

**THE LESOTHO NATIONAL MANPOWER DEVELOPMENT SECRETARIAT IN THE
STAKEHOLDER CENTURY: AN INTEGRATED MARKETING
COMMUNICATION APPROACH**

By

Malefetsane Nchaka

Submitted in accordance with the requirements for the degree of

M.A. INTEGRATED MARKETING COMMUNICATION

at the

UNIVERSITY OF THE FREE STATE

SUPERVISOR: DR. D. MULDER

NOVEMBER 2009

DECLARATION

I declare that this dissertation titled: “The Lesotho National Manpower Development Secretariat in the stakeholder century: An integrated marketing communication approach” is my original and independent work. All the sources that I have consulted or quoted have been indicated and acknowledged by means of complete references. This dissertation has never been submitted to any other University or Faculty for degree purposes.

ACKNOWLEDGEMENTS

Glory be given to our God and the Almighty. My humble praise for his immeasurable, indescribable grace and blessings upon my life to date.

My thanks to my beloved mother who passed away during the course of this research. All my achievements were meant to honour her name. I will always remember her unconditional and never-ending love and support. "Phomola ka khotso Mokhatla".

My sincere thanks to my supervisor, Dr Dalme Mulder, for her kind and dedicated guidance, advice and encouragement during the most difficult times. It was a privilege to gain from your insights.

To my wife ('Mapelontle Nchaka) and children (Rorisang and Pelontle) - your support, patience, faith and prayers have made it all possible. Your presence in my life kept me going despite the challenges. You are in my heart!

I would also like to thank my statistician, Mr Rets'elisitsoe Mohale, for his ability to reflect what true friendship is all about. Your sacrifices and dedication when reading in the massive amounts of data from the research participants showed me the depth of your commitment in ensuring the success of this research.

A special word of thanks also goes to Mrs Margaret Linstrom for assisting me with the language editing of this manuscript.

To all people who participated in this research, thank you for your enthusiasm in responding to the questions. Without you this could have not been possible.

My thanks would be incomplete without a word to the UFS staff members in the Department of Communication Sciences for their daily assistance, moral support and encouragement.

My utmost gratitude to all my friends and their spouses for all sorts of assistance they provided making it easy for me to reach my destination. They include but are not limited to Messrs Shale Sofonea, Raleting Tsietsi, Ntoane Katiso, Pusetso Nchaka, Nkoka Ratokelo, Manyanye

Bahlakoana, Mahlala Bothata, Tsikoane Bothata, Mrs Sefotho, Letsie Shoaepane, Sekola Keketso, Pheko Lerotholi, Makakole Leboli and Sejanamane Nkhahle. I always thank God that you are part of my life.

My thanks also directed to the NMDS management most prominently the then acting Director Mr Karabo Mabote and all employees who have been instrumental in ensuring that I cross this river. Thank you for all the effort and resources you supplied for the simple reason that I should succeed. From the bottom of my heart, I thank you!

Lastly, let us all remember that God is able to exceedingly provide abundantly above all that we ask or think according to the power that works in us (Ephesians 3:20).

ABSTRACT

Stakeholders are not passive, but have a huge impact on the functioning of organisations. The fierce competition amongst companies to win stakeholders' interest and loyalty poses a challenge to organisations to seek the means of strengthening long-term relationships with their stakeholders. The Lesotho National Manpower Development Secretariat (NMDS) is a government department that, like any other organisation, has to take note of the challenges of the stakeholder century. The relationship between the NMDS and its stakeholders has been unfavourable. Regardless the cause, the situation affirms the impression that the NMDS is failing to feature in the stakeholder century.

The aim of this study is to provide guidelines to improve the relationship between the NMDS and its stakeholders. The aim will be achieved through a discussion of the environment in which stakeholder relationships are pursued. A reflection on the stakeholder concept and an exploration of the marketing communication activities that the NMDS embark on to establish relationships with its stakeholders will be highlighted.

The stated goal will be achieved through the combination of qualitative and quantitative research approaches. The grounded theory will be used to address the qualitative section, whilst in the quantitative section a survey research strategy will be employed.

Firstly, the analysis revealed that the NMDS' mission and brand are not well-known among stakeholders. It was further extrapolated that communication between top management and the employees of the NMDS was poor. It is also apparent that the organisation's ability to communicate with its stakeholders using various techniques has been very poor. Furthermore it became clear that there is absolutely no message consistency within the organisation. The causes thereof were poor internal communication, employees lacking knowledge of their work, absence of policies and differences in perception. Stakeholders further lamented the discrimination prevalent within the NMDS, particularly during the scholarship renewal period. It was revealed that nepotism, favoritism, corruption and administrative irregularities are the major causes. The NMDS employees' motivation is under suspicion. Suggestions such as increased remuneration, training and counseling were put forward as possible correctional measures of the status quo.

The NMDS' stakeholders suggested that information dissemination at the NMDS could be improved through using different media, use of word of mouth, and empowering the public relations office. It is imperative to mention that the challenges which faced the stakeholder of the NMDS were information inaccessibility, employees' inefficiency and a total lack of stakeholder consciousness. The results of the study revealed that the NMDS' interaction with its stakeholders can be enhanced through involving stakeholders on issues affecting them, using various marketing communication techniques, and training staff on stakeholder care. Finally, the use of ICT has been rated by stakeholders as being very low at the NMDS. Utilising ICT may be of great assistance in improving the relations between the organisation and its stakeholders. In the next chapter the conclusions drawn from the research findings of this study, together with the recommendations, will be presented.

It is anticipated that this study will provide a theoretical framework for the NMDS to improve its marketing communication activities to improve its relationship with its stakeholders. Improved relationships will lead to improved service standards, which in turn will make stakeholders true assets of the NMDS.

Key words: Integrated Marketing Communication;
Integrated communication;
Integrated communication mix;
Stakeholder century; and
Service

TABLE OF CONTENTS

1.	Orientation and overview of the study	1
1.1	General orientation and background of the study	1
1.2	Research problem	4
1.3	The research questions	4
1.4	Aim and objectives of the study	5
1.5	Research design	6
1.5.1	Research approach and strategies	6
1.5.2	Method of data collection	6
1.5.3	Data analysis	7
1.5.4	Research participants , sample selection and procedures	7
1.6	Meta-theoretical framework and conceptualisation	8
1.6.1	The grand theory of the study	10
1.6.2	The worldview and domain of the study	11
1.6.3	Theoretical domain	12
1.6.4	Descriptive sub-domain	12
1.7	Importance of the research	14
1.8	Defining key terminology	14
1.9	Structure of the dissertation	15
2.	The National Manpower Development Secretariat and scholarship processes	17
2.1	Introduction	17
2.2	Sponsorship background in Lesotho	17
2.3	Establishment of the NMDC and NMDS	18
2.3.1	Composition of the National Manpower Development Council (NMDC)	18
2.3.2	The NMDC's main function	19
2.3.3	The NMDC demise brings catastrophe to the NMDS	19
2.4	The mandate of the NMDS and scholarship application procedures	20
2.4.1	Scholarship requirements	20
2.4.1.1	Interview stage	21
2.4.1.2	Contract signing stage	21
2.4.1.3	Payment process	22

2.4.2	The differing case of the National University of Lesotho	22
2.4.3	Selection process for applicants to RSA institutions	23
2.4.4	Communicating the feedback	23
2.4.5	Renewal of contracts for continuing sponsees	23
2.4.6	Repayment of the NMDS loan bursary	24
2.5	The NMDS communication with its stakeholders	24
2.5.1	The NMDS communication as viewed by various consultants	25
2.5.2	Communication as a techniques for recovery of loan bursaries	26
2.6	The media reports about complaints by the NMDS clients	26
2.7	The NMDS and the information communication technology age	28
2.8	Financial accountability within the NMDS	29
2.9	The NMDS and the stakeholder century	31
2.10	Conclusion	31
3.	The stakeholder century and integrated marketing communication	33
3.1	Introduction	33
3.2	Stakeholder century defined	33
3.2.1	The concept stakeholder	33
3.2.2	The impact of stakeholders in an organisation	34
3.2.3	Organisation's communication with stakeholders	35
3.2.4	Building relationships with stakeholders	35
3.2.5	Stakeholder relationship management	37
3.3	Interdependence in communication – systems theory	37
3.4	Integrated communication (IC)	39
3.4.1	IC defined	39
3.4.2	Aim and purpose of IC	40
3.4.3	What needs to be integrated	41
3.5	The integrated communication mix	42
3.5.1	Managerial communication	42
3.5.1.1	Leadership and communication	42
3.5.1.2	Management communication with employees	43
3.5.1.3	Management and integrated communication	43
3.5.2	Corporate communication	44
3.5.2.1	Objective or purpose of corporate communication	44

3.5.2.2	The goal of corporate communication	44
3.5.2.3	Organisation's placement of corporate communication	45
3.5.2.4	Functions of corporate communication	45
3.5.3	The marketing concept	46
3.5.3.1	The 4Ps of marketing	47
3.5.3.2	Marketing as relationship	47
3.5.3.3	Communication as a relational process	47
3.5.4	Marketing communication	48
3.5.4.1	Elements of the marketing communication mix	48
3.5.4.1.1	Advertising	48
3.5.4.1.2	Personal selling	48
3.5.4.1.3	Sales promotion	48
3.5.4.1.4	Public relations	49
3.5.4.1.5	Direct marketing	49
3.5.4.2	Implementation of marketing communication mix	49
3.5.5	Stages to integrate communication	50
3.6	Stakeholder's models	51
3.6.1	Gronstedt's model discussion and critique	52
3.6.2	Niemann-Struweg and Grobler's model discussion and critique	54
3.6.3	Baker and Angelopulo's model discussion	56
3.6.4	Niemann's model discussion and critique	57
3.6.4.1	Organisational integration	58
3.6.4.2	Stakeholder integration area	59
3.6.4.3	Environmental integration area	59
3.6.5	Discussion of Duncan and Moriarty's adapted drivers model	61
3.7	Integrated marketing communication: Concepts and definitions	63
3.8	The fundamental principles of IMC	66
3.8.1	Focused branding	66
3.8.1.1	Brands as trademarks and trustmarks	67
3.8.1.2	Brand identity	67
3.8.1.3	Brand equity	67
3.8.1.4	Benefits provided by brand	67
3.8.1.5	Building service organisations' brands through integrated branding	68
3.8.1.6	Employees as brand	69

3.8.1.7	Stakeholders as organisational brand	69
3.8.2	Message consistency	70
3.8.3	Use of technology	71
3.8.3.1	Technology in the heart of IMC	71
3.8.3.2	Technology and individualised messages	72
3.8.4	Market segmentation	74
3.8.4.1	Stakeholders as target segments	75
3.8.5	Customer centricity	75
3.8.5.1	Schultz's model discussion and critique	75
3.8.5.2	IMC advocates for internal communication	76
3.8.5.3	IMC and value on employee returns	77
3.8.5.4	Customer Relationship Management (CRM)	77
3.8.5.5	e-CRM and database	78
3.8.5.6	IMC in enriching relationships	80
3.8.6	Contact synergy	80
3.8.6.1	Zeithaml, Bitner and Gremler's model discussion and critique	82
3.8.6.2	Service providing organisations	83
3.8.7	Customer conscious employees	83
3.8.7.1	Principles of two-way communication	83
3.8.7.2	The importance of dialogue in an organisation	84
3.8.8	Financial accountability	84
3.8.9	Achieving sustainable success	85
3.8.10	Holistic approach	85
3.9	Trends that led to the development of IMC	86
3.10	Barriers to the effective implementation of IMC	87
3.11	Requirements to overcome barriers	89
3.12	Benefits of IMC	90
3.13	Integrated marketing communication models	92
3.13.1	Percy's model discussion and critique	92
3.13.2	Belch and Belch's model discussion and critique	94
3.13.3	Burnett and Moriarty's model discussion and critique	96
3.14	Summary	98
4.	Research methodology and procedure	99

4.1	Introduction	99
4.2	Research approach	99
4.2.1	Combining qualitative and quantitative methods	100
4.3	Research strategy	100
4.3.1	Phase A - Qualitative research	100
4.3.1.1	Grounded theory	100
4.3.1.2	Data gathering techniques	101
4.3.1.3	Data analysis	102
4.3.1.4	Sampling design	102
4.3.1.5	Defining the research environment of the study	103
4.3.2	Phase B – Quantitative research	103
4.3.2.1	Survey research	103
4.3.2.2	Data gathering techniques	104
4.3.2.3	Questionnaire layout and design	105
4.3.2.3.1	Introduction of the questionnaire	105
4.3.2.3.2	Instructions on the questionnaire	105
4.3.2.3.3	Questionnaire length	106
4.3.2.3.4	Question order	106
4.3.2.3.5	The questionnaire and interview protocol of the study	106
4.4	Data analysis	107
4.5	Sampling design	107
4.5.1	Defining the population of the study	108
4.5.2	Identifying the sampling methods	108
4.5.3	The sample size of the study	109
4.6	Research design	110
4.6.1	Use of research	110
4.6.2	Time dimensions of research	111
4.6.3	Defining the research environment of the study	111
4.7	Pilot study	111
4.7.1	Pilot study results	112
4.8	The reliability and validity of the study	112
4.9	Ethical considerations	114
4.10	Limitations of the study	115
4.11	Conclusion	115

5.	Presentation and interpretation of research findings	117
5.1	Introduction	117
5.2	Method of reporting the results	117
5.3	Demographic profile of respondents in phases A and B	119
5.4	Research results – phase A	120
5.4.1	Category 1: The NMDS position with regard to integrated communication	120
5.4.1.1	Internal communication	120
5.4.1.2	Communication techniques used for internal communication	123
5.4.1.3	Interactivity with stakeholders	125
5.4.2	Category 2: The significance of IMC in establishing and nurturing relationships with stakeholders	129
5.4.3	Category 3: Improving interactivity with stakeholders	134
5.4.4	Summary of research findings in phase A	138
5.5	Research results – phase B	139
5.5.1	The NMDS mission and brand awareness	139
5.5.2	Stakeholders’ participation	140
5.5.2.1	Student representative bodies and colleagues	140
5.5.2.2	Media options	140
5.5.2.3	The NMDS employees	140
5.5.2.4	Implementation of changes	140
5.5.3	Message consistency	141
5.5.3.1	Poor internal communication	142
5.5.3.2	Lack of knowledge	143
5.5.3.3	Unclear and undefined policy	143
5.5.3.4	Differences in perception	143
5.5.4	Discrimination during scholarship renewal	144
5.5.4.1	Nepotism and favouritism	144
5.5.4.2	Corruption	145
5.5.4.3	Administrative irregularities	145
5.5.5	The NMDS employees’ motivation	146
5.5.5.1	Staff remuneration	147
5.5.5.2	Training and counselling	147
5.5.6	Improving information dissemination	147
5.5.6.1	The use of different media	148

5.5.6.2	Word of Mouth marketing	150
5.5.6.3	Empowering the public relations office	150
5.5.7	Challenges faced by the stakeholders	150
5.5.7.1	Information inaccessibility	151
5.5.7.2	Staff inefficiency	151
5.5.7.3	Unpleasant stakeholders' interaction and non-involvement	151
5.5.8	Improving stakeholders' interaction	154
5.5.8.1	Use of various marketing communication techniques	154
5.5.8.2	Staff training on stakeholder (customer) care	155
5.5.8.3	Involvement of stakeholders	155
5.5.8.4	Use of information communication technology	156
5.6	Summary	156
6.	Conclusions and recommendations of the study	159
6.1	Introduction	159
6.2	Conclusion of the study	159
6.2.1	The systems theory concept	159
6.2.2	Reflecting on the NMDS	160
6.2.3	Stakeholder century and IMC	160
6.2.4	Core conclusions on NMDS stakeholder's perception	161
6.2.4.1	Lack of interactivity	161
6.2.4.2	Absence of organisational mission and brand	162
6.2.4.3	Message inconsistency	163
6.2.4.4	Employees not being stakeholder-conscious	164
6.2.4.5	Under-utilisation of technology	164
6.2.4.6	Ineffective marketing communication activities used by the NMDS	165
6.3	Recommendations of the study	165
6.3.1	Practicing relationship marketing	166
6.3.2	Improving interactivity	166
6.3.3	Following a holistic approach	166
6.4	Recommended guidelines to improve the NMDS's position	167
6.5	Overview of limitations	171
6.6	Recommendations for future research	171
6.7	Conclusion	178

LIST OF TABLES

Table 1.1	Meta-theoretical framework and conceptualisation of the study	9
Table 2.2	Lesotho government expenditure on education	29
Table 2.3	Budget allocation and the NMDS over-commitment	30
Table 3.4	The difference between IC and IMC	60
Table 5.5	Respondent classification according to their relations with the NMDS	119
Table 5.6	Demographic profile of participants according to their country of study	119
Table 5.7	The respondents familiarity with the NMDS mission	139
Table 5.8	Respondents experiencing operations change at the NMDS	141
Table 5.9	The NMDS' consistency in handling cases	144
Table 5.10	Discrimination at the NMDS	145
Table 5.11	The employees' motivation	146
Table 5.12	Media options used by NMDS rated	149
Table 5.13.1	Effectiveness of radio	149
Table 5.13.2	Effectiveness of internet	150
Table 5.14	Information inaccessibility	151
Table 5.15	Staff conduct towards stakeholders	152
Table 5.16	The NMDS' use of information communication technology	156

LIST OF FIGURES

Figure 5.1	Message consistency	142
Figure 5.2	Stakeholders' involvement	153
Figure 5.3	The NMDS' reputation according to its stakeholders	154

LIST OF DIAGRAMS/EXHIBITS

Exhibit 3.1	Marketing communication techniques and their impact on stakeholders	50
Exhibit 3.2	Gronstedt stakeholder relation model	52
Exhibit 3.3	The three dimensional IC	53
Exhibit 3.4	Ehlers's model for structuring integrated communication	55

Exhibit 3.5	A conceptual South African model for implementation of strategic integrated communication	57
Exhibit 3.6	The elaborated IC drivers' model	61
Exhibit 3.7	Brand equity equation	68
Exhibit 3.8	5Rs of marketing communication planning	75
Exhibit 3.9	Communication and the service marketing triangle	82
Exhibit 3.10	IMC strategic planning process	92
Exhibit 3.11	An integrated marketing communication planning model	94
Exhibit 3.12	IMC model	96

APPENDIXES

Appendix A: The NMDS scholarship requirements and selection criteria

Appendix B: An advert for the sponsorship offered by the donors and their prescriptions

Appendix C: The minutes prepared by the secretariat for the minister for approval

Appendix D: A letter inviting applicants to attend the NMDS interviews

Appendix E: A public notice clarifying prerequisites for sponsorship

Appendix F: A letter informing applicants about their sponsorship status:

(i) Successful

(ii) Waitlisted

(iii) Unsuccessful

Appendix G: A questionnaire

Appendix H: An interview guide

Chapter 1

Orientation and overview of the study

1.1 General orientation and background

The 21st century marketplace is symbolised by stakeholder integration which is built around a two-way symmetrical approach to interactivity. This phenomenon is coined the stakeholder age or century (Niemann 2005:8). The most obvious characteristic of this global, interactive marketplace is that stakeholders will have significantly greater access to information than in any previous phase of economic and social development. Also, organisations will be more visible as accountable corporate citizens and will have to a greater extent than ever before exercise social responsibility towards its stakeholders. Like all other organisations, the National Manpower Development Secretariat (NMDS) needs to function effectively in this new marketplace.

The NMDS is a Lesotho government department under the Ministry of Finance and Development Planning. It was established in 1978. Its mandate is to administer all training and scholarship matters (Sweetman, Khuto & Pakisi 1995:9). The scholarship offered by the NMDS is a 'soft loan' repayable after sponsees have successfully completed their course of study. The NMDS sponsors students to pursue their studies in Lesotho tertiary institutions, the Republic of South Africa, Botswana, Swaziland and some overseas countries.

For the purpose of this study, soft loan is defined as:

...the money given to an individual sponsee by the NMDS for pursuing his/her studies with very easy means of repayments at the end of the programme of study.

The NMDS is an organisation which provides a service. Zeithaml and Bitner (2003:7) opine that there is a growing market for services and increasing dominance of services in economies worldwide. Consequently, the tremendous growth and economic contribution of the service sector have drawn increasing attention to the issues and problems of service sector industries worldwide. Nevertheless, despite the importance of service and the bottom-line profit potential

for service, consumers perceive that in general the quality of service is declining (Zeithaml & Bitner 2003:13). This is a serious challenge as poor service delivery will have a negative impact on the experiences and perceptions of the stakeholders of an organisation. Niemann (2005) states that stakeholders are an organisation's most important asset, therefore the organisation must listen to them, and pay attention to their wants and needs. However, it seems that the challenge of an organisation failing to listen to its stakeholders is a problem very relevant to the NMDS. For instance, Moeletsi oa Basotho (2008:8) reported that a coalition of students from various institutions marched to the NMDS. The cause of the march was the NMDS' delay in paying students' stipends. Moeletsi oa Basotho complained that their reporter was expelled from the NMDS premises by the management when investigating the cause of the delay in disbursing students' allowances. Senoana (2005) further emphasises that the National Manpower Development Council (NMDC's) service absence resulted in a lack of direction and guidance for both the secretariat and national education. The NMDC is a body with a mandate to review the NMDS policies, and is appointed by the minister responsible for the NMDS (Senoana 2005). According to this author, the process of awarding scholarships seems to lack transparency and consistency, and this culminated into a loss of confidence in the NMDS by the general public and by the government ministries (Senoana 2005:7).

The NMDS has various categories of stakeholders, namely NMDS employees, its current sponsees, ex-sponsees (some are still servicing the loans they received in the past), parents or guardians who sign sponsorship contracts as sponsees' guarantors, management of academic institutions, banks (the NMDS uses them to pay schools and sponsees), the media, and other government line ministries. As stated, in any organisation (profit and non-profit making – such as the NMDS), stakeholder satisfaction is very important. Satisfied customers become the true assets of an organisation and customer satisfaction is the only justification for an organisation's existence (Du Plessis, Jooste & Strydom 2001:84). The question that arises is how to improve service and have more satisfied stakeholders. Several authors are of the opinion that the satisfaction of stakeholders may be attained through effective communication which improves relations between the organisation and its stakeholders (Niemann 2005:51; Schultz & Kitchen 2000:78; Steyn & Puth 2000:5; Belch & Belch 1998:9-10; Duncan & Moriarty 1997:57). It therefore seems imperative that the marketing communication techniques used to interact with stakeholders should not be utilised in silos, but rather in an integrated manner as this is considered a more effective approach to communicate with stakeholders (Mulder 2004:227-228; Yeshin 2001:14; Burnett & Moriarty 1998:350-351).

According to Duncan (2001) integrated marketing communication (IMC) is defined as a cross-functional process for creating and nourishing profitable relationships with customers and other stakeholders by strategically controlling all messages sent to these groups and encouraging data-driven, purposeful dialogue with them. It has also been defined as the practice of unifying all marketing communication techniques – from advertising to packaging – to send target audiences a consistent, persuasive message that promotes company goals (Burnett & Moriarty 1998:14). From this definition it can be derived that IMC is an approach that recognises the customers and stakeholders. Mulder (2003:12) also defines IMC as an approach that incorporates all marketing and marketing communication techniques to deliver consistent messages. According to this author, the IMC planning process starts by evaluating the needs and priorities of stakeholders, and thereafter marketing and communication programmes are implemented to address these needs. Adapting IMC encourages an organisation to speak with a 'single voice' to all stakeholders. Pettegrew (in Soderlund 2003:20) points out that communications need to be internally integrated for clear and consistent messages that would be effective. Messages that are not integrated usually contrast and cause confusion to customers and other stakeholders.

One of the basic principles of IMC is stakeholder-centricity (Mulder 2003:19). This means that organisations have to begin with and focus very strictly on the needs of stakeholders rather than customers (Niemann-Struweg & Grobler 2007:57). Niemann (2005) argues that because of globalisation of markets, organisations need to adopt a stakeholder-based approach. In order to meet the needs of stakeholders, organisations need to build long-term relationships between the organisation, its brands and these stakeholders. Duncan (2001:14) emphasises that an organisation must move from using inside-out thinking (focusing on the needs of the organisation) to using outside-in thinking (focusing externally on stakeholder's needs and wants). Inside-out thinking starts with the organisation's needs, whereas outside-in thinking starts with the stakeholder's needs. For organisations to face up to the challenge of the stakeholder century, it must create and nourish profitable relationships with its customers and stakeholders (Niemann *ibid*). Through integrated marketing communication relationships with stakeholders can be built and deepened (Mulder 2004:227).

Against the background of the preceding overview, the research problem of the study is formulated.

1.2 Research problem

The studies conducted with the aim of addressing the problems the NMDS experiences, have all focused on the technical and administrative issues (Sweetman, Khuto & Pakisi 1995; Kasasa & Moekoa 2003; Senaoana 2005). The role of marketing communication received little attention. Senaoana (2005) conducted research to explore the NMDS's activities and more specifically the restructuring of the NMDS council, secretariat and revolving fund. In his recommendations Senaoana (2005:37) indicated that the NMDS should be responsible for disseminating information about the education funding facilities, visit schools and explain the scholarship prerequisites, undertake marketing of student loans, grants and training awards. This study did not explain who should handle information dissemination and how. However, what was evident from this study was the mounting sour relationships between the NMDS and its stakeholders. The last couple of years have been characterised by strikes and demonstrations by the NMDS sponsees at the tertiary institutions. The situation poses a test to the NMDS. Therefore, the problem that directs this study is the fact that the NMDS is not ready to face up to the challenges of the stakeholder century in the post-millennium decade.

