

**STRATEGIC MARKETING PLANNING FOR RADIO STATIONS IN
LESOTHO**

By

MAKHAKHE MALIEHE

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TABLE OF CONTENTS

ACKNOWLEDGEMENTS	ii
TABLE OF CONTENTS	iv
LIST OF TABLES	xv
LIST OF FIGURES	xvi

CHAPTER 1: AIM AND PROBLEM STATEMENT OF THE STUDY

1.1 INTRODUCTION	1
1.2 PROBLEM STATEMENT	3
1.3 OBJECTIVES OF THE STUDY	7
1.3.1 Purpose of the study	7
1.3.2 Specific Objectives	7
1.4 CONTRIBUTION OF THE STUDY	8
1.5 RESEARCH DESIGN AND METHODOLOGY	9
1.6 OUTLINE OF THE STUDY	9
1.7 SUMMARY	10

CHAPTER 2: THE RADIO INDUSTRY IN LESOTHO

2.1	INTRODUCTION	11
2.2	THE RADIO STATION MARKETING ENVIRONMENT	12
2.2.1	Introduction	12
2.2.2	The micro or stakeholder publics of the radio station	14
2.2.2.1	Introduction	14
2.2.2.2	Input publics	15
2.2.2.3	Internal publics	17
2.2.2.4	Intermediary publics	21
2.2.2.5	Consuming publics	24
2.2.3	The competitive Environment	28
2.2.4	The Macro-Environment	29
2.2.4.1	Introduction	29
2.2.4.2	Technological environment	29
2.2.4.3	Demographic environment	30
2.2.4.4	Economic environment	34
2.2.4.5	Socio-cultural environment	39
2.2.4.6	Political/Legal environment	40
2.3	BENEFITS OF A RADIO AS A MEDIUM	52
2.3.1	Introduction	52

2.3.2	Differentiation and selective targeting	52
2.3.3	Building awareness and offering frequency	53
2.3.4	Timing flexibility	54
2.3.5	Multi-channel opportunity and promotional extension	54
2.3.6	Unique brand impression	55
2.3.7	Cost efficiency	56
2.4	HISTORY AND THE RADIO INDUSTRY IN LESOTHO	56
2.4.1	Introduction	56
2.4.2	The history of Lesotho and the radio industry	56
2.4.3	Establishment of the Lesotho Telecommunication Authority	58
2.5	A REVIEW OF THE MEDIA INDUSTRY IN LESOTHO	60
2.5.1	Introduction	60
2.5.2	Television	60
2.5.3	Newspapers	61
2.5.4	The radio industry in general	62
2.5.5	The radio stations in Lesotho	66
2.5.5.1	Radio Lesotho	66
2.5.5.2	People's Choice FM	69
2.5.5.3	Catholic Radio	71
2.5.5.4	Moafrika FM	72

2.5.5.5 Joy Radio	74
2.5.5.6 Thaha-Khune FM	75
2.5.5.7 Harvest FM	76
2.6 SUMMARY	78

CHAPTER 3: MARKETING OF RADIO STATION'S SERVICES

3.1 INTRODUCTION	80
3.2 SERVICES IN GENERAL	81
3.3 THE SERVICES OF A RADIO STATION	83
3.4 MARKETING OF SERVICES	85
3.5 THE CHARACTERISTICS OF SERVICES AND RESULTING MARKETING IMPLICATIONS	86
3.6 SERVICES AND THE MARKETING MIX	92
3.7 CUSTOMER RELATIONSHIP MANAGEMENT	97
3.7.1 Introduction	97
3.7.2 Value and Satisfaction	98
3.7.2.1 Value	98
3.7.2.2 Satisfaction	100
3.7.2.3 Loyalty	117
3.8 SUMMARY	119

CHAPTER 4: STRATEGIC MARKETING PLANNING

4.1	INTRODUCTION	120
4.2	THE SCOPE OF PLANNING	121
4.2.1	Introduction	121
4.2.2	Planning	122
4.2.2.1	Growth	122
4.2.2.2	Investment opportunities	122
4.2.2.3	Competition	123
4.2.2.4	Technology	123
4.2.2.5	Change	124
4.3	STRATEGY	124
4.3.1	Introduction	124
4.3.2	Hierarchy of strategies	126
4.4	THE ROLE OF MARKETING IN ORGANISATION	129
4.4.1	Introduction	129
4.4.2	Corporate strategy	130
4.4.3	Business strategy	130
4.4.4	Product/service or market strategy	131
4.5	STRATEGIC MARKETING PLANNING PROCESS	132
4.5.1	Introduction	132

4.5.2	Strategic intent	136
4.5.2.1	Mission	136
4.5.2.2	Corporate objectives	137
4.5.3	Situation analysis	144
4.5.3.1	Introduction	144
4.5.3.2	The marketing audit	144
4.5.3.2.1	Customers and markets	146
4.5.3.2.2	Competitive position	150
4.5.3.2.3	The environmental audit	151
4.5.3.2.4	Auditing the services and products	151
4.5.3.2.5	The organisational audit	153
4.5.3.3	SWOT analysis	155
4.5.3.4	Key assumptions	157
4.5.4	Marketing strategy formulation	159
4.5.4.1	Introduction	159
4.5.4.2	Marketing objectives	159
4.5.4.3	Marketing strategies	161
4.5.4.3.1	The service strategies	161
4.5.4.3.2	The promotion/marketing communication strategies	164
4.5.4.3.3	The price strategies	170

4.5.4.3.4 The place strategies (getting the service to the customer)	176
4.5.4.3.5 The process of creating the service	177
4.5.4.3.6 The people	179
4.5.4.3.7 Customer service	184
4.5.5 Budgeting	186
4.5.6 Strategic implementation and control	187
4.6 SUMMARY	190

CHAPTER 5: RESEARCH METHODOLOGY AND DESIGN

5.1 INTRODUCTION	192
5.2 RESEARCH METHODOLOGY AND DESIGN	193
5.2.1 Research methodology and design	193
5.2.2 Sampling methodology	194
5.2.3 Sampling at respondents level	196
5.2.4 Questionnaire design	196
5.2.5 Data analysis	198
5.3 LITERATURE STUDY	201
5.4 RESEARCH VALIDITY	203
5.5 PROBLEMS EXPERIENCED WITH THE STUDY	205
5.6 SUMMARY	206

**CHAPTER 6: EMPIRICAL FINDINGS OF STRATEGIC
MARKETING PLANNING FOR RADIO
STATIONS IN LESOTHO**

6.1	INTRODUCTION	208
6.2	DEVELOPMENT OF A CORPORATE MISSION	209
6.2.1	Introduction	209
6.2.2	Role or contribution	210
6.2.3	Definition of the business	212
6.2.4	Distinct competencies	213
6.2.5	Indication of the future	214
6.2.6	Strategic planning sessions	215
6.3	DEVELOPMENT OF CORPORATE OBJECTIVES	216
6.3.1	Introduction	216
6.3.2	Setting corporate objectives	217
6.3.2.1	Radio stations with corporate objectives	217
6.3.2.2	Factors that influence the development of corporate objectives	217
6.4	SEGMENTATION	219
6.4.1	Radio stations in Lesotho with profiles of their listeners	220
6.4.2	Factors influencing the development of customer profiles	221

6.5	PLANNING	222
6.5.1	Introduction	222
6.6	MARKETING PLANNING	223
6.6.1	Introduction	223
6.7	SITUATION REVIEW	224
6.8	MARKETING OBJECTIVES	225
6.8.1	Introduction	225
6.8.2	Development of marketing objectives	226
6.9	COMPETITOR ANALYSIS	229
6.9.1	Introduction	229
6.9.2	Study of competitors	229
6.9.2.1	Competitors' goals and objectives	230
6.9.2.2	Competitors' market place behaviour	231
6.9.2.3	Competitors' market share	233
6.9.2.4	Competitors' growth	234
6.9.2.5	Competitors' service quality	235
6.9.2.6	Competitors' operations and resources	237
6.9.2.7	Competitors' marketing mix strategies	238
6.9.3	Emergence of new competitors	240
6.9.3.1	Introduction	240

6.9.3.2 Factors that influence entry into the radio	
industry in Lesotho	242
6.10 Marketing mix strategies	243
6.10.1 Introduction	243
6.10.2 The service – Programmes	244
6.10.2.1 Introduction	244
6.10.2.2 Programming	244
6.10.2.3 Factors influencing the selection of target audiences	246
6.10.3 Pricing strategies	248
6.10.4 Distribution strategy	249
6.10.5 The Process	250
6.11 EDUCATIONAL QUALIFICATIONS AND MARKETING PLAN	251
6.12 EDUCATIONAL QUALIFICATIONS AND MISSION STATEMENT	252
6.13 TYPE OF RADIO STATION AND MARKETING PLAN	253
6.14 TYPE OF RADIO STATION AND COMPETITOR ANALYSIS	254
6.15 NUMBER OF LISTENERS AND LISTENERS' PROFILES	255
6.16 SUMMARY	256

CHAPTER 7: CONCLUSIONS AND RECOMMENDATIONS

7.1	INTRODUCTION	257
7.2	CONCLUSIONS	261
7.2.1	The meaning and scope of strategic marketing planning	263
7.2.2	Current planning systems used by radio stations in Lesotho	264
7.2.3	Summary	275
7.3	RECOMMENDATIONS	275
7.3.1	Introduction	275
7.3.2	Recommendations for the research study	276
7.3.3	Summary	289
	BIBLIOGRAPHY	290
	ANNEXURE A – QUESTIONNAIRE FOR THE EMPIRIAL STUDY	xxi

LIST OF TABLES

TABLE 2.1	What to consider when identifying a radio industry's dominant economic features (2005)	36
TABLE 2.2	An inventory of radio stations in Lesotho (2003)	77

LIST OF FIGURES

Figure 2.1	Radio marketing environment (1992)	13
Figure 2.2	The micro publics of a radio station (1996)	14
Figure 3.1	Tangibility Spectrum	82
Figure 3.2	The gaps model of service quality (1995)	102
Figure 3.3	The customer gap (2003)	104
Figure 3.4	The zone of tolerance (2003)	108
Figure 3.5	Factors that influence desired and predicted service	111
Figure 3.6	The relationship between customer satisfaction and loyalty (2003)	118
Figure 4.1	Hierarchy of strategies (2003)	128
Figure 4.2	The role of marketing in an organisation (2004)	129
Figure 4.3	The strategic marketing planning process for services (1999)	135
Figure 4.4	Corporate strategic components and issues (2006)	143
Figure 4.5	The constituent parts of the marketing audit (1996)	146
Figure 4.6	Example of the traditional layout for a SWOT analysis (1996)	156
Figure 4.7	Partial SWOT analysis for a radio station (1996)	157

Figure 4.8	The Ansoff matrix (1996)	161
Figure 4.9	Stages of communication (1996)	165
Figure 4.10	Demand curves (2004)	173
Figure 6.1	Radio stations with developed mission statements	210
Figure 6.2	The influence of the role and contribution on the development of the mission statement	211
Figure 6.3	The influence of the definition of the business on the development of the mission statement	212
Figure 6.4	The influence of the distinct competencies on the development of the mission statement	213
Figure 6.5	The influence of the future on the development of mission statement	214
Figure 6.6	The influence of strategic planning sessions on the mission statement development	215
Figure 6.7	Radio stations in Lesotho with corporate objectives	217
Figure 6.8	The extent of influence of market share, return on investment, improving marketing mix, sales growth, position in industry, and focusing training on the development of corporate objectives	219
Figure 6.9	Radio stations with Listeners' profiles	220

Figure 6.10	Factors that influence the development of profiles of listeners	221
Figure 6.11	Radio stations in Lesotho with managerial plans	222
Figure 6.12	Radio stations in Lesotho with marketing plans	223
Figure 6.13	Radio stations in Lesotho that carry out A market audit	224
Figure 6.14	Radio stations in Lesotho with marketing objectives	226
Figure 6.15	Factors that influence the development of corporate objectives	228
Figure 6.16	The influence of competitors' goals and objectives On competitors analysis	230
Figure 6.17	The influence of competitors' market place behaviour On competitors analysis	232
Figure 6.18	The influence of competitors' market share on Competitors analysis	233
Figure 6.19	The influence of competitors' growth on Competitors analysis	234
Figure 6.20	The influence of competitors' service quality on competitors analysis	235

Figure 6.21	The influence of competitors' operations and resources on competitors analysis	237
Figure 6.22	The influence of competitors' marketing mix strategies on competitors analysis	238
Figure 6.23	The possibility of new radio stations emerging in the Lesotho radio industry	240
Figure 6.24	Factors that influence the emergence of new competitors in the Lesotho radio industry	241
Figure 6.25	Radios stations in Lesotho that target specific audiences	244
Figure 6.26	Factors that influence the selection of target Audiences	246
Figure 6.27	Factors that influence pricing strategies	247
Figure 6.28	The extent of influence of customer contacts on the distribution strategies	248
Figure 6.29	Management of the creation of radio programmes	249
Figure 6.30	Relationship between educational qualifications and development of a marketing plan	251
Figure 6.31	Educational achievement and mission statement	252
Figure 6.32	Type of radio station and marketing plan	253

Figure 6.33 Type of radio station and competitor analysis	254
Figure 6.34 Number of listeners and listener profiles	255

CHAPTER 1

AIM AND PROBLEM STATEMENT OF THE STUDY

1.1 INTRODUCTION

This study examined the need for radio stations in Lesotho to have a strategic marketing planning process, and ultimately a strategic marketing plan in order for them to manage their marketing activities more efficiently. A strategic marketing plan incorporates several concepts, such as a corporate mission, marketing objectives, SWOT analysis, a marketing strategy, marketing mix, implementation, as well as programmes of evaluation and control.

Jain (2004: 5) says that planning is essentially a process directed toward making today's decisions with tomorrow in mind. In this way future decisions can be made rapidly, economically, and with as little disruption to the business as possible. Strategic planning keeps the business in step with the anticipated environment. The formulation and implementation of strategies by any business should be preceded by a thorough analysis of an organisation's position within the business environment. This means that the

business should have knowledge about itself, its strengths and weaknesses, its competitors, and its customers. Marketing has traditionally served a bridging function between the firm and its customers. According to Van Der Walt, Strydom, Marx, & Jooste (1997: 19), strategic threats cannot be overcome without the input provided by marketing management, which is in direct contact with the consumer market and closely involved with competitors.

Rheault (2003: 33) describes three stages of planning that many companies may go through:

- The first common denominator is the budget that establishes financial targets with a fair amount of detail 12 to 18 months out
- Moving beyond the budget by renewing or improving the activities, some companies explicitly allocate resources and plan activities that are required to achieve the desired numbers.
- Moving one step further, organisations have to find strategic steps in order realize their planning.

1.2 PROBLEM STATEMENT

A preliminary survey of the planning practices of the radio stations in Lesotho revealed that planning is often confused with budgeting. The planning effort is still very haphazard and is characterised by managers concentrating their efforts on dealing with issues as they arise on a daily basis; that is, more value is placed on quick reactions than on well-reasoned responses (Rheault, 2003: 33).

A radio station is a business like any other business, concerned with offering customers what they need at a price to make profits. There are several generic features that characterize radio stations. Radio stations sell time and access to markets. A saleable feature of a radio station is its format – the type of programming it features and the style of presentation. Radio stations need to ascertain themselves that the type of programming and the style of presentation is a proper fit with the market served (Katz, 2003: 31). What kind of markets do they sell access to? This is their target market and this is the very market which advertisers would be seeking to reach. However, defining what kind of market the advertiser is being sold access to and why it is being sold is often not enough. The important thing is to assess whether the particular market being sold will solve the problems of the advertiser.

Katz (2003: 32) says that you can only assist someone in solving a sales problem once you have identified what the problem is. This means, taking the time and trouble to understand the client's business so that what is being sold to advertisers is what they need.

Media delivery platforms must now become more accountable and offer value for money to the consumer and advertiser. Otherwise there is the risk of failing to communicate with their customers (Watermeyer, 2000: 34). This viewpoint is what the marketing concept actually advocates; that is, the key aspect of marketing is an attitude of mind. Accountability requires that, in taking marketing decisions, the manager considers the viewpoint of the customer (Mercer, 1992: 11). Decisions must be adapted to the changing needs, wants and attitudes of all the stakeholders of the radio station, such as investors, advertisers, listeners, music shops, and the government. In a highly relevant statement Ficks, acting station manager of Good Hope FM, said "We haven't made these changes because we felt it was time for something different. Our repositioning has been driven by the demands of the market, which has driven us in this direction," in response to the question why the station had widened its area of focus from just coloured youths to the whole youth market in Cape Town (in Katz, 2003: 30). Knowledge of

the stakeholder's needs, wants, and attitudes will make the task of formulating strategies much easier.

The demands of an increasingly unstable business environment are putting even more pressure on businesses the world over. According to Katz (2003: 56), the social paradigm is changing in SA and, aided by new technology, radio stations are trying to adapt to the new landscape with varying degrees of success. Technology has made available other means of entertainment that are attracting audiences away from radio broadcasting, for example computer playing games, MP3s, and DVDs. This is in addition to existing competition from other media like television and print. Competition between radio stations is on the rise as well. SA fm has repositioned itself as SA's news and information leader. This was a position once occupied by 702 (Katz, 2003).

Although change is recognised as a reality in the media world, the full scope of change is not always appreciated. According to Drummond (2003: 12) organisations must develop and deploy processes, procedures and techniques that ensure that market strategy is:

- Relative to the current/future business environment
- Sustainable
- Optimally beneficial to both the organisation and the customers, and
- Correctly implemented.

The pattern of events characterising the situation in Lesotho is no different from the situation elsewhere, particularly the one in South Africa. This is because Lesotho and South Africa, because of their geographic space, share cultural, social and financial similarities.

A critically important aspect facing radio stations is to gain advertising revenue, amidst increased competition. Radio stations do not effectively convince advertisers that they can deliver their messages adequately. Marketers have to be convinced that the listeners of the radio station possess characteristics similar to those of the customers and potential customers that the marketer is intending to communicate with.

1.3 OBJECTIVES OF THE STUDY

1.3.1 Purpose of the study

Given the challenges indicated above, that is, the volatility and competitiveness of the radio industry in Lesotho, and the fact that the solutions lie with strategic marketing, the purpose of this study is to propose a strategic marketing planning approach that is relevant to radio stations in Lesotho.

1.3.2 Specific Objectives

In order to realise this objective the research will:

- define the meaning and scope of strategic marketing planning in general;
- determine and evaluate the current planning systems used by radio stations in Lesotho;
- recommend a strategic marketing planning process that is context specific for the radio stations operating from within Lesotho.

1.4 CONTRIBUTION OF THE STUDY

Successful radio stations are not very open about their strategic marketing planning systems. In fact most information that concerns how radio stations operate is found in magazines like *Advantage* and *Marketing Mix* that write about the media industry. These magazines mainly publish articles by experts in the industry and also comments by major players in the industry. Success and failure stories concerning various radio stations are reported in a journalistic manner. This study intends to fill the gap in the existing knowledge in this field of research.

Prior to 1998 there was only one radio station in Lesotho, Radio Lesotho, which was and is still totally owned and controlled by the government. The situation currently is that new radio stations are being established in Lesotho. The implication of this is an increase in competition for listeners and advertisers, among the old and the new stations. To survive the competition in an increasingly volatile environment it is evident that radio stations need to find a systematic way of creating and implementing appropriate strategies. It is the intention of the researcher to develop a framework of the kind of systems that radio stations can use to develop and implement proper strategic marketing planning systems.

1.5 RESEARCH DESIGN AND METHODOLOGY

This research has applied the theory of services marketing, specifically that of customer relationship management, marketing mix, value and satisfaction, service quality and gap analysis.

Literature on the subject is documented in journals and magazines such as *Advantage* and *the Marketing mix*, whilst materials of seminal writers like Kotler, Armstrong, Bitner, Zeithaml, Farquhar, and Katz were also studied.

A questionnaire was distributed to people within each radio station in Lesotho who were identified by the station managers as the people responsible for marketing of the radio stations (Radio Lesotho, People's Choice FM, Joy FM, and MoAfrika FM, Harvest FM, Thaha-Khube, and Catholic Radio). This is actually a list of all the radio stations in Lesotho.

1.6 OUTLINE OF THE STUDY

- Chapter 1 introduces the subject of the study and then discusses the aim and problem statement of the study.
- Chapter 2 presents an analysis of the radio industry in Lesotho and in general.

- Chapter 3 the radio industry is discussed in its context as a service industry. The concept of marketing is also discussed in its services marketing role.
- Chapter 4 looks at the scope of strategic marketing planning
- Chapter 5 discusses the methodology and design used in this study.
- Chapter 6 is a presentation of an analysis and interpretation of the empirical findings of the research.
- Chapter 7 discusses the whole conclusion of the study and the chapter ends with recommendations about the approach that radio stations should take in order to make full use of strategic marketing planning.

1.7 SUMMARY

The study looks at strategic marketing planning for radio stations in Lesotho. The research study includes a review of literature to give substance to the subsequent empirical research and findings. Both these research components set the foundation for the conclusions and recommendations that are put forward in this research study in relation to strategic marketing planning for radio stations in Lesotho.

CHAPTER 2

THE RADIO INDUSTRY IN LESOTHO

2.1 INTRODUCTION

This chapter presents an analysis of the radio industry in Lesotho. First the environmental factors bearing on the radio industry are discussed, including both the micro and macro environmental factors. The micro environment includes all the stakeholders which are closest to radio stations and exert the most direct influence on their ability to deal with their markets. The competitors are also included in this domain of the micro environmental analysis. The macro environment on the other hand consists of a broader set of forces that bears upon the radio stations such as political, economic, technological, socio-cultural and demographic forces. The macro environmental forces are largely outside the control and influence of the radio stations.

The discussion of the environmental factors is followed by an investigation of benefits the radio has in comparison with other media. Following the theoretical or conceptual first part, the radio industry in Lesotho and an

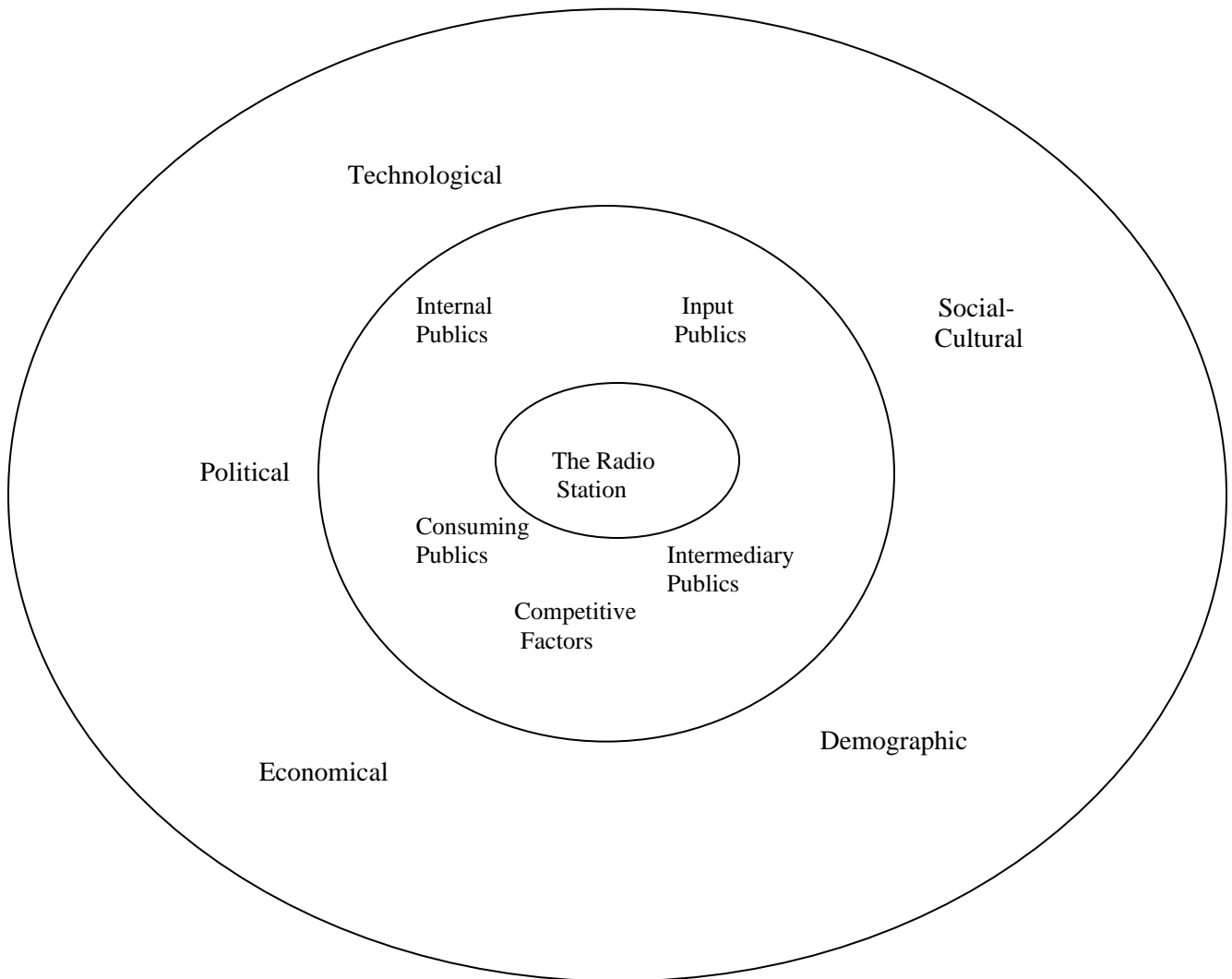
inventory of existing media will be analysed. The radio industry in Lesotho is studied within the historical context of the environment in which the radio stations operate.

2.2 THE RADIO STATION MARKETING ENVIRONMENT

2.2.1 Introduction

Radio stations operate in complex environments comprising of stakeholders and determining factors. Stakeholders have direct influence on the radio and can therefore be classified as the radio's micro-environment. Determining factors form the macro-environment influencing the radio station. Figure 2.1 illustrates the diversity of these environmental factors. The inner circle indicates the stakeholder publics that have an influence on the radio and they are discussed first. The outward circle indicates the external environments which will be discussed in the latter part of the chapter.

Figure 2.1: Radio marketing environment



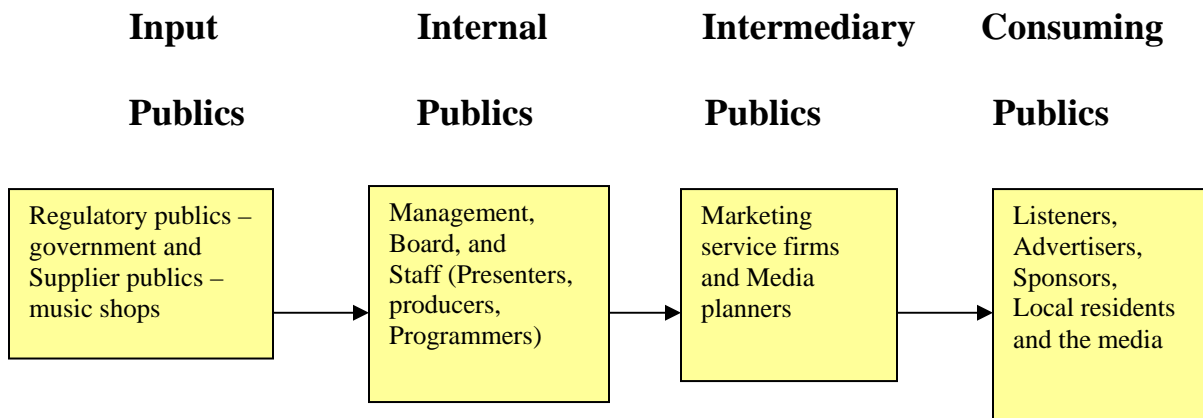
Adapted from: Wilson, Gilligan, and Pearson (1992: 169)

2.2.2 The micro or stakeholder publics of the radio station

2.2.2.1 Introduction

According to Kotler & Andreasen, (1996: 79) a stakeholder public is a distinct group of people, organisations, or both whose actual or potential needs must in some sense be served. Figure 2.2 depicts the different public sectors that influence the radio station.

Figure 2.2: The micro publics of a radio station



Adapted from: Kotler (1996: 81)

2.2.2.2 Input publics

The input publics are the entities within the radio industry environment that present influences that cannot be influenced by the radio station. These include regulatory bodies such as government agencies, and suppliers, such as music shops.

Radio industry regulations form the legal framework for radio stations and awareness of these regulations is expected from all the role players. Regulatory bodies may be tasked with a number of responsibilities, for instance issuing of licenses, development and control of advertising codes of conduct, and control of music and programme content. The regulations do, however, differ from country to country in terms of the freedom that advertisers are given to create their communication messages and what products they can or cannot advertise. For example, in countries such as South Africa, advertising of tobacco is prohibited since January 2001; fines for contravening the laws against the advertising of tobacco products are between R10 000 and R20 000 (Cant and Machado 2002: 6).

In Lesotho the government created a regulatory body called The Lesotho Telecommunications Authority (LTA) which among other duties is tasked

with the responsibility of awarding broadcasting licenses to new radio stations and regulating radio programmes and advertisements.

Music forms an integral part of programming. The station has to have a good library from which compilers can choose relevant music. The relationship with music shops is also very critical. The relationship with music shops is a two-way benefit venture because music shops need the station to promote their music while the station needs the shops to provide them with relevant music. Station managers should be aware of all the legal implications of such associations with the music shops, or any other entity that could be a source of music.

In Lesotho there are no music shops operating from within the country, and radio stations have to rely on suppliers from South Africa. The implication of this is that these radio stations should take cognisance of the regulations governing the music trade in South Africa.

The genre of music that the radio plays reflects the characteristics of the listeners the station serves. A play list that does not target a station's market

accurately will lose that market, or at least fail to grow in the areas in which it is hoping to (Sturman, 2005: 42; Faquahar, 2000: 82).

2.2.2.3 Internal publics

According to Kotler (1996: 81) the internal publics of an organisation refine, define, and carry out the organisation's strategy. The internal publics for a radio station include management, the board (if there is one) and staff. The full scope of the internal stakeholders is often overlooked when organizations develop and implement marketing strategies. This is detrimental to the marketing objectives of the organisation because the internal stakeholders contribute significantly to the consistency and synergy of the radio station's communication (Skinner and Von Essen 1999).

Management consists of employees that are tasked by the investors in the organisation to run the radio station. Depending on the individual organisational structure, the management staff may consist of top and middle level managers, with each level presenting differentiated responsibilities and authority.

The staff is made up of various employees who may work on a permanent or temporary basis. The staff comprises of presenters, producers (content and engineering), and support staff

A presenter should convey the content of the programme in a captivating way. The presenter's style should be relevant to the target market. According to Alleman (2004: 33), relevancy is always king, whether it shocks, intrigues, angers or titillates. The content of a programme may be of the highest quality, but if the presenter is not able to pass it on to the listener well, it will not be effective.

Station managers have to evaluate the performance and delivery of their presenters on a continuous basis to ensure that they adhere to the objectives of their programmes and those of the station as a whole. Preparation by the presenter before hosting a programme is also vital. The producer, researcher and presenter should all work from a common ground towards the same goals.

Content production is one element which is entirely under the station's control. This is in contrast to advertising content which is usually created by

advertisers or their agencies. It is the production that creates radio magic (Katz, 2004: 34). The production manager creates programming. Programming refers to the way broadcasters select and arrange the various elements, such as music, advertisements, and speech within a programme in a manner that is pleasing to the listener (Oosthuizen 1996: 361). The actual programme is the outcome of immense input by the production team regarding features such as music, spoken content, contribution of guests, and advertisements.

According to Oosthuizen (1996: 362) there are a number of production facets that need to be considered by producers:

- They should first know the type of audience the radio programme is intended for so that relevant information is disseminated.
- They should also decide whether the radio station has the necessary skills and resources to host the programme. If not, he should contract people to produce the programme.
- In producing the programme they should decide on its format, for example news, drama or magazine. A decision should also be made on the duration and frequency of the programme. The format of the programme should also stipulate the time allocated for content, music,

and advertising so that stakeholders such as advertisers are aware of which spots are available for advertising.

- The producers should encourage a style of presentation that is both appropriate and inviting.
- The last step is to select an appropriate presenter for the programme, that is, a presenter who will be able to articulate the contents of the programme to the listener.

An informal investigation of most radio stations in Lesotho indicates that presenters actually produce their own programmes, that is, there are no people hired specifically to produce programmes. At Radio Lesotho (the oldest radio station in Lesotho), for instance, there is a programme manager but the person has little or no input in the creation of the various programmes. He rather has the duty to manage staff, that is he/she develops rosters for shifts, assign outside broadcasting duties, and control annual leaves (Titus, 2002: 14).

Engineers are key personnel, and are usually employed in a multi-purposed way, particularly in local and commercial stations. They ensure that all the equipment is in good order and that the signal is relayed well to the listener. Studio managers combine technical and creative skills; they look after the

running of the studios, handle all live output, and are also involved in the final stages of mixing the overall sound of pre-recorded programmes. They will also get involved at a more hands-on level, for example when a major outside broadcast is planned or a large scale in-studio discussion.

Support staff is the employees who provide auxiliary services for the radio station. This includes drivers, tea ladies, and guards. Their presentability and conduct are just as fundamental to the image of the radio station as any other employee. It is therefore incumbent upon management to define to these staff their roles and responsibilities adequately, recruit and train them appropriately, motivate and compensate them sufficiently, and then evaluate them effectively.

2.2.2.4 Intermediary publics

Intermediary publics are individuals or organisations that the radio station may employ for marketing and promotional activities, such as marketing service firms and media planners.

Marketing service firms are organisations such as advertising agencies, marketing research firms, and marketing consulting firms that assist in

identifying and promoting the focal organisation's products and services to the right markets (Kotler 1996: 83).

Advertising agencies may help the radio station by soliciting advertisements from businesses or other organisations that wish to use this medium to communicate to their customers or prospective customers.

Marketing consulting firms may assist the radio station with creating, refining, or advising on the marketing challenges facing the radio station.

Marketing research firms provide the radio station with the necessary skills, information and resources to conduct research initiatives relevant to the needs of the radio station. Research allows the station to know exactly what needs of the listeners and advertisers have, and what changes there are in the environment. This enables the station to effectively align its offering with the current needs of its client base and trends in the market place. Research is the starting point for every intended strategic direction. According to Zwane (2004: 34), survival in the radio industry is a combination of research, industry trends, experience in the market, and gut-feel.

A media planner's primary job is to formulate and execute an advertising programme (Clow and Baack 2002: 258). For this the media planner has to conduct research to match the product/service with the market and the media. For example, if the product's or service's market consists of young males with college degrees who love the outdoors, then the media must have a high percentage of this category in its audience. Organisations or businesses have a number of media channels to choose from to convey their messages. These include magazines and newspapers; television, radio, cinema, and the Internet; even pamphlets, flyers, calendars, and diaries.

The planners are either employees of the organisation or are sourced from outside (marketing communication or advertising agencies). One of the problems which Yfm (a regional youth radio station based in Gauteng) for example, faces is that agency media planners do not tune into the station. It is a question of – out of ear, out of mind. To raise the profile image of the station with agency people, Yfm has embarked on a series of live broadcasts from agencies (Farquhar, 2000: 82). Kaya fm (a radio station in Gauteng) is taking great strides to promote the station. During 2002, it embarked on an outdoor marketing campaign, with the goal of attracting attention from trade and listeners alike (Witepski, 2003: 33). In both these cases, it is the

responsibility of the radio station marketing managers to ensure that the media planners know the characteristics of the station's audience well so that they can match them with the profiles of their target markets.

2.2.2.5 Consuming Publics

Consuming publics are various groups or individuals that benefit from the output of the radio station. The radio station actually strives to satisfy the needs of these publics and most of its marketing efforts are directed at them (Witepksi, 2003: 31). These are listeners, advertisers, sponsors, participants, local residents, activists, the general public, and the media.

The listeners are the primary public of the radio station. The radio station designs its entire programming, that is, content, engineering and music, around the needs of the listeners. The radio station should have a clear picture of the profile of its listeners, that is, their psychographic (activities, interests and opinions) and demographic (age, sex, race, religion, income, occupation, social class, education, family lifecycle and life stage) characteristics. Section 4.3 indicates how each radio station in Lesotho defines the profiles of its listeners.

The advertisers provide the necessary income for the survival of the station and are attracted to the radio station by the profile of the listeners. Buying or building a radio station is only the first step on the road to success. The second and critically important next step is gaining advertising revenue. (Katz, 2000: 33). The idea of advertising is principally based upon the assumption that it is possible to enlarge sales of products through communication. It is the prospect of fusing selling and communicating that induces interest on the part of advertisers to make use of television or radio to disseminate their promotional messages (Ang, 1991: 53). A radio station provides a strategic platform for advertisers to reach their audience (Dicey, 2003: 36).

Advertisers create their message so that it is relevant to the market they are speaking to, but advertisements should also run parallel to the style and tone of the medium (Sturman, 2005: 45). It is therefore the responsibility of marketers of radio stations to educate the advertisers on the style of the radio station.

Under the sponsorship arrangement, an advertiser assumes responsibility for the production and the content of the programme, as well as the advertising

that appears within it. Sponsorship allows the sponsor to capitalize on the prestige of a high quality programme, thus enhancing the image of the company and product or service. The sponsor also has control over the number, placement, and content of the commercials. Commercials can be of any length as long as their total amount does not exceed the station regulations. Advertisers introducing a new product or service line often sponsor the programme and run commercials to introduce and explain the product or service. (Belch and Belch, 1998: 356).

Participants are advertisers who cannot afford the costs of sponsorship or want greater flexibility than permitted by sponsorship use participation. With participation, several advertisers buy commercial time or spots on a particular programme and participate in it once or several times on a regular or irregular basis. Participating advertisers have no responsibility for production of the programme, which is assumed by the individual station that sells or controls the commercial time. (Belch and Belch, 1998: 356)

Local residents are the people or groups who subsist where the radio station is physically located. These publics may include neighborhood residents or community organizations like churches, schools, hospitals, old-age homes,

and orphanage houses. The idea is to be responsive to these local residents by taking part or even initiating activities that will benefit them. This is a good way of acquiring a bank of goodwill.

The way the general public views the radio station gives it an indication of the kind of image the radio station holds. The perception and attitude of these publics toward the radio station is a determinant of their patronage. The radio station should try and acquire as much feedback on the perceptions of the general public about it and then act accordingly, either to improve the perception if it is bad, or maintain and enhance it if it is good.

The media can be strong advocates in many issues. According to Kotler (1996) the media carries news, features, and editorial opinion. The press affects the capacity to achieve marketing objectives. For example, bad press coverage about a certain programme or its presenter could have a negative influence on the perceptions of the listeners of the programme; possibly result in the listener switching to a different radio station. Radio stations normally ignore the benefits that could be obtained from getting good press space just because they operate in the same industry and feel that such coverage is duplication.

2.2.3 The Competitive Environment

According to Katz (2000: 86), if radio is to survive in the 21st century it needs to be competitive in the entire arena. Radio stations compete for listeners. However, competition may also come from other media like television, newspapers, magazines, and the Internet. It may even come from avenues like MP3's (a new device that allows the user to download music from the internet and listen to it at any time), book shops, and movies. Any avenue that can provide the listener with entertainment, information and education (the three main offerings of the medium) has the ability to draw listeners away from radio and should be counted as competition.

Governments have traditionally controlled large service industries such as telecommunications, postal services, airlines, electricity and transport. With the disengagement of governments in recent times, these industries have fallen into the hands of private investors. The result has been the emergence of a competitive environment where there was none before (Lamb, Hair, McDaniel, Boshoff, & Terblanche, 2004: 439). In Lesotho the disengagement has been in the telecommunications, transport, broadcasting and banking industries. With broadcasting, in particular, the changes have

resulted in increased competition as more radio stations emerged as a result of the disengagement of the government.

2.2.4 The Macro-Environment

2.2.4.1 Introduction

Successful companies take an outside-inside view of their business (Kotler, 2003: 159). A company's macro-environment includes all relevant factors and influences outside the company's boundaries; relevant means important enough to have a bearing on the decision the company ultimately makes about its direction, objectives, strategy, and business model (Thompson, Strickland, & Gamble, 2005: 45). The macro environment includes the technological, demographic, economic, socio-cultural, political/legal categories.

2.2.4.2 Technological environment

This element renders the industry a very volatile market place. Technology is always advancing and the ability to keep up with it is often the difference between the success and failure of any station. For example, the ability for any station to reach its potential client base with clarity depends on its technological assets, that is if the station has the best broadcasting

equipment available, it will be able to offer quality broadcasting. Technology allows the station to compile music with ease. Technology allows producers and researchers of programmes to access information with less effort.

Technology opens opportunities for radio stations to create websites which, in addition to bringing the station closer to its customers, also affords listeners access to music updates, chat rooms, bulletin boards, news and information. This access allows the listeners to keep in touch with developments at the station. Advertising space is also available on these websites.

