



MIDLANDS STATE UNIVERSITY

FACULTY OF COMMERCE

DEPARTMENT OF ACCOUNTING

The effectiveness of export incentives in revitalising business competitiveness in an organisation (A case study of the Zimbabwe tourism industry)

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*This dissertation is submitted in partial fulfilment of the requirements of the **Bachelor of Commerce Accounting Honours Degree** in the Department of Accounting at the Midlands State University.*

GWERU, ZIMBABWE

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DEDICATION

This dissertation is dedicated to my father George, my mother Christine, my uncle Clayton, my aunt Agatha and to all other family and friends who have positively impacted me directly or indirectly up to this far. I also give all the applause to the almighty for protecting and guiding me up to this day.

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ABSTRACT

The research was conducted to establish the effectiveness of export incentives in revitalising business competitiveness in an organisation (A case study of the Zimbabwe tourism industry). It was conducted after the researcher noticed the decline in competitiveness in the tourism industry which was mainly due to the 2014-2015 Ebola crisis, deterioration of major Zimbabwean manufacturing industries which were providing raw material inputs to the industry as well as the banning of importation of certain goods and services by the Zimbabwean government. As a result, the objective of the study was to ascertain whether export incentives led to boost in performance currently being obtained after incorporating a number of incentive schemes. The study adopted a descriptive research design which used questionnaires and interview guides to solicit information from targeted respondents. The study was delimited to the companies and players in the Zimbabwe tourism industry. 7 representative companies were chosen using judgemental sampling and a sample of 49 participants took place in the study. Pearson's coefficient of correlation was also used as a basis for regression to find the relationship between cumulative growth in export incentive schemes (independent variable) and profits (dependant variable). Results obtained denoted a significant strong positive correlation with the value for **R** being **0.8852** meaning export incentives were effective in revitalising business competitiveness in the Zimbabwe tourism industry. Based on the research results, the government should continue expanding the scope of export incentives and also enhancing their quality so that they are easily accessible and known.

TABLE OF CONTENTS

	CONTENTS	PAGE
	Cover Page	i
	Approval Form	ii
	Release Form	iii
	Dedication	iv
	Acknowledgements	v
	Abstract	vi
	Table of Contents	vii
	List of Tables	xiv
	List of Figures	xv
	List of Appendices	xvi
	CHAPTER 1	1
1.0.	Introduction.	1
1.1.	Background of Study	1
1.2.	Statement of Problem	3
1.3.	Main Research Question	3
1.4.	Sub-research Question	3
1.5.	Research Objectives	3
1.6.	Significance of Study	4
1.7.	De- limitations	4
1.8.	Limitations	5
1.9.	Research Assumptions	5
1.10.	Definition of Terms	5

1.11.	Chapter Summary	6
	CHAPTER 2- LITERATURE REVIEW	7
2.0.	Introduction	7
2.1.	Types of Export Incentives and their Nature	7
2.1.1	Duty Drawbacks	7
2.1.2	Duty Free Replenishment Certificate Scheme	8
2.1.3	Tax Abatement	8
2.1.4	Advance License	9
2.1.5	Export Credit and Foreign Investment Re-insurance	10
2.1.6	Monetary Export Incentive Scheme	10
2.1.7	Export Subsidies	10
2.1.8	Sales Tax Exemption on Exports	11
2.1.9	Legal Export Incentives	11
2.2	Challenges faced by the tourism industry when exporting	12
2.2.1	Fluctuations in foreign currency exchange rates	12
2.2.2	Security Issues	13
2.2.3	Seasonal Dependence	13
2.2.4	Lack of Financial/Technical resources to implement stringent requirements	13
2.2.5	Excessive Labour Unionism, High Labour Costs and industrial disputes	14
2.2.6	Shortage of Adequate Power Supply and Raw materials	14
2.2.7	Weak Commercial Diplomacy	15
2.2.8	Taxation	15
2.2.9	Liquidity Crunch	15
2.3	Advantages and Disadvantages of Export Incentives.	16

2.3.1	Selling Excess Domestic Capacity	16
2.3.2.	Insulating Seasonal Domestic Sales by Finding New Foreign Markets	16
2.3.3	Exploring Previously Untapped Markets	17
2.3.4	Lowering Per Unit Cost and Increasing Returns on Investments	17
2.3.5	Companies Gain Global Market Share	17
2.3.6	Enhancing Company Image	17
2.3.7	Expansion of Product/Service Life Cycle	18
2.3.8	Incentives are a Healthy Way of Strengthening Productive Fronts	18
2.3.9	Incentives Encourage Compliance Rather than Risk Taking	18
2.3.10	Companies Lack Creativeness	19
2.3.11	Incentives Can be Used to Circumvent Operational Problems	19
2.3.12	Unnecessary Cost to Governments	19
2.3.13	Dis-ambiguities of Export Incentives	19
2.3.14	Incentives Destruct Trading Concessions	20
2.4	Impact of Incentives on an Organisation's Financial Performance	20
2.4.1	Impact of Incentives on Pricing	21
2.4.2	Impact of Incentives on Profitability	22
2.5	Chapter Summary	23
	CHAPTER3-RESEARCH METHODOLOGY	24
3.0	Introduction	24
3.1	Research Philosophy	24
3.2	Research Design	24
3.2.1	Descriptive Research Design	25
3.2.2	Quantitative Approach	25

3.3	Research Population	26
3.4	Sampling Techniques	27
3.4.1	Stratified Random Sampling	27
3.4.2	Judgmental Sampling	27
3.5	Sample Size	28
3.6	Data Sources	29
3.6.1	Primary Data Sources	29
3.6.2	Secondary Data	30
3.7	Research Instruments	30
3.7.1	Questionnaires	30
3.7.2	Interviews	31
3.8	Data Collection Procedures	31
3.8.1	Likert Scale	32
3.9	Data Analysis	32
3.9.1	Correlations	33
3.9.2	Data Presentation Techniques	34
3.10	Ethical Consideration	35
3.11	Data Reliability and Validity	35
3.11.1	Reliability	35
3.11.2	Validity	36
3.12	Chapter Summary	36
	CHAPTER 4-DATA PRESENTATION, ANALYSIS AND INTERPRETATION	37
4.0	Introduction	37

4.1	Sample Distribution in Terms of Specialisation	38
4.2	Respondents' Opinion in Relation to the Research Problems.	40
4.2.1	How the 2014-2015 Ebola Crisis Affected The Tourism Business Performance	40
4.2.2	Effects of Decline in Competitiveness of Zimbabwe Manufacturing Industry	40
4.2.3	How Import Restrictions has Affected the Competitiveness of Tourism Firms	41
4.2.4	Impact of Tax and Customs Reforms on Zimbabwe Tourism Competitiveness	41
4.3	Export Incentives and their Nature	42
4.3.1	Duty Drawbacks	43
4.3.2	Duty Free Replenishment Certificates	43
4.3.3	Tax Abatements	43
4.3.4	Advance Licence	44
4.3.5	Export Credit	44
4.3.6	Foreign Investment Re-insurance	44
4.3.7	Monetary Export Incentives	45
4.3.8	Export Subsidies	45
4.3.9	Sales Tax Exemption	45
4.3.10	Legal Export Incentives	45
4.3.11	Regression Analysis	46
4.4	The Challenges Faced by the Zimbabwe Tourism Industry	48
4.4.1	Fluctuations in Foreign Currency Exchange Rates	49
4.4.2	Security Issues	49
4.4.3	Fluctuating Business Due To Peak And Off-Peak Seasons	49
4.4.4	Lack of Financial Resources to Attain Benchmarked Standards	50
4.4.5	Excessive Labour Unionism	50

4.4.6	Shortage Of Adequate Power Supply	50
4.4.7	Shortage Of Adequate Raw Materials	50
4.4.8	High Taxes And Duty	51
4.4.9	Liquidity Crunch/Crisis	51
4.4.10	Weak Commercial Diplomacy	51
4.4.11	Industrial Disputes	52
4.5	Respondents Opinion with regards to Advantages of Export Incentives	52
4.5.1	Selling Excess Domestic Capacity	52
4.5.2	Insulating Seasonal Domestic Demand Through Finding Foreign Markets	53
4.5.3	Exploring Previously Untapped Markets	54
4.5.4	Lowering Per Unit Cost And Increasing The Return On Investments	55
4.5.5	Enhancing Company Image	56
4.5.6	Strengthening Productive Fronts Of The Industry	56
4.6	Respondents Opinion With Regards To Disadvantages Of Export Incentives In The Zimbabwe Tourism Industry.	57
4.6.1	Export Incentives Encourage Compliance Rather Than Risk Taking	57
4.6.2	Companies Lack Creativeness	58
4.6.3	Incentives Can Be Used To Circumvent Operational Problems	59
4.6.4	Incentives Destruct Trading Concessions	60
4.7	Respondents Opinion With Regards To Export Incentives Influence The Financial Performance Of The Zimbabwe Tourism Companies	60
4.7.1	Pricing	60
4.7.2	Profitability	61
4.8	Interview Questions Responses And Analysis	62

4.8.1	Do you View Export Incentives as an Ideal Tool to Improve the Competitiveness of Tourism firms in Zimbabwe	62
4.8.2	Recommendations To Authorities So As To Circumvent Challenges Outlined	63
4.9	Chapter Summary	64
5.0	CHAPTER5- SUMMARY, CONCLUSIONS AND RECOMMENDATIONS	65
5.1	Chapter Summaries	65
5.2	Main Research Findings	66
5.3	Recommendations	67
5.4	Suggestions for Future Research	68
5.5	Chapter Summary	68
	Reference List	69

LIST OF TABLES

Table 1:1	Africa Albida's Financial Performance	2
Table 3.1	Population And Sample Size	29
Table 3.2	Likert Scale	32
Table 3.3	Financials in Relation to Growth in Incentive Schemes	33
Table 4.1	Questionnaire Response Rate	33
Table 4.2	Distribution Of Respondents In Terms Of Their Experience	39
Table 4.3	Responses In Relation To The Ebola Crisis Problem	40
Table 4.4	Responses In Relation To The Decline In The Competitiveness	40
Table 4.5	Responses In Relation To Import Restrictions	41
Table 4.6	Responses In Relation To Current Tax And Customs Laws	41
Table 4.7	Financials In Relation To The Cumulative Growth In Incentive Schemes	46
Table 4.8	Regression Calculation	47

LIST OF FIGURES

FIG 4:1	Sample Distribution In Terms Of Departments	38
FIG 4:2	Types And Nature Of Export Incentive Schemes	42
FIG 4:3	Challenges Affecting The Zimbabwe Tourism Industry	48
FIG 4.4	Responses In Relation To Selling Excess Domestic Capacity	52
FIG 4:5	Responses In Relation To Insulating Seasonal Domestic Demand	53
FIG 4:6	Responses In Relation To Exploring Previously Untapped Markets	54
FIG 4:7	Responses In Relation To Lowering Per Unit Cost	55
FIG 4:8	Responses In Relation To Enhancing Company Image	55
FIG 4:9	Strengthening Productive Fronts Of The Industry	56
FIG 4:10	Encouraging Compliance Rather Than Risk Taking	57
FIG 4:11	Responses In Relation To Companies Lack Creativeness	58
FIG 4:12	Responses In Relation To Circumventing Operational Problems	58
FIG 4:13	Responses In Relation To Trading Concessions	59
FIG 4:14	Responses In Relation To Pricing	60
FIG 4:15	Responses In Relation To Profitability	61

LIST OF APPENDICES**PAGE**

APPENDIX1	Research Questionnaire	73
APPENDIX2	Interview Guide	78

CHAPTER 1

1.0 INTRODUCTION.

The chapter concerned the core course of the study, which aimed at investigating the effectiveness of export incentives in revitalising business competitiveness in an organisation. Some crucial elements such as the background of study, a statement of problem and other enhancing elements including research questions, research objectives, significant of study, de-limitations, limitations, assumptions and definition of terms are also incorporated.

1.1 BACKGROUND OF STUDY

The study was a deliberate intention to scrutinise and comprehend on a broader spectrum the effectiveness of export incentives as a tool to revitalise business competitiveness in organisations. According to Mangla (2014), tourism companies in Africa over the past years had lost a lot of business potential and opportunities to foreign competitors mainly due to the 2014-2015 Ebola crises. Mduduzi (2014) noted that the crisis further caused stiff local competition between firms as a means to cushion lost external business by charging prices which were equal to the marginal cost of production. According to Tsarwe (2014) in Zimbabwe, the competitiveness of the tourism industry further declined due to the deterioration of major manufacturing industries which were providing most of the inputs to the tourism sector.

The banning of importation of certain goods by the Zimbabwean government through its statutory instrument 64, (control of goods, open general import licence number (2) adversely affected the sector which had put much dependency on imports to facilitate its operations. According to Murwira (2016), high taxes and customs duty on capital goods have also negatively affected the tourism industry to gain a competitive advantage. Examples are machinery for expansion and modernisation, boat equipment and other goods for exclusive use in the tourism business by the tourism operator.

The above challenges greatly affected all players in the Zimbabwe tourism industry with regards to their competitiveness and financial performance. The researcher analysed Africa Albida tourism extensively as it had similar taste with the whole coverage. Comparisons were made about the performance of the company in Zimbabwe before the incentives schemes and

after the incentives schemes and also in relation to Botswana where the policy was not operational for the specified period considered under review.

Table 1:1- An illustration of the financial performance of Africa Albida Tourism in relation to pre and post incentive scheme in Zimbabwe and an overview of Botswana where the policy was not functional.

Country of Operations	Profit from Jan-Dec 2014	Profit from Jan-Dec 2015	Profit from Jan-Dec 2016	% Change Jan-Dec 2015	% Change Jan-Dec 2016
Zimbabwe	\$964 000	\$847 230	\$2 652 741	-12.1%	213.1%
Botswana	\$334 120	\$394 600	\$420 000	18.1%	6.44

(Source: Adapted from Africa Albida mid-term financial reviews).

Table 1:1 shows that the profitability of Zimbabwean operations was declining from 2014 to 2015 but after the export incentives were introduced; in 2016 there was a sharp 213.1% increment. Botswana had continued to grow steadily over the years. Williamson (2013), Perkins (2014), and Allans (2012), were of the motion that incentives can boost business competitiveness through cheaper product pricing due to the government’s efforts to deliberately add a premium on normal selling prices. However, Henry (2014), Easterly (2012) and Rashid (2015) were of the notion that incentives do not always produce desirable results to companies as they will continually depend on aid and lack research. The researcher suggest that a further research needs to be carried out in Zimbabwe, as previous studies where centred on developed countries.

1.2 STATEMENT OF PROBLEM

Africa Albida Tourism was facing declining profitability due to stiff competition in the tourism industry from past years mainly due to limited resort visits by locals and failure to penetrate at a wider scale the global tourism industry after the Ebola crisis. Incentives were viewed as a relief to this problem as they were a deliberate action by the government to enforce the competitiveness of companies. The question was to whether the export incentives shall greatly contribute extensively to restoring the performance of the company and giving it a competitive edge in foreign markets. The study is was deliberate motive to investigate the effectiveness of export incentives in revitalising business competitiveness in organisations.

1.3. MAIN RESEARCH QUESTION

Are the export incentives schemes effective in revitalising business competitiveness in organisations?

1.4. SUB-RESEARCH QUESTIONS

- What are the types of export incentives and their nature?
- What are the challenges faced by the tourism industry when exporting?
- What are the advantages and dis-advantages of export incentives?
- What is the impact of incentives on an organisation's financial performance?

1.5. RESEARCH OBJECTIVES

- Analyse the types and nature of export incentives.
- Analyse the challenges faced by firms in the tourism industry when exporting.
- To analyse the advantages and dis-advantages of export incentives.
- To analyse on impact of export incentives on an organisation's financial performance.

1.6. SIGNIFICANCE OF STUDY

TO THE RESEARCHER

The research is conducted in partial fulfilment of the requirements of the Bachelor of Commerce Honours Degree in Accounting to aid in gaining research skills as well as obtaining an in depth knowledge of government policies aimed at stimulating economic growth.