1.3 The research questions

According to Mouton (2001:53), a research problem implicitly or explicitly embodies a research question and normally stems from either an idea or a problem that was identified by the researcher. Bak (2004:21) opines that the research question must address the problem and must emerge from the research framework. In other words, the research question must be drawn from the debates in the literature. Mouton (2001:55) distinguishes between four types of research questions, namely the theoretical, meta-analytical, conceptual, and normative research questions. These questions will be used to structure this study. The research problem stated in 1.2 gives rise to the following research questions:

- Theoretical research question

Which guidelines can be recommended to improve relationships between the NMDS and its stakeholders? (Primary research question).

1. Meta-analytical question:

What is the context in which stakeholder relationships are explored in this study?
(Secondary research question).

2. Conceptual research question:

What is the meaning of the concept stakeholder century within the integrated marketing communication (Secondary research question).

3. Descriptive research question:

How do stakeholders perceive the effectiveness of NMDS' marketing communication activities? (Secondary research question).

1.4 Aim and objectives of the study

The primary and secondary research questions imply the aim and objectives of the study. The aim of this study is as follows:

- To provide guidelines to improve relationships between the NMDS and its stakeholders.

The aim will be attained through the following research objectives:

1. To discuss the NMDS as the context in which stakeholder relationships are pursued (answering the meta-analytical research question)
2. To reflect on the stakeholder century concept and the role of IMC in this century (answering the conceptual research question)
3. To explore the NMDS stakeholders' perception of the marketing communication activities the NMDS embark on to establish relationships with them (answering the normative research question)

There are three basic purposes of social research (Babbie 2001:90; Du Plooy 2002:48-49):

- Exploration (to explore a topic or provide basic familiarity with a topic)
- Description (to describe a situation, event, process)
- Explanatory (to indicate causality between variables or events)

This study is exploratory and descriptive in nature.

1.5 Research design

1.5.1 Research approach and strategies

A combination of qualitative and quantitative research methodology will be employed in this study. The qualitative section will make use of the grounded theory as research strategy. Grounded theory studies aim at deriving theory through the use of multiple stages of data collection and interpretation. Strauss and Cobin (1990:27) consider grounded theory to be a set of procedures for analysing data that will lead to the development of theory useful to a specific discipline. The use of grounded theory will enable the researcher to establish themes and categories from the gathered data. On the other hand, the quantitative section will be conducted through survey research. The purpose will be to test the themes identified through grounded theory.

1.5.2 Method of data collection

As grounded theory is employed as qualitative research strategy, in-depth interviews will be used to collect the data in this section.

A self-administered questionnaire with a five-point likert scale will be used to collect the quantitative data. Guidelines for designing questionnaires provided by the survey researcher Leedy (1997) were used to improve the quality of collected data. According to Wimmer and Dominick (2006:194), the best way to discover whether a research instrument is adequately designed, is to pretest it. In order to test the appropriateness and validity of the instrument used in this research; the pre-test questionnaire will be administered to 30 NMDS sponsees studying at the University of the Free State (UFS) and the Central University of Technology (CUT), Free State.

The self-administered questionnaires will be distributed to current NMDS sponsees studying at the UFS, CUT and the National University of Lesotho (NUL). Respondents from other stakeholder groups of the NMDS such as institutions' management (strategic officers from the UFS, CUT and NUL), and respondents from media and financial institutions designated to disburse sponsee's academic expenses will also be given the questionnaires.

1.5.3 Data analysis

In order to analyse data qualitatively, the constant-comparative technique (Wimmer & Dominick 2006:117) will be utilised. Categories will be identified, coding of data and identification of major themes and categories will be done, and then the data will be integrated into a coherent theoretical structure.

A computer aided analysis technique (Statistical Package for Social Sciences) will be employed for quantification purposes. Cross tabulation will be used to compute an index of similarities and differences in observed frequencies between categories. From the variables that are found to be relevant, the frequency distribution table will be employed to list each measurement level that exists along with the frequency of observations that correspond to that level. Bar and pie charts will be used to illustrate the findings.

1.5.4 Research participants, sample selection and procedures

In the qualitative section of this study, the in-depth interviews will be conducted with the NMDS stakeholders and employees sampled randomly from junior, middle and top management categories. Interviews will be conducted until saturation of categories is attained and no new information or themes are emerging from the data. In quantitative research, a sample of the population must be drawn in such a way that it is representative of that population (Du Plooy 2002:100). The population of this study comprises of current NMDS sponsees from universities in the RSA and Lesotho and the same NMDS stakeholders such as the universities' management, the media and the Standard Lesotho Bank who participated in the qualitative method.

A purposive, simple random and convenience sampling will be employed in this study. The NMDS has sponsees from all nine South African provinces. The UFS and CUT are the institutions with the highest number of NMDS sponsees in South Africa. Therefore, a total of 140 questionnaires will be administered to these two institutions. Similarly, the National University of

Lesotho (NUL) students will form the Lesotho sample since it has the largest number of sponsees in Lesotho. The number of questionnaires administered to NUL will be 260 whilst other stakeholders will be given 10. The NMDS sponsorship is renewed yearly. Questionnaires will be given to respondents from UFS and CUT at the premises of NMDS when the renewal of sponsorship contracts takes place. With regard to NUL respondents, questionnaires will be administered in class, whilst with other stakeholders such as the institution's management, banks and media, the researcher will administer the questionnaires to the institutions.

1.6 Meta-theoretical framework and conceptualisation

A theoretical investigation of the issue mentioned in the research problem of the study [see 1.2] is essential. It is argued that for an organisation to function successfully, it needs to operate in the worldview of relationship management with a two-way symmetrical approach. The two main theoretical domains relevant to this study are integrated communication and integrated marketing communication. Each of these theoretical areas consist of a range of sub-fields that influence the mentioned domains with subsequent theories which are relevant. The meta-theoretical framework and conceptualisation of this study is summarised in table 1.1.

Grand theory	The grand theory of this study is that of systems theory driven by systems thinking	
Worldview	Relationship management with a two-way symmetrical approach	
Theoretical domains	Integrated communication	Integrated marketing communication
Descriptive sub-domains	Corporate communication Managerial communication Marketing communication	Corporate focus Institutional processes Infrastructure
Theories related to these domains	Interactional communication theory	Systems theory Relationship marketing Customer relationship management
Concepts	Public relations Employee communication Crisis communication Business communication Corporate advertising Media liaison Corporate affairs Communication auxiliaries Internal communication External communication	Relationship management Brand integration Stakeholder-centricity Strategic consistency Stakeholder focus Sustainable success Mission marketing Stakeholder-conscious employees Message consistency Contact synergy Purposeful dialogue Financial accountability Cross-functional planning Core competencies Database management Integrated agency

Table 1.1: Meta-theoretical framework and conceptualisation of the study (Source: Mulder 2008:23).

1.6.1 The grand theory of the study

The grand theory of this study is that of systems theory driven by systems thinking. A system can be defined as the set of interrelated items that is interconnected and influence one another in an environment to produce a pattern that is different to the sum of the parts. In society systems exist in every arena, in family systems, mass media and organisational systems amongst others. All of these are composed of parts that exert an influence on one another (Mulder 2008). According to Montouri (in Mulder 2008:24-25), systems thinking provides a model for seeing interrelationships among factors rather than focusing on the individual factors (or circumstances) themselves.

Systems thinking can therefore be regarded as the application of the systems theory within the organisational context, focusing specifically on the interactivity and interdependence of the various segments in the organisation, whereas the emphasis of the general systems theory is on the greater wholeness of the system (Littlejohn & Foss 2005:21). According to Littlejohn and Foss (2005), systems thinking enables a dynamic, holistic examination of an organisation. As it unfolds, it ensures that the changes made are in concerted efforts with the environmental changes, demands and constraints.

According to Littlejohn (2003), any system is made up of three components. All systems are made up of individuals (employees) or items. These objects all have attributes. Attributes refer to the qualities or characteristics of the objects. This can be associated with the employee's characteristics or traits. Finally, these objects all have relationships with one another. All parts of a system are interconnected and dependent on the other parts. Thus, change in one part affects the rest of the system directly or indirectly. This aspect has a great value for any system as any change in one part will influence other parts.

Mulder (2008) further argues that another important aspect regarding systems is the fact that systems can be open and closed. Almost all systems in society are open. This implies that they give and receive matter and energy to and from their environment. An organisation may, for example, be affected by external competition.

All systems have certain characteristics (Littlejohn 2002). Every system is embedded within other supra-systems and have subsystems located within them. This refers to the hierarchical aspect of the systems. Systems must be able to adjust to their environment. When clients begin

to complain about an organisation, it must be willing to change its strategy in order to survive. All systems interact with their environment and are influenced by this interaction. Furthermore, all systems provide a whole which is different to the parts. This is referred to as its wholeness and interdependence. All the parts are interconnected. Systems must strive to maintain a balance or homeostasis if they are to survive. Self-regulation and control are also important characteristics of systems. All systems seek to self-regulate themselves - usually through feedback. Finally, equifinality should be present in systems (Littlejohn 2002). This refers to the task accomplishment or final stage of achievement of a system. An organisation must seek to achieve its goals. If one strategy does not work, another should be sought.

The theoretical approach to the systems theory also signifies important aspects to be considered. Firstly, it shows that the exchange of information is essential to the survival of any system. If an organisation does not communicate with its employees, it will not function effectively. Another important factor is the continuous re-evaluation of systems and the structuring thereof. This will ensure there are no malfunctions and that information will flow smoothly. Within an organisation, if correct formal and informal communication structures are not in place, the system (organisation) will be affected negatively (Mulder 2008:26).

1.6.2 The worldview and domain of the study

According to Niemann (2005) it can be argued that as organisations need to maintain the 'systemness' within the context of integration, the interactivity with the environmental system implies a worldview of relationship management within a two-way symmetrical approach. This holds true as shared communication and interdependence are fundamental to maintaining relationships within the organisation, as well as the greater system in which the organisation is functioning.

This study will therefore adopt an interactional approach to communication. Communication is viewed as a process not a structure, therefore inherently interactive, adaptive and transactional. It is regarded as the process by which meaning is shared. At the core of the organisations are communicating, interacting and transacting individuals who actively shape their own behaviour (Mulder 2008).

Against this background, the theoretical domains within the paradigm of the systems theory in this study are integrated communication and integrated marketing communication.

1.6.3 Theoretical domain

Integrated Marketing Communication is a comprehensive approach to internal and external organisational communication. It combines the power of all the marketing and marketing communication techniques to deliver consistent messages to various organisational stakeholders (Mulder 2008:93). It is the recognition of the importance of creating dialogue, long-term relationships through trust, and communicating the same message to relevant stakeholders. Milder (2008:95) cautions that the integration of the communication function in advertising, public relations, promotions, direct marketing and personal selling is not complete if the integration is only among these fields. Mulder (2008) suggests that integration implies that communication be regarded as a strong element in the total management process. The importance of recognising the value of IMC led to the new strategic intent called Integrated Communication.

Integrated communication (IC) according to Drobis (in Mulder 2008) stipulates that marketers realised that the integration process should extend beyond marketing to blend the full spectrum of communication disciplines and help senior management best preserve a company's corporate reputation. In companies where there is no effective coordination, the lack of truly integrated communication can lead to a gradual or sudden deterioration of the company's credibility and reputation. Mulder (*ibid*) argues that credibility is derived by telling all stakeholders the same thing in a timely fashion. It is further argued that inconsistent messages create confusion, and contribute to misinformation and speculation. All of this damages corporate reputation, trust and inevitably relationships. It may be noticed that the term 'relationship' is paramount in this research, hence the rise of the concept Customer Relationship Management (CRM) or Stakeholder Relationship Management (SRM) in the stakeholder century.

1.6.4 Descriptive sub-domains

Puth (2002) is of the opinion that management in an organisation is possible through communication. Thus, management and communication are two inseparable entities. Smeltzer (in Mulder 2008:106) opines that management communication deals with the communication of the management and managers, communication variables that affect management, and the practice of communicating by management. Corporate communication provides focus and direction for an organisation's communication with stakeholders, building symbolic and behavioural relationships with the strategic stakeholders (2008:107). Corporate communication

can be described as an outside-in approach to strategic management, conducting environmental scanning to gather information on stakeholders, publics and issues from the environment and anticipating their consequences for the organisation's policies and strategies – specifically with regard to the stakeholder and societal environment (Steyn, Grobler & Cilliers in Mulder 2008:108). Marketing communication according to Du Plessis, Bothma, Jordan and Heerden (2003) is communication to customers, specifically about products and services. Egan (in Mulder 2008:109) opine that marketing communication is the means by which the suppliers of goods, services, values and ideas represent themselves to their target audience with the goal of stimulating dialogue leading to better commercial relationships. The most prominent marketing communication tools are advertising, public relations, sponsorship, direct marketing, personal selling and selling promotion.

In Duncan and Moriarty's adapted drivers' model, each one of the drivers or principles falls into one of the three integration categories (Mulder 2007a:3). The first category, **corporate factors**, entails the following seven drivers: holistic business approach, relationship management, brand integration, customer centricity, maintenance of strategic consistency, stakeholder focus and sustainable success. **Institutional processes** being the second category includes the following six drivers: marketing the corporate mission, customer conscious employee, message consistency, contact synergy, generation of purposeful dialogue and financial accountability. The third category, **infrastructure**, encompasses four drivers: cross-functional planning, the development of core competencies, database management and the use of an integrated agency.

Categorically, the grand theory of the study is that the systems are driven by systems thinking with a worldview that relationships must be managed through a two-way symmetrical approach. The theoretical domains in this study are integrated communication and integrated marketing communication. The descriptive sub-domains for IC are corporate, managerial and marketing communication, while for IMC they are corporate focus, institutional processes and infrastructure. The theories related to these domains are interactional communication theory, systems theory, relationship marketing and customer relationship management.

1.7 Importance of the research

Duncan and Moriarty (1997:57) argue that how and to what extent stakeholders support your brand depends on your company's relationships and interactions with them. Stakeholders' support and cooperation depends on the effectiveness of the communication with them. Sometimes stakeholder support can be proactive or reactive, thus interfere with what the company wants to do.

The study conducted by Senoana (2005) pointed out that the NMDS faces challenges with regard to their relationships with their stakeholders. However, no recommendations have been made in this regard. This study focuses on the challenges that the stakeholder century poses to organisations and explores the contribution IMC can make in this regard. As a result of this study, theoretical points of departure will be provided to the NMDS to improve their stakeholder relationships through more effective marketing communication. Better relationships with stakeholders could lead to better service standards. Not only will NMDS stakeholders benefit from improved service delivery, but these stakeholders will also be true assets of the organisation and justify the existence of the NMDS. It is anticipated that the results of this study will not only benefit the NMDS, but also other organisations which provide services in Lesotho and elsewhere.

1.8 Defining key terminology

It has been stated by Leedy and Ormrod (2001:61) that the key terms used in a study should be defined operatively. In other words, this means the definition should interpret the term as it is used in relation to the research project. The following concepts are important in this study and are defined in the next section.

Integrated marketing communication (IMC) can be defined as:

...a dynamic, holistic approach, integrated into all strategic levels of an organisation. It manages and fuses every point of contact between the organisation and its stakeholders. Through these coordinated efforts it supports a targeted, integrated, consistent brand communication strategy for the purpose of building positive lifetime relationships through data-driven techniques by customer-conscious employees

ultimately giving an organisation a competitive advantage and brand equity (Mulder 2007a:21-22).

Integrated Communication is defined by Niemann (2005:30) as:

...the strategic management process of organisationally controlling or influencing all messages and encouraging purposeful, data-driven dialogue to create and nourish long-term, profitable relationships with stakeholders.

According to Steyn and Puth (2000:198) the concept stakeholder refers to:

...a group of people who are affected by the decision of the organisation or their decisions affect the organisation.

Stakeholder century as defined by Niemann (2005:104) means:

...an era whereby an organisation has to begin with and focus very strictly on the needs and wants of stakeholders (the outside-in approach).

Service put in the simplest terms refers to:

...a deed, process and performance. Service is represented to the client through problem analysis activities, meetings with clients, follow-up calls and reporting – a series of deeds processes and performances (Zeithamal & Bitner 2003:3).

1.9 Structure of the dissertation

In this chapter the orientation and overview of this study was presented. The background of the study was discussed, the overall aim or the main reason that motivated this study was highlighted and the objectives were identified. An overview of the importance of the research and the methodologies used was also given.

Chapter 2 introduces the National Manpower Development Secretariat and its council. The processes sponsees go through when applying for its scholarships will be explained. The chapter further touches on the reports by the media about the NMDS to give an overview of the challenges this organisation faces.

In chapter 3 the outcome of the literature review done will be presented. The concepts stakeholder century and integrated communication will be discussed. Moreover, the concept integrated marketing communication will be explored to reflect on the nature and scope thereof.

The research methodologies, design and procedures to be used in this research is the focus of chapter 4. The research approaches, namely quantitative and qualitative, are motivated within the context of this study. This chapter also includes the research strategy, design, sampling methods, data collection and analysis methods as well as a discussion of the validity and reliability of the research.

In chapter 5 the research findings and interpretations are offered. Chapter 6, the last chapter of the study, serves as a general summary of the study as a whole. Conclusions are drawn and recommendations suggested based on the data discussed in chapter 5. Guidelines are provided that should assist the NMDS to function more effectively in the stakeholder century. Recommendations regarding future research are also made.

Chapter 2

The Lesotho National Manpower Development Secretariat (NMDS)

2.1 Introduction

Education is regarded by most countries of the world as central to development. Lesotho is not an exception, and is faced with a challenge of improving access to education at all levels (National Vision 2020:14). In an attempt to address this challenge, the Lesotho government has given the NMDS a mandate to administer all training and scholarship matters for Basotho citizens willing to further their studies at institutions of higher learning (Sweetman, Khuto & Pakisi 1995:9). The scholarship provided by the NMDS is a 'soft loan' [see 1.1] repayable after the beneficiaries have successfully completed their course of study.

This chapter will give a brief history of the scholarship in Lesotho until the establishment of the NMDC and NMDS. The mandate of the secretariat and the scholarship application procedures will be touched upon. An overview of the NMDS's communication with its stakeholders and media reports thereof will be given.

2.2 Sponsorship background in Lesotho

Long before Lesotho gained its independence from Britain in 1966, The Basotho Higher Education Fund named Sethaba-Thaba (translated as revolving fund) was established in 1952 under the administration of His Majesty's office. The purpose of the fund was to offer Lesotho citizens free bursaries. This scheme was transferred to the Ministry of Education in 1966 (Marsh 2002:1), the year when Lesotho gained independence from Britain (own emphasis). As a means of addressing the challenge of improving access to education, in order to address poverty in Lesotho, one strategy proposed by the government of Lesotho was to reform the National Manpower Development Council (NMDC) with a view to improve loan recovery mechanisms and administer scholarships in accordance with the national priorities (Poverty Reduction Strategy Paper 2005:5).

2.3 Establishment of the NMDC and NMDS

According to Marsh (2002), it was clear by 1978 that the cost of the bursaries could no longer be borne by the government hence the formation of the NMDS. The NMDS is the arm of the government of Lesotho under the Ministry of Education and Training. It was relocated from its mother ministry Education and (Training) to the Ministry of Finance and Development Planning (MFDP).

2.3.1 Composition of the National Manpower Development Council

NMDC is a body appointed by the Minister of Education from amongst persons who are in his opinion, fairly representative of the interest to be provided for under the 1978 Act (Kingdom of Lesotho Act 1978:35). The researcher assumes the representatives here imply the stakeholders. In assertion, Khali and Co. (2003) and Senaoana (2005:40) recommend that the members of NMDC be appointed by the Minister of Education from the following institutions which also constitutes the main stakeholders and subsequently have interest in the NMDC:

- a) The chairperson selected by the Minister of Education – the Act provides that the NMDC be chaired by the Minister of Education, and Senaoana (2005) recommends that the NMDC should no longer be chaired by the Minister of Education rather that the minister delegates the position.
- b) The principal secretary of the Ministry of Education
- c) The principal secretary of the Ministry of Finance and Development Planning
- d) The principal secretary of the Ministry of Employment and Labour
- e) The principal secretary of the Ministry of Defence, Public Service and Parliamentary Affairs
- f) The director of the NMDS
- g) The Lesotho Chamber of Commerce
- h) Tertiary education institutions
 - The National University of Lesotho (NUL)
 - Lesotho College of Education
 - Lerotholi Polytechnic
 - Lesotho Institute of Public Administration and Management
 - Centre for Accounting Studies
 - Social Service institutions
 - Institute of Development Management

- i) Financial institutions (Standard Lesotho Bank and Nedbank Lesotho)
- j) Association of Lesotho Employers
- k) Lesotho Congress of Non-governmental Organisations

2.3.2 The NMDC's main function

One of the main functions of the NMDC is to undertake policy formulation and provide directives to the NMDS (Senaoana 2005:1). It is imperative to mention that the NMDC Act was never implemented nor the NMDS training policy formulated because the council (which is the advisory body to the chairperson and Minister of Education) has never been resuscitated since 1983 after the expiry of the tenure of the first council.

2.3.3 The NMDC's demise brings catastrophe to the NMDS

Senaoana (2005:1) believes that failure to implement the Act has resulted in serious capacity constraints for the NMDS. Furthermore, it calls to question the legitimacy of various policy decisions of the NMDS and perhaps the need for their ratification. Senaoana (2005) emphasises that the council's absence resulted in a lack of direction and guidance for both the secretariat and national education. "There seems to have been a problem of lack of transparency and consistency with regard to scholarship awards and this culminated into loss of confidence on NMDS by the general public, and sometimes by the government ministries" (Senaoana 2005:7). The lack of transparency and consistency may imply that even messages sent from there were inconsistent and disarrayed (Own opinion).

Apart from that, part of the work-load to be done by the council is performed by the secretariat. For instance, the selection committee (to be defined) that is suppose to have been nominated by the council, is suppose to interview applicants for scholarship. In its absence, (the selection committee).candidates have to be interviewed by the secretariat with the result that both students and parents (particularly those who do not qualify for loan bursary awards) start questioning the credibility of the secretariat in making decisions and appeal to the minister concerned for intervention (Senaoana 2005:7).

The selection committee, according to the Kingdom of Lesotho Act (1978:37), is:

...the sub-committee of the Council that has been elected by the Council whose function shall be to interview and select on behalf of the Council and subject to policy directive of

the Council, applicants for bursaries having regard to the applicant's academic ability and character as well as the manpower training needs of Lesotho.

It is important at this juncture to discuss the mandate given to the NMDS and procedures applicants must follow to acquire a scholarship.

2.4 The mandate of the NMDS and scholarship application procedures

Sweetman, Khuto and Pakisi (1995:9) state that the cabinet circular of 14 January 1976 defines the functions of the NMDS as:

- To identify the national manpower development needs
- To design national manpower development programmes
- To administer all training and scholarship matters
- To negotiate in consultation with other appropriate government institutions, scholarship and aid for training.

The researcher opines that the consultation should also encompass other interested stakeholders outside government.

Sweetman *et al.* postulate that the cabinet decision of February 1994 transferred the first two functions listed above to the Ministry of Economic Planning and Manpower Development - now MFDP - leaving the NMDS with the last two functions.

2.4.1 Scholarship requirements

The scholarship application process involves the following stages: Applying, interviewing, contract signing, payment of academic expenses by the NMDS, and finally repayment of the loan bursary by the sponsees immediately when the course of study is completed. With regard to candidates willing to pursue their studies in Lesotho tertiary institutions, the NMDS's basic requirements for bursary awards is that applicants be Lesotho citizens who meet the entry requirements for the programmes or institution they want to enrol with (Management of the NMDS 1997:3). Whilst for candidates willing to study in the Republic of South African institutions, Botswana and Swaziland, the sponsor's prerequisites are: Lesotho citizenship, minimum of second class pass at Cambridge Overseas School Certificate for undergraduate studies [see appendix A]. Overseas scholarships that are given to Lesotho by various donors

and international organisations are normally given by the said donors with prescribed conditions [see appendix B].

There are procedures to be followed by applicants at the NMDS to acquire a scholarship. The steps vary with whether the institution is local or international. For the institutions offering certificates and diplomas in Lesotho, the following steps are observed by the applicants with the NMDS: interviewing and contract signing. The application stage for this category of applicants is excluded.

2.4.1.1 Interview stage

- Applicants are invited to interviews
- The requirements are listed in the advertisement and include a valid passport, all academic certificates and an admission letter
- Interview minutes are compiled and sent to the Principal Secretary (PS) and Minister of Finance respectively for approval [see appendix C]. With their signatures endorsing the minutes, the contract signing may be executed by the secretariat.

2.4.1.2 Contract signing stage

- An advertisement invites the interviewees to come and sign their contracts
- Requirements include the parent or guardian to serve as guarantor and a valid passports and a Standard Lesotho Bank deposit slip (to facilitate payment of book allowances). A food allowance is paid to the institutions which offer meals to students.

It is paramount to note that for students in the districts, all stages (applying, interviewing and contract signing) are carried out in the applicants' respective districts at the District Administrators' (DA) offices. This outreach programme by the NMDS is meant to take services to the people, hence for poverty alleviation (Kasasa & Moekoa 2003:27).