Technology impacts on the intensity of competition as it allows for simple entry into the industry. For instance it is now very cheap to create web stations.

2.2.4.3 Demographic environment

Radio station marketers should have a keen interest in the size and growth rate of population in the country; age distribution; ethnic mix; educational levels; household patterns; and geographical population shifts.

The size and growth rate of the population can have an impact on the purchasing power of such a population. Explosive population growth depletes the available resources faster and does not necessarily mean growing markets unless these markets have sufficient purchasing power. However population growth can also create new opportunities when the needs of the population increase. In Lesotho HIV/AIDS is taking the lives of young people and this situation is impacting on the listeners figures of radio stations that target this population group. Lesotho's population was estimated in 2000 at 2.1 million people and current estimates put the annual population growth at 2.6%. However, the HIV/AIDS epidemic will distort this figure tremendously (Government of Lesotho, 2000). With 84% of the population living in the rural areas it means that only 26 % of the population lives in the urban areas. The implication of this is that, because most radio stations in the country can only reach the urban population, except Radio Lesotho which has national coverage, they can only reach 26% of the population. Radio Lesotho however covers almost every part of the country.

Age distribution varies from population to population. National populations vary in age mix. According to Kotler (2003: 163) a population can be subdivided into six age groups: preschool, school-age children, teens, young

adults age 25 to 40, middle-aged adults age 40 to 65, and older adults age 65 and up. For marketers the most populous age groups shape the marketing environment.

The ethnic mix also varies in different countries. In a country like the United States the ethnic groups tend to maintain their ethnic differences, neighbourhoods, and culture. These differences require that marketers create marketing messages that are relevant to a particular ethnic group. In Lesotho there are various ethnic groups, Sothos, Zulus, Ndebeles, and Xhosas, but because these groups have been living together in this country for ages the differences are no longer significantly evident. This has led to Sesotho as being chosen as the only ethnic official language together with English.

The population in any country falls into five educational groups: illiterate, high school dropouts, high school degrees, college degrees, and professional degrees (Kotler, 2003: 167). In Lesotho a high percentage of the population have high school certificates and can read and write. The implication for radio stations is that they do not have to struggle when creating marketing communication messages as they are sure that most of the population will understand them.

Household patterns can be used to define the demographic environment. The “traditional household” consists of a husband, wife, and children (and sometimes grandparents). However nowadays there are more and more families that consist of single live-alones, adult live-togethers, single-parent families, childless married couples, and empty nesters. Marketers should consider the needs of these nontraditional families as they are growing in numbers in most counties. In Lesotho the family setting goes beyond the immediate family members and most of the time includes extended family members. These are relatives like cousins, aunts, uncles, and so on, who may be dependents of the either the husband or wife in the family thus depleting the total household resources.

Geographical population shift is a common feature in most countries. People normally move from the rural areas to urban areas to look for jobs. In Lesotho this trend is very common because the people in the rural areas are no longer able to support themselves and their families on subsistence farming and therefore move to the urban areas to look for jobs. In recent years, industrial development has appeared to be the quickest and the most effective means of job creation in Lesotho. The creation of enabling investment environment and facilitation of industrial development would

help speed up job creation and poverty alleviation in Lesotho. The strategy of promoting industrialisation is attracting many investors and is promoting employment in Lesotho. The government of Lesotho is facilitating industrial development through investment incentives such as provision of industrial infrastructure and because these industrial development activities are concentrated around the capital town Maseru, it results in the movement of people from the rural areas to Maseru where the industries are located. This movement of the population to the urban areas increases demands of services and products in the urban setting. For the radio station increased demand means that advertisers would want to communicate more to the population than ever and this means the potential of advertising increases as well.

2.2.4.4 Economic environment

Because industries differ so significantly, analyzing a company's industry and competitive environment begins with identifying the industry's dominant economic features and forming a picture of the industry landscape (Thompson, et al, 2005: 48). Thompson further asserts that an industry's dominant economic features are defined by such factors as overall and market growth, the geographic boundaries of the market, the number and

size of competitors, buyers needs and requirements, pace of technological change, product innovation, and degree of product differentiation. Table 1 provides a summary of what economic features to look at and the corresponding questions to consider in profiling the radio industry's landscape.

Another area of concern for marketers is the national development and economic performance of the country in which they operate because economic development is an important component of sustainable development since it will ensure that people have access to jobs and resources in a society that is able to provide for the needs of people. Lesotho is amongst the forty-two least developed countries in the world (LDCs). LDCs are the poorest countries of the world, characterised by weak domestic economies and inadequate standards of living. Lesotho is in the process of developing a long-term economic development plan called National Vision 2020

Table 2.1: What to Consider in Identifying a Radio Industry's Dominant Economic Features.

Economic Feature	Question to Answer
Market size and growth rate	<ul style="list-style-type: none"> ▪ How big is the radio industry and how fast is it growing? ▪ What does the radio industry's position in the business life cycle (early development, rapid growth and takeoff, early maturity, saturation and stagnation, and decline) reveal about the industry's growth prospect?
Scope of competitive rivalry	<ul style="list-style-type: none"> ▪ What kind of geographic area are most the radio stations competing in? Is it local, regional or national?
Number of rivals	<ul style="list-style-type: none"> ▪ Is the industry fragmented into many small companies or dominated by a few large ones.
Buyer needs and requirements	<ul style="list-style-type: none"> ▪ What are the listeners and advertisers looking for? What prompts them to choose one medium from another or one radio station the next?

Source: Adapted from Thompson Jr, et al (2005: 49).

National Vision 2020

Since independence in 1996, Lesotho's development policies and strategies have always been consolidated into five-year or three-year development plans. The first attempt to develop a long-term plan for Lesotho was initiated in January 2001 where different stakeholders gathered to launch the National Vision 2020 process. The vision 2020 is intended to guide the development process in Lesotho for the next 20 years.

The government's long-term plan (Vision 2020) outlines strategies for making Lesotho a democratic, peaceful, prosperous, secure and self-reliant nation by the year 2020. The strategies will seek to promote:

- Employment creation – through the utilization of labour intensive methods, creation of sustainable employment schemes and programmes, promotion of rural development opportunities and establishment of programmes targeted at small and medium enterprise.
- Sustainable human capacity enhancement – by ensuring that appropriate education and training and excellent health services are accessible to all.

- Sustainable development and growth from own resources – Aggressive programmes for entrepreneurship should be embarked upon, as well as programmes to intensify and diversify agricultural production. Local materials and resources should be cost-effectively used and aggressive environmental management practices should be adopted. The tourism industry should be promoted.
- Reform, democratisation and empowerment – The democratic dispensation and modern institutions should be aligned with chieftainship. Law enforcement should be encouraged, and plans to establish local governments should be given priority.

A healthy economic and political climate in any country is a good platform for marketing to be in place without fear of the threats that normally accompany an unhealthy economic and political climate. This climate also presents a lot of business opportunities because investors are normally attracted to places where the political and political climates are stable and healthy.

2.2.4.5 Socio-cultural environment

There are numerous challenges that face the communities that house the audience of radio stations, but HIV and AIDS are the most immediate ones. Most radio stations have taken it upon themselves to educate people about HIV/ Aids and support those people infected and affected by the disease. This effort instigates a positive perception towards the involved station in the eyes of the community. The following are reports of initiatives to fight HIV and AIDS taken by several radio stations in South Africa.

“On World aids Day last December, Good Hope FM’s new DJ’s took the children from the Western Cape AIDS Centre for a day at Canal Walk, where they were treated to a movie, and lunch at Spur” (Anonymous, 2003: 30).

“Y fm (a regional station in Gauteng) takes its brand to its listeners through the Y Cares initiative, a social programme that undertakes projects focusing on HIV/ Aids, education, sexual violence, and social entrepreneurship” (Witepski, 2003: 27).

Listeners need to be made to feel that the radio station cares about the things affecting their communities, and HIV is one problem that is significantly affecting most communities. Radio stations should make an effort with regard to supporting the communities that house their target population. This is a very rewarding trend as it builds good relations between the station and its listeners.

“So Y’s cult following isn’t really surprising, especially considering the station’s DJ’s act as brand representatives, even when they are off-air. Take DJ Fresh, for example, who for the past three year has been giving talks at schools, and organizing bursaries for students” (Witpeski, 2003: 27).

“East Coast Radio (a regional radio station in Durban) is also seeking to address the challenges of crime and unemployment by introducing an entrepreneurial skills programme to KZN schools, teaching children to become independent and empowered” (Witepski, 2003: 31).

“Our listeners tell us that community involvement is very important to them, and whats important to them, must be important to Good Hope FM” (a radio station in the Western Cape). “We now have a specific focus for the year,

which will guide our community participation”, says Ficks, Good Hope FM’s acting station manager. (Anonymous, 2003: 31).

2.2.4.6 Political/legal environment

In the process of promoting industrialisation as a means of creating employment, the government of Lesotho is also striving to put in place measures for ensuring that environmental issues associated with industrial development are taken into consideration. The political and legal environments are some of the key areas for concern.

The political environment has been identified as one of the main constraints to economic growth in Lesotho during the past decade. For example, the political unrest in September 1998 that caused looting and destruction of property and businesses had a negative impact on the economic performance of the country. Investor confidence also declined drastically as a result of these unfortunate events. This clearly indicates that without political stability, sustained economic growth cannot be achieved.

Lack of discipline and political tolerance are identified as the main stumbling blocks for good governance in Lesotho. Lesotho was under

undemocratic rule for over two decades and coupled with the legacy of colonial rule, this has resulted in a culture of non-tolerance, destructive competition and lack of discipline and respect of democratic rule. However, Thabo Motlamelle (a Lesotho lawyer turned journalist) in his comments in ‘So this is Democracy’? (2003: 30), states that since the advent of democratic rule in 1993, the Lesotho media has operated under a relatively free constitutional dispensation that extends a general protection of the freedom of expression. Motlamelle further asserts that the legal framework however leaves much to be desired as several media-unfriendly laws still exist on the statute books and ought to be repealed. Government has yet to actively promote a media friendly legislative and policy framework through the enactment of media friendly laws.... These media unfriendly laws are discussed in the next section.

The legal environment has also had an impact on the media in Lesotho. In common with most SADC countries, Lesotho’s constitution provides for freedom of expression and not freedom of the media in specific terms. Media freedom is therefore implied. Though freedom of expression is given wide expression in the constitution, it also has extensive limitations which

can intrude severely on the media freedom. (Balule, Kandjii, and Louw, 2004: 33).

Lesotho's legislation applying to the media is composed in broad terms and is wide ranging, vague and, in certain instances, provides for sweeping powers of secrecy to be exercised. Also the right to reply can be imposed by law.

The following laws are described by Balule, et al, (2004: 36-41) as still unduly restricting media freedom in Lesotho.

Printing and Publications Act, 1967

Section 10 makes it an offence to publish, distribute or redistribute any printed matter or extract, which proves to be "a clear and present danger to public safety, public order, public morality or fundamental human rights and freedoms".

This is the main act regulating the print media in the country. The provision has been criticized on the ground that it sets an overbroad and vague criteria

for restricting media freedom. The “clear and present danger” test is difficult to define with precision, is subjective and therefore open to abuse.

Official Secrets Act, 1967

The general aim of this is to provide means for preventing espionage and the unauthorized obtaining or disclosure of official information.

Section 3 of the Act prohibits the unauthorized obtaining, retention, disclosure or publication of official information. Contravention of this provision carries a severe punishment of up to 14 years imprisonment.

The act effectively gives government an absolute discretion to decide what information should be disclosed to the public.

The provisions of this Act have been blamed for inducing a culture of secrecy in the civil service as it “classifies” every official document as secret until the government decides otherwise. This makes it difficult for the media to access official information and disseminate it to the public and also to play its important role as a watch dog on the government.

Internal Security Act, 1984

In terms of section 7, it is an offence for any person to utter or write any words with a subversive intention. Further, section 9 provides that it is unlawful for a person not to disclose information that he/she knows or believes to be of material assistance in preventing any subversive activity or for securing the apprehension, prosecution or conviction of a person for an offence involving the commission, preparation or instigation of subversive activity. In addition to these two offences, under section 34, it is an offence for any person to publish words that might reasonably incite the commission of public violence by members of the public.

While the rationale behind the provisions of this Act may be praiseworthy, the concern for media practitioners is that the term subversive is highly subjective and can be easily abused by government to stamp out legitimate criticism against it.

Section 9 of the Act is a highly damaging provision because it sets out to turn people into informers for the authorities even on the basis of their suspicions about the conduct of others. As journalists are a class of people

who in their normal news gathering activities may come across such information they could readily become vulnerable to this law and thus be under pressure to become informants of the police. If they were to supply information under this clause they could compromise their independence and freedom to gather news and raise suspicions among the public about their true role in the community.

Also of concern is the manner in which section 9 can be used to unjustifiably interfere with media practitioners' internationally recognized right to protect the confidentiality of their sources.

In practice, this Act is rarely used against the media, but it remains a serious threat especially in light of the heavy penalties prescribed for contravening it. The threat posed by this Act is said to be contributing to self-censorship of the media.

Sedition Proclamation No 44 of 1938

Section 4 of this Act creates the offence of sedition. An act, speech or publication is seditious if it is intended to bring the King, his heirs, successors or government into hatred or contempt. In terms of section

2, publication includes all written or printed matter and everything whether of nature similar to written or printed matter or not, containing any visible representation or by its form, shape, matter or any manner capable of suggesting words or ideas. Further, section 3 defines seditious conduct as any acts, speeches or publications that are intended to bring into hatred or contempt or excite dissatisfaction against the administration of justice or promote feelings of ill-will and hostility between different classes of people in the country.

The main objection of the offence of sedition is that it is subjective and is often easily abused to stifle legitimate criticism of the authorities. This offence has been struck down by courts in the other commonwealth jurisdictions on the ground that it is incompatible with the notion of a free and democratic society.

A constitutional challenge was raised against the Act in Lesotho in the 1990's but, unfortunately, the High Court upheld its constitutionality on the ground that the Act was necessary for the preservation of public order.

The Obscene Publications Proclamation No. of 1912

The proclamation is aimed at preventing the sale or exhibition indecent or obscene publications. Section 2 of the Proclamation makes it an offence for any person to make, manufacture or produce any indecent or obscene publication. Further, under section 3, it is an offence for any person to sell or distribute indecent or obscene material.

The argument against the Proclamation is that it is outdated and fails to make exceptions for materials of an artistic, literary or scientific nature. The use of the terms “indecent” and “obscene” is also objectionable because of their ambiguity and broadness and is thus susceptible to abuse by law enforcement officials to ban publications they merely disapprove of.

The Parliamentary Powers and Privileges Act, 1994

In terms of section 6 of this Act, no stranger is entitled to enter parliament. A stranger is defined in the Act as a person other than a Senator or member or an officer of either House of Parliament. Section 22 of the Act further prohibits anyone from printing or causing the printed proceedings of the Senate, the National Assembly

or one of their committees without the authority of the President or Speaker, respectively.

Parliament is a forum where representatives of the people debate issues of public interest, which the public is entitled to be informed about. The media is best placed to access and disseminate this information to the public. The vast powers conferred by the Act on both the President of the Senate and the Speaker of the National Assembly could be readily invoked by them and therefore deprive the public of access to important information on the conduct of the government and the work and performance of their public representatives. For example, in 1997, at the height of the feud between the then ruling Basutoland Congress Party and the breakaway Lesotho Congress for Democracy, the Speaker of the National Assembly banned the public and journalists from attending parliamentary sessions and covering its proceedings. Democratic jurisdictions would regard the use of such powers as a gross abuse of freedom of the media and freedom of expression.

Criminal Procedure and Evidence Act, 1981

In terms of section 85 and 173 (4), magistrates are granted the power to hold both preparatory examinations and trial in camera or to exclude females, minors, and the public generally if it appears to be in

the interests of good order, public morals or the administration of justice. Magistrates are also allowed to prohibit the unauthorized publication by radio or by printing of any information relating to a preparatory examination held in connection with a charge of or the commission, or attempted commission, of an indecent act of extortion. The presiding officer may give his/her consent to publication in certain circumstances.

Judicial discretion to hold certain cases in camera may be justified and necessary in some instances, for example, in cases of sexual violence against women and children where the aim is the protection of the identity and dignity of the victim. However, the exclusion of women in the interest of good order or morality is discriminatory in this age when society is striving for gender equality and can be prejudicial to female journalists who could be excluded from court proceedings merely by virtue of being female. There have also been allegations of some journalists being excluded from court proceedings on frivolous grounds.

High Court Act, 1978

Provision is made in section 13 that all proceedings shall be in open court except that a judge may, if he thinks fit, order the court to be cleared or that any person leave the court.

While this provision may be justifiable, the fears expressed in relation to the application of the Criminal Procedure and Evidence Act above, apply with equal force here.

Lesotho Telecommunications Act No. 5, 2000

The main objectives of this Act are to provide for the restructuring and development of telecommunications, establish an autonomous and independent regulatory authority and license providers of telecommunications services. Section 4 of the Act establishes the Lesotho Telecommunications Authority, which is said to be an autonomous and independent body.

However, because of the government's dominant position in appointing members of the Authority, doubts have been raised about its independence. In accordance with section 5, the Authority's board comprises five members appointed by the minister of communications on the advice of the

Appointments Recommendation Committee. This committee consists of nominees of the ministries of Communications, Finance, Trade and the Office of the Attorney General. The concern is that the involvement of a government minister and departmental nominees in the appointment of members of the Authority's board may seriously compromise its independence.

2.3 BENEFITS OF A RADIO AS A MEDIUM

2.3.1 Introduction

Radio is an integral part of marketing because it has attributes that can serve to reinforce the work of other communication tools within the IMC campaign (Yeshin 1998: 14). Radio has many advantages over other media, including differentiation and selective targeting, awareness building and frequency, timing and flexibility, multi-channel opportunity and promotional extension, unique brand impression, and cost efficiency.

2.3.2 Differentiation and selective targeting

Radio has the ability to attract regular listeners with a specific predisposition and mindset. Be it regional or cultural, better segmentation and focused media opportunities minimise wastage, and deliver better value and ROI.

The ability to attract a specific set of listeners with a specific mindset enables this medium to define the profiles and characteristics of its listeners more accurately than other media like print or the Internet. This ability renders radio a favorite communication tool for advertisers because the advertisers are actually looking for a medium that can attest to being able to catch a certain category of listeners at specific times. In print, news stories, articles and other features set across several pages, attract readers with diverse interests, for example sports fanatics, job seekers and financial news seekers. With radio, a programme attracts a set of listeners with more or less the same interests, for example a sports programme will attract people who have an interest in sports. As audiences fragment along the fault-lines of language, age, sporting or religious interest, musical taste or news awareness, so radio hones in on the self-images of social sub-groups. It supplies them with information about their lifestyles, worries, fashions and values. (Radio – More choice, 1999: 5).

2.3.3 Building awareness and offering frequency

No other medium can deliver messages with such regularity – and in an intrusive manner. Radio does not care what the listener is doing, as long as it is within ear-shot the message will get through. People read with music on,

eat to a news magazine, drive while listening to a play, or chat while listening to a soccer game. With print and television, the whole attention of the reader or viewer is required. This intrusive nature plays into the hands of advertisers who are looking for a medium that can reach the ears and minds of their clients and potential clients frequently.

2.3.4 Timing flexibility

The message can be delivered close to the point-of-purchase, for example, a special discount offered on air two hours prior to activity. The process of creating television advertisements and that of preparing newspapers for print are longer than that of preparing announcements on radio. Disruption of a programme to include an urgent message on radio is not as difficult as it would be for television. With print, it is practically impossible to include an urgent message once the publication has been printed.

2.3.5 Multi-channel opportunity and promotional extension

Radio has the ability to grow (almost personal) relationships with listeners and interactive drives (call-ins) offer additional opportunity for promotional and tactical initiatives. The formatting of radio programmes allow for the inclusion of different types of promotional activities with less hassle.

Personal and engaging programmes like phone-ins are favorites of advertisers who are looking to engage their customers on a more direct or personal level. Advertisers can get feed-back instantly. With print, they have to wait for correspondence by mail or wire, and this normally takes some time.

2.3.6 Unique brand impression

Visual media all steer the reader or viewer into a pre-designed creative positioning, often of little relevance to the recipient. Radio however, levels the listener to establish a unique and personal impression of the brand or service. Radio is a blind medium but one that can stimulate the imagination so that the listener creates in the mind's eye a lasting picture of what the announcer is talking about. Pictures on television and print are limited by the size of the screen and paper respectively, while the radio's pictures are any size the listener care to make them. The effort taken by the announcer to create a perfect picture for the listener is what the advertiser is looking for when pushing to create unique brand impressions.

2.3.7 Cost efficiency

It can act on its own as the prime vehicle, or as a support medium in the mix. Nowadays, with the advent of Integrated Marketing Communication (IMC), organisations are looking to use a mixture of communication tools that will save them money while at the same time giving them a good coverage of their target population. Radio advertising is still relatively cheap when compared with television. Media planners operating on stringent budgets normally choose radio over television and print.

2.4 HISTORY AND THE RADIO INDUSTRY IN LESOTHO

2.4.1 Introduction

History has played an important role in the shaping of individual attitudes and societal norms with regard to the radio industry in Lesotho. Thus the perceptions of radio listeners in Lesotho have to be placed within the context of the most important occurrence in the political sphere of the country.

2.4.2 The history of Lesotho and the radio industry

Lesotho attained independence from British rule in 1966 and two years prior to that, in 1964, the first radio station had been established. The station, called Radio Lesotho, was and is still totally controlled by the government of

Lesotho. Radio Lesotho is a national broadcaster and casts in Sesotho, the native language, with only a couple of news bulletins and educational programmes aired in English.

The station remained the only station in the country for well over thirty years. The perception of most Basotho about the station was that it was merely a mouth-piece of the government and did not serve their interest well. For the population in general, radio has traditionally been the voice of authority. There was no tradition of radio as a democratic, participatory medium that could be used to satisfy the needs of the larger population. Over these thirty-plus years the population was subjected to a number of different ruling regimes, gaining power either through military coups or democratic efforts. The coups were all announced on Radio Lesotho. These different regimes continued to use Radio Lesotho as a political mouth-piece, so that when in 1997 preparations were made to allow for the establishment of other independent radio stations, a large sector of the population felt the effort was way overdue. People were really starved for something independent of the government, that is, something, without all the political baggage carried by Radio Lesotho.

2.4.3 The establishment of The Lesotho Telecommunications Authority

One key development was the establishment of an act to facilitate the creation of an independent broadcasting authority called Lesotho Telecommunications Authority (LTA).

“An act to provide for the restructuring and the development of telecommunications; establish an autonomous and independent regulatory authority; license the providers of telecommunications services having regard to fairness , transparency, universal service, accountability to the general public; and for related matters” (Lesotho Telecommunications Authority Act 2000).

LTA was established to, among other responsibilities, screen applications for broadcasting licenses from interested independent broadcasters; subsequently award licenses to those who qualify; and then impose penalties on those who contravene the stipulated guidelines. According to the Lesotho Telecommunications Authority Act (4), 2000;

The Authority shall allocate and assign radio frequency spectrum to-

- (a) commercial and other telecommunications and sound and television broadcasting operations;*
- (b) government departments or organs;*
- (c) private and amateur wireless operations licenses.*

With regard to its responsibility as the moderator of the radio industry, the LTA has developed a number of codes that act as guidelines for all operators in the industry. The scope of the codes covers aspects that concern, radio content, advertising and sponsorship and this includes issues like community standards, accuracy and fairness in advertisements. For example part IV section 15 (1), of the legal notice No. 38, stipulates that a licensee shall ensure that broadcast advertisements –

- (a) are decent; and
- (b) conform to the principles of fair competition in business.

The codes also attempt to control the use of the media for political purposes, for example, one of the regulations stipulates that “in the event of any criticism against a political party being leveled in a particular programme of a licensee without such party having been afforded an opportunity to

respond thereto in the same programme or without the view of such political party being reflected therein, the licensee shall afford such party a reasonable opportunity to reply to the criticism”. These kinds of regulations are basically an attempt by the authorities to redress the past mistakes committed by those who were in power, who tended to unfairly use the media for their political intentions and not giving other political parties an equal opportunity to use Radio Lesotho.

2.5 A REVIEW OF THE MEDIA INDUSTRY IN LESOTHO

2.5.1 Introduction

The discussion on the media scene in Lesotho looks at television, radio and newspapers because there are no magazines in Lesotho. The discussion will be particularly focused on radio because this medium is the focal point of this study. The other media such as television and newspapers are discussed briefly.

2.5.2 Television

There are two television stations in Lesotho that operate from within the country and they are called Lesotho Television (LTV) and Trinity

Broadcasting Network (TBN). Other television stations are accessed through antennas and satellite dishes and are based in other countries.

Lesotho Television was established in 1990 and broadcasts in Sesotho and English from 7.00 p.m. to 9.30 p.m. every day. The station is fully owned by the government of Lesotho. LTV does not present any significant competition to the radio industry because it only broadcasts for two and half hours everyday and does not, therefore, attract enough advertisers to pose a threat to radio.

Trinity Broadcasting Network was established in 1999 and broadcasts in English and Sesotho from 6.00 a.m. to 12.00 p.m. every day. The station is owned by private investors. The radio station does not carry advertisements at all and poses not threat to radio in terms of competition for advertisements.

2.5.3 Newspapers

There are sixteen newspapers in Lesotho ranging from weekly and bi-monthly publications. The publications are either in Sesotho or English and are all privately owned except for Lentsoe La Basotho, which is owned by

the government and Mara, which is owned by the military. Several of the newspapers are actually owned by various political parties. The print media is a lot more mature than the radio and television media. The first newspaper, Moeletsi oa Basotho, was actually established in 1933. For a very long time the print media was the only independent mouthpiece that the Basotho could use to voice their opinions or receive information. The implication is that the population trust reports by newspapers more than they do those reported through radio or television. Newspapers are the only media that present meaningful competition to radio for advertising spent.

2.5.4 The radio industry in general

There are three important elements that form the theme of the discussion about the radio industry anywhere in the world namely the type of radio station, the funding model, and the target market

The type of radio station refers to whether the station is a state broadcaster, public broadcaster, commercial, or non-commercial radio station.

A state broadcaster is fully funded by the government and is mandated to completely pursue the interests of the government. This obligation

compromises a state broadcaster's ability to serve its audiences adequately because programming has to get the approval of the government.

Public service broadcasters on the other hand try to merge two opposing paradigms. In the first the emphasis is on public service broadcasting as a cultural entity crucially connected to democratic and cultural objectives involving plurality, diversity and impartiality. It is guided by legislation securing the social functions of public service broadcasting. In the second paradigm, public service broadcasting is primarily seen to function in a media market governed predominantly by free market principles, convergence of technology and globalisation. Here the policy emphasis is on addressing technical and industrial issues (Fourie, 2003: 151). A public broadcaster, for example has to find a balance between meeting its obligations in terms of the mandate drafted by the government of delivering information, education and programming and that of generating revenue to finance its obligations. This creates a dilemma of having to meet its local programming obligations while broadcasting material that will attract advertisers and revenue (Noganta, 2003: 35). Put differently, this means that if the government's mandate differs from that of the needs of the advertisers

the ability of marketing to serve the needs of these advertisers effectively will be compromised.

Commercial radio stations depend entirely on revenue that they generate. Unlike a state and public broadcaster, a commercial radio station has to pay taxes in addition to its programming costs. This requires robust initiatives from marketing to attract more listeners and advertisers to maximize revenue in order to support programming and other obligations (Noganta, 2003: 45). Commercial radio stations use a market-oriented approach which according to Fourie (2003: 148), is based on the belief that the market is the only “democratic” regulatory mechanism.

Non-commercial radio stations still have to create some form of revenue to meet its programming obligations. The task of marketing may be to attract more donors to contribute towards the cost of running the station. The profit that is generated in excess of costs is referred to as “surplus” instead of profit and is used for growth and continued existence (Etzel, Walker & Stanton, 2004: 288).

The target market of the radio station bears on marketing because it is the responsibility of marketing to monitor this market and subsequently create appropriate communication initiatives to inform the target market about anything concerning the radio station. Marketing also has to inform the management of the radio station about any changes in the target market that may have a bearing on the strategic thrusts of the station so that strategies are aligned accordingly.

The coverage of a radio station determines the number of people that can access its programmes. A national radio station has more coverage than a regional and local radio station. The implication is that a national radio station can reach more people than a local radio station. However, small audience numbers do not necessarily make for small returns in terms of revenue. A radio station can find a niche in a very small but high income target market, for example, Classic fm (a regional radio station in South Africa) showed a large growth of 184% year-on-year from January to September 2001 in contrast to a similar profile station, SAfm, which has national coverage, but showed negative growth in revenue of 14% over a similar period (Alleman, 2002: 22).

2.5.5 The radio stations in Lesotho

2.5.5.1 Radio Lesotho

Type of radio station

Radio Lesotho is a state broadcaster and is a more established station than the rest of the stations in Lesotho, not only because it the oldest, but because of the support it gets from the government which owns it. Radio Lesotho has the best facilities and resources in terms of high-tech studios, engineers, technicians and personnel.

Funding model

Radio Lesotho gets financial support from the government and is administered like any other department of the government. It follows the same accountability and control procedures as expected of any government department. It falls under the Ministry of Communications, Science and Technology. The radio station does not depend entirely on advertisements for its survival because it gets an allocation of the government annual budget. Revenue from advertisements goes into the government coffers. The implication of this is that soliciting of advertisements is not a priority for the station.

It has been established from the informal interview conducted with the station manager that there are no marketing planning efforts specifically created to attract advertisers and listeners. The only components of operations that seem to have plans are budgets and programming. Budgets are done annually by each government ministry basically to indicate how they used the previous-year's allocated funds, how much revenue they collected and how much they will need for the current financial year. Programming plans are documents that deal with programme line-ups, duration of programmes and shifts/roosters for announcers. It can be concluded from this information that there are really no formal marketing planning initiatives carried out at Radio Lesotho. There are not even documents to indicate that such initiatives are in place. The only documentation available was correspondence between the commercial department of the radio station and the advertisers. These documents were mainly billing slips and payments forms. The commercial department simply takes orders from advertisers and subsequently creates or schedules the advertisement as requested by the client.

Target market

Radio Lesotho is a national broadcaster that is answerable to parliament and is mandated to provide specified services to cater to the interests of the general population of Lesotho. The specified services are the delivery of news, current affairs and education to the general public. Radio Lesotho holds an advantage over other radio stations in the country in the news and current affairs deliverance because the station is government subsidized and therefore has access to the necessary resources, like vehicles, computers, faxes and personnel that make it relatively easier to gather up to the minute information. Again, because of its wider coverage, in comparison to other radio stations in Lesotho, Radio Lesotho's programmes reach more people. The implication is that Radio Lesotho enjoys a considerable share of advertisement spend from advertisers who want to reach national audiences.

Radio Lesotho also has programmes that are created to realize the other mandate of catering to the interests of the general public. The interests of the general population can be broken down to include entertainment and education. Radio Lesotho faces stiff competition from the other radio stations for advertisement revenue around entertainment and educational

programmes, particularly People's Choice fm which is very competitive in the entertainment criteria.

2.5.5.2 People's Choice FM

Type of radio station

People's Choice FM (PC FM) was the first independent commercial music station to be granted a license when the airwaves opened up in Lesotho in 1998. It broadcasts from the studios in Maseru, the capital town of Lesotho. According to the station manager their programming comprises of content that is focused on entertainment with a mix of music (mainly contemporary), talk shows which feature regular topics of social interest as well as educational, sports and health programmes.

Funding model

The radio station depends almost entirely on advertisements for its revenue except for a small portion that comes from other fundraising activities the radio station organizes like, the staging of festivals and other recreational activities. The fundraising endeavours consequently function as part of their promotional tactics, that is, in addition to raising funds they add value to their clients and advertisers, while offering their listeners to interact with the

brand. Further more, through these activities, the radio station showcases its presenters in order to enhance their profiles in the eyes of their listeners. Radio Lesotho is identified by PC FM as the only significant competitor amongst all the other radio stations in Lesotho. Radio Lesotho poses a threat only because it has a wider coverage in the country.

People's Choice fm (PC fm) has seen some tremendous growth since its inception as a commercial radio station in 1998. In its formative years it received stiff competition for advertising spent from Radio Lesotho, because Radio Lesotho was a more established radio station. Advertisers were reluctant to believe in the ability and potential of new radio stations and therefore continued to direct their advertising spent towards Radio Lesotho alone. PC fm has since turned the corner and are currently competing for some of the revenue from high advertising spenders in Lesotho such as the government, Coca-cola and Vodacom Lesotho. Growth also came as a result of PC fm's strategic association with high profile events like the annual Miss PC fm beauty pageant and a popular music festival. This association has also helped to bring the presenters of the radio station closer to their listeners.

Target market

Their target audience is listeners of all ages in LSM 4-8 with an income upwards of R1000.00 per month. (LSM is the South African Research Foundation (SAARF) Living Standards Measure that has become the most widely used marketing research tool in Southern Africa. It divides the population into eight LSM groups, 8 (highest) to 1 (lowest). LSM-7 and LSM-8 are divided into Low and High respectively). The listenership figures are stated to be standing at between 600 000 and 700 000.

2.5.5.3 Catholic Radio

Type of radio station

Catholic radio was the first catholic church-owned radio station in Lesotho. It is physically located within the catholic cathedral complex in the capital town of Lesotho, Maseru. It covers a sizeable area of Lesotho and the neighboring South African provinces.

Funding model

Catholic radio is partly funded by the Catholic Church and the rest of the revenue comes from advertisements. Planning is still very haphazard and

was seemingly confused for budgeting by those in charge, who were informally interviewed.

Target market

Their target population is all religious people. Catholic Radio's programming comprises of music, talk, religious and educational programmes.

2.5.5.4 Moafrika FM

Type of radio station

MoAfrika FM is an independent, non-profit, community owned NGO. The station has positioned itself as being, in the words of its manager, an outspoken and controversial, and 'not afraid to tell it as like it is' radio station.

Funding model

The station depends on contributions from the community and advertisements, for its revenue. The idea behind establishing Moafrika FM was to give those who were seemingly marginalized by Radio Lesotho in the past a platform to express their views freely. It has unapologetically

positioned itself as a direct competitor to Radio Lesotho. There are no formal marketing planning structures within Moafrika FM. Activities related to marketing centre around soliciting advertisements, processing orders from advertisers, billing, and scheduling of advertisements.

Target market

MoAfrika fm has gained popularity over the years for its controversial stance of being the voice of the poor and a watchdog of the government. It is seen by many as an independent medium that is not afraid to challenge the actions of the government. In its earlier years MoAfrika fm was showing great potential and was the closest rival to Radio Lesotho, ahead of PC fm however, MoAfrika fm faced a number of law suits that were a result of its outspokenness. Their constant visits to the courts of law resulted in advertisers reducing their advertising spent.

The radio station is currently trying to win more listeners and the faith of advertisers by operating as a twenty four hour emergency alert centre. Listeners can phone the station anytime and report incidents of crime within their communities. Other listeners then phone in to assist with the reported

incidence. A lot of stolen items, for instance vehicles have been recovered through this initiative.

2.5.5.5 Joy Radio

Type of radio station

Joy Radio is a privately-owned station which was launched in August 1999 with a mission – to promote empowerment through a combination of business and socially- oriented communication strategies. Joy FM had a promising start after its inception and actually had a number of professionals in its ranks. Its initial business plan was very impressive and had a lot of potential. However, internal squabbles among the owners and managers led to some skilled people leaving the station and at present the station is seemingly not doing well. The initial foundations have crumbled and at present there are no current formal planning structures in place, let alone marketing initiatives.

Funding model

Joy fm depends entirely on advertisements for its revenue.

Target market

Its target audience is listeners of all ages in LSM 2-6 with an income upwards of R1000.00 per month. The broadcast area footprint extends along the western side of Lesotho, covering areas such as Maseru, Berea district, Leribe, Mafeteng and Teya-Teyaneng, with overspill into the Free State as far as the outskirts of Bloemfontein, and the Ladybrand and Ficksburg areas to the north. Programming focuses on edutainment – a blend of music and talk shows featuring topics of social interest, as well as educational programmes targeting marginalised groups such as women, children and the disabled. Joy Radio depends entirely on advertising for its revenue.

2.5.5.6 Thaha – Khube FM

Type of radio station

Thaha-Khube was established in 2004 and broadcasts in Sesotho from the capital town Maseru. The station is relatively new and operates as a community radio station. Compared to the other stations it is very small and

does not offer much in terms of competition. There really are no formal planning structures carried out by the radio station

Funding model

The radio station depends on advertisements and donations for its revenue.

Target market

The radio station targets all members of the community in the area where the radio station is physically located (Ha T'sosane village).

2.5.5.7 Harvest FM

Type of radio station

Harvest FM is a religious radio station that is privately owned.

Funding model

The radio station depends on donations and advertising for its revenue.

Target market

Harvest FM target all types of listeners from Christians to political masses.

Table 2.2: An inventory of radio stations in Lesotho

<i>Radio station</i>	<i>Brief description</i>	<i>Broadcasting hours</i>	<i>Broadcast area</i>	<i>Target audience</i>	<i>Broadcast languages</i>	<i>Format</i>
Radio Lesotho	Established in 1964	24 hours	Lesotho and parts of the Free State and Eastern Cape.	All ages	Sesotho (75%) and English (25%)	Talk shows, magazines, news, sports, dramas, music & entertainment.
People's Choice FM	Established in 1998 & 1 st commercial radio station in Lesotho	24 hours	Maseru, Berea District, Leribe, Mafeteng, Teyateyaneng and some areas in the Free State.	All ages, LSM 4-8 & income R1000.00 per month.	English (60%) and Sotho (40%).	Music, talk shows, sports, educational, and health programmes
Catholic Radio	Established in 1999	05:00 – 24:00	Sizeable area of Lesotho and the neighboring South African provinces.	Religious people of All ages	Sesothoo (80%) and English (20%)	Music, news, talk-shows, religious, and educational.
Moafrika FM	Established in 1999	06:00 – 22:00	Maseru and surrounding districts	Whole family, all ages	Primarily Sesotho	Music- all genres, Talk-shows, & educational youth programmes
Joy Radio	Launched in August 1999	06:00 – 22:00	Maseru, Berea, Leribe, Mafeteng & Teya-teyaneng with into the Free State as far as the outskirts of Bloemfontein, Ladybrand & Fcksburg.	All ages, LSM 2-6, Income upwards of R1000.00 per month	English and Sesotho	Edutainment. Music 70% and Talk-shows 30%
Thaha-Khube	Established in 2004	05:00 – 24:00	Maseru	Youth station	Sesotho	Music & youth programmes
Harvest FM	Established in	24 hours	Lowlands of Lesotho and certain parts of the Free State	Religious station	Sesotho	Religious and talk shows

Source: Adapted from (*The Frequency Advantage 2003: 120*)

2.6 SUMMARY

The chapter started by discussing the structure of a radio industry in general, that is, a basic structure as could be witnessed anywhere in the world. The structure of the industry, as already indicated in this chapter (section 2.2 above), is made up of three important elements and these are the radio itself, the listeners and the advertisers. These three elements are in turn linked by a number of rudiments that complete the whole structure. These are things like advertisements, music, presenters, producers, engineers, media planners, and research. These aspects were discussed in full in the chapter. The discussion on the chapter then moved on to deal with trends. Trends were discussed because they are a very integral part of the radio industry as they normally dictate the direction the business in the industry takes. For example trends brought about by technological innovations affect the manner in which things are done in the radio industry. The discussion then shifted to the benefits, for advertisers and listeners, of using radio as a medium. The discussion on these benefits actually highlighted the strengths of radio as compared to other media like print, newspapers, magazines and the Internet.

The last part of the discussion on this chapter concentrated on the actual radio industry in Lesotho. The discussion started by looking at the industry

from a historical perspective, that is, which components of the history of Lesotho had any impact on the developments in the industry. The discussion ended by looking at the inventory of the media in Lesotho and particular focus was given to the radio industry.

The objective of discussing, in this chapter, a basic structure of the radio industry and then the actual radio industry in Lesotho was to - give a picture of what is happening elsewhere in the world; and then to demonstrate the features of the individual radio stations in Lesotho and the environment within which these radio stations operate. The latter objective actually indicated the level of marketing planning that is in place within each radio station. This information will be helpful in the next chapter which will be dealing with creating a strategic marketing planning framework that the radio stations in Lesotho can adopt as a basis for their planning initiatives.

CHAPTER 3

MARKETING OF A RADIO STATION'S SERVICES

3.1 INTRODUCTION

In chapter 2 the radio industry in general and in Lesotho was discussed. In this chapter the theory on the role of marketing within the radio industry is explored. The radio fraternity is a service industry and therefore the theory that is reviewed relates to the marketing of services. The nature of services is discussed first in order to discriminate the definition of services from that of products. The next discussion is on the marketing of services. The discussion reviews how the theory of marketing of products has assisted in giving effect to that of services marketing. The characteristics of services and their resulting marketing implications are also reviewed in this discussion. Following this, the discussion reviews the effects of these characteristics and marketing implications on the marketing mix.

