see the vehicle first before committing to anything else. That is just used cars for you.

Miss Tebogo Mqwathi: Allright, that is interesting. Allright Khalil, so we are almost done. We are moving to the last part of the interview which is the section where we are trying to give feedback or suggestions on how to deal with these unforeseen circumstances. So, the last question is how would you suggest the automotive industry curb the impact of any future disruptive event on their sales?

Participant 8: Please repeat the question, I did not hear properly.

Miss Tebogo Mqwathi: How would you suggest the automotive industry curb the impact of any future disruptive event on their sales?

Participant 8: It is hard to suggest because I mean an event that affects us besides interest rates, is not something that we can foresee. I mean we cannot foresee COVID coming. So, what is your plan for that? And you cannot foresee a flood coming, you cannot foresee people looting. What you can do is always safeguard yourself, make sure you have the right tools in place in terms of digital marketing, and use them to your advantage. It is not always about curbing; it is about using the tools you have at your disposal to make the most of it. That is more important than wanting to curb a problem of which you are unaware.

Miss Tebogo Mqwathi: Allright, Okay. That is the end of it. Khalil, thank you so much for your participation. And most importantly, I did not mention this in the beginning, I really appreciate you taking your time, especially on such short notice because I did not even

give you time, but I really appreciate it. This means so much to my study and it will really help me immensely. So, I really appreciate your time.

Participant 8: It is only pleasure and good luck with your studies.

Miss Tebogo Mqwathi: I will also share the study. I promised everybody that I interviewed that I would share the study with them. So, you can have a read, you will see something of interest there and see what other countries are doing. But I will share it.

Participant 8: Thank you very much and I will appreciate it when you do have it.

Miss Tebogo Mqwathi: Thank you so much, Khalil, have a good day.

Participant 8: You too.

ANALYSING THE IMPACT OF DISRUPTIVE EVENTS ON THE PERFORMANCE OF THE AUTOMOTIVE INDUSTRY SALES IN GAUTENG, SOUTH AFRICA

Miss TH Mqwathi (33448094) under the supervision of Prof Hein Prinsloo

INTERVIEW 9

18 NOVEMBER 2022

Miss Tebogo Mqwathi: Okay, we're recording now. Allright, so Debbie, I'm Tebogo Mqwathi, currently enrolled at NWU, which is the Northwest University Business School, doing my last year of of my MBA.

Participant 9: Okay.

Miss Tebogo Mqwathi: There are certain things I'm going to need from you. For example, on the consent form that I attached on the meeting request, could you please complete page 2 for me where there's a declaration where you say I, Debbie Smith, hereby declare that ... and your signature and the date, then you move along to page 3 where you have to please state the dealership name, position in the organisation, interview date and time, then send that back to me.

Participant 9: I will do that.

Miss Tebogo Mqwathi: Okay, thank you so much. So this interview usually takes less than 30 minutes and it consists of three parts. In the first section we determine the main factors that affect automotive sector sales performance in South Africa during unforeseen circumstances. The second section aims to analyse or assess the insights into the vehicle sales performance in these unforeseen circumstances in South Africa. The last section would be to provide feedback as to how we can deal with future disruptive events. Is that clear to you, Debbie?

Participant 9: That's perfect.

Miss Tebogo Mqwathi: Okay. I'm going to jump into the first section which is the background. Could you please provide a brief description of your work activities and what they entail?

Participant 9: Okay, so I'm currently the dealer principal at Motus Nissan in East Rand Mall.

Miss Tebogo Mqwathi: Okay.

Participant 9: Basically I have 5 managers under me which is a used car manager, new car manager, service manager, parts manager and then a financial manager. They report

directly to me. They then obviously have their staff members that report directly to them. But the basic doings of the work is very operational. Obviously when you've got a financial manager, she obviously handles the financial side of it. My side is more operational. I get very involved in the activities of what happens in the business, in the customer relationships, customer satisfaction, exactly what's happening in the day-to-day business. Although I have the managers reporting to me, I also get very involved with the actual down on the ground staff, as well as have my management meetings, make sure we're profitable, make sure we're following the correct processes as per company policies, sum up the checks and make the money.

Miss Tebogo Mqwathi: Okay, thanks Debbie. Please elaborate on the following: How many years of automotive sales experience do you have?

Participant 9: 32.

Miss Tebogo Mqwathi: Wow, everybody I've spoken to has so many years' experience. Oh, my gosh, that's impressive. Okay, allright then. How would you describe your sales philosophy?