2.4.1.3 Payment process

- The concerned NMDS officer verifies a list of sponsees from the Information Technology unit and request the Treasury Department to credit the NMDS account at the Standard Lesotho Bank with the requested amount.

- On the basis of the said list, the officer issues a payment memo to the Accounts section with the names of students, the account numbers and the amount to be paid to each sponsee.
- After a thorough scrutiny of the list by the Accounts section, the memo passes to the director for approval.
- The Accounts section can then write payment vouchers which are taken back to the director for his or her signature.
- The vouchers are taken to the Lesotho Treasury Department which is a government arm mandated to pay out government funds to all claimants from various ministries.
- After a thorough examination, the Treasury authorises the payment to the bank. If this is provided, there is no query to be addressed by the NMDS
- Then the bank credits individual student accounts with the stipulated amount by the NMDS, provided there is no query by the bank concerning the payee's account.

With all steps successfully passed, the sponsees may then enjoy the award of a scholarship, with funds in his or her account. This process differs with academic institutions and their location (whether the institution is local or international).

2.4.2 The differing case of the National University of Lesotho (NUL)

The process is different with the National University of Lesotho which is the only institution offering degree and postgraduate qualifications in Lesotho. Similar steps are followed, except that there is an inclusion of an application stage before the interviews. The process is as follows:

- Application stage
 - The NMDS issues advertisements to the PS and Minister for approval
 - With the approved advertisement, the NMDS invites applications from eligible candidates as stated in appendix A.
 - During application, a letter acknowledging receipt of the application is written to the applicant by the NMDS [see appendix D]. Then the interview stage follows, which follows the same procedure as stated earlier with local institutions.

The application stage applies to candidates willing to further their studies with universities locally and those outside Lesotho. An exception with applicants wanting to study in international institutions is that after the interview stage, there is a selection process. The selection stage emanated from the 2003/2004 financial year when Lesotho started right-sizing the scholarships to international countries, especially the Republic of South Africa, Botswana and Swaziland.

2.4.3 Selection process for applicants to South African institutions:

- Candidates are classified according to the fields of study they have applied for.
- Competitors score points and are rated according to academic performance, age, work experience and payment of the NMDS loan (especially previous beneficiaries).
- Quotas for each field will have been stated in the advertisement, and the highest candidates (in terms of scores) in each field of study will be awarded scholarships [see appendix E].
- After approval by the authorities, the next step follows – provision of feedback

2.4.4 Communicating the feedback

Individualised letters are written to three different categories: successful, waitlisted and unsuccessful candidates [see appendixes F (i), (ii) and (iii)]. Then the successful candidates undergo the contract-signing stage. The process of applying, interviews and contract signing is followed by prospective sponsees only.

The study will now explain the process for continuing sponsees.

2.4.5 Renewal of contracts for continuing sponsees

The procedure followed by continuing students is shorter. The NMDS loan bursary is renewed annually after the successful completion of subjects in the academic year in question (Sekhonyana 1978:127). If students repeat the academic year, they have to pay for themselves. The NMDS reinstates the sponsorship when the failed subjects have been passed. Before continuing sponsees proceed to the next year of study, the sponsor invites them to renew their contracts. The requirements are:

- 🚩 The NMDS loan bursary contract for endorsement of loan bursary amount for the subsequent academic year.

- ✚ Academic record showing successful completion of the courses for that specific academic year.
- ✚ The bank details are submitted for ease of paying stipends.

2.4.6 Repayment of the NMDS loan bursary

The renewal process is done until the sponsee's programme of study is completed as per the admission letter from the institution concerned. Upon completion, the contract stipulates that repayment of the loan bursary should commence. "Loan bursary fund agreements shall provide for the repayment of bursaries by equal monthly instalments over a period of five years commencing as from the end of the first month of employment subsequent to the completion of the course" (Sekhonyana 1978:126-127). The repayment scenarios are categorised as follows:

- For students who do not return to Lesotho and those who fail to serve the country for a minimum of five years upon completion of their studies have to repay the full cost of their bursary.
- Those students who work in the private sector or parastatal organisations repay 65 percent of their bursary.
- A student who after completion of his or her course works for the government of Lesotho repays 50 percent of the notional cost of his or her bursary.

There are many aspects of the loan bursary contract that prospective, current, ex-beneficiaries, and other stakeholders of the NMDS should be conversant with. The NMDS communication with relevant parties will be discussed now.

2.5 The NMDS communication with its stakeholders

The NMDS outreach programme demands intensive communication with prospective sponsees and stakeholders. The District Administrators and Education officers who act as the NMDS referrals in the districts have to be well informed about NMDS operations so that positive brand management can be attained. They also form a panel that operates on behalf of the NMDC selection committee. This researcher opines that the outreach programmes extended by the NMDS in the districts also provide Word-of-Mouth (WOM) marketing in the absence of the NMDS officers in the districts, hence meaningful coordination between both sides.

The literature describes WOM and viral marketing as a strategy utilised by an organisation to persuade stakeholders positively towards purchasing of a product or service. WOM relies on the individuals in the target audience to pass the message of the campaign on to someone of similar mind and interests, thereby doing marketing for a company in question through creating their referral network of contacts. For WOM to be a positive tool and implemented correctly in a business's marketing communication campaign, the business needs to ensure that the target audience thinks well of the company and its products or services. This is where effective CRM will come in handy. Word-of-Mouth has in recent years developed into the term viral marketing because of the integration of media technology into marketing campaigns.

2.5.1 The NMDS's communication as viewed by various consultants

Kasasa and Moekoa (2003:29) assert that effective and constructive communication among the parties concerned (the NMDS, relevant ministries, institutions, parents and students, thus the stakeholders) is needed and that the NMDS should coordinate the mechanism necessary to keep this communication healthy. Amongst the recommendations made by Khali and Co. (2003:2) and Kasasa and Moekoa (2003:30) were that a public relations officer must be appointed by the NMDS to improve communication with the NMDS stakeholders.

In addition, Sweetman *et al.* (1995:15) suggest that a communication plan be developed by the NMDS which could include increased regional communication, development of brochures and radio, TV and newspaper advertising of available scholarships and selection results. In his proposal of the NMDS restructuring, Senaoana (2005:36) opines that amongst other functions the NMDS should be responsible for are:

- Dissemination of information about education funding facilities, visit schools and explain prerequisites
- Undertake marketing of student loans, grants and training awards
- Invite applications from prospective sponsees

The researcher is of the view that despite Senaoana's recognition of the value of marketing and communication by the NMDS, for effective handling of the marketing and communication task by the NMDS a marketing communication unit should be established within the secretariat to perform the functions he stated.

However, as a matter of facilitating stakeholder involvement in the NMDS affairs, Khali and Co. (2003) suggest that the vision and mission of NMDS should be processed through a series of stakeholders' workshop, consultation and general interfacing with other countries' models. In contention, Kasasa and Moekoa (2003:31) put it thus: "all the stakeholders should come to an understanding of what decisions have been taken." The workshops and consultations will create an environment where dialogue exists between the institution and its stakeholders. It should be emphasised that dialogue is one of the integrated marketing communication pillars, while traditional marketing focused on monologue (Duncan & Moriarty 1997:19).

2.5.2 Communication as a technique for recovery of loan bursaries

"It has been noted that students' debtors who have been sponsored by the NMDS since 1978 are in excess of 20,000 and the outstanding loans to be repaid or recovered are in excess of 100 million Maloti" (Senaoana 2005:9). In an attempt to come up with a solution, Senaoana proposes that the NMDS or any commercial institution tasked with the responsibility of revolving fund management should open an account with a specific bank in both Lesotho and South Africa and communicate the information to all debtors so that they could deposit their monthly instalments. Inevitably, for the NMDS to accomplish this mammoth task, communication with defaulters and other stakeholders is of utmost importance.

2.6 The media reports about complaints by the NMDS clients

Recent reports about the NMDS from a number of newspapers will be provided to highlight the nature of complaints put forth by clients, and the responses there to. The first instance was reported in a newspaper called *Moeletsi oa Basotho* (translated as The advisor of Basotho) on 23 March 2008, under the heading "Manpower ha e na boiphihlelo" meaning "Manpower lacks efficiency". It is reported that the coalition of students from various institutions of higher learning in Lesotho, including the National Health Training College, Lerotholi Polytechnic, and Lesotho Agricultural College marched to the NMDS offices complaining of the delay in the payment of their allowances.

Moeletsi oa Basotho reported that it had previously come to inquire from the NMDS about the delay in payments. It was reported that the director told the newspaper reporter to back-off from the NMDS issues and look for news in other ministries (*Moeletsi oa Basotho* 2008:8).

In another report in the newspaper *Public Eye* (2007:8) it was said that the NMDS sponsees at the National University of Lesotho were signing contracts for laptops provided by a company called Sahara (a NMDS employee had disclosed this). The deal was between Sahara, Nedbank Lesotho, and not all the sponsees from NUL. The NMDS involvement was the provision of the venue where the contracts were signed. It is important to mention that the NMDS pays its sponsees through Standard Lesotho Bank where candidates who were awarded scholarships would have opened personal accounts for ease of payment of stipends. In the case of the laptops, it became apparent that all students who had entered into the contract with Sahara would be paid their allowances from the NMDS by Nedbank Lesotho (not the usual Standard Lesotho Bank) so that Nedbank could deduct the monthly instalments for the laptops from the students' stipends. *Public Eye* inquired about the deal at the NMDS, which is reported as saying that the "NMDS for its part says it is ignorant of the deal, but it also states that it is not surprising that the deal is allegedly prosecuted through its offices because it is a public organisation." The newspaper report ends with the following: "If you do not have anywhere to pitch your soup kitchen tent, just tow your caravan into the NMDS compound without asking because that is public space".

The third occurrence to be cited by this study involves accommodation for sponsees studying in South Africa. Among the expenses paid by the NMDS for its sponsees is accommodation fee. For students studying at South African universities and universities of technology, accommodation is provided by private agencies for those students who have failed to acquire accommodation on campus residences. Sekoati (in *Public Eye* 2008:19) reports that the Heruma Court Property Company in Bloemfontein intends to sue the NMDS for its failure to pay for five students who have enrolled with the Central University of Technology and were residing in Heruma premises in 2007. The manager of Heruma Court lamented, "We should have been notified by the NMDS that it would not sponsor the students to stay here this year because we turned off South African students who sought accommodation at our place". The response by the NMDS on the matter was that their contract with Heruma Court had expired.

The researcher opines that the NMDS should have warned or reminded the concerned landlord in advance that the contract would be expiring so that when it happened it would not be a surprise. The landlord could have been warned verbally, via faxed memos, a telephone call or an e-mail. It is imperative to reiterate that amongst the fundamental principles of IMC are information technology, financial accounting and stakeholders-centricity.

The literature states that the effectiveness and efficiency upon which an organisation delivers up to the expectations of its stakeholders, heavily hinges on the availability and use of information technology.

2.7 The NMDS and the information communication technology age

In 2005, the Lesotho government developed an Information and Communication Technology (ICT) policy. The policy was to give direction as to how information and communication technologies could be utilised to open up new opportunities, improve service delivery, hence easing the grip of poverty on the Basotho nation (Thabane 2005:10). In the context of the NMDS, the researcher of this study opines that speedy service delivery is possible through the utilisation or adoption of ICT.

Kasasa and Moekoa (2003:24) assert that a computerised system should be adopted by NMDS. This can be updated and upgraded when necessary. "Provision of a web based information system for the dissemination of information pertaining to applications, payments ready and general bulletin board.....should be considered", added Marsh (2002:6). In concurrence, Kasasa and Moekoa (2003:23) emphasise that without a computerised system, the quick processing of payments is not possible. They further emphasise that the NMDS will always have problems if it does not purchase computers and the necessary software. Kasasa and Moekoa (*ibid*) say that in case of any delay in processing the funds, the NMDS should communicate directly with the students concerned. In affirmation of the NMDS's dire need for computerisation, Thahane (in Khali and Co. 2003:7) states:

...computerisation facilities have already been installed to facilitate the Manpower department service so that every student under its contract could be easily detected regardless of their destination.

Kasasa and Moekoa (2003:23) are of the opinion that NMDS staff should be trained to use computers effectively. In contention, Marsh (2002:5) comments that the screen is the human interface with the computers, therefore consideration must be given to the degree of computer literacy of the intended users when designing a screen for them. Regarding the training of staff, Thahane pointed out that the process was already in the pipeline, whereby interviews for liable

students who need to further their studies would be handled at the district levels to facilitate the NMDS services (Khali & Co 2003:7).

2.8 Financial accountability within the NMDS

Senaoana (2005:16) claims that a large portion of the national budget is allocated to education in pursuance of the constitutional obligation and right governments should undertake. This is illustrated in the following table:

Years	Expenditure on education	Expenditure on education as % of GDP	Expenditure on education as % of government budget
1996	335.4	9%	15%
1997	442.6	11%	18%
1998	491.6	13%	21%
1999	672.4	17%	28%
2000	720.5	18%	26%
2001	696.0	17%	23%
2002	867.3	21%	26%

Table 2.2: Lesotho government expenditure on education (Source: Senaoana 2005:27).

In 2002/2003 budget speech, Honourable Minister Thahane said that the parliament allocated the NMDS 115 Million Maloti in that fiscal year. This amount had to be increased further by 40 Million Maloti due to under-budgeting by the NMDS. Thahane proposed that the parliament approved the increase from 155 to 195 Million Maloti for the next year (2003/2004). In the 2004/2005 budget speech, the Minister reiterated the over-expenditure by the NMDS in 2000/2001 to 2002/2002. "In the current year (2003/2004) parliament allocated 195 Million Maloti, but NMDS awarded scholarships amounting to 249.8 million Maloti, some of this without authority. I will deal with this lack of financial discipline," stated Thahane (2004/05:12). Illustrated below is the over-expenditure by the NMDS:

Years	National budget	Education allocation	NMDS allocation	NMDS actual expenditure	Variance
2000/01	1,987.91	512.2	82.0	80.4	+2,6%
2001/02	2,097.7	551.5	114.1	122.0	-7,9%
2002/03	2,365.0	687.1	115.2	176.6	-61,4%
2003/04	2,702.4	747.8	195.0	249.8	-54,8%
Growth rate	136%	144%	235%	311%	311%
Annual growth	34.0%	36.0%	58.75%	77.9%	

Table 2.3: Budget allocations and NMDS over-commitment (Source: Senaoana 2005:16).

In clarification, Senaoana (2005:16-17) claims that over-commitment of funds by the NMDS is inevitable if instances such as students who have enrolled with NUL for the six month bridging programme are imposed on the NMDS for funding after they have completed their bridging whilst they have not gone through the NMDS normal procedures in order to be budgeted for.

The political policy interventions compelling the NMDS to finance students who have been through NUL bridging programme rather than NMDS procedure seem to have been prevalent during Hon. Maope's term of office and it was verbally communicated to the Director of NMDS. There seems to be no written memos to this effect. This policy intervention has taken place during the current Hon. Thahane's term in 2004 when the NMDS was instructed to fund 500 students at NUL who did not go through the NMDS procedures (Senaoana 2005:16-17).

The above quote justifies the warning made by Kasasa and Moekoa (2003:29) that it is possible that the NMDS shares unjustified blame when there are other parties in the background that should also be blamed. However, the researcher believes that messages such as the one by Minister Thahane to the parliament, relative to what Senaoana (2005) perceived as cause of overspending by NMDS, sent inconsistent or disjointed messages about the NMDS

to its customers and stakeholders. Message inconsistency results in distrust of the organisation by the clients, hence the negative perception of the brand (Mulder 2004:235).

2.9 The NMDS and the stakeholder century

According to Steyn and Puth (2000:187) the environment of any organisation comprises a variety of stakeholder groups who have vested interests or a stake in the performance of the organisation. It is essential for organisations operating in the 21st century to understand that they operate in the era whereby stakeholders are dominant. In the stakeholder century, organisations have to begin with, and focus very strictly on the needs and wants of stakeholders (outside-in approach) in order to become stakeholder-centric organisations (Niemann 2005:27). In contention, Schultz (in Niemann 2005:104) postulates that stakeholders in the 21st century marketplace are not individuals who the organisation talks to or with, rather they are people to whom the organisation listens and responds to.

It is suggested by Steyn and Puth (2000:187) that to add value to the organisation, communication with its stakeholders should be managed strategically by means of well thought-through strategies and systems. “The communication systems in the twenty-first century marketplace are not outbound; they are interactive. They are not controlled by the communication professional, but the stakeholders of the organisation control them” (Niemann 2005:104). Steyn and Puth (2000:188) clarifies that interactivity implies communication and communication has the natural consequence of relationships. Taking the argument further, Niemann (2005:28) suggests that it is through an integrated communication approach that an organisation will be led to stakeholder-centricity.

2.10 Conclusion

This chapter highlights the history of scholarships in Lesotho until the establishment of NMDS in 1978. An overview of the composition and function of the National Manpower Development Council was also put forth. The study further shed light on the challenges brought about by the demise of the council since 1982. The procedures that applicants have to follow in order to acquire scholarships and the payment bureaucracy thereof were discussed. A brief explanation was given on communication of the NMDS with its stakeholders and media reports about complaints put forth by NMDS clients. Finally, some IMC pillars, accountability of the NMDS,

and its ability to spend within the allocated budget were scrutinised. The NMDS is an organisation (system) which is influenced by its environment (stakeholders). The positive or negative influence is determined by the nature of the relationship the NMDS has with all stakeholder groups (systems' parts). The NMDS and its stakeholders interact through communication which is the binding factor maintaining the interrelatedness and interdependence between the parts. The corporate focus, institutional, processes and infrastructure which is the technical part in an organisation is addressed by IMC whereas the administrative part comprising of corporate, managerial and marketing communication form IC.

Chapter 3

The stakeholder century and integrated marketing communication

3.1 Introduction

In the 21st century marketplace stakeholders having more access to information than ever before and they have become active role players in the market. The challenge facing organisations is to revisit the manner in which they have been communicating with their stakeholders by moving from a transaction to a relationship-oriented approach. This means that all organisations will have to build real relationships with real stakeholders (Schultz & Kitchen 2000:7). This will enable an organisation to compete meaningfully with other organisations in the dynamic global marketplace. Niemann-Struweg and Grobler (2007:57) state that integrated communication (IC) is seen as the means through which an organisation can ensure interactivity with stakeholders. This chapter strives to answer the conceptual research question, in other words, the meaning of the concept stakeholder century within integrated marketing communication is discussed.

3.2 Stakeholder century defined

The stakeholder century emerged from the customer century. The stakeholder century is based on an outside-in and a totally interactive approach to dealing with stakeholders. By focusing on stakeholders rather than on customers only, this new perspective instantly includes all the relevant parties that have a direct or indirect impact on, or stake in organisational operations and profitability (Niemann 2005:104).

3.2.1 The concept stakeholder

Kliatchko (2008:145) suggests stakeholders to refer to:

...all the relevant publics or multiple markets with which any given firm interacts.

According to Schultz and Schultz (in Kliatchko 2008:145), the public mentioned in the above definition may include both internal and external audiences. For instance, internal audience

refer to the people within the organisation such as employees, managers and so forth, while external audience may refer to customers, consumers, prospects and other entities outside the organisation.

A stakeholder is anyone who has a stake in the success of a company or its products (Burnett & Moriarty 1998:5). Similarly, Steyn and Puth (in Niemann-Struweg and Grobler 2007:58) concur that a group of people are stakeholders when they are affected by the decision of an organisation or if their decisions affect the organisation. Duncan and Moriarty (1997:55) also note that stakeholders have an interest in the success of the company. Niemann (2005:51) reiterates that “organisations’ stakeholders have a vested interest in the success of the organisation. Consequently what they do affect the organisation and what the organisation does affect them.” By the same token, Freeman (in Thorson & Moore 1996) refers to stakeholders as any group or individual who can affect or is affected by the achievement of an organisation’s purpose.

By the same logic, Niemann and Grobler (2007:57) comment that it should be borne in mind that organisations are functioning in the stakeholder century. In this century, organisations have to begin with, and focus very strictly on, the needs and wants of stakeholders rather than just customers, in order to become stakeholder-centric organisations. Niemann (2005:34-35) postulates that organisations need to listen to and learn from stakeholders on a broader basis rather than simply with customers. This means that communication management should be driven by the strategic intent of the organisation as a whole in order to manage stakeholder relations.

3.2.2 The impact of stakeholders in an organisation

Stakeholders are the focal point of any integrated communication activity (Schultz & Kitchen 2000:79). Niemann (2005:52) stipulates that managers consider corporate success to depend on an ongoing process of stakeholder management in which the interest and demands of the stakeholders are identified and dealt with appropriately. Steyn and Puth (2000:210) argue that from this perspective, it is not social issues which organisation should focus on, but rather stakeholder issues. Equally important, it is pivotal for managers to identify stakeholder groups and determine the amount of power they have as a group, as different groups have different degrees of power depending on the organisations’ dependence on that particular stakeholder group. It is emphasised by Steyn and Puth (2000:210) that any issue without a stakeholder

group is therefore no issue at all. These authors point out that managers who fail to respond to powerful stakeholder groups, risk having these groups exercise their power to affect the organisation negatively.

Based on the above, it is necessary for an organisation to maintain two-way symmetrical communication with all stakeholders. This type of communication is based on stakeholders receiving inputs from many alternative sources rather than merely the organisation which is the basis of the value-field relationship-building.

3.2.3 Organisation's communication with stakeholders

Duncan and Moriarty (1997:25) propose that as speed and flexibility increases in manufacturing, so too must communication between an organisation and its stakeholders. Niemann (2005:154) believes that one way to achieve this is to have frequent in-depth interactions with customers and stakeholders in order to detect more quickly their changing wants, needs and concerns. The more feedback and dialogue is facilitated, the more integrated the customers and stakeholders will be in the organisation's planning and operations.

For communication between the organisation and its stakeholders to be meaningful, it is imperative that an organisation devise a strategy to communicate with each stakeholder group. This will help the involved parties to reach consensus and avoid decisions being imposed on them. Niemann (2005:55) concurs that a strategy should be in place for each stakeholder group – including groups such as customer advocates, environmentalists, the media or any other group affected by the organisation's decisions.

Niemann (2005) further argues that it is advantageous to implement communication processes with multiple stakeholders to negotiate on critical issues and to seek voluntary agreements with them rather than having a solution imposed from the outside (for example through the intervention of the government, activist groups or media). The organisation environment can thus be seen as the product of the strategic decisions with others (stakeholders) such as the government, competitors, customers, society and a number of other outside influences.

3.2.4 Building relationships with stakeholders

It is imperative to state that every relationship hinges on communication. There is no way to form a relationship with stakeholders without communicating with them. Any relationship (either personal or commercial) is fuelled and driven by communication. An organisation must have a

strong interaction with its stakeholders to build a long-lasting relationship. The marketing communication department must formulate effective communication strategies with stakeholders. "Developing a strategy of retaining relationship history information is the first step in having a stakeholder focus," say (Duncan & Moriarty 1997:63). It is further clarified by Thorson and Moore (1996:297) that the integrated use of the receiving, interactive and sending techniques will facilitate the dialogue in which the stakeholders are active, interactive and equal participants of an ongoing communication process. The purpose of such communication process is to build long-lasting relationships.

Paradoxically, Niemann (2005:51) claims that communication should not be limited to managing relationship with customers as it is the case with marketing management, but should be used for planning and monitoring relationships with all stakeholder groups. Schultz and Kitchen (2000:78) claim that the goal of organisational communication is to surround the various stakeholders with communication that inoculates or at least helps insulate them from other external influence. Niemann (*ibid*) further explicates that marketing development must therefore be willing to work with other areas of the organisation and even to give up budget when resources can be better spent to address a problem or leverage an opportunity with a stakeholder group besides customers. Thus it can be argued that, through this, communication should be utilised to build relationship with stakeholders, broader than the original marketing focus area of customers only.

Schultz and Kitchen (2000:70) suggest that communication must be superimposed on the marketing discipline because of the necessity of building and maintaining positive two-way relationships with stakeholders who could impact on organisational performance. That is, communication should be engaged in building long-lasting relationships. To do this, an organisation needs to implement a strategy that communicates with its customers, not merely perform activities (Belch & Belch 1998:9). Organisations that improve their image help in nurturing relationships and achieve profitability. Gronstedt (2000:41) points out that the new approach is to "invest in customers" and have lifetime customer value.

On the other side, Duncan and Moriarty (in Kliatchko 2008:135-136) suggest that the social nature of business in general and marketing in particular depends on relationships and that understanding the role of communication is essential in maintaining profitable stakeholder

relationships. IMC managers are further warned that management of stakeholders does not mean controlling or manipulation of customers or prospects.

Since it was stated that relationships are communication driven [see 3.4], an analysis of brand communication, especially two-way communication, can provide insight into the nature of these relationships. From a stakeholder's perspective this means learning what they expect and what they are willing to pay (in terms of time, money and effort) for having these expectations met (Niemann 2005).

3.2.5 Stakeholder relationship management

Integrated communication (IC) is a process that can be used to manage the relationships with stakeholders other than customer-employee, shareholders, government regulators, media, suppliers and community. IC is directing brand value to manage profitable stakeholder relationships (Niemann 2005:63). It is therefore reasoned that stakeholder relationship management is based on the relationship that these stakeholders have with the brand. Brand equity is also included in this relationship as brand equity is in essence determined by the quality of a brand relationship with customers and other stakeholders (Niemann 2005:63). Duncan and Moriarty (in Niemann 2005:51) state that the broader and deeper the support of the organisation's stakeholders, the greater the stakeholder capital and thus the greater the organisation's brand equity.