TO THE UNIVERSITY

To add to the body of knowledge some valuable resource appealing to a wide range of readership and researchers who may need to know about the effects of incentives on organisations and economies. The researcher had permitted further elucidation of the research topic by adding new literature and highlighting existing sources with regards to the subject.

TO OTHER STAKEHOLDERS

The work study deduced recommendations and conclusions that will assist decision makers in the proper execution of their duties after incorporation of the above. Governments and its arms in developing countries can also benefit from the study to properly implement expansionary policies.

1.7. DE- LIMITATIONS

- The study focused on export incentives as a stimulus to revitalise organisational competitiveness.
- It is also limited to employees and players in the tourism and hospitality industry.
- The study covers the period from Jan 2014 to December 2016.
- The study is limited to Zimbabwe export incentives schemes.

1.8. LIMITATIONS

- The population may not be willing to divulge secret information which they may consider to be of paramount importance to the organisation. The researcher ended up considering other articles such as press release.
- It is practically impossible to gather all information about the tourism and hospitality industry. The researcher resorted to considering a niche of the whole coverage with similar taste of the activities.
- Some financial constraints also inconvenienced the researcher from conducting the whole coverage and he resorted to targeting a certain segment of the whole.
- A cut off of the period has been chosen so as to match the performance to the overall period.
- The research has been conducted on a sample basis rather than on a wide scrutiny. This made the outcomes persuasive rather than conclusive.

1.9. RESEARCH ASSUMPTIONS

- The information and facts obtained from the research conducted about the selected sample adequately represent the whole tourism industry.

1.10. DEFINITION OF TERMS

- **Exports** According to Harvard and Upton (2012) exports are products/services that you formally pass across borders to other countries/the business of sending good/ services to other countries.
- **Incentives** Cranz (2015) defines incentives as things that encourage a person to do something or behave in a certain positive way.

- **Export Incentives**, Harvard and Upton (2012) defined export incentives as monetary, tax or legal incentives designed to encourage businesses to export certain types of goods.

1.11. CHAPTER SUMMARY

The chapter explored an insight into the study by discussing the main aim of the research, reviewing a brief background of the research problem. Chapter two explored both empirical and conceptual researches that have been conducted with regard to export incentives.

CHAPTER 2

LITERATURE REVIEW

2.0. INTRODUCTION

The chapter explored both theoretical literature and empirical studies with regards to export incentives. The researcher puts much emphasis on arguments between scholars in support and those contradicting to the subject matters. Their views were clarified and scrutinised to enhance palatability by other readers. The chapter ended with a summary of the review.

2.1. TYPES OF EXPORT INCENTIVES AND THEIR NATURE

According to Kyonghee et al (2014) and Harvard and Upton (2012) an incentive is something that motivates an individual or a corporate to perform a particular course of action. Inaki and Arantza (2013) defined export incentives as incentives in the form of tax, legal and monetary provided by the government to enhance the competitiveness of its export to other countries. Regardless of the types, export incentives are meant to make domestic products more affordable and competitive in the international market. The researcher analysed in detail the nature and types of export incentives.

2.1.1. DUTY DRAWBACKS

According to Anant (2015) and Rashid (2015) duty drawback refers to the refund of central excise and customs duty paid in respect of raw materials and other inputs used in the manufacture of products prior to exporting. Karachiwalla and Park (2016) noted that duty drawbacks are meant to make commodities which are subject to taxation be exported to foreign countries at the same terms as goods from countries where they are untaxed. Drawbacks help companies reduce costs associated with goods and services, thereby gaining a competitive edge in foreign markets.

However Bryan (2013) is of a different opinion with regards to duty drawback initiatives. He noted out that, a government's efforts to deliberately issue out a duty drawback on its products/services often lead to controversy between countries. A country might feel that another country has promoted its exports so well and retaliates by floating subsidies to its products which might be of a greater magnitude than the exporting country's cost of production.

2.1.2. DUTY FREE REPLENISHMENT CERTIFICATE SCHEME

According to Balassa (2014) merchant exporters, manufacturer exporters and service exporters are eligible to import inputs (raw materials) utilised in the processing of exports without payment of basic customs duty. Jung (2015) at el and Allans (2012) supports the motion that duty free replenishment certificates can effectively enhance the competitiveness of exports through cheaper inputs costs there by leading to reduced prices and higher profit margins.

However Gershon (2012) criticised that duty free replenishment certificates do not always yield desirable results with regard to profits and costs. Authorities usually set stringent screening policies with regards to formality, protocols and paper work to issue out the certificates. The procedure to obtain the certificate then negatively affects the objective to reduce costs in the short run and moderate long run as the certificate have expiry dates.

2.1.3. TAX ABATEMENT

Lasco (2013) defined tax abatement as a reduction of/exemption from taxes granted by a government for a specified period. An abatement of taxation is meant to encourage certain activities such as investment of capital equipment, start ups and external competitiveness of products and services. Other forms of tax abatement are holiday tax periods, rebates, tax decreases, and a reduction in penalties. According to Muller (2016) a common type of tax abatement is property tax abatement, which is issued to individuals or companies who feel that the assessed value of their property is too high or if they have restored or improved historic property.

Grillos (2015) argues that tax abatements may not yield desirable results as other factors such as abatement period, market and opportunity cost are also taken into consideration with regards to finalising the decision to invest or enter new markets.

2.1.4. ADVANCE LICENSE SCHEME

According to Bryan (2013), Henry (2014) and Rashid (2015) an advance license is granted for the importation of inputs with the exemption of basic import and customs duty with regards to the procedures outlined on the date of issue to subject the holder to fulfil a time bound export obligation and value addition as maybe specified. Advance licenses are usually value or quantity based and sometimes associated with a credit facility to source inputs from domestic suppliers as per arrangement of the policy. Under value based advance license scheme, all the inputs as per specification may be imported within the ranges of the cost,

insurance and freight (CIF) value indicated with the exception of inputs specified as sensitive items, (Gillan and Nguyen 2014). Under value based, when exporting the free on board (FOB) value of the exports together with the quantities to be achieved shall be specified.

Guryan and Kim (2015) however argue that advance licenses sometimes do not successfully succeed in promoting exports as exporters may inefficiently convert inputs to output and usually fail to attain the desired output targets as other contributing factors may negatively affect their objectives.

2.1.5. EXPORT CREDIT AND FOREIGN INVESTMENT RE-INSURANCE

Gershon (2012) defined export credit and foreign investment re-insurance as a system whereby the government grants an extended loan facility to exporters together with an assurance that it will assist the facilitation of the exporting process and guarantees all the investments made. Exporters are given the green light to export at liberty with no fear of loss of investments or shortages of funding to complete the process.

Mullers (2016) argues that credit schemes and exports re-insurance sometimes may fail to produce desirable results as over reliance on government assistance may damage the creativeness of firms to cope up with trending global changes in markets.

2.1.6. MONETARY EXPORT INCENTIVE SCHEME

Firms registered as exporters are eligible to pre-export and post-export monetary assistance as a motive to accelerate the rate of exports by countries Cheung et al (2016) and Annette (2013). Pre-export monetary assistance is a credit facility extended to an exporter to facilitate the preparation of exports. Post-export incentives are granted after the exporting process, and they are usually a percentage of the value exported. According to Botteril (2016) and Allans (2012) monetary export incentives are meant to encourage the rates of export by companies and to dispose excess domestic capacity.

Huber et al (2015) argues that pre export incentives, although attractive may sometimes fail to produce desirable results especially if the conversion process fail at a particular stage. The incentive maybe converted to additional costs.

2.1.7. EXPORT SUBSIDIES

According to Lasco (2013), Harvard and Upton (2012) and Telfer (2014) a subsidy takes the form of financial support to companies with initiatives to increase production, consumption or disposal of a product /service. Export subsidies are deliberate intentions by governments to enhance the exportation of certain products to foreign markets through providing a premium on top of export prices. Exporters are motivated by the premium to increase output and capacity as the subsidies are usually incorporated together with relaxation of exporting documentation and screening processes.

However Aakvic (2015) and Barber (2016) are of the motion that although subsidies can influence exports, over reliance on them by exporters in the long term can negatively affect exporters when they are removed and policies made stringent.

2.1.8. SALES TAX EXEMPTION ON EXPORTS

According to Lasco (2013), governments may opt to deliberately exempt sales tax in a motive to encourage companies to export more and explore new markets. The incentive not to pay tax for a specified period will yield desirable results as companies will increase their margins by a percentage equal to the tax rate.

Casterllonos (2013) argues that although sales tax exemption is acceptable, the strategy is less likely to be adopted as a competitiveness tool as most governments earn most of their revenue from sales tax.

2.1.9. LEGAL EXPORT INCENTIVES

According to Harvard and Upton (2012) and Henry (2014) legal export incentives take the form of relaxation of export documentation, fast tracking of customs clearing process and legal assistance with regards to exports. Belot et al (2015), Allans (2012) and Williamson (2013) supports the motion that relaxation of legal processes positively contribute to enhanced exports growth as many companies will be left with no alternative rather than taste new external markets.

However Kleit (2014) and Heinz (2014) are of the view that although legal export incentives are advantageous to exporters, complete relaxation in the long run has an adverse effect on compromising the quality of inspections and declaration of products and services.

Conclusively export incentives are in many forms as outlined above. It is up to a government's discretion to pick a set of best practice tools to achieve its exporting objective.

Efficiency of any strategies adopted to boost exports is depended on whether it's a short/ long term objective to continue exporting as all the strategies work within staggered time limits.

2.2.0. CHALLENGES FACED BY THE TOURISM INDUSTRY WHEN EXPORTING.

Tourism companies face a number of challenges when exporting their products and services to foreign markets. Some of the challenges are mainly due to the inherent nature of the business. The researcher seeks to investigate both inherent and synthetic challenges affecting the industry.

2.2.1. FLUCTUATIONS IN FOREIGN CURRENCY EXCHANGE RATES

According to Horner and Swarbrooke (2013) and Hansen (2015) fluctuations in foreign exchange rates negatively affects the tourism industry when exporting to foreign markets due to the use of multi-currency system. Companies are unable to know the actual values of currency for future periods and usually fail to predict long range rates from such monetary instability. In Zimbabwe, instability of currencies has negatively affected firms due to the adoption of multi-currency system in trade.

However, according to Barber (2016), the challenge of fluctuations in exchange rates can be minimised by making contractual agreements of future adjustments of payments to present day rates with forwarding agents when initiating the payment processes.

2.2.2. SECURITY ISSUES

Terrorism, Poaching, improper laws and order and political unrest had negatively affected sentiments of foreign tourists, as noted by Stubler et al (2015) and Kleit (2014). Many tourism companies especially in Africa have lost a lot of business with regards to such a challenge. Zimbabwean firms have been affected especially due to poaching of specious animals such as rhinos and elephants making them limited in some leisure sites.

However Ateljevic (2015) suggested that if governments collectively reinforced law and order in their regions, the risk of poaching, terrorism and political unrests will be reduced by a significant percentage.

2.2.3. SEASONAL DEPENDENCE

Annette (2013) and Jung (2015) noted that most tourism business is seasonal in nature, and usually companies are not guaranteed to get business throughout the year. Exporting is affected by this inherent nature of the business during the time, and companies lose out on

rebates and other exports incentives issued during such periods. In Zimbabwe tourism companies are mostly affected during the rainy season and they refer to it as a grey season on their calendar where as the peak times are the green season.

However, Robinson (2013) suggested that companies can negotiate with governments on the best time to get rebates and preferably have a value of benefits attached to them during the whole year so that they will maximise on it during peak periods.

2.2.4. LACK OF FINANCIAL OR TECHNICAL RESOURCES TO IMPLEMENT STRINGENT REQUIREMENTS (STANDARDS)

According to Morgan (2014), Torvik (2016 and Lasco (2013) tourism companies usually lack financial resources to implement certain policies and procedures set as mandatory by authorities. Some tourism projects in the form of infrastructure may end up decaying due to failure to meet certain criterions to attain approvals and obtain licences. In Zimbabwe through the indigenisation policy companies have managed to construct a few tourism projects but they have failed to obtain approvals of safety and licences.

Botterill (2016) suggests that firms in the tourism industry can form consortiums with banks and investors to finance pending projects until they comply with mandatory requirements.

2.2.5. EXCESSIVE LABOUR UNIONISM, INDUSTRIAL DISPUTES AND INCREASINGLY HIGH LABOUR COSTS

According to Telfer (2014) and Grillos (2015), excessive labour unionism and industrial disputes have a negative effect on promoting exports. An increase in such behaviour usually disrupts the quality of service delivery to guests and reduces repeated visits and referrals to hotels. Companies in Zimbabwe have been affected greatly due to low business competitiveness to meet the demands of employees' salaries and strikes usually occur.

Morgan (2014) suggests government intervention to relaxation of union policies and advocate for industrial tranquillity throughout all sectors.

2.2.6. SHORTAGE OF ADEQUATE POWER SUPPLY AND RAW MATERIALS

Black outs due to load shedding and inconsistent supply of raw materials adversely affect exporting in the tourism industry. According to Rashid (2015) and Stubler et al (2015) firms end up embarking on cancellation of forward bookings made prior to the challenges there by reducing profit margins through lost sales, compensation and lost goodwill. In Zimbabwe the challenge has been rampant due to limited power sources and an overloaded national grid.

2.2.7. WEAK COMMERCIAL DIPLOMACY

Barber (2016) and Allans (2012) noted that regulatory issues such as visa procedures have been seen as a setback for turning away exports. Tourists usually visit countries with relaxed and neutral visa regulations at the expense of stringent requirements of other authorities. This had posed a challenge to exporting companies as they have received a lot of cancellations on major bookings. Regulatory authorities in Zimbabwe have lengthened the process and made it stringent to tourists due to the rise in poaching and smuggling.

According to Morgan (2014) relaxation of stringent visa and travel documentation processing would yield desirable results to exporters. In Zimbabwe, a major prospective achievement shall be the bilateral agreement under negotiation with Zambia for the uni-visa system.

2.2.8. TAXATION

According to Horner and Swarbrooke (2013) taxation policies implemented by authorities especially in developing countries have negatively affected exports. Higher sales tax, have largely contributed to prohibiting companies to continually maximise on the incentives to export. Tax laws have continually affected exporters due to failure to comply with regulations with regards to inland authorities' minimum requirements to obtain tax clearances to conduct professional business. Tight taxation policies have also made exports unattractive when the burden of tax was transferred to the clients by hotels, tour operators and restaurants.

2.2.9. LIQUIDITY CRUNCHY

According to Grillos (2015) exporters over the past years in developing countries have been affected by cash crisis. The problem had propelled to be so rampant to the extent of making firms fail to manage their cash flows. According to Annette (2013) liquidity crisis especially in developing countries have caused tourism exporting companies to lose some competitive advantage over its counter parts exporting firms in the developed regions. Tourism companies in Zimbabwe have been affected greatly especially in managing their working capital.

However Ateljevic (2015) noted that an improvement in the circulation of liquidity in an economy can boost companies' competitiveness and restore the terms of trade with other countries.

Conclusively the above challenges have lead to significant declines in exports in the tourism industry. It is at the tact of authorities to implement sets of instruments to encourage the competitiveness of its tourism products and services in foreign markets.

2.3.0. ADVANTAGES AND DIS-ADVANTAGES OF EXPORT INCENTIVES.

(I).ADVANTAGES

2.3.1. SELLING EXCESS DOMESTIC CAPACITY

According to Heinz (2014) companies can take advantage of export incentives to get rid of excess domestic capacity. Export incentives cushion in one way or the other the cost associated with the exporting process (Bryan 2013). Excess capacity in firms can be disposed at a lower cost thus increasing the profit margins and saving on deep discounts to sell.

2.3.2. INSULATING SEASONAL DOMESTIC SALES BY FINDING NEW FOREIGN MARKETS

Heinz (2014) and Gershon (2012) are of the motion that companies with products or services used during certain periods of the season domestically maybe able to use the products/services in foreign markets for example planes. This will help maximise revenue and profits by maintaining business throughout the year. Incentives help moderate costs associated with acquiring all requisite documentation and establishment costs in foreign markets.