Lastly, the chapter reviews the theory of customer relationship management. The review specifically examines the concepts of value, satisfaction, and loyalty. The gaps model of service quality is also discussed extensively.

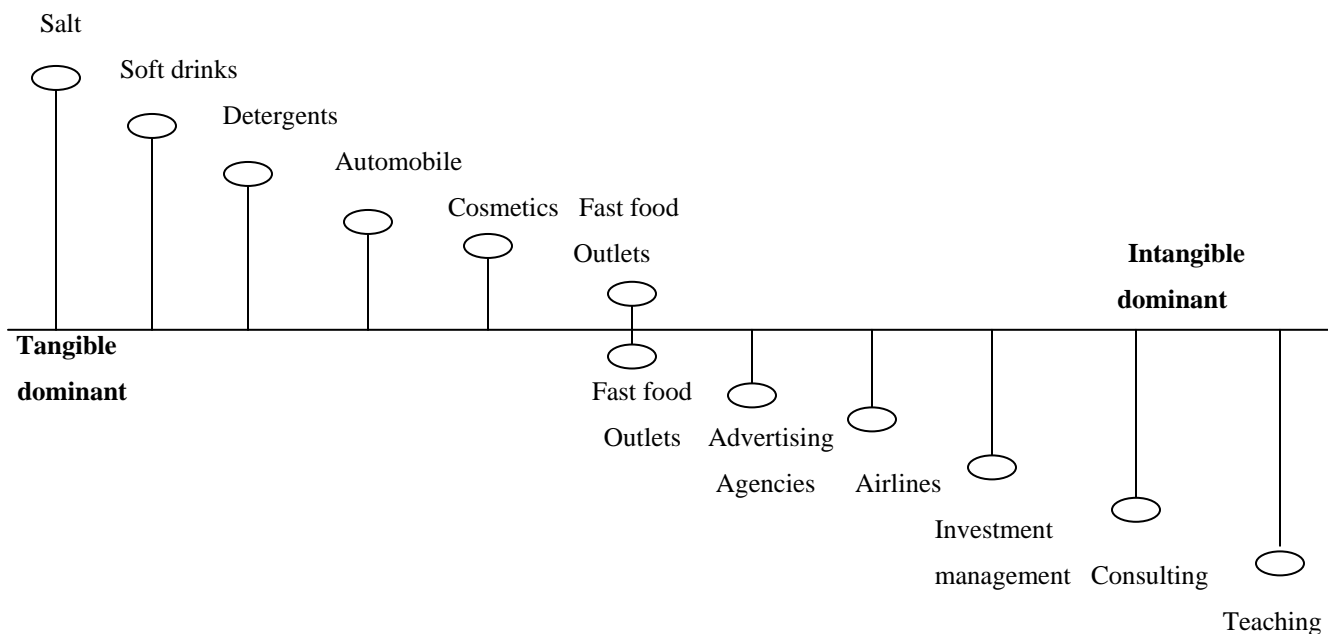
3.2 SERVICES IN GENERAL

Services are defined to “include all economic activities whose output is not a physical product or construction, is generally consumed at the time it is produced, and provides added value in forms (such as convenience, amusement, timeliness, comfort, or health) that are essentially intangible concerns of its first purchaser (Zeithaml & Bitner, 2003: 3). It is apparently evident from this definition that the radio stations are service providers. This definition sets out to highlight those characteristics of a service that distinguishes it from a manufactured good (product) which are

- A service is not a physical product - it is intangible;
- Generally consumed at the time it is produced – it cannot be stored, it is perishable, and inseparable from its provider;
- Provides added values in forms (convenience, amusement, timeliness, comfort, or health) that are essentially intangible concerns of its first purchaser – can only be experienced by its first purchaser unlike a product whose benefits are transferable from person to person.

The key distinction between goods and services lies in the fact that customers usually derive value from the services without obtaining permanent ownership of any tangible elements. Zeithaml and Bitner (2003: 5) say, while this is true, it is also true that very few products are purely tangible or totally tangible. Zeithaml and Bitner demonstrated this tangibility spectrum idea schematically as shown in Figure 3.1.

Figure 3.1 Tangibility Spectrum



Source: Zeithaml & Bitner (2003: 5).

Lovelock (2001: 11) supports this notion of using a tangibility spectrum to distinguish between goods and services and suggests the use of the following categories of market offer:

- Pure tangible goods (such as soap or salt)
- Tangible good with accompanying services (for example, cars or computers)
- Hybrid (e.g., a restaurant) combining roughly equal parts of good and services
- Major services with accompanying minor goods and services (e.g., air travel or radio stations)
- Pure service (such as babysitting or psychotherapy)

The researcher concludes that the services offered by a radio station fall towards the right side of the tangibility spectrum in figure 3.1 because the core offerings of the radio are intangible elements, for example, advertising time and programming.

3.3 THE SERVICES OF A RADIO STATION

A radio station provides services in two significant flows. One flow is derived from the sale of advertising space to individuals or groups who use the medium to promote the sale of their services or products. The other flow is derived from the creation of programmes for the listeners.

The medium therefore has two sets of customers that they serve. The first set includes the advertisers who bring in the necessary revenue in the form of payments for advertising time. The second set includes listeners who, even though they are the primary consumers of the radio station's services, do not bring in any revenue for the station. The two sets of consumers cannot however exist independently. First, the radio station would not be able to create the programmes for the listeners without the revenue that is brought in by the advertisers. Reciprocally, the advertisers would not purchase advertising time if the station had no listeners who matched the profiles of their target consumers.

In practice, few services are without tangible elements and few goods do not include a service component (Lovelock, 2001: 9). Although, as mentioned earlier, a radio station provides intangible elements, advertising time for advertisers and programmes for listeners, a radio station might have other tangible elements that accompany these core offerings, for example, business cards, a website, flyers, and apparel.

3.4 MARKETING OF SERVICES

Marketing thought originated from the perspective of profit-oriented business firms manufacturing and selling physical products and this narrow scope of marketing was challenged and in time the role and application of marketing was developed to include other areas both inside and outside the business environment. According to Boshoff (1990: 34) the first people to propose the broadening of the focus of marketing were Philip Kotler and Sidney Levy in the late sixties, who based on their believe that because all organizations serve human needs the scope of marketing should include non-profit-marketing and the marketing of persons, ideas and services. The marketing of services especially, has seen a lot of literature being written and is now a widely accepted area of marketing in many countries.

Another challenge that necessitated the development of new concepts and approaches to the marketing of services was that when service businesses began to turn to marketing and recruit people with expertise in the marketing of manufactured products the reality was that their skills and experiences were not directly transferable (Zeithaml and Bitner, 2003: 11 and Lovelock, 2001: 9). The frameworks, concepts and strategies were specifically developed to address the fact that “services marketing” is different. Services’ marketing is

different because of the unique characteristics of a service, as compared to a product, that present the marketers with challenges different from those presented by products. The researcher would like to look at the characteristics of services and how they may affect the marketing function in a radio station.

3.5 THE CHARACTERISTICS OF SERVICES AND RESULTING MARKETING IMPLICATIONS

The call that a separate approach should be used in the marketing for services is based on the belief that services exhibit characteristics that distinguish them from products and the following characteristics are defined below: intangibility, heterogeneity, simultaneous production and consumption, and perishability (ownership).

The various characteristics of a service are described by Zeithaml & Bitner (2003: 20-22) as follows. The authors go further to include the resulting marketing implications of these characteristics of a service.

Intangibility

Services are performances or actions rather than objects and therefore cannot be seen, felt tasted, or touched in the same manner that tangible products can be sensed. A product like a clothing item can be touched, seen, and even be

fitted to test its suitability to the taste of the prospective consumer. On the other hand, the presentation of a radio programme by a presenter is a service that cannot be touched or seen, but can only be heard by the listener. A listener can only form a perspective about the quality of the programme only after listening to it.

Resulting Marketing Implications: Firstly, because of their intangibility, services cannot be inventoried, and also fluctuations in demand are often difficult to manage. For example, similar to the often cited example of a resort that may face fluctuating demand for rooms seasonally and yet the resort owners have the same number of rooms to sell year-round, a radio station may have the same spots available for advertisers year-round but see them being filled to capacity during Christmas when advertisers increase their advertising efforts. When the demand for advertising time is low during the year the same spots are still available and if not occupied by advertisers cannot be stored for later use. It should be noted that radio stations have advertising policies that stipulate the maximum time in minutes that should be allocated for advertising per hour of programming, for instance, a station may allocate several minutes per hour for advertising within a programme. The task of the marketer is to fill these allocated advertising spots, whether the demand is low or high.

Secondly, services cannot be patented, and new service concepts can therefore easily be copied by competitors. A presenter from a rival station can easily copy a concept by another and use.

Lastly, services cannot be readily displayed or easily communicated, so quality may be difficult for consumers to assess. A car can be easily displayed or even be physically put to a test to assess its performance or quality by a customer, but a radio programme can only be verbally explained to a listener and the marketing challenge is how well the explanation captures the imagination of the listener. The marketer needs to employ tangible images and metaphors to demonstrate the competencies of the service firm and to illustrate the benefits resulting from service delivery (Lovelock 2001: 11). A radio station may attempt to attract listeners to certain programmes by announcing the topic to be discussed on the programme before hand or by running competitions in programmes so that listeners are drawn to the programme by the prospect of winning a prize.

Heterogeneity

Services are performances frequently produced by humans and no two services can be the same. The employees delivering the service frequently are

the service in the customer's eyes, and people may differ in their performance from day to day or even hour to hour. A brilliant presenter of a radio station may experience a bad day from time to time due to a number of factors, for example, fatigue, personal problems, limited research, and technical problems, and consequently not articulate the programme well.

Again heterogeneity results because no two customers are precisely alike; each will have unique demands or experience the service in a unique way. Thus the heterogeneity connected with services is largely the result of human interaction (between and among employees and customers). A certain topic in a programme may appeal differently to different people.

Resulting Marketing Implications: Because services are heterogeneous across time, and people, ensuring consistent service quality is challenging. Quality depends on many factors that cannot be fully controlled by the service provider, such as the ability of the customer to articulate his or her needs, the ability and willingness of personnel to satisfy those needs, and the level of demand for the service. The challenge for marketers is that they cannot always know for sure that the service is being delivered in a manner consistent with

what was originally planned and promoted. The concept of quality is dealt with in full in section 3.7.

Perishability

A service cannot be saved, stored, resold, or returned. A seat in an airplane or in a restaurant, an hour of a lawyer's time, or advertising time on radio cannot be reclaimed and used or sold at a later time.

Resulting Marketing Implications: Because customers cannot return the service if unhappy and on the other hand the firm cannot reclaim it if the customers falters with payments, it requires good strategies for recovering the customers goodwill if and when problems occur. If an advertiser books for a particular time slot, say, just before the mid-day news bulletin, and for some reason the advert is not aired during that time, there is no way that mistake can be redressed by moving the advert to another slot. The requested slot is lost forever. Marketers need to be very careful about how they handle bookings in order to avoid mistakes like these, specifically because advertising services are perishable, and thus virtually impossible to recover.

Simultaneous Production and Consumption

Most goods are produced first, and then sold and consumed later, for example, a car can be manufactured in East London, Shipped to Bloemfontein, sold two months later, and consumed over a period of years. On the other hand most services are produced and consumed simultaneously. On radio, for instance, the moment of speaking and the moment of hearing are the same.

Resulting Marketing Implications: The implication on the marketers of the simultaneous production and consumption nature of services is that it places a lot of responsibility on the service provider to make the experience of the receiver of the service worthwhile at all times. A purchaser of a tangible product may still be satisfied with the performance of the product even if the sales person was rude. However, with services, the onus lies with the service provider to ensure that the service is satisfactory at all times because unlike with products, there is no margin of error. A presenter of a radio programme who is having a bad day is judged on that particular performance by the listeners and may even lose some listeners for that bad performance.

3.6 SERVICES AND THE MARKETING MIX

The preceding nature and characteristics of services also require adaptation of the traditional marketing mix (product, place, promotion, and price) to include additional marketing tools (people, physical evidence, and process) to form what is termed the services marketing mix.

With the traditional marketing mix the organisation is concerned with: the features of the physical good, quality level, accessories, packaging, warranties, product lines, and branding, that constitute a product; the channels of distribution, exposure, intermediaries, outlet locations, storage, transportation, storage, and management of channels that constitute the place; publicity, sales personnel, advertising, and sales promotion that constitute the promotion tool of the mix; and then the price – flexibility, price level, terms, differentiation, discounts, and allowances. The expanded services marketing mix includes people, physical evidence, and the process, that is, in addition to the above traditional marketing mix tools (Zeithaml and Bitner, 2003: 24-25)

People are regarded as all human actors who play a part in service delivery and thus influence the buyer's perceptions: namely, the firm's personnel, the customer, and other customers in the service environment. The organization

takes a holistic view at all the human elements that the consumer comes into contact with. The view is that the conduct and presentation of all humans associated with the delivery of the service communicate some form of message to the consumer and the objective of the organisation is to ensure that the message is positive and consistent across the whole of the organization. For example, the behaviour of the presenter of a radio programme, either publicly or privately, sends some form of message about the radio station to the listeners wherever they come into contact with such a presenter. There are also the journalists that work for the radio station who go out in the field to gather stories and in the process come into contact with the listeners. The contact between the journalists and the population has a bearing on the perception of the listeners about the radio station.

The organisation also looks at the input of the customer because customers can also influence service delivery, thus affecting service quality and their own satisfaction. Many services require customers to participate in creating the service product (exceptions include a wide array of services in which production is left entirely to the service provider, such as office cleaning, weather forecasting, car repair, and life insurance) (Lovelock, 2001: 12). A phone-in programme on radio is only as good as the quality of contribution

made by the listeners who participate. While the station has reporters, sources and contacts everywhere, it is the listener's calls and interaction that helps to keep the topics of the radio station up to the minute (Abramjee, 2005: 47). The broadcasters are seemingly masters in their domain in that they control the content, style and duration of events on radio. A classic instance is the political interview, a genre of talk specific to radio and television, in which the broadcasters predefine what the talk is about, how it shall start, when it shall end and the parts to be played by the participants. The broadcasters, however, should have consideration for absent listeners. Failure to do so will simply result in listeners not listening.

Again, the customers are also influenced by other customers, for example, the interaction of listeners has a bearing on the quality of the programme in question. The behaviour of other listeners can either enhance or tarnish the perception of others about the quality of the programme. Rude or unruly callers can chase away other listeners. The radio station should have strategies in place to manage difficult listeners so that their behaviour does not affect the quality of the programme and experiences of other listeners.

Processes are the actual procedures, mechanisms, and flow of activities by which the service is delivered – the service delivery and operating systems. Some services are very complex, requiring the customer to follow complicated and extensive series of actions to complete the process. The solution is for the service provider to assist the customer throughout the whole process or make available easy to follow procedures. In the radio fraternity most radio stations now have web sites where prospective advertisers can easily make bookings for advertising space and also study the profile of listeners and programmes in their own time and space, without having to physically visit the premises of the radio station.

The physical environment is the place at which the service is delivered and where the firm and customer interact. The environment also includes any tangible components that facilitate performance or communication of the service, for instance, business cards will provide a prospective client with contact details. The physical evidence of service also includes all of the tangible representations of the service such as brochures, letterhead, business cards, report formats, signage, and equipment.

In some instances this component may also include the actual physical facility where the service is offered, for example, the retail bank facility. The places from which broadcasting speaks and in which it is heard are completely separate from each other. The broadcaster has control of what goes on in the broadcasting studio, where speaking takes place, but has no control of the settings in which listening takes place. The broadcasters must therefore affiliate to the situation of their audience, and align their communicative behaviour with the circumstances of the listeners. Radio stations should attempt to produce programmes that fit into the domestic sphere and daily round of a listener. A radio station cannot schedule children's programmes after 9.00 p.m. because the children would be asleep.

The other tangible representations like brochures, apparels, and business cards are very important elements of the radio station that carry messages that enhance the image of the station, and more importantly, facilitate communication with clients. This is particularly evident where some radio stations have websites that allow advertisers across vast geographic distances to access information about the radio station and place bookings without having to go to the physical premises of the station.

3.7 CUSTOMER RELATIONSHIP MANAGEMENT

3.7.1 Introduction

Customer relationship management represents the way customers want to be served and offers a more effective way of doing business (Yim, Anderson & Swaminathan, 2004: 263). The radio station situation calls for the management of listeners and advertisers in a way that ensures that they are not just attracted to the station, but are retained, so that they contribute to the long-term profitability objectives of the organisation. The ideal way to attain this would be for the radio station to adopt a customer relationship management system. This system is described by Kotler & Armstrong (2004:16) as the overall process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction. The ability by the organisation to create value and satisfaction for their customers may turn them into loyal customers in the long run (Yim, et al 2004: 264; Carauna, 2002; Lam, Shankar, Erramilli, & Murphy; Kotler & Armstrong 2004: 17).

The relationship between these different marketing factors, that is, customer value, satisfaction, and loyalty, will be discussed in order to give effect to

the relevance of customer relationship management to the radio station fraternity.

3.7.2 Value and Satisfaction

Consumers have a broad array of products and services that might satisfy a given need. The question that should be the concern of marketers is how these consumers choose among these many marketing offers. Consumers make choices based on their perceptions of the value and satisfaction that various products and services deliver (Kotler & Armstrong, 2004: 9).

3.7.2.1 Value

Customers form expectations about the value of various marketing offers. Customers expectations are based on past experiences, opinions of others, and marketer and competitor information and promises. Value can be seen as primarily a combination of quality, service and price (QSP), that Kotler (2003: 11) refers to as the customer value triad which stipulates that value increases with quality and service and decreases with price. This triad can be demonstrated in ratio form:

$$\text{Value} = \frac{\text{Benefits}}{\text{Costs}} = \frac{\text{Functional benefits} + \text{Emotional benefits}}{\text{Monetary costs} + \text{Time costs} + \text{Energy costs} + \text{Psychic costs}}$$

Source: Kotler (2003: 11)

The cost to the listener of a radio station is not necessarily valued in monetary terms but in terms of the required time, energy, and psychic inputs the listener vests in acquiring the offerings of the radio station. This means that, in calculating how a listener perceives value, the monetary costs are excluded from the components of the total costs and only the time, energy, and psychic costs are included. On the other hand the total value of the offerings of the radio station to the advertisers should include the monetary costs element because the advertisers pay for the services of the radio. The advertisers pay for the slots where they place their advertisements. The interpretation of the ratio is that if a listener/advertiser of a radio station has to choose between two radio stations, he/she will choose the radio station that offers the greater value as calculated using the above ratio.

According to Kotler (2003: 11) the marketer can increase the value of the customer offering in several ways:

- Raise benefits
- Reduce costs

- Raise benefits and reduce costs
- Raise the benefits by more than the raise in costs
- Lower benefits by less than the reduction in costs

3.7.2.2 Satisfaction

Satisfaction depends on how well the product's or service's performance lives up to the customer's expectations. Marketers are concerned with customer satisfaction because it is a key influence on future behaviour, for instance, dissatisfied customers often switch to competitors. The core product being marketed with regard to a service is the performance and therefore the service quality should be the major concern of marketers of services.

The concept of satisfaction can also be looked at by studying a model of service quality that was proposed by Parasuraman, Zeithaml, and Berry in the eighties, which can be summarized as follows:

“Service quality as perceived by a consumer depends on the size and direction of the gap between expected service and perceived service, which,

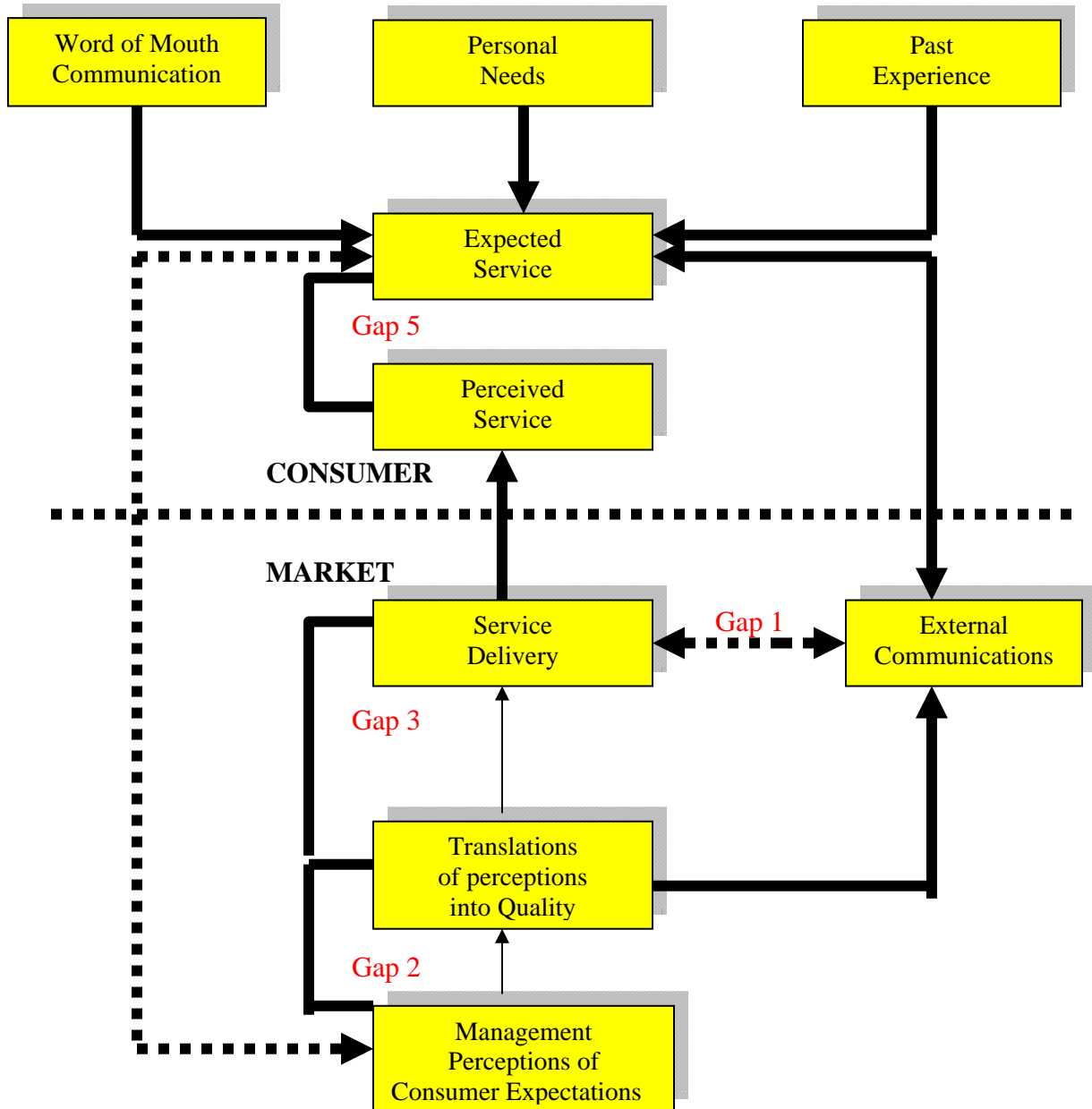
in turn depends on the nature of the gaps on the service provider's side, associated with the design, marketing, and delivery of services”.

The model is illustrated in Figure 3.2 and views service quality and service quality- problems as existing between consumers (customer) and marketer. The consumer holds certain expectations about the service that he or she is to receive from the service provider even before they experience such a service. Their basis of expectations could be a manifestation of their past experiences, word of mouth from other people, their own personal needs, and the promises of the service provider and competitors. On experiencing the service the consumer then forms perceptions about the service.

The basis of these perceptions is how well their expectations were met by the service, that is, whether the actual experience came short of, equalled, or surpassed expectations. According to Pitt, et al (1995: 257) from the consumer's point of view, service quality is the difference between what he or she expects and he or she perceives themselves to be receiving from the service provider. If the expectation equals the perceptions, the consumer is technically satisfied. On the other hand when the perception exceeds the expectations the consumer is more than satisfied. However when

expectations exceed perceptions, the consumer is dissatisfied, and there is a service quality problem. It is the responsibility of the marketer to try and close this gap, gap 5 in Figure 3.2 or the customer gap in Figure 3.3.

Figure 3.2: The gaps model of service quality



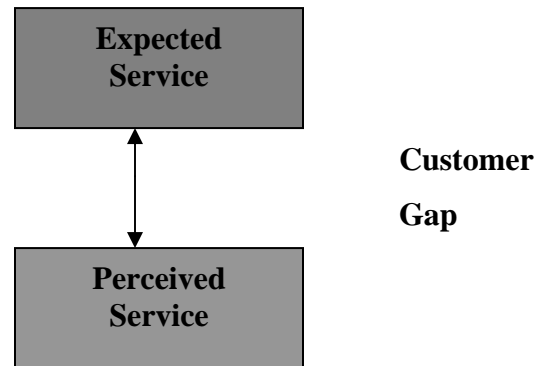
Source: Pitt, et al (1995: 258)

As illustrated in Figure 3.2, there are five (5) gaps in the gaps model of service quality.

Gap 5 – Customer Gap

Gap 5 is the result of all the other four gaps, that is, gap 1, 2, 3, and 4. Put another way, this means that gap 5, which is the difference between the expected service by the consumer and the perceived service, occurs because of the discrepancies within the organisation that inhibit delivery of quality service. These discrepancies manifest into the other four gaps and their closure will automatically close gap 5 which is also referred to as the customer gap by Zeithaml and Bitner (2003: 32) (Figure 3.3), who then go on to describe it as the difference between customer expectations and perceptions.

Figure 3.3: The customer gap



Source: Zeithaml and Bitner (2003: 33)

Pitt, et al (1995: 259-261) describes these other gaps in the following way:

Gap 1 – Not understanding/knowing what customers expect

Gap 1, Figure 3.3, is the difference between customer expectations of the service and management perceptions of customer expectations. It is a critical prerequisite that management fully understands what customers expect in terms of the quality of the service they seek. Management who understand the expectations of customers are most likely to deliver quality service precisely as expected by customers. Zeithaml and Bitner (2003) identified three relevant customer concepts that management should consider in order to understand the way customers form their expectations about any service: Consumer behaviour in services, customer expectations of services, and customer perceptions of services.

Consumer behaviour in services

The evaluation and purchase process of consumers of services differ from that of consumers of products because first, services are generally harder to search and evaluate, secondly, the characteristics of services such as the intangibility of service performance and variability in service inputs and outputs affect consumer evaluation processes, thirdly, the nature of the purchase process for services is different from that of products, and lastly, services often have core and supplementary service elements (Lovelock, 2001: 109).

The basic consumer decision-making process for products has five decision-making categories that indicate the sequence of stages that the consumers use when purchasing goods; need recognition, information search, evaluation of alternatives, purchase and consumption, and post purchase consumption. With services, as will be shown, the evaluation of alternatives is not as easy for services as it is for products and where consumers seek information and evaluate products before purchase, with services most evaluation follows purchase. For example, an advertiser who has a need to increase sales of his products (*need recognition*) will normally look around (*information search*) and evaluate various media alternatives

(evaluation of service alternatives) to see which one will help them attain their objectives. The advertiser will then choose the medium that will best catch the attention of prospective buyers. The advertiser then buys some advertising space on the chosen medium, for example radio (*service purchase and consumption*). Following this, the advertiser then evaluates the impact of the advertising initiative in meeting its intended objectives (*post purchase evaluation*). The process follows the same sequence followed by consumers who purchase goods. The difference is that in this case the advertiser, who is the consumer, will have difficulty in evaluating the services of various media alternatives before purchasing advertising space because services are harder to evaluate before purchase. It is the responsibility of the various media marketers to ensure that advertisers have enough information about the medium to help them through the evaluation process.

Services are harder for customers to evaluate than products. A useful framework for understanding how consumers evaluate different types of marketing offerings is by placing them on a continuum ranging from “easy to evaluate” to “difficult to evaluate”. The continuum distinguishes between three categories of properties of consumer products and services: search

qualities, experience qualities, and credence qualities. Search qualities are attributes that a consumer can determine before purchasing a product or service, and they include colour, style, fit, feel, hardness, and smell; experience qualities are attributes a consumer can discern only after purchase and they include taste and wearability; and credence qualities, include characteristics that the consumer may find impossible to evaluate even after purchase and consumption. This category includes most medical and mechanical services that consumers have limited knowledge or skills to evaluate. For example, an appendix operation will not be an easy service for a patient to evaluate whether it was necessary or properly performed, before and after the operation.

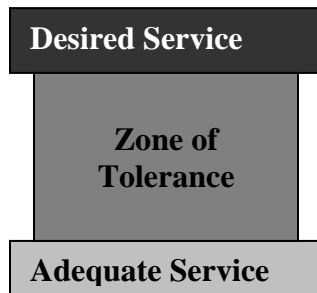
Most services are high in experience qualities and are therefore difficult to evaluate before purchase. Difficulty in evaluation, in turn, forces consumers to rely on different cues and processes when evaluating services (Zeithaml & Britner, 2003: 36). They may rely on the opinions of others, the promises, implicitly or explicitly, of the service provider, and past experience. Marketers can manipulate these cues where possible in order to positively affect the evaluation process of the consumer. For example, they could

ensure this by giving every customer a satisfying experience so that they report only positive things to other people with regard to the service.

Customer Expectations

Customer expectations are beliefs about service delivery that function as standards or reference points against which performance is judged (Zeithaml and Bitner, 2003: 60). Service marketers need to have a thorough knowledge about customer expectations because the delivery of quality service will be judged against these expectations.

Figure 3.4: The zone of tolerance



Source: Zeithaml & Bitner (2003: 63)

However consumers assess service performance on the basis of what they desire and what they deem acceptable. Put differently, this simply means that consumers know that because of certain unavoidable circumstances

organizations cannot always meet their levels of desired services. Consumers therefore may lower their expectation into adequate expectations to give room for these constraints. This is called the zone of tolerance and it is the space between the desired and adequate services in Figure 3.4. The zone of tolerance also fluctuates from customer to customer. Different customers possess different zones of tolerance, for example, an advertiser who wishes to communicate the details of an event that is to happen the next day will be less tolerant about time than one whose event is to happen a little further in the future.

Marketers in the radio industry should be concerned with the following aspects of expectations: What types of expectations standards do listeners and advertisers hold about the services of the radio station? For example, are the standards that advertisers or listeners hold about the services of a radio station based on any of the following aspects: price, past experiences, opinions of others, or the promises of the radio station. Identifying the aspects on which listeners or advertisers base their standards will help the radio station fully comprehend their expectations. Figure 3.5 depicts the factors that influence desired and predicted services.

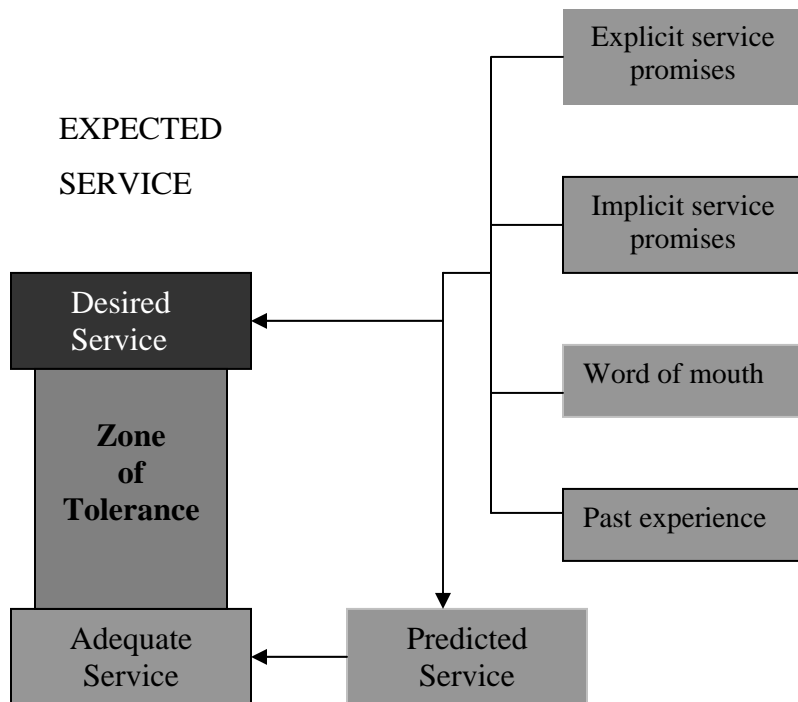
Explicit service promises are personal and non-personal statements about the service made by the organization to the customers. The statements are personal when they are made by the employees of the organisation and they are non-personal when they come from advertising, brochures, business cards, and other written publications. Explicit service promises are completely in the control of the service provider and should therefore be consistent and similar to the actual service delivered. A salesperson who tells a prospective advertiser that use of the radio station will bring in more customers to the advertiser's business, influences them to expect that advertising in the medium will actually bring in more customers. Organisations should avoid promising more than they can deliver.

Implicit service promises are service-related cues other than the explicit promises that lead to inferences about what the service should and will be like. These quality cues include the price of the service and any other associated tangibles. An advertiser who is willing to pay a high price for an advertisement placed in a prime slot expects service of a highest quality than if the advert was in a non prime slot.

Word –of-mouth communication is another factor that influences the desired service and predicted service expectations and is conveyed to customers through non-personal statements made by parties other the organization. Word-of-mouth carries more weight than other influencing factors because it is often perceived as unbiased.

Past experience is the customer’s previous exposure to service that is relevant to the focal service and it also shapes predictions and desires.

Figure 3.5 Factors that influence desired and predicted service



Source: Zeithaml & Bitner (2003: 72)

Gap 2 – Setting the wrong standards

Understanding the expectations of the customers is only a small part of influencing the perceptions of the customers about the service. The organisation/management should be able to translate this understanding into real quality. According to Pitt, et al (1995: 259) frequently, service quality is defined from the management's point of view, and not the customer's. Gap 2 arises when there is a discrepancy between what managers perceive that customers expect and the actual standards that they (the managers) set for service delivery. This gap may occur when management is aware of customers' expectations but may not be willing or able to put systems in place that meet or exceed those expectations. For example, putting systems in place may require changes in fundamental organisational work processes, acquiring expensive new technology, or refocusing organizational attitudes to understand service from the customer's point of view.

The first factor responsible for this gap is an *inadequate commitment to service quality*. Management of effective organisations must view service quality as a key strategic goal; the absence of an organisational commitment to service quality is a virtual guarantee of a wide Gap 2. Several key questions to ask when evaluating the extent of Gap 2 are as follows:

- Are resources committed to departments to improve service quality?
- Do internal programs exist for improving the quality of customer service?
- Are managers who improve customer service quality more likely to be rewarded?
- Does the company emphasize sales goals as much or more than it does customer service?
- Are upper and middle managers committed to providing quality customer service?

The second factor responsible for this gap is a *perception of infeasibility*. To be committed to customer service, managers must believe that customer expectations can actually be met. Gap 2 can be closed when the following questions can be answered positively:

- Does the company have the capabilities to meet customer requirements for service?
- Can customer expectations be met without hindering financial performance?
- Do existing operating systems enable customer expectations to be met?
- Are resources and personnel available to deliver the service levels that customers demand?

- Does management change policies and procedures to meet the needs of customers?

A third factor that can influence Gap 2 is *task standardisation*. This gap can be closed when hard and soft technologies are used to standardize service tasks. When the answers to the following questions are negative, Gap 2 widens.

- Is automation used to achieve consistency in customer service?
- Are programs in place to improve operating procedures so that consistent service is provided?

A fourth relevant factor that can close Gap 2 is *goal setting*—the extent to which service quality standards are based on customers' expectations rather than company standards. Formal processes to set the quality of service goals for employees must be put in place. The company must have clear goals for customer service and must measure its performance against these goals. As well, service-quality standards should be based on customers' standards rather than company standards.

Gap 3 – The service performance gap

The causes of gap 3 include role ambiguity, which exists whenever employees do not possess the information or training necessary to perform their jobs adequately and role conflict. The employees should be adequately equipped to precisely deliver the expectations of the organisation to the customer. There should be consistency in all the levels of the organisations so that the quality of the service that is ultimately experienced by the consumer comes out exactly as developed at the top. Very often in organizations there is a poor fit between employee and job, and between technology and job. The remedy for this problem is to give adequate attention to the recruitment of people for the jobs, and to also make sure that appropriate technology is available to support the people in their jobs.

Gap 3 can also be caused by ineffective and inappropriate supervisory control systems. This point has to do with how well supervisors are able to develop and implement effective control measures that employees understand and fully believe in. Employees should also be allowed some share of reasonable authority so that they can, if required, make decisions on pressing issues. Employees also need to understand their role and

contribution towards the collected effort by all employees, and demonstrate a commitment to the firm.

Gap 4- Service delivery and broken promises

The fourth gap in the service-quality model is that between what a firm promises about a service and what it actually delivers (Pitt, et al, 1995: 260).

The messages that the organisation communicates to the customer influence the expectations of the customer. The customer literally forms his expectations about the product/service based on the promises made by the product/service provider. If the provider does not deliver a service that is similar to what was promised in the communication messages then Gap 4 occurs. The customer is left dissatisfied because his/her expectations were not met as promised and the customer develops a negative perception about the product/service. The remedy for this is to create synergy among all functional areas in the organisations so that each department knows what another is doing. This will ensure that the people who actually come into contact with the customers know and deliver exactly what was promised to the customer.

3.7.2.3 Loyalty

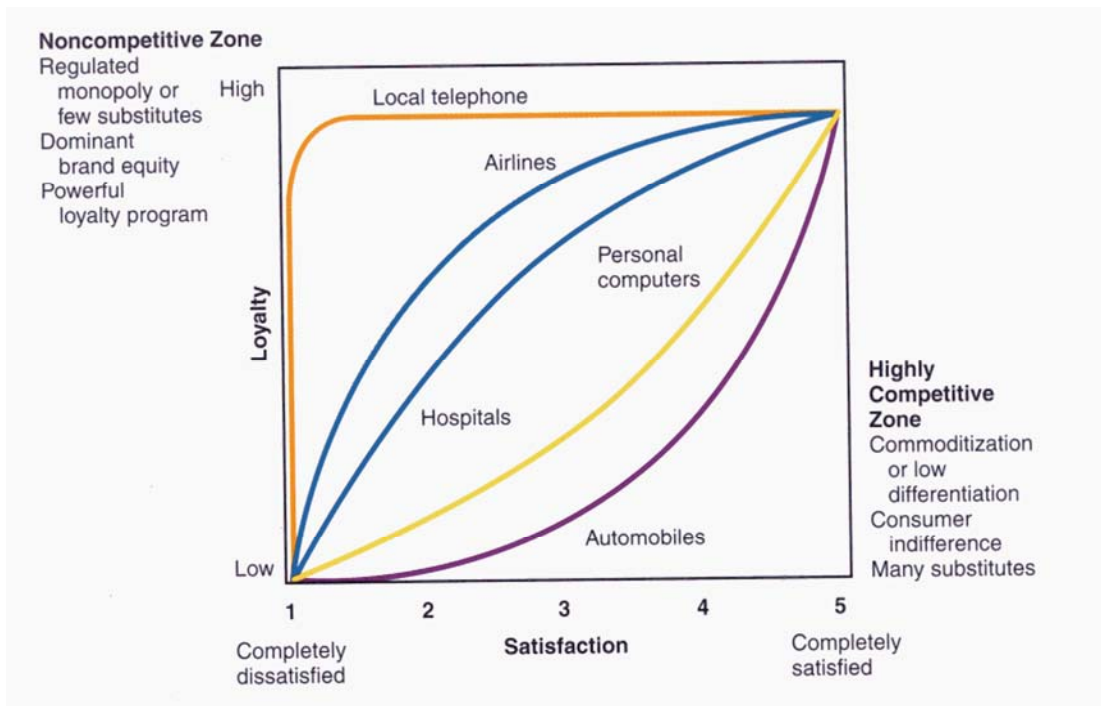
Customer satisfaction is generally seen as having a simple main effect on loyalty (Kotler & Armstrong 2003: 19 and; Auh & Johnson 2002: 36). This is a conventional presumption (Hofmeyer 1996: 32), because customer satisfaction does not always lead to loyalty. Customer satisfaction is a cumulative evaluation of customer's purchase and consumption experience to date, while loyalty is a customer's expectation or predisposition to repurchase from a particular product or service (Auh & Johnson 2002: 37). Loyalty reflects choice or decision utility and this means that a customer may choose to consume a different service or product the next time around even if they were satisfied by another previously. There is a trend in the radio fraternity in South Africa of 'dipping' (the switching of radio channels by listeners who have no fixed loyalty to a single station), for example, only one radio station has a loyalty quotient of more than 50% (Media News, 1998: 28).