Thorson and Moore (1996:292) warn that stakeholders can affect the organisations' relationship with its customers in various ways. This is due to the fact that stakeholders are interdependent - the action of one affects others.

3.3 Interdependence in communication – practicality of systems theory

According to Littlejohn (2002:37) "a system is a set of things that affect one another within disintegration and death". Littlejohn further explains that the open system (which an organisation is an example of) receives and passes matter and energy from its environment. The matter and energy imply communication between organisms (people or groups of stakeholders) as they interact within the system (organisation). Littlejohn and Foss (2005:40) clarify that communication is understood as a system of parts or variables that influence one another, shape and control the character of all overall system and like any organism achieve balance as well as change. General systems theory describes a system as a whole which consists of

several interrelated subsystems (stakeholders). Information is crucial input-output in the system hence it is important to emphasise the information channel within and between information systems (Littlejohn 2002:41-42).

It is argued that the entire system functions and yields better results than the different parts of the system (Mulder 2007b:5). The systems theory elucidates the interdependence of organisms in a system. This means that the output of one system is the input to another system. Therefore, the integrated communication approach builds on this interdependence by coordinating communication activities with the entire web of stakeholders (Thorson & Moore 1996:294-295). Baker and Angelopulo (2006:118) in assertion say “this theory views an organisation as consisting of components or parts that interact with each other”. The systems theory simply implies that the people or stakeholders in an organisation are dependent on one another for the organisation to function effectively. Myers and Myers (in Mulder 2007b:6) suggest that organisational communication is the central binding form that permits coordination among people and thus allows for organised behaviour. Communication or information sharing is the means through which the right hand (stakeholders) will know what the left hand (organisation) is doing. Integrating communication will strengthen the interdependence amongst these various groups of stakeholders. It is worth noting that the failure of one category of stakeholder to share information with others, impacts negatively on the relationship with all other parties. Neher (in Baker and Angelopulo 2006:118) adds that an organisation as a system continuously interacts with its environment. Should the system fail to adapt to its environmental changes, it tends to move towards entropy, which is a state of severe conflict among its internal sub-systems.

In a nutshell, stakeholders have been said to be people or various groups with a certain interest in an organisation. For these groups to be utilised effectively to the benefit of the company, a meaningful relationship is a prerequisite. Inevitably, there cannot be relationships without communication. The process of strategically controlling messages and encouraging dialogue within the organisation and with different stakeholders with the aim of nourishing relationships is called integrated communication.

3.4 Integrated communication (IC)

3.4.1 IC defined

Niemann-Struweg and Grobler (2007:60) argue that IC came about as a result of organisations' efforts to be better prepared to reach success in the global future business landscape of the stakeholder century.

Integrated communication as defined in 1.8 by Niemann (2005) means:

...the strategic management process of organisationally controlling or influencing all messages and encouraging purposeful, data-driven dialogue to create and nourish long-term, profitable relationships with stakeholders.

Similar to Niemann's definition, Duncan (in Niemann 2005:95) refers to IC as:

the process of strategically controlling or influencing all messages and encouraging purposeful dialogue to create and nourish profitable relationship with customers and other stakeholders.

Duncan's definition is similar to most others, except that it adds the data-driven dialogue with customers and stakeholders. This is brought about by the fact that there is an increasing amount of communication taking place between the organisation and stakeholders based on information obtained and captured in a database (Niemann 2005:98). Both Duncan and Niemann's definitions include profitable stakeholders. Niemann (2005:96) clarifies that an organisation should not squander valuable time and money on customers who are unprofitable. Shimp (2003:522) adds that the organisation needs to determine which relationships are profitable and which are not. The motive is to invest, reward and work with those stakeholder relationships that can most influence cost and revenue (Niemann 2005:96).

On the other hand, Harris (in Niemann 2005:96) adds that IC is:

...cross-functional process for creating and nourishing profitable relationships with customers and other stakeholders by strategically controlling or influencing all messages sent to these groups and encouraging purposeful dialogue with them.

The cross-functional element simply states that all the various organisational departments integrate to plan and manage the message that is sent to and received from customers and stakeholders (Duncan & Moriarty 1997:169; Baker & Angelopulo 2006:367).

3.4.2 Aim and purpose of IC

Mulder (2007b:2) claims that an organisation provides the environment within which IC is practiced. Baker and Angelopulo (2006:381) believe that integrated communication is aimed at:

- a) consistency of messages and media in and from the organisation
- b) coordination of communication efforts and actions
- c) communication alignment with strategic focus of the organisation
- d) stakeholder (including employees) orientation and differentiation
- e) sharing of information and free flow of information

Nevertheless, the purpose of IC is to increase brand value by strengthening relationships and can be applied to any type of business (Schultz & Kitchen 2000:466).

Baker and Angelopulo (2006:43) argue that communication integration is a practical method of identifying customer needs, aligning the organisation's offerings to these needs and maintaining a dialogue with customers and other stakeholders throughout the process. Baker and Angelopulo (*ibid*) maintain that communication integration is not a complete marketing solution, but it does contribute powerfully to the attainment and maintenance of optimal relationships with the organisation's customers, clients or audiences and other primary stakeholders.

However, Thorson and Moore (in Mulder 2004:234) highlight the following trends and changes as basic factors forcing organisations to employ integrated communication, namely;

- decreasing message impact and credibility
- decreasing cost of using databases
- increasing client expertise
- increasing mergers and acquisitions of marketing communication agencies
- increasing mass media costs
- increasing media fragmentation
- increasing audience fragmentation
- increasing number of me-too products

- increasing power of the retailer
- increasing global marketing, and
- increasing pressure on the bottom line

In addition to the above, Niemann (2005:81) states that IC should be based on the outside-in approach, starting with the organisation's relationship with its stakeholders. "The integration of all communication action and efforts serves as the driver of interactivity during the process of stakeholder integration" (Niemann-Struweg & Grobler 2007:57).

3.4.3 What needs to be integrated?

Integrating communication activities with the entire system of the stakeholders require a dialogue approach by which all relevant stakeholders are recognised as receivers as well as senders of information (Thorson & Moore 1996:295). By the same token Mulder (2004:231) suggests that integration implies (and a managerial approach to communication demands) that communication be regarded as a strong element in the total management process. The practice of integrated communication is not negotiable; it is of crucial importance. According to Duncan and Moriarty (1997:25), in order for integrated communication messages to have maximum impact, an organisation must integrate the following:

- employees
- customers and stakeholders
- corporate learning
- brand position, as well as the big creative idea

Niemann (2005:153) adds that the corporate mission could also be seen as an important aspect to be integrated.

Before an organisation attempts to address external communication, internal communication is a prerequisite. Internal communication is of utmost importance for an organisation to relate harmoniously with its stakeholders. Mulder (2007a:10) has noted that internal or organisational communication consists of managerial, corporate and marketing communications which are interrelated, sometimes overlapping and inseparable or converging.

3.5 The integrated communication mix

3.5.1 Managerial communication

For IC to be meaningful, it has to start within the management of the organisations and their employees. According to Puth (2002:32), it is inconceivable to think of an organisation without people, and where there are people, there has to be communication. "The purpose of communication is to perform changes to influence an action" (Stefanescu & Popa 2008:2). In contention, Puth (2002:69) states that leading has to do with influencing others through communication. Puth (*ibid*) suggests that the goals of communication are to identify, establish and maintain beneficial relationships between the organisation and its employees on whom its success and failure depends. Puth (2002:27) notices that communication is the lifeblood of an organisation. However effective and sophisticated the communication networks in an organisation may be, if the people and especially the leaders are inept in their communication, the general level of communication will remain poor.

Van der Waldt (2005:6) comments that managerial communication is the first element of corporate communication. Managerial communication refers to managers' communication with internal and external target groups. Managerial communication, according to Stefanescu and Popa (2008:3), represents the decisive means by which the manager fulfils his or her tasks and duties and employs the competences and skills pertaining to his or her role in the company and in the relations with the business partners. The individual and group performance of employees largely depends on the quality of the managerial communication process.

3.5.1.1 Leadership and communication

Without communication there can be no management. Communication must be seen as key resources of leadership (Puth 2002:32). "Communication is what leaders do: it is the essence of leadership work. All levels of leadership have to be involved in making the best possible use of organisational communication" (Puth 2002:30). The style and substance of communication distinguishes dynamic leadership from traditional management. Leaders communicate not only information but also attitudes and assumptions (Puth 2002:69). It is further added that communication is vital to all other management functions. Van der Waldt (2005:6) emphasises that management's use of communication aims to achieve desired results where the following aspects are addressed: developing shared vision of the company within the organisation, establishing trust in the organisational leadership, initiating and managing the change process,

and empowering and motivating employees. The communication skills of an organisation's leader and his or her understanding of leadership communication, directly influence all other management function in the organisation (Puth 2002:11).

It is argued by Puth (2002:32) that conquering obstacles and making communication the driving force that it can and should be in an organisation should be the communicating leader's primary responsibility and challenge. Puth (*ibid*) reprimands that it is a foolish leader who leaves internal communication to chance or grapevine. Stefanescu and Popa (2008:3) suggest that managerial communication acts as an integrating of the relations from inside the company as well as those from outside the company.

3.5.1.2 Management communication with employees

It is argued that organisations used to take its employees for granted. "Employee has been described as the unwanted stepchild of corporate communication" (Puth 2002:24). But pressure of growing competition has put the employee as the most valuable asset for an organisation. In his study of American companies, McCathrin (in Puth 2002) found that personal forms of communication seems effective in most organisations because of lack of confidence in both top leadership and supervisors about their ability to conduct effective meetings and discussions successfully. Fear of too much candour, too many questions and the potential for disagreement with leadership decisions are other factors that make some leaders hesitate to communicate with employees (Puth 2002:30).

3.5.1.3 Management and integrated communication

Baker and Du Plessis (in Mulder 2004:231) argue that integrated communication is the application of analysis, communication and evaluation techniques to create and manage integrated, multi-faceted communication interventions combining information, collaboration, business process design, feedback and incentive systems to improve human performance and productivity in the workplace in order to achieve organisational communication goals and objectives.

From a managerial viewpoint, corporate success depends on an ongoing process of stakeholders management in which the demands and interests of stakeholders are identifies and dealt with appropriately (Steyn & Puth 2000:210). Hynes (in Niemann 2005:52) argues that

successful managers are therefore able to identify the stakeholder groups and assess their sources of power.

In companies where there is no effective co-ordination, the right hand does not know what the left hand is doing, and the lack of truly integrated communication can lead to a gradual or sudden deterioration of the company's credibility and reputation (Drobis in Mulder 2004:231). This situation prevails when stakeholders do not receive the same messages, which leads to an organisation's failure to attain credibility.

3.5.2 Corporate communication

All corporate communication exists within the organisational context, internal and external (Baker & Angelopulo 2006:16). Steyn and Puth (2000:5) describe corporate communication as communication on behalf of an organisation. It is managed communication with the aim of increasing organisational effectiveness by creating and maintaining relationships with stakeholders.

3.5.2.1 Objective or purpose of corporate communication

The essential objective of corporate communication should be to make an organisation more effective through mutual beneficial communication between the organisation and all its stakeholders (Steyn & Puth 2000:5). Corporate communication's field of interest is management of communication with all stakeholders, internal and external, and communication that is mostly oriented towards groups (Steyn & Puth 2000:25). These authors emphasise that corporate communication objectives are focused strongly on the generation of effective and efficient skills and methods of operation.

Hutton, Goodman, Alexander and Genest (2001:250) state that one of the purposes of corporate communication is to ensure that integrated communication and unified messaging emanates from the entire organisation. According to a survey conducted by Hutton *et al.* (*ibid*), organisational communication is increasingly becoming disintegrated and moving away from the ability to manage communication, relationships and organisational reputation.

3.5.2.2 The goal of corporate communication

Shackleton (2006:33) states the goal of corporate communication as managing the multitude of stakeholder relationships to achieve mutual benefit for both parties. Sandin and Simolin

(2006:4) add that the primary goal of corporate communication is to promote an objective image among stakeholders that can manifest trust. Steyn and Puth (2000:190) warn that simply disseminating information about a good corporate image is not going to guarantee strong relations and trust. Stakeholder relations should be mutually beneficial and executives need to be accountable to all stakeholders.

3.5.2.3 Organisation's placement of corporate communication

It is suggested by Sandin and Simolin (2006:2) that corporate communication be seen as a management function which manages the relationships that an organisation enters into. "To be able to manage relationships, the communication to and from these relationships must be managed" (Shackleton 2006:26). As a result of the managed relationships, Du Plessis, Bothma, Jordaan and Van Heerden (2003:251) mention that corporate communication identifies and segments different stakeholders and then fulfils their communication needs by means of various techniques which will focus the communication strategy of the organisation. This is defined by Hutton *et al.* (2001:250) as the overall internal or external communication of the organisation.

Rensburg and Ferreira (2004:3) emphasise that corporate communication should not only focus on building and sustaining relationships in order to deliver real value to the organisation, but that it should be the visible voice of organisational excellence and continuous improvement. The basic role is to assist an organisation in becoming a good corporate entity which constantly acquires stakeholder feedback to adjust messages that were misinterpreted. On the contrary, Hutton *et al.* (2001:255) report that corporate departments perceived their most important role to be the management of the corporate reputation. This was followed by image management and the promoter of company/ policies. The next role was perceived to be driving publicity and then only the management of relationships with non-customers. Finally, the management of relationships with all publics and supporting marketing and sales were the least important roles.

3.5.2.4 Functions of corporate communication

Having noticed that the fundamental goal of corporate communication is to build long-lasting relationships with stakeholders, it is imperative that this study dwells on the functions of corporate functions. Argenti (in Shackleton 2006:37) discusses key duties or functions that corporate communication should perform. Hutton *et al.* (2001:250) as well as Rensburg and Ferreira (2004:21) have also advanced their views on this discussion. The functions include:

- Managing the corporate image

- Managing corporate advertising and advocacy
- Managing media relations
- Marketing communication where the promotion 'P' of marketing becomes a sub-component of the communication umbrella
- Assisting with investor relations or financial communication
- Managing employee relations and communication known as internal communication in the industry
- Managing government affairs
- Managing crisis communication or issue management
- Managing industry relations which include partner and competitor relations
- Managing community relations
- Managing the corporate communication department entailing the planning, organising, leading, coordinating and controlling all activities that occur within the function
- Research stakeholders' perceptions and expectations
- Integrate stakeholder communication

The researcher believes that if the aforementioned functions were performed by the corporate communication department in an organisation, the conflict and all its repercussions could have been avoided and relations with all stakeholders harmonised. Macnamara (in Shackleton 2006:34) asserts that the benefit of conflict avoidance produce effects such as reduced litigation, fewer complaints, and less interference by the government. The profitable integration of communication moves from within the organisation driven managers, then proceed to stakeholders (corporate communication). In order to function properly and effectively, corporate communication needs to pursue the integration of marketing communication. This means that the communication mix needs to be integrated and co-ordinated with the organisational objectives (Cooper & Schindler 2006:7).

3.5.3 The marketing concept

Hutton and Mulhern (2002:2) state that marketing is the process of identifying, stimulating and satisfying customer wants and needs. Contrarily, the American Marketing Association defines marketing as an organisational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organisation and its stakeholders (Cooper & Schindler 2006:5). For marketing to attain its goal

there has to be an inclusion of other stages such as goal development, research strategy, tactics and evaluation.

Marketing scholars believe that for any communication to be successful, it depends on the level of adherence to the particular needs of clients (Koekemoer 2004:3; Percy 1997:10; Schultz, Tannenbaum & Lauterbaun 1994:55,154). Marketing rests on two pillars: firstly through understanding consumer needs and behaviour and secondly the critical analysis of opportunities for competitive advantage (Sheth *et al.* in Schultz & Kitchen 2000:69). Schultz and Kitchen (2000:69) add the third pillar as creating and maintaining positive relationships with publics or stakeholders.

3.5.3.1 The 4Ps of marketing

“Marketing consists of the marketing mix known as the 4Ps – product, price, place and promotion” (Hutton & Mulhern 2002:2). It is worth noting that Smith and Taylor (2002:6) suggest an additional 3Ps, to add up to the concept of 7Ps. The additional Ps involves *people* (staff), *physical* evidence (buildings, uniforms) and *processes* - methods of producing, delivering and consumption of services. As mentioned earlier in this chapter, employees form an important category of every organisation. Without employees, the organisation’s endeavours are bound to be a fiasco. The physical evidence (portrayed by the employees), such as uniforms, represents the brand of an organisation [see 3.8.1]. The quality and timeliness of the service delivered also represent the organisational brand, which is a relationship (bond) established between stakeholders and the organisation.

3.5.3.2 Marketing as relationship

Interestingly, Berry (in Rajola 2003:91) notes that marketing is the establishment, maintenance and reinforcement of relationships with customers and other partners in order to achieve the objectives of all the parties involved.

3.5.3.3 Communication as a relational process

Communication is a relational process that takes place between people (Puth 2002:28). The researcher believes that for relations to be established, effective communication is a prerequisite [see 3.3.4]. But before communicating, it is important that the communicator understands the audiences’ psychological make-up otherwise the target audience might ignore an advertisement or take it meaningless (Parente 2000:13). It is on the basis of the relationship

established between the organisation and clients as a result of needs and wants that this study discusses the promotional mix or marketing communication elements.

3.5.4 Marketing communication

Burnett and Moriarty (1998:3) believe that marketing communication is the process of effectively communicating product information or ideas to target audiences. The communication techniques are derived from the fourth P of the marketing mix, namely promotion. Promotion has its own mix of communication techniques referred to as promotional mix or communication mix (Smith & Taylor 2002:6).

3.5.4.1 The elements of the marketing communication mix

3.5.4.1.1 Advertising

Advertising is any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor. Its primary functions are creating awareness and familiarity of brands, providing basic information and generating positive brand associations (Hutton & Mulhern 2002: 149). The major media types for advertising are: newspapers, television, direct mail, radio, magazines, internet, outdoor (billboards, blimps), yellow pages, newsletters, brochures and telephones.

3.5.4.1.2 Personal selling

It refers to personal presentation by the firm's sales force for the purpose of making sales and building customer relationships. Personal selling involves a seller attempting to persuade a potential buyer to make a purchase. It is the personal selling process that allows marketers the greatest freedom to adjust a message to satisfy customers' information needs. Personal selling allows the marketer or seller to communicate directly with the prospect or customer and listen to his or her concerns, answer specific questions, provide additional information, inform and possibly even recommend other products or services. Once the communication options are identified, the message is developed to give a consistent look and feel (Mulder 2003:13).

3.5.4.1.3 Sales promotion

According to Burnett and Moriarty (1998:314), sales promotion is a short-term incentive to encourage the purchase or sale of a product or service. Sales promotion encompasses activities such as giving coupons, premiums, contests, point-of-purchase (POP) displays, rebates, sweepstakes, free samples and others, that encourage quick action by buyers. It

attracts attention, and motivates customers to purchase more. Sales promotion includes several communications activities that attempt to provide added-value or incentives to consumers, wholesalers, retailers, or other organisational customers to stimulate immediate sales. These efforts can attempt to stimulate product interest, trial or purchase (Semenik 2003).

3.5.4.1.4 Public relations

It deals with building good relationships with the company's various publics by obtaining favourable publicity, building up a good corporate image, and handling or heading off unfavourable rumours, stories, and events. It manages relationships with stakeholders and reaches those audiences that are difficult to reach (Burnett & Moriarty 1998:346). It is highly credible and very believable but it is not paid for by the company and is usually in the form of news or editorial comment regarding a company's product or service. Companies can gain some control over the publicity it receives by the release of news items. It can be in many forms: news stories, news features, events and sponsorships.

3.5.4.1.5 Direct marketing

It is direct communications with carefully targeted individual consumers to obtain an immediate response and cultivate lasting customer relationships. According to Kotler and Armstrong (2006) direct marketing usually is carried out through telephone marketing (telemarketing and telesales), direct mail (brochures, catalogues, flyers), online computer shopping, and cable television infomercials and home shopping networks. Distinct characteristics of direct marketing are that it is non-public, immediate, customised and interactive (Duncan & Moriarty 1997).

Other elements include sponsorships, exhibitions, packaging, point-of-sale, e- marketing, corporate identity and word of mouth (Smith & Taylor 2002:7).

3.5.4.2 Implementation of the marketing communication mix

The techniques of the marketing communication mix cannot be put to use successfully without a planning process. It basically starts with the setting up of objectives for each selected techniques, budgets, selection of the message and development of media strategy, and ends with evaluation of the effectiveness of each technique. IMC strategies that reflect communication objectives demand improved results like cost-effectiveness, competitive advantage and profitability (Chrzastek & Reid 2006:26). This is illustrated by exhibit 3.1 below.

Different communications channels offer different levels of connection with targets

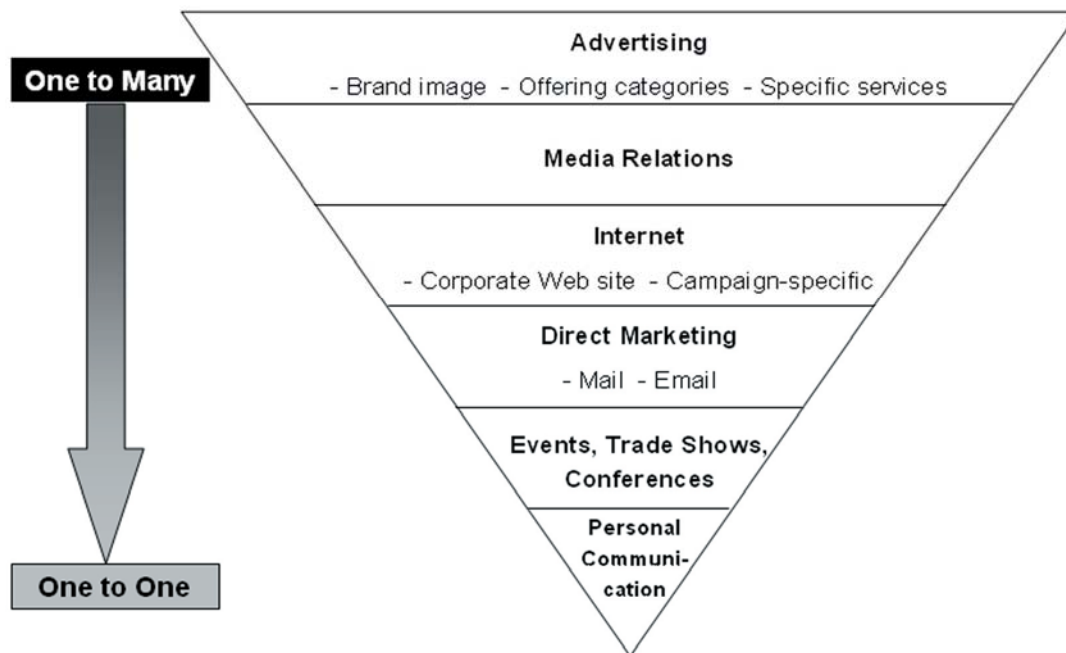


Exhibit 3.1 Marketing communication techniques and their impact on stakeholders
(Source: Chrzastek and Reid 2006:26).

According to Chrzastek and Reid (2006:26), service organisations have to take advantage of an integrated campaign using multiple communication techniques. The communication channels deal with the medium more than the message – it is the powerful combination of how the organisation talks to its prospects coupled with what it tells them. Chrzastek and Reid (*ibid*) claim that reaching the right audience at the right time requires an integrated communication strategy. The marketing communication manager must determine which channels are most efficient for organisation’s target audience. Nonetheless, there are recommended stages to be followed for best attainment of communication integration both within and outside the organisation.

3.5.5 Stages to integrate communication

Schultz and Kitchen (2003:82-83) suggest the following stages to integrate communication in an organisation.

- Stage one

Tactical coordination – It is basically integration of promotional techniques to achieve consistency and synergy. The result should be one sight, sound and feel approach to the target audience. Inconsistent messages create confusion and contribute to misinformation and speculations. The result is damage to corporate reputation, trust and inevitably relationships (Mulder 2004:2)

- Stage two

Redefining the scope of marketing communication – the firm adopts the outside-in and abandon the inside-out communication approach. Communication is aligned to the needs of the audiences.

- Stage three

Application of information technology - the database is used to identify and give value to the target audiences, even to segment the market. The most appropriate communication techniques are used to reach the key target audience.

- Stage four

Financial and strategic integration – organisations at this stage are able to evaluate marketing expenditure based on some type of return-on-investment in customer or in marketing communication activities.

3.6 Stakeholder models

Various scholars (Mulder 2007a; Niemann-Struweg & Grobler 2007; Niemann 2005 and Ehlers 2002) have suggested different models to be implemented in the implementation of IC. In this study the stakeholder relations model by Gronstedt (2000) will be briefly described, while the three dimension model by Niemann-Struweg and Grobler (2007) is to be put to scrutiny. Ehlers' (2002) model for structuring integrated communication will be overviewed, and finally a conceptual South African model for implementation of strategic integrated communication by Niemann (2005) will also be discussed.