Participant 9: I believe that customers come first, without customers we obviously won't have a business. I believe that we need to do something different. We always need to do something different to the dealership next door. I believe in excellent customer service and loyalty to the customer and to your brand.

Miss Tebogo Mqwathi: Okay, allright, that sounds great. What is the success rate of your sales efforts? Can I give it a bit of context on that?

Participant 9: Yes.

Miss Tebogo Mqwathi: Okay, so what I'm trying to figure out or understand is that your sales, your success rate, your conversion rate of your sales at the moment comparing to the past years, would you say I've seen a spike or in the past five years we've been down and now I'm seeing that we are actually generating more, or it fluctuates over time depending on what's happening in the economy?

Participant 9: I will be very honest with you. Sales at the moment are down if I can compare it to the years 2000 to 2010. What happens in the industry is that every 7 years there's a dip. We know that it's going to happen but we never plan for it. Obviously COVID has affected us extremely badly in the motor industry and our sales at this specific dealership because I was here before and I was in sales, we were doing probably about 110 units a month. We are now averaging between 30 and 40 on the new car side. Customers' behaviour, economic behaviour, the economics of the country, COVID, there's a lot of different things that have happened which has worsened in the past couple of years. So instead of it only lasting a year, your 7-year twitch or whatever, it's been carrying on for 7 years. So it's been very difficult, I will be honest with you, and we have dropped in sales, but we keep on, we still believe that customer excellence is what we need to thrive on.

Miss Tebogo Mqwathi: Okay Debbie, allright, thank you for answering the above questions. Now let's move to the section of determining the factors that affect the automotive sales performance in the automotive industry. Can you identify any disruptive events that have impacted sales performance from your perspective?

Participant 9: Most definitely. So obviously COVID has been a huge effect. It's obviously affected the economics of the country, it's affected the interest rates, it's affected fuel hikes, it's affected importing of steel to build vehicles. It's had a huge impact on the motor industry because the motor industry thrives on all of those things. As soon as the interest rate goes up, people start thinking should they buy, should they not buy which is a natural thing for people to have. I will be honest with you, there are a lot of

things that can affect the motor industry as a whole, striking, interest rates hikes, the economics of the country, the uncertainty of where we're going. I think a lot of people have uncertainty of where South Africa is going at the moment. We love our country, we believe in our country, but we still have a little bit of a question mark on whether we should spend money. And that's affected us quite a lot.

Miss Tebogo Mqwathi: Okay, allright, having said that, could you please describe how these disruptive events affected your sales results if so?

Participant 9: First of all, the number of units that we sell. Second of all, it's another effect that came through, was the floods in Durban which affected the build of the cars? The stock situation on manufacturers countrywide, the importing of cars has slowed down. We're not getting as much stock as what we used to get. Customers are not only looking at one brand now because a certain brand cannot supply, so then they go and look at other brands. The loyalty of customers is not as loyal as what they used to be. We couldn't import steel, so we couldn't build cars. Not only the dealerships and the sales have been affected, but the manufacturers, the OEM's, everybody's been affected negatively with regards to this. Where we were keeping 60 units in new cars in stock a couple of months ago for a few months, we used to finish our month on 2 or 3 cars in stock. So it has made a huge impact on the sales of units. By not being able to supply the chips from overseas, that company closed down due to COVID and it was the only supplier of the certain chip that made all the cars work. So for a long time we couldn't build. You know those things happen and it's the uncertainty of it, this is not a normal circumstance. In the 32 years that I've been in the industry, this is the first time these things have happened. So we normally have an answer to the solution of the 7-year drop. We haven't had answers to the solution. We've had to learn and we've had to make a lot of changes.

Miss Tebogo Mqwathi: Okay, that sounds terrible. Allright, let's go back a little bit. In 2008 we experienced the economic resurge. Could you please give detail on how did the 2008 economic recession affect automotive sales to your knowledge?

Participant 9: Like I said, there's always a 7-year twitch. It didn't affect us as badly as what it affected us now. As I said before, we learn to go through these things. In 1995 we had changes and we went through them, we've grown through them. So the unexpected is always there but we manage to get through. 2008 was a bad year, so was 1998, so was 1995. We've all managed to pull through. It didn't affect us as badly as what it's affected us now, although it still did affect. There were retrenchments, you have to start looking at your expenses and it's unfortunate that people have to go through these things but countrywide it's not only the motor industry that gets affected.

Miss Tebogo Mqwathi: Okay, allright, thank you for that Debbie. I think we've touched base on COVID, but for the sake of this interview, please comment on the effect of COVID-19 on automotive sales performance.