Figure 3.6 depicts the relationship between customer satisfaction and loyalty in five different markets. The obvious indication is that in all cases as satisfaction increases loyalty also increases, but in non-competitive markets such as the telecommunication and airline industries, Figure 3.6, that are

normally dominated by powerful or patent-protected brands, customers tend to remain loyal even when dissatisfied.

Highly competitive markets, such as those for automobiles and personal computers, Figure 3.6, show little difference between the loyalty of satisfied customers and those who are somewhat satisfied. They however show tremendous difference between the loyalty of satisfied customers and completely satisfied customers.

Figure 3.6: The relationship between customer satisfaction and loyalty



Source: Kotler & Armstrong (2003)

The radio industry in Lesotho is shaping up into a highly competitive market area and if the results of the relationship between customer satisfaction and loyalty across various industries are assumed to hold true for this industry as well, then the marketers of radio stations should strive to ensure that their clients are not merely satisfied but are highly satisfied. Highly satisfied customers in highly competitive markets are more likely to remain loyal than merely satisfied customers in the same market (Zeithaml & Bitner 2003: 91).

3.8 SUMMARY

A strategic marketing planning process for a service organization such as a radio station must be grounded on a thorough understanding of how services marketing works. The discussion of the strategic marketing planning process in the next chapter relies upon this understanding to provide the necessary foundation for how the process should be handled by radio stations in Lesotho.

CHAPTER 4

STRATEGIC MARKETING PLANNING

4.1 INTRODUCTION

The previous chapter indicated how radio stations provide services, much in common with other services, and how they are affected by the same business challenges that could face any other service provider. Radio stations in Lesotho are not spared the effects of a complex, diverse, and increasingly turbulent environment, an environment that threatens a number of these stations because of changing environmental factors. Radio stations need to look to marketing in response to the challenges presented by the unpredictable market area. Marketing advocates that any organization, whether a product or service organisation, benefits from the careful examination of the needs of its clients and customers and that those who ignore the needs of their clients are particularly vulnerable.

The important question is how strategic marketing can assist radio stations to minimise the threats and to capitalise on opportunities within the changing environment. The chapter will address how planning and strategic marketing

can benefit radio stations and how stations can move through the process of strategic marketing planning in a way that is more relevant to their needs.

4.2 THE SCOPE OF PLANNING

4.2.1 Introduction

Various studies have proven the importance of planning in corporations and established that planning has influence on the financial performance of organisations (Straits & Powers 2000; Ishak 2002; and Dickson 1987). Jain (2004: 4) lists the following accomplishments and attributes them to planning:

- Planning leads to a better position, or standing, for the organisation
- Planning helps every manager think, decide, and act effectively and progress in the desired direction
- Planning helps keep the organisation flexible
- Planning simulates a cooperative, integrated, enthusiastic approach to organisational problems
- Planning indicates to management how to evaluate and check up on progress toward planned objectives
- Planning leads to socially and economically useful results

4.2.2 Planning

Planning is the process of anticipating events and determining strategies to achieve the objectives of the firm in the future (Lamb, Hair, McDaniel, Boshoff, and Terblanche, 2004: 413). The usefulness of planning by companies to deal with the complex business environment can be highlighted by looking at business factors and decisions that require anticipation and a systematic approach in dealing with them, namely growth, investment opportunities, competition, technology, risk, and change.

4.2.2.1 Growth

Every organisation expects to experience some growth throughout their lifecycle. Growth does not just happen automatically and growth opportunities do not just present themselves to the organization. The organisation has to decide, beforehand, on how much growth it will be able to manage given its resources and capabilities and also how much growth the magnitude of threats and opportunities will allow.

4.2.2.2 Investment opportunities

The business environment presents many good opportunities but no one organisation can capture all of them. Each company has to choose the

business opportunity that will bring it sustainable financial rewards. The organisation should also have the required resources and capabilities to keep the opportunity fruitful over time.

4.2.2.3 Competition

Dealing with competition requires a thorough analysis of the competitive market area. The competitive market area is always changing, either because new entrants present new competitive thrusts, or existing ones change their tactics.

4.2.2.4 Technology

The impact of technological innovations may be felt in any industry or in any firm. Anticipation of these innovations will make it possible for any firm to take advantage of new opportunities and avoid the harmful consequences of not adopting to new major developments. Through planning, present technological situations can be monitored, the direction technology might take can be predicted, and the effect of the technological innovations on the organisation screened (to observe the threats or opportunities the innovation might present).

4.2.2.5 Change

The drivers of change are normally elements of the business environment that are beyond the control of any single business, such as, political, socio-cultural, economic, and technological factors. Organisations have to anticipate these changes so that appropriate strategies are developed to deal with them.

4.3 STRATEGY

4.3.1 Introduction

Managers at all companies face three central questions in thinking strategically about their company's present and prospective circumstances:

1. Where are we now?
2. Where do we want to go?
3. How will we get there?

The first question requires that the company define its present situation, that is, its market standing, its products or services appeal to customers, competitive pressures in the market area, its strengths and weaknesses, and its current performances. The second question, requires that the company define in detail where it wants to go, that is which direction management believes is ideal, given its present situation, in terms of growing the business

and strengthening the company's market standing and financial performance in the years ahead. The third question requires that the company maps out how it will move from its present situation to where it wants to go (Thompson, Strickland, and Gamble 2005: 3).

The last question is what strategy is founded on. In support of this, Hussey (1999: 1) stated that he sees strategy as the means by which an organisation moves to attain its long-term aims. Strategy is concerned with the deployment of potential for results and the development of a reaction to adapt to environmental changes (Jain 2004: 9). Carr (2004: 12) also supported the need for a strategic outlook when he said that "as buyers become more powerful and business processes and systems more homogeneous, only the strategically astute companies will be able to rise above the competitive free-for all".

Walker, et al (2003: 7), also came up with a definition that they believe captures the essence of what strategy is: "A strategy is a fundamental pattern of present and planned objectives, resource deployments, and interactions of an organisation with markets, competitors, and other environmental factors".

All these definitions suggest that strategy should specify:

- The objectives to be accomplished
- Where to focus, that is, in which industries and product or service markets to focus
- How to gain competitive advantage and which resources and activities to allocate to each product/service-market to meet environmental opportunities and threats.

4.3.2 Hierarchy of strategies

Companies often have a hierarchy of interrelated strategies, each formulated at a different level of the firm instead of having a single comprehensive strategy (Walker, et al 2003: 8). The strategies are formulated at the corporate, business, and functional level and the hierarchy of these strategies is shown schematically in Figure 4.1. Small organisations have one strategic business unit (SBU). According to Jain (2004: 17) an SBU is “a unit comprising of one or more products or service having a common market base whose manager has complete responsibility for integrating all functions into a strategy against an identifiable competitor”. A multiple business unit organisation (with more than one business unit) would require a separate business strategy for each unit because according to Jain (2004: 19) an SBU

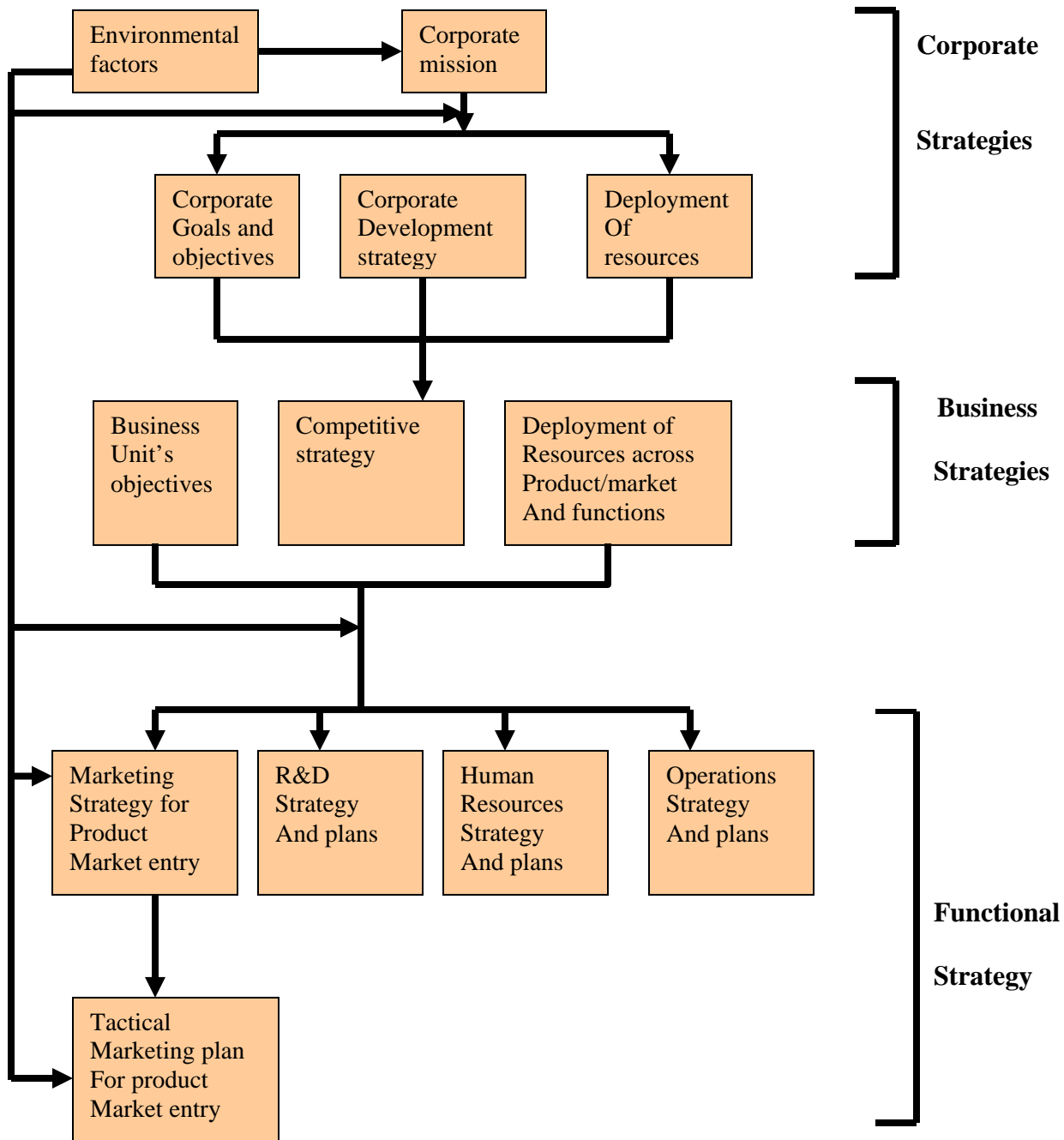
must look and operate like a free standing business, satisfying the following conditions:

1. Have a unique business mission, independent of other SBUs.
2. Have a clearly definable set of competitors.
3. Be able to carry out integrative planning relatively independently of other SBUs.
4. Be able to manage resources in other areas.
5. Be large enough to justify senior management attention but small enough to serve as a useful focus for resource allocation.

The radio stations in Lesotho are small and therefore have one business unit.

This means that strategies set at the business level reflect the business strategies for the entire organisation.

Figure 4.1: Hierarchy of strategies



Source: Walker, et al (2003: 9)

4.4 THE ROLE OF MARKETING IN AN ORGANIZATION

4.4.1 Introduction

It has been established in paragraph 4.3.2 that there is a hierarchy of interrelated strategies that are formulated at different levels in the organisation. The role of marketing at each level is discussed. Figure 4.2 depicts the role of marketing at each of these levels. It is very important to distinguish the role of marketing in its strategic role (strategic marketing) from the role it plays at the product market level (marketing management). In its strategic role marketing functions as a philosophy of business, and a business function in its management role.

Figure 4.2: The role of marketing in an organisation

<i>Organizational level</i>	<i>Role of marketing</i>	<i>Formal name</i>
Corporate	Provide customer and Competitive perspective for corporate strategic planning.	Corporate marketing
Business unit	Assist in the development of strategic perspective of the business unit to direct its future course	Strategic marketing
Product/market	Formulate and implement market-programmes.	Marketing management

Source: Jain (2004: 24)

4.4.2 Corporate strategy

At the corporate level strategy provides direction on the company's mission, the kinds of business it should be in, and its growth policy (Walker, et al 2003: 6). Payne and McDonald (1996: 56) define a mission as an enduring statement that provides an animated vision of the organisation's current and future business activities in service and market terms, together with its values and point of differentiation from competitors. Marketing, by virtue of it being the bridge between the organisation and the market area, can provide insight into what is happening in the market area so that the mission reflects the requirements of the market accurately.

4.4.3 Business strategy

At the business unit level marketing assists in the development of a strategic perspective of the business unit to direct its future course. Marketing provides the business unit with information that will assist the unit match the needs and wants of the business's target segment with the distinctive competencies of the organisation. This role of marketing is very important in the radio fraternity because the survival of the station depends on it finding a fit between the needs of the listeners and the capabilities and resources of the

radio. Revenue from advertisers can only come if the radio station is able to reach a particular segment of listeners in the market.

4.4.4 Product/service or market strategy

At the product/service or market level (Figure 4.2), marketing takes a more hands on approach in that it actually functions to formulate and implement marketing programmes to support the corporate and business strategies. This involves functional decisions about how to divide the market into segments, which segments to target, what promotional tools and appeals to employ, and what prices to charge. Good Hope fm, a radio station in South Africa operating from within the Western Cape, and previously targeting the 16-24 “coloured” youth audience, decided to change its position and focus to spread its influence across the 16-24 racial border (strategic decision done at the corporate level). Good Hope FM has always been strong in this market so much so that the 16-24, coloured group, had ceased a growth opportunity for Good Hope FM (business decision at the business unit level). At the product or service level marketing would then develop appropriate promotional efforts to attract the new target group. At the corporate and business unit level, marketing would assist by giving an insight into the needs of the other racial groups. (Anonymous, 2003: 30).

The various roles of marketing at each level of the organisation will be evident in Section 4.5 where a strategic marketing plan is developed for radio stations in Lesotho.

4.5 STRATEGIC MARKETING PLANNING PROCESS

4.5.1 Introduction

As a process, strategic marketing has three distinct phases: strategic analysis, formulating, and implementation (Drummond, et al 2003: 13).

Strategic analysis provides answers about where the business is through the examination of the business environment, customers and the internal review of the organisation itself. Tools such as portfolio analysis and industry structure models help to assess objectively the organisation's current position.

Formulating strategy determines a way forward for the organization, that is, after having analysed its present situation. Formulation involves defining strategic intent – the overall goals and objectives of the organisation. The formulation stage culminates with the development of a strategic marketing plan.

Implementation involves undertaking programmes and activities to deliver strategic objectives.

For the purpose of this study a framework of the phases of the strategic marketing planning process for services provided by McDonald (1999: 40), a seminal writer in the field of marketing, is used. This framework, depicted in Figure 4.3, comprehensively outlines the various phases involved in process of strategic marketing planning.

The first phase establishes the strategic context of the organisation and provides the pivotal link between the corporate plan and the marketing plan. The mission statement is developed in this phase. The corporate objectives and strategies are discussed in this phase to allow for a mutual interdependency to develop between marketing planning at the operational level and the setting of corporate objectives and strategies.

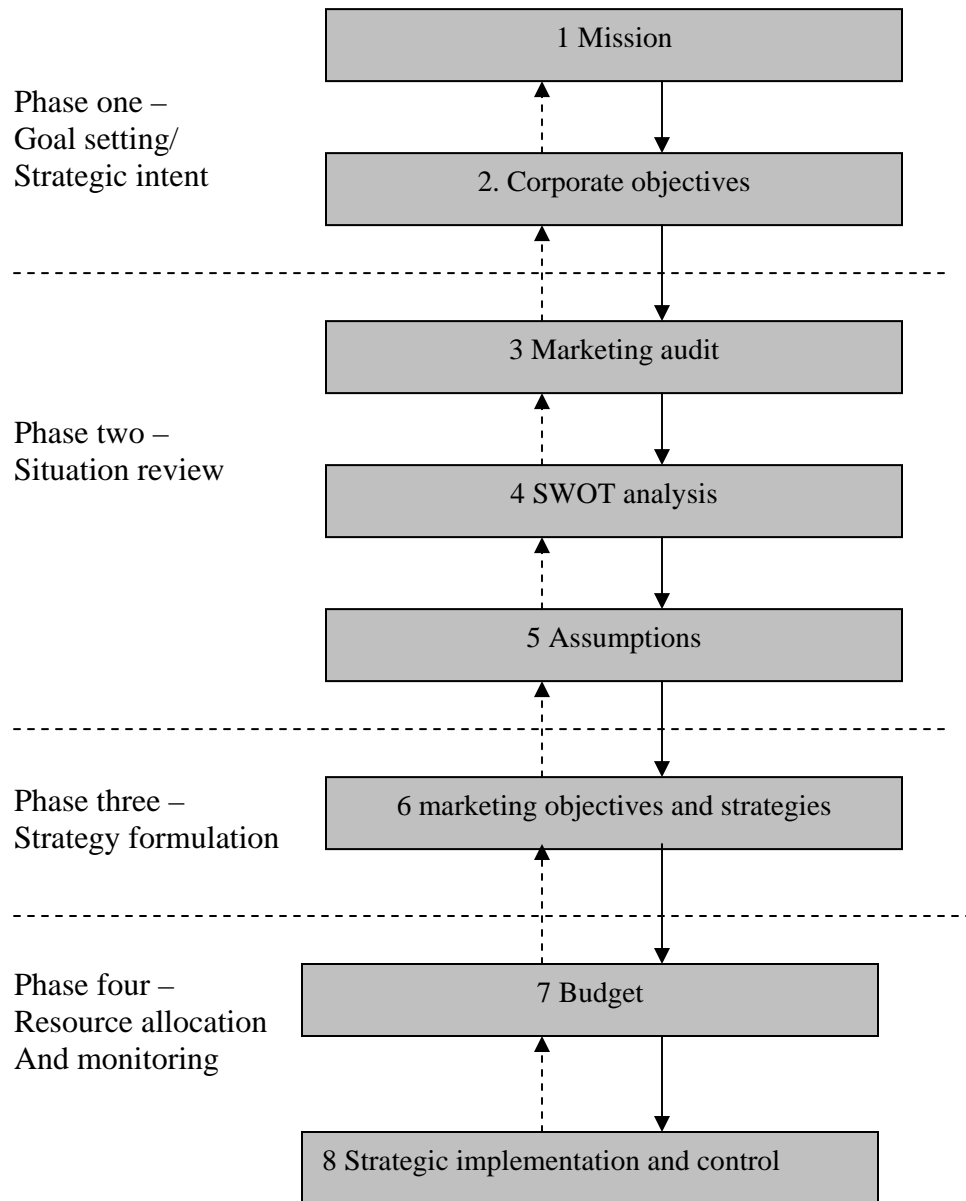
The second phase, the situation review, is concerned with evaluating the future prospects of the service enterprise. The evaluation is done through a marketing audit, whose purpose is to gather all the relevant data which can determine how well equipped the service organisation is to compete in its

chosen marketing arena now and in the future. Also, in the second phase, the strengths, weaknesses, opportunities and threats are analysis (SWOT analysis). The SWOT analysis identifies the key components of marketing information from the data generated by the marketing audit. Lastly, in the second phase, some assumptions are made about the future because some key factors such as the political climate and economic elements cannot always be predicted accurately.

In the third phase marketing objectives and strategies are developed based on the data provided by the SWOT analysis and key assumptions. The marketing objectives are statements that outline what is to be accomplished by the service company's marketing activities, while the marketing strategies are the means by which marketing objectives are achieved.

The fourth phase involves the allocation of resources for various marketing activities identified in phase three. A detailed first year tactical marketing plan, that involves considerations of the services marketing mix at a detailed operational level, is formulated in the fourth phase. The phase also addresses the issues of monitoring and control.

Figure 4.3: The strategic marketing planning process for services



Source: Adapted from McDonald (1999: 40)

4.5.2 Strategic intent

4.5.2.1 Mission

According to McDonald and Payne (1996: 56), the mission statement for services, or mission for services, encapsulates the company's identity in terms of what it is, what makes it special, what it stands for, and where it is heading. The mission statement should include the role and contribution, the business definition, the distinct competencies, and indications of the future (McDonald 1999: 41-42):

1 Role or contribution

- Profit, or
- Service, or
- Opportunity seeker

2 Business definition – define the business, preferably in terms of the benefits provided or the needs satisfied by the business, rather than in terms of the service or product. A radio station's business definition might state that, “we provide the advertiser with the solution to their need for a communication platform”, rather than, “we sell advertising space”.

3 *Distinct competencies* – these are the essential skills/capabilities resources that underpin whatever success has been achieved to date. Competence can consist of one particular item or the possession of a number of a number of skills compared with competitors. If, however, the name of the competitor could equally well be put on these distinctive competencies, then they are not distinctive competencies. If, for example, a radio station is the market leader include this in the mission statement as a distinct competency.

4 *Indications for the future*

- What the radio station would do
- What the radio station might do
- What the radio station will never do

4.5.2.2 Corporate objectives

Once the mission has been developed, attention needs to turn to the corporate objectives and strategies. The corporate objectives and strategies need to be consistent with the sense of identity and direction provided by the mission (McDonald 1996: 71). The sense of direction and identity refers to the strategic direction or long-term philosophy the radio station will uphold

3 to 5 years from the present. The objectives can be stated both quantitatively and nonquantitatively (Paley 2000: 5).

Quantitative objectives indicate in precise statements major performance expectations such as sales growth (advertising rands), market share, return on investment and profit, for instance, gain 20% market share in the next three years.

Nonquantitative objectives set a foundation from which to build on to the radio station's existing strengths and eliminate its internal weaknesses; in addition to helping the radio station realise its strategic direction. According to Paley (2000: 13-15) these objectives could cover diverse areas from consolidating an industry or segment position, building "specialty product or service" penetration, establishing or improving marketing intelligence systems, focusing training actions, launching new or repositioning old products or services, and improving marketing mix management.

As a protective measure to consolidate a leadership position or bar interference of aggressive competitors, radio station objectives could include: securing a long-term sales contracts with key advertisers or

penetrating strategically important geographic territories by adding more sales and service personnel.

The objective of building “specialty product/service” penetration considers both offensive and defensive moves (Paley 2000: 14). An offensive objective means developing a specialty product dedicated to penetrating a new market segment not held – or lightly defended – by a competitor, for example, a radio station could develop a programme that targets a new market segment such as a programme that deals specifically with issues of visually impaired youths. A defensive objective means protecting a dominant position. This could be achieved by developing a specialty product or service that duplicates or imitates the competitive product or service, thereby eliminating the uniqueness of the competitor’s innovation. For instance, radio station A could copy a successful format used by radio station B, so that radio station B does not use the unique format to gain competitive advantage over radio station A.

Establishing or improving marketing intelligence systems is an objective that emphasizes organizing the inflow of information to identify noteworthy changes in the environment, industry and customers. The primary focus of

this objective however, remains on competitors, and according to Paley (2000), the intent is specifically to assess the future impact of the following factors:

1. Competitor's size – categorised by market share, growth rate, and profitability.
2. Competitor's objectives – both quantitative (sales, profits, return on investment (ROI) and nonquantitative (product/service innovation and market leadership).
3. Competitor's strategies – analysed by internal strategies (marketing expertise) and external strategies (market coverage and ability to defend or build market share).
4. Competitor's organisations – examined by organizational structure, culture, management systems, and people skills.
5. Competitors' cost structure – examined by pricing flexibility, ease or difficulty of exiting a market, and attitudes toward short-term against long-term profitability.
6. Competitors' overall strengths and weaknesses – identified by their internal systems and those market positions vulnerable to attack.

The objective of focusing training actions considers the training of various personnel that interact with specific markets (journalists) and customers (presenters and sales personnel). The personnel are trained on functions that include customer service, presenting skills, voice training, and sales force.

The objective of launching new and repositioning old products or services considers not only launching totally new products or services, but also reintroducing old ones that have been differentiated through value-added services.

Lastly, the objective of improving marketing mix management considers the use of a dominant component within the mix as a driving force in achieving competitive advantage. As mentioned in Section 3.6), the marketing mix for services consists of the service, price, promotion, distribution, place, people, and process. What this objective advocates is that if the presenters (people) of the radio station are the component of the marketing mix of the station that drives the competitive advantage, then the radio station should leverage this element of the mix.

Following the development of corporate objectives, the radio station develops corporate strategies. The strategies are the means by which the objectives will be achieved and impact on the various functional areas of the business such as marketing, finance, operations, and personnel. Payne (1996: 72) stated that while there can be no absolutes in terms of what corporate strategies should address; it is likely that they will cover much of the following strategy components and key issues related to each component as shown in Figure 4.4.

Figure 4.4: Corporate strategy components and issues

<i>Strategy Component</i>	<i>Key Issues</i>
<i>Scope, mission, and intent</i>	<ul style="list-style-type: none"> - What business(es) should the radio station be in? - What customer needs, market segments, and/or technologies should be focused on? - What is the station's enduring strategic purpose or intent?
<i>Objectives</i>	<ul style="list-style-type: none"> - What performance dimensions should the radio station's business units and employees focus on? - What is the target level of performance to be achieved on each dimension? - What is the time frame in which each target should be attained?
<i>Development strategy</i>	<ul style="list-style-type: none"> - How can the radio station achieve a desired level of growth over time? - Can the desired growth be attained by expanding the radio station's current businesses? - Will the radio station have to diversify into new business or product-markets to achieve its future growth objectives?
<i>Resource allocation</i>	<ul style="list-style-type: none"> - How should the radio station's limited financial resources be allocated across its business to produce the highest returns? - Of the alternative strategies that each business might pursue, which will produce the greatest returns for the money invested?
<i>Sources of synergy</i>	<ul style="list-style-type: none"> - What competencies, knowledge, and customer-based intangibles (e.g., brand recognition, reputation) might be developed and shared across the radio station's businesses (if any). Many radio stations are involved in events management, in addition to their primary broadcasting activities. - What operational resources, facilities, or functions (e.g., research) can the radio station's businesses share to increase efficiency?

Source: Adapted from Cravens and Piercy (2003: 23)

4.5.3 Situation analysis

4.5.3.1 Introduction

While the purpose of the previous phase, the strategic intent, was to provide marketing with a sense of strategic direction, the situation review is concerned with evaluating the future prospects of the radio station. Depending on the outcome of the review, the radio station may be in a good position to face the future, or, alternatively, it might be found to be lacking in certain areas. As indicated in Figure 4.4 the situation review involves three steps: carrying out the marketing audit, the SWOT analysis, and the development of key assumptions.

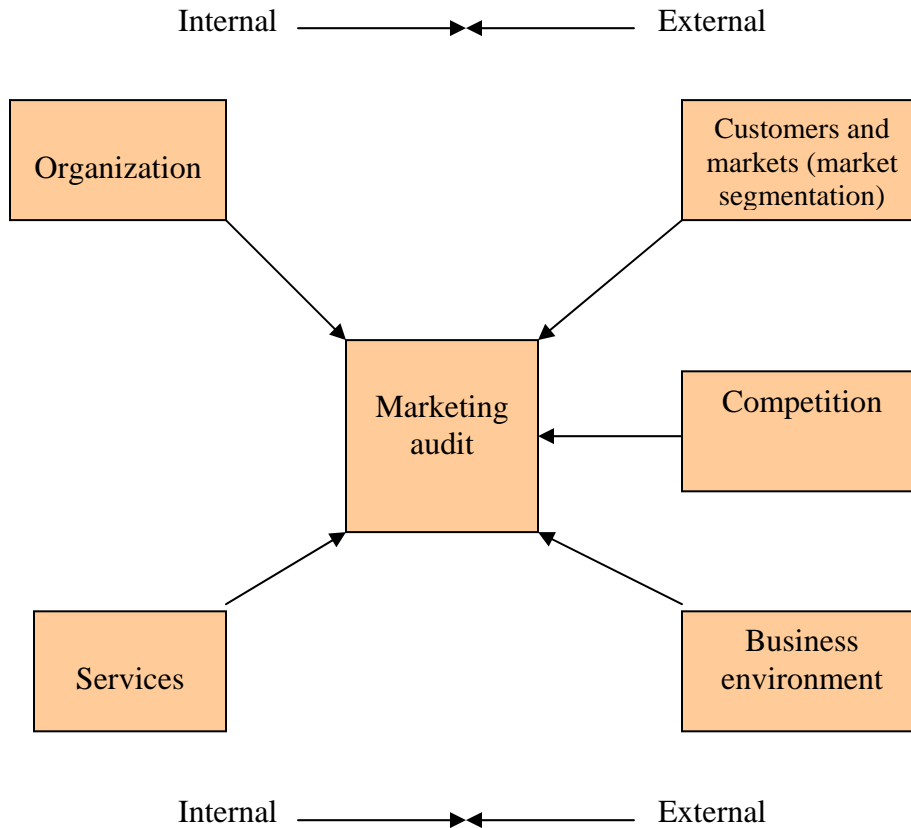
4.5.3.2 The marketing audit

According to Payne (1996: 38) the purpose of the marketing audit is to gather all the relevant data which can determine how well equipped the service organisation is to compete in its chosen marketing arena now and in the future. The audit indicates where the radio station is now, that is, the position it holds in its particular environment. Two questions normally present themselves to managers who wish to carry out the audit:

1. Who should do it? It can be done by outside consultants or by managers within the radio station. If it is done by outside consultants, they should have access to all information concerning the radio station, whether stored formally or informally. If on the other hand it is done internally, it should be done by managers within their own areas of responsibility for instance a marketing manager should carry out an audit within the marketing domain and a financial manager within the finance division.

2. What needs to be covered? The marketing audit focuses on five constituent parts, and draws information from outside the radio station, via the customer, competition and environment audits, and from inside the radio station, by auditing the radio and the services it offers. Figure 4.5 schematically shows the constituents parts of the marketing audit.

Figure 4.5: The constituent parts of the marketing audit



Source: Adapted from Payne (1996: 80)

4.5.3.2.1 Customers and markets

The analysis of customers and markets is concerned essentially with analysing the trends in the customer and market area, so that the radio station can select those opportunities which offer the best prospects for long-term success. One of the key diagnostic tools of marketing to use when

carrying out the analysis of customers and markets is market segmentation. Segmentation is an identification process aimed at finding subgroups of buyers or users of products or services (Cravens and Piercy 2003: 117), or according to McDonald and Payne (1996), a process concerned with dividing a heterogeneous market into specific homogeneous groups. The needs of these subgroups can then be met more effectively, which in turn opens up the prospect of building customer retention and loyalty. Within the audit process, segmentation is used to reappraise existing methods of segmentation.

A service company (e.g., a radio station) can approach market segmentation through customer characteristics and customer responses (Payne 1996: 81-85).

Customer characteristics – these are descriptors of the groups using services, namely demographics and socioeconomics, psychographics, and geography. However, these descriptors, on their own, are rarely sufficient to explain why these groups use the services they use, for example, the gender or age of listeners does not explain why those listeners prefer certain programmes over others.

Customer responses are more likely to explain better what programmes listeners choose and why they choose them and at least one of these responses should be combined with one or more of the customer characteristics categories to get a much clearer picture of segments. Headings under customer responses include benefit, usage, promotional response, loyalty and service.

Benefit – audiences tune in to a radio programme to acquire one or a combination of these benefit(s): information; entertainment; or education. An advertiser on the other hand is looking to create brand awareness, brand recall, and brand recognition for his/her service or product, through the radio station. According to McDonald and Payne (1996: 83) by recognising the benefits sought, and designing the service to provide these in a quick or superior way, the company can develop a competitive advantage in each market segment. Advertisers also choose a particular radio station if the station's format attracts a specific type of audiences, for example, women aged 18 to 34.

Usage – customers are divided into heavy, medium, and occasional users of the service (sometimes even non-users are included). Heavy users in relation

to radio stations, for instance, may include advertisers who frequently place advertisements around specific programmes. Medium users place advertisements less frequently than heavy ones, while occasional users place them even less frequently. Usage patterns will help radio station marketers identify ways to reinforce relationships with existing heavy users and devise strategies for converting lesser users into bigger ones.

Promotional response – This considers how consumers respond to various marketing communication activities, such as, advertising, direct marketing, and exhibitions. As an example, radio stations normally run competitions within certain programmes that require listeners to respond through the internet. The listeners are expected to give certain personal information when they respond, for instance, age and gender. This information helps the marketers to identify the profiles of people who have interest in the programme.

Loyalty – here customers are characterised by their degree of loyalty. The challenge is to find why other listeners or advertiser indicate more loyalty than others.

Service – the response to service indicates the importance customer groups attach to various elements of the service. For instance, is a particular group of advertisers of the radio station attracted to the station because of the ease of placing orders for advertising time, or is it because of the superb service they get from the sales people? This could be used as the basis of segmentation and the radio station might develop marketing strategies that specifically target groups according to which service elements please them.

4.5.3.2.2 Competitive position

Rival radio stations vie for the attention and money of the same listeners and advertisers respectively. Knowledge about the activities of other radio stations will help the station measure itself more accurately against its competitors. However, according to McDonald and Payne (1996: 89), it would be too costly and time-consuming to attempt to find out about every competitor. The audit on competitors should concern the company's major rivals. These authors state that of particular interest will be knowledge about the competitor's:

- Goals and objectives
- Marketplace behaviour
- Market share

- Growth
- Service quality
- Positioning
- Operations and resources
- Marketing mix strategies

4.5.3.2.3 The environmental audit

The environmental audit gives attention to the external factors which can impact on the radio station. An environmental audit answers three questions:

(1) What are the major trends in the environment? (2) What are the implications of these for the radio station? (3) What are the most significant opportunities and threats? This part of the situation review was dealt with in chapter 2.

4.5.3.2.4 Auditing the services and products

One of the main purposes of the service product audit is to analyze the relative strengths and weaknesses of the company's range of services in comparison with those offered by competitors and help identify points of differential advantage (McDonald and Payne 1996: 94). The main service offered by a radio station is programming. A radio programme is identified

by features such as the format, the content, the music, and the announcer of the programme (Ooustuizen 1996: 361-370). What these features provide for the listener or advertisers are called advantages namely, entertainment, education, information, and advertising time. A benefit is what the feature provides for the customer that he or she seeks. The features and advantages only become benefits if the listener or advertiser experiences the benefits of the features and advantages and perceives them as having satisfied his or her needs.

To identify points of differential advantage the service organization need to identify the degree of differentiation of their services when compared with those of their competitors. It is also essential to understand whether these differences match the benefits required by the target segments. A radio station should benchmark the features of its programmes against those of competitors, for instance, how good the format, music, content and presenters, are in comparison to those of rival radio stations. The comparison is only meaningful if the features are compared based on the perception of the consumers about the benefits of the features. The perceptions, held by the listeners, about the radio station's services in comparison to those of rival stations determine the position of the services in the market area.

4.5.3.2.5 The organisational audit

The organisational audit sets out to take stock of the radio station's strengths and weaknesses in terms of how they influence current operations and how they might help or hinder future growth (McDonald and Payne 1996: 107).

The purpose of the organisational audit is to focus on those aspects of organisational performance that have a positive or a negative effect on business performance, and this include skills, resources, and systems and procedures audits.

Skills audit involves finding answers to the following questions, and the list is not exhaustive:

- What skills does the radio station have?
- How do these compare with competitors?
- What do they best equip the radio station for?
- What essential skills are lacking or under-represented?
- What will happen if the skill shortage is not made good?
- If the radio station heads in a different direction, to what extent will the current skill base be a limiting factor?
- At what organizational level are essential skills in short supply – for example strategic, managerial and operational?

The resources audit involves the analysis of distinctive capabilities and strengths of the radio station. The resources of an organisation are relative in nature and must always be measured with reference to the competition (Jain 2003). The resources audit checks the adequacy of the resources of the radio station to carry the radio station forward.

Systems and procedures audit involves the evaluation of the adequacy of the radio stations management and marketing information systems. Factors that need to be checked include:

- How sales leads are generated, that is, whether the radio station's sales people do this through the telephone, personally, or by mail.
- How they are followed up, for example, if it is through the telephone, personally, or by mail.
- How queries and complaints are handled.
- How advertising is evaluated.
- How customer service managed.
- How new services are developed.
- How lost business is analysed and evaluated.

The environmental audit does not appear in the marketing plan, but its outcomes provide the necessary information to do the strengths, weaknesses, opportunities and threats (SWOT) analysis.

4.5.3.3 SWOT analysis

The SWOT analysis draws together the key strengths, weaknesses, opportunities and threats from the marketing audit. It is used to distil the critical factors that have been identified during the auditing process (Drummond, et al 2003: 103). To limit the list so that it is not as extensive as the marketing audit, the strengths and weaknesses of the radio station are judged in relation to the opportunities and threats identified in the external environment. If, for instance, the technological sphere presents an opportunity to the market, the opportunity is only included in the SWOT analysis if it is relevant to the activities of the radio station and the station has the strengths to capture it. Or, if the technological factor is a threat, it is also included only if its existence will affect the activities of the radio station or magnify the weaknesses. According to McDonald and Payne (1996: 113), a summary of the SWOT analysis can be laid out in the traditional manner depicted in Figure 4.6.

Figure 4.6: Example of the traditional layout for a SWOT analysis

Strengths <ul style="list-style-type: none">•••	Weaknesses <ul style="list-style-type: none">•••
Opportunities <ul style="list-style-type: none">•••	Threats <ul style="list-style-type: none">•••

Source: McDonald and Payne (1996: 113)

However, the authors suggest a different approach to create a more contemporary SWOT analysis. The SWOT analysis is extended, as shown in Figure 4.7, and developed like a decision tree where each individual element may have several implications and each implication may have several recommended actions. This approach is in contrast to the traditional approach where the SWOT elements were just listed as shown in Figure 4.6.

Figure 4.7: Partial SWOT analysis for a radio station

SWOT element	Implication	Recommendations
Strengths		
<ul style="list-style-type: none"> • Highly qualified Presenters 	- Better competency	<ol style="list-style-type: none"> 1. Promote capability to listeners 2. Staff retention programme 3. Incentive package for high achievers
Weaknesses		
<ul style="list-style-type: none"> • Low functional Management discretion 	- Constant time wasting in referring back to station manager.	<ol style="list-style-type: none"> 1. wider delegation to functional managers 2. better training for these managers
Opportunities		
<ul style="list-style-type: none"> • New computer-driven music Compiler 	- Increased speed of compiling play lists	<ol style="list-style-type: none"> 1. purchase the software 2. train staff on how to use it
Threats		
<ul style="list-style-type: none"> • Increased competition 	- Loss of market share	<ol style="list-style-type: none"> 1. Strengthen marketing division 2. develop a marketing plan

Source: McDonald and Payne (1996: 114)

4.5.3.4 Key assumptions

A marketing plan will always include a mixture of facts and assumptions, with the former being the outcome of the fact finding and data gathering process of strategic marketing planning (e.g., marketing audit). According to McDonald and Payne (1996: 113), facts and assumptions can become blurred at times, to the extent that one can be mistaken for the other. It is therefore important to state the assumptions explicitly. Explicitly stated

assumptions can be continuously monitored for their validity and adjusted accordingly if not valid. Key assumptions need to be considered in terms of how they impact on the radio station as a whole and on the market segments served.

Key assumptions might include (McDonald and Payne 1996: 115; and Paley 2000: 55)

- Inflation rates
- Growth of the economy
- Changes in political/legislative framework
- Interest rates
- Demographic predictions
- Activities of existing competitors
- Changes in trade practices

4.5.4 Marketing strategy formulation

4.5.4.1 Introduction

According to Jain (2004) strategy should stipulate the following:

- The objectives to be accomplished
- Where to focus, that is, in which industries and product or service markets to focus
- How to gain competitive advantage and which resources and activities to allocate to each product/service-market to meet environmental opportunities and threats.

4.5.4.2 Marketing objectives

A marketing objective is a precise statement which outlines what should be accomplished by the radio station's marketing activities (McDonald and Payne 1996: 119). The marketing objectives are defined so that achieving them enables the overall corporate objectives, as discussed in paragraph 4.4.2.2, to be reached. Evidently if the corporate objective is to be highly profitable then a marketing objective of achieving a high share with a keen price is unlikely to be compatible with the corporate objective (Cooper and Lane 1997: 73).

Marketing objectives should meet the following criteria (McDonald and Payne 1996: 120):

- They should be relevant in relation to the corporate mission and objectives
- They should be specific by focusing on clear and specific goal
- They should be time bound, that is, have an achievement date
- They should be challenging, that is, realisable, but at the same time stretching for individuals and the organisation as a whole
- They should be focused, that is, concerned only with markets and services which the company plans to address.

There are only four possible courses of action when setting marketing objectives and these are normally produced through the Ansoff matrix as depicted in Figure 4.