2.3.3. EXPLORING PREVIOUSLY UNTAPPED MARKETS

According to Hansen (2015) export incentives help companies export unique products that have not yet been tasted on foreign markets because of the risky associated with parting with new products or services. Other companies may want to take advantage of high volume purchases abroad in relation to products that enhance the exportation of goods and services.

2.3.4. LOWERING PER UNIT COST AND INCREASING RETURNS ON INVESTMENTS

According to Torsvic (2016) and Henry (2014) incentive schemes on exports help lower per unit cost of production through , expanding capacity and working towards achieving full capacity to meet foreign demand. Additional income/ cost savings from incentives together with efficiency obtained by producing more help reduce production costs per unit for the overall production process.

2.3.5. COMPANIES GAIN GLOBAL MARKET SHARE

According to Lasco (2013) incentives help provide the gate way for companies to gain a stake in the global market share through exporting. Once achieved, firms diversify and spread the risks associated with domestic markets. They become exposed to new production

techniques and knowledge with regards to technology and foreign business environments which assist in building domestic markets (Robinson 2013).

2.3.6. ENHANCING COMPANY IMAGE

According to Gershon (2012) most firms became competitive as a result of their interest to invest in international arena. When firms become competitive in local markets, they are assisted in acquiring techniques to implement in international markets. In return domestic companies view an exporting company as a giant company and less likely to give up on competitive environments/pressure.

2.3.7. EXPANSION OF PRODUCT/SERVICE LIFE CYCLE

According to Aakvic (2015), firms facing a declining product life cycle or those close to decline may find exporting as an extension strategy. Export incentives help such companies minimise risks associated with exporting by providing new markets where the products will be perceived as new.

2.3.8. INCENTIVES ARE A HEALTHY WAY OF STRENGTHENING PRODUCTIVE FRONTS IN AN INDUSTRY

Kleit (2014) and Rashid (2012) view export incentives as a healthy and sustainable way of upbringing productive and efficient companies to a diverse pools of markets and breaking the limit boundaries. They act as competitive tools as most firms will work towards maximising output and getting access to economies of scale associated with exporting. Schemes like duty drawbacks on exports, monetary export incentives and advance licenses work best at encouraging efficiency.

(ii) DIS-ADVANTAGES OF INCENTIVES

2.3.9. INCENTIVES ENCOURAGE COMPLIANCE RATHER THAN RISK TAKING

Telfer (2014) is of the motion that incentives on exports encourage companies to be compliant rather than to be risk takers as most rewards are based on performance and output. There is little initiative to produce goods/services which have not been advocated for under the incentive scheme by authorities yet they may contribute greatly to the objectives of companies.

2.3.10. COMPANIES LACK CREATIVENESS

According to Botterill (2016) giving incentives to induce the export of certain goods or services makes firms relax on research and development to create new products or improve existing ones. He argued that authorities that give incentives usually end up doing more harm than good to the competitiveness of its industries as they will inefficiently produce without aid.

2.3.11. INCENTIVES CAN BE USED TO CIRCUMVENT PROBLEMS

According to Aakvic (2015) and Huber et al (2015) incentives can be used as a tool to circumvent problems associated with a company operations and performance. An example is an incentive to boost sales which can be used to cover up for company's poor management with regards to marketing (Annette 2013). Most incentives will be used to compensate insufficiency to implement strategies to efficiently market or sell.

2.3.12. UNNECESSARY COST TO GOVERNMENTS

Horner and Swarbrooke (2013) suggest that incentives are just an unnecessary cost to the state and financiers. If firms are to be efficient, they can solve most of their problems on themselves with regards to compliance until they are able to meet the requirements of statutory bodies. In most cases a lot of firms are unable fulfil their obligations with regards to advance licences to import certain raw materials.

2.3.13. DIS-AMBIGUITIES OF EXPORT INCENTIVES

Morgan (2014) and Lasco (2013) view most tax incentives as merely a removal by authorities of part or all the burden of taxation from a market transaction taking place but not a complete avoidance. This is mainly due to the fact that all taxes impose a dead weight loss due to the excess burden arising which may be an over or under production.

2.3.14. INCENTIVES DESTROY TRADING CONCESSIONS

According to Barber (2016) many countries in trading blocs end up retaliating or cancelling lateral trading agreements as a result of the actions of one or more authorities inducing exports. Trading agreements are meant to permit free trade with the use of comparative and absolute advantage as a tool to determine sales volume. The practice of inducing exports through incentives usually results in dumping and is undesirable to trading relations.

Conclusively export incentives are desirable as they have many merits in restoring and improving the performance of industries. Authorities should invest much in the

competitiveness of industries in their countries as the advantages outweigh the costs associated with such schemes.

2.4.0. IMPACT OF INCENTIVES ON AN ORGANISATION'S FINANCIAL PERFORMANCE

According to Balassa (2014) lenders, investors and other potential investors review financial performance for enterprises in making credit acquisitions and divestiture decisions. Inaki and Arantza (2015) are of the motion that export incentives contributed greatly to the growth of firms in developed countries and where authorities' deliberate mechanism to reinforce the competitiveness of industries. Gershon (2012) added that firms were less likely to fail or die at their initial stages of acquiring new markets as a result of export incentives because the governments will be keen enough to assist them reach their goals.

According to Hansen (2015) export incentives ease problems with regards to prices by providing a premium on normal selling prices thus making exporters reduce their prices to less than marginal cost of production. Cheung et al (2016) and Kyonghee et al (2014) support that export incentives improve company image by exposing them to foreign markets and new information and technology which is very crucial on the quality of goods and services produced.

However Karachiwalla and Park (2016) view export incentives as very detrimental to organisational financial performance as they are more likely to be used to circumvent problems associated with poor management and conduct. He argued that some incentive schemes such as those linked to boost sales volumes are usually used to compensate for poor management. According to Ateljevic (2015) governments only support firms usually in the short run but in the long run when the support is withdrawn, companies lack creativeness to continue afloat as they were dependant on aid.

Conclusively export incentives have got a positive impact on financial performance. An increase in export incentives offered is very much desirable and is a good stimulus to financial performance.

2.4.1. IMPACT OF INCENTIVES ON PRICING

According to Stubler et al (2015) and Williamson (2013) export incentives causes prices of goods and services to fall over time due to the premiums received by companies which have an effect of cushioning cost of production. Kleit (2014) noted that incentives lower down cost

of production of goods and services, thus benefiting the firm, local consumers and external markets as most firms usually employ cost based pricing on their goods and services. Gillan and Nguyen noted that lower prices are desirable to customers and encourage repeated visits and increased sales volumes. Fragen (2013)'s research on Nigeria oil prices yielded positive contributions to the theory of impact of incentives on financial performance. He noted that continued efforts by the federal republic of Nigeria to stimulate oil export through export incentives resulted in continued decline in cost associated with oil production together with the prices to sell per barrel. Robinson (2013) supports the motion by adding the insight that the reduction in cost of production of goods and services causes stiff competition between firms to grab more clients thus lowering both local and external rates.

Conversely Inaki and Arantza (2013) are of the opinion that export incentives do not always yield desirable results in reducing prices because sometimes firms do not always employ cost based pricing on their products and services. Bryan (2013) noted that some types of incentives have little effects in reducing domestic cost of production because they are just associated with the exporting process. He argued that incentive schemes such as those associated with claims of rail/ freight costs are by nature attributable to exports. According to Kleit (2014) a firm might be a sole supplier of a commodity and has little intention to reduce its price even though it is being subsidised.

Convincingly incentives have an effect on the pricing of goods and services. If authorities increase the scope of export incentives, companies gain from favourable cost reduction and usually lower down prices in both local and external markets.

2.4.2. IMPACT OF INCENTIVES ON PROFITABILITY

According to Hansen (2015) profitability is used as a measure of efficiency in business environments by firm because they all seek to maximise profits so as to increase shareholder value. Anant (2015) is of the motion that export incentives on goods and services have a positive bearing on profitability because they minimise the risks of loses and add a premium on normal selling prices. In a study conducted in Russia, firms started booming competitively after an incentive scheme was introduced by the authorities to boost employment and production after an elongated period of complete recession (Johnson and Clark 2013).

Castellanos (2013) noted that in the short run firms may not realise the benefits of incentive schemes, but in the long run and very long run the benefits can be noticed and are desirable to

their efficiency and profitability. Incentives help firms generate economies of scale in production and they can manage to sell excess domestic capacity.

On the other hand Horner and Swarbrooke (2013) argue that export incentive have contrasting effects with the objectives of maximising profits. They noted that some incentive schemes are just expansionary but they do not cater for challenges associated with selling off the goods and services. Barber (2016) supports that some schemes just ease the processes of selling to external markets but with little value attached to the assurance of making some profits. Most incentives are meant to improve the economic health of countries through employment creation and raising standards of living to the welfare of the society with little effects to company's profitability.

Convincingly incentives positively influence a firm's financial profitability. When authorities implement a span of export incentives, it is most probable that some of them will work best at improving the performance of the firms.

2.5.0. CHAPTER SUMMARY

The chapter is a comprehensive discussion on the theoretical and empirical studies supporting arguments and facts related to research objectives on the effectiveness of export incentives in revitalising business competitiveness in organisations. The next chapter outlined the research methods that were used in the study by the researcher.

CHAPTER 3

RESEARCH METHODOLOGY

3.0. INTRODUCTION

The chapter puts much emphasis on the procedures incorporated in conducting the research. These included the research design, research instruments, participants involved, data collection methods, data presentation and data analysis methods. These sets of procedures permitted reliability of information gathered to support recommendation and conclusions drawn in the next chapters.

3.1. RESEARCH PHILOSOPHY

According to Keshab (2014) and Stewart (2012), a research is a logical investigation of a defined problem using a set of appropriate research instruments to collect and gather sufficient and representative evidence to be used to draw reasonable conclusions from consistent data. Krueger (2015) relates research philosophy to the clarification of assumptions about the sources of data and their natures, as all studies are based on postulations.

The principle of positivism was adopted as William (2014) and Singh (2016) noted that it is an objective approach which relies on facts and quantified suppositions. The researcher integrated all these principles in investigating the effectiveness of export incentives in revitalising business competitiveness in the Zimbabwean tourism industry so as to determine the relationship between the two variables.

3.2. RESEARCH DESIGN

In order to obtain proper suggestions, views and opinions of the population, the researcher opted for a conclusive research design. According to Barns (2013) a conclusive research design provides convincing and final answers to research questions since it is both descriptive and quantitative in nature. The researcher opted for this approach so as to reinforce data in different forms but yielding the same results.

3.2.1. DESCRIPTIVE RESEARCH DESIGN

According to Bryman (2015), a descriptive research aims at providing an accurate description of observations with regards to certain phenomena. Barns (2013) noted that the objective of most descriptive researches is to map the terrain of specific phenomenon as it produces constructive insights to research and usually leads to postulations. In other words a

descriptive research design provides a closely accurate portray of opinions, beliefs and knowledge with regards to a particular society/situation (Keshab 2014).

The researcher considered the descriptive approach in investigating the effectiveness of export incentives in revitalising business competitiveness in the Zimbabwean tourism industry. This approach enabled him to focus on the research questions to meet the research objectives as it uses different techniques such as organisational statistics, questionnaires and interviews to ensure triangulation. According to Keshab (2014) data triangulation refers to the fact that a subject can be tackled through three types of data, and involves asking whether data from multiple sources reached the same conclusions so as to give enough confidence in arguments.

3.2.2. QUANTITATIVE APPROACH

According to Krueger (2015) and Stewart (2012) a quantitative approach is a standard, objective and systematic process of best describing and testing the relationship between variables through scrutinising their causes and effects. William (2014) added that, it is the gathering and analysing of numerical data in order to make predictions and explanations to certain phenomenon.

The researcher opted for this approach so as to link the research to specific questions designed and explained in the previous chapters. According to Bryman (2015) and Singh (2016) the approach is based on the assumption that there is an environment of virtually stable and coherent world that we can understand and generalise about. Basing on the outlined assumption, the researcher assumes assertions about the effectiveness of export incentives in revitalising business competitiveness in the Zimbabwean tourism industry are considered invaluable unless if they can be verified through observations and tests on assumptions.

3.3. RESEARCH POPULATION

Stewart (2012) defined a population as a communal expression used to describe the quantity of types of cases that form the subject of a study. These cases constitute of people, objects, companies or occasions. Examples include hospitals, farmers, miners, teams and houses.

The researcher puts much emphasis of the study on tourism companies in Zimbabwe. The targeted groups directed to the study included accountants, managers and marketers of different companies, customs clearing officials, the Zimbabwe Tourism Authority (ZTA), procurement department personnel and human resources departments. The researcher viewed

this population as the most effective in assisting him to acquire much information in relation to the investigation of the effectiveness of export incentives in revitalising business competitiveness in the Zimbabwe tourism industry. The total population of these categories targeted is 94 respondents available (N=94) and has been chosen through departmental stratification with regards to companies selected through judgmental sampling. The figure is a summation of totals obtained from the individual companies' websites and confirmation from the human resources office organisational charts.

3.4. SAMPLING TECHNIQUES

Barns (2013), defined sampling techniques as strategies adopted by a researcher to gather research evidence. The researcher incorporated both the probability (stratified random sampling) and non-probability (judgmental sampling) techniques in gathering data with regards to investigating the effectiveness of export incentives in revitalising business competitiveness in Zimbabwe tourism companies.

3.4.1. STRATIFIED RANDOM SAMPLING

Stewart (2012) and Kruger (2015) defined stratified random sampling as a combination of randomisation and categorisation of data permitting both qualitative and quantitative research to be undertaken.

Prior to conducting judgmental sampling techniques, the researcher settled for the use of stratified random sampling to raise 94 participants (n=94), from the list of seven companies. The respondents had an equal chance of being selected from the stratum as every company's population was divided into homogeneous groups in the form of departments.

3.4.2. JUDGMENTAL SAMPLING

According to Bryman (2015), a purposive sampling technique is based on the personnel's opinion of what is representative with regards to the population under study. The researcher incorporated the technique because he believed that the specialty of an authority can bring more accurate results than the whole population. The authority is deemed to be reliable in data execution, representative and professional in judgment. According to Yin (2014), purposive sampling is conducted with a purpose in mind and usually involves seeking data from one or more specific predefined groups.

The researcher used the technique to pick 5 companies in the tourism industry which he viewed to be in a better position to discharge information with regards to export incentives as

he viewed them to be the major beneficiaries. He also applied the technique in picking the Zimbabwe Tourism Authority (ZTA) because he viewed it as a critical case. According to Bryman (2015) critical case sampling is a type of judgmental sampling which involves picking one case which is expected to reveal insights that can be applied to like cases. Basing on this statement, the (Z.T.A) is considered a critical case by the researcher because all tourism companies report to the board in relation to their challenges, performance and expectations.

The researcher also used the technique to pick the customs clearing firm as he viewed it as a provider of expert advice to the tourism industry in relation to export incentives. Williams (2014) defined expert sampling as a type of judgmental sampling which involves the assembling of a sample of persons with demonstrable expertise in some area. The inclusion of the customs clearing firm with regards to the researcher’s judgement has a bearing in the quality of data obtained from the research with regards to export incentives. The technique was used also as a basis to pick companies, pupils for interviews and to raise the sample size.

3.5. SAMPLE SIZE

Yin (2014) defined a sample as a manageable section of the total population with elements portraying similar characteristics.

In conducting the study, seven companies were selected using judgemental sampling. Six firms were from the tourism industry, and one from the custom clearing services. On the same basis, 7 respondents were picked from each company basing on the researcher’s opinion of a representative authority thus making 49 respondents (n=49) out of the total population since it was impracticable to consider everyone due to the cost and time constraint that affected the researcher.