Participant 9: COVID hit us as an unknown, as a total new challenge that we had to deal with as something that we as South Africans have never been through before at our ages, perhaps our ancestors had gone through it but we had never been through it. So it was a very stressful time to try and keep your people motivated while they were sitting at home in lockdown. You know, we still had groups, we still got on Teams, we met up every day although we couldn't work. We still kept each other motivated. There were a couple of dealerships that were open for the ambulances and police and all of that that had to be serviced and repaired for the emergency services. It was an extremely scary time in South Africa. Obviously due to this we thought that after lockdown, we were going to battle for a very long time to get our feet back on the ground to get business running. I will be honest with you, for the first three months after lockdown most of the dealerships had their best months ever. Although coming out of a total negative situation, walking into a dealership and thinking that it's going to be a difficult time ahead, the 3 months that came we flew and it put a lot of motivation into people. We still discuss these things that can happen again and we need to learn by them, we need to understand what we need to do, how we need to do things. There are a lot of changes that we've had to make in

the dealerships: We weren't allowed to go and see customers, only two customers were allowed in the dealership at a time. But we pulled through. It's like a norm now.

Miss Tebogo Mqwathi: Yes, I totally agree with you. So at some point the COVID-19 pandemic restrictions were lifted, have you observed any difference in car sales results?

Participant 9: I think they have stayed stagnant, I will be honest with you. From my dealership's perspective and from the the OEM's, when you look at national results and from the OEM's, I think from the COVID time to today everybody still has their little challenges that they need to deal with and we're still battling to import and export and do what we need to do, and it's not as quick as what we are used to. So yes, we still have our challenges. I think it has remained a little bit stagnant and I think it's going to stay this way for a couple of months more. But I definitely see an incline in sales, I definitely see positivity in the industry because the manufacturers are starting to build, they are starting to see what can be done and what cannot be done. I think they used COVID as an excuse more so than an opportunity to learn and to change.

Miss Tebogo Mqwathi: Allright, thanks Debbie. Have you observed a difference in the sales performance at your dealership in response to the looting turmoil that took place in July 2021 specifically in KZN and Gauteng?

Participant 9: Not specifically here. I think that was a very bad time for mostly KZN, It didn't affect us business wise. I think more emotionally because we all have families there. So I think on that side it was a bit of a scare. But like I say, these things happen and it's not only in South Africa, it's everywhere in the world, I think we just advertise it more. We go through these different phases in life and it's what happens, we need to learn by it. In Johannesburg, Cape Town side, I don't think it affected business that much other than obviously the cars dock in Durban, so our imports took a while to get here, but we also had the opportunity to go and fetch them, you can collect. It did slow down, but

it didn't affect us in a negative way that we had to go to huge lengths of retrenchments and all the rest.

Miss Tebogo Mqwathi: Okay, that sounds great. Let us move to the second last part of this interview Debbie, which is assessing the insights into vehicle sales performance during these unforeseen circumstances. What lessons have you learned about car sales as a result of these disruptive events?

Participant 9: At the end of the day people still need transport. I've learned quite a bit from our emergency services people because we were still open for them, but they don't have time to come and see dealerships and to buy cars. They are still travelling by taxis only because they don't have the time. So my change on the whole aspect is, they are important people in our lives, we need to go out and we need to service them. We cannot expect people to walk into our dealerships anymore. We need to be out there advertising and doing sales differently. Before we sat and waited for people to come in, it no longer works like that. We need to go and help the community out there.

Miss Tebogo Mqwathi: Allright. So Debbie, in terms of technology or digital sales strategy, would you say you've learned anything during these disruptive events?

Participant 9: Most definitely. We changed our whole website profile that the customers can do applications online, they can apply for finance, they can see what colour car they want, they can build their own car and see what it would look like online. We have leads coming through online. So the customers don't necessarily need to physically come in, they can buy online. But I will be honest with you, we as South Africans are still touchy and feely unlike Americans. We are still very much into that phase. So at the end of the day our customers still want to come and take the delivery, see who they're dealing with face to face, see people's faces. We are very touchy-feely people and and I do not think it is going to change. But yes, definitely we do a lot more online than what we used to because we've had to change our way of of looking at sales.

Miss Tebogo Mqwathi: Okay, the last question for the interview, how would you suggest that the automotive industry curb the impact of any future disruptive events on their sales?