- Selling existing services to existing markets
- Extending existing services into new markets
- Developing new services for existing markets
- Developing new services for new markets

Figure 4.8: The Ansoff matrix

		SERVICES	
		Existing	New
MARKETS	Existing	Market penetration	Service development
	New	Market extension	Diversification

Source: McDonald and Payne (1996: 121)

4.5.4.3 Marketing strategies

Where marketing objectives are what the radio station wants to accomplish in terms of aspects like market share and volume, marketing strategies refer to how the radio stations intends to go about achieving its objectives. Marketing strategies for a radio station are generally concerned with the seven major elements of the services marketing mix namely the service, promotion, price, place, people, processes, and customer service.

4.5.4.3.1 The service strategies

The service element of the marketing mix ensures that the radio station's services stay attractive to the consumers for long. According to McDonald and Payne (1996: 135) the thrust of the marketing mix specification, in the

marketing plan, involves creating the differential advantage which makes the service firm's offer different (in a way preferred by the segments that are targeted) from its competitor's offers. One of the elements of marketing that has to be considered when creating service strategies is branding.

A brand is defined as a name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers (Yeshin 1998: 37). Most radio stations which target the same audiences have similar programme elements such as the genre, content, formats and scheduling. This makes it difficult for listeners to set these radio stations apart. Again with radio it is very easy for rival radio stations to copy successful concepts used by other stations. Branding can help an individual radio to create a unique identity in the market place which assists in the process of attracting consumers who, over time, will establish patterns of loyalty to the service and, in turn, enable the radio station to enhance its profitability.

To build itself as a brand a radio needs to use all its assets to create unique entities that listeners really want; entities which have a lasting personality, based on special combination of physical, functional and psychological

values; and which have a competitive advantage (Yeshin 1998: 38). Three aspects are central to the process of building the radio station as a brand: brand name; brand image; and brand personality.

A brand image is a combination of all the brand values that the radio station has accumulated over time through the use of marketing communications. The brand values are also important to the radio in terms of its long-term extension of its activities. For example many radio stations are involved in activities like beauty pageants and music awards, activities outside the scope of the operations of the radio. The radio uses its brand image to raise the profile of these events and people's perspectives about the events are influenced by how high they value the involved radio as a brand.

A brand personality of a radio station is the total impression created in the minds of the clients of the radio station (advertisers and listeners) by the brand and all its associations. As an example, many listeners associate certain radio stations with certain personalities; Radio Metro is associated with fun and BBC with seriousness.

The following is a summary of a typical service marketing strategies for a radio station:

- Change performance (change the presenter of the programme and find a more suitable one), quality or features of the programme (computerise the selection of songs and play more music).
- Branding (through marketing communications, for example advertising).
- Expand the line (the radio can be involved in other activities like organising of music awards or beauty pageants).
- Consolidate the line (the radio can partner with businesses outside its scope of operations like popular sports teams to enhance the radio as a brand).

The bottom line is that if the service designs and standards are customer driven then Gap 3 on the Gaps Model of Service Quality (Figure 3.2, Chapter 3) will be narrowed.

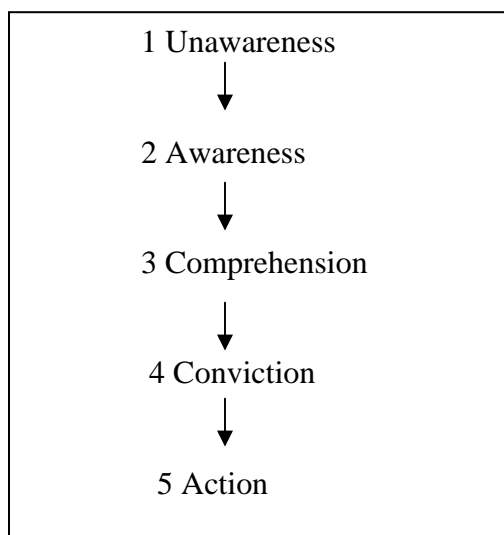
4.5.4.3.2 The promotion/ marketing communications strategies

Developing good radio programmes, pricing the radio spots attractively to advertisers, and ensuring that the programmes are transmitted to the listeners is not enough. The radio station has to inform the consumers (listeners, sponsors and advertisers) about its goals, activities, and offerings, and

motivate these consumers to take an interest in the radio station. Through the communication process: the listeners must be informed about the exciting programme line-ups and music; the image of the radio station and the presenters must be enhanced; and the information needs of the internal stakeholders (staff, presenters, and shareholders) must be determined and met.

At the heart of any successful promotion programme is clear understanding of the communication process, seen from the customer's viewpoint. This process follows the model shown in Figure 4.9.

Figure 4.9: Stages of communication



Source: McDonald and Payne (1996: 151)

The first task in winning customers is to make them aware of the services on offer, for example, make the advertiser aware of the advertising times on the radio programme. The next step is to make them fully understand what it is the service will do for them, for instance, convince the advertiser that placing the advert in the time slots will allow them to communicate with their target market. Next, the prospects need to be convinced that what is said is true and that the service will satisfactorily meet the prospects needs, for example, give the advertiser factual figures that indicate what groups of listeners tune at which times. Finally, the advertisers need to be energized sufficiently to sign the order, for instance, dangle incentives (discounts) that will make the advertisers place advertisements on the radio.

There are several marketing communication tools available that the radio station can use to carry out all its communication responsibilities and these are advertising, public relations, sales promotion, personal selling, and direct marketing.

Advertising consists of any paid form of non-personal presentation of ideas, goods, and services by an identified sponsor to a targeted audience and delivered primarily through the mass media, including magazines or

newspapers, television, billboards, or buses (van Rheede van Oudtshoorn and Mulder 2001: 4). The non-personal component of the definition means a radio station can use this form of communication to target large groups of individuals, often at the same time (Belch and Belch 1998; 14), for instance, by placing an advertisement in a sports magazine to attract mass readers to the radio's sports programme.

Within the communication model as shown in Figure 4.9, advertising could be used to create awareness about new services or concepts that the station has, or encourage customers to take certain actions with regard to mature or well understood services or concepts.

Sales promotion is a marketing communication tool that uses a variety of incentive techniques for consumers (e.g., listeners) and trade (e.g., advertisers) to generate a specific, measurable action or response. A radio station can run competitions within a programme, where listeners who call in can win prizes, to encourage them to be more loyal to the programme.

Public relations (PR) is a communication activity that tries to change the attitudes and beliefs of stakeholder audiences. A radio station can support a

campaign run by the health ministry, for instance, a TB awareness campaign, with the hope of getting editorial space in the newspaper or magazine. The free press mention will help the radio build a bank of goodwill amongst its stakeholders.

Personal selling is the face-to-face presentation of a product or service to a potential customer by a radio station representative. When radio station's sales personnel solicit advertisements they are often expected to make face-to-face presentations of the services of the station to the managers of the advertising firms. This is because with the potential ambiguities surrounding the services of the radio, clients need to be able to discuss their needs and the salesperson is needed to explain the choices available, for example, which time slots will reach the listeners that have the profiles the clients wants to attract. According to McDonald and Payne (1996: 167), personal selling has the following advantages over other elements of the marketing mix:

- 1 The sales message can be more flexible (than with advertising) and can be more closely tailored to the needs of individual customers

- 2 The salesperson can use in-depth knowledge of the service to the advantage of the customer, and overcome objections as they arise.
- 3 Most importantly, the sales person can ask for an order, and possibly, also negotiate on price and special requirements.

Direct marketing is used as an interactive tool that relies on database and uses one or more advertising medium (e.g., Internet) to effect measurable response and or transaction at any location. A number of radio stations have World Wide Web sites where potential advertisers can look at the offerings of the radio and place bookings for advertising times. The radio station can also use the captured data to later communicate directly with these prospects on the same medium.

Each of these tools (service, promotion, price, place, people, processes and customer service) should be used to realise communication objectives that it is best suited to, so that the optimum communication mix is mutually beneficial and synergistic. A fully integrated marketing communication plan will narrow Gap 4 in the Gaps Model in Chapter 3 (Figure 3.2).

4.5.4.3.3 The price strategies

According to Kotler and Armstrong (2004: 345) a price, in its broadest sense, is the sum of all values that consumers exchange for the benefits of having or using the product or service. Because services are intangible and experiential in nature (Chapter 3, section 3.5), the price becomes more important to consumers as a cue of what to expect. Higher prices tend to convey higher quality, and conversely (Kurtz and Clow 1998: 23). For radio stations, pricing decisions need to take into consideration the impact of internal and external factors.

Internal factors include the marketing objectives of the radio, the marketing mix strategy, costs and organisational considerations.

- Marketing objectives can affect the price that the radio station charges, for example, the price may depend on the radio's target market and positioning. If for instance, the station's target listeners are in the high income bracket, then the radio can charge a premium price to the advertisers who wish to reach these listeners. A radio station can also charge advertisers a premium price if it has positioned itself as a sophisticated station that targets a niche market, such as a classical music station.

- The marketing mix strategies also affect the pricing decisions. This means that price must be consistent with other tools, such as, service design, communication, process, people, place and distribution. As an example, a radio station that offers high quality, well researched and presented programme that is supported by equally well coordinated promotional campaigns, can get away with charging a premium price because such a price will be consistent with all the other marketing mix strategies.

- Costs can also determine the price. The radio station can charge a price that both covers all its costs for producing, distributing, and selling the service and yields a fair rate of return for its investment. Radio stations that can maintain low production and selling costs can afford to charge lower prices and get more sales from increased demand.

- Organisational considerations may be factors that determine the price. The price charged by the radio may depend on who in the firm sets the price: it could be top management, marketing and sales

managers, or sales people who negotiate with customers within certain price ranges.

External factors include the nature of the market and demand, competition, and environmental elements.

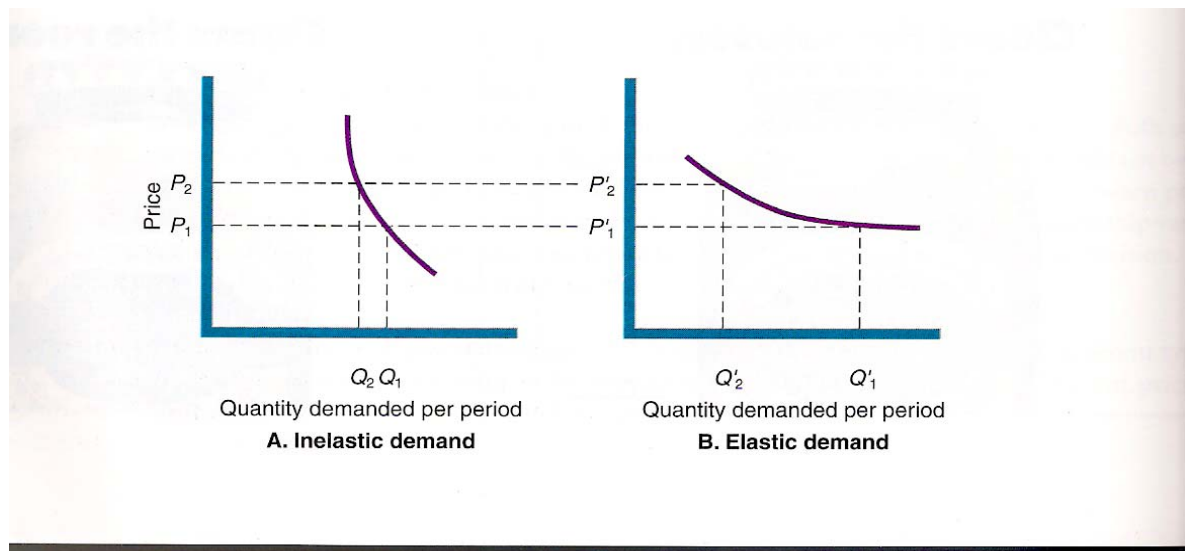
- The nature of the market and demand can affect the price. Whereas costs set the lower limits of prices, the market and demand set the upper limit. If the benefits of receiving the service are perceived by the client as high, then the radio can extend the limit of the returns above costs. The freedom of the radio to set prices also depends on the type of market the radio operates within. Even though radio stations offer the same basic services such as programming and advertising time, each station is able to offer differentiated offerings to differentiated segments by using branding, advertising and personal selling to set their services apart. This is an oligopolistic competition market and radios can differentiate their prices to the segment they target.

Consumer's perception of price and value will also help the radio determine how high they can set the price. Marketers must find,

through research, how much value consumers place on the benefits they receive from the service and then set a price that consumers view as worthy of the benefits. This is buyer-oriented pricing.

Another determinant of price is its relationship with demand. Each price charged by the radio will lead to a different demand as shown in Figure 4.10. Higher prices lead to lower demand and the other way round.

Figure 4.10: Demand curves



Source: Kotler and Armstrong (2004: 354)

It is only in some rare cases where buyers of prestige services think that higher prices mean greater value and will not buy services if their prices are reduced. Another important element to the relationship between price and demand is the type of market the radio operates in. For instance, if it is a competitive environment the demand at different prices will depend on whether competitors' prices stay constant or change with the radio's own prices. If competitors change their prices in the same direction and with the same margin that the radio changes its own, then the demand will not change (other factors that might affect demand, like advertising, being constant).

The relationship between price and demand is also affected by the elasticity of demand (Figure 4.10), that is, how responsive demand will be to a change in prices. In some instances the demand changes significantly (elastic) to any changes in price. At other times there is very little change (inelastic) in demand to price change. Demand becomes inelastic if the services clients are buying are exclusive, of high quality, or are hard to find. If the demand is elastic sellers can lower the prices to get significant increases in demand. However radio station marketers should ensure that

the extra costs of producing and selling the services exceed the extra revenue.

- Competitor's costs, prices and offers may also affect the price. An advertiser who wants to place an advertisement on a radio station that targets the youth will compare the prices and offers of radio stations that target the same market. This means that radio stations have to be aware of the pricing decisions of their competitors, their offers, and their cost structures to determine how flexible their prices can be.

- There are other external factors that affect pricing decisions. Factors like economic conditions and the involvement of the government in the pricing decisions can affect the pricing decisions of radio stations. In Lesotho, for instance, small businesses are charged lesser than large businesses for the same advertising times.

4.5.4.3.4. The place strategies (getting the service to the customer)

The importance of the location of a radio station will depend upon the nature of the service provided and the type of interaction it sets up between the suppliers and the customer. McDonald and Payne (1996: 179) identified three possibilities in which a supplier and customer can interact: the customer goes to the service provider; the service provider goes to the customer; and the service provider and customer transact at arm's length.

The customer may go to the service provider. Advertisers or their agents sometimes go out of their way to visit the premises of the radio station to seek service, for example, to place bookings for advertisements, seek information and negotiate discounts. It is important for the radio station to have in place physical premises that are accommodating to all the needs of the visiting clients, that is, accessible physical address, clean surroundings, and efficient reception facility (receptionist and waiting area).

The customer may go to the service provider. When radio station's sales people, for instance, go out to solicit for advertisements the location of the station is not critical.

The service provider and customer transact business at arm's length. Here the location is largely irrelevant. However, there should a suitable communications infrastructure available, depending upon the nature of the service. The interaction between the listener and the presenter is not face-to-face. They are linked by various elements such as language, sounds, transmitters, microphones, receivers (radio set or Internet), and the signal which finally emerges from a receiver as a sound wave. Even though there is no face-to-face interaction, the quality of the communication elements should be of the highest order.

4.5.4.3.5 The process of creating the service

For radio stations process means work activity, that is, any process, task, schedule, mechanism or routine which helps deliver the service to the customer (McDonald and Payne 1996: 185). A process is any activity that consists of a number of separate but interrelated steps that occur over time. A product like a car begins as raw materials, which are then transformed through the various steps of manufacture. Radio station's services are also "manufactured" through a series of interconnected activities of production, distribution, and consumption, in which raw data and symbols are transformed into usable, meaningful information packages. As an example:

a soccer match is attended by a sports reporter and taping crew; a script is written and the tape edited; and finally, the information appears in a sports programme at six o'clock in the evening. The consumer (advertisers and sponsors) are then sold the spots within the programme to underwrite the costs of production and distribution process.

This creation, gathering, and rearrangement of information count for the production part of the process. Any flaws in this process (production of information) will severely handicap other elements of the marketing mix, for instance, distribution, if the gathered sports information is not edited on time. The information will lose its freshness if it misses its intended time.

A three step approach to analyse a process is proposed by McDonald and Payne (1996: 186):

- 1 Break down the process into logical steps and sequences
- 2 Identify those steps which introduce the highest prospect of something going wrong because of judgment, choice or chance.

- 3 Sort deviation or tolerance standards for these steps, thereby providing a performance band for functioning. (It will be unrealistic to expect process steps to be performed with complete precision every time).

4.5.4.3.6 The people

The quality of a service is highly dependent on the actions of the employees and the interactions of employees and customers (Zeithaml and Bitner, 2003: 22). People therefore loom large in the delivery of services. How well people are able to deliver consistent quality service is largely a matter of how people are selected, trained, motivated, and managed (McDonald and Payne 1996: 181). A presenter interacts with the listeners and is the main representative of the radio station to its target market. His or her delivery of the programme will depend on: how well his or her skills (natural or acquired through experience or training) are suited to the type of programme (content, music, tempo, and language); whether he or she is satisfied with the compensation he or she is getting; and how well he or she is supported by the structures of the radio station (management, research, material and technology). The appropriate selection, training, motivation, and management should go for all employees of the radio station.

Radio stations can look to the concept of internal marketing to guide them on how to develop appropriate strategies for managing the “people” component of the marketing mix. Internal marketing refers to the activities of the organisation that ensure that the needs of the internal publics (employees) are understood and satisfied so that they, the employees, can effectively carry out activities to meet the objectives of the organization.

According to McDonald and Payne (1996: 185) internal marketing is concerned with communications, with developing responsiveness, responsibility and unity of purpose. Skinner and Von Essen (1999: 115-129) describe communication, a key component of internal marketing, as follows.

To ensure an understanding of its philosophy, policies and practices a corporation must maintain a two-way communication programme designed to inform employees and give them means of expressing their views about company affairs. Such a programme should provide employees with information about company practices in which they have a personal interest, such as employment, working conditions, fringe benefits, sales, new services, research and development, corporate finances, wage

negotiations, remuneration, promotions, and other matters affecting their work and welfare.

Communication may be through the formal structure of the organization, both vertical and horizontal, in the hierarchy, or through an informal structure often called the “grapevine”. An employee communication programme should be preceded by a survey to determine what employees know and do not know about policies, problems, finances and other significant subjects so as to determine the information that needs to be communicated. According to Argenti (1998: 175-177) the following mechanisms can be used to distribute information within the organization;

- Downward communication: bulletins; notices; circulars; and staff meetings.
- Upward communication: suggestion schemes; trade union channels; and grievance procedures.
- Lateral communication: inter-departmental committees; special project groups; and co-ordinating committees.

The communication tool or technique selected depends on the subject matter that needs to be communicated to employees. Skinner and Von Essen (1988: 29) identified two commonly used techniques of internal communication namely induction programmes and printed or graphic communication.

Induction programmes are normally run to introduce the new employee to the company to assist the newcomer to adjust as quickly as possible to the new social and working environment in order to achieve maximum working efficiency in the shortest possible time. Induction programmes may take the form of a tour of the organisation, a short induction course, or an open forum. Care should be taken that different people require different induction approaches, for example, a presenter would require a programme that emphasizes the studio area. A new accountant, on the other hand, would require a programme that puts more emphasis on the managerial side of the operations of the radio station, for instance, a short course concerning financial and control standards used.

Printed and graphic communication material includes employee publications such as house journals, staff or employee newsletters, and reports to employees. A distinction can be drawn between occasional publications

(such as technical manuals, employee benefits handbooks, and employee welcome brochures) and regular periodicals (such as company newsletters, managerial bulletins, house journals, and financial reports).

Employee publications must be:

- Informative;
- Educational;
- Entertaining.

The objectives of communicating with staff are:

- To foster feeling of unity;
- To keep employees informed of company activities;
- To enhance employee understanding of company operations, departments and divisions;
- To show the company's involvement in community affairs;
- To offer useful information, for example, tax tips or financial advice;
- To instil the importance of delivering quality service.

There are also other additional methods that can be used to improve relations with the employee such as holding open days for employees and their

families, meetings of management and employees, departmental relations, and service awards.

4.5.4.3.7 Customer service

As customers become more sophisticated, knowledgeable and demand higher standards, so must companies improve customer service in order to remain competitive. In the radio fraternity advertisers are becoming increasingly demanding with regard to the money they spend on advertising. They want their advertising to produce measurable results and any station that is able to make them realise their objectives holds a competitive advantage over other radio stations. Radio marketers should take the time to understand the business of their clients, the reasons why they buy, and recognize how additional value can be added to the offer (McDonald and Payne 1996: 191).

A radio station should actually create a customer service strategy which should include the following steps:

1. Identify a service mission – just as there is a need for a corporate mission statement to clarify the organisation's values and general

sense of direction, so is there a need for separate customer service mission to distil into a few words the company's philosophy and commitment to customer service.

2. Setting customer service objectives – These objectives should be set in relation to the following components.

- Reliability
- Availability
- Convenience
- Responsiveness
- Assurance

3. Customer service strategy – Appropriate service packages have to be created for different market segments because not all customers require the same level of service. The station should:

- Identify the most important services and segments
- Prioritize service targets
- Develop the service packages

4. Implementation – The selected packages are then introduced into the marketing mix.

4.5.5 Budgeting

According to McDonald and Payne (1996: 141-144) the budget can be broken down into the revenue budget, the marketing capacity budget, and the capital expense and finance budget.

- The revenue budget – revenue is ultimately generated by sales, which means that sales forecasts are the critical link in the budgetary process. The forecasts must be consistent with the views of field sales staff and others who have an intimate knowledge about customers and the markets for the services under control.
- The ‘marketing capacity’ budget – this is designed to cover marketing staff responsible for the services and products for the planning period. It involves a detailed study of what goes on into each service, for example, incentives which may influence sales.
- The capital expense and finance budget – This will address any fixed capital assets which might be required to backup the marketing plans, such as, for example, new service sites or office expansion.

A cash or finance budget might take into account:

- Cash flows, i.e., how revenue will match up operating expenses and payments to suppliers.
- Short-term loans
- Temporary investment for surplus funds
- A study of money market conditions and interest rates
- The provision of contingent liabilities

4.5.6 Strategic implementation and control

The formulation of strategies is only the beginning of the job because from here strategies have to be translated into actions (Freedman 2003: 27). Strategies only address the ‘what’ and ‘why’ of marketing activities while implementation addresses the ‘who’, ‘where’, ‘when’, and ‘how’. Marketing implementation turns marketing plans into action assignments and ensures that such assignments are executed in a manner that accomplishes the plan’s stated objectives (Kotler 1997: 22).

Drummond, et al (2003: 252-255) identifies the factors that are required for implementation to be successful:

- Leadership – The role of the leader is to get the best out of people and deal with the unexpected.
- Culture – this is a combination of shared values and beliefs. If the strategy goes against the dominant culture it is likely to fail unless a major effort is made to develop and maintain support. Staff training, appraisal and restructuring can be used to achieve this.
- Structure – These are lines of authority denoting levels of responsibility and the basis of communication. Rigid structures can filter out information, making senior management remote from the customer.
- Resources – managers have the role to obtain and make optimum use of resources.
- Control – managers have to ensure that what is supposed to happen actually happens.
- Skills – Successful implementation requires skills such as:
 - Technical/marketing skills, e.g. design, market research, and industry analysis.
 - Human resource management skills, e.g. delegation, performance appraisal, and training.

- Management skills, e.g. budgeting, resourcing, and forecasting.
- Systems – there should be systems that aid management decision making. Such systems will cover areas such as finance and budgeting.

The control process is simply a mechanism to protect strategic plans during implementation. Control attempts to guarantee that behaviour and systems conform to, and support, predetermined marketing objectives (Drummond 2003: 267).

According to Scheepers (2000: 121-122) four tools can be used to control the annual strategic marketing plan namely performance analysis, market expense-to-performance analysis, and market attitude tracking.

- Performance analysis is the measurement and evaluation of actual performance, measured by the number of listeners and advertising revenue in relation to performance objectives.
- Market-share analysis is the periodic review of whether the radio station is gaining, maintaining or losing ground to a competitor.

- Market-expense-to-performance analysis views marketing expenses as a ratio to performance (measured by revenue). The ratio is evaluated to ensure that the radio is not overspending to achieve its objectives.
- Market-attitude tracking ensures that radio stations periodically check stakeholder attitudes towards the station. This can be done through complaint and suggestion boxes, consumer panels, and consumer satisfaction surveys.

4.6 SUMMARY

It is evident that radio stations operate in a complex and increasingly competitive environment. Radio stations should look to marketing in response to the challenges presented by this dynamic and turbulent environment.

For radio stations to get the best out of marketing they have to be more responsive to the needs of their customers. Customers are becoming increasingly demanding as they now have more options. Advertisers have multitudes of avenues through which they can communicate with their target markets. Listeners are benefiting from technological innovations that are

availing more entertainment and information options. To deal with these challenges radio stations can look to strategic marketing for solutions.

The discussion in this chapter focused on the following approach of the strategic marketing planning process: Establishing a strategic context, that is, developing the mission and corporate objectives of the radio; reviewing the situation using a marketing audit and SWOT analysis; formulating marketing objectives and strategies; and finally developing budget and implementation plans.

CHAPTER 5

RESEARCH METHODOLOGY AND DESIGN

5.1 INTRODUCTION

The previous chapter was concerned with the development of a process through which radio stations can develop strategic marketing plans. From the literature it is evident that radio stations serve their clients (advertisers and listeners) within an environment that presents unique challenges. The challenge is for radio stations to adopt an approach that involves a comprehensive strategic marketing planning process.

This section looks at the methodology and design that has been used in this research and this includes the methodology, design, sampling, validity, and problems experienced. There is no framework that radio stations can use to guide them on how to develop strategic marketing plans that are relevant to their industry. There is also no information available at present that indicates the extent to which radio stations in Lesotho have adopted and committed to strategic marketing planning. These two scenarios influenced the design and methodology of this study. This chapter presents the design and

methodology used in this study. First, a literature study was undertaken and used to develop a theoretical framework that is submitted in this study as a basis for the final recommendations. Secondly, a structured questionnaire was distributed to persons within each radio station in Lesotho that are responsible for marketing.

5.2 RESEARCH METHODOLOGY AND DESIGN

5.2.1 Research Methodology and Design

Methodology refers to the coherent group of methods that complement one another and that have the “goodness of fit” to deliver data and findings that will reflect the research question and suit the research purpose (Henning, Van Rensburg, and Smit, 2004: 36). A research design is the framework or plan for the study, used as a guide to collect and analyse data (Churchill & Iacobucci, 2005: 74).

There are two basic types of research namely quantitative and qualitative research. Qualitative research is used successfully in the description of organisations, while quantitative research methods are more useful in hypothesis testing (Welman and Kruger, 1999: 186). Van Buuren (2002) uses Silverman (2001:32) to state that quantitative research has its main

objective as the production of general quantitative descriptions of certain aspects of a sample of a study population that can be applied to the wider population. Qualitative research, on the other hand, seeks to provide a deeper understanding of social phenomenon. The questions prepared for the samples in this study explore the social organisational activities within each radio station in Lesotho that guide the strategic marketing planning process. This study is based on qualitative research.

5.2.2 Sampling Methodology

A sample is a subject of a population and should represent the main interest of the study. A population is any precisely defined set of people or collection of items which is under consideration (Hussey and Hussey, 1997: 55). The following list is an inventory of all the radio stations that operate in Lesotho, all of which are privately owned except Radio Lesotho: Moafrika FM, Catholic Radio, Joy FM, People's Choice FM, Harvest FM, and lately, Thaha-Khube FM, and Radio Lesotho, a state controlled station, which has been in existence since independence. The appearance of private radio stations was made possible by changes to the regulatory regime in the period leading up to the enactment of the Lesotho Telecommunications Authority Act of 2000 and the establishment of the Lesotho Telecommunications

Authority (LTA) itself. The airwaves are therefore considered free in Lesotho. This study is concerned with the analysis the strategic marketing planning process of each and every radio station in Lesotho, and because there are not many radio stations in Lesotho there was no need to select a sample within the population. The whole population was selected as the subject of study for this research. All of the respondents that were given the questionnaires responded to the questions and all of them were collected.

5.2.3 Sampling at respondents level

Strategic marketing planning in medium to large organisations is done by marketing managers. However, in smaller companies this planning activity has no one person responsible for it. It is often done by whoever has some experience in sales, advertising, finance, or any related field to marketing. The approach that was used to select the respondents to the questionnaires was to first establish who the person responsible for marketing of the radio station was. Then an appointment was organised with that person in order to set the ground for subsequent interactions.

5.2.4 Questionnaire design

An analysis was conducted to establish the extent to which radio stations have adopted strategic marketing planning in order to cope with environmental demands, audit various constituents in the environment (customers, their organisations, market, competitors, services, and business environment), link marketing planning to corporate planning, and develop marketing strategies. The instrument that was used for this purpose was a questionnaire that was distributed to the managers of radio stations in Lesotho who are responsible for the marketing functions of their organizations. Every form of survey research relies on the use of a questionnaire. A questionnaire is a set of questions designed to generate the data necessary for accomplishing the objectives of the research project (McDaniel & Gates, 2001: 289). The questionnaire for this study is called “Questionnaire regarding strategic marketing planning for radio stations in Lesotho”, and is made up of two sections. Section 1 of the questionnaire looks at the following general information.

- Name of the radio station.
- Title of the person responding within the radio station.
- Level of formal educational qualification attained by the respondent.
- Number of people employed by the station

- Number of listeners.
- Type of radio station.

Section 2 explores the strategic planning process of the radio stations and includes the following subsections:

- Development of a mission and corporate objectives.
- Segmentation
- Planning
- Marketing planning.
- Situation review.
- Marketing objectives.
- Competitors analysis
- Marketing strategies

This section includes a mixture of straight “Yes” and “No” questions and those arranged in a 5-point Likert type scale. The latter arrangement was set out to establish the extent to which certain identified elements had a significant influence on the way the stations carried out their strategic marketing processes. The design is such that the lowest score or 1 represents “no influence” and the highest possible score on the Likert scale is 5 and

represents “major influence” (see appendix A for the questionnaire). The response rate was a hundred percent (100%).

5.2.5 Data Analysis

The analysis of the data derived from the responses of the questionnaires distributed followed a six-step procedure for data analysis:

1. validation and editing (quality control)
2. coding
3. data entry
4. machine cleaning
5. tabulation and statistical analysis
6. Graphic Presentations of Data.

Validation and Editing

This type of validation is different from that is discussed in Section 5.4 in this chapter where is defined as the extent to which a measurement is used to measure what is supposed to be measured. In this section it is discussed in the context of determining that all interviews were conducted properly. The basis for validation of this study was the recording of the name of the radio station and the respondent’s title or rank. This means that the relevant radio

station can be contacted at any time to verify the accuracy of information used in this study.

The questionnaires were edited by the researcher with the assistance of the Study Supervisor to check for respondent mistakes and questions limitations.

Coding

Every questionnaire was given a numeric code in order to identify a particular questionnaire. Every question was also given a unique number for proper organisation and ease of entry into the computer.

Data Entry

This was done by means of intelligent entry systems by the Computer Support staff at the University of the Free State. Intelligent data entry refers to the ability of the data-entry devices or their connected computers to check certain information being entered (McDaniel & Gates, 2001: 395).

Machine cleaning data

The data from all questionnaires that have been entered and stored in the computer has to be checked for final errors before proceeding to the

tabulation and statistical analysis (McDaniel & Gates, 2001: 397). This process was done by professional staff at the University of the Free State.

Tabulation and Analysis

The survey results from this study were tabulated and analysed in two ways: One-way frequency tables and cross tabulations. The most basic tabulation is the one-way frequency table. It shows the number and percentage of respondents who gave each possible answer to each question. One-way frequency tables can also be used to tabulate responses from questions that solicit more than one response from the respondents. Cross-tabulations on the other hand require that one looks at the responses to one question in relation to the responses to one or more other questions. However, only those cross-tabulations that are truly responsive to the research objectives were chosen.

Graphic Presentation of Data

The data in this study was presented using graphics. This refers to the use of pictures instead of tables to present research results. Pie charts and Bar charts were used to present the results.

5.3 LITERATURE STUDY

The literature study review is used in the contextualisation of the study to argue a case and to identify a niche to be occupied by the research. (Henning, et al, 2004: 27). The literature can be presented in a number of ways, depending on the purpose of the statement. It may be presented thematically, that is, in a way that traces the issues and connections between issues and the gaps in the literature that are not covered by the research. It may also be reviewed chronologically, dealing with the earliest research first in order to create a context for the research and point out the major advances in research in the topic. (Henning et al, 2004: 28). A comprehensive and well-integrated literature review provides a good understanding of the issues and debates in the area of concern, current theoretical thinking and definitions, as well as previous studies and their results (Mouton, 2001: 180). A literature review was undertaken for this study. The literature in this study seeks to advance the argument of the researcher and to develop a theoretical framework that will guide radio stations in Lesotho about where they are in terms of strategic marketing planning and what is missing in the way they carry out the strategic marketing planning processes.

The key issues that were investigated were the radio industry in general and in Lesotho and the marketing of radio stations. The investigation on the radio industry in general and in Lesotho involved discussions on the macro and micro environmental factors that exert influence on radio stations. The competitors were also included in the environmental analysis. Following this, an analysis of the radio industry in Lesotho was undertaken and each radio in Lesotho was scrutinised. Three key issues were scrutinised: the type of radio station, funding model, and target market.

The investigation on marketing of radio stations focused on defining services marketing and developing a framework that could be used to create a strategic marketing planning process for radio stations in Lesotho.

There is currently no research that has been done to study the strategic marketing planning of radio stations in Lesotho, hence why most of the material for this project was obtained from international sources. Material to build up literature was obtained from dissertations, articles in marketing and advertising journals, search engines on the Web, like Google. The following are some of the sources of information that were used: A strategic marketing planning framework for private educational institution (Scheepers, 2000),

Strategic marketing planning at South African technikons (Nel, 1987), Journal of marketing, Journal of consumer research, Marketing mix, New marketing success stories, State of the media in Southern Africa (2002), State of the media in Southern Africa (2003), and State of the media in Southern Africa (2004).

Information on the radio industry in Lesotho was very difficult to obtain because available records are not kept in order. Again, employees of radio stations were unwilling to divulge some information for fear of it falling into the hands of their competitors. Literature on the economic, political, and legal issues was from one general source: state publications.

In order to develop a framework for strategic marketing planning for radio stations in Lesotho, McDonald and Payne's book called Marketing planning for services (1996) was used. This is because the book provides a step by step guide on how to develop a strategic marketing plan for services.

5.4 RESEARCH VALIDITY

Internal validity is enhanced by establishing causal relationships where certain conditions are shown to lead to other conditions, as distinguished

from spurious relationships. In this sense, internal validity addresses the credibility of the study's findings (Van Buuren, 2002: 94). **External validity** is concerned with the question, "Do the results obtained from this particular sample of participants apply to all subjects in the population being studied?" In other words, external validity examines the extent to which the results of the study can be generalized. Two factors must be considered to achieve high external validity. Firstly, the sample must be representative of the population in question. Secondly, the researcher must ensure that the study simulates reality as closely as possible. When people behave differently due to their participation in a research project, the findings are immediately less valid than they would have been had the subjects behaved as they would have been every other day of their lives.(Bless & Higson-Smith 2000: 80). This theory is not relevant in this study because the whole population was used for the investigations.

People who respond to questionnaires that require them to divulge information about their organisations tend to paint a more positive picture of their firms. The questionnaire for this study was constructed in such a way that responses to questions that could be manipulated required that the respondent supported any claims with formal written evidence. For example,

a response of “Yes” to a question such as “Do you prepare formal written marketing strategies” had to be supported by a written marketing document.

In using questionnaires, researchers rely totally on the honesty and accuracy of participant’s responses (Marshall and Rossman, 1999: 129). The responses of the population of this study to the questionnaire are considered to be an accurate presentation of the strategic marketing planning level at each radio station. This is because the questionnaires were given to a person within each radio station who was responsible for the marketing activities of the organisation. Again the researcher did not check the validity of the sample because no sample was chosen as the whole population of radio stations in Lesotho was used and the response rate was a hundred percent.

It is therefore possible to generalise the results of the study for the whole radio industry in Lesotho.

5.5 PROBLEMS EXPERIENCED WITH THE STUDY.

The major problem that was experienced in the study stemmed from the fact that very little literature was available on marketing of radio stations. Available literature was for other domains such as education. The challenge

was to study the vast array of marketing theory and relate it to the unique situation of the radio industry in general and in Lesotho.

The other problem was the unwillingness by managers to divulge certain information about their organisations. Their main concern was that it might fall into the hands of their competitors. The issue of confidentiality also emerged because the managers also feared that the output of the study, if published, would be available for all.

Lastly, because the questionnaire was extensive, a number of managers (citing busy schedules) were slow to complete the questionnaire.

5.6 SUMMARY

This chapter discusses the methodology and design that was used to carry out this research study. Firstly, the study topic was formulated, and this was within the marketing context, together with the statement and objectives of the research. This was followed by a collection of data that would feed the literature review. Thirdly, primary data was collected through the use of questionnaires that were distributed to persons responsible for marketing within the radio stations in Lesotho. The analysis of the data derived from the responses of the questionnaires distributed followed a six-step procedure for data analysis: validation and editing (quality control), coding, data entry,

machine cleaning, tabulation and statistical analysis, and graphic presentations of data. The conclusions and recommendations are presented in the next chapter.

CHAPTER 6

EMPERICAL FINDINGS OF STRATEGIC MARKETING PLANNING OF RADIO STATIONS IN LESOTHO.

6.1 INTRODUCTION

This chapter examines the extent to which radio stations in Lesotho are carrying out the strategic marketing process. As noted earlier, chapter 2, for a radio station to operate efficiently, it has to have a sound strategic marketing planning process. This process involves the development of the following components of a strategic plan: corporate mission, corporate objectives, marketing objectives, SWOT analysis, a marketing strategy, marketing mix, implementation programme, as well as programmes of evaluation and control.

The corporate objectives should, at all times, set the scene for the process of developing marketing objectives and subsequently marketing strategies because the latter processes should inform themselves on the former. This is an indication that a large number radio stations do appreciate the importance of having a mission statement as a guiding principle for the entire

organization. The question of how the mission statement is developed is discussed in the next section.

6.2 DEVELOPMENT OF A CORPORATE MISSION.

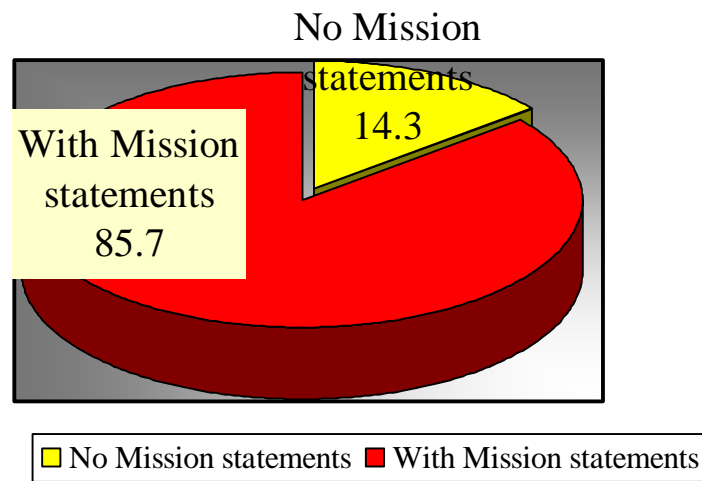
6.2.1 Introduction

The development of a mission statement is very important as it sums up what the company stands for, where it is, and where it is heading. This section starts by looking at whether radio stations do actually prepare mission statements. The discussion goes further, that is, beyond the affirmation by the radio stations that they prepared mission statements, to analyse the approach used by these radio stations when they developed their mission statements. This is the extent to which these radio stations placed importance on the following factors: the role and contribution of the company, the definition of the business, distinct competencies, indication of the future, and strategic planning sessions. For a mission statement to be useful and relevant, each one of these factors should be fully incorporated.

It is clear from Figure 6.1 that a sizeable number of radio stations possess a formally written mission statement. Figure 6.1 indicates that 85.7 percent of radio stations develop a mission statement. This is an indication that radio

stations do appreciate the necessity of having a statement of intent, that is, a declaration of the radio station's fundamental purpose; why it exists, how it sees itself, what it wishes to do, its beliefs and long-term aspirations (Bennett, R. 1999: 19).