Table 3.1. POPULATION AND SAMPLE SIZE

Company name	Population of participants	Sample size	Interviews
Africa Albida	15	7	1
Wilderness Safaris.	12	7	1
Z.T.A.	10	7	1
Wild Horizons	16	7	
Shearwater	15	7	1

Adventures			
Safari Logistics	17	7	
Express Cargo Clearing Services	9	7	1
TOTAL	94	49	5

3.6. DATA SOURCES

3.6.1. PRIMARY DATA SOURCE

According to Bhattacharjee (2012) and Griffin (2013) primary data refers to information gathered for a specific purpose under research and is usually collected through observations, recording, inspection and measuring the period of activities. Barns (2013) added that primary data refers to first hand data and is collected directly from respondents through questionnaires and interviews.

The researcher used questionnaires and interviews to investigate the effectiveness of export incentives in revitalising business competitiveness in the Zimbabwe tourism industry. This permitted authenticity as the data specifically matched the research objectives. The only setbacks experienced were time and financial resources to cover the whole coverage.

3.6.2. SECONDARY DATA

Keshab (2014) defined secondary data/ data mining as the process of extracting information from secondary sources such as magazines newspapers, journals, online portals and other sources so as to link it to current research problems. Secondary data sources can either be quantitative or qualitative in nature.

The researcher gathered secondary data from customs documentation, financial statements, and published audit reports through extensive and thorough scrutiny of documents with regard to the effectiveness of export incentives in revitalising business competitiveness in the Zimbabwe tourism industry. Although enough sources were available, the researcher did not manage to comprehend all the data due to limited time and cost of retrieval associated with the data.

3.7. RESEARCH INSTRUMENTS

Krueger (2015) and Barns (2013) defined research instruments as a set of standardised or self constructed test tools administered on a sample to gather evidence.

The researcher used interview guides and questionnaires to administer the collection of targeted data because of their cost effectiveness and authenticity.

3.7.1. QUESTIONNAIRES

According to William (2014) and Stewart (2012) a questionnaire is a set of well structured questions designed to be presented to respondents to give specific information with regards to research objectives drawn.

The researcher designed questionnaires to aid the collection of data with regards to the effectiveness of export incentives in revitalising business competitiveness in the Zimbabwe tourism industry. Research questions and research objectives were incorporated in the questionnaires, and they were presented to the targeted respondents. Only a few respondents were targeted in the researched companies because the researcher viewed them to be in a better position to provide accurate information with regards to the subject due to their levels of literacy and exposure to the industry. The researcher viewed questionnaires to be an efficient way of gathering data due to their privacy.

3.7.2. INTERVIEWS

According to Ayiro (2012) interview guides are research instruments used to probe issues with regards to a research objective so as to permit an in depth knowledge of the study.

The researcher used interview guides in investigating the effectiveness of export incentives in revitalising business competitiveness in the Zimbabwe tourism industry. He opted for semi-structured so as to permit active involvement of participants in airing out their opinions.

3.8. DATA COLLECTION PROCEDURES

Griffin (2013) and Bhattacharjee (2012) defined data collection procedures as the indispensable steps carried out to administer research instruments to accumulate data. The researcher incorporated data collection procedures to conduct the research after approval from responsible authorities. Where permission was granted, a pilot study was done to test the significance of the research with regards to questionnaires and interviews. The researcher emphasised to respondents when he personally delivered the questionnaires on anonymity so as to permit unbiased responses. He later collected the questionnaires after 3 days from the respondents so as to give them enough time to make references and consultations on the subjects under research.

Interviews with regards to the effectiveness of export incentives in revitalising business competitiveness were conducted on the day of collection of questionnaires so as to explore more information from the respondents.

3.8.1. LIKERT SCALE

Barns (2013) and Richard (2011) defined a likert scale as a psychometric scale used in research that involves the use of questionnaires, whereby the views and suggestions of the respondents are weighed on a rating scale. The researcher used the likert scale because he wanted to ascertain the level of agreement with regards to the subjects he addressed.

Table 3.2-LIKERT SCALE

Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
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3.9. DATA ANALYSIS

According to Krueger (2015) regression analysis is a statistical tool used for estimating the relationship between the independent and dependent variable when analysing a given set of data. The researcher used regression analysis to estimate the relationship between the independent variable (number of export incentive schemes introduced each year cumulatively) and the dependant variable (variances arising between budgeted and actual profits). In order to produce precise results, Pearson’s co-efficient of correlation calculator was used to aid and analyse the data, as he noted a cause and effect relationship between export incentive schemes and company performance.

Table 3.3 shows the financial performance of Africa Albida tourism, a company that has been chosen by the researcher as a result of his judgment of a representative firm in the tourism exporting business. The researcher used the half yearly profits to compare against the number of export incentive schemes introduced during each period by the Zimbabwean government through the ministry of trade and commerce. An analysis of Table 3.3 showed that profits became more favourable when more export incentive schemes were introduced cumulatively. The data was used as the basis for regression to determine the relationship between the variables.

Table 3:3-An illustration of Africa Albida’s financial performance in relation to the cumulative growth in export incentive schemes.

Periods	Jan-Jun 2014	Jul-Dec 2014	Jan-Jun 2015	Jul-Dec 2015	Jan-Jun 2016	Jul-Dec 2016
Actual Profits (\$)	385 600	538 400	532 150	712 487	1 061 096	1 591 645
Cumulative # of export incentives	2	4	5	7	8	9

(Source: Adapted from Africa Albida mid-term financial reviews and Ministry of trade and commerce templates). (2014-2016).

An analysis of Table 3.3 showed that profitability declined during the period from July 2014 to early 2015, when only a few incentives were in circulation. During 2015, 7 incentive schemes were introduced cumulatively and profitability started rising. Finally in 2016, 9 export incentive schemes were in circulation and the profitability continued peaking sharply.

3.9.1. CORRELATIONS

Correlations were incorporated to scrutinise data with two-tailed test to investigate on whether factors for and against the effectiveness of export incentives in revitalising business competitiveness in the Zimbabwe tourism industry correlate statistically. The technique considers values between +1 and -1 with a co-efficient of 0.01 representing a significant correlation.

The researcher used Pearson’s co-efficient of correlation calculator to measure the degree of correlation between the independent variable (cumulative number of export incentive schemes) and the dependant variable (profits). He used this technique after he noticed a cause and effect relationship between the two variables.

The formula used to measure the extent of the relationship is as follows:

$$r = \frac{n(\sum xy) - (\sum x)(\sum y)}{\sqrt{[n\sum x^2 - (\sum x)^2] [n\sum y^2 - (\sum y)^2]}}$$

Where r = Pearson’s correlation coefficient

x = Value in first set data (cumulative number of export incentive schemes).

y = Value in second set data (variances between budgeted and actual profits).

n = Total number of values

3.9.2. DATA PRESENTATION TECHNIQUES

Bryman (2015) noted that data presentation involves a statistical technique of presenting/defining data through the aid of diagrams.

The researcher used Microsoft excel generated bar graphs, pie charts and tables to present the data obtained from the research. Data with the highest frequency of observations was used to conclude the research regardless of limited sufficient amounts of data on the effectiveness of export incentives in revitalising business competitiveness in the Zimbabwe tourism industry.

3.10. ETHICAL CONSIDERATION

According to Saunders (2013), pupil and firms should consider the interest of the society and others beyond the legal obligations they have. He added that their actions should not harm/affect in anyway the interest of others.

In conducting the research, the researcher sought permission from responsible authorities before interacting with the respondents. The study was open to withdrawal without penalty by anyone concerned in the sample who felt his/her participation could result in loss/ negativity. In order to protect participants from emotional social and intellectual damage as a result of discarding research information, secrecy was maintained throughout the research. The researcher also acknowledged throughout the study the works of other researchers who assisted in fulfilling the purpose of the research through in text citations and maintaining the references list.

3.11. DATA RELIABILITY AND VALIDITY

3.11.1. RELIABILITY

According to Singh (2016), data reliability refers to the fact that any significant results must be a more than once-off finding and be inherently repeated. The researcher permitted data reliability through gathering both primary and secondary data with regards to export incentives so as to reinforce annotations and results drawn under different conditions. Reliability was also permitted through the inclusion of the Zimbabwe Tourism Authority (ZTA) in the sample since it is the governing board and all firms report to it with regards to

their performance, expectations and challenges. He also made sure that the sample exceeds 50% of the total population so as reinforce the strength of motion advocated for.

3.11.2. VALIDITY

Bryman (2015) defined data validity as a measure of the soundness of a research project. Validity in data collection ensures that findings are a true representation of a phenomenon being claimed. The researcher permitted data validity by using both questionnaires and interviews to reinforce the research whilst eliminating weaknesses of each method if it was going to be used separately.

3.12. CHAPTER SUMMARY

The chapter formed the basis for the research plan used in conducting the study. The research methods, tools, population size and statistical techniques were explained and incorporated into the chapter. The next chapter focuses on research findings obtained and also outlines the results of data analysis and interpretations made.

CHAPTER 4

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.0. INTRODUCTION

The chapter puts much emphasis on research findings, analysis of data gathered, presentation techniques used as well as interpretations and discussions made with regards to the research. The researcher used research objectives generated in the previous chapters to assist in concluding evaluations and conclusions of the chapter.

Table4.1: QUESTIONNAIRES RESPONSE RATE

Sample for:	Frequency	Percentage
Questionnaires responded	40	81.63%
Questionnaires not responded	9	18.37%
Total Questionnaires Distributed	49	100%

Out of the 49 questionnaires distributed, 40 of them were successfully responded and the remaining 9, were left out due to spoilage and failure to complete pertinent details by participants. These contributed to 81.63% and 18.37% respectively.

CHARACTERISTICS OF THE RESEARCH SAMPLE

This section of research displayed the composition characteristic of the respondents based on their reaction to questions presented in preliminary research information of the research questionnaire (Section A).

4.1. SAMPLE DISTRIBUTION IN TERMS OF SPECIALISATION

The graph below shows the distribution of respondents in terms of departments. The department with the highest percentage shows that it is the major contributor to most of the results obtained.

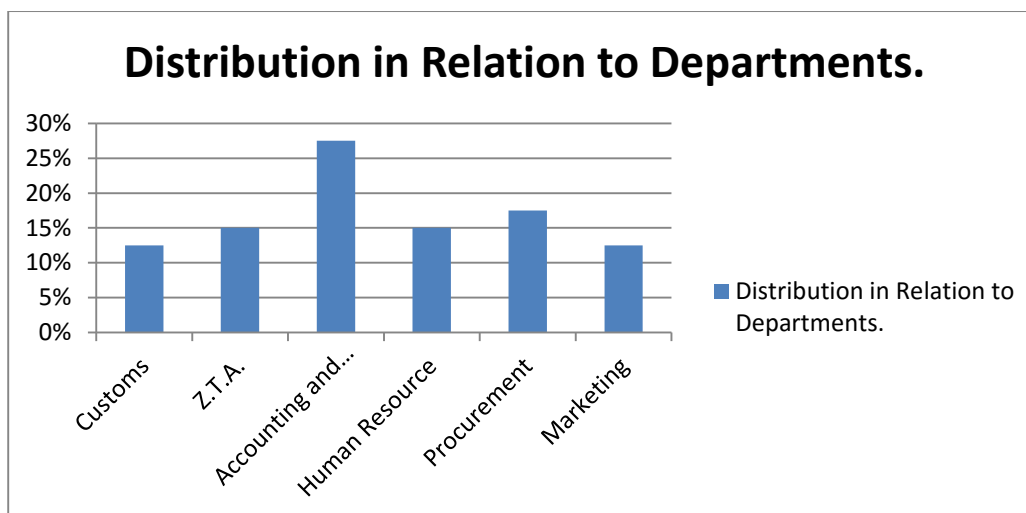


Fig 4.1 Sample distribution in terms of departments (*Source excel based on the results*).

An analysis of the data proved that most of the respondents were from the accounting and finance department and they constituted 27.5% of the total sample. The procurement department followed with a 17.5%, then the ZTA and the human resource departments followed with a tallying 15% and lastly the customs clearing department and marketing department followed with a tallying 12.5%. 72.5% of the total respondents occupied managerial posts, whilst 17.5% occupied supervisory posts and 10% occupied executive posts. The above results shaded insight into the conclusion that accountants and the procurement personnel are the majority of the personnel who have relevant knowledge with regards to export incentives and thus why they were able to answer most of the questionnaires. A study conducted by Al-Awawde and Al-Sharari (2014), which was centred on the effectiveness of import restriction on an organisation's competitiveness, proved that most accountants and procurement managers had an in depth appreciation of the subject and hence reinforcing the credibility of my study.

4.1.2 SAMPLE DISTRIBUTION OF RESPONDENTS IN TERMS OF EXPERIENCE

Table 4.2: Distribution of Respondents in Terms of their Experience.

Characteristics	Frequency	Percentage%	Cum percentage%
Less than 1 year	4	10%	10%
Less than 5 years	22	55%	65%
Less than 10 years	6	15%	80%
More than 10 years	8	20%	100%

The table clearly shows that 10% of the respondents have less than one year experience in their respective departments, whilst 55% are within 1-5 years experience, 15% are within 6-10 years experience and finally 20% have more than 10 years experience. Basing on the above observations more than 90% of the respondents had more than one year working experience, thus constituting a huge proportion of experience to answer questionnaires in relation to export incentives.

In a study conducted by Al-Awawde and Al-Sharari (2014) in relation to the effectiveness of import restrictions in restoring business competitiveness in an organisation, 83% of the respondents had more than one year experience thus reinforcing the credibility of my data results. The distribution of data results in terms of experience permitted the siphoning of information from both the young and energetic as well as the long serving members of organisation so as to adequately represent the realities of views about export incentives in the Zimbabwean tourism industry.

4.2. RESPONDENTS' OPINION IN RELATION TO THE RESEARCH PROBLEMS.

4.2.1 HOW THE 2014-2015 EBOLA CRISIS AFFECTED THE TOURISM BUSINESS PERFORMANCE IN ZIMBABWE

Table 4.3: Response rate in relation to the Ebola crisis problem

Characteristic	To a greater extent	To a moderate extent	To a lesser extent
# of Respondents	35	5	0
Percentage%	87.5%	12.5%	0

Based on the data gathered, 87.5% of the respondents agreed that the Ebola crisis affected the Zimbabwe tourism business to a greater extent, whilst 12.5% of the respondents supported the notion only to a moderate extent. The results proved that most of the tourism business was affected by the crisis as they are similar to a study carried out by Sakyda (2014), when he wanted to confirm employee's knowledge of tax systems. This reinforces the credibility of the researcher's observations that the Ebola crisis greatly affected Zimbabwe tourism industry.

4.2.2 THE EFFECTS OF THE DECLINE/COLLAPSE IN THE ZIMBABWE MANUFACTURING INDUSTRY ON THE COMPETITIVENESS OF TOURISM COMPANIES

Table 4.4: Response rate in relation to the decline in the competitiveness of manufacturing firm

Characteristic	Negatively	Positively	No effect
# of respondents	40		
Percentage%	100%	0	0

From the results obtained from the research, 100% of the respondents agreed that the decline or collapse of the Zimbabwe manufacturing industry negatively affected the Zimbabwe tourism industry. In a study carried out by Dimi and Simona (2014) in Romanian tourism entities, 100% of the respondents all agreed to the notion that government policies had an influence in their operations. This reinforces the credibility of the researcher’s judgement.

4.2.3 HOW IMPORT RESTRICTION ON GOODS AND SERVICES AFFECTED THE COMPETITIVENESS OF ZIMBABWE TOURISM FIRMS

Table4.5: Response rate in relation to import restrictions

Characteristic	Negatively	Positively	No effect
# of respondents	40		
Percentage%	100%	0	0

Basing on the data obtained 100% of the respondents agreed with the notion that import restriction on certain goods and services negatively affected the Zimbabwe tourism industry. The judgements made by the respondents tally with the observations made by the researcher in the previous chapters that import restrictions have negatively affected the Zimbabwe tourism industry.