Participant 9: Any disruptive thing that happens, it is a different thing that happens. We have challenges with the economics of the country, we have challenges with a lot of things. Only when that event happens, can we decide or learn going forward. We cannot 2 months before something happens, say that is what is going to happen. It is an extremely difficult question to ask, but I think if we stay positive and we stay motivated and we keep our staff, because people are good and we like to look after them. In disruptive times I think communication is huge. So instead of hiding, we cannot supply these cars because they are busy toy toying down the road, be honest and open. There needs to be transparency in these things going forward because it can help the industry in the long run if we do know 2 months before it starts happening, then we can start preparing for it. So I think with the OEM's, manufacturers, economics, our leaders, transparency and honesty are huge things that we need to live by.

Miss Tebogo Mqwathi: Okay, allright Debbie, that brings us to the end of our interview. Thank you so much for your participation, especially considering I have just gotten hold of you today. I really appreciate it.

Participant 9: It is only a pleasure. It is the most horrible thing being a learner and you cannot find people to help. I hope I have answered your questions correctly. Please Tebogo, you have my number, if you need anything you are welcome to call me. No problem.

Miss Tebogo Mqwathi: Allright, I will do that, I appreciate it so much. Please just remember to send me the consent form, otherwise I cannot use this interview without you consenting.

Participant 9: No problem at all. I am going to do it for you right now, and I will mail it straight to you.

Miss Tebogo Mqwathi: Allright, I appreciate it. Thank you so much, Debbie. Have a lovely day.

Participant 9: Have a lovely day. Thanks. Bye.

---oOo---

APPENDIX E: ETHICS APPROVAL

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Tel: 018 299-1111/2222
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Senate Committee for Research Ethics
Tel: 018 299-4849
Email: nkosinathi.machine@nwu.ac.za

29 August 2022

ETHICS APPROVAL LETTER OF STUDY

Based on approval by the **Economic and Management Sciences Research Ethics Committee (EMS-REC)** on 26/08/2022, the Economic and Management Sciences Research Ethics Committee hereby **approves** your study as indicated below. This implies that the North-West University Senate Committee for Research Ethics (NWU-REC) grants its permission that, provided the special conditions specified below are met and pending any other authorisation that may be necessary, the study may be initiated, using the ethics number below.

Study title: Analyzing the impact of disruptive events on the performance of the automotive industry sales in Gauteng, South Africa
Study Leader/Supervisor (Principal Investigator)/Researcher: Prof JJ Prinsloo / MBA
Student: Mqwathi, TH (33448094)

Ethics number: N W U - 0 0 6 9 2 - 2 2 - A 4
Institution Study Number Year Status
Status: S = Submission; R = Re-Submission; P = Provisional Authorisation; A = Authorisation

Application Type:
Commencement date: 29/08/2022 **Risk:** Low
Expiry date: 29/08/2022
Approval of the study is initially provided for a year, after which continuation of the study is dependent on receipt and review of the annual (or as otherwise stipulated) monitoring report and the concomitant issuing of a letter of continuation.

Special in process conditions of the research for approval (if applicable):

-

General conditions:

While this ethics approval is subject to all declarations, undertakings and agreements incorporated and signed in the application form, the following general terms and conditions will apply:

- *The study leader/supervisor (principle investigator)/researcher must report in the prescribed format to the EMS-REC:*
  - *annually (or as otherwise requested) on the monitoring of the study, whereby a letter of continuation will be provided, and upon completion of the study; and*
  - *without any delay in case of any adverse event or incident (or any matter that interrupts sound ethical principles) during the course of the study.*
- *The approval applies strictly to the proposal as stipulated in the application form. Should any amendments to the proposal be deemed necessary during the course of the study, the study leader/researcher must apply for approval of these amendments at the EMS-REC, prior to implementation. Should there be any deviations from the study proposal without the necessary approval of such amendments, the ethics approval is immediately and automatically forfeited.*
- *Annually a number of studies may be randomly selected for an external audit.*
- *The date of approval indicates the first date that the study may be started.*
  n the interest of ethical responsibility, the NWU-SCRE and EMS-REC reserves the right to:

- *request access to any information or data at any time during the course or after completion of the study;*
- *to ask further questions, seek additional information, require further modification or monitor the conduct of your research or the informed consent process;*
- *withdraw or postpone approval if:*
  - *any unethical principles or practices of the study are revealed or suspected;*
  - *it becomes apparent that any relevant information was withheld from the EMS-REC or that information has been false or misrepresented;*
  - *submission of the annual (or otherwise stipulated) monitoring report, the required amendments, or reporting of adverse events or incidents was not done in a timely manner and accurately; and / or*
  - *new institutional rules, national legislation or international conventions deem it necessary.*

- *Please note that the ethics approval of this application is subject to the Covid-19 protocols.*

The EMS-REC would like to remain at your service as scientist and researcher, and wishes you well with your study. Please do not hesitate to contact the EMS-REC or the NWU-SCRE for any further enquiries or requests for assistance.