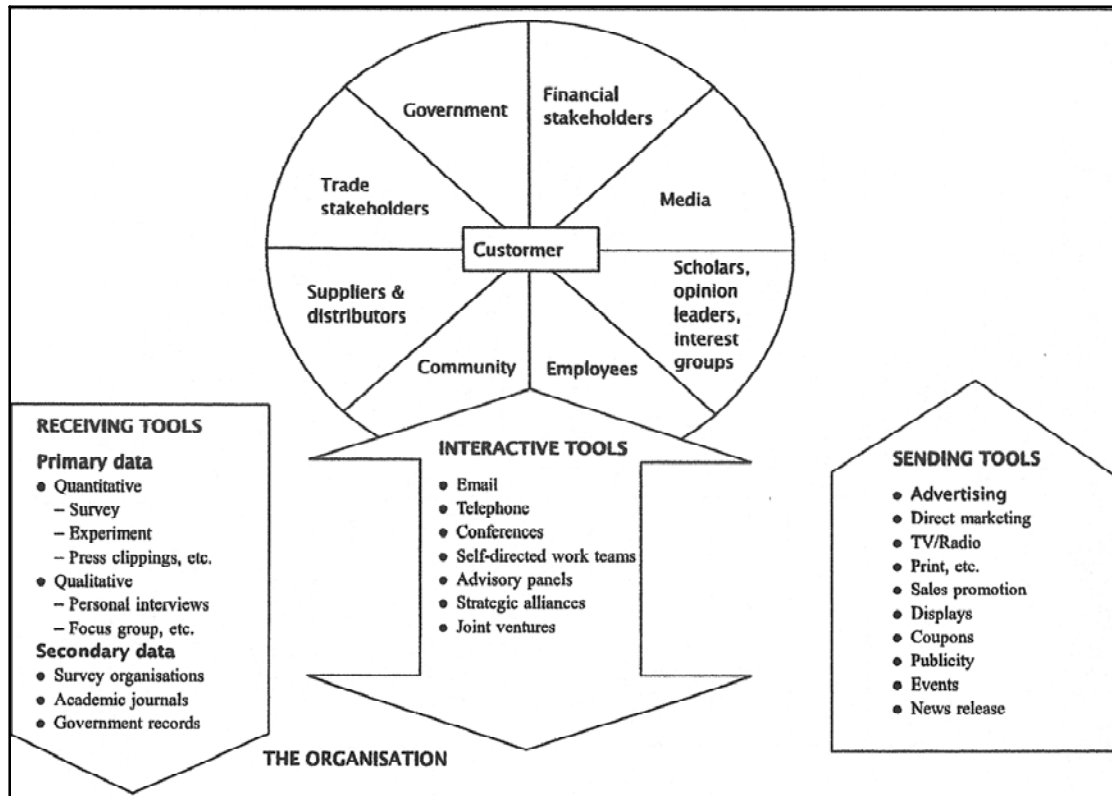


Exhibit 3.2: Gronstedt stakeholder relations model (Source: Niemann-Struweg & Grobler 2007:63)

3.6.1 Gronstedt's model discussion and critique

The model highlights various categories of organisational stakeholders. It is pivotal to notice that customers themselves form their own category of stakeholders. In accordance with the model, the organisation communicates with its stakeholders through the marketing communication techniques and interactive techniques. Similarly, the organisation receives information from stakeholders using research as the main tool.

The model's shortfall is that it focuses more on external stakeholders. It has ignored the crucial category of stakeholders in an organisation – employees. It also fails to mention the way internal communication is handled – thus, communication between the organisation and its employees. Furthermore, the model fails to explain the way stakeholders relate to the organisation.

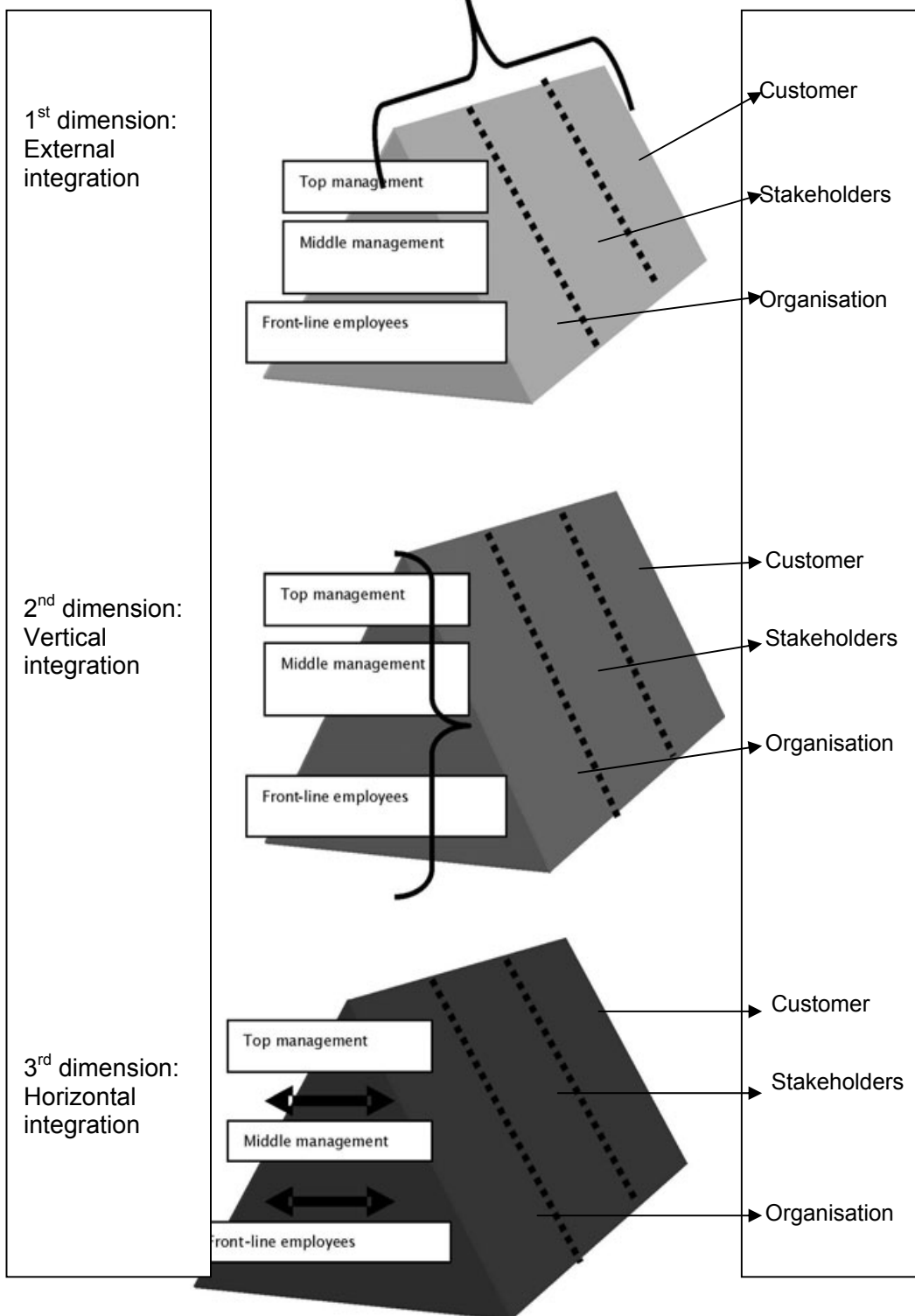


Exhibit 3.3: The three dimensional IC (Source: Niemann-Struweg & Grobler 2007:67)

3.6.2 Niemann-Struweg and Grobler's model discussion and critique

In an attempt to develop the stakeholders' model, the three dimensional model of integrated communication model by Gronstedt (2000) suggests that organisations should integrate communication externally with the key customers and stakeholders. The sending techniques, receiving and interactive techniques are the best techniques to be used by the marketer to communicate with the external audience. The second dimension indicates the vertical communication between senior management and frontline employees. This was referred to as managerial or internal communication [see 3.5.1]. The last dimension illustrates communication that has been integrated horizontally across departments, business units and geographical boundaries (Niemann-Struweg & Grobler 2007:67).

The first triangle, according to Niemann-Struweg and Grobler (*ibid*), represents the organisation with senior management at the top, middle management in the middle and front-line employees at the bottom. These authors claim the triangle behind to be representing stakeholders such as the local community, the media, investors and government regulators. The last triangle is said to be representing the customers. Gronstedt (in Niemann-Struweg & Grobler 2007:67) illustrates the group as an overlapping triangle to show that a customer century organisation or a stakeholder century organisation needs to involve all people from all ranks and from every department in an ongoing dialogue with customers and other stakeholders.

The model critique, as postulated by Niemann-Struweg and Grobler (2007), is on its failure to indicate the role played by communication in integrating the three dimensions. Moreover, the model fails to take into account the principles of integrated marketing communication.

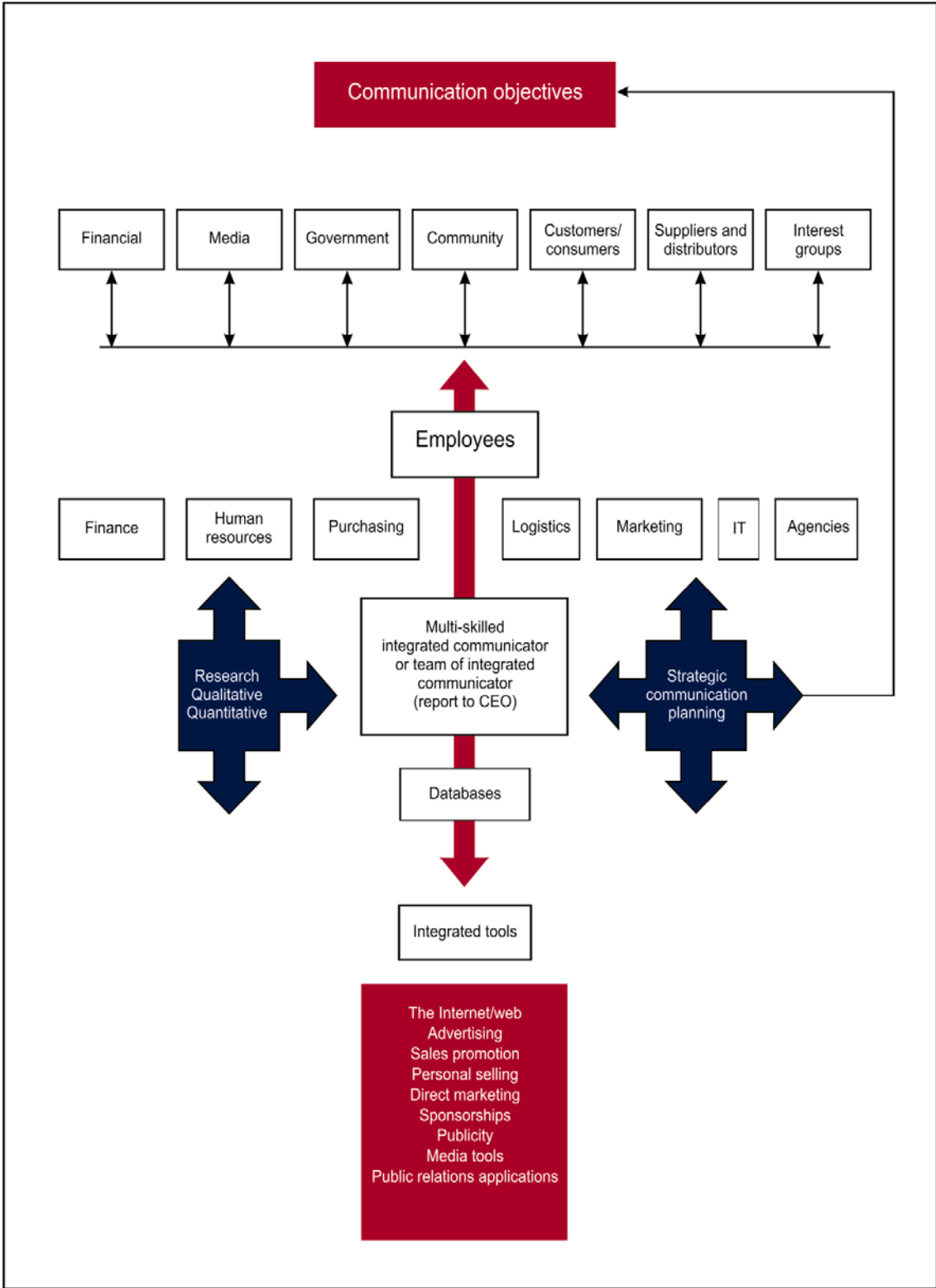


Exhibit 3.4: Ehlers's model for structuring integrated communication (Source: Baker & Angelopulo 2006:373)

3.6.3 Baker and Angelopulo's model discussion

Ehlers proposes a framework for structuring integrated communication in South African organisations. According to Ehlers (in Baker and Angelopulo 2006:372), the stakeholders of an organisation should be the starting point during the integration of communication. Ehlers states that employees should be considered as part of stakeholder orientation because of their ability to influence interaction with other stakeholders.

Employees are said to constitute various areas of expertise in an organisation. Genuine integration is possible only when cross-functional relations exist between the different parts of an organisation. Ehlers (2002) proposes that an integrator or team of integrators who have a total stakeholder focus should be responsible for coordinating communication in the organisation. Integrated communication should be part of the organisation's strategic planning process and those driving integration should be multi-skilled to be able to contribute effectively to that process.

Ehlers (2002) further identifies databases as a central force in the communication integration process. "When centrally kept information collected from research and other sources can be stored and be used by all concerned for effective planning" (Ehlers in Baker & Angelopulo 2006:372). She proposes that the traditional marketing communication techniques and traditional public relations techniques be combined to provide the integrators with more techniques that they can apply in the process of stakeholder management and integration.

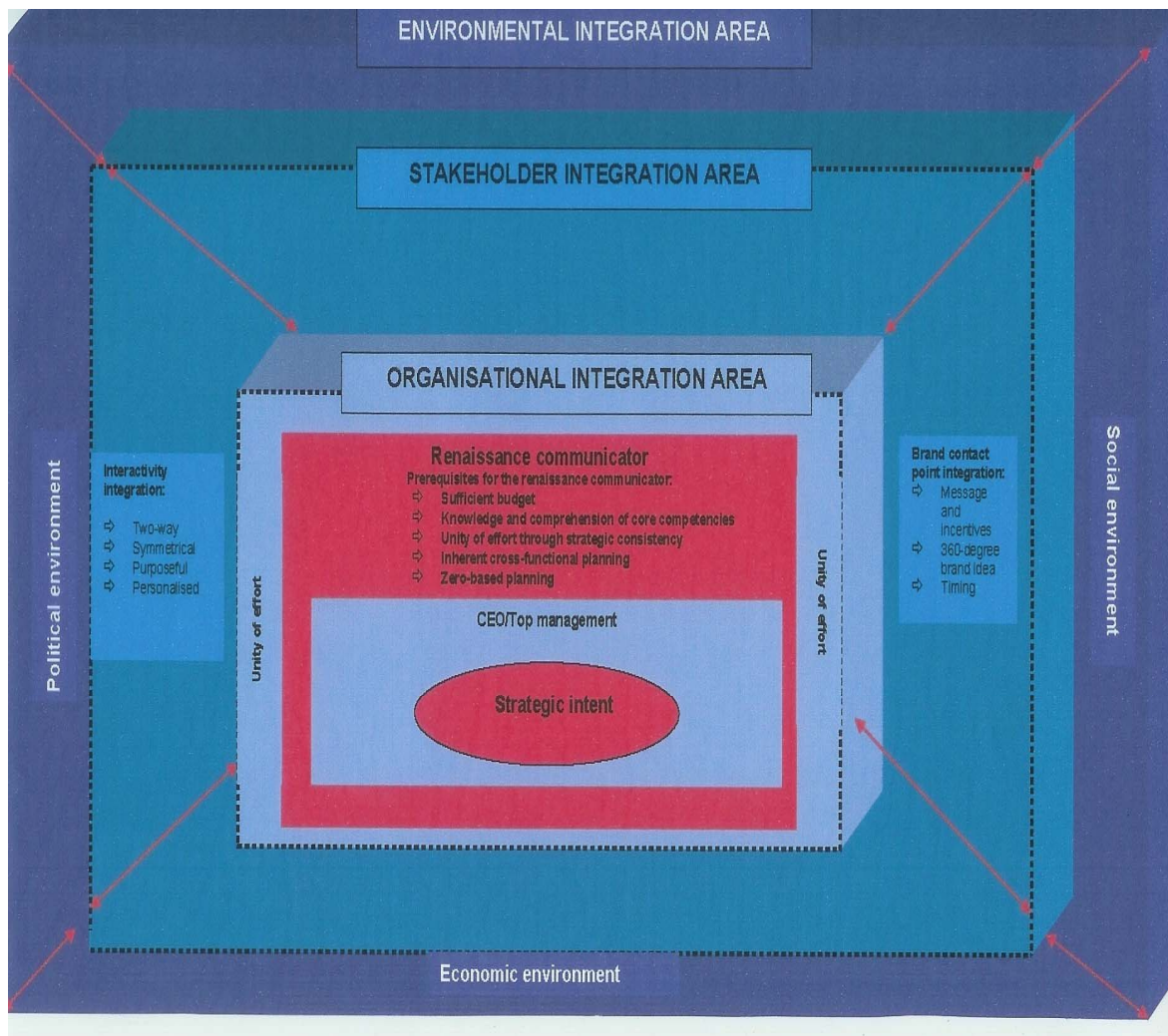


Exhibit 3.5: A conceptual South African model for implementation of strategic integrated communication (Source: Niemann 2005:244)

3.6.4 Niemann's model discussion and critique

According to Niemann (2005:245) the conceptual model for the management of strategic integrated communication in the South African marketplace is based on the general systems theory [see par. 3.3]. It is further stated that the model is based on the distinct principles that a) the strategic intent of the organisation drives strategic integrated communication and b) learning organisational principles continuously reposition the organisation. According to the model, three areas are important. The first area concerns organisational integration which is divided into two levels: a) CEO/top management integration and b) the renaissance communicator. Niemann (2005) argues that the renaissance communicator is central to the implementation of integrated

communication.

The second area of integration is stakeholder integration which is further divided into two levels of a) interactivity integration and b) brand contact point integration. The third and last area is environmental integration. The application of this model recognises that the organisation is a greater system - that is the environment (supra-system), and consists of a sub-system of organisational function (Niemann 2005:246). This implies that there is constant interaction between the various parts of the system. "This implementation model for management of strategic integrated communication further recognises and proposes that the interaction between the various parts of the system should be based on relationship management, two-way symmetrical communication world view" (Niemann 2005).

It is further argued by Niemann (2005:246) that three components of the model, namely the strategic intent of the organisation, the arrows (which signify the learning organisational principles continually reposition the organisation) and the renaissance communicator (representing marketing management and communication management) is the central point of communication to secure alignment between communication and organisational objectives so as to ensure union in the actions and messages of the organisation.

Niemann (2005:248) proposes that three areas need to be integrated in the implementation of the management of strategic integrated communication, namely the organisation, the stakeholders and the environment.

3.6.4.1 Organisational integration

This is the first area of integration in the implementation model for management of strategic integrated communication. The organisational integration of this model is based on vertical and horizontal integration (Niemann 2005:248). Horizontal integration involves integration and alignment across business units, functions and regions in terms of systems, processes, procedures and communication. But vertical integration integrates communication between people working in different business units, departments and countries. Vertical integration empowers the people who are the closest to the customers and organisation operations to communicate more openly, frequently and effectively with managers. CEO/top management and renaissance communicator integration are examples of the organisational integration of the conceptual mode (Niemann 2005:249).

3.6.4.2 Stakeholder integration area

It is argued by Niemann (2005:255) that by focusing on stakeholders, the model acknowledges that organisations, incorporating the concept of strategic integrated communication are functioning in the stakeholder century. Strategic integrated communication is important in managing stakeholder relationships because of the overlap, interdependence and interaction between stakeholders in the value field. This proposed model advocates that stakeholders are increasingly involved in the way the product or service is designed, assembled, promoted and delivered. Niemann (2005:255-256) reasons that the model is based on the outside-in approach to communication.

3.6.4.3 Environmental integration area

Niemann (2005) claims that by including environmental integration in the model the organisation is operating in an open system. The environment includes the political, social, economic and related environments. Niemann warns that organisations have to keep abreast with their environment in order to survive. The model emphasises the interaction between the organisation, its stakeholders and the environment in order to manage strategic integrated communication effectively to ultimately build strong brand relationships.

At this juncture the study summarises the differences noticed between integrated communication (IC) and Integrated Marketing Communication (IMC) – an important concept in this study which will be thoroughly discussed later in this chapter.

It is further argued by Niemann-Struweg and Grobler (2007:59-60) that the concept of IMC evolved into IC and therefore IC could be regarded as a broader view of IMC, hence the creation of IC context for successful implementation of IMC. “IC is viewed as the evolved offspring of IMC” (Niemann 2005:77). Niemann-Struweg and Grobler (2007:58-59) noticed the following differences between IC and IMC, as shown in table 4 below.

IC	IMC
Includes other stakeholders	Interested on customers
Focuses on communication	Focuses on messages
Focus is on both external and internal messages	Focuses on external messages
The strategic intent of the organisation as a whole drives all the communication of the organisation	The organisation's marketing or communication departmental strategy drives the message of the organisation
Strategic in nature – contributes to the strategic thinking processes within the system of the organisation	Contributes to the technical aspects of the organisation

Table 3.4: The difference between IC and IMC (adapted from Niemann 2007:58-59)

After scrutinising the definition of IC and IMC, Mulder proposes the basic principles or values of IC as holistic business approach, brand integration, being customer-centric, customer-conscience employees, contact synergy, message consistency, use of technology, financial accountability, stakeholder segmentation and sustainable success (2007a:2).

Duncan and Moriarty (in Mulder 2007a:2) suggest that successful companies integrate their marketing communication activities through a theoretical framework consisting of ten drivers. Mulder (*ibid*) elaborates on the ten drivers' model and includes the IC principles to offer a more inclusive approach to the integration of marketing communication into an organisation's communication environment.

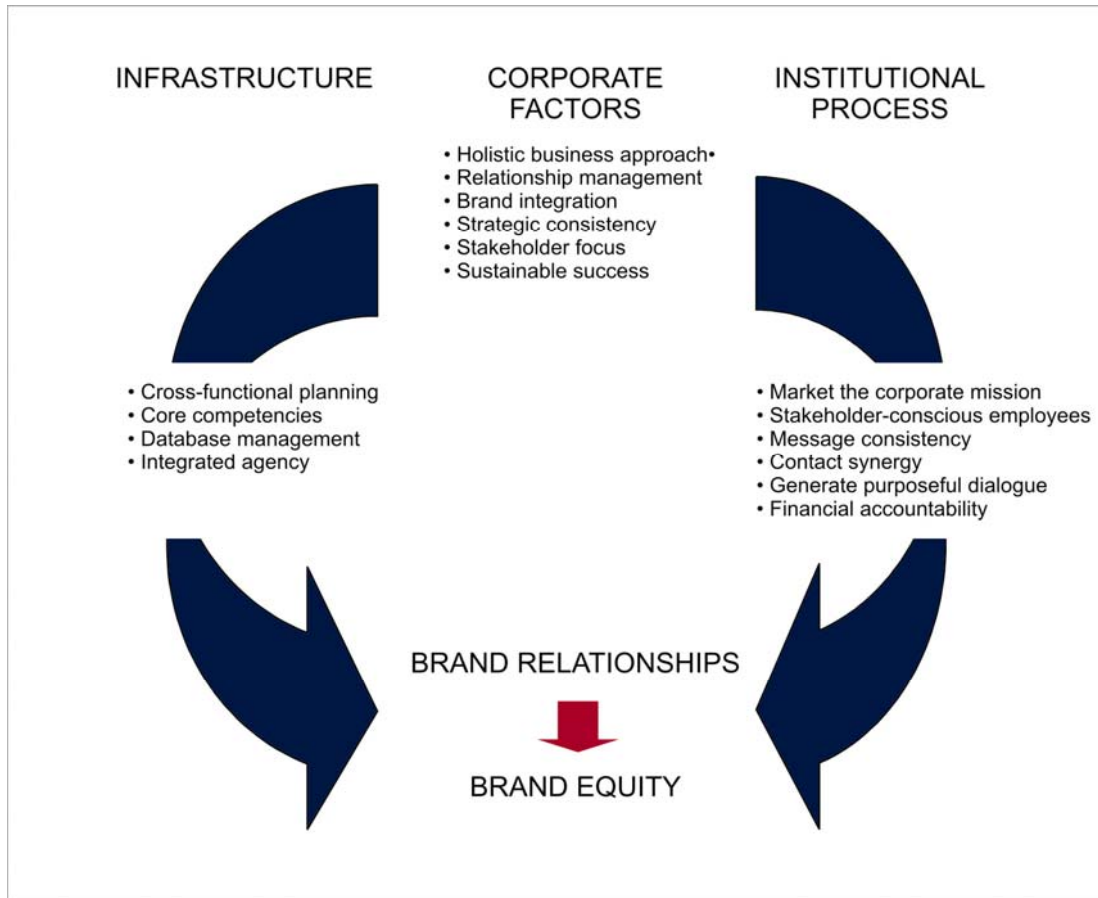


Exhibit 3.6 The elaborated IC drivers' model (Source: Mulder 2007a:3)

3.6.5 Discussion of Duncan and Moriarty's adapted drivers' model

In this model, each one of the drivers or principles falls into one of the three integration categories (Mulder 2007a:3). The first category, corporate factors, entails the following seven drivers:

- Holistic business approach
- Relationship management
- Brand integration
- Customer centricity
- The maintenance of strategic consistency
- Stakeholder focus
- Sustainable success

Institutional processes, being the second category, include the following six drivers:

- Marketing the corporate mission
- Customer conscious employee
- Message consistency
- Contact synergy
- Generation of purposeful dialogue
- Financial accountability

The third category, infrastructure, encompasses four drivers:

- Cross-functional planning
- The development of core competencies
- Database management
- The use of an integrated agency

Duncan and Moriarty (in Mulder 2007a:3) maintain that the integration that results from the implementation of these drivers includes customer retention, interactional, ongoing communication, the expansion of marketing beyond the marketing department to the whole organisation, and improved branding.