4.2.4 THE IMPACT OF CURRENT TAX AND CUSTOMS LAWS IN RESTORING THE COMPETITIVENESS OF THE ZIMBABWE TOURISM BUSINESS

Table 4.6: Response rate in relation to current tax and customs law

Characteristic	Negative	No effect	Positive
# of respondents	39		1
Percentage	97.5%	0	2.5%

97.5% of the respondents agreed that current tax and customs laws negatively affected the Zimbabwe tourism industry. 2.5% of the respondents viewed the policies as having a positive impact on restoring the competitiveness of the Zimbabwe tourism industry. The researcher based his judgement on the majority of respondents to conclude that current tax and customs laws have negatively affected the Zimbabwe tourism industry.

4.3. EXPORT INCENTIVES AND THEIR NATURE

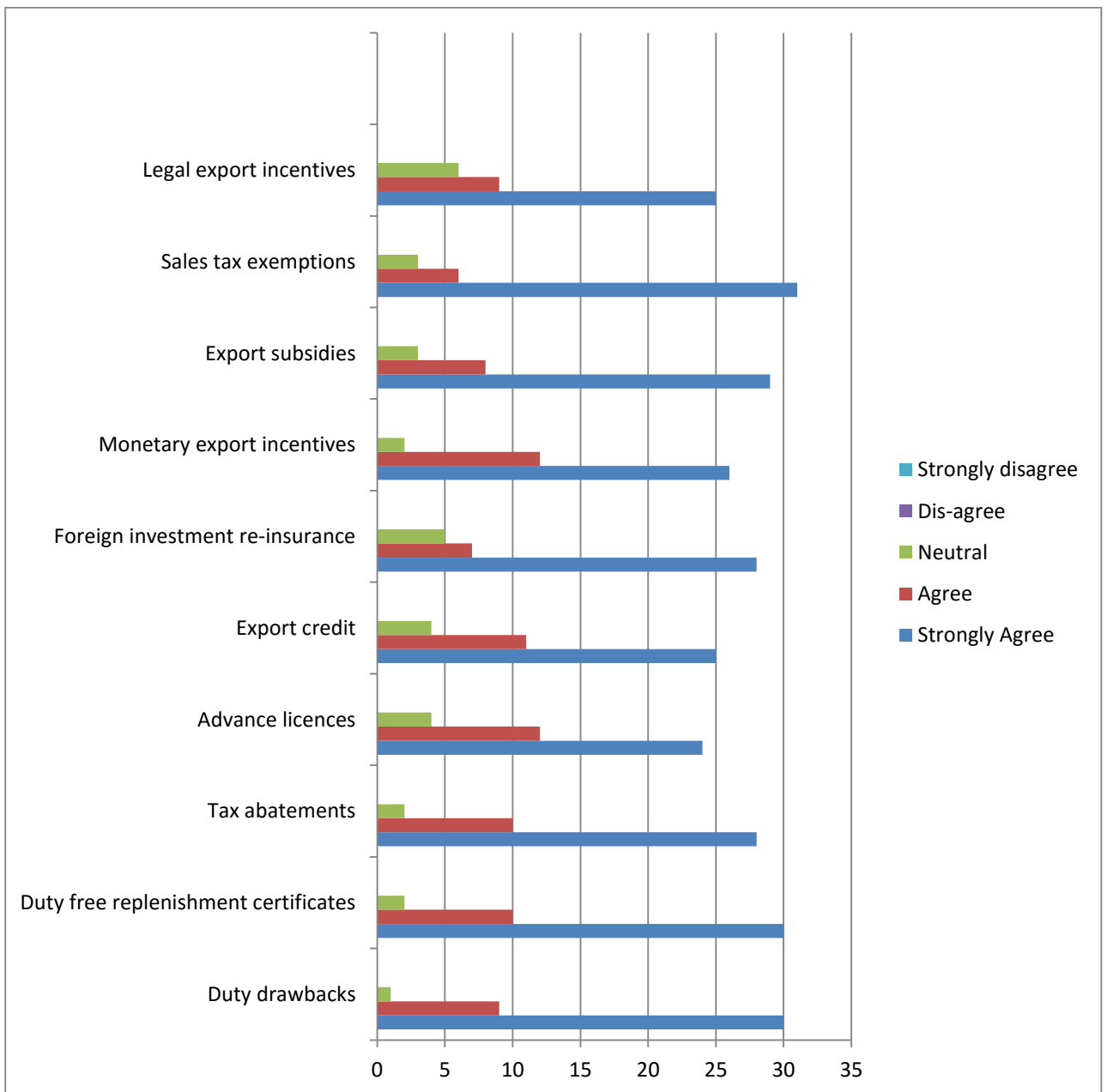


Fig 4.2 Responses in relation to the types and nature of export incentive schemes (*Source: excel based on the study*).

(i) DUTY DRAWBACKS

From the above results, 30 respondents strongly agreed that duty drawbacks influence the competitiveness of tourism firms, whilst 9 respondents agreed to the notion and 1 respondent was neutral. Anant (2015) noted that duty drawbacks are meant to commodities which are subject to taxation be exported to foreign countries at the same terms and conditions as goods from countries where they are untaxed. These results reinforce the researcher's opinion that duty drawbacks strongly influence the competitiveness of the Zimbabwe tourism industry since they are deliberate exemption to pay duty expense by the government.

(ii) DUTY FREE REPLENISHMENT CERTIFICATES

Based on the results, 30 respondents strongly agreed whilst 10 agreed. In a study carried out by Moisele (2012) about the effectiveness of export subsidies on restoring the competitiveness of firms in the mining industry in Taiwan, more than 80% of the respondents supported the notion. This reinforced the researcher's view that duty free replenishment certificates are effective in revitalising Zimbabwe's tourism industry.

(iii) TAX ABATEMENTS

28 respondents strongly agreed, 10 agreed and 2 gave a neutral depiction with regards to tax abatements. In a research conducted in Nigeria by Shahid et al (2014) on the effectiveness of monetary assistance on sugarcane farming, more than 70% of the respondents strongly agreed in support of the motion. These views gave the researcher the platform to conclude that tax abatements strongly influence the performance of the Zimbabwe tourism industry basing on the fact that tax abatements takes the forms of exemption / reduction in tax rates.

(iv) ADVANCE LICENCE

The results depicted that 24 respondents strongly agreed to the notion, whilst 12 agreed and 4 were neutral. The study showed that majority of the respondents were in support that advance licenses revitalise business competitiveness in an organisation. According to Bryan (2013), advance licenses permit the bearer the right to import goods and services meant to enhance the quality of exports without paying initial duty and surtax fees. This reinforced the researcher's opinion as he also strongly agreed to the notion.

(v) EXPORT CREDIT

Based on the results obtained, 25 respondents strongly agreed, 11 agreed and 4 gave a neutral depiction with regards to export credit. These opinions from the respondents reinforced the researcher's credibility of his opinion that export credits had an impact in

revitalising business competitiveness in the tourism industry. Gershon (2012) noted that export credit schemes assist firms produce more output, thus increasing their revenue and market base.

(vi) FOREIGN INVESTMENT RE-INSURANCE

28 respondents strongly agreed, 7 agreed whilst 5 gave a neutral depiction with regards to foreign investment re-insurance. According to Gershon (2012) foreign investment re-insurance is a promise to guarantee investments with regards to money, assets and other properties invested outside borders by firms. They are meant to minimise the risks associated with losses arising from foreign investment by local firms. The researcher strongly supports and adopted the notion of the majority that they positively affect the competitiveness of the Zimbabwe tourism industry.

(vii) MONETARY EXPORT INCENTIVES

The study depicted that 26 respondents strongly agreed, whilst 12 agreed and 2 were neutral with the motion of monetary export incentives. Monetary export incentives are meant to encourage firms to export more through the incentive to earn extra income above the normal margins (Lasco (2013). The researcher based his judgement on the majority responses to conclude the views that monetary export incentives positively assist in revitalising business competitiveness in the Zimbabwe tourism industry.

(viii) EXPORT SUBSIDIES.

Based on the study results, 29 respondents strongly agreed, 8 agreed whilst 3 gave a neutral depiction. Lasco (2013) noted that export subsidies positively encouraged firms to export more, due to the benefits they gave to exporters in relation to market positioning, capacity expansion and enhancement in profit margins. The researcher viewed the majority respondents to have positively observed the benefits associated with the scheme, and considered it effective in restoring the competitiveness of the Zimbabwe tourism industry.

(ix) SALES TAX EXEMPTION

Based on the results, 31 respondents strongly agreed, 6 agreed whilst 3 gave a neutral depiction. Lasco (2013) noted that firms tend to benefit much on their competitiveness after being granted a holiday tax, or after being exempted from paying tax on exports. The researcher concluded by supporting the prevailing motion that sales tax exemptions positively influence the competitiveness of the Zimbabwe tourism industry.

(x) LEGAL EXPORT INCENTIVES

Based on the results, 25 respondents strongly agreed, 9 agreed whilst 6 gave a neutral depiction. According to Kleit (2014) legal export incentives are meant to ease the processes associated with the law such as relaxation of visa requirements, permits and licences processing.

More than 80% of the respondents agreed to the notion and thus reinforcing the credibility of the researcher in concluding that the legal export incentives are effective in restoring the competitiveness of the Zimbabwe tourism industry.

4.3.1 REGRESSION ANALYSIS

Conclusively the researcher used regression analysis to establishing the correlation between the number of export incentive schemes introduced within the period under research and the profits generated under the same time frame so as to establish the effectiveness of export incentives in revitalising business competitiveness in the Zimbabwe tourism industry. He used Africa Albida's financial performance as he viewed it to be a representative of all the companies.

Table 4.7-An illustration of Africa Albida's financial performance in relation to the cumulative growth in export incentive schemes.

Periods	Jan-Jun 2014	Jul-Dec 2014	Jan-Jun 2015	Jul-Dec 2015	Jan-Jun 2016	Jul-Dec 2016
Actual Profits (\$)	385 600	538 400	532 150	712 487	1 061 096	1 591 645
Cumulative # of export incentives	2	4	5	7	8	9

(Source: Adapted from Africa Albida mid-term financial reviews and Ministry of trade and commerce templates). (2014-2016).

Table4.8: Regression Calculations.

$X - M_x$	$Y - M_y$	$(X - M_x)^2$	$(Y - M_y)^2$	$(X - M_x)(Y - M_y)$
-3.833	-417963.000	14.694	174693069369.000	1602191.500
-1.833	-265163.000	3.361	70311416569.000	486132.167
-0.833	-271413.000	0.694	73665016569.000	226177.500
1.167	-91076.000	1.361	8294837776.000	-106255.333
2.167	257533.000	4.694	66323246089.000	557988.167
3.167	788082.000	10.028	621073238724.000	2495593.000
Mean = 5.833	My: 803563.000	Sum: 34.833	Sum: 1014360825096.000	Sum: 5261827.000

Result Details & Calculation

X Values
 $\Sigma = 35$
Mean = 5.833
 $\Sigma(X - M_x)^2 = SS_x = 34.833$

Y Values
 $\Sigma = 4821378$
Mean = 803563
 $\Sigma(Y - M_y)^2 = SS_y = 1014360825096$

X and Y Combined
 $N = 6$
 $\Sigma(X - M_x)(Y - M_y) = 5261827$

R Calculation
 $r = \Sigma((X - M_x)(Y - M_y)) / \sqrt{((SS_x)(SS_y))}$

$r = 5261827 / \sqrt{((34.833)(1014360825096))} = 0.8852$

Meta Numerics (cross-check)
 $r = 0.8852$

Key

X: X Values
Y: Y Values
 M_x : Mean of X Values
 M_y : Mean of Y Values
 $X - M_x$ & $Y - M_y$: Deviation scores
 $(X - M_x)^2$ & $(Y - M_y)^2$: Deviation Squared
 $(X - M_x)(Y - M_y)$: Product of Deviation Scores

The value of R is 0.8852. This is a strong positive correlation, which means that high X variable scores go with high Y variable scores (and vice versa).

The value of R^2 , the coefficient of determination, is 0.7836.

(Source: Pearson's coefficient of correlation calculator).

The results from the analysis showed a strong positive correlation, where the value for **R** is 0.8852 which meant that as the cumulative growth of export incentive schemes continues (x variable) also does the profits (y variable). The value for the coefficient of determinant **R²** is 0.7836, which means 78.36% of the data points fall within the regression line when data points are plotted. The value can be used to extrapolate the likely hood of future events falling within range. This made the researcher to conclude that export incentives are effective

in revitalising the competitiveness of the Zimbabwe tourism industry as the regression results concurred with the findings in the questionnaires.

4.4.0 THE CHALLENGES FACED BY THE ZIMBABWE TOURISM INDUSTRY

4.4.1 DO YOU AGREE WITH THE NOTION THAT THE OUTLINED CHALLENGES AFFECTED THE ZIMBABWE TOURISM INDUSTRY

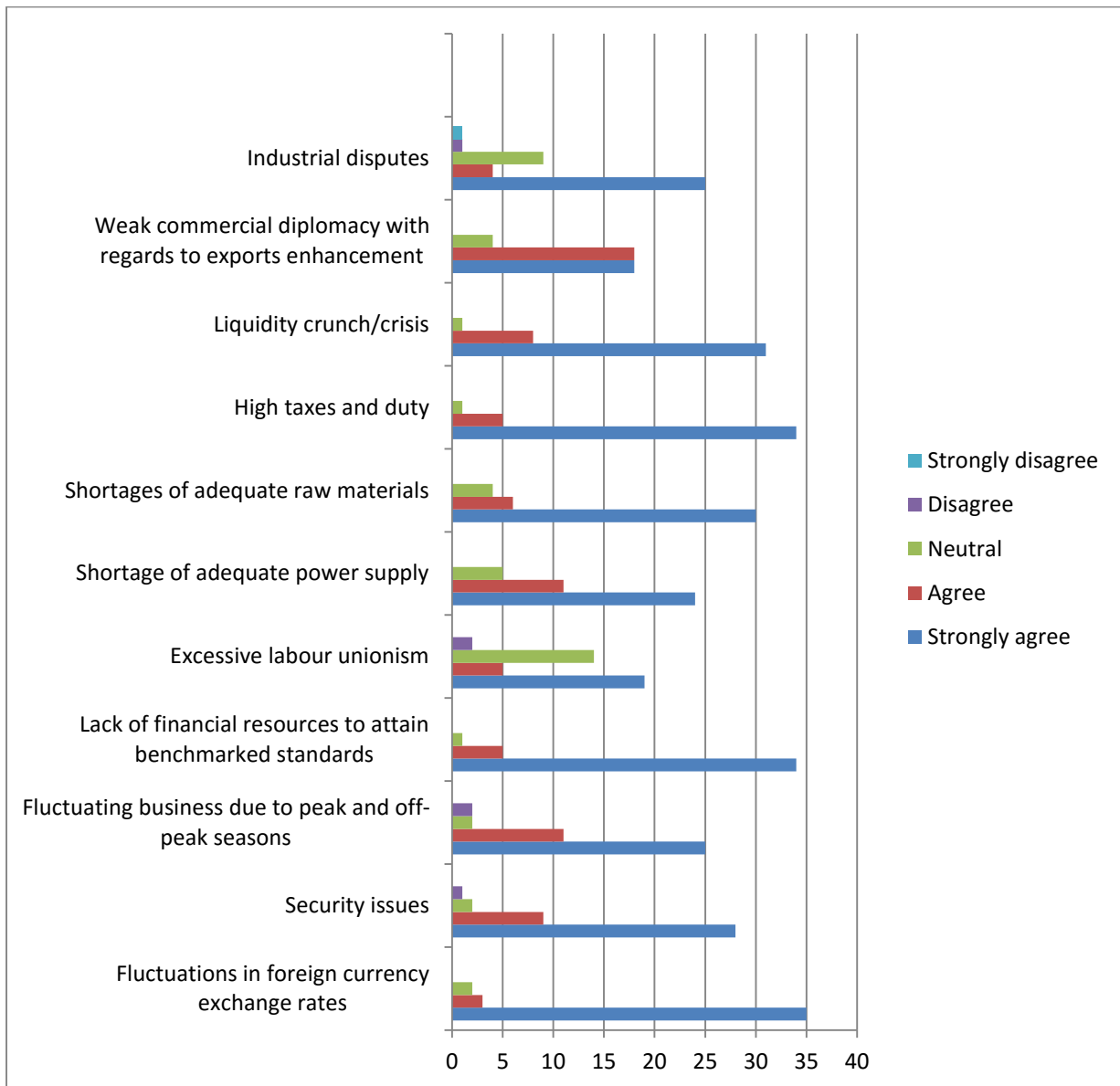


Fig 4.3 Responses in relation to challenges affecting the Zimbabwe tourism industry (*Source: excel based on study*).