Yours sincerely,

Mark Rathbone

Digitally signed by Mark Rathbone
DN: cn=Mark Rathbone, o=North-West University, ou=Business management, email=mark.rathbone@nwu.ac.za, c=ZA
Date: 2022.08.31 13:41:26 +02'00'

Prof Mark Rathbone
Chairperson: NWU Economic and Management Sciences Research Ethics Committee

APPENDIX F: SOLEMN DECLARATION

NWU Higher Degrees Administration

SOLEMN DECLARATION AND PERMISSION TO SUBMIT

1. Solemn declaration by student

I, **Hildah Tebogo Mqwathi**

declare herewith that the thesis/dissertation/mini-dissertation entitled (**exact registered/approved title**),

Analysing the impact of disruptive events on the performance of the automotive industry sales in Gauteng, South Africa

which I herewith submit to the North-West University is in compliance/partial compliance with the requirements set for the degree:

Masters in business administration

is my own work, has been text-edited in accordance with the requirements and has not already been submitted to any other university.

LATE SUBMISSION: If a thesis/dissertation/mini-dissertation of a student is submitted after the deadline for submission, the period available for examination is limited. No guarantee can therefore be given (should the examiner reports be positive) that the degree will be conferred at the next applicable graduation ceremony. It may also imply that the student would have to re-register for the following academic year.

Ethics number: NWU-00692-22-A4 ORCiD: 0000-0003-2968-260X

Signature of Student: Tebogo Hildah Mqwathi Digitally signed by Tebogo Hildah Mqwathi Date: 2023.02.01 10:15:13 +02'00' University Number: 33448094

Signed on this 2nd day of February of 20 23

2. Permission to submit and solemn declaration by supervisor/promoter

The undersigned declares that the thesis/dissertation/mini-dissertation:

- ☑ Complies with the A-rules and the technical requirements provided for in the Manual for Higher Degree studies and in faculty rules;
- ☑ Has been checked by me for plagiarism (by making use of TurnItIn software for example) and a satisfactory report has been obtained, and;
- ☑ That the work was language edited before submission for examination.

Faculty specific requirements as per A-rules: 1.3.2, 4.3.2, 4.3.3, 4.4.2, 4.10.4, 5.3.2, 5.4.2, 5.10.2

- ☑ Complies with regards to faculty rules on submission or acceptance by an accredited scientific journal;
- ☑ Complies with regards to faculty rules on peer reviewed conference proceedings;
- ☑ The student is hereby granted permission to submit his/her mini-dissertation/ dissertation/thesis for examination.

Signatures of supervisor(s) and Promoter(s): (only compulsory in cases where there are co- or assistant- supervisor(s/promoters)

JJ Prinsloo Digitally signed by JJ Prinsloo Date: 2023.02.02 11:44:54 +02'00'

Supervisor/Promoter

Co-Supervisor/Co-Promoter

Assistant -Supervisor
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APPENDIX G: DECLARATION OF LANGUAGE EDITING

Dynamic Language & Translation Specialists

Antoinette Bisschoff
71 Esselen Street,
Potchefstroom
Tel: 018 293 3046
Cell: 082 878 5183
Language@dlts.co.za
CC No: 1995/017794/23

Friday, 06 January 2023

To whom it may concern

Re: Confirmation of language edit, typography and technical precision

The dissertation for the degree Master's in Business Administration, "**Analysing the impact of disruptive events on the performance of the automotive industry sales in Gauteng, South Africa**" by **TH Mqwathi** was edited for language and technical precision. The referencing and sources were checked, and it complies with the Harvard guidelines specified by the 2020 NWU Reference guide.

Note that direct quotations from interviews were only edited for spelling and punctuation because language correctness could alter interviewees' meanings.

Final, last-minute corrections remain the responsibility of the author.

Antoinette Bisschoff

BA Languages (UPE – now NMU); MBA (PU for CHE – now NWU); Translation and Linguistic Studies (NWU)

Officially approved language editor of the NWU since 1998
Member of SA Translators Institute (no. 100181)

Precision ... to the last letter

APPENDIX H: TURNITIN REPORT

Document as on 23 January 2023

by Th Mqwathi

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File name: Tebogo_Mqwathi_MBA_dissertation_Final_Exam_Copy.docx (2.07M)
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Document as on 23 January 2023

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