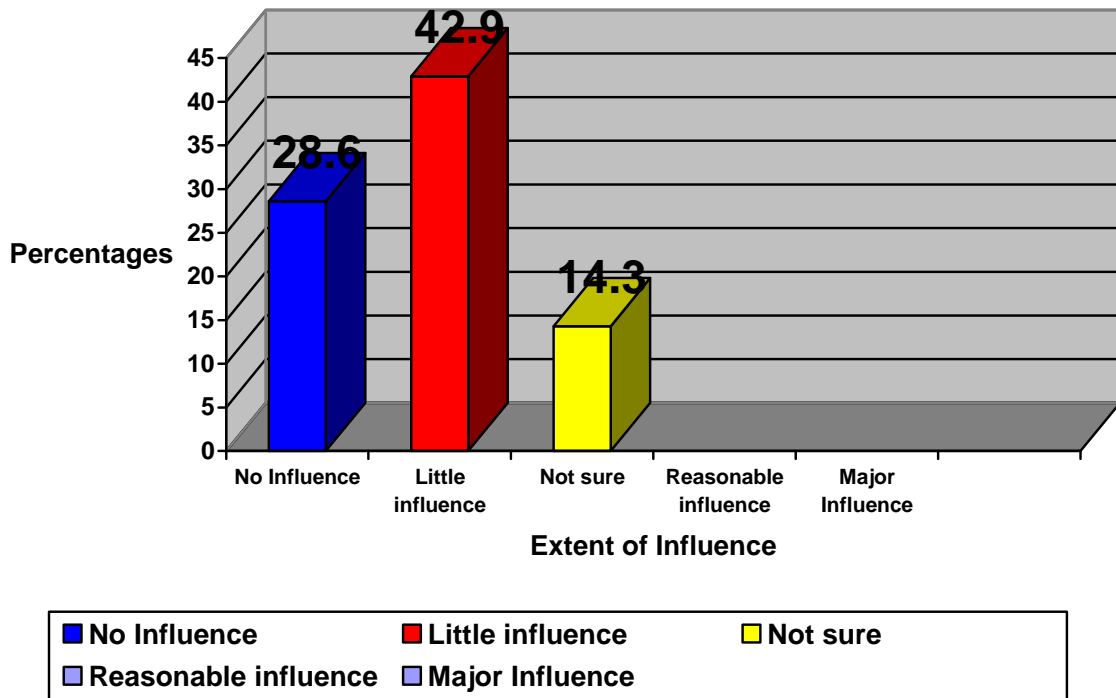
Figure 6.1: Radio Stations with developed Mission Statements in Lesotho



6.2.2 Role or contribution

The mission statement, if properly developed, should include the role and contribution of the company within its operating environment, that is, whether its existence is geared towards goals such as, profit making, non-profit, charity, and being an innovator.

Figure 6.2: The Influence of the role and contribution on the development of the mission statement.

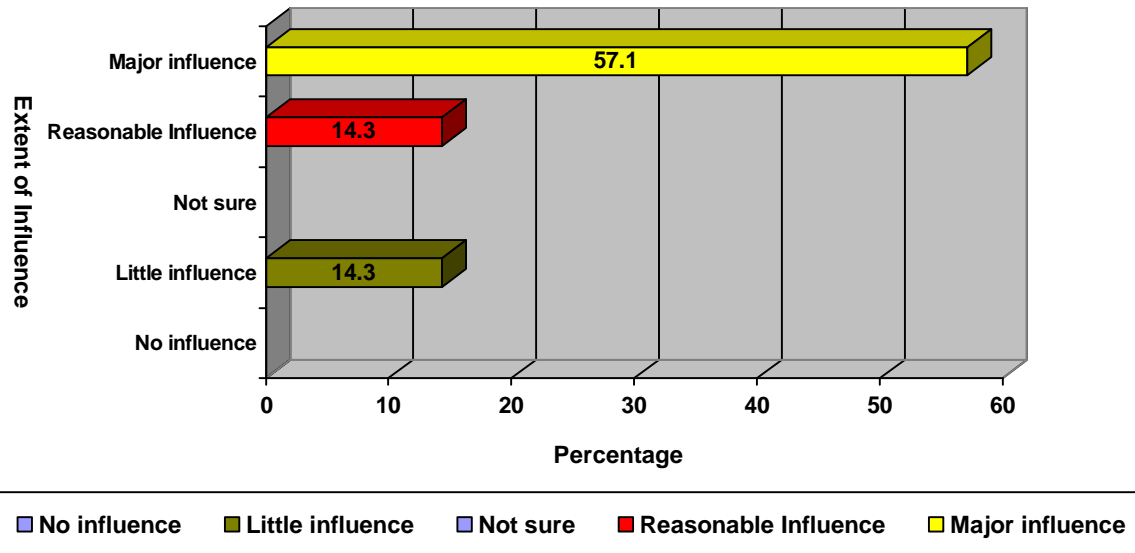


As can be seen in Figure 6.2, a significant number of radio stations indicated that the role and contribution of their station within their operating environment had little influence (42.9 percent) and no influence at all (28.6 percent) in the process of developing a mission statement. This shows that the majority of radio stations in Lesotho omitted a very important element that characterizes a complete mission statement, that is, an indication of its goals, when they developed these statements.

6.2.3 Definition of the business

A mission statement should highlight the benefits that the radio station provides for its customers or the needs that the customer satisfies.

Figure 6.3 :The influence of the definition of the business on the development of the mission statement.

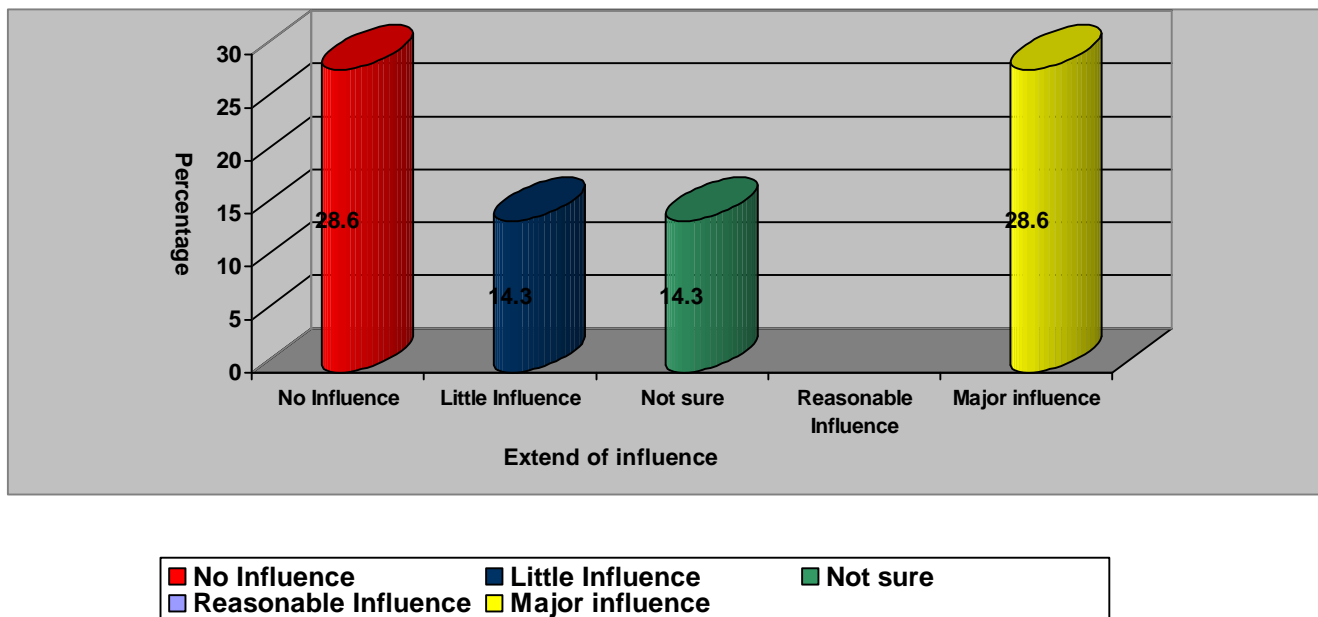


When radio stations were asked to indicate the extent to which the definition of the business influenced the development of the mission statement, 57.1 percent stated that this factor played a major influence, 14.3 percent said reasonable influence, and only 14.3 percent said it played no major influence (see figure 6.3). This points out that the majority of radio stations have mission statements that highlight the kind of service or benefits that their customers get from them.

6.2.4 Distinct Competencies

Competence can consist of one particular item or the possession of a number of skills compared with competitors. If, however, the name of the competitor could equally well be put on these distinctive competencies, then they are not distinctive competencies.

Figure 6.4 : The influence of distinct competencies on the development of the mission statement.

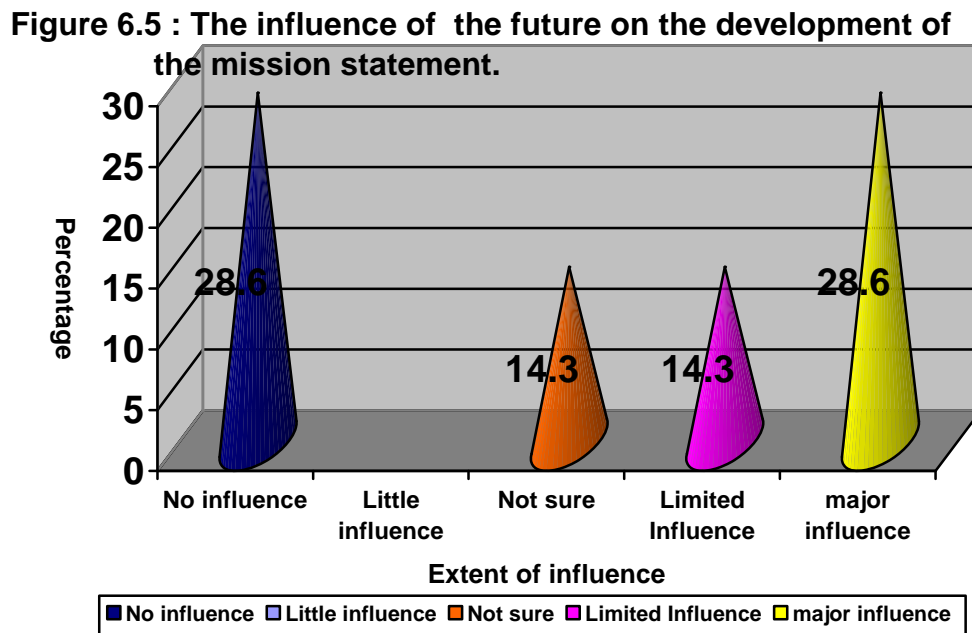


When asked whether “Distinct competencies” were considered or had any influence when they developed their mission statement, 28.6 percent indicated that it did not play any major influence. Another 28.6 percent of the radio stations indicated that it played a major influence. These findings, as presented in Figure 6.4, indicate that even though there are some radio

stations that looked at the element of distinct competencies when they developed their mission statements, the majority fell on the side that did not attach any importance to the influence of this factor, that is, 52.9 percent. This is a cause for concern because the mission statement should clearly underscore what the station can do that other radio stations cannot.

6.2.5 Indication of the future

This component specifically refers to what the radio station would do, what the radio station might do and what the radio station will never do.



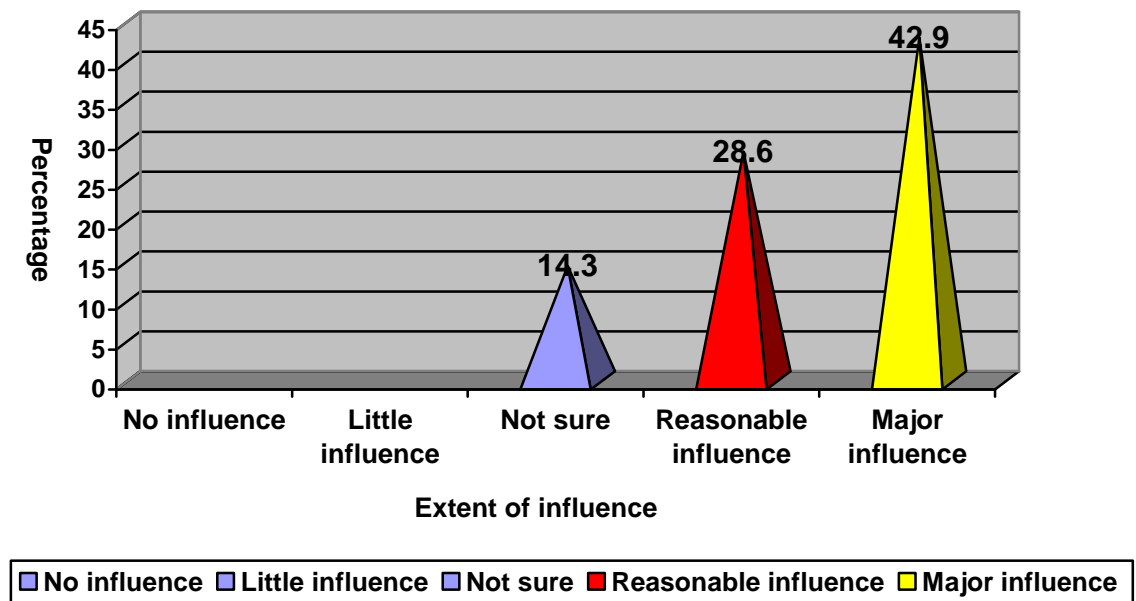
From the graph on Figure 6.5 it is clear that 28.6 percent of radio stations indicated that “indication of the future” had no influence in the development

of a mission statement. Figure 6.5 also shows that more radio stations indicated that this factor had some influence when they developed their mission statements, that is, 42.9 (14.3 percent and 28.6 percent). This is a good sign that points out that the development of the mission statement incorporated the indication of the future.

6.2.6 Strategic planning sessions

This factor sets out to establish whether radio stations held any strategic sessions when developing the mission statement.

Figure 6.6 : The influence of strategic planning sessions on the mission statement development



Out of the six (6) radio stations that stated that they prepared a formal written mission statement, 71.5 percent (42.9 percent and 28.6 percent) indicated that strategic planning sessions had a major influence when they developed their mission statement (see figure 6.6). This simply means that the greatest number of radio stations purport to using strategic planning sessions to develop their mission statements. Strategic planning sessions ensure that the formulated mission statement incorporates the ideas of a large representation of the employees of the radio station and therefore ownership.

6.3 DEVELOPMENT OF CORPORATE OBJECTIVES

6.3.1 Introduction

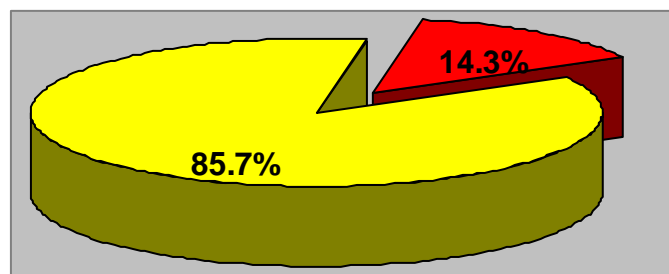
In this section the manner in which radio stations develop their corporate objectives is examined. It was mentioned in Chapter 4 that the corporate objectives and strategies need to be consistent with the sense of identity and direction provided by the mission. The sense of direction and identity refers to the strategic direction or long-term philosophy the radio station will uphold 3 to 5 years from the present.

6.3.2 Setting Corporate objectives

6.3.2.1 Radio stations in Lesotho with corporate objectives

Figure 6.7 indicates that 85.7 percent of radio stations prepare formal written corporate objectives. Only 14.3 Percent do not. This is a clear sign that a majority of radio stations are aware of the importance of setting out goals that would set the direction for the organization.

Figure 6.7: Radio stations with formal written corporate objectives



■ No corporate objectives ■ With corporate objectives

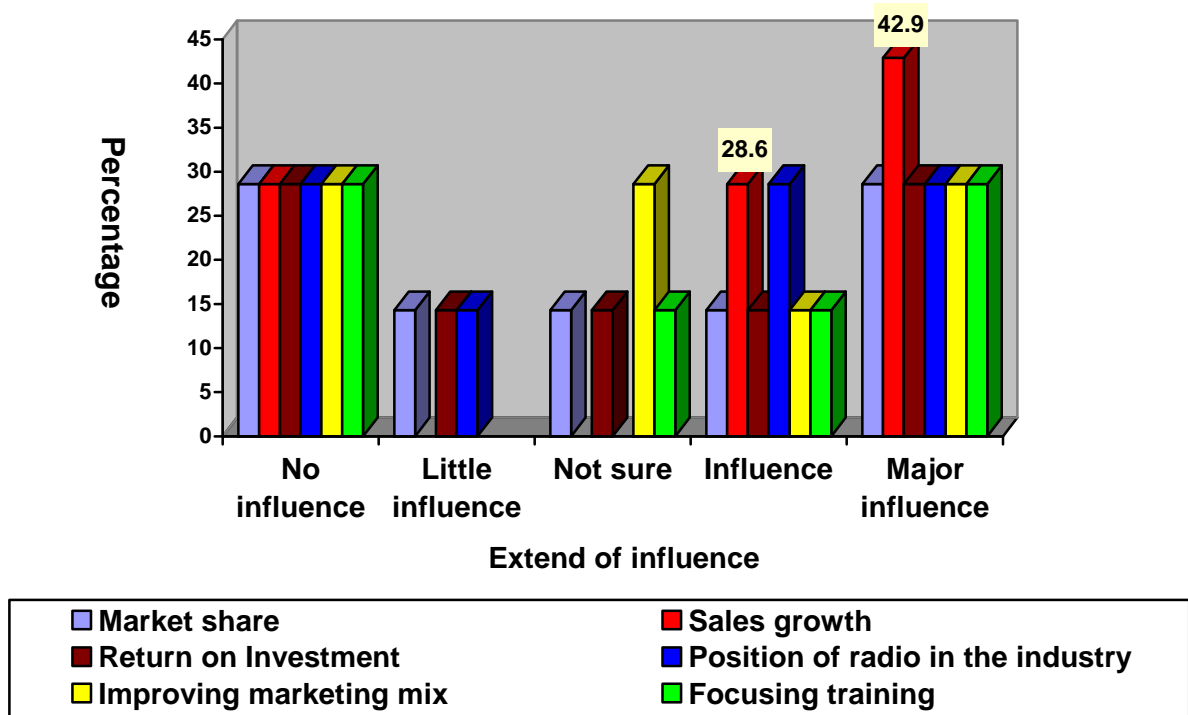
6.3.2.2 Factors that influence the development of corporate objectives

In this section the manner in which radio stations develop corporate objectives is examined and specifically the extent to which certain factors influence the process. The factors that influence the development of corporate objectives can be classified as quantitative and non-quantitative. The former refers to precise statements of major performance expectations such as sales growth (advertising rands), market share, return on investment

and profit, for instance, gain 5 percent market share in the next three years. The latter refers to objectives that set a foundation from which to build on to the radio station's existing strengths and eliminate its internal weaknesses; in addition to helping the radio station realise its strategic direction, for example, position of the radio in the industry, improving marketing mix, and focusing training.

As can be seen in Figure 6.8 sales growth was the factor that had the most influence on the development of corporate objectives. The rest of the factors indicated a more or less even result when comparison is made between the influence and non influence made on the development of corporate objectives. The analysis is that the majority of radio stations are focusing their resources on sales growth given that this is a fairly new industry in Lesotho and the potential of growing sales is still very high. This will in turn support any major capital projects, such as, infrastructural investments.

Figure 6.8: The extent of influence of market share, return on investment, improving marketing mix, Sales growth, position in industry, and focusing training on the development of corporate objectives.



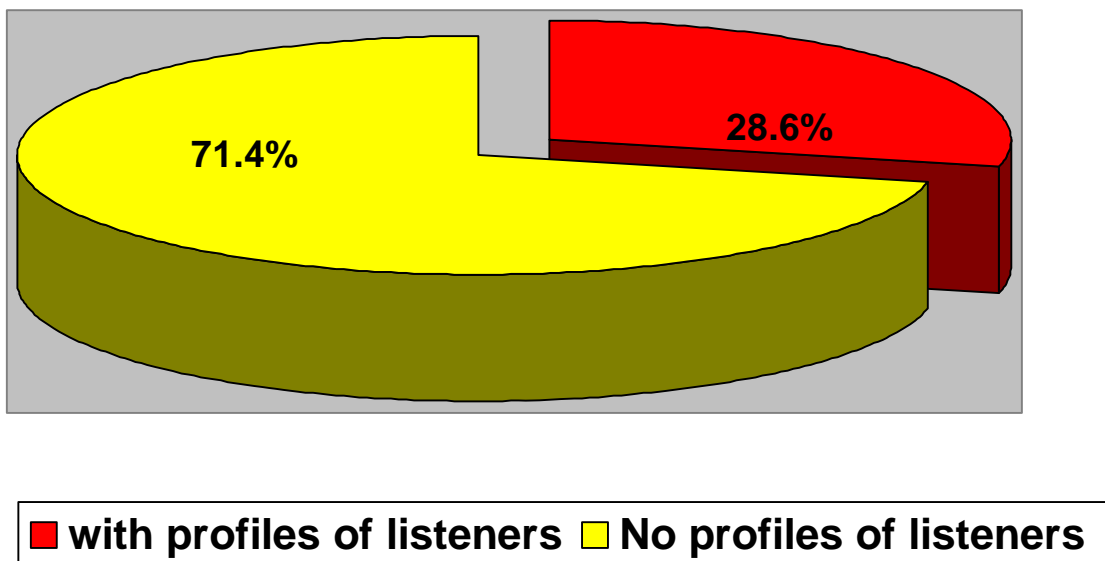
6.4 SEGMENTATION

Segmentation is defined as an identification process aimed at finding subgroups of buyers or users of products or services (Cravens and Piercy 2003: 117), or according to McDonald and Payne (1996), a process concerned with dividing a heterogeneous market into specific homogeneous groups. The needs of these subgroups can then be met more effectively, which in turn opens up the prospect of building customer retention and loyalty.

6.4.1 Listeners profiles

Figure 6.9 presents the responses, where 28.6 prepare profiles of their listeners while 71.4 percent do not. This is a clear indication that a majority of radio stations do not have a clear picture of the type of people they are targeting, that is, the customer's characteristics such as demographics and socioeconomics, psychographics, and geography.

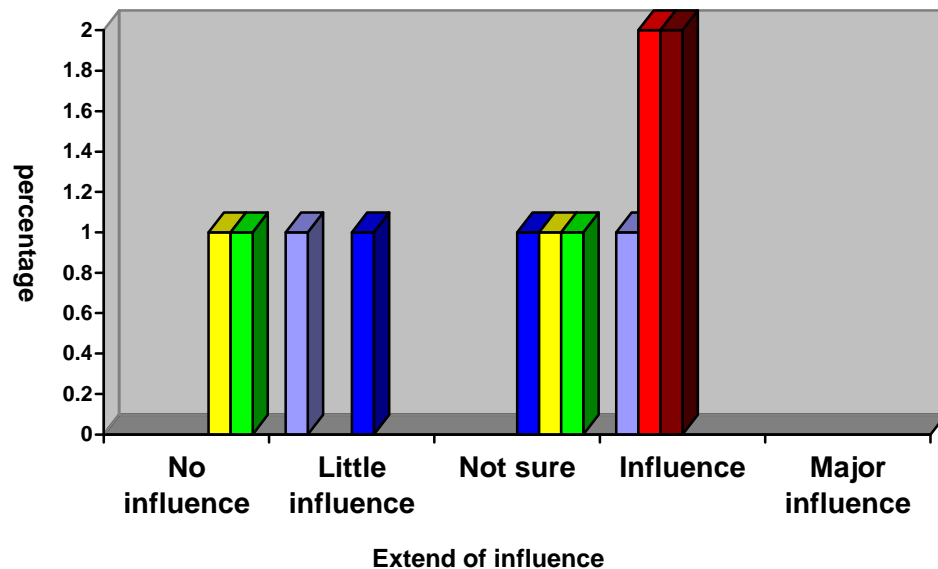
Figure 6.9: Radio stations in Lesotho with profiles of their listeners



6.4.2 Factors influencing development of customer profiles

A radio station has a number of factors it can use to develop the profile of its listeners such as the listener’s age, income and social class, gender, music preference, language and educational background.

Figure 6.10: The factors that influence the development of profiles of listeners



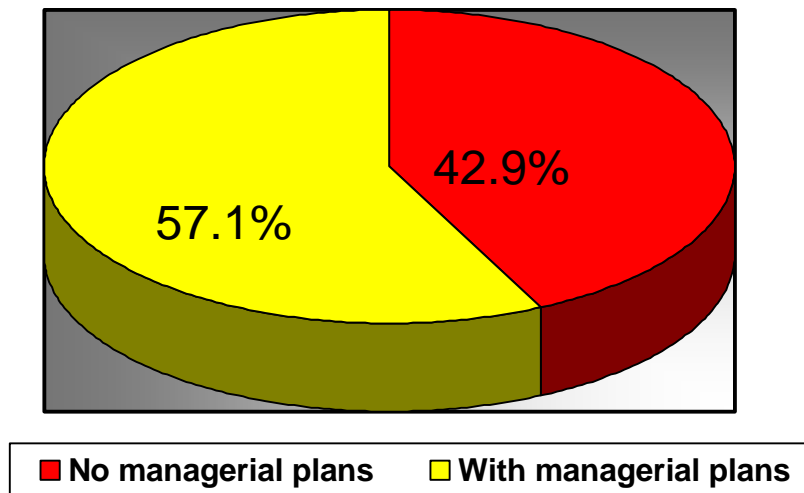
For the two radio stations (28.6 percent in Figure 6.10) that claimed that they develop the profiles of their customers it was established that gender and income and social class had the most influence on how they defined the profiles of their listeners. This is an indication that radio stations in Lesotho still only define their listeners in terms of gender, income and social class.

6.5 PLANNING

6.5.1 Introduction

Organisations generally have four divisions, namely: Corporate, Financial, Marketing and Human Resources. These domains have their own divisional plans which should, if done properly, inform themselves on the organisational corporate plan.

Figure 6.11: Radio Stations in Lesotho with managerial plans



Four of the seven radio stations (57.1 percent) that were surveyed indicated that they prepared managerial plans (see figure 6.11), that is, one or more of the standard managerial plans such as marketing, human resources, financial, and or corporate. This is a good sign because the existence of

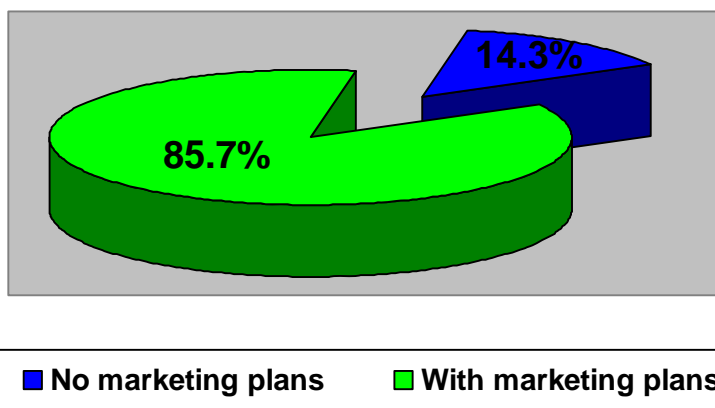
plans is a sign that there is foundation for successful implementation of programmes of action.

6.6 MARKETING PLANNING

6.6.1 Introduction

An analysis of how many radio stations prepare marketing plans is presented in Figure 6.12. Six radio stations, out of the seven surveyed, indicated that they prepare formal written marketing plans.

Figure 6.12: Radio Stations in Lesotho with Marketing plans

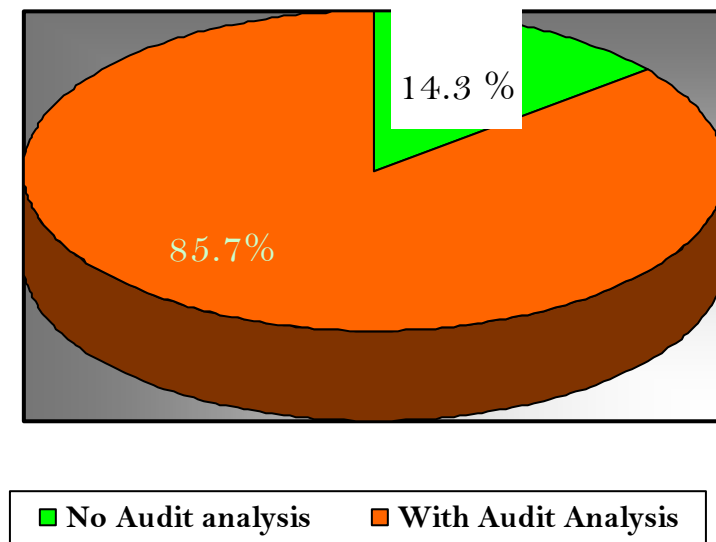


This is an indication that a majority of radio stations appreciate the importance of having a marketing plan in place, that is, as a blueprint that guides the execution of marketing programmes.

6.7 SITUATION REVIEW

The situation review is concerned with evaluating the future prospects of the radio station. Depending on the outcome of the review, the radio station may be in a good position to face the future, or it might be found to be lacking in certain areas.

Figure 6.13: Radio stations in Lesotho that carry out a marketing audit



As can be seen on Figure 6.13, a very small number of radio stations prepare a formal written marketing audit analysis. In actual fact, out of the seven stations, only one indicated that they prepare a marketing audit analysis. This is not a good sign because undertaking an audit analysis helps the radio station with the following useful information: 1. The trends in the customer and market area, so that the radio station can select those opportunities

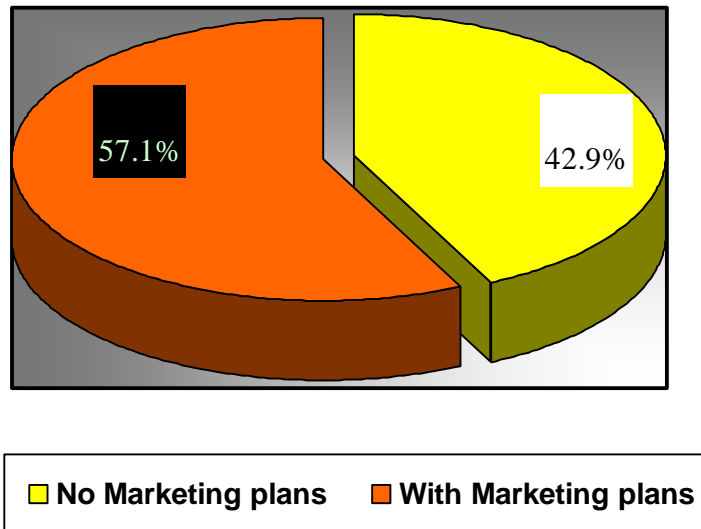
which offer the best prospects for long-term success; 2. Knowledge about the activities of other radio stations to help the station measure itself more accurately against its competitors; 3. The environmental audit - which gives attention to the external factors which can impact on the radio station; and 4. The relative strengths and weaknesses of the company's range of services in comparison with those offered by competitors which help identify points of differential advantage.

6.8 MARKETING OBJECTIVES

6.8.1 Introduction

A marketing objective is a precise statement which outlines what should be accomplished by the radio station's marketing activities. Figure 6.14 shows that four against three radio stations, that is 57.1 percent versus 42.9 percent respectively, out of the seven interviewed pointed out that they prepared marketing objectives.

Figure 6.14: Radio stations in Lesotho with formal written marketing objectives



Even though a majority of radio stations prepare marketing objectives (57.1 percent), the numbers that do not do so (42.9 percent) is worrying because of the importance of preparing formally written marketing objectives.

6.8.2 Development of marketing objectives

Marketing objectives should meet the following criteria (McDonald and Payne 1996: 120):

- They should be relevant in relation to the corporate mission and objectives
- They should be specific by focusing on clear and specific goal

- They should be time bound, that is, have an achievement date
- They should be challenging, that is, realizable, but at the same time stretching for individuals and the organization as a whole
- They should be focused, that is, concerned only with markets and services which the company plans to address.

When asked about the degree to which the above criterion affected the way they formulated their marketing objectives, those radio stations that prepare marketing plans indicated that time and achievement date is the factor that has the greatest influence when they prepare corporate objectives.

Figure 6.15: The extent of influence on the development of corporate objectives

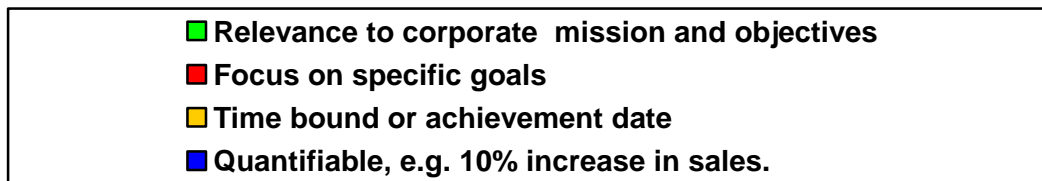
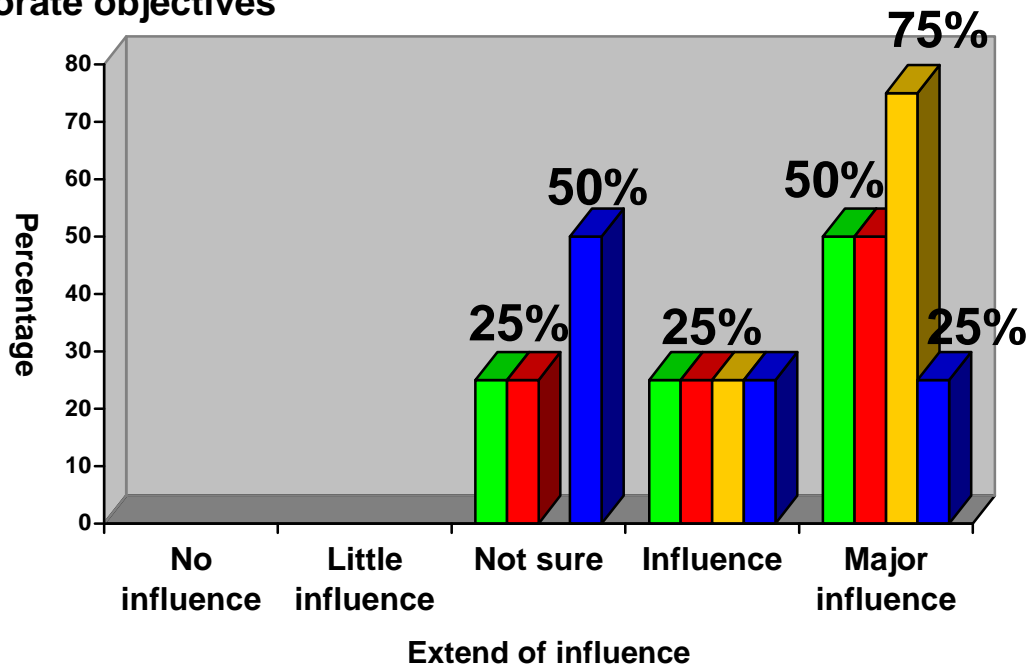


Figure 6.15 indicates that the radio place the greatest emphasis on ensuring that the objectives are time bound with the indication of an achievement date (75 percent). An encouraging sign is that the other elements, such as relevance to corporate mission, focus on specific goals, and quantifiable had some influence, 25 percent, that is.

6.9 COMPETITOR ANALYSIS

6.9.1 Introduction

It is very important to learn as much as possible about the competitors in order to know exactly where the business stands in comparison to competitors. This allows the radio station to prepare their strategies on the background of more accurate information about their competitors. Six radio stations out of the seven surveyed indicated that they had competitors. The remaining radio station stated that it did not regard any of the stations in Lesotho as a competitor because they served a completely different market to theirs.

6.9.2 Study of competitors

The audit on competitors should concern the company's major rivals and of particular interest will be knowledge of the following factors about the competitor:

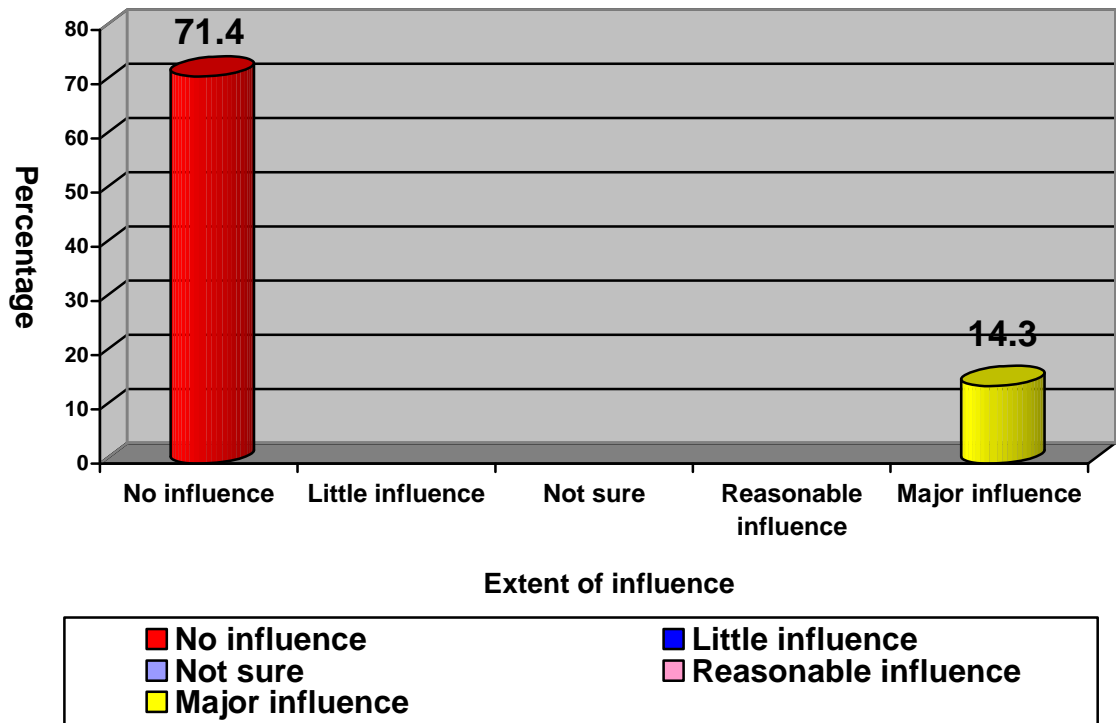
- Goals and objectives
- Marketplace behaviour
- Market share
- Growth
- Service quality

- Positioning
- Operations and resources
- Marketing mix strategies

6.9.2.1 Competitors' goals and objectives

Figure 6.16 depicts the responses of the radio stations to the question asking them the extent to which the goals and objectives of competitors had an influence on how they studied competitors.

Figure 6.16: The Influence of competitors' goals and objectives on competitor analysis



Only 14.3 percent of the six radio stations that stated that they have competitors regarded the goals and objectives of the competitors as important when analyzing them. The remaining five did not consider this factor as important when studying their competitors. This is an indication that radio stations do not consider competitors' goals and objectives as a major point to analyse when studying their rivals. This outcome is worrying because it is very important to know what the goals and objectives of your competitors are, so that your own strategies match or outdo those of competitors.

6.9.2.2 Competitors' market place behavior

The behavior of competitors in the market place gives a good indication of what direction they intend to take and this helps the management of competing radio stations to align their behavior accordingly in order to compete in earnest. Figure 6.17 illustrates the response of the radio stations to the inquiry about how influential competitors market place behavior was on the way they studied their competitors.

Figure 6.17: The influence of Competitors' market place behavior on competitor analysis

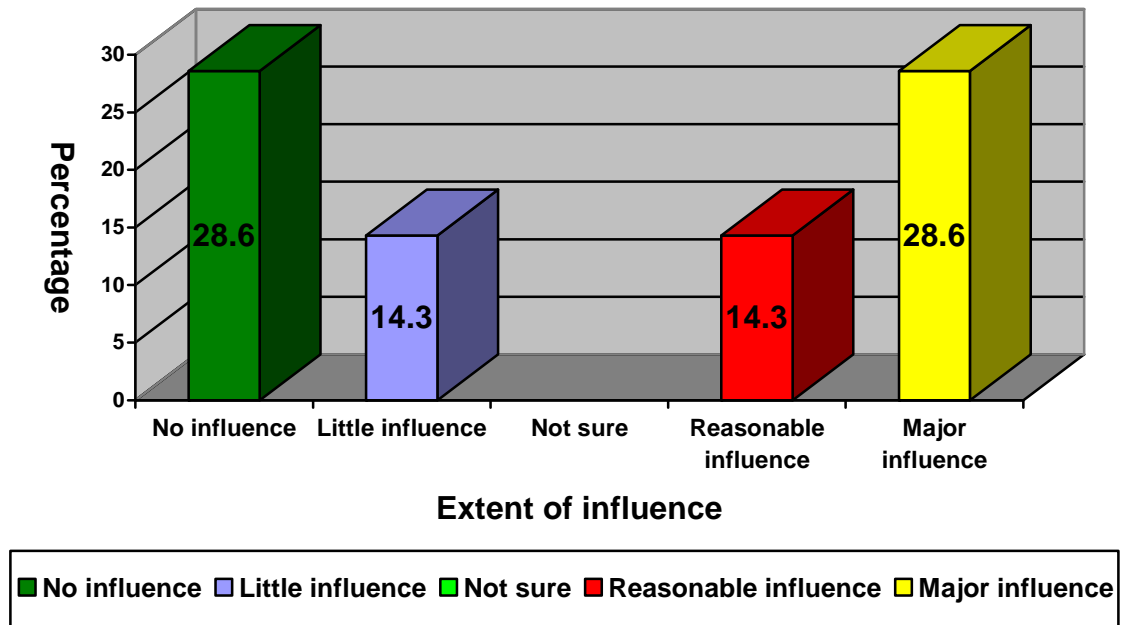


Figure 6.17 indicates that 28.6 Percent of the stations, that is, two out of the six stations that had competitors, regarded this factor as a major influence on what they studied about their competitors. The findings are both good and worrying. Good because half of the six radio stations (see section 6.9.1) that acknowledge that they have competitors consider the behaviour of their competitors in the market place when they study their competitors. Bad because the other half do not take into consideration the behaviour of their competitors in the market place.