(i) FLUCTUATIONS IN FOREIGN CURRENCY EXCHANGE RATES

Based on the results, 35 respondents strongly agreed, 3 agreed and 2 gave a neutral depiction with regards to the notion that fluctuation in foreign currency exchange rates affects the Zimbabwe tourism industry. According to Annette (2013), fluctuations in foreign currency exchange rates cause losses to firms as a result of instability in currency face values which cumulatively affect profitability. The researcher based his conclusion on the majority respondents who strongly agreed that fluctuations in foreign currency exchange rates negatively affected the Zimbabwe tourism industry.

(ii) SECURITY ISSUES

28 respondents strongly agreed, 9 agreed and 2 were neutral with regards to the notion that security issues affect the Zimbabwe tourism industry. According to Ateljevic (2015), poaching had negatively affected tourism performance since it has destroyed the endangered species. The researcher viewed it to be very rampant just like terrorism, thus supporting the motion of the majority respondents in strongly agreeing to the challenge.

(iii) FLUCTUATING BUSINESS DUE TO PEAK AND OFF-PEAK SEASONS

Based on the results of the study, 25 respondents strongly agreed, 11 agreed, 2 were neutral and 2 disagreed with the notion that fluctuations in business due to peak and off-peak seasons affected the Zimbabwe tourism industry. Horner and Swarbrooke (2013) noted that fluctuations in business performance in the tourism is a common phenomenon and usually divides each year into green seasons and grey seasons. In this research over 80% of the respondents agreed that the fluctuations affect the industry thus reinforcing the credibility of the researcher's findings.

(iv) LACK OF FINANCIAL RESOURCES TO ATTAIN BENCHMARKED STANDARDS

The study depicted that 34 respondents strongly agreed, 5 agreed and one gave a neutral view with regards to shortage of financial resources in companies to attain benchmarked standards. The researcher concluded his observations by reinforcing the opinion of the majority respondents that lack of financial resources to attain benchmarked standards negatively affected the Zimbabwe tourism industry.

(v) EXCESSIVE LABOUR UNIONISM

Based on the results 19 respondents strongly agreed, 5 agreed, 14 were neutral and 2 disagree with the notion that excessive labour unionism negatively affect the Zimbabwe tourism

industry. The researcher based his conclusion on the majority of the respondents where more than 60% confirmed that labour unionism negatively affected the competitiveness of the Zimbabwe tourism industry.

(vi) SHORTAGE OF ADEQUATE POWER SUPPLY

Based on the study, 24 respondents strongly agreed to the notion that shortages of adequate power supply negatively affected the Zimbabwe tourism industry whilst 11 agreed. The rest of the minority gave a neutral depiction with regards to the subject. Morgan (2014) noted that power shortages disrupt business progressions and discourages clients from enjoying the most out of their holidays. This reinforces the researcher's credibility to strongly highlight power shortages as a major drawback in facilitating the tourism business.

(vii) SHORTAGE OF ADEQUATE RAW MATERIALS

30 respondents strongly agreed, 6 agreed and 4 gave a neutral depiction with regards to the impact of shortages of adequate raw materials on the competitiveness of the Zimbabwe tourism industry. According to Barber (2016) raw material access at a cost effective rate is of paramount importance on the competitiveness of firms. The researcher attributes high costs to acquire raw materials, poor quality of materials and shortages to be of significant influence in undermining the performance of tourism firms. He strongly agreed and supported the majority respondents in concluding that shortages of adequate raw materials negatively affected the Zimbabwe tourism industry.

(viii) HIGH TAXES AND DUTY

Basing on the results 34 respondents strongly agreed, 5 agreed and 1 gave a neutral depiction with regards to the impact of high taxes and duty on the tourism industry. The researcher based his conclusion on majority views to support that high taxes and duty negatively affected the tourism industry.

(ix) LIQUIDITY CRUNCH/CRISIS

According to Mandaza (2016) the liquidity crisis which had an effect on the Zimbabwean economy has negatively affected the competitiveness of firms. Basing on the results from the study, 31 respondents strongly agreed, 8 agreed and one gave a neutral depiction. The researcher used these responses to reinforce the notion that the liquidity crunch/crisis negatively affected the Zimbabwe tourism industry's competitiveness.

(x) WEAK COMMERCIAL DIPLOMACY

Based on the study, 18 respondents strongly agreed, 18 agreed and 4 gave a neutral depiction about the effects of weak commercial diplomacy on Zimbabwe tourism business performance. According to Munetsi (2015), stringent requirements to obtain trading licences, permits, travel documentations (visa) negatively retard the performance and competitiveness of firms. The researcher concluded the views by strongly reinforcing the majority respondents who agreed that weak commercial diplomacy by authorities negatively affected their performance.

(xi) INDUSTRIAL DISPUTES

Based on the results, 25 respondents strongly agreed, 4 agreed, 9 gave a neutral depiction, one disagreed and one strongly disagreed with the notion that industrial disputes negatively affected the Zimbabwe tourism industry. According to Botterill (2016) industrial disputes such as tacit behaviour between firms with regards to pricing of activities is a common practice in the tourism industry and usually requires authorities' intervention. The researcher concluded the notion by reinforcing the judgement of the majority which favoured the opinion that industrial disputes negatively affected the Zimbabwe tourism industry.

4.5.0 DO YOU SUPPORT THE FOLLOWING ADVANTAGES WITH REGARDS TO THE BENEFITS OF EXPORT INCENTIVES IN IMPROVING THE COMPETITIVENESS OF ZIMBABWE TOURISM COMPANIES

(i) SELLING EXCESS DOMESTIC CAPACITY

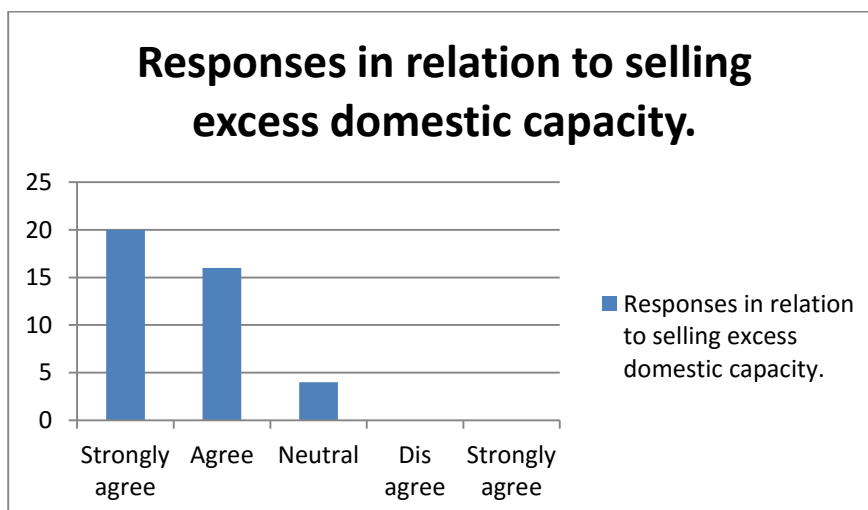


Fig 4.4 Responses in relation to selling excess domestic capacity (*Source: excel based on results*).

Based on the results, 20 respondents strongly agreed, 16 agreed whilst 4 gave a neutral depiction with regards to selling excess domestic capacity as a merit brought about by export incentives. According to Heinz (2014) firms can use income and opportunities created by incentive schemes to improve their operational and financial performance. Conclusively the researcher based his analysis on the opinion of the majority respondents who agreed that selling excess domestic capacity can improve the competitiveness of the Zimbabwe tourism industry.

(ii) INSULATING SEASONAL DOMESTIC DEMAND THROUGH FINDING FOREIGN MARKETS

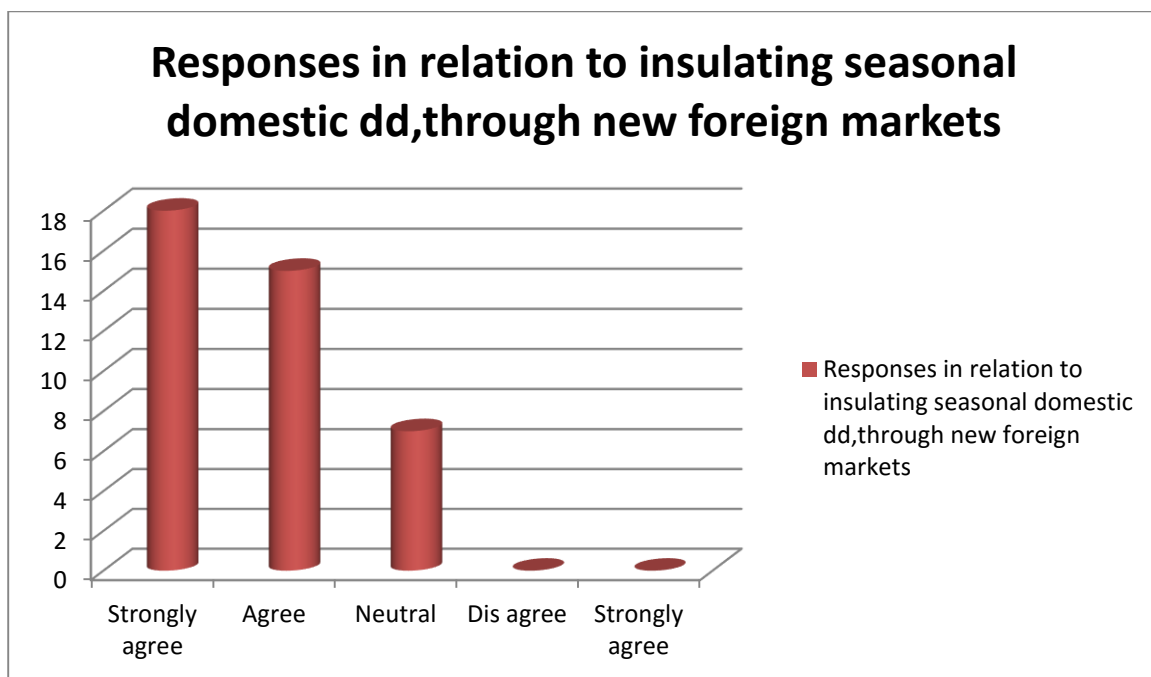


Fig 4.5 Responses in relation to insulating seasonal domestic demand (Source: excel based on study).

18 respondents strongly agreed, 15 agreed and 7 gave a neutral depiction with regards to insulating seasonal domestic demand. According to Heinz (2014), firms in the tourism business industry usually suffer from fluctuating business which usually divides the year into seasons. During peak seasons (green seasons) firms usually maximise on sales so as to cushion off-peak seasons (grey seasons). The researcher reinforced the decision of the majority who agreed to the motion that export incentives assist in the creation of external markets thus reducing the effects of off- peak seasons.

(iii) EXPLORING PREVIOUSLY UNTAPPED MARKETS

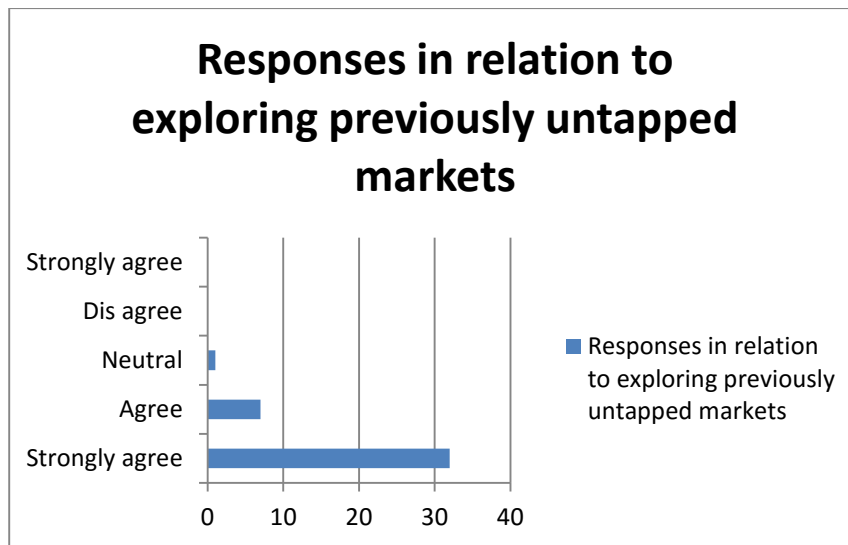


Fig 4.6 Responses in relation to exploring previously untapped markets (*Source: excel based on study results*).

According to the research findings, 32 respondents strongly agreed, 7 agreed and one gave a neutral depiction with regards to exploring of previously untapped markets. In a study carried out by Akito and Amaide (2015), on the effectiveness of government grants on restoring the performance of the Nigerian milling companies, most of the companies expanded their market share by over 45% in the first quarter of the scheme by entering untapped markets. The researcher reinforced the views of the majority respondents by strongly agreeing to the notion that export incentives permit firms to enter untapped markets.

(iv) LOWERING PER UNIT COST AND INCREASING THE RETURN ON INVESTMENTS

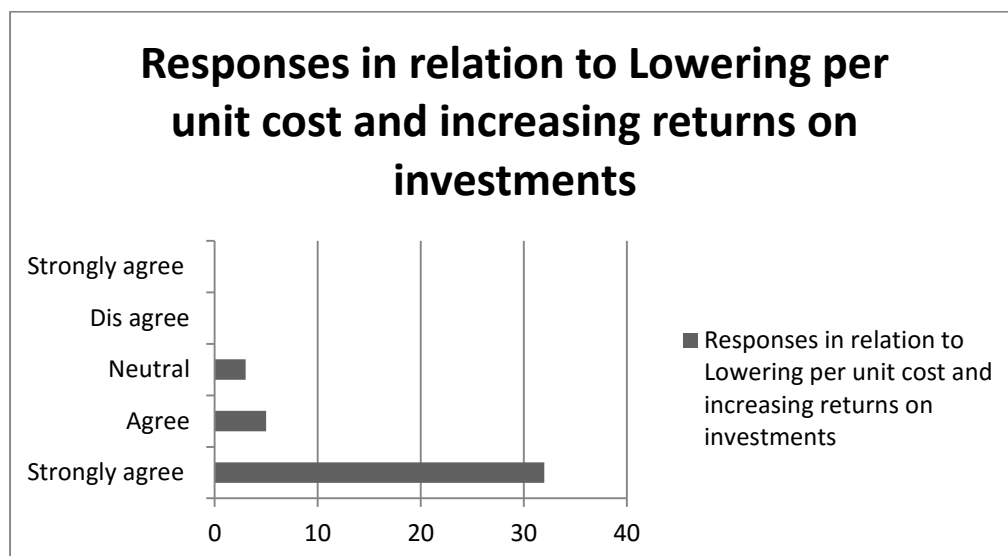


Fig 4.7 Responses in relation to lowering per unit cost and increasing return on investment (Source: excel based on study).

Based on the study, 32 respondents strongly agreed, 5 agreed and 3 gave a neutral depiction with regards to lowering per unit cost and increasing return on investment. According to Torsvic (2016) monetary export incentives usually help cushion the cost associated with the production of extra units. The researcher agreed with the notion that incentive schemes help reduce the cost of production of goods and services and thus lowering the cost based pricing strategies usually adopted by firms. According to Heinz (2014), the cost of production of firms usually influences the final prices adopted and thus affecting the price competitiveness of companies.