A strong sense of cooperation, collaboration and connections are necessary in IC (Mulder 2007a:16). Despite the fact that all functional areas of communication in an organisation are separate, but for IC to be achieved, each should be connected to the others by a golden thread that should run through all communication activities (Mulder 2007a:17).

“Today, more companies are adopting the concept of IMC where a company carefully integrates and organises all of its external communication channels” (Zeithaml, Bitner & Gremler 2006:486). The IMC approach is a dynamic process which understands broad market changes. It has perfected the ability to manage all factors in the fierce competitive global marketplace. Parente (2000:14-15) concurs that today’s market is becoming increasingly sophisticated. The idea that companies should coordinate or integrate all of its communication or promotional activities is important. The marketers have adopted IMC and understood that the old ways of doing business is no longer effective due to the emergence of factors such as global competition, technology and new media, customer knowledge and choice perpetuated changes. IMC is successful because it incorporates all marketing communications. It also focuses on two-

way communication. Through this, it is able to deliver messages that are sustainable. It is therefore pivotal that the organisations adopt and practice IMC to be able to survive in the most competitive world-wide marketplace. At this point various definitions of the concept IMC, put forward by different authors, are explored.

3.7 Integrated marketing communication: Concepts and definitions

IMC has been termed a difficult concept to define by many authors. It has no uniform definition although most definitions have more or less the same meaning. Most definitions include integration and coordination of messages, consistent and unified images and strategic roles. The definitions help in guiding how IMC could create growth and profitability. The following are different definitions by different authors.

Schultz, Tannenbaum and Lauterbaun (1994:xvii) are of the view that IMC is a new way of talking to people, both buyers and non-buyers, based on what they see, hear and feel. It is a way of eliciting response to engage in dialogue. Duncan (2001) defines IMC as "a cross-functional process for creating and nourishing profitable relationships with customers and other stakeholders by strategically controlling all messages sent to these groups and encouraging data-driven, purposeful dialogue with them." Sirgy (1998:4) states that IMC is a concept that recognises the added value found in programmes when integration of marketing communication techniques takes place. The techniques are advertising, personal selling, sales promotion, public relations, direct response and sponsorships [see 3.5.4.1]. IMC incorporates these techniques to provide clarity, consistency and maximum communication. Like most authors, Sirgy (*ibid*) points out that IMC is a concept that integrates its components.

In the same vein, Thorson and Moore (1996:1) define IMC as the strategic coordination of the multiple communication voice with the aim of increasing impact on consumer and non-consumer. There is a need to achieve this through the coordination of advertising, public relations, direct marketing, package design and sales promotions. This is done with the aim of building long term relationships with customers. Yeshin (2001:14) sees IMC as reinforcing all aspects of the communications programme to deliver a single-minded and unified message to the customers. This is to ensure that each and every marketing communication tool incorporates other parts of communications to work together. IMC also reinforces communication programmes in a unified and consistent way to customers. Although each

marketing communication technique has to be incorporated, as Yeshin (2001) states, customers' needs and relationships should also be emphasised. Programmes should be created in such a way that they are single-minded and maintain contact. Thus centrality and contact of stakeholders should be achieved. Therefore understanding IMC's elements helps in ensuring that maximum communication to customers is maintained.

The concept is further defined as a comprehensive approach to internal and external organisation communication. It combines the power of all the marketing and marketing communication techniques to deliver consistent communication messages to an organisation's different stakeholders. It begins by analysing the needs and priorities of stakeholders and then tailoring marketing and communications programmes to address these needs and priorities (Mulder 2004:228). It is imperative to note that Mulder's definition states a need for marketing research to determine the most appropriate communication programmes for each group of stakeholders or segment.

Schultz *et al.* (1994:11) defines it as:

Integrated marketing communications is the process of developing and implementing various forms of persuasive communication programs with customers and prospects over time. The goal of IMC is to influence or directly affect the behaviour of the selected communications audiences. IMC considers all sources of brand or company contacts that a customer or prospect has with the product or service as potential delivery channels for future messages. Further, IMC makes use of all forms of communication which are relevant to the customers and prospects, and to which they might be receptive. In summary, the IMC process starts with the customer or prospect and then works back to determine and define the forms and methods through which persuasive communication programs should be developed.

The definition describes IMC as a process that needs to be developed and implemented specifically for customers. Moreover, it aims at enhancing the image for customers to know more about organisations. This would help increase brand recognition and brand value. Thus, at the same time it influences positive perceptions of organisations. The messages focus on customers and indicate customer-centricity. The IMC process aims at sending all marketing communication techniques selectively for customers to maintain the relationships and loyalty. As a result this could help organisations to have a competitive advantage over other

organisations and improve the brand.

Belch and Belch (1998:9) point out that IMC involves coordinating different promotional elements together with marketing activities to communicate with a firm's customers. It seeks to give a company a consistent, unified image to avoid duplication. Because of its integration, consistency and unified image, IMC is a strategy that aims at being effective and efficient. It is further said to be the management of all organised communications to build a positive relationship with customers and other stakeholders.

It is true that like most concepts in marketing, IMC is a concept that also identifies the needs and wants of its customers. Marketing communication programmes do not only focus on achieving objectives but address customers as individuals. The engagement needs to be two-way communication. This is because in addressing customers' needs programmes that are receptive and relevant should be implemented. It is evident that the right frame to the application and implementation of IMC can make it more understandable.

IMC is a process that involves strategic message coordination. It calls for a company to control and influence all the messages that affect its image or relationship with customers and stakeholders (Soderlund 2003:12). Today, clients or organisations make use of various marketing communication techniques. Although a variety of techniques have increased, all have been used separately. To be more effective, the techniques have to be integrated for better coordination and synergy and for focus on customer relationships. In IMC, marketing communication is not the only means through which the message is sent. According to Koekemoer (2004:6), the other three elements of marketing (product, price and distribution) might be more important than planned messages.

It is argued that for the clients' needs to be attended to optimally there must be a dialogue in which the customer can ask and receive information from any source as well as listening to messages being sent by the marketing organisation (Schultz & Barnes 1999:64). These authors add that the marketing organisation must be as good as listening to what customers and prospects want, as it is in communicating with them on an outbound basis about product benefits or values. Each participant must talk but most important, each must listen and respond, hence the birth of a phenomenon called marketing. The concept came as a result of organisations' shift from transactional to being relation oriented (Peck, Payne, Christopher &

Clark 1999:44).

3.8 The fundamental principles of IMC

IMC is a concept that is constituted by the ten principles. Mulder (2003:7) states the constructs that outline the primary values and philosophy of the IMC phenomenon as follows:

- Focused branding
- Message consistency
- Use of technology
- Market segmentation
- Customer centricity
- Contact synergy
- Customer conscience employees
- Financial accountability
- Sustainable success
- Holistic approach

Each of these principles will be discussed in-depth and their adoption by organisations in enhancing relations with stakeholders will be shown.

3.8.1 Focused branding

It is a principle that involves branding of the organisation and where messages are sent bearing the same message and image. Here the aim is in creating employment, product or service branding. Schultz and Kitchen (2000:71) comment that brand has become or is becoming the hub around which the entire organisation revolves.

Burnett and Moriarty (1998:48) define a brand as:

...the name, design, symbol or any other feature that identifies the good, service, institution or idea sold by a marketer.

The brand represents the bond between the buyer and the seller and is a relationship that only customers can create (Schultz & Barnes in Mulder 2003:8). It is further added by Schultz and Kitchen (2000:77) that brand is a relationship with the consumers and stakeholders that product

or services create for the firm through the promises made and the experiences the stakeholders have. Branding is essential because it helps built a positive image of the organisation.

Thorson and Moore (1996:105-106) state that IMC consists of recognising the brand and holding some strong, favourable, and unique brand association in the memory. Duncan and Moriarty (1997:4) mention that marketing was not based on the 4Ps but is mostly about building brand relationships, thus long lasting profitable relationships. Whatever is marketed (product, service or idea) must be communicated, and this that should be communicated is the concept of brand (Shimp in Schultz & Kitchen 2000:69).

3.8.1.1 Brands as trademarks and trustmarks

The organisation may use symbols, names and icons as its brand. The quality and experience is created because of the activities promised and delivered by the brand through the trademarks and the relationships established with the stakeholders (Schultz & Kitchen 2000:77).

3.8.1.2 Brand identity

Doyle (2000:233) differentiates between brand image and identity in defining the former as what the customer perceives, whilst the latter refers to the message about the brand that the marketer wants customers to receive. It is further stated that the organisation's purpose of communicating its brands is to get its message about the brand identity across to produce favourable feedback and responses in the form of purchase and brand loyal. Schultz and Kitchen (2000:77) warns "if the stakeholders don't know or aren't familiar with the name or brand of the firm, little else matters."

3.8.1.3 Brand equity

Aaker (in Du Toit 2006:81) defines brand equity as:

...the set of assets and liabilities linked to a brand name and symbol that add or subtract from the value provided by a product or service to a firm and/or the firm's clients.

Alternatively, Schultz (in Du Toit *ibid*) defines brand equity as:

...the differential effect that brand knowledge has on the client response to the marketing of that brand. Equity occurs when the consumer is familiar with the brand and

holds some favourable, strong and unique brand association in memory.

3.8.1.4 Benefits provided by the brand

The brand benefits, according to Chrzastek and Reid (2006:24), include the following:

- A clearer voice in the marketplace when all employees are saying the same thing
- Stronger recognition of the institutional brand to aid individual sales efforts
- Established client qualifier to assist the sales force in identifying what opportunities to pursue and turn down
- A rallying cry for employees – increases acknowledgement of inter-connectedness within the organisation.

Duncan and Moriarty (1997:55) add that just as brand share is the result of a company's brands customer franchise, brand equity is the result of the company's stakeholder franchise. Schultz and Barnes (1999:64) postulate that although the goal of brand communication may be to build immediate sales, it must also be to build long-term customer relationship and to increase brand value.

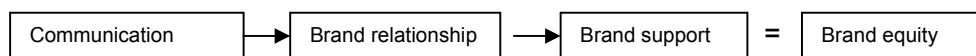


Exhibit 3.7: Brand equity equation (Source: Duncan & Moriarty 1997:10)

The diagram above illustrates communication as a driver of brand relationship. The support of the brand results from the positive relationship between the organisation and stakeholders. The result of communication, brand relationship and support is brand equity.

3.8.1.5 Building service organisations' brands through integrated branding

“When the brand promise meets customers in an integrated way, through products, services, communications and culture; it produces a unique and valuable customer relationship (LePla & Parker 1999:2). According to LePla and Parker (*ibid*) integrated branding is the strategy an organisation uses to drive organisation and product or service direction – where all actions and messages are based on the value the organisation brings to its line of business. If the organisation focuses on the interests of the consumers, it is likely to create a long lasting relationship with each of its stakeholders. In a nutshell, LePla and Parker say integrated branding is the promise that you keep. Chrzastek and Reid (2006:24) concur that a brand is a

promise made and a promise kept.

There are four things a professional service organisation needs to do to successfully build its brand (Chrzastek & Reid 2006:31). The organisation may:

- Determine the internal audience perception – the marketer has to establish first the audience perception and belief about the brand.
- Develop the value proposition – a clear statement of the tangible results a customer gets from using the product or service.
- Teach everyone in the organisation to live the brand – the staff in the organisation must truly understand, believe in and live the brand. Without the internal or organisational support, employees will not be able to persuade a customer to buy.
- Execute the message through an integrated platform – service providing firms are faced with the challenge of coordinating brand messages across different communication functions in a consistent, coherent and compelling way using an expanded list of offline and online communication techniques.

3.8.1.6 Employees as brand

Employees are a critical part in developing the brand for service organisations since the brand is essentially delivered through behaviour. The biggest driver of brand perception in a service firm is the quality of the people and the work they deliver (Chrzastek & Reid 2006:27). They further emphasise that the brand should be relevant, credible, distinctive, sustainable and most importantly, embraceable internally. “Employees need to feel a bond and camaraderie in developing the brand” (Chrzastek & Reid 2006:27).

3.8.1.7 Stakeholders as organisational brands

The success of every business entity (profit or non-profit making) is based on the efforts of all stakeholders. Duncan and Moriarty (1997:56) lament that organisations often overlook the fact that all stakeholders, not just customers, choose to what extent they provide or withhold support for the brand or company. “How and to what extent stakeholders support your brand depends on your relationships and interactions with them. The stakeholder’s support and cooperation also depend upon effective communication” (Duncan & Moriarty 1997:57). It is therefore pivotal that the organisation’s marketing departments must work collaboratively with stakeholders to build a long-lasting relationship. Stakeholders are a prominent feature of IMC. Burnett and Moriarty (1998:6) state that the idea that stakeholders other than consumers may be important

in a marketing programme is gaining importance in business. Burnett and Moriarty (1998: 350) emphasise that in a stakeholder-focused programme, all publics associated with corporate communication are important. Firms have progressed from merely tactical coordination of the promotional techniques to adoption of an outside-in perspective whereby strategic consideration is given to the identification and management of all contact points the company has with both the internal and external stakeholder groups (Schultz & Kitchen in Wickham & Hall 2006:96). This view was reflected by IMC authors claiming that IMC is a cross-functional process for creating and nourishing profitable relationships with customers and stakeholders by strategically controlling or influencing all messages sent to these groups and encouraging purposeful dialogue with them.

The stakeholders' support of the company is based on the nature of the relationship and perception with the brand. The strong company relationship with its stakeholders can save the company's brand during crisis. It is argued by Baker and Angelopulo (2006:367) that corporate brand is IC's major concern. The corporate brand is the consolidated outcome of every message about the organisation to which the stakeholder has been exposed, including planned, unplanned service and product messages. The best way to ensure that the perception of the brand is that which the organisation intends is to coordinate and align these messages. "Communication integration and ultimately the perception of the corporate brand are seen to reside within the minds of all the organisation's stakeholders" (Baker & Angelopulo 2006:viii).

3.8.2 Message consistency

Once the communication options are identified, the message is developed to give a consistent look and feel. Message consistency is a principle that creates an image in the minds of customers and stakeholders (Mulder 2003:13). Messages are regularly conveyed without conflict. However, it does not create confusion and mistrust but creates trusting relationships. Smith and Taylor (2002:15) are also of the view that IMC makes messages more consistent. Therefore consistency does not send disjointed messages that dilute its impact. Message consistency is sent through a one-voice, one-look approach.

Organisations have to adapt to IMC and place it at corporate level to effectively target customers. It should be in such a way that it achieves synergy and consistency. Yeshin (1998:75) states that for a holistic approach, companies can ensure that all components of the marketing communications deliver the same message to the right audience. Adapting IMC

encourages speaking with a single voice to all stakeholders. Pettigrew (in Soderlund 2003:20) points out that communications need to be internally integrated for clear and consistent messages that would be effective. Messages that are not integrated usually contrast and cause confusion among customers and stakeholders.

Drobis (in Mulder 2004:231) eloquently states that in companies where there is no effective coordination the company's credibility and reputation may deteriorate. This comes about when all stakeholders do not receive the same messages. Credibility is only achieved by telling all the stakeholders the same thing in a timely fashion. Duncan and Moriarty (1997:59) comment "although each department's focus must be on the stakeholders for whom it is responsible, all departments must keep in perspective the overall corporate stakeholder priorities. Otherwise counterproductive messages can be sent." Mele (in Kliatchko 2008:154) emphasises that there is a need to see consumers in their totality as human beings whose dignity needs to be preserved and respected from all forms of manipulation, exploitation and corruption at all costs. Kliatchko (2008) also added that the ultimate objective is for the target audience (stakeholders) to receive and form in their minds a unified and integrated message.

3.8.3 Use of technology

It does represent improvement in various marketing communication functions. This is changing how information is processed, stored and communicated. Therefore technology and Internet has changed how information is being communicated. Today, there is a personalised approach (Mulder 2003:13). These days men can communicate and identify their needs and wants. Technology helps in finding and storing information of customers and prospects. It is an exchange of needs and products that help people maintain contact (Brown & Buskirk 1993:26).

The technological systems that are being used are computers with Internet access, the World Wide Web, e-mails, interactive media (CD-ROMs, interactive TV, DVDs, audio-visuals and SMS communication). All these help build and maintain contact with customers. As a result, these provide an instant unified messaging in targeting customers at all times and at all levels.

3.8.3.1 Technology in the heart of IMC

IMC is an approach that is timely and adapting in nature. This is so in a changing world where there are technological advancements. Technology is an inherent part of IMC and therefore

assists IMC to contribute to the dynamic world of marketing and communications. Therefore at the heart of technology is IMC. This is because technology features in all elements of IMC.

The application of IMC is seen as a vehicle and channel in advancing technology further. This means IMC fulfils and disseminates consistent messages through the adaptation of technological systems. The advent of technology has brought changes on how customers view organisations, and how marketing communication managers make use of IMC as a direct pathway. With technology embodied in IMC, it would, without doubt succeed in reaching customers one-on-one.

Technology is an integral part of IMC. It is a way of doing business, of communicating with customers, of creating awareness as well as of maintaining relationships. In IMC, advertising is a communication process that sends messages through various media, mostly technological. Online advertising involves elements like banners and buttons that include messages.

3.8.3.2 Technology and individualised messages

IMC ensures personalisation of messages. Technology is seen laying the ground in the IMC approach. Public relations entail the use of technology through the Web, audio-visuals and videoconferencing, videos, intranet, slides and others. Internet is an essential tool where a Web page can state the company's mission, vision, social responsibility and others. Audio-visuals are used for briefing of new employees and visitors. Another powerful internet technology is the intranet where internal staff acquires information of memos, internal phone lists, manuals, newsletters, documents and so on. These ensure a flow of communication and save the organisation time and money.

IMC makes it possible for technology to advance at all levels and facets. Technology is seen to be very effective with personal selling and creates an opportunity for sales representatives and consultants to meet customers and prospects. They make use of laptops where information is instantly retrieved or punched in. Information is the bloodstream of integration. The manner in which stakeholder data is collected, organised and shared determines whether or not an organisation has a memory of its stakeholders' transaction and interactions. Without a programme of building and using databases, it is difficult if not impossible to create personalised communication (Duncan & Moriarty 1997:19). Database technology ensures that all the organisation's information is retrieved instantly, especially customer profiles. In this regard,

there is one-on-one contact and two-way communication with customers. This is for continuous and valued relationships.

In marketing communication, direct marketing builds a technology-based database for the customers. The data-driven marketing is a direct approach where customer profiles are maintained through technology like website browsing, interactive TV, e-mails and mobile telephone. The objective is to gather and maintain relevant information. Through this, companies get to know more about their customers. Then the need for direct messages in communication becomes fulfilled. The importance of this is that customers are contacted immediately and with ease as well as keeping the long lasting relationship between the organisation and its customers through regular and personalised communication.

However, IMC also realises its objective of being cost-effective. Technology makes IMC the most cost-effective marketing approach, thus technology is a new trend embracing IMC to achieve its goals. Above all, it improves ways of communicating with customers in a timely, instant, smarter and cheaper way. Technology becomes part of the company and a customer's life so much that not only are relationships built, but advocacy as well.

IMC is a concept that believes in a one-on-one approach, a brand image, message consistency, financial accountability and is customer-centric to name a few. Technology like the Internet and interactive media, and websites allows almost all of the principles to be achieved. With Internet, there is one-on-one communication where interactive relations are kept online. This builds the image of the company. Interactive media is another element that ensures that a customer is also a respected individual. Communication clutter can make customers feel bombarded with different messages. The main issue is the invasion of privacy which leads to disseminated messages being meaningless. Therefore, interactive media like CD-ROMS and DVDs give a customer some privacy. These are viewed at the individual's time and pace. The advantage is that more time might be spent on them, and more of the company's message will be learned. This is not only for preference viewing but also giving the company feedback like comments and suggestions. The ongoing dialogue ensures that a relationship is acquired as well as managed.

Technology in IMC becomes the framework in which all marketing communication managers have to operate. It saves time, is cost-effective and builds relationships. The benefits of technology in IMC are well realised and utilised. There is the internet, e-mails, interactive media,

mobile technology that is available all over the world. This leads to a global marketplace where marketing communication managers should utilise all the channels for the best results. Thus this proves that technology is the agent of change, effective in cost, an excellent customer service provider, but not without the help of IMC. Thus IMC is a channel advancing technology, and technology is not foreseeable without IMC. Schultz and Schultz (in Kliatchko 2008:146) note that an essential tool for better understanding aggregates or markets is the development and use of a database that contain both demographic information on customers and transactional data such as the empirical purchase behaviour of customers overtime. This will allow the organisation to better address customer needs and expectations in the long term.

3.8.4 Market segmentation

According to this principle, relevant audience is divided into appropriate units. It is identifying prospective customers, customers and stakeholders. Everybody affected in the product or service according to their geographic, demographic, psychographic and others is segmented (Mulder 2003:16). The audience is targeted with suitable messages through profiling. Belch and Belch (1998:39) point that before employing a market strategy, the marketer identifies the specific needs of people (or segments), and selects one or more of these segments as a target audience.

Belch and Belch (2001:45) state that the segmentation process involves five steps:

1. finding ways to group clients according to their needs;
2. finding ways to group the marketing – usually the product offered;
3. developing a market-product grid to relate the market segments to the organisation's service;
4. selecting the target segments towards which the organisation directs its marketing; and
5. taking marketing to reach the target segments

Burnett and Moriarty (1998:101) opine that the importance of segmenting lies in helping the marketer to reduce wasting resources in trying to teach the entire market. Burnett and Moriarty (1998:99) further argue that there are lots of ways to segment a market. The easiest is to segment based on the reason the customer buys the product.

3.8.4.1 Stakeholders as target segments

It is explicated that because the brand equity is determined by the net-sum support of all stakeholders, it is important to develop and manage relationships by treating each stakeholder group as a target market with its own message and strategy. The problem with failing to manage the stakeholders groups and their diverse communication needs is it opens the door to inconsistency and inconsistency is a barrier to supportive relationships (Duncan & Moriarty 1997:65).

3.8.5 Customer-centricity

It helps companies place customers as the most significant individuals. Mulder (2003:19) states that focus and two-way communication be placed on each individual customer, and that his or her requirements, needs and wants are well looked after. IMC must identify, learn about, work with and be concerned with customers at all times and at all levels (Schultz *et al.* 1994:178). Centricity on customers indicates that regular customer contact and commitment are essential for long lasting relationships. To create and maintain lasting relations with customers and stakeholders, IMC has shifted from 4Ps to 4Cs. In the name of attaining clients' satisfaction, when planning IMC programme the 4Cs were taken further to 5Rs as illustrated in exhibit 3.8.

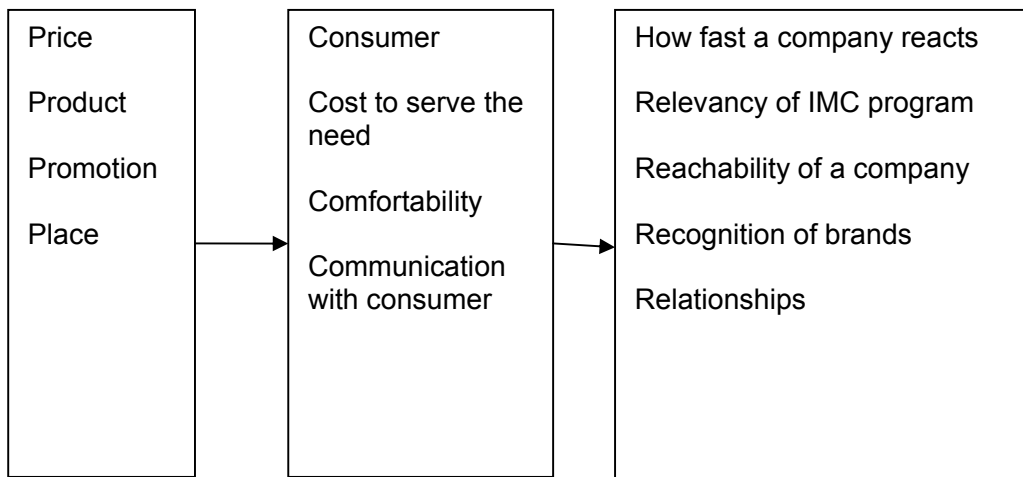


Exhibit 3.8: 5Rs of marketing communication planning (Source: Schultz 2001:12)

3.8.5.1 Schultz's model discussion and critique

The models first response on reaction ability shows that the company reacts effectively and quickly to the clients' needs. This could be seen as being customer-centric where the customer

is the most important person. This also describes that the customer is more reliant, independent, and has buying choices which are done at their individual pace. The customer is put first and relationships are built. Relevance and reachability is where a company develops and aims to build its marketing communication plan with its audience in mind. Therefore the principle of market segmentation is emphasised.