6.9.2.3 Competitors' market share

This is one of the most important factors that any radio station should be worried about when studying their competitors because knowing the share of the market that the competitor holds will help you know where you are and how much share you want to get from them.

Figure 6.18 :The Influence of competitors' market share on competitor analysis

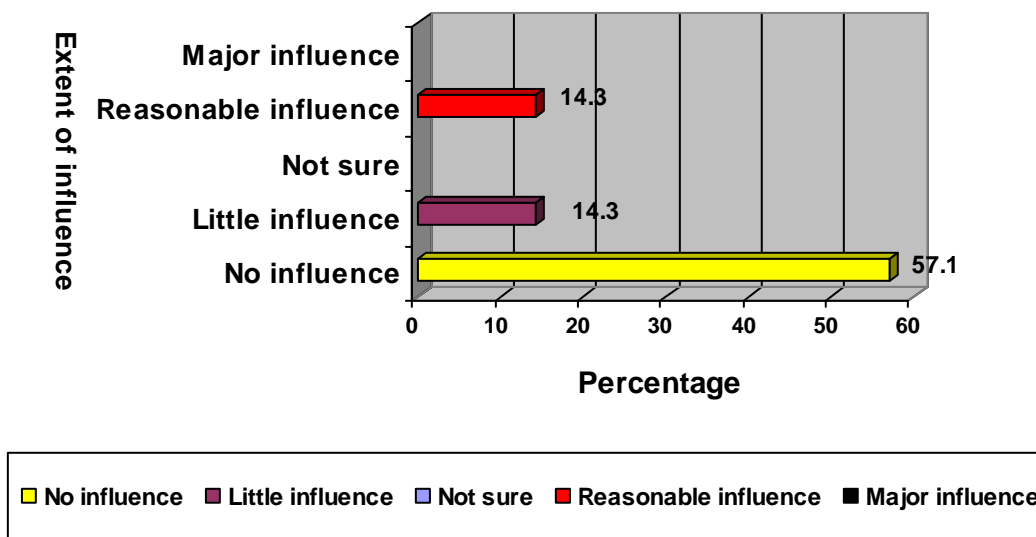


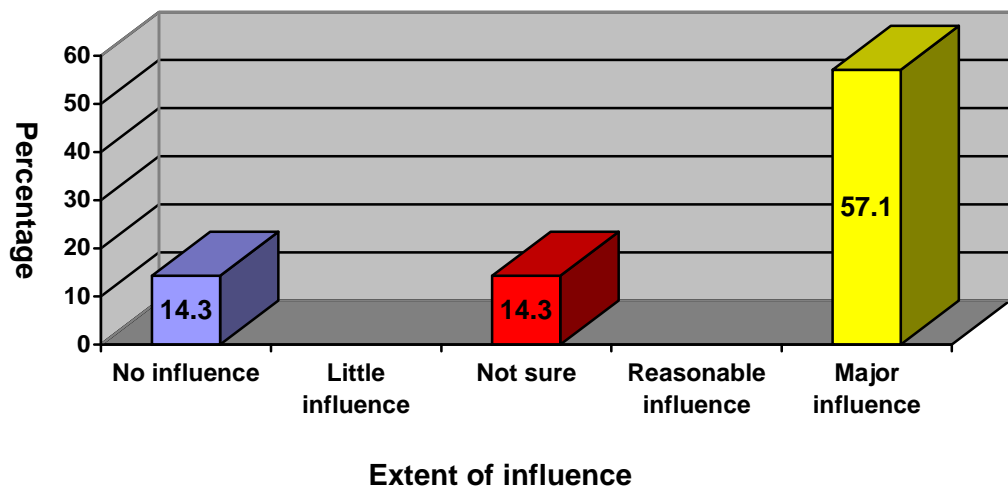
Figure 6.18 shows that four, or 57.1 percent, out of the six stations, indicated that the market share of competitors has little significance when they studied their competitors. Only 14.3 percent, or just one radio station appreciated the importance of considering the competitors market share. This is a worrying factor because the market share of competitors should be one of the scales

through which radio stations measure where they are in terms of their performance.

6.9.2.4 Competitors' growth

The rate of growth or non-growth of the competitor gives an excellent sign of how you should manage your growth, for example, rapid growth by a competitor could mean that there are opportunities in the market that you could take advantage of. It is therefore important to study this factor as well, when analyzing your competitors.

Figure 6.19: The influence of Competitors' growth on competitor analysis



■ No influence ■ Little influence ■ Not sure ■ Reasonable influence ■ Major influence

As can be seen in Figure 6.19, the majority of stations, 57.1 percent, considered the growth of competitors as having the greatest influence when they analyse their competitors. This is a good sign that shows that the majority of radio stations understand the benefits of watching the competitors' growth patterns in order to do a more informed comparison.

6.9.2.5 Competitors' service quality

The type of quality of service offered by competitors to their customers should be of measure concern to the radio stations because consumers place a lot of emphasis on this factor when they choose their service provider. For example, advertisers prefer a radio station that provides quality programmes.

Figure 6.20: The influence of service quality on competitor analysis

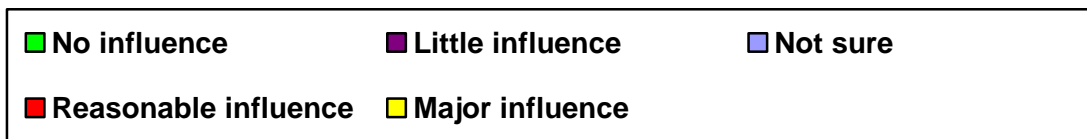
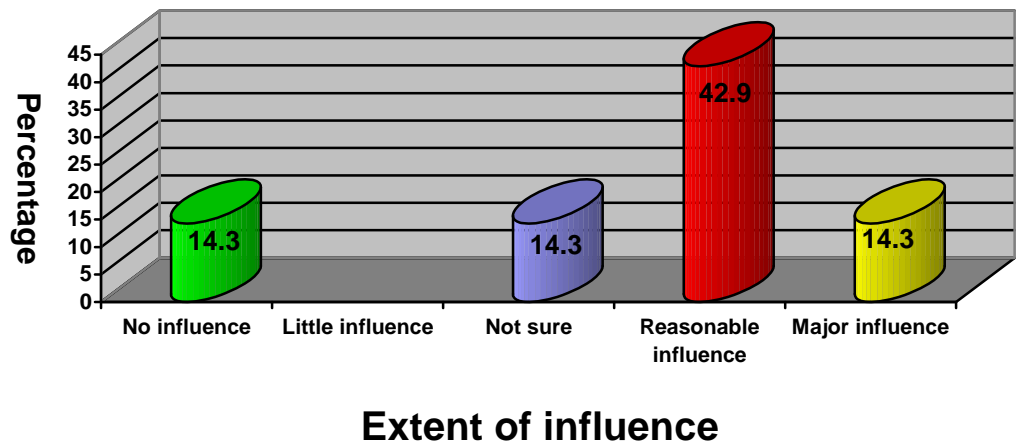
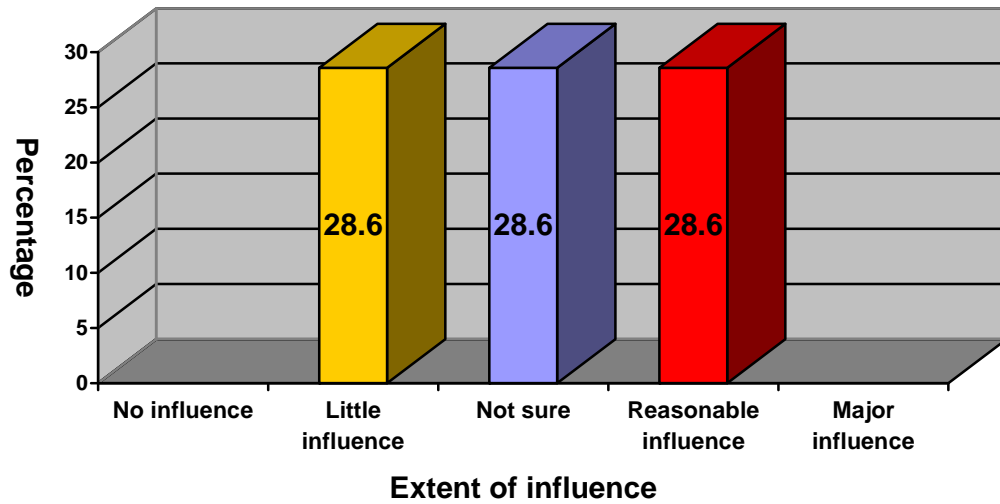


Figure 6.20 shows that a majority, 57.1 percent (42.9 percent and 14.3 percent), of the radio stations regard the competitor's quality of service factor as important when studying competitors. This is good because consumers often choose one competitor from another based on quality of service and therefore knowing the quality of service provided by competitors ensures that the standards of service are maintained or improved accordingly.

6.9.2.6 Competitors' operations and resources

The way any radio station operates and the type of resources they have often represents their strengths or weaknesses. A radio station that has access to resources can acquire the best equipment and staff. Studying the way other stations operate and the resources they have will help any radio station understand the strengths or weaknesses of their competitors.

Figure 6.21: The influence of competitors' operations and resources on competitor analysis



An equal number of radio stations, 28.6 percent or 2 out of six, showed that they either attached some significance, no significance and a reasonable level of importance to the influence of this factor when they studied their competitors (see figure 6.21). Again, this is both worrying and good. The ones who attach some level of influence to this factor are fine. However, those who do not are a cause for concern, because knowing the strengths of competitors, in terms of the resources they have and their operations, is a prerequisite for accurate understanding of them.

6.9.2.7 Competitors' marketing mix strategies

A radio station poses the greatest threat as a competitor if it is able to integrate the available marketing tools properly, that is, effectively combine advertising, sales promotion, public relations, direct marketing, and personal selling to build a more cost effective marketing effort. Therefore, studying its marketing mix strategies gives a good indication of how well it is using the available marketing tools.

Figure 6.22 : The influence of Competitors' marketing mix strategies on competitor analysis

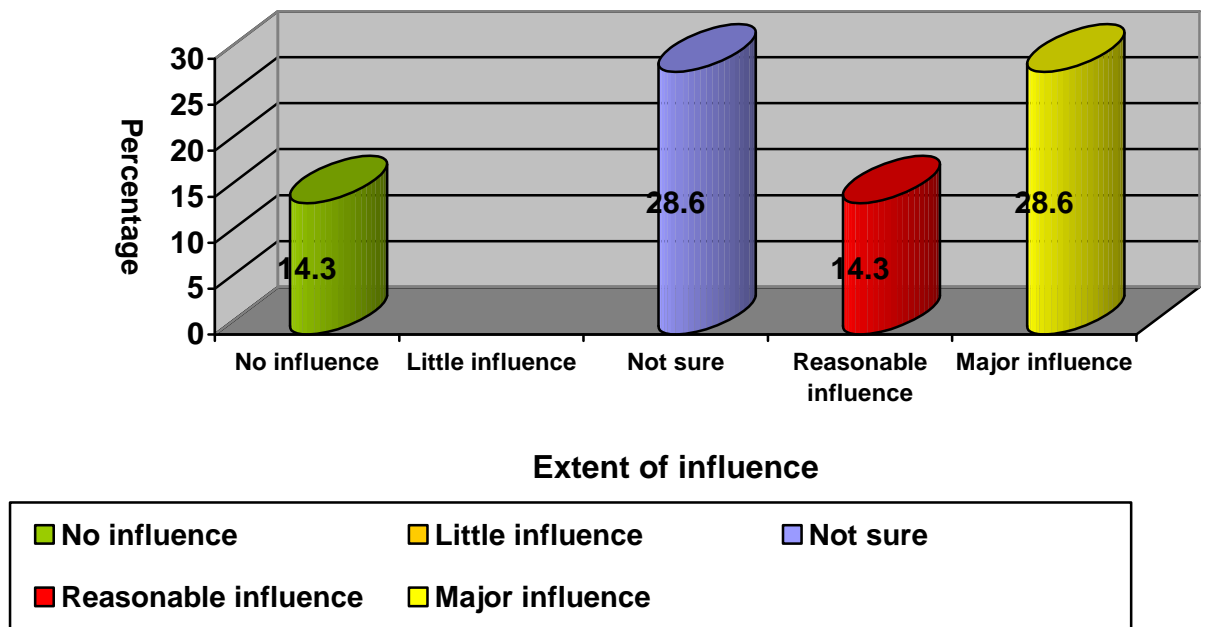


Figure 6.22 indicates that 28.6 percent of the radio stations that were surveyed stated that competitors marketing mix strategies had a major

influence when they study competitors. 14.3 percent indicated that this factor played a reasonably significant part when they study competitors. 28.6 percent were not sure, while 14.3 percent said this factor had no influence on the way they study competitors. The scale is tipped towards a view that most radio stations regard this as a significant factor to consider when studying competitors (42.9 percent versus 14.3 percent as in Figure 6.22). These findings are encouraging because the intensity of competitors' marketing mix strategies give a clear picture of their intentions and is therefore a good basis from which to analyse competitors.

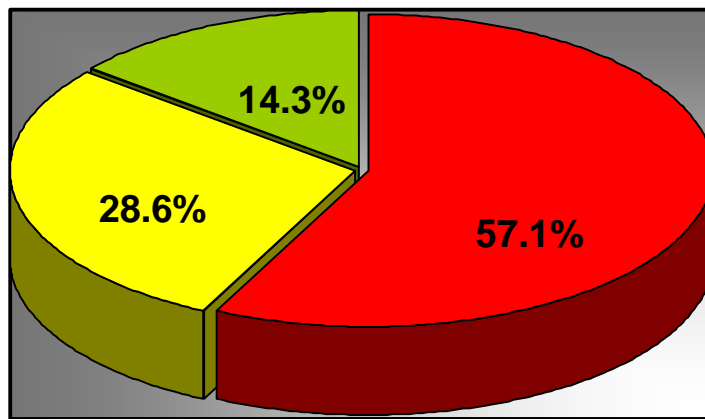
6.9.3 Emergence of new competitors

6.9.3.1 Introduction

The radio industry in Lesotho is fairly new, less than ten years to be precise. This is because, even though Lesotho attained independence from British rule in 1966 and two years prior to that, in 1964, the first radio station (Radio Lesotho) had been established, the station remained the only station in the country for well over thirty years. However, from 1998 to the present, the industry has seen an emergency of more independently owned stations. It is therefore imperative that every other station be aware of the possibility of

even more competitors coming into the fray. This would definitely call for proactive strategies to deal with the challenge of emerging stations.

Figure 6.23: The possibility of new radio stations emerging in the Lesotho radio industry



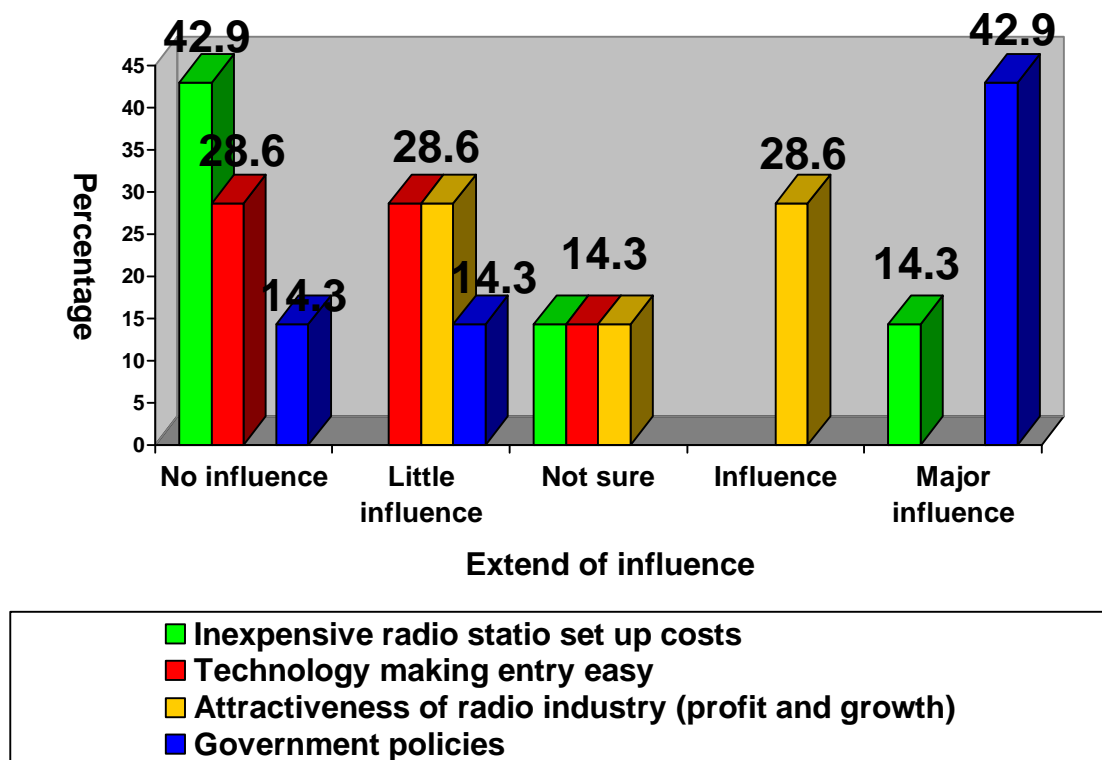
As can be seen in figure 6.23 four radio stations (57.1 percent) indicated that they foresee the emergence of new competitors, while two (28.6 percent) do not foresee new radio stations emerging. One radio station, out of the seven interviewed, had no comment on this question. The percentage that appreciates that competition might emerge in the future are encouraging, while the 28.6 percentage that do not see any competition emerging are worrying. This is because the radio industry in Lesotho is still in its

formative stage and this simply means that with more growth will come more players wanting to enter this industry.

6.9.3.2 Factors that influence entry into the Lesotho radio industry

The radio industry is increasingly becoming easier to enter into and this is attributable to a number of factors such as, improvement in technology that subsequently makes the set up costs inexpensive, attractiveness in terms of profit and growth potential, and government policies.

Figure 6.24: The factors that influence the emergence of new competitors in the Lesotho radio industry



As can be seen in Figure 6.24 government policies have been identified by a majority of the radio stations that were surveyed as the factor that has the greatest influence on why competitors will be emerging in the radio industry in Lesotho (42.9 percent). The reason behind this type of thinking is that previously the government had not developed any legislature to accommodate the entry of other independent investors to run radio stations in Lesotho (see Chapter 2). This has changed and now people can privately run radio stations hence why this factor is identified by many radio stations as the one with the most influence. The set-up costs have no influence as a factor when radio stations study factors that might see the emergence of new competitors. This is because the set-up costs are not very expensive and do not therefore count for much (42.9 percent) as a factor that might influence the emergence of new competitors.

6.10 Marketing mix strategies.

6.10.1 Introduction

Marketing strategies for a radio station are generally concerned with the seven major elements of the services marketing mix namely the service, promotion, price, place, people, processes, and customer service. The extent

to which these marketing tools are used by radio stations in Lesotho is explored in this section.

6.10.2 The service - Programmes

6.10.2.1 Introduction

This section explores whether radio stations in Lesotho understand and appreciate the process of developing relevant programmes for their target audiences. Radio stations have programming as the service element of their marketing mix. It is the quality of this service element that will ensure that they attract listeners in great numbers and subsequently sponsors and advertisers. Programming refers to the way broadcasters select and arrange the various elements, such as music, advertisements, and speech within a programme in a manner that is pleasing to the listener (see Chapter 2). It is therefore important for the station to first identify and analyse the type of listeners they want to target before they develop a format that is relevant to them.

6.10.2.2 Programming

It was mentioned in Chapter 2, paragraph 2.3.2, that before the station can even think of developing its programmes it has to fully understand the type of audience it intends to create the programmes for.

Figure 6.25: Radio stations in Lesotho that target specific audiences

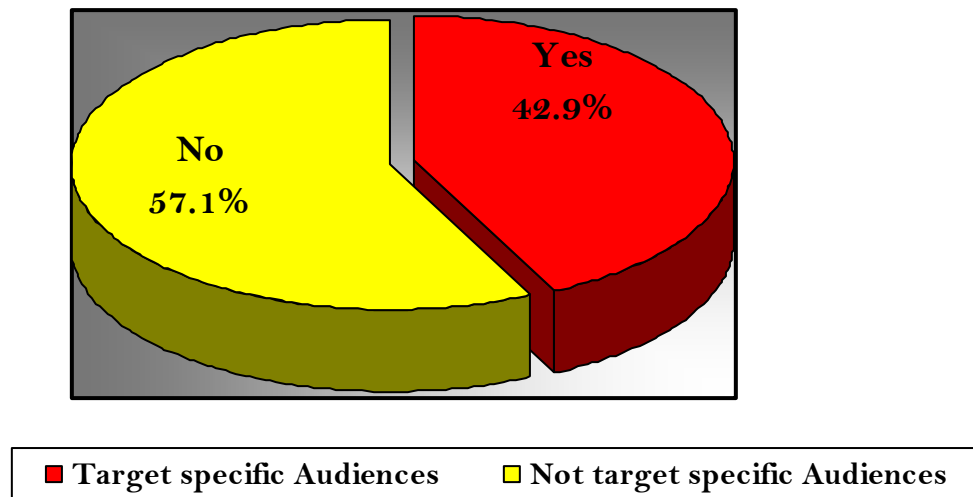


Figure 6.25 indicates that only three of the seven radio stations that were surveyed stated that they targeted specific audiences. Stated in Percentage form, 42.9 Percent of the radio stations said they target specific audiences, while 57.1 said they did not. This simply means that a majority of radio stations cannot explain to their clients, that is, advertisers, the type of audiences they target. Advertisers in particular purchase advertising time

from radio because the station targets audiences who are a match with the advertiser's target consumers. This implies that they will only be willing to spend their money if the profiles of the listeners of the station match with the profiles of their customers or potential customers. The 57.1 percent (see figure 25) that do not have these profiles will lose out on many potential advertisers spend money.

6.10.2.3 Factors that influence the selection of target audiences

There are several criteria that the station can use to identify its target audiences such as, geographic factors, psychographic factors, geographic factors, competitive situation, political aspects, and market potential. The question that was posed to the surveyed stations in relation to these factors was the extent to which they influenced the way the radio station identified their target audiences. The responses to this question obviously came from the 42.9 Percent that had answered "yes" to the question in the above section.

Figure 6.26: Factors that influence the selection of target audiences

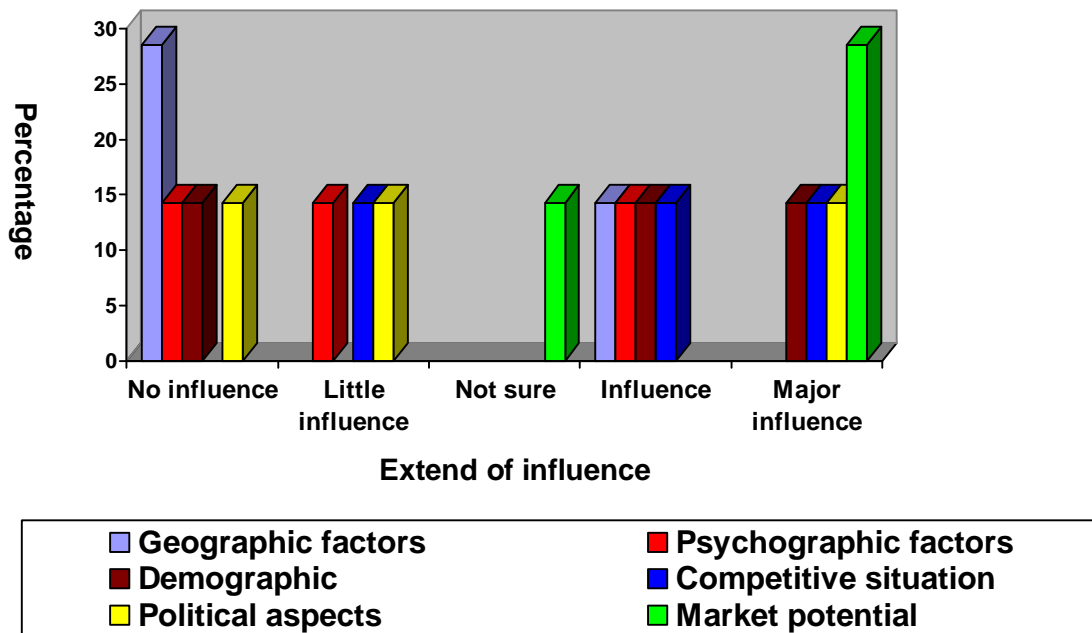
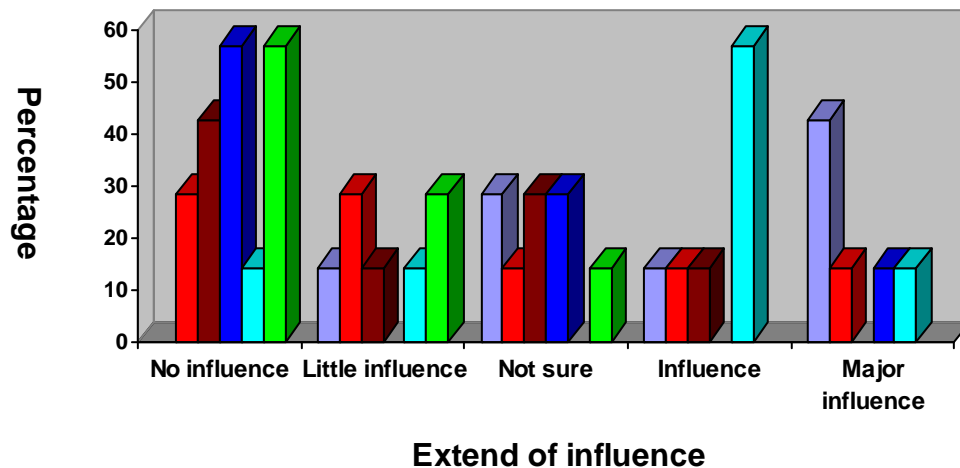


Figure 6.26 is a representation of the responses of the three radio stations that stated that they target specific audiences and it is obvious that market potential is the most influential factor on how radio stations choose their target audiences. Geographic factors had the least influence, as can be seen on the Figure 6.26.

6.10.3 Pricing strategies

The table below represents the responses of the radio stations to the question that explored how they determined their pricing strategies.

Figure 6.27: Factors that influence the pricing strategies



It is evident, as indicated in figure 6.27, that most radio stations allow their prices to be dictated by the advertiser's and demands for advertising time and not the other factors such as, production costs, promotional costs, competition, or consistency with other marketing communication tools.

6.10.4 Distribution Strategy

This section looks at the responses from radio stations to the question that asked them the extent to which the following contact situations between them and their advertisers influence the interaction with the advertisers: The customer comes to the radio station's premises; or the station's representatives go to the customer.

Figure 6.28: The extent of influence of customer contacts.

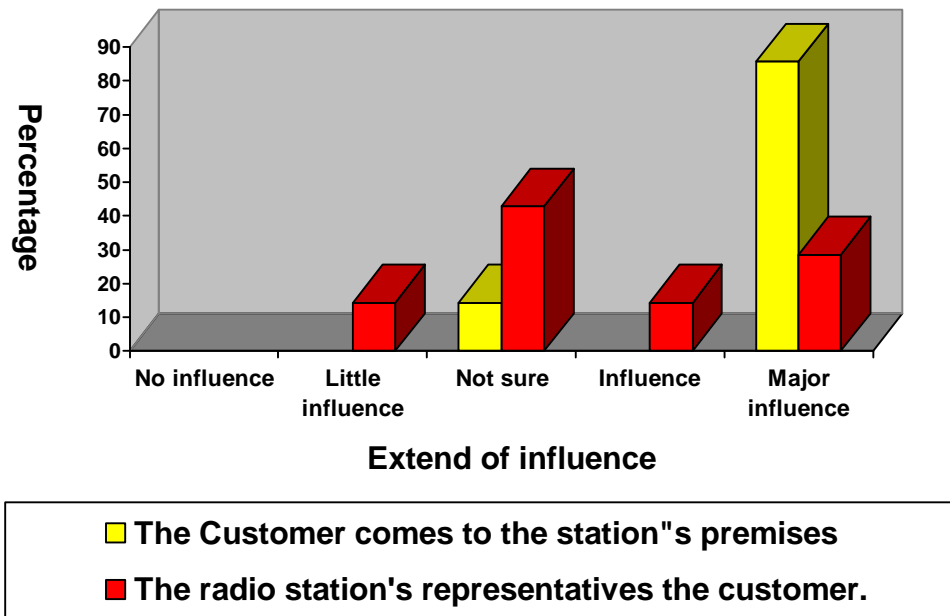
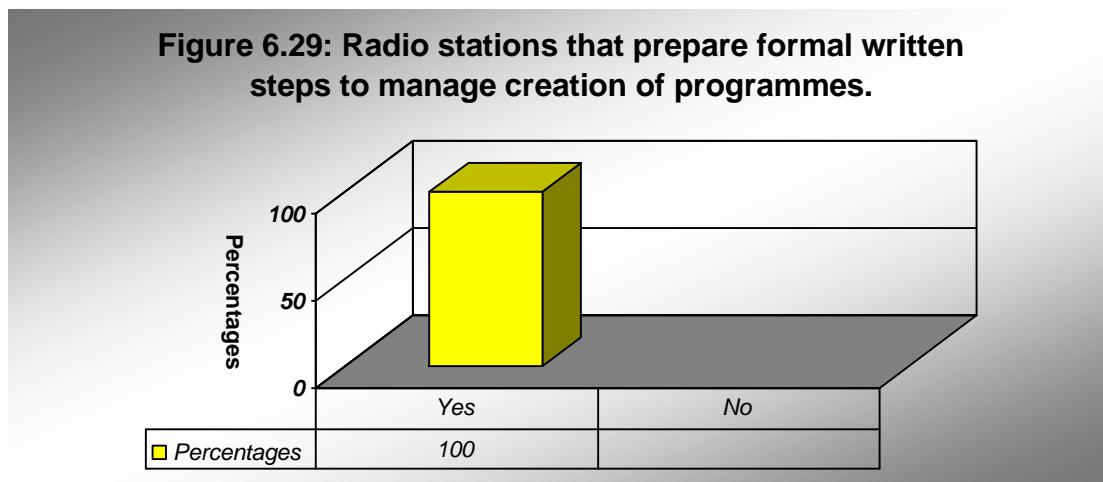


Figure 6.28 indicates that a greater number of contacts with customers (advertisers) are initiated by customers who actually go to the premises of the radio stations. This simply means that radio stations are not making adequate initiatives to approach advertisers. This should involve actually

leaving their premises and visiting the business locations of the advertisers to solicit advertisements.

6.10.5 The Process

This section explores whether radio stations do actually have a defined process through which they develop radio programmes. This is because radio stations should have clearly defined steps that they use to develop quality programs. Radio station's services are also manufactured through a series of interconnected activities of production, distribution, and consumption, in which raw data and symbols are transformed into usable, meaningful information packages. Figure 6.29 indicates that all radio stations prepare formally written steps to manage the process of creating programmes.

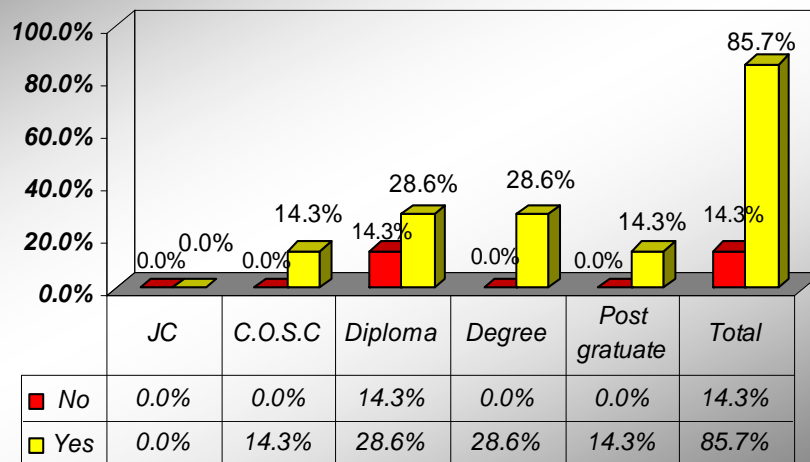


This indicates that radio stations in Lesotho are doing a good job of managing the process of developing programmes. For example, when journalists are sent out to get stories, they should know the steps they have to follow to ensure that the stories ultimately reach the listeners as correct, fair and interesting stories for consumption.

6.11 EDUCATIONAL QUALIFICATIONS AND MARKETING PLAN

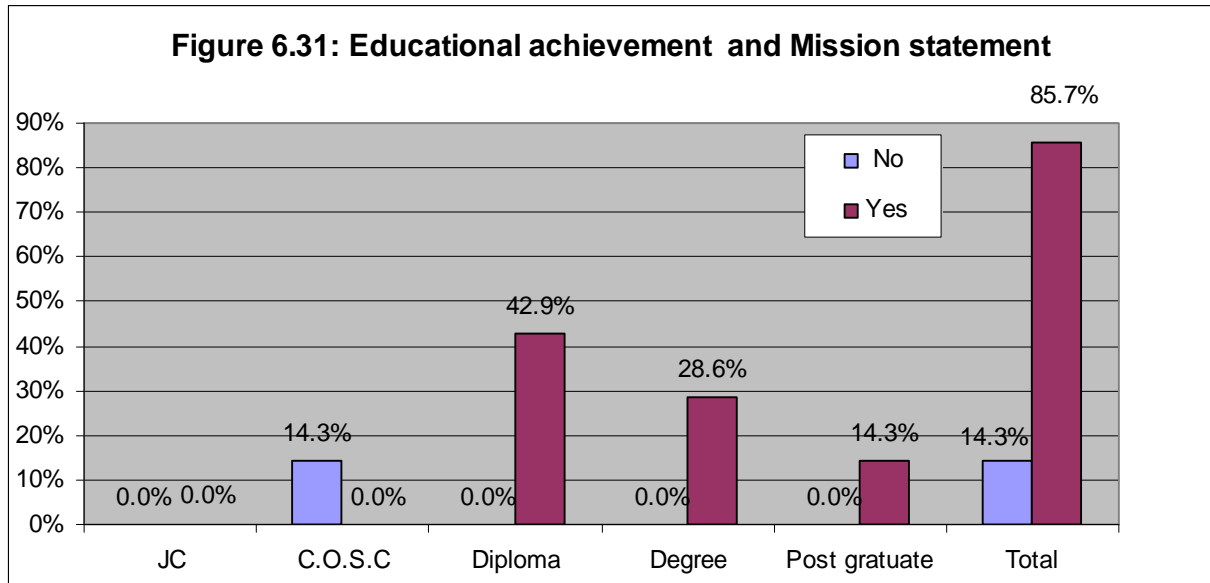
Figure 6.30 indicates that 85.7 percent of radio stations that prepare a formally written marketing plan had a C.OS.C qualification or more. The qualifications which were held by most people whose radio stations prepared marketing plans were diplomas and degrees. It can be said that most radio stations that developed formally written marketing plans had most people responsible for marketing within the radio station in possession of diplomas and degrees. Therefore, possession of a degree or diploma by the person responsible for marketing increases the likelihood of a marketing plan being prepared for the radio station.

Figure 6.30: Relationship between educational qualifications and development of a marketing plan



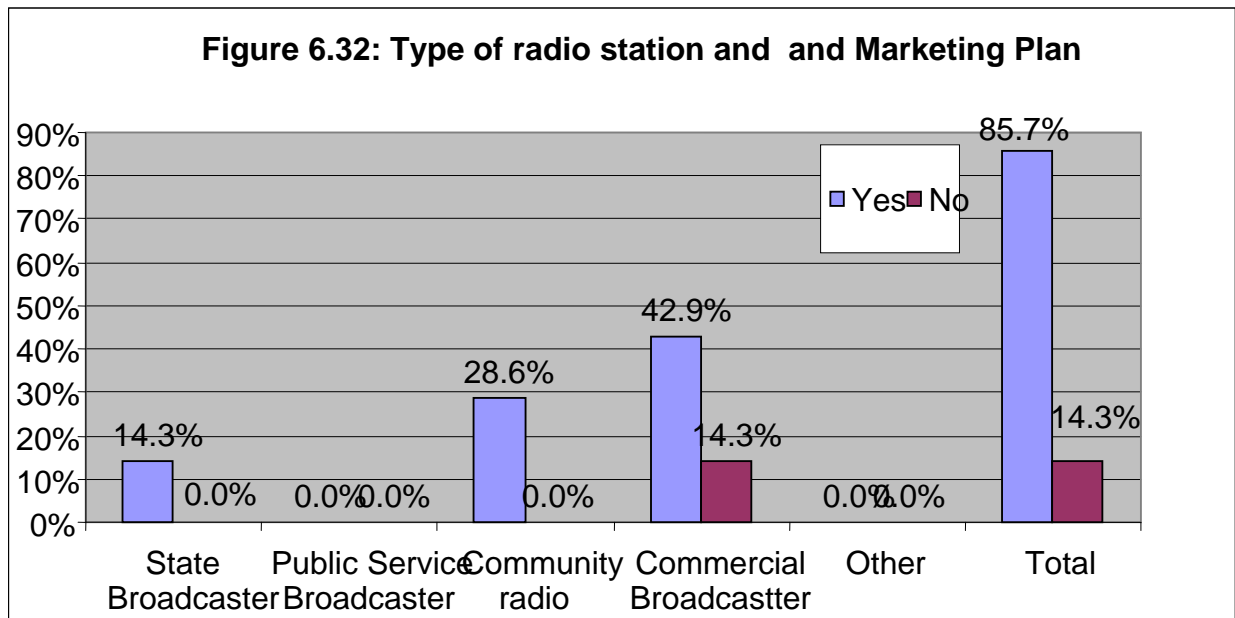
6.12 EDUCATIONAL QUALIFICATIONS AND MISSION STATEMENT

Figure 6.31 indicates 85.7 percent of people who are responsible for the marketing functions within the radio stations that prepared mission statements had diplomas and upwards. The people responsible for marketing within the stations that did not prepare mission statements only have C.O.S.C. It can therefore be said that the likelihood of a mission statement being prepared for a radio station is dictated by the kind of qualification the persons responsible for marketing within the organisation hold, that is, the better the qualifications the better the chances that a mission statement will be prepared for the radio station.



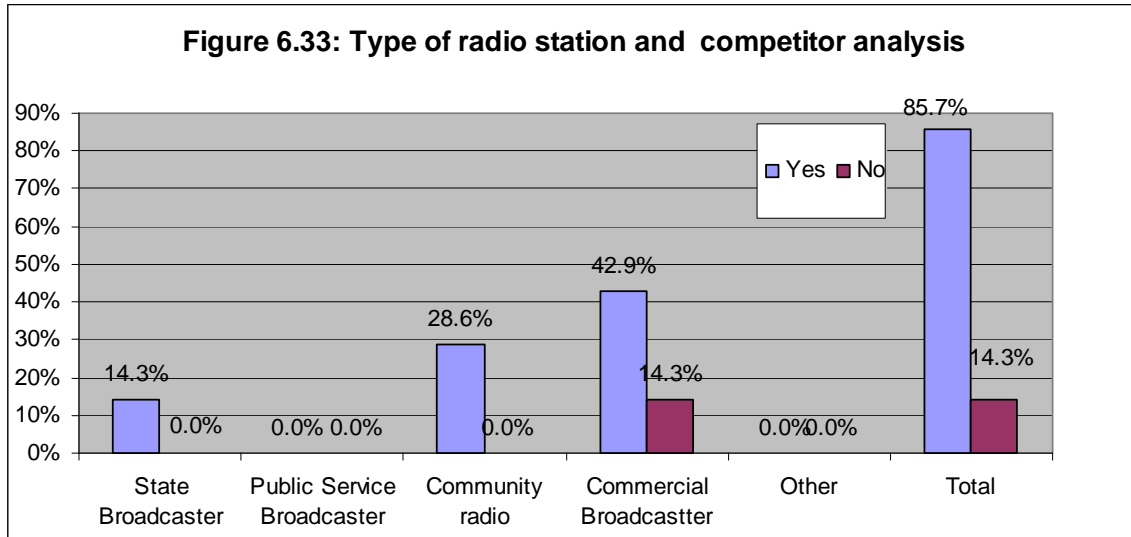
6.13 TYPE OF RADIO STATION AND MARKETING PLAN

Figure 6.32 indicates that 14.3 percent of radio stations that prepare marketing plans are state broadcasters, 28.6 percent are community radios, and 42.9 percent are commercial broadcasters. 14.3 percent of radio stations did not prepare marketing plans and all of them are commercial broadcasters. The situation is encouraging because it is evident that a lot of radio stations prepare marketing plans and a majority of them are commercial broadcasters (42.9 percent). The discouraging part is that there are still some commercial radio stations that do not prepare marketing plans even though they depend entirely on money they have to generate themselves, that is, unlike the other types of stations that may get grants from the government or donations from the community they serve.