(v) ENHANCING COMPANY IMAGE

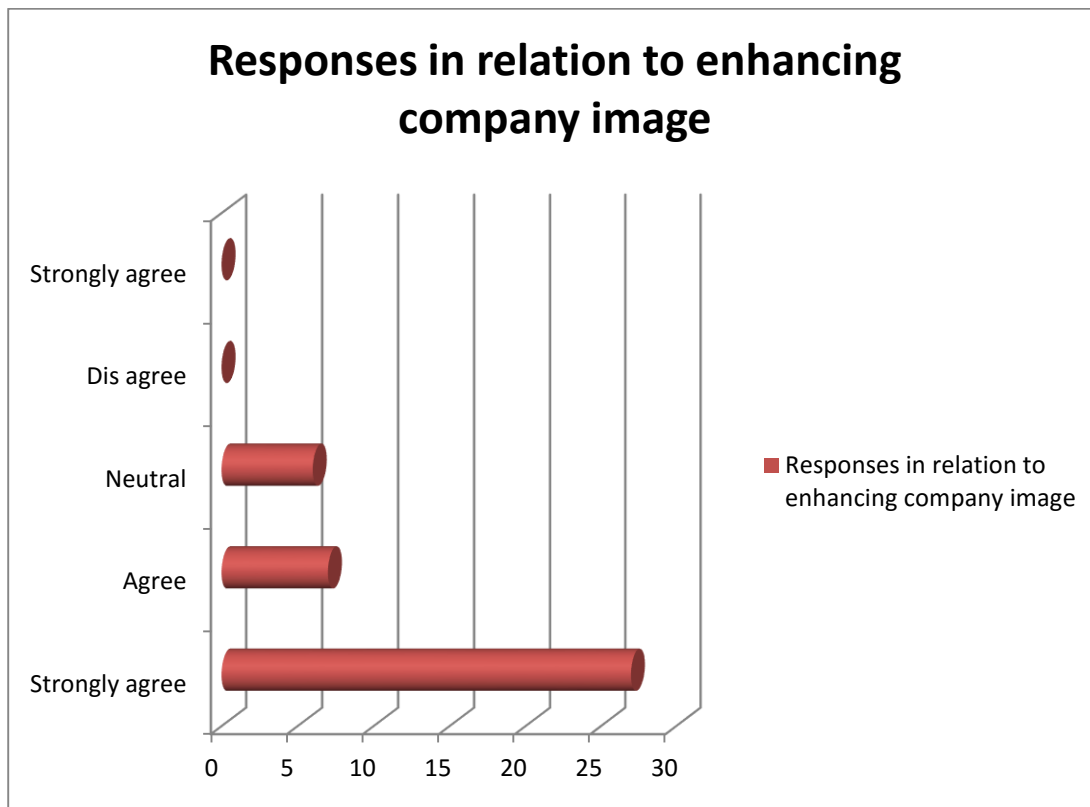


Fig 4.8 Responses in relation to enhancing company image (Source: excel based on results).

6 respondents were neutral, 7 agreed and the majority 27 respondents strongly agreed to the notion that companies benefiting from export incentives are viewed as better performers in relation to non exporting companies. According to Gershon (2012), company image paves a platform to build around a brand and benefit firms from economies of scale in many dimensions. A sound image for a firm also raises its goodwill and permits easier market

penetration. The researcher reinforced the credibility of the majority respondents in supporting the notion.

(vi) STRENGTHENING PRODUCTIVE FRONTS OF THE INDUSTRY

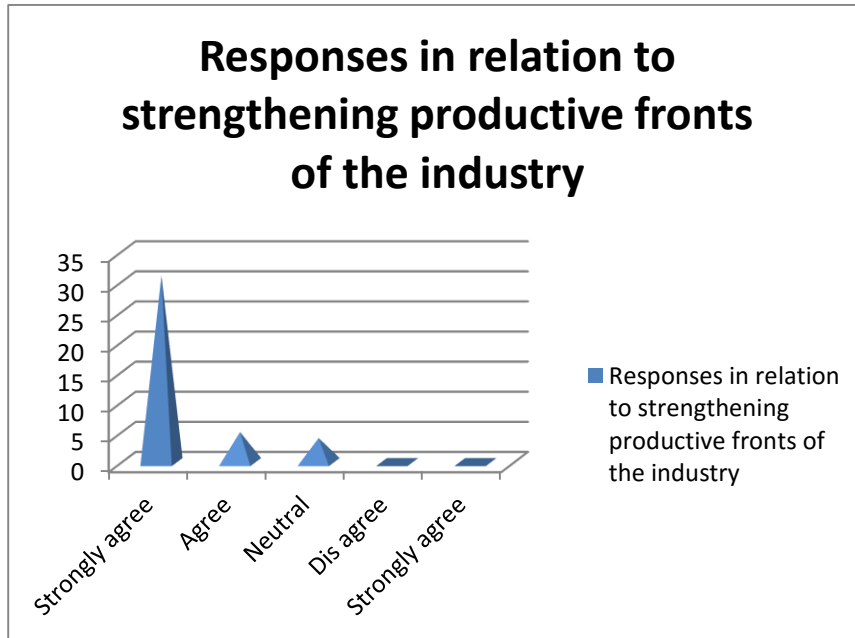


Fig 4.9 Responses in relation to strengthening productive fronts of the industry (*Source: excel based on results*).

Based on the study, 31 respondents strongly agreed, 5 agreed and 4 gave a neutral depiction with regards to strengthening productive fronts of the industry. According to Kleit (2014), incentive schemes are directed to sectors by authorities to enhance the performance of the sectors in terms of output and revenue thus increasing national income. The researcher supports the assertions made by the respondents to agree with the notion. Conclusively export incentive schemes are effective in strengthening the productive fronts of the tourism industry due to their diversity and effects on performance and competitiveness.

4.6.0 TO WHAT EXTENT DO YOU AGREE WITH THE FOLLOWING DISADVANTAGES WITH REGARDS TO EXPORT INCENTIVES IN THE ZIMBABWE TOURISM INDUSTRY

(i) EXPORT INCENTIVES ENCOURAGE COMPLIANCE RATHER THAN RISK TAKING

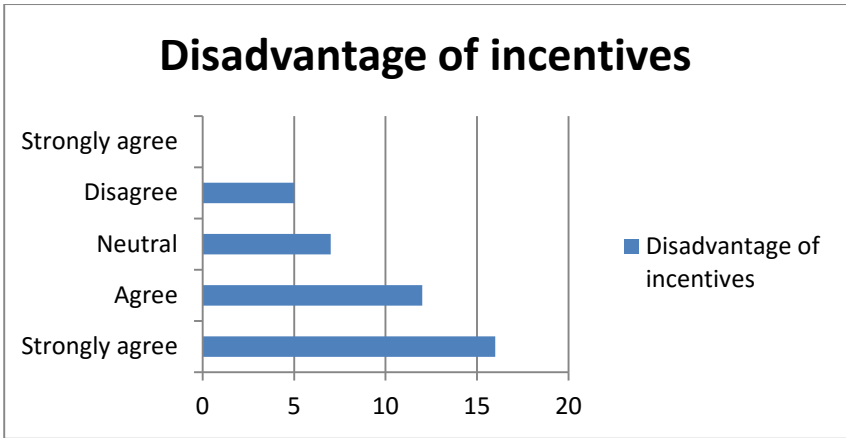


Fig 4.10 Responses in relation to the above disadvantage (Source: excel based on study)

The study revealed that out of the 40 respondents, 16 respondents strongly agreed, 12 agreed, 7 were neutral and 5 disagreed with the notion. According to Telfer (2014), incentive schemes encourage companies to conduct certain business activities on the motives to earn and benefit from a scheme, but in essence they lack risk taking on their own. The researcher supports the majority of the respondents who agreed to the motion and gives a benefit of doubt to those who were neutral, whilst he assumes they were not prepared to disclose their actual views.

(ii) COMPANIES LACK CREATIVENESS

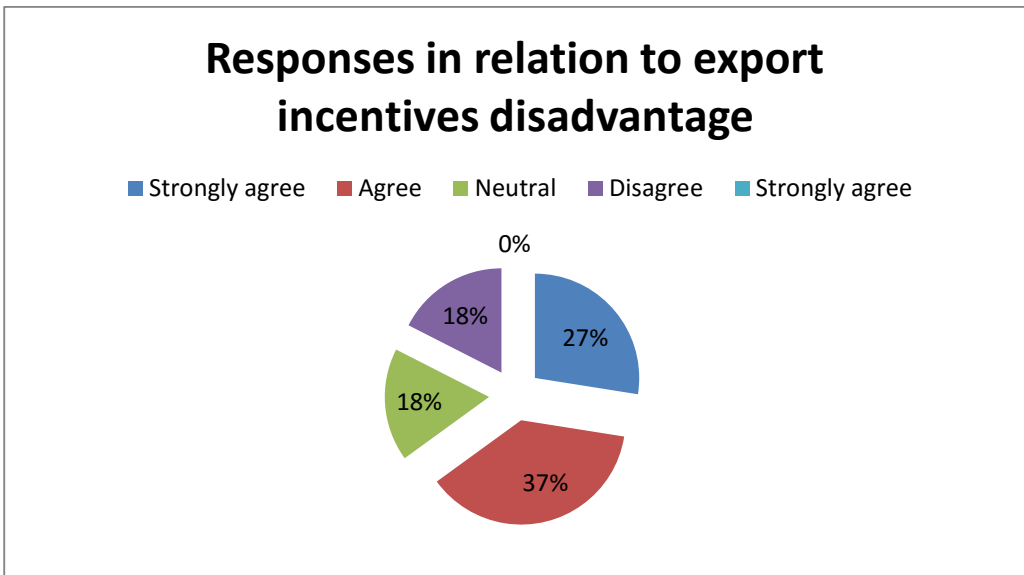


Fig 4.11 Responses in relation to the above disadvantage (Source: excel based on results).

Based on the study, 11/40 respondents strongly agreed, 15/40 agreed, 7/40 were neutral and 7/40 disagreed with the notion that companies lack creativeness. According to the observations made by the researcher, management respondents disagreed to the motion whilst those in supervisory roles and a few frank management staff agreed to the motion. The

researcher concluded by reinforcing the decision of the majority respondents who agreed to the motion.

(iii) INCENTIVES CAN BE USED TO CIRCUMVENT OPERATIONAL PROBLEMS

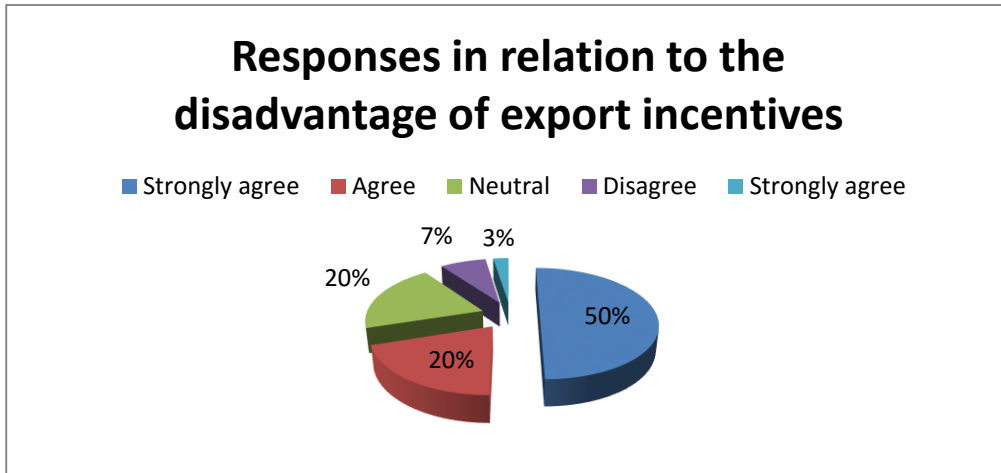


Fig 4.12 Responses in relation to the above disadvantage (Source: excel based on results).

Based on the study, 20/40 respondents strongly agreed, 8/40 agreed, 8/40 were neutral, 3/40 disagreed and one strongly disagreed. According to Annette (2013), incentives may be used to cushion operational problems within the organisation thus flattering its actual performance. The researcher concluded that about 70% of the respondents agreed in favour of his opinion thus reinforcing the credibility of his views. He noted that top management were either sensitive in giving their suggestions with regards to the subject.

(iv) INCENTIVES DESTROY TRADING CONCESSIONS

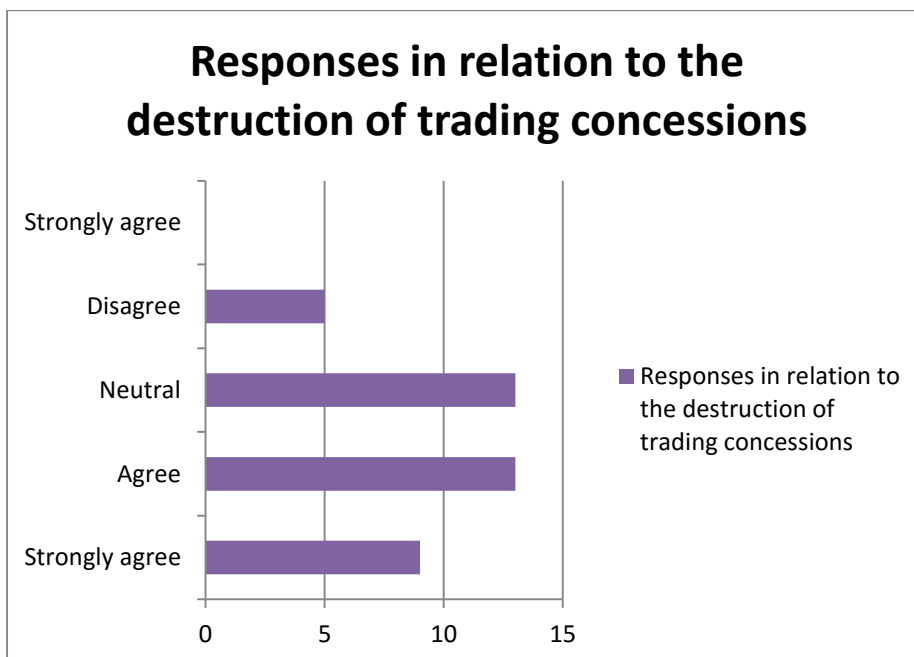


Fig 4.13 Responses in relation to trading concessions (*Source: excel based on study*).

Based on the study 9 respondents strongly agreed, 13 agreed, 13 were neutral and 5 disagreed. According to Barber (2016), incentive schemes usually destruct agreements set between nations especially when one country thinks that another has promoted its products extensively to the extent that they become cheaper than their own. The researcher agreed to the opinion of the majority respondents who support that they destruct trading concessions when implemented extensively.

4.7. DO YOU AGREE WITH THE NOTION THAT EXPORT INCENTIVES INFLUENCE THE FINANCIAL PERFORMANCE OF THE ZIMBABWE TOURISM COMPANIES WITH REGARDS TO THE FOLLOWING INDICATORS

(i) PRICING

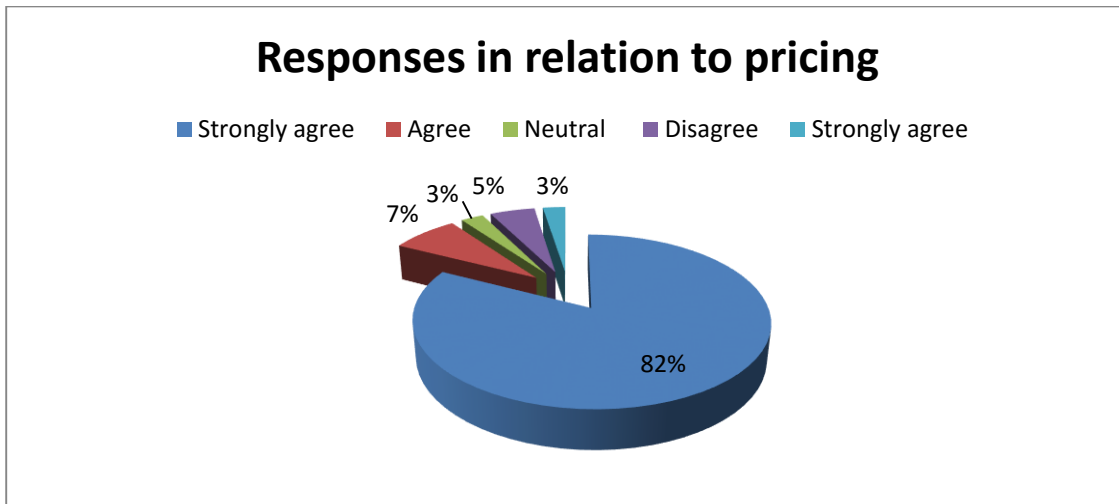


Fig 4.14 Responses in relation to pricing (*Source: excel based on results*).