There is an emphasis on brand image recognition. Through brands being identified there is a chance that relationships will be built with the customers and stakeholders. As a result it increases focused branding. However, the model does not focus on the message consistency principle. The company limits communication clutter and distorted messages. There is also no use of technology, which is a necessity these days. This shows failure to manage all contact points for a meaningful dialogue – and creation of synergy. Currently IMC emphasises customer conscious employees – where employees are communicated to and taken as the first customers of the organisation. There is also emphasis on financial accountability which is essential because no marketing or communication activities could be in place without it. Without sustainable success, financial accountability, building of relationships and proper time frame, a holistic business approach cannot be achieved.

3.8.5.2 IMC advocates for internal communication

“Employees familiarity with the roles and expectations of various stakeholder groups may enhance efforts to ensure consistency in both internal and external communications” (Pickton & Hartley in Wickham & Hall 2006:97). IMC embraces the communication between management and employees as essential. The ability lies in providing feedback for effective relationships. Koekemoer (2004:434) suggests that constant opinion should be sorted, and two-way communication between management and employees should be based on management sharing information.

Organisations which have a high level of communication have a high level of employee satisfaction. “The more satisfied customers or other stakeholders are, the more business or support they will give to the organisation” (Gronstedt 2000:4). This makes it much easier to practice effective internal marketing. Foy (1994: 22) states that communicating performance up and down and across an organisation creates synergy. Here employees` attitudes are reflected on the organisations` customers and stakeholders. Van Dyk and Herdoldt (2004:44) point out that today companies realise that delivering to customers depends on how they manage

relationships between employees and external stakeholders. As a result these considerations eventually achieve employment brand.

In this dynamic changing environment IMC helps in creating the competitive advantage and in advocating long term relationships. Marketing communication managers have the task to ensure that IMC is implemented and becomes a major vehicle in carrying out organisational objectives. Not only should it meet objectives, but it should also enhance employees' satisfaction and build relationships.

3.8.5.3 IMC and value on employee returns

Gronstedt (2000:41) asserts that marketing and communications staff should show return on customer and stakeholder relationships. They should measure value brought by customers and measure how well the company adds value to customers. Gronstedt (2000:39) argues that marketing and communications staff needs to take responsibility on return on investments in customer and stakeholder relationships. They need to measure how customers add value to the company as well as how the company adds value to the customers. The staff needs to intensify and become persuasive in tracking customers and stakeholder perceptions of the company.

The study contends that the ability of an organisation to measure and achieve expected results on customer investments indicates that an organisation has been able to understand its most profitable target aggregates and relevant stakeholders. Doyle (2000:24) comments "there are strong market incentives for value-maximising firms to take into account other stakeholder interests". In addition, Niemann (2005:155) says IMC managers must identify the most relevant and preferred contact points of its stakeholders and have successfully achieved interaction, dialogue and some degree of relationship through an exchange of meaningful messages. Sirgy (1998:7) argues that amongst IMC levels of development is stakeholder-based integration. It is further stated that marketers recognise that target consumers is not the only group that the firm should be communicating with. Other groups to be included in the overall IMC campaign include the firm's employees, suppliers, distributors and stakeholders as well as the community, certain government agencies and others.

3.8.5.4 Customer Relationship Management (CRM)

Customer relationships management is about re-arranging communication to fit how the customer sees, interprets and understands it. Companies need to engage in building relations,

not just focus on customers. Duncan and Caywood (in Smith, Gopalakrishna & Chatterjee 2006:565) argue that IMC goals and outcomes are often linked to building relationships with customers and other stakeholders through ongoing dialogue. Dong and Chan (2007:227) add that IMC emphasises the importance of fostering a long term relationship with existing customers with the marketing communications programmes.

The focus should not only be on products or services but should be on customers if IMC is to succeed. As a result, organisations keep customers with them through customer friendly marketing tactics or plans (Soderlund 2003:43). Mulder (2003:19) points out that the customer is the final influence on product or service success. There needs to be building of long lasting relationships to ensure customer-centricity. This could be maintained by consistently preparing to have two-way communication with customers. There should be management of ongoing contacts a company keeps with each customer in an integrated marketing dialogue. Duncan and Caywood (in Mulder 2004:232) elaborates that the integrated communication process came to involve a full range of relationship management both internally and externally and gave rise to the concept CRM.

Rajola (2003:92) argues that organisations are striving to become more customer centred with the aim to acquire, increase and maintain a competitive advantage. For this reason, all an organisation's resources are geared towards preserving and increasing customer loyalty to the company. Rajola (*ibid*) elaborates that the adaptation of this approach requires information sharing internally and externally, technological and management know-how so as to imply radical change in company vision and business processes starting from the company culture right through all organisational structures, systems and management and operations.

It is maintained that CRM is aimed at developing closer and beneficial links to clients. For this to happen, every member of the organisation has to be involved in the IC processes and understand what is being communicated to the customer (Mulder 2004:232). Most importantly, IC is based on the fact that it recognises and responds to the fact that everyone in the organisation has the potential to touch the customers (Duncan & Moriarty 1997:xii).

3.8.5.5 e-CRM and database

Information is gathered from different communication channels about customers to create a single database of information. Most of the customer's information can be gathered and

accessed through websites, feedback forms, website browsing, transaction behaviour, e-mails, interactive TV and mobile telephony (WAP and SMSes). This helps in keeping customers, creating more sales, knowing and accepting customer needs, providing customer support, as well as personal contact.

CRM systems may enable one-to-one marketing through improvement of dialogue between the customer and the organisation. Piercy (2003:496) adds that technology provides a basis for individualised response to customer queries. Schultz and Kitchen (2000:94) state that the real purpose of database is to enable organisations to understand and develop their current relationship with customers as well as with prospects. The information gathered allows marketers and communicators to know more about their customers and appropriate messages to be sent. The database allows a marketing strategy to be developed based on differences between customers rather than treating them all in the same way (Schultz & Barnes 1999:86-87). Parente (2000:236) asserts that a database is a powerful tool for profiling customers and organising them into meaningful customer segments from which an organisation can select its target markets and audiences.

According to Schultz and Kitchen (2000:40) database marketing uses computer technology for customer data in a cost-effective way to drive consumer oriented programmes, thus becoming more personal in approach. The trends are the emergence of new media such as the World Wide Web, CD-ROMs, laptops, interactive kiosks, digital systems, satellite TV and Internet related technologies.

Relevant messages are sent if organisations know more about their customers. As a result marketing communications' important task is to understand customers and prospects very well. Gronstedt (2000:53) asserts that the path to business success is through long-term customer relationships. Today data supports relationship focus as well as recruiting new customers. Du Plessis, Jooste and Strydom (2001:90) warn that the importance of CRM lies in the people and processes. They must be aligned, streamlined and optimised for the organisation to get a feel for its own technology requirements, systems and infrastructure. It is further stated that employees need to be willing to adopt a customer-centric focus so that information can be updated as quick as possible.

3.8.5.6 IMC in enriching relationship

Relationship is another significant issue in IMC. Contact ensures that relationships are maintained with customers and stakeholders. Sirgy (1998:7) maintains that relationship management is considered to be the highest level of IMC development where coordination runs across various functional units. Mulder (2004:221) claims that integrated communication takes relationship marketing and IMC one step further.

IMC is important in managing stakeholder relationship because of the overlap and interaction between and among stakeholders in the value field. Unlike in decades past when each stakeholder group was only involved in one or two parts of the value stream, today they are increasingly involved in the way the product or service is designed, assembled, promoted and delivered (Duncan & Moriarty 1997:63).

3.8.6 Contact synergy

The concept of contact synergy implies that the marketing communicator has to handle contact between the company and its stakeholder such that synergy is created. All marketing communication techniques should be aimed at communicating and influencing targeted stakeholder groups. Contact synergy refers to the medium or delivery system, in other words the manner in which contact is made between the company and the customer. According to Schultz and Kitchen (2000:1), planned and controlled media messages make up a small percentage of the messages and contact customers and prospects have with a company. To plan effective programmes, the marketing communication manager must have an idea of the totality of contact points that exist in the market place.

According to Schultz *et al.* (1994:132) contact is defined as:

...any information-bearing experience that a client has with a service... the product category or the communicator that relates to the communicator's service.

When marketing communication messages are well managed it reflects contact synergy (Schultz *et al.* 1994:123). Burnett and Moriarty (1998:14) hold a similar view that the beauty of IMC is dependent on the ability of the communicator to manage communication between a communicator and clients in such a way that synergy is created. Similarly, Mulder (2003:21) is of the opinion that a marketing communicator should manage all contact between a company

and its customers in such a manner that synergy is created. Synergy exists through the messages that are conceptually integrated that bring meaning over different channels and sources to create coherent knowledge and attitudes (Thorson & Moore 1996:333). Synergy could be achieved if marketing communications are coordinated and all contact points between audiences and brands are properly managed. For example, First National Bank (FNB) synergises its slogan 'how can we help you' on its logo, through television advertisements, radio messages, written pamphlets and brochures and on outdoor advertisements but most importantly, the slogan has been implanted in the employees' attitudes. Its practicality is seen when a client enters the FNB bank, in an attempt to market the company's brand, the employees always communicate the slogan 'how can we help you?' when seeking to assist their customers.

The challenge brought by marketing communication clutter calls for organisations that disseminate information through multiple channels to ensure that their target audience receive unified promises (Zeithaml, Bitner & Gremler 2006:485). Zeithaml *et al.* mention that channels through which the message is communicated flow from the company whilst some are personal messages that employees sent to customers. IMC minimises contradictory messages, which helps organisations to develop more positive contact with all stakeholders (Burnett & Moriarty 1998:351).

Mulder (2004:227-228) opines that IMC is a comprehensive approach to internal and external organisational communication. It combines the power of all marketing and marketing communication techniques to deliver consistent communication messages to organisations' different stakeholders. Communication managers should be represented and involved during organisational strategic planning. This will facilitate relationship building with all stakeholders. Niemann (2005:43), in addition, states that it is imperative that the communication function should be involved in the strategic thinking and strategic formulation as well as the operational (tactical or technical) planning level in order to ensure consistency in communication and relationship building with internal and external stakeholders.

There should be vertical and horizontal communication in an organisation (internal marketing). Marketing communication techniques are also implemented by an organisation to communicate with the external world (stakeholders), whereas employees meet with customers through interactive marketing. This is illustrated below (exhibit 3.9). Although Zeithaml, Bitner and

Gremler (2006) mentioned four marketing communication techniques, there are two other techniques not mentioned by the said authors that the researcher believes have a significant impact in communicating with the external stakeholders. Those are personal selling and sponsorships.

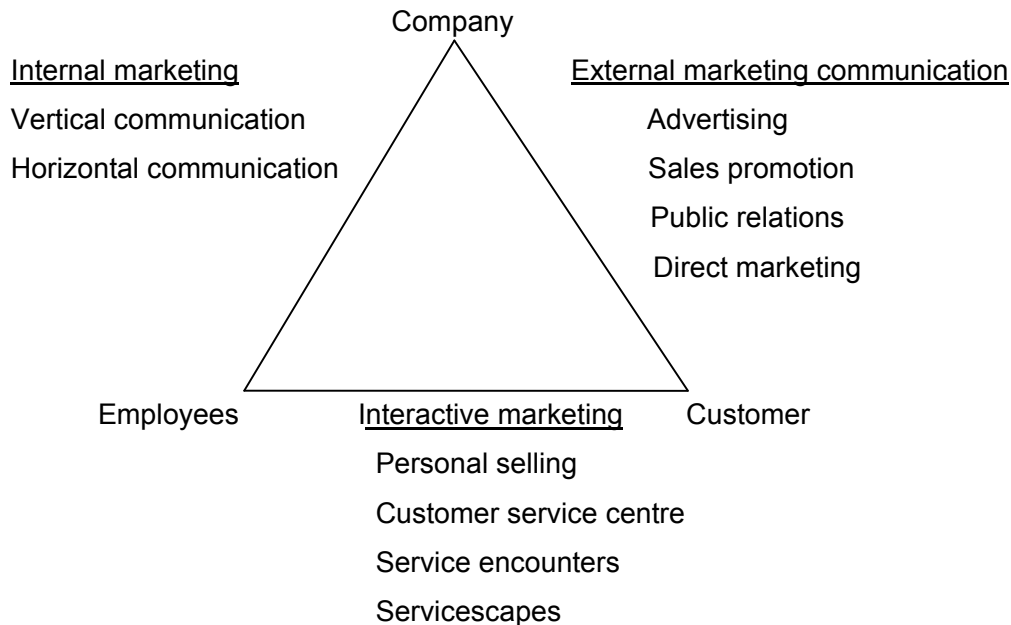


Exhibit 3.9: Communications and the services marketing triangle (Source: Zeithaml, Bitner & Gremler 2006:486)

3.8.6.1 Zeithaml, Bitner and Gremler's model discussion and critique

The model above indicates that external communication techniques through which the organisation communicates with its stakeholders include advertising, sales promotion, public relations and direct marketing. These techniques are targeted to the external stakeholders of the organisation. On the other side, interactive communication comprises of messages that employees give to customers through personal selling, customer service interactions, service encounter interactions, and servicescapes. "A service company must be sure that these interactive messages are consistent both among themselves and with those sent through external communication. To do so, the third side of the triangle – internal marketing communication - must be managed so that information from the company to the employees is accurate, complete and consistent with what customers are hearing or seeing (Zeithaml, Bitner & Gremler 2006:486).

3.8.6.2 Service providing organisations

Service organisations focus on selling themselves to their clients. Their marketing effort is grounded in presenting their capabilities instead of identifying clients' needs and how they can solve the clients' problems. As a result, their marketing communication strategy overlooks the clients' needs and what is important to them. The result is service providing organisations' failure to give its clientele quality service. According to Zeithaml and Bitner (2003:93) service quality is evaluated on the basis of:

- Reliability – ability to perform the promised service dependably and accurately
- Responsiveness – willingness to help clients and provide prompt service
- Assurance – employees' knowledge and courtesy and their ability to inspire trust and confidence
- Empathy – caring, individualised attention given to clients
- Tangibles – appearance of physical facilities, equipment, personnel and written materials.

3.8.7 Customer conscious employees

The companies' first customers are its employees. This principle means there should be customer conscious employees. The principle states that management needs to ensure employees are aware of their customers (Mulder 2003:23). This gives employees a chance in decision-making processes when dealing with customers. The other requirement is they should be communicated to and informed on their expectations with customers. Thus, Schultz and Kitchen (2000:76) state that organisations must align and integrate all communication processes both internally and externally. Internally, employees must also be aligned to customer focus. Koekemoer (2004:434) suggests that an employee communication programme should not come before a survey. The survey is to determine what workers know and do not know about policies, problems and other subjects. Constant opinions should be sourced. Employees could be communicated with, amongst others, through organisational memos, the intranet, and internal magazines. The importance of internal communication helps in keeping all within an organisation updated so that synergy and message consistency is achieved.

3.8.7.1 Principles of two-way communication

According to Smith and Taylor (2003), good two-way communication between management and employees is based on the following principles:

- Management sharing information.

- Communication should be factual, accurate not misleading.
- Information should be timely to avoid misunderstanding.
- Information should foster a feeling of unity.

3.8.7.2 The importance of dialogue in an organisation

Duncan and Moriarty (1997) argue that while dialogue is communication, not all communication is dialogue. IMC strives towards maximizing two-way communication between an organisation and its stakeholders. IMC driven research should identify and be part of the potential for dialogue. This could be achieved through a database that does not only sell to customers, but listens to them. It is further suggested that mechanisms enabling stakeholders to communicate with the organisation be employed. Naumann and Hoisington (2001:33) point out that there is a strong link between the satisfaction level of employees and customers. Unhappy employees cannot deliver good customer value. Organisations that have high levels of communication have high levels of content employees. This means open communication, with no secrets among all parts of the organisation, from top to bottom ensures that employees know what is expected of them.

Gronstedt (2000:107) is of the view that bottom-up communication with new employees is important because they provide an outside opinion. Employee satisfaction surveys are an important bottom-up vehicle. This permits management to act on fresh ideas as employees are closest to the customers. Chrzastek and Reid (2006:27) believe that internal communication is an important and often under-utilised element in developing and communicating an organisation's brand strategy.

3.8.8 Financial accountability

This principle emphasises that the underlying focus in companies is towards responsibilities in costs, which is financial accountability. This means marketing communication managers need to spend according to what the budget stipulates. Mulder (2003:26) points out that as marketing communication managers are held financially more liable, an accountable approach must be followed. In addition, Duncan and Moriarty (1998) suggest that as marketing communication managers are held financially more liable, an approach that measures up this accountability must be followed in allocating the marketing communication budget. Schultz and Kitchen (2000:75), referring to the new improved financial management mandate, that accountability by marketing communication managers means that they must be able to relate to what was spent

or invested. Mulder (2003:28) states that in IMC the marketing communicator works towards sustainable achievement and financial success in getting the loyal customers more and the non-users loyal customers.

The type of budget used in IMC is a zero-based approach. Smith and Taylor (2002:18) state that a zero-budget, which is starting from scratch, is essential in achieving objectives.

3.8.9 Achieving sustainable success

The last but not least of all principles is achieving sustainable success. Mulder (2003:27- 28) is of the view that IMC objectives should be set and measured according to the situation analysis and in relation to past performances and other companies. In addition to this, an organisation needs to check its communication stock, and nurture it for effective brand recognition and relationships.

3.8.10 Holistic approach

When IMC is operating at corporate level, it adapts an effective way of doing business, which is where integrated communications is achieved (Mulder 2003:290). When all is well planned and executed, at this very level a holistic approach is achieved. According to Schultz and Kitchen (2000:59), integrated communication at corporate level implies that relationships need to be managed in an interactive manner. These should be aimed at analysing and adjusting corporate and marketing policies in line with the survival and growth in the global market.

The absence of a holistic approach in an organisation means that IMC is restricted and does not influence the best decisions in the company. Duncan (in Mulder 2003) states that IMC should be part of the core decision- making processes; otherwise the value of IMC will be tainted. IMC implementation at corporate level is where mission marketing operates on a company's vision platform. Mission marketing normally entails:

'What do you do, how do you do it and to whom do you do it?'

Mission marketing can therefore be referred to as non-profit activities meant to benefit the society that an organisation get involved in and correspond, or are in harmony with the organisation's mission. For instance, Nedbank's green colour on their logos implies their commitment to environmental conservation.

All the principles help in build long lasting relationships that eventually lead to advocacy from customers and stakeholders. This happens only through two-way communication that exists over a long period of time.

3.9 Trends that led to the development of IMC

There are trends that led to the use of IMC. Organisations today shifted towards IMC as a result of new forms of communication that are increasingly becoming available. This shift was brought about by various factors both within the organisations and in the marketplace. The ultimate objective of IMC is to create a dynamic process that offers constant improvement and result towards change.

On the other hand, global competition has brought changes in the manner that an organisation's communication is managed. This necessitated a change in how marketing communications function. Koekemoer (2004:3) states that consumers are better off than before and global competition has also accelerated, producing a corresponding reaction from marketers. The changes started as far as marketing communication emerged long before its integration

Today consumers and customers are more knowledgeable. This necessitated or developed competition among companies. Customers are no longer seen as passive. Customers are more vocal in what they want and need and have the convenience of individualised choice and selection. Because of empowered consumers and technological developments marketers can no longer afford to 'dictate' to their target audience (Koekemoer 2004:2). Today IMC is emerging as one of the most significant concepts. This means that it has the ability to meet the future marketing communications environment. This is due to the awareness, education and choice customers have today.

The other factor is a shift from advertising to other marketing communication techniques. Soderlund (2003:14) states that the major difference between advertising and IMC is the conceptual methodology. In traditional advertising development, so little was known about the customer or the prospect that the focus naturally fell on the product or the service to be advertised. The shift is now towards offering other marketing communication techniques. Moreover, the aim is in offering better and broad services to customers. Belch and Belch

(1998:112-113) add that most agencies recognise all areas of promotion and so help their clients develop and implement integrated communication programmes. Thus, customers turn to new ways of communicating. As a result IMC leads in being the best as it incorporates all aspects. In simple terms, IMC is less costly than mass media advertising; there is profitability and cost effectiveness.

3.10 Barriers to the effective implementation of IMC

Some IMC experts believe that the concept does not have a uniform definition because different authors define it in different ways. IMC authors (Mulder 2003:1; Schultz and Kitchen 2000:64) argue that the confusion starts with no standardised definition of IMC. Studies indicate that the subject remains largely misunderstood by many responsible for its implementation (Yeshin 1996:80). Wolter (in Soderlund 2003:26) states that people are having trouble in defining IMC because the concept lacks a good, solid theory from which to start. Current IMC practice suffers from superficiality, ambiguity, and a blurred focus. Thorson and Moore (1996:51) state that the American Association of Advertising Agencies (AAAA) has established a task force to examine and initiate the definition. Furthermore, a number of major universities have created graduate programs to signify an IMC mandate. Both practitioners and academics are weaving a path to the perceived future of IMC. The barriers are as follows:

- a) Lack of understanding by the management teams - in most cases there is lack of understanding of what IMC is. Usually when different marketing communication specialists come from diverse backgrounds, perceptions differ as to what IMC is. There is a general lack of experienced people from marketing communications who exhibit expertise in the variety of fields (Yeshin 1998:81).

- b) No customer-centricity – marketers have always ignored what customers need and want. Most of the marketing communications are not customer-centric. There has been ignorance in implementing marketing communication strategies that are consistent and integrated. Many companies have failed to view an IMC approach and align it with customers' behaviour, preferences and needs. Thus this lead to a hindrance to successfully coordinating IMC.

- c) Resistance and fear of change – this resistance is both from persons and organisations. Individuals might feel that effectively implementing IMC might make them lose their area

of responsibilities and incentives that go with them. Percy (1997:179) states that resistance to change is in both intra-organisational and inter-organisational terms. Usually this goes with compensation and prestige associated to the position. It could make IMC implementation less effective as people want their areas of specialities together with rewards.

- d) Functional silos – managers still have a problem with power. Because they come from different specialities each wants to manage and possess all the power over his or her area of speciality. According to Smith and Taylor (2002:15), rigid organisational structures are infested with managers who protect both their budgets and their power base. This includes avoiding sharing performance, accountability and even budgets.
- e) Lack of outside-in plans – the inside-out-plan used by marketers has proved ineffective because it focuses on organisational objectives not on customer needs. Soderlund (2003:27) states that learning to start with customers and work backwards ensures an integrated communications programme that can be linked to the bottom line.
- f) Different perceptions of IMC will deter effective implementation. Mostly the natural resistance to change makes it difficult to implement despite the acceptance of the benefits (Percy 1997:180). It is evident that IMC has many benefits because it saves costs and time in its ability to integrate various marketing communication techniques. However, the perceptions of marketing and communication managers make it impossible to be effectively implemented.
- g) Ignorance in effective communication – many organisations do not consider the ability of communication. Communication is placed at a lowest level of management and strategies do not get formulated at senior management level. Managers in communication are constantly placed at this level, with no decision-making powers at all. Top management does not even consider the use of marketing efforts to be significant as a way of communicating both internally and externally. As a result budgets are cut.
- h) There is still a problem in organisations in the implementation of the concept of IMC. There are various problems associated with this barrier. Although the introduction of IMC necessitates new ways of communicating, a problem still exists in effectively doing so.

The barriers are a major challenge facing organisations' management teams in achieving successful implementation of IMC. It is said managers' perceptions still hold back the full value IMC holds. Managers come from different marketing communication disciplines and still lack expertise in integrating communications. As a result, it causes a shortage of skills in IMC implementation. Thus this also limits the number of IMC experts and increases the skills shortage in the field.

The above-mentioned barriers to the implementation of IMC necessitates that new ways of approaching IMC should be engaged in to overcome the obstacles.

3.11 Requirements to overcome barriers

There are several ways to overcome barriers in the successful implementation of IMC. The idea is to become responsive to potential problems and identify how to deal with them. Smith and Taylor (2002:18) suggest ten rules in practicing integration and staying integrated. They are to:

- Ensure that senior management understands the benefits of IMC. Through this IMC can be downwards and across the organisation.
- Integrate at different levels of management. The marketing communications must be integrated and educate all on the consistency and coordination of messages.
- Ensure standardisation in the use of logos, colours, typeface, design and so forth.
- Focus on a clear communication strategy. The communication objectives and positioning statements are a way of adding value to communications.
- Start with a zero-based budget. This necessitates the building of a new communication plan with a new budget allocation.
- Think customers first – identify their needs and the stages they go through before and after purchase. This will ensure the right communication tool and message for each stage.
- Build relationships and brand values. By doing this, customer retention will be achieved. Communications directed at customers and prospects should help develop stronger relationships with them.
- Develop a good marketing information system. This involves a customer database where vital information is kept about customers, stakeholders and prospects.
- Share artwork and other media. This could be on exhibition stands, cards, and so on.
- Be prepared to change all – learn from experience, constantly search and upgrade the

communication mix. A yearly improvement should be made.

Implementation of IMC could be understood by senior management if all benefits could be stated thoroughly. Starting with top management, they have to ensure that IMC gets formulated together with other policies. Top management should learn how IMC could change the organisation towards profitability and a positive image. The concentration of this must be on logos, designs and so on to create a unified message.

Overcoming barriers could be achieved by first recognising the benefits of IMC. There should also be coordination of all of the marketing communication mix. Employees have to take part in the image of the organisation through internal marketing. Therefore, managers need to decentralise work so that employees can take part in decision making. This will help them in working as a team. Resistance to change is sure to lead to staff turnover, insufficient sharing of information, and fear for the loss of jobs, power and compensation. However, these could prevent customer conscious employees and employment brand.