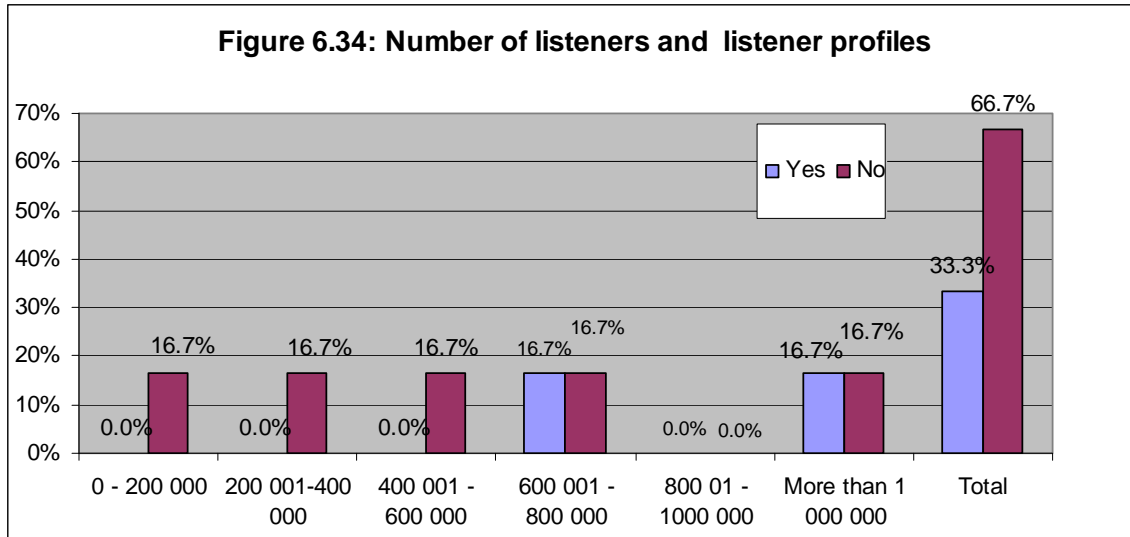
6.14 TYPE OF RADIO STATION AND COMPETITOR ANALYSIS

Figure 6.33 indicates that a large percentage of radio stations carry out a competitor analysis (85.7 percent) in contrast to those who do not do so (14.3 percent). All of those radio stations that do not carry out competitor analysis are commercial broadcaster. This is a worrying situation because commercial stations should follow marketing procedures to the letter and studying competitors is one of the fundamental principles of marketing (Section 4.5.3.1.2).



6.15 NUMBER OF LISTENERS AND LISTENER PROFILES

Figure 6.34 indicates that radio stations that have six hundred thousand listeners and less do not develop the profiles of their listeners. Only 33.3 percent of all the radio stations develop listener profiles and they have six thousand and one listeners or more.



6.16 SUMMARY

This chapter discussed the findings of the empirical study. The findings were schematically presented through graphs and the discussions explored the graphs and revealed what the implications of the findings were in the context of this study. The next chapter will discuss the findings further and provide conclusions and recommendations.

CHAPTER 7

CONCLUSIONS AND RECOMMENDATIONS

7.1 INTRODUCTION

The major focus of this study is to establish the extent to which radio stations in Lesotho have adopted the use of strategic marketing planning and to subsequently advise the stations on how to go about the process if the findings in the previous chapter establish that their strategic marketing planning approaches come short. A radio station is a business like any other business, concerned with offering customers what they need at a price to make profits. Media delivery platforms must now become more accountable and offer value for money to the consumer and advertiser if they wish to profit from the interaction with customers (see paragraph 1.2). The solution lies in a strategic marketing planning approach.

Prior to 1998 there was only one radio station in Lesotho, Radio Lesotho, which was and is still totally owned and controlled by the government. New radio stations started emerging post 1998 when the government established a regulatory framework for the radio industry (see paragraph 1.4). The implication of this is an increase in competition for listeners and advertisers,

among the old and the new stations. To survive the competition in an increasingly volatile environment it is evident that radio stations need to find a systematic way of creating and implementing appropriate strategies.

This study has established that a significant number of radio stations do not make use of the strategic marketing planning approach. As a process, strategic marketing has three distinct phases: strategic analysis, formulating, and implementation. Strategic analysis provides answers about where the business is through the examination of the business environment, customers and the internal review of the organisation itself. Tools such as portfolio analysis and industry structure models help to assess objectively the organization's current position (see paragraph 4.5.1). Formulating strategy determines a way forward for the organisation, that is, after having analysed its present situation. Formulation involves defining strategic intent – the overall goals and objectives of the organisation. The formulation stage culminates with the development of a strategic marketing plan and lastly, implementation, which involves the undertaking of programmes and activities to deliver strategic objectives.

The strategic marketing planning process has four phases. The first phase establishes the strategic context of the organisation and provides the pivotal link between the corporate plan and the marketing plan. The mission statement is developed in this phase. The corporate objectives and strategies are discussed in this phase to allow for a mutual interdependency to develop between marketing planning at the operational level and the setting of corporate objectives and strategies.

The second phase, the situation review, is concerned with evaluating the future prospects of the service enterprise. The evaluation is done through a marketing audit, whose purpose is to gather all the relevant data which can determine how well equipped the service organisation is to compete in its chosen marketing arena now and in the future. Also, in the second phase, the strengths, weaknesses, opportunities and threats are analysed (SWOT analysis). The SWOT analysis identifies the key components of marketing information from the data generated by the marketing audit. Lastly, in the second phase, some assumptions are made about the future because some key factors such as the political climate and economic elements cannot always be predicted accurately.

In the third phase marketing objectives and strategies are developed based on the data provided by the SWOT analysis and key assumptions. The marketing objectives are statements that outline what is to be accomplished by the service company's marketing activities, while the marketing strategies are the means by which marketing objectives are achieved.

The fourth phase involves the allocation of resources for various marketing activities identified in phase three. A detailed first year tactical marketing plan, that involves considerations of the services marketing mix at a detailed operational level, is formulated in the fourth phase. The phase also addresses the issues of monitoring and control.

The radio industry in Lesotho is relatively new and it was fitting that the study put its focus on whether the strategic marketing planning process or its phases actual happen in Lesotho and if so, whether it is done correctly. For example, whether, as dictated by the first phase, they do develop a mission statement using the right approach. The questionnaires that were developed for this study actually explored the extent to which radio stations are using strategic marketing planning from this angle.

The objectives of this study were to first define the meaning and scope of strategic marketing planning in general; second, determine and evaluate the current planning systems used by radio stations in Lesotho; third, develop strategic marketing options for radio stations in Lesotho, and lastly suggest ways in which radio stations in Lesotho can implement the developed strategic marketing plan. The next sections will discuss the conclusions drawn from this study and the recommendations formulated from the conclusions.

7.2 CONCLUSIONS

In this section the intention is to link the findings of the empirical study with the objectives of this research to establish whether the study is able to answer the objectives. The specific objectives were stated as (see paragraph 1.3.2):

1. Define the meaning and scope of strategic marketing planning in general;
2. determine and evaluate the current planning systems used by radio stations in Lesotho;

3. Develop strategic marketing options for radio stations in Lesotho, and suggest ways in which radio stations in Lesotho can implement the developed strategic marketing plan.

The first objective is addressed in the literature review, where chapter 3 and 4 are devoted entirely to defining the intricacies of strategic marketing planning in general. The second objective was given attention in Chapter 2 where the radio industry in Lesotho was comprehensively scrutinised. The second objective was further explored through the use of questionnaires that were used to gather primary data about the definite state of affairs of the strategic marketing planning of radio stations in Lesotho. Chapter 4 scrutinised possible strategic marketing options that radio stations can use as guidelines throughout the strategic marketing process and in doing so, has dealt with the third objective.

A number of conclusions have emerged from this pragmatic study and they specifically relate to the scope, meaning and importance of strategic marketing planning to radio stations in Lesotho. The conclusions address the objectives of this study and also provide a cue for the direction that radio

stations have to take in order to make full use of the benefits provided by strategic marketing planning as a management tool.

7.2.1 The meaning and scope of strategic marketing planning

Two conclusions emerged in response to the objective of exploring the meaning and scope of strategic marketing planning. Firstly, when marketing is seen as a strategic management process it works to bridge the gap between all the levels of the firm (corporate, business, and operational) with the internal and external environment (paragraph 4.4.2, 4.4.3, and 4.4.4). The conclusion, as informed by the comprehensive discussion on the scope of strategic marketing planning in Chapter 4, is that, because radio stations in Lesotho operate in a competitive and volatile macro and micro environment and their activities affect and are also affected by the behaviour of both internal and external stakeholders (see paragraph 2.2.2.1, 2.2.2.2, 2.2.2.3, and 2.2.2.4), marketing as a management process and philosophy is very relevant to the activities of radio stations in Lesotho.

Secondly, there are two distinct roles that marketing can play within any organisation. It is very important to distinguish between the nature of marketing in its strategic role (strategic marketing) from the role it plays at

the product market level (marketing management). In its strategic role marketing functions as a philosophy of business, and a business function in its management role (see paragraph 4.4.1, 4.4.2, and 4.4.3). At the corporate level marketing can provide the radio station with customer and competitive perspective for corporate strategic planning. At the business unit level marketing can assist radio stations in Lesotho in the development of strategic perspective to direct radio's future course. Lastly, at the product or market level, marketing can assist radio stations to formulate and implement market programmes.

7.2.2 Current planning systems used by radio stations in Lesotho

The second objective of this research was to determine and evaluate the planning systems used by radio stations in Lesotho. As a process, strategic marketing has three distinct phases: strategic analysis, formulating, and implementation (see paragraph 4.5.1). What emerged in this study is that a lot of radio stations in Lesotho do not follow these prescribed phases of strategic marketing planning and the results of this research point to the following shortfalls in the way stations carry out their planning.

(a) Strategic analysis

The first phase establishes the strategic context of the organisation and provides the pivotal link between the corporate plan and the marketing plan. The mission statement is developed in this phase. The corporate objectives and strategies are discussed in this phase to allow for a mutual interdependency to develop between marketing planning at the operational level and the setting of corporate objectives and strategies (see paragraph 4.5.1).

(i) Development of a Mission statement

A majority of radio stations in Lesotho develop mission statements (Figure 6.1) as an expression of their strategic intent (see paragraph 6.2.1). However, for a mission statement to be useful and relevant, it has to incorporate the role and contribution of the company, the definition of the business, distinct competencies, indication of the future, and should include contributions of as many people as possible in the organisation probably through strategic planning sessions. The findings from the empirical study revealed (see paragraphs 6.2.2, 6.2.3, 6.2.4, 6.2.5, and 6.2.6) that the mission statements of most radio stations do not incorporate

these important facets that characterise a good mission statement. It can therefore be concluded that more effort is still required to close the gap between where radio stations are currently in terms of planning acumen and where they should be.

(ii) Corporate objectives

The development of corporate objectives often focuses on the performance dimensions the radio station's business and employees, the target level of performance to be achieved on each dimension and the time frame in which each target should be attained (see figure 4.4). The following are factors that the corporate objectives often focus on: market share, return on investment, improving marketing mix, sales growth, position in industry, and focusing training. The findings presented in section 6.3.2.1 indicate that a majority of radio stations prepare corporate objectives (see figure 6.7). Paragraph 6.3.2.2 went further to discuss the manner in which radio stations develop their corporate objectives and discovered that sales growth was the major driving force behind most corporate objectives. The conclusion is that other factors, such as, position in industry, market share, marketing

mix, and training, should be given as much attention too, when corporate objectives are developed.

(b) Situation Review

The second phase is the Situation Review (see figure 4.3) and involves three steps: carrying out the marketing audit, the SWOT analysis, and the development of key assumptions.

(i) Marketing Audit

The audit indicates where the radio station is now, that is, the position it holds in its particular environment (see paragraph 4.5.3.1). The findings in section 6.7 indicate that only 14.3 percent of the seven existing radio stations in Lesotho carry out a marketing audit (see figure 6.13). The conclusion is that more work still has to be done by radio stations to ensure that they carry out a marketing audit. A marketing audit provides valuable information about the radio station itself, the customers, competitors, the business environment, and the strengths and weaknesses of the services that the station offers.

(ii) SWOT Analysis

The SWOT analysis draws together the key strengths, weaknesses, opportunities and threats from the marketing audit. It is used to distil the critical factors that have been identified during the auditing process (see paragraph 4.5.3.2). None of the radio stations in Lesotho carried out a SWOT analysis. The conclusion drawn here is that a SWOT analysis cannot be done if there was no prior effort to do a marketing audit.

(iii) Key Assumptions

A marketing plan will always include a mixture of facts and assumptions, with the former being the outcome of the fact finding and data gathering process of strategic marketing planning (e.g., marketing audit). Facts and assumptions can become blurred at times, to the extent that one can be mistaken for the other. It is therefore important to state the assumptions explicitly (see paragraph 4.5.3.3). No radio station carried out the exercise of developing key assumptions and it is concluded that this has more to do with lack of ability by those responsible to carry out this exercise.

(c) Marketing Strategy Formulation

A strategy should specify (see paragraph 4.3.1):

- The objectives to be accomplished
- Where to focus, that is, in which industries and product or service markets to focus
- How to gain competitive advantage and which resources and activities to allocate to each product/service-market to meet environmental opportunities and threats.

A marketing objective is a precise statement which outlines what should be accomplished by the radio station's marketing activities, and it should be (see paragraph 6.8.2):

- Relevant in relation to the corporate mission and objectives
- Specific by focusing on clear and specific goal
- Time bound, that is, have an achievement date
- Challenging, that is, realizable, but at the same time stretching for individuals and the organization as a whole
- Focused, that is, concerned only with markets and services which the company plans to address.

The findings from the empirical study indicate that 57.1 percent of radio stations in Lesotho prepare marketing objectives and 42.9 percent do not prepare marketing objectives (see figure 6.14). The 57.1 percent that prepare marketing objectives put more emphasis on reaching the objectives in time and compromised the other important requirements such as realisable, specific, focused, and relevant. The conclusion is that there is a weakness in the way marketing objectives are developed by radio stations in Lesotho because the approach used does not satisfy all the requirements or principles that should be satisfied.

(d) Competitor analysis

Knowledge about the activities of other radio stations will help the station measure itself more accurately against its competitors. The audit on competitors should concern the company's major rivals because it would not make business sense, in terms of cost and time, to focus on each and every competitor in the market space (see paragraph 4.5.3.1.2).

The radio station can focus on the following elements about competitors as part of an effort to analyse them:

- Goals and objectives
- Marketplace behaviour

- Market share
- Growth
- Service quality
- Positioning
- Operations and resources
- Marketing mix strategies

The findings relating to the elements that need to be studied when analysing competitors, as discussed in paragraphs 6.9.2.1, 6.9.2.2, 6.9.2.3, 6.9.2.4, 6.9.2.5, 6.9.2.6, and 6.9.2.7, revealed that the following competitors' elements were not given enough attention by most radio stations in Lesotho: goals and objectives, market place behaviour, and market share. On the other hand competitors' growth, marketing mix strategies, and service quality were considered by most radio stations as elements that need to be studied when analysing competitors. The competitors' operations and resources were evenly spread across, that is, an equal number of radio stations for those who considered it, those who did not consider it and those who were not sure (see figure 6.22). The conclusion is that, because every element that defines the competitors is important, there is a weakness in the way radio stations in Lesotho study

their competitors because some important elements like competitors' goals and objectives, market place behaviour, and market share are not given enough attention by most radio stations.

(e) Marketing mix strategies

(i) The service element of the marketing mix

The findings of the empirical study indicate that the service element is still not being handled correctly by a majority of radio stations in Lesotho because most of them do not target specific audiences and even those who do, do not use the right criteria to select their audiences. For example, they place more emphasis on market potential and neglect other elements, such as, geographic factors, psychographic factors, geographic factors, competitive situation and political aspects (see figure 6.26).

Radio stations in Lesotho cannot afford to overlook other equally important characteristics that define their target audiences because this will hamper the effort of attracting advertisers whose sole interest is to match their target markets with the profiles of the radio stations' listeners.

(ii) The pricing element of the marketing mix

The empirical findings revealed that pricing for radio stations' services is greatly influenced by the demand for advertising space and consumers' perception of price (see paragraph 4.5.4.3.3 and figure 4.10). Factors such as production costs, promotional costs, competition, or consistency with other marketing communication tools had little or no impact at all on the pricing decisions (see figure 6.27). The conclusion is that the advertisers have too much say in the pricing decisions of the radio stations in Lesotho. However the other elements should be considered as well, that is, when prices are set because the elements have cost implications, for example, production costs and promotional costs that need to be recovered from the price set-up (see paragraph 4.5.4.3.3).

(iii) The distribution strategy

The distribution for radio stations looks at the way information about services is relayed to the customers, that is, whether the customer has to come to the station or the station makes an effort to approach the customer. The discovery from the empirical study is that more customers actually go to the radio stations for services and the

implication is that little effort is being made to approach existing or potential customers. This means that advertisers are not solicited but are expected to come to the station all the time to enquire about and acquire services.

(iv) The process

The process element of the marketing mix refers to the way programmes are developed by radio stations, that is, the steps that are followed to create satisfactory programmes. It requires a number of steps to develop a radio program: discovering a story, sending out field journalists, writing a story, editing the story, developing it into a radio item, rehearsing, and presenting the story. This process should be managed efficiently for the radio to produce quality programmes and the empirical findings indicate that a majority of radio stations are doing this very well.

The conclusion is that radio stations put a lot of effort into managing the quality of their programmes and this should be encouraged at all cost because it has a direct bearing on the quality of the programmes produced.

7.2.3 Summary

In summary, the conclusion is that radio stations in Lesotho are operating in a very competitive and volatile environment that requires a systematic way of dealing with marketing challenges. A number of gaps emerged, as indicated by the findings of the empirical study, between the actual marketing planning process of radio stations in Lesotho and the ideal marketing planning process as exposed by the literature review compiled for this study. Conclusions were drawn in this section and recommendations that emerged from this study will be discussed in the next section.

7.3 RECOMMENDATIONS

7.3.1 Introduction

The recommendations in this section are discussed within the context of the objectives of this study. The approach is to integrate the literature and the findings of the empirical research to come up with answers to the objectives that were developed for this study. In general this section looks at what approach radio stations can take in order to develop proper strategic marketing plans.

7.3.2 Recommendations for the research study

The following are recommendations that are put forward by this research study:

- (a) Understand the role of marketing within an organisation and engage appropriately skilled people to manage the marketing function**

It is recommended that the managers of radio stations in Lesotho adopt the marketing concept in its entirety, that is, both as a philosophy and a business function. As a philosophy, marketing should rub off on every person, the culture of the organisation, and management style. In this role as a business function, marketing should be carried out properly and by people who are knowledgeable in this field. This means that the marketing function should be escalated within the station to adopt a more prominent position in terms of the quality of personnel tasked with the marketing responsibilities. This specifically refers to the qualifications of the person responsible for marketing within the radio station because it was established in this study that the higher the qualification of this person, the higher the likelihood of the organisation following the required marketing measures, for example, preparation of formal marketing plan and mission statement (see paragraph 6.11 and 6.12).

(b) Prepare the corporate mission using the correct approach

The corporate mission sets the tone for the manner in which things will be done by each and every unit within the organisation and the process of developing it should receive adequate attention. Very few radio stations in Lesotho devoted the needed attention to the exercise of developing a corporate mission. Based on the findings in this study, first, it is recommended that those radio stations that do not prepare corporate missions should do so as a matter of urgency because of the importance of this component of planning. The absence of a mission statement simply means that the radio station does not have a guiding principle that indicates where the company was, where it is now, and the direction it wishes to take (see paragraph 4.5.2.1).

Secondly, it is recommended that those radio stations that do prepare a corporate mission prepare them properly, that is, ensure that the mission statement clearly specifies the role and contribution of the company, the definition of the business, distinct competencies, indication of the future, and should be done through strategic planning sessions so that the contributions of the majority of employees are included (see section 6.2.2, 6.2.3, 6.2.4, 6.2.5, and 6.2.6). The conclusion from this study, on this particular element,

shows that only a small portion of the radio stations put emphasis on the inclusion of these characteristics in their mission statements.

(c) Systematically review the situation within which the radio stations operate

The importance of a situation analysis is well documented in this study (see section 4.5.3). It is the cornerstone of the whole strategic marketing planning process because the development of other steps in the whole process depends on information gathered through this analysis. This stage of planning comprises of the marketing audit, SWOT analysis and the development of key assumptions (see paragraphs 4.5.3.2, 4.5.3.3, and 4.5.3.4 respectively). Only one radio station (14.3 percent) carried out a market audit analysis. Even though it is a very intense exercise, it is recommended that every radio station should carry it out once in a while, particularly because of the volatility of the radio industry which requires that the radio stations stay informed about all the activities and changes happening in the market, the threats, strengths, weaknesses, opportunities, competitors' actions, services, and so on.

(d) Ensure that the corporate strategy informs all other functional strategies

Almost half of the radio stations do not develop formal corporate objectives or strategies for that matter, that is, 49 percent in all (see figure 6.7). As a recommendation, the management of the radio stations should ensure that corporate objectives are developed because the corporate objectives will inform the development of plans for other functional areas, such as, marketing, finance, operations, and human resources. The person(s) responsible for the exercise of developing a corporate strategy should ensure that the set objectives clearly state what the radio station intends to achieve, that is, whether it is return on investment, market share, or perhaps profit. Preceding processes such as the development of marketing objectives will be able to draw from these objectives for direction.

(e) Give priority to the exercise of segmenting the market

The management of the radio stations in Lesotho should ensure that they clearly define the segment of the population they wish to serve and develop programmes that will definitely meet the listening requirements of this segment. This is a very critical stage of planning particularly for any radio station that depends on revenue that is generated mainly through advertising

or sponsorship. This is because, for this radio stations, this is where the money is. This simply means that the decisions of advertisers or sponsors to advertise or sponsor radio programmes certainly depends on whether the characteristics of the segment of listeners that the radio stations serve match with the target population of the advertiser or sponsor. For example, Shoprite store, a leading grocery store in Lesotho, will only advertise in a radio station that has programmes targeting working women because this is the segment of the population that make the decisions about where, how much and on what to spend the family income on groceries. There are quite a number of factors that can be used to define the listeners' characters or profiles, such as, listeners' age, gender, language, income and social class, music preference, and educational background.

(f) Study competitors carefully

The management of radio stations in Lesotho should make certain that firstly, they identify their major competitors, that is, if there are any. It has been established in this study that it is pointless to focus on each and every competitor in the radio industry because this would avoid unnecessary costs and save time (section 4.5.3.2.2). Only those rival stations whose activities might affect the performance of the station should be scrutinised.

Secondly, it is recommended that the focus should be on the following factors:

- (i) **Competitor's goals and objectives** - which this study established that a majority of radio stations in Lesotho do not consider as a major factor when they study competitors (see section 6.9.2.1);
- (ii) **Competitors' market place behaviour** - The management of radio stations in Lesotho should carefully observe the actions of other radio stations in the market place, for example, identify their strategic partners and the type of relationship they have and then align behaviour in a manner that will curb any advantages the rival station might have because of this relationship;
- (iii) **Competitors' market share** - It is recommended that the management of radio stations in Lesotho should be aware of the share of the market that rival stations hold. This knowledge will the radio to choose the appropriate composition of strategies to use to raise or maintain market share, for example, that is, whether to fight for the

listeners that are already loyal to the rival station or go for the unattached listeners in the market;

(iv) Competitors' growth - The management of radio stations in Lesotho is advised to carefully observe the growth patterns of their competitors so that they can plan their own growth cautiously (see section 4.2.2.1). Rapid growth could mean that competitors have realised and are taking advantage of opportunities that the radio station can also take advantage of. The decline of competitors' growth could mean that the threats facing them can also affect the performance of the radio station;

(v) Competitors' service quality - Consumers make choices based on their perceptions of the value and satisfaction that various products and services deliver. Value can be seen as primarily a combination of quality, service and price. Customers simply judge quality as the difference between what they expect from the radio station's offerings and what the radio station actually offers in real time. Based on this breakdown, the recommendation is that the radio stations in Lesotho should ensure that they comprehensively understand the needs of their

listeners, because this will help them understand the expectations of the listeners. The stations should then design programmes that meet these needs, that is, exactly as customers would expect them to be;

(vi) Competitors' operations and resources - Knowledge of this information is a good indicator of how to handle the threats by competitors. It emerged from this study that a significant number of radio stations in Lesotho do not consider this element as that important when studying rival stations. The recommendation is that all radio stations should consider the operations and resources of their rivals because these factors have a significant bearing on the strategies that should be employed to compete in the market place, for example, whether to compete toe to toe with the competitor or settle to be number two to a much stronger competitor. Other organisations have survived by competing as second best in the market area by being followers of the leader and thriving on their winning methods; and

(vii) Competitors' marketing mix strategies - This refers to the manner in which rival radio stations promote their services, for example, which marketing tools they use, how much they spend on them, and

the impact of these marketing mix strategies in terms of success or failure. The recommendation is that radio stations should carefully observe the efforts of rival stations in terms composition of their programming, pricing strategies, distribution strategies, promotion, the process, and the place.

Lastly it is worrying that, as it emerged from this study (see section 6.14), the majority of radio stations who do not carry out an analysis of competitors are commercial radio stations. It is a cause for concern because commercial stations depend entirely on revenue that they generate themselves and should therefore make full use of the marketing approach.

(g) Inform the process of marketing strategy formulation on all the data gathered throughout the preceding organisational planning features and activities, for example, corporate mission, corporate strategy, situation analysis, segmentation, and competitor analysis

There are only four possible courses of action when setting marketing objectives and these are:

- Selling existing services to existing markets
- Extending existing services into new markets

- Developing new services for existing markets
- Developing new services for new markets

The recommendation here is that radio stations in Lesotho should use the following strategy options in order to realise all or any one of the four strategy courses, and these are:

i. Product/service strategies – This option requires the radio station to understand the needs of their listeners and design products, in terms of radio programmes and formats, that meet these needs perfectly. For example the top-forty format, a programme that plays the forty most popular songs in a particular music genre, is very popular within the youth culture and should be part of programming designed to attract the young listeners.

ii. Promotional strategies – The radio stations should then promote their programmes through campaigns that are relevant to their target listeners, and there are several promotional tools they can use, such as, advertising, sales promotion, direct marketing, and publicity. The recommendation is that radio stations should not limit themselves to these tools only and should use any form of creative ingenuity to promote their services or

radio stations, for example, engage in social outreach initiatives such helping the needy to raise the profile of the station and ultimately the number of listeners.

iii. Pricing strategies – They should then set the price of these services/products using an approach that would make the price reasonable to the customers while not compromising revenue or profit. The situation with radios is very unique in that their primary clients, the listeners, do not pay for the services, but radio stations generate their revenue through the sale of advertising slots and acquiring of sponsorship for radio programmes. Pricing therefore refers to the fees charged to advertisers or sponsors for advertising time. There are several factors that influence the kind of pricing strategies employed by radio stations, such as, demand for advertising time, promotional costs, consumers' perception of price, radio programmes production costs, and consistency with other marketing tools. What actually emerged from the empirical findings is that radio stations in Lesotho allow their pricing strategies to be dictated by the advertisers and their perceptions of the prices charged for advertising time (see section 6.10.4). The recommendation is that it is high time radio stations in Lesotho instil into the advertisers that the

advertisers will pay a price that matches the value of the leverage they get from accessing their customers and prospects through radio.

iv. Distribution strategies – In the context of radio stations, distribution strategies refer to the engineering and resources (human and financial) that go into the transmission of radio programmes, and luckily listeners purchase their own radio sets to receive the radio programmes. The recommendation is that management should make sure that they acquire the best equipment and technical personnel to maintain a high quality transmission of radio programmes.

v. The process strategies –the process in the context of radio stations refers to the manner in which radio programmes are developed from scratch up to when they are transmitted to the listener as finished products. It also refers to the manner in which radio programmes are allocated time, for example, the formats and time slots for morning, midday, afternoon, and evening programmes. Again the process refers to the way time slots are allocated for adverts, news, sports, weather, traffic, economic news and music. The recommendation is that the radio stations should find the best combination and integration of all these components

of programming so that listeners and advertisers needs are met, for example, they should choose the right talent of presenters for various programmes (see section 2.2.2.3).

vi. The place strategies – This strategy component refers to the location of the radio station. Even though listeners do not have to physical go to the radio stations to access radio programmes, it is important that the radio station makes it very simple for listeners to interact, on a personal level, with the presenters and management of the radio station. This can be achieved through communication tools like the internet, telephone calls and Short Message Services (SMSs). The feedback from listeners is very important to the management of the radio stations because it allows them to gain access to the thoughts of their listeners about the success and failure of their radio programmes. The recommendation is that the management of the radio stations in Lesotho should use all available communication instruments to interact with their listeners in order to capture as much feedback as possible, for example, through phone in programmes.

vii. Customer service strategies – In the traditional marketing context this strategy component refers to the manner in which a company ensures that it leaves the customer with a good experience at every contact with them. For radio stations this would relate to the efforts made by radio stations to ensure that listeners, advertisers, and sponsors are treated with courtesy at all times by everybody who is associated with the radio station, that is, anybody or anything whose appearance and conduct can affect the perception of the customers of the radio stations.

7.3.3 Summary

This research study advocates that radio stations in Lesotho should make full use of the benefits offered by marketing both as a philosophy and a business function. The research study also recommends that the radio stations in Lesotho use the strategic marketing planning steps and approach that have been prescribed throughout this project, that is, the development of a mission statement, corporate objectives, situation analysis, competitor analysis, and marketing objectives.

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ANNEXURE A – QUESTIONNAIRE FOR THE EMPIRICAL STUDY

Strictly confidential

**Questionnaire regarding strategic marketing planning
for radio stations in Lesotho**

Please note:

- All information will be kept strictly confidential

Questionnaire No

(1 - 2)

SECTION 1: GENERAL INFORMATION

1. Name of radio station

.....

2. Title or rank of the respondent

.....

.....

3. What is your highest level of formal educational qualification? (The respondent should have sat for an accredited examination to obtain the qualification).

Junior certification (JC)		1
C.O.S.C.		2
Diploma		3
Degree		4
Post graduate degree		5

(3)

4. What is the total number of employees currently employed in the radio station?

1 - 5		1
6 - 10		2
11 - 15		3
16 - 20		4
21 - 30		5
More than 30		6

(4)

5. What is the current number of listeners of the radio station?

0 - 200 000		1
200 001 - 400 000		2
400 001 - 600 000		3
600 001 - 800 000		4
800 001 - 1 000 000		5
More than 1 000 000		6

(5)

6. What type of radio station is this?

State broadcaster		1
Public service broadcaster		2
Community		3
Commercial broadcaster		4
Other		5

(6)

7. If other, please specify?

.....

(7-11)

SECTION2: STRATEGIC PLANNING ANALYSIS

A. MISSION AND CORPORATE OBJECTIVES

8. Does the radio station have a formal written mission statement?

No		1
Yes		2

(12)

9. If yes, to what extent did the following factors influence the congruency and development of the mission statement of the radio station? (1: no influence; 5: major influence)

FACTORS						
Role or contribution (e.g. charity, profit, non-profit, or innovator)	1	2	3	4	5	(13)
Definition of the business	1	2	3	4	5	(14)
Distinct competencies (essential skills and competencies)	1	2	3	4	5	(15)
Indication of the future (what the firm will, might, and will never do)	1	2	3	4	5	(16)
Strategic planning sessions	1	2	3	4	5	(17)
Other	1	2	3	4	5	(18)

10. If other, please specify

..... (19 – 23)

11. Does the radio station have formal written corporate objectives?

Yes		1
No		2

(24)

12. If so, who sets the corporate objectives?

The station manager alone		1	(25)
The station manager with functional managers (e.g. marketing, finance, and Human resources)		2	(26)
The functional managers alone		3	(27)
Other		4	(28)

13. If other, please specify

..... (29 – 33)

14. If yes (Question 11), to what extend do the following factors influence the development of corporate objectives. (1: no influence; 5: major influence)

FACTORS						
Market share	1	2	3	4	5	(34)
Sales growth	1	2	3	4	5	(35)
Return on investment	1	2	3	4	5	(36)
Position of radio in the industry	1	2	3	4	5	(37)
Improving marketing mix	1	2	3	4	5	(38)
Focusing training	1	2	3	4	5	(39)

B. SEGMENTATION

15. Does the radio station develop profiles of its listeners?

Yes		1
No		2

(40)

16. If yes, to what degree are the following issues considered important when developing the profiles of listeners (1: no influence; 5: major influence)

KEY ISSUES						
The listener's age	1	2	3	4	5	(41)
The listener's income and social class	1	2	3	4	5	(42)
The listener's gender	1	2	3	4	5	(43)
The listener's music preference	1	2	3	4	5	(44)
The listener's language	1	2	3	4	5	(45)
The listener's educational background	1	2	3	4	5	(46)
Other	1	2	3	4	5	(47)

C. PLANNING

17. Does the radio station prepare formal written managerial plans?

Yes		1	
No		2	(48)

18. If so, which if the following management domains have plans prepared for?

Corporate division		1	(49)
Financial division		2	(50)
Marketing division		3	(51)
Human resources division		4	(52)
Other		5	(53)

19. If other, please specify

..... (54 – 58)

20. If yes (Question 17), what is the range of the plans?

	Less than 1 year	Between 1 -3 years	Between 3 – 5 years	More than 5 years	
Corporate division	1	2	3	4	(59)
Financial division	1	2	3	4	(60)
Marketing division	1	2	3	4	(61)
Human resources division	1	2	3	4	(62)
Other	1	2	3	4	(63)

D. MARKETING PLANNING

21. Does the radio station prepare a formal written marketing plan?

Yes		1	
No		2	(64)

22. If so, who prepares the marketing plan?

Consultant		1	(65)
Station manager		2	(66)
Marketing manager		3	(67)
Sales people		4	(68)
Other		5	(69)

23. If other, please specify.

..... (70 – 74)

24. If yes (Question 21), to which of the following planning processes is the marketing plan linked to?

Corporate plan		1	(75)
Annual business plan		2	(76)
Budget		3	(77)
Other		4	(78)

E. SITUATION REVIEW

25. Does the radio station develop a formal written marketing audit analysis?

Yes		1	(79)
No		2	

26. If yes, who prepares the marketing audit analysis?

Outside consultants		1	(80)
The managers of the radio station themselves		2	(81)
Other		3	(82)

27. If other, please specify

..... (83 – 87)

28. If yes (Question 25), which of the following constituencies does the marketing audit analysis cover?

Organisation		1	(88)
Services		2	(89)
Customers and markets		3	(90)
Competition		4	(91)
Business environment		5	(92)
Other		6	(93)

29. If other, please specify.

..... (94 - 98)

F. MARKETING OBJECTIVES

30. Does the radio station prepare formal written marketing objectives?

Yes		1	(99)
No		2	

31. If yes, to what degree are the following key issues considered important when developing marketing objectives? (1: no influence; 5: major influence)

KEY ISSUES						
Relevance to corporate mission and objectives	1	2	3	4	5	(100)
Focus on specific goals	1	2	3	4	5	(101)
Time bound or achievement date	1	2	3	4	5	(102)
Quantifiable e.g.10% increase in sales	1	2	3	4	5	(103)
Other	1	2	3	4	5	(104)

32. If other, please specify

..... (105 - 109)

G. COMPETITORS ANALYSIS

33. Do you have any major competitors in the communication industry?

Yes		1
No		2

(110)

34. If yes, to what extent did the following factors influence the way you studied and identified your major competitors? (1: no influence; 5: major influence)

FACTORS						
Competitors goals and objectives	1	2	3	4	5	(111)
Competitors market place behaviour	1	2	3	4	5	(112)
Competitors market share	1	2	3	4	5	(113)
Competitors growth	1	2	3	4	5	(114)
Competitors service quality	1	2	3	4	5	(115)
Competitors operations and resources	1	2	3	4	5	(116)
Competitors marketing mix strategies	1	2	3	4	5	(117)
Other	1	2	3	4	5	(118)

35. If other, please specify

.....

(119- 123)

36. Do you foresee the emergence of new competitors in the radio market place?

Yes		1
No		2

(124)

37. If yes, to what extent did the following factors influence why you foresee new competitors emerging? (1: no influence; 5: major influence)

FACTORS						
Inexpensive radio station set up costs	1	2	3	4	5	(125)
Technology making entry easy	1	2	3	4	5	(126)
Attractiveness of the radio industry (profit and growth potential)	1	2	3	4	5	(127)
Government policies	1	2	3	4	5	(128)
Other	1	2	3	4	5	(129)

38. If other, please specify.

..... (130 – 134)

H. MARKETING MIX STRATEGIES

H.1 Programme policy

39. Does the radio station target specific audiences?

Yes		1
No		2

(135)

40. If yes, to what extent did the following factors influence the selection of the target audience? (1: no influence; 5: major influence)

FACTORS						
Geographic factors	1	2	3	4	5	(136)
Psychographic factors	1	2	3	4	5	(137)
demographic (population growth, size, density, and distribution)	1	2	3	4	5	(138)
Competitive situation	1	2	3	4	5	(139)
Political aspects	1	2	3	4	5	(140)
Market potential	1	2	3	4	5	(141)
Other	1	2	3	4	5	(142)

41. If other, please specify.

.....

(143 – 147)

42. What type of format does your radio station use when developing programmes?

(148)	All-talk		1
	Music station		2
(149)	Top-forty		3
	Full-spectrum		4
(150)	Other		5

(151)

(152)

43. If other, please specify.

..... (153 – 157)

H.2 Marketing communication strategies

44. Which of the following marketing communication tools does the radio station use? (You may choose more than one option)

Advertising		1	(158)
Sales promotion		2	(159)
Personal selling		3	(160)
Public relations		4	(161)
Direct marketing		5	(162)
Other		6	(163)

45. If other, please specify.

..... (164 - 168)
.....

H.3 Pricing Strategies

46. To what extent do the following factors influence the determination of advertising rates? (1: no influence; 5: major influence)

FACTORS						
Demand for advertising time	1	2	3	4	5	(169)
Production costs	1	2	3	4	5	(170)
Promotional costs	1	2	3	4	5	(171)
Competition	1	2	3	4	5	(172)
Consumer's perception of price	1	2	3	4	5	(173)
Consistency with other marketing communication tools	1	2	3	4	5	(174)
Other	1	2	3	4	5	(175)

47. If other, please specify.

..... (176 – 180)
.....

H.4 Distribution strategy

48. To what extent do the following contact situations between the radio station and customers influence the interaction with the customers? (1: no influence; 5: major influence)

CONTACT PLACES						
The customer comes to the radio station's premises	1	2	3	4	5	(181)
The radio station's representatives go to the customer	1	2	3	4	5	(182)
Other	1	2	3	4	5	(183)

49. If other, please specify.

..... (184 – 188)

H.5 The process strategy

50. Does the radio station prepare formal written steps to manage the process of creating programmes?

Yes		1	(189)
No		2	

H.6 The people (employees) strategy.

51. Which of the following internal communication tools does the radio station use to communicate with its employees?

Notices		1	(190)
Bulletins		2	(191)
Suggestion schemes		3	(192)
Inter-departmental committees		4	(193)
Special project groups		5	(194)
Coordinating committees		6	(195)
Other		7	(196)

52. If other, please specify.

..... (197 - 201)

.....

H.7 Customer service policy

53. Does the radio station have a formal written customer service programme?

Yes		1
No		2

(202)

54. If so, to what extent do the following factors influence the development of the customer service programme? (1: no influence; 5: major influence)

FACTORS						
Reliability of the service	1	2	3	4	5	(203)
Availability of the service	1	2	3	4	5	(204)
Convenience of obtaining the service	1	2	3	4	5	(205)
Responsiveness to service orders or complaints/ queries.	1	2	3	4	5	(206)
Assurance if service was not satisfactory	1	2	3	4	5	(207)
Other	1	2	3	4	5	(208)

55. If other, please specify.

..... (209– 213)