Based on the study, 33/40 of the respondents strongly agreed, 3/40 agreed, one was neutral, 2/40 disagreed and one strongly agreed with the notion that pricing is influenced by export incentive schemes. According to Gershon (2012), firms in the tourism industry usually employ cost based pricing when selling their services. Export incentive schemes decrease the costs associated with the services thus reducing the price levels when a margin is added on the price. The researcher reinforced the opinion of the majority (89%) of the respondents to support the notion that export incentive schemes influence the pricing of goods and services.

(ii) PROFITABILITY

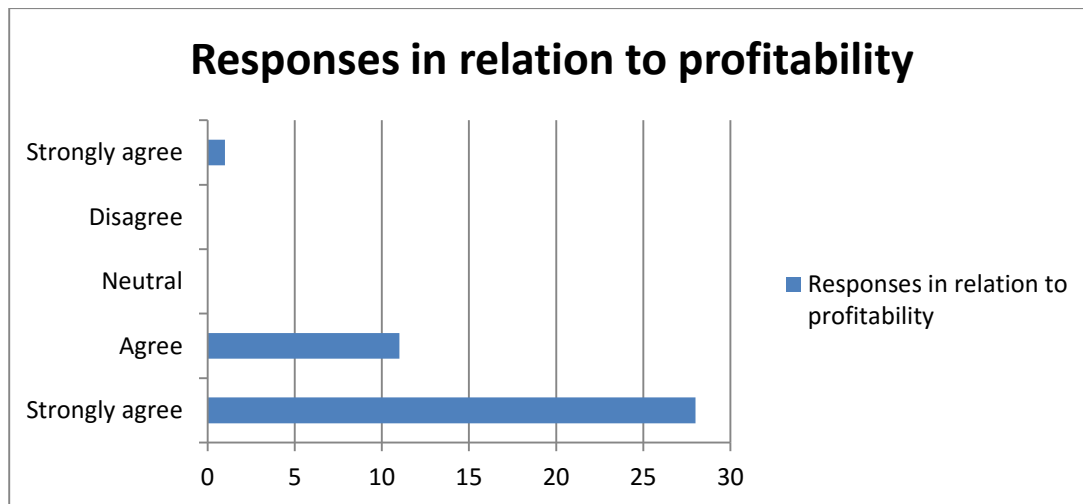


Fig 4.15 Responses in relation to profitability (*Source: excel based on study*).

The study revealed that 28 respondents strongly agreed, 11 agreed, and one strongly disagreed to the notion. According to Anant (2015), export incentives are meant to reduce the costs associated with the selling, production or marketing of goods and services. The majority of the respondents agreed with the notion addressed by the researcher, thus reinforcing his view that profit is influenced by export incentives available.

4.8.0. INTERVIEW QUESTIONS RESPONSES AND ANALYSIS

The researcher prepared interview guides scheduled for five interviews and managed to conduct all. He interviewed one procurement manager, one finance director, two chief financial officers, and one managing director. The interviews were conducted so as to comprehensively acquire more data with regards to export incentives regardless of information distributed in the research questionnaires. This permitted reliability of data as all the interviews were value adding and conclusive.

4.8.1. INTERVIEW ANALYSIS

The researcher scheduled 5 interviews and managed to conduct them all. This makes the response rate equal to 100%.

(i) DO YOU VIEW EXPORT INCENTIVES AS AN IDEAL TOOL TO IMPROVE THE COMPETITIVENESS OF EXPORTING TOURISM COMPANIES IN ZIMBABWE

Based on the results, all the 5 respondents agreed to the motion. They were of the view that export incentives are the best tools and authorities should focus much on enhancing their

quality and accessibility. The respondents confirmed firms are benefiting from them but they assumed they are associated with some irregularities in acquiring them. They were of the opinion that if they were to be screened and made accessible conveniently, firms were in a position to benefit to a greater extent than what they are currently realising.

(ii) CHALLENGES YOU FACED WHEN EXPORTING YOUR GOODS AND SERVICES TO OTHER COUNTRIES

Based on the study, all the 5 respondents collectively noted the following challenges as hindrances to effective exporting in the tourism industry:

- Liquidity crunch affecting the country is also to a greater extent affecting the payment of tourism services.
- Shortages of adequate inputs (raw materials) to facilitate the provision of the tourism services.
- Costs associated with the obtaining of trading permits, liquor licences etc

The respondents noted the above, and as well reinforced the challenges noted by the researcher. This has raised the credibility of sources consulted by the researcher in conducting the study.

(iii) RECOMMENDATIONS TO AUTHORITIES SO AS TO CIRCUMVENT THE CHALLENGES YOU HAVE JUST OUTLINED

The respondents came up with various opinions with regards to possible solutions to the challenges addressed. Amongst the responses was an interesting response from an ACCA accredited member who suggested public-private sector partnership so as to permit the public sector to run commercial businesses. He added that this will enable authorities to streamline some of the inhibiting bureaucracies that were forming bottlenecks in business.

Others placed much emphasis on business friendly and consistent policies to enhance competitiveness.

4.9. CHAPTER SUMMARY

The chapter discussed, interpreted and analysed the researched data with regards to the effectiveness of export incentives in revitalising business competitiveness in an organisation (A case study of the Zimbabwe tourism industry). The following and final chapter focused on conclusions, summaries and recommendations.

CHAPTER 5

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 INTRODUCTION

The chapter concludes the entire research topic through incorporating a retrospective view so as to establish on whether the research objectives were attained. An overview of the entire research findings, conclusions and recommendations are drawn in this chapter based on the research findings.

5.1. CHAPTER SUMMARIES

The study focused on investigating the effectiveness of export incentives in revitalising business competitiveness in an organisation. (A case study of the Zimbabwe tourism industry). The main thrust of the research was to establish whether export incentives were effective in restoring the competitiveness of Zimbabwean tourism firms. Chapter 1 set the basis for the whole project through highlighting the main research problems and objectives so as to enable sufficient research of the subject. The objectives took a broad scope, by covering all material related at adding value to the main research question.

The second chapter focused on empirical literature with regards to the types of export incentives and their nature. Other literature incorporated also included challenges faced by the Zimbabwe tourism firms when exporting, advantages and disadvantages of export incentives and the impact of export incentives on an organisation's financial performance. The researcher consulted some variety of sources during the study which ranged from academic journals, books, internet, newspapers etc, so as to enhance the quality of the literature obtained.

Chapter 3 comprised all the strategies incorporated by the researcher to gather and obtain information with regards to the subject. It constituted the research methodologies used such as the research approach. The researcher used the quantitative research approach to investigate the effectiveness of export incentives in revitalising business competitiveness because he wanted to find out numerically how effective the schemes were. The chapter also formed the basis of the justification of the research sample and the regression method used to analyse data.

Chapter 4 focused on data presentation and analysis. The response rate for the questionnaires was 81.63% and was justified as reasonable to conclude the research by relevant empirical studies. The response rate for the 5 scheduled interviews was 100% as per the research plan. Collected data was presented through graphic presentations, excel, and regression analysis.

5.2 MAIN RESEARCH FINDINGS

Companies in the Zimbabwe tourism industry over the past years have faced a decline in competitiveness mainly due the 2014-2015 Ebola crisis. The crisis negatively impacted the number of tourists' visits to resort area in Zimbabwe. The decline was further reinforced by the deterioration of major Zimbabwean manufacturing industries which were providing raw materials to the sector and the banning of importation of certain goods by the government. High taxes and import duty on capital goods have also been rampant in negatively affecting the acquisition of capital goods for modernisation and expansion thus making Zimbabwean tourism companies lag behind in attaining world class standards.

The research revealed that despite all these hindrances, the initiative by the Zimbabwean government to offer export incentive to boost local firms output and encourage exports to foreign lands had positively influenced the competitiveness of firms. The results obtained from questionnaires circulated as well as interviews conducted revealed that export incentive schemes which were cumulatively added in circulation had greatly influenced their competitiveness.

Companies were aware of export incentive schemes being offered by the government and were making use of them throughout the tourism industry. The results obtained from the research were further reinforced by empirical research from scholars who viewed export incentive schemes as appropriate tools to enhance the competitiveness of firms in industries.

A regression analysis was conducted to provide further reinforcement to the export incentives initiative. The researcher analysed the results and they reviewed that the coefficient of correlation between cumulative growth in export incentive schemes and profits of a representative company was **0.8852**. The result signified a strong positive correlation, which meant that high **X** variable scores went with high **Y** variable scores.

The value for R^2 coefficient of determination was **0.7836** which translated to **78.38%**. This meant that 78.38% of the data points fall within the regression line when drawn on a scatter graph. The researcher viewed coefficient of determination to be significantly higher and

concluded that further increases in export incentive schemes positively influence the level of competitiveness in the Zimbabwe tourism industry.

5.3. RECOMMENDATIONS

- For firms to maximise benefits from the export incentives in the long run, government should be incorporated into the tourism business through the formation of public-private partnerships so as to permit public sector operators to run commercial businesses and suggest how best they can streamline some of the inhabiting bureaucracies that had formed bottlenecks in business.

-Firms in the tourism industry should collectively report their challenges and expectations to the Zimbabwe Tourism Authority on a regular basis since reports from such representative boards are used to formulate incentive schemes considered specific for growth.

- The government should also widen the scope of export incentive schemes, at the same time reinforcing their quality through down streaming of bureaucratic procedures involved in acquiring them.

-The government should incorporate supportive legislations that sort to liberate protocols and procedures that are set to work with export incentive schemes so as to permit their ease of access to firms.

-Tourism companies should remain resilient to find ways to enhance their competitiveness, since the government has become inquisitive towards reinforcing the competitiveness of the tourism industry.

5.4. SUGGESTIONS FOR FUTURE RESEARCH

- There is need to look comprehensively on the impact of export incentives in Zimbabwe industries since there seems to be a gap between the performance of the tourism industry and other sectors.

5.5. CHAPTER SUMMARY

This chapter brought the research about the effectiveness of export incentive schemes in revitalising business competitiveness in an organisation (A case study of the Zimbabwe tourism industry) to an end by providing summaries of findings, conclusions, as well as recommendations to authorities, individuals and firms for further research.

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APPENDIX 1

Questionnaire Distribution
Request Letter.



MIDLANDS STATE UNIVERSITY



Midlands State University
P Bag 9055
Gweru

1 March 2017.

To whom it may concern.

RE: Research Assistance.

I am Prince Tapiwa Makanjera a bona fide student of the Midlands State University, studying a Bachelor of commerce Accounting honours degree. I am carrying out a research purely for academic purposes on the **Effectiveness of export incentives in revitalising business competitiveness in an organisation. (A case study of the Zimbabwe Tourism Industry)**. I wish to distribute questionnaires and conduct interviews in your organisation with regards to the subject under research.

Your assistance and contributions in building my career through participation in completion of the attached questionnaire which aims at soliciting your views pertaining to the study will be greatly appreciated. All outcomes from the research will be treated with utmost confidentiality.

Thank you in advance for a favourable consideration in devoting your time in participating in this study.

Sincerely

Makanjera Prince Tapiwa.

Company Stamp.....

SECTION A: Preliminary Research Information. (Please use a tick where applicable).

(1) In which company/Organisation do you work? (Specify).....

(2) In which department do you work?

Human Resource	Accounting and Finance	Management	Customs Clearing	Z.T.A.	Procurement	Marketing

Other (specify).....

(3) Which position do you hold?

Management Post	Supervisory Post

Other (specify).....

(4) For how long have you been in the department?

Less than 1 year	Less than 5 years	Less than 10 years	More than 10 years

SECTION B – (Please use a tick where applicable).

(1) To what extent have the 2014-2015 Ebola crisis affected tourism business performance in Zimbabwe?

To a greater extent	To a moderate extent	To a lesser extent

(2) How has the decline/collapse in the Zimbabwe manufacturing industry affected the competitiveness of tourism companies?

Negatively	Positively	No effect

(3) How have import restrictions on goods and services affected the competitiveness of Zimbabwe tourism firms?

Negatively	Positively	No effect

(4) What is the impact regarding current tax and customs laws (with regards to import duty, vat and surtax) in restoring the competitiveness of Zimbabwe tourism business?

Negative	No effect	positive

(5) What percentage of your business constitutes exports to other countries? (Specify).....

SECTION C: (Please tick where applicable)

(1) To what extent do you agree on the impact of the following export incentives in revitalising business competitiveness in the Zimbabwe tourism industry?

	Types of export incentives	Strongly Agree	Agree	Neutral	Dis-agree	Strongly dis-agree
(i)	Duty drawbacks					
(ii)	Duty-free replenishment certificates					
(iii)	Tax abatements					
(iv)	Advance licenses					
(v)	Export credit					
(vi)	Foreign investment re-insurance					
(vii)	Monetary export incentives					
(viii)	Export subsidies					
(ix)	Sales tax exemption					
(x)	Legal export incentives					

(2) To what extent do you agree with the notion that the outlined challenges affect the Zimbabwe tourism industry?

	Challenges faced.	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
(i)	Fluctuations in foreign currency exchange rates					
(ii)	Security issues					
(iii)	fluctuating business due to peak and off-peak seasons					
(iv)	Lack of financial resources to attain benchmarked standards					

(v)	Excessive labour unionism					
(vi)	Shortages of adequate power supply					
(vii)	Shortages of adequate raw materials					
(viii)	High taxes and duty					
(ix)	Liquidity crunch/crisis					
(x)	Weak commercial diplomacy with regards to exports enhancement					
(xi)	Industrial disputes					

(3) To what extent do you support the following advantages with regards to the benefits of export incentives in improving the competitiveness of Zimbabwe tourism companies?

	Advantages	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
(i)	Selling excess domestic capacity					
(ii)	Insulating seasonal domestic demand through finding foreign markets					
(iii)	Exploring previously untapped markets					
(iv)	Lowering per unit cost & increasing return on investments					
(v)	Enhancing company image					
(vi)	Strengthening productive fronts of the industry					

(3b) To what extent do you agree with the following disadvantages with regards to export incentives in the Zimbabwe tourism companies?

	Disadvantages	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
(i)	Export incentives encourage compliance rather than risk taking					
(ii)	Companies lack creativeness					
(iii)	Incentives can be used to circumvent operational problems					
(iv)	Incentives destruct trading concessions					

(4) To what extent do you agree with the notion that export incentives influence the financial performance of Zimbabwe tourism companies with regards to the following indicators?

	Indicator	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
(1)	Pricing					
(2)	Profitability					

(5) You can add other specific or general information with regards to the subjects above that you feel has been insufficiently addressed or needs further clarification.

.....

.....Your cooperation is greatly appreciated.....

*If you wish to know much with regards to the research, or add value to it,
 You can communicate with the researcher on makanjerap@gmail.com / cell (+263 771 500 519).*

APPENDIX II

INTERVIEW GUIDE

Subject: The effectiveness of export incentives in revitalising business competitiveness in the Zimbabwe tourism industry.

- (1) What percentage of your business constitutes export of goods and services to foreign lands?
- (2) In your own opinion, do you view export incentives as an ideal tool to improve the competitiveness of exporting tourism companies in Zimbabwe?
- (3) What challenges are you facing when exporting your goods and services to other countries?
- (4) What do you recommend authorities to enforce so as to circumvent the challenges you have just outlined?

.....Your cooperation is greatly appreciated.....

If you wish to know much with regards to the research, or add value to it,

You can communicate with the researcher on makanjerap@gmail.com / cell (+263 771 500 519).