For the effective implementation of IMC, organisations need to realise their marketing communication policies. In this way marketing communication strategies would be up-to-date and easily adaptable. There is a need for IMC activities to be introduced in the planning phase of the organisation. IMC should not be treated as an afterthought but it should provide direction and focus in all the company's objectives and efforts.

3.12 Benefits of IMC

For IMC to be successful, it should be implemented at corporate level where the vision and mission of the organisation is implemented. When IMC is created at corporate level it creates more focus and benefits.

Based upon an in-depth literature review, the following are identified as the benefits:

- Everything evolves around the customer (Schultz *et al.* 1994:178). Customer- centricity is the main focus.
- IMC has an ongoing or continuous interrelationship with its customers and stakeholders (Smith & Taylor 2002:15). A common understanding of IMC is that it entails the process of managing all sources of information. Essentially this is made to align customers' needs towards purchases. Another key advantage is in developing and managing all

sources of information to create loyalty and synergy. Furthermore, this helps stakeholders develop positive opinions about organisations, products or services and in reinforcing awareness thereof.

- Integration of marketing communication techniques provides clarity and organisational plans ensure objectives that achieve integration across multiple areas.
- There is message consistency across different disciplines to the target audience (Yeshin 2001:75).
- Messages delivered at the same time are in harmony with each other.
- It provides an overall similar image of the organisation to customers and stakeholders (Mulder 2003:13). This brings convenience and adaptability to customers and stakeholders.
- The one-fee approach helps in brand recognition and contributes towards brand equity (Thorson & Moore 1996:137).
- It uses every contact point thus creating business synergy (Thorson & Moore 1996:333).
- It has the ability to reach a number of different types of people at the same time.
- It incorporates different departments into a single service. That is, there is no duplication of services.
- It encourages an open flow of communication horizontally, vertically and cross-functionally (Schultz *et al.* 1994:178). This creates good relationships that lead to employment brand.
- IMC ensures interaction between companies and other agencies as there is an open flow of communication. There is also integration of services and convenience of doing everything under one umbrella which brings reduction in costs and less time consumption (Smith & Taylor 2002:15; Yeshin 2001:76).
- It has the ability to provide feedback which is two-way communication thus improving relationships.
- It uses a zero-based budget (Mulder 2003:26).

At this juncture, this study will dwell on the integrated marketing communication models, their discussions and critiques.

3.13 Integrated Marketing Communication models



Exhibit 3.10: IMC strategic planning process (Source: Percy 1997:17)

3.13.1 Percy's model discussion and critique

The model by Percy (1997) shows the strategic process in IMC. The model identifies the target market where segmentation takes place. The first and the second step show the links to the marketing and communication strategies. The establishment of communication objectives emphasise the brand attitude and brand purchase intention. Therefore Schultz and Barnes (in Mulder 2003:8) state that the brand represents the bond between the buyer and the seller and is a relationship that only a customer can create. Furthermore, Duncan and Moriarty (in Mulder 2003:8) point out that every brand message to some extent, has some facts which are strengthening relationships by adding value and reconfirming current relationships.

Once the communication options have been selected, the execution of the message is developed to give a consistent look and feel. According to Mulder (2003:13) strategic consistency is the coordination of all messages that create reputation, as well as images and positions in the minds of customers and other stakeholders.

The model does not make use of technology in reaching its customers. There is a data driven approach which makes use of the World Wide Web, internet and interactive media. The technological advances taking place in the marketplace today necessitates organisations to adapt in order to succeed. Mulder (2003:13) states that the technological revolution has opened a new pathway to reaching consumers one-on-one. Percy in Mulder (2003:14) believes the real star of the new and interactive media is the internet.

Furthermore, the model does not make use of the customer-centric principle. It does not consider a customer as the major or ideal person in IMC implementation. Mulder (2003:18) states that every IMC strategy should begin with an intense focus on the customer. This approach necessitates two closely related aspects, like dialogue or two-way communication and the consequent building of long-term relations.

The model does not show customer conscious employees. The employees are not the first contact and are not communicated to. The employees are not considered as the first contact with the outside world. Duncan and Moriarty (1997:xiii) explain that IMC recognises and responds to the fact that increasingly everyone in the organisation has the potential to 'touch' the customer. IMC focuses on all marketing communication functions with the aim of being cost-effective. The model makes no mention of financial accountability which in this day and age most companies strive to be.

It is imperative to state that marketing and marketing communication puts more emphasis on the customer. In the 21st century, the focus has moved from the customer, extending further to stakeholders. It is therefore imperative to give an overview of the importance of relationship building with stakeholders.

Mulder (2003:21) is of the view that synergy is the ultimate goal IMC should achieve when integrating marketing communication techniques. Belch and Belch (2001:25) feel that the communicator has to develop strategies for each element, and implement a projected plan so that each tool coordinates optimally with the other, consequently, the IMC model by Belch and Belch (2001) [see exhibit 3.11].

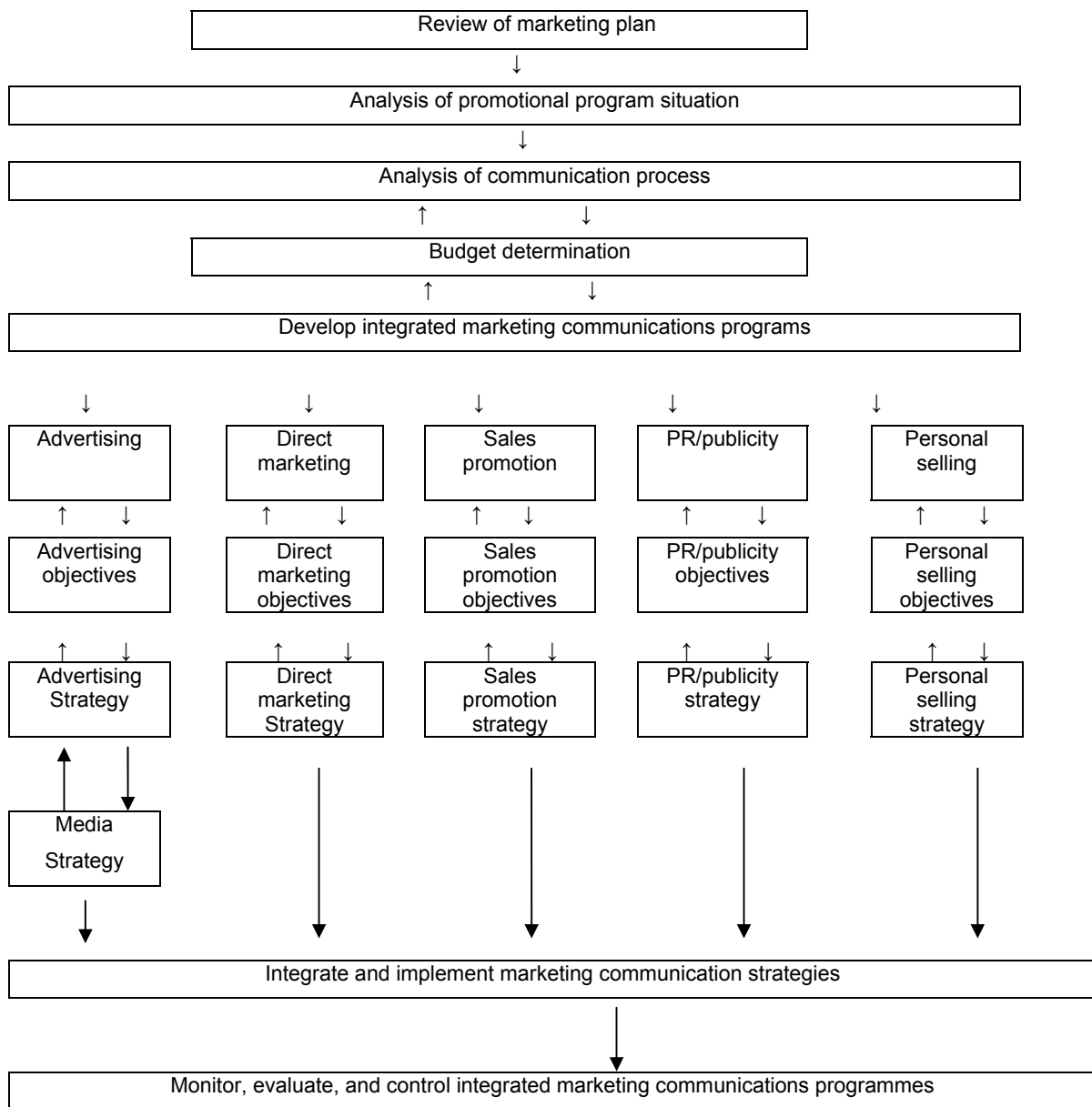


Exhibit 3.11: An integrated marketing communications planning model (Source: Belch & Belch 2001).

3.13.2 Belch and Belch’s model discussion and critique

This model reviews the marketing plan. The marketing plan incorporates factors like the marketing mix, where IMC originates. The market segment principle in the marketing plan indicates that segmenting could be on product, socio-cultural, geographic or psychographic

criteria. The model highlights budget determination where costs have been assessed before the implementation of strategies. However, financial accountability is not mentioned. This shows that marketing communication managers are not held financially liable. After IMC programs have been developed, marketing communication strategies are integrated and implemented. The integration in these models is very low because no indication is given of the principles of IMC.

The model shows branding in advertising and sales promotion but little emphasis is placed on the organisation having a relationship with its customers and stakeholders. Although messages are conveyed, there is no message consistency which is the one-voice one-look strategy. Furthermore the use of technology is only through direct marketing with the exclusion of interactive media. The model is not customer-centric and strategies do not consider the customer as the major determinant of the product or service in the organisation. This leads to no dialogue at all.

In addition, the model does not support customer conscious employees. The employees are not communicated to and as a result they cannot be the first customers in the organisation. IMC needs to be at the corporate level where it could be involved in decision-making processes. But if this does not take place, a holistic business approach cannot be achieved. Furthermore, the model fails to form long-term relationships - that could be through branding, message consistency and customer conscious employees and others. As a result without these principles, contact synergy and sustainable success cannot be achieved. The model does not reflect a true IMC approach and lacks in the integration of all the marketing communication techniques.

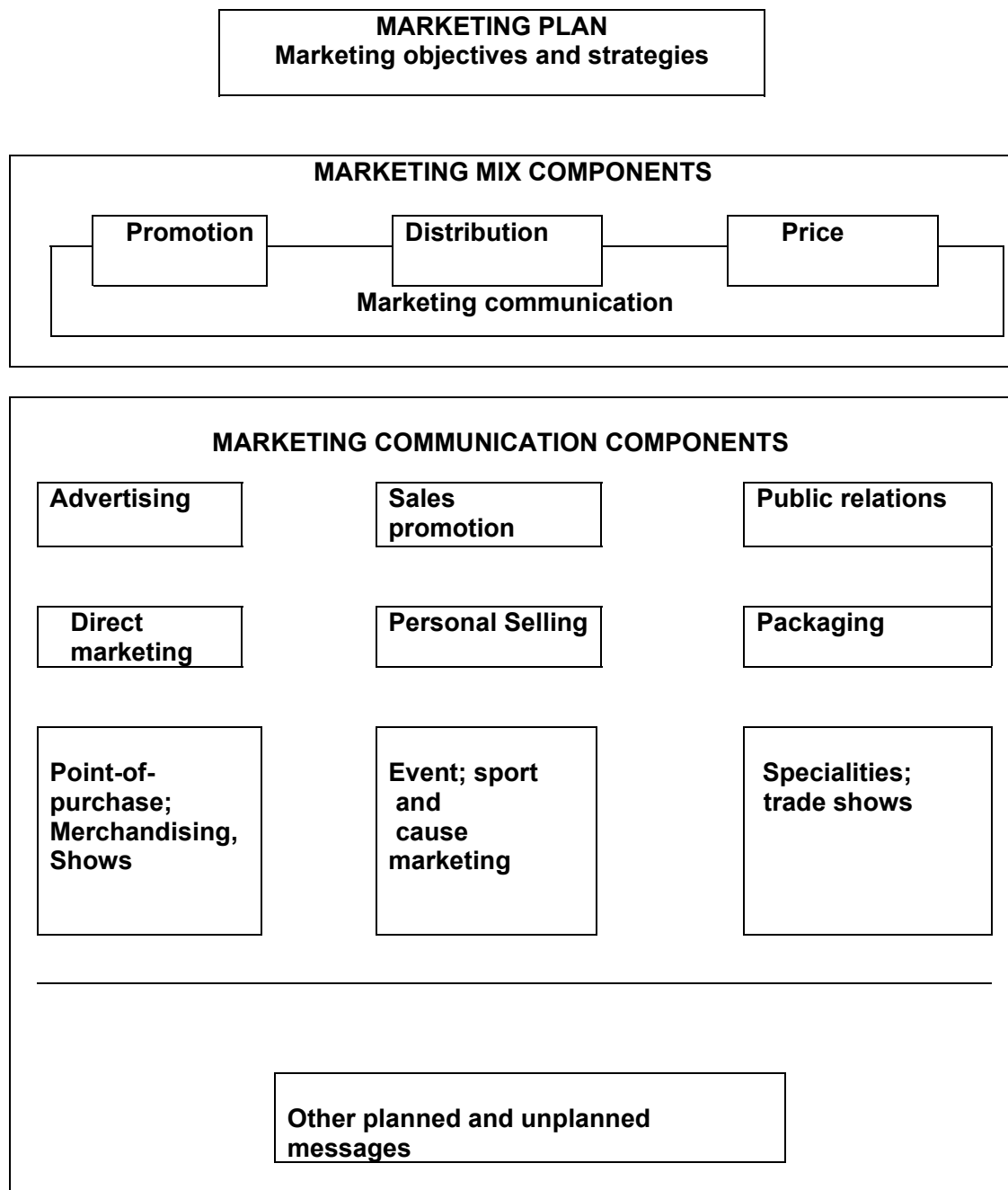


Exhibit: 3.12 IMC model (Source: Burnett & Moriarty 1998:23)

3.13.3 Burnett and Moriarty's model discussion and critique

The model of Burnett and Moriarty (1998) indicates that marketing communication is determined by the overall marketing plan and its objectives. However, messages are planned and unplanned. This means that messages are conflicting and inconsistent. If messages are uncoordinated and inconsistent they slow down the flow of effective communication. Furthermore, the marketing communication mix shows that focused branding is recognised in packaging but no relationships are entered into. The whole model makes use of technology through direct marketing, which is very limited. In today's information age IMC cannot exist in isolation from the use of technology, especially interactive media.

The market segmentation is one of the important parts in IMC. In most cases IMC concentrates on a customer as the determinant of product or service success. In this case, the model is not directed towards customer-centricity. This indicates that the model falls behind by not realising that proper ways of engaging in a dialogue and building and maintaining relationships should be devised.

Furthermore the strategic intent of the model does not identify all principles. Contact synergy is not managed and contact is not maintained. That is, all medium or delivery systems used live out the concept of dialogue. IMC principles incorporate customer conscious employees. This is where employees are communicated to and meaningful relationships built. This is because today the shift has moved from autocratic leadership styles to more decentralised approaches. The model fails to familiarise itself with employees being the first contact to customers. Mulder (2003:24) maintains that IMC is based on the idea that to have satisfied customers, the company must have satisfied employees.

The model fails to show how budgets will be handled, either on a long-term or short-term basis. There is no sustainable success because there are no communication objectives like brand awareness, brand attitude, brand trials and brand purchase. This is also been shown by no financial accountability. Nonetheless, the financial principle requires a company to have a two-way relationship within departments and divisions. Therefore, without this a holistic business approach cannot be achieved.

3.14 Summary

In a nutshell, this chapter overviewed the concept stakeholder century. It was illustrated that for an organisation to communicate effectively and efficiently with its stakeholders, the integration of communication is paramount. Although integrated communication hinges primarily on an outside-in approach, it is still imperative that the management first communicates internally with employees. Informed workers make informed decisions. The implementation of dialogue rather than monologue in an organisation results in satisfied employees who are ambassadors of the organisational brand. The chapter also highlighted various stakeholders' models. The models illustrated the importance of interactive communication between the organisation and its stakeholders with the purpose of building long lasting relationships.

The maximum results of marketing communication depend on the integration of techniques to achieve synergy. The concept IMC is basically putting together the appropriate marketing communication techniques in a unified way for each market segment to achieve synergy and consistency of message. In this chapter the various definitions of IMC forwarded by different authors were explored. Trends that led to the development of IMC, barriers and ways to overcome the barriers, and the benefits of IMC were discussed. To conclude, the chapter elaborated on the principles of IMC. IMC models that illustrate the integration of marketing communication techniques were also discussed.

Chapter 4

Research method

4.1 Introduction

The goal of this study is to provide guidelines to improve relationships between the NMDS and its stakeholders. This goal will be attained through the following research objectives:

- To discuss the context in which stakeholder relationships are pursued
- To reflect on the stakeholder century concept; and
- To explore the corporate and marketing communication activities the NMDS embarks on to establish relationships with stakeholders.

In the rest of this chapter, the research approach and design to address the above-mentioned goal and objectives will be explained.

4.2 Research approach

The term research refers to the process in which scientific methods are used to expand knowledge in a particular field of study (Welman & Kruger 2002:2). Baxter and Babbie (2004:22) differentiate between two approaches to research: quantitative and qualitative methods. The former presents findings in numerical form that is frequencies, averages, percentages and so forth, while with the latter findings are presented in textual form, usually words.

There are three basic purposes of social research (Baxter & Babbie 2004:30; Du Plooy 1995:48-49 & Babbie 2001:90) namely, exploration (to explore a topic or provide basic familiarity with a topic); description (to describe a situation, event, process); and explanatory (to indicate causality between variables or events). Sometimes communication research is conducted to explore a topic or to provide basic familiarity with a specific topic. This approach is typical when a researcher examines a new interest or when the subject itself is relatively new. A descriptive study describes the characteristics of a phenomena, or relations between a number of variables. Explanatory research is applied when a problem is complex and little knowledge exists to address that area of study (Baxter & Babbie 2004:30-31; Du Plooy 2002:49). It is typically used in pilot studies, where the purpose is to collect as much information as possible

about a specific subject. This will then generate a basis of understanding for further studies to formulate and test (Patton 2001:227). This study attempts to meet all three purposes mentioned, thus it is exploratory and descriptive in nature.

4.2.1 Combining qualitative and quantitative methods

As mentioned a qualitative approach collects data in the form of words whilst quantitative data is collected using numbers (Neuman 1997:30). The qualitative approach has amongst others the shortcoming that the sample size sometimes may be too small to allow the researcher to generalise the data beyond the sample selected for the particular study, while with a quantitative approach the questioning is static, standardised – all respondents are asked the same questions.

Wimmer and Dominick (2006:50) argue that due to disagreements that have been put forth by those who favour each method, sometimes because of the disadvantages available in each method, most researchers have come to realise that using both methods is important in understanding any phenomenon. Hence the use of methodological triangulation which refers to the use of both qualitative and quantitative methods to fully understand the nature of the research problem.

4.3 Research strategy

With regard to the qualitative approach, this study used grounded theory as its strategy, whereas quantitatively, the survey method was employed. Wimmer and Dominick (2006:225) contend that using both techniques provides an advantage that qualitative data can aid in the interpretation of the quantitative data or provide insights that might have been missed. Thus, quantitative may be used to test concepts identified through qualitative research as in this study. The disadvantage of using both techniques, according to Wimmer and Dominick (*ibid*) is that it requires more effort on the part of the researcher and increases time spent in analysing and interpreting the data.

4.3.1 Phase A: Qualitative research

4.3.1.1 Grounded theory

Grounded theory is conceived as an analytical process that culminates in the development of a formal, propositional theory (Baxter & Babbie 2004:374). Strauss and Cobin (1990:23) define grounded theory as being inductively derived from the study of the phenomenon it presents.

Thus, it is discovered, developed and provisionally verified through systematic data collection and analysis of data pertaining to that phenomenon. Glaser and Strauss (in Soderlund 2003:34) developed this strategy known as the constant comparative method or technique. It means that data collection, analysis and theory stand in a reciprocal relationship with each other. In a sense, one does not begin with a theory and then proves it. Grounded theory does not start with a hypothesis like deductive methods. Rather, grounded theory starts with a phenomenon which the researcher finds to be inadequately explained in theory and with a well defined research problem. In grounded theory, one begins with an area of study and what is relevant to the area is allowed to emerge.

According to Baxter and Babbie (2004:374) grounded theory involves four steps: open coding, axial coding, process analysis and selective coding. Open coding is the first step of grounded theory. It is the process of breaking down, examining, comparing, conceptualising and categorising data (Strauss & Corbin 1990:61). Axial coding involves an attempt to understand a phenomenon in terms of the conditions that gives rise to it, the context in which it is embedded, any intervening conditions that affects responses to the phenomenon, the action or interaction strategies by which it is managed and the consequences of those strategies (Baxter & Babbie 2004:375). According to Strauss and Cobin (1990:143) process analysis entails the linking of sequence of action or interaction as they pertain to the management of, control over, or response to a phenomenon. A process analysis addresses change and the flow of events and actions over time. Finally, selective coding refers to the process of selecting a core category around which all of the other categories can be integrated. In this step, the researcher pulls analysis together producing a descriptive narrative about the central phenomenon of the study. As the researcher observes the results of axial coding, the following selective coding questions are inevitable: what is most striking in these categories and their patterning? What stands out as the 'heart of the matter'?

4.3.1.2 Data gathering techniques

This study used more than one data collection method. Firstly, the in-depth personal interviews were used for NMDS stakeholders and employees. Cooper and Schindler (2003:25) describe it as a two-way conversation initiated by the interviewer to obtain information from a participant. This method encourages participants to share information as much as possible in an unconstrained environment and resembles a form of conversation that systematically explores topics of interest (Lindlof & Taylor 2002:4). The probing questions motivated respondents to provide more information. The participants were interviewed until the saturation of categories was attained and no new information was provided. Cooper and Schindler (2003:326) comment that the depth of information detail gained from this data collection method is far greater than other forms of questioning.

The in-depth interviews conducted with the participants averaged around an hour for each respondent. The literature reviewed, the survey conducted and the respondents interviewed provided the breadth and depth required for the study.

4.3.1.3 Data analysis

In order to analyse data qualitatively, the constant-comparative technique was utilised (Wimmer & Dominick 2006:117). The researcher's role involved a comparative assignment of incidents to categories, elaboration and refinement of categories, searching for relationships and themes among categories, and simplifying and integrating data into a coherent theoretical structure. This method is commonly used as a data analysis technique in grounded theory.

4.3.1.4 Sampling design

In a qualitative inquiry, the strategy used for sampling is not based on random probability, where each element of the option has an equal chance of being selected (Wimmer & Dominick 2006:92–92). For NMDS stakeholders and staff the qualitative approach was employed.

In-depth personal interviews were conducted with NMDS stakeholders and employees. It provided a wealth of detail since a face-to-face situation lends itself easily to questioning in greater depth and details. They provide detailed background about the reasons why respondents give specific answers (Wimmer & Dominick 2006:135). Du Plooy (2002:178) states that the in-depth interview offers the interviewers an opportunity to create an atmosphere of trust and to encourage the respondent to talk broadly about the topic due to the flexibility of the

interviews, while relationship and trust are building between the interviewer and interviewee. This resulted in participants revealing their inner-most feelings and attitudes.

With regard to qualitative studies, Patton (2001:244) elaborates that no rates exist for determining sample sizes. Whilst Lindlof and Taylor (2002:244) clarify that qualitative study does not consider the sample size until later in the course of the study when respondents are sampled until a critical threshold of interpretive competence has been reached. From the qualitative perspective, the NMDS stakeholders and employees were interviewed until saturation of categories was reached and no new information was revealed.

4.3.1.5 Defining the research environment of the study

The in-depth interviews as stipulated earlier were conducted with the NMDS stakeholders and staff and in their own environment (their offices). This was employed with the aim of firstly, making the respondents feel relaxed and open to relate to the interviewer and secondly, to enable the researcher to gain more insight into the respondent behaviour during the interviews.

It is imperative to state that Wimmer and Dominick (2006:124) warn that rapport must be established with the subjects. Lindlof and Taylor (2002:121) add that time can become a limiting factor in the intensity of information gathered during an in-depth interviews. Although the NMDS staff was busy with the renewal of the RSA contracts, and other stakeholders were tight-up with their daily administrative tasks, they managed to allocate the researcher time slots that was convenient for them. Some allocated lunch time, while to others the early morning hours before the clients arrived in large numbers were convenient. The researcher found the morning hours most convenient because there were no interruptions by clients. Furthermore, the respondents were fresh and able to think clearly. This resulted in the interviewees providing ample information. The participants provided vast amount of details until the saturation was reached and no new information emerged. Therefore, the researcher ceased with the interviews.

4.3.2 Phase B: Quantitative research

4.3.2.1 Survey research

Wimmer and Dominick (2006:179) noted two major types of surveys: descriptive and analytical. The former attempts to describe or document current conditions or attitudes – that is to explain what exists at a moment. The latter describes and explains why situations exist. In this approach two or more variables are examined to investigate the research question. The results

allow the researcher to examine the interrelationships among variables and to develop explanatory inferences. The analytical approach is employed by this study.

Survey research has the following notable merits (Stewart 2002:99): it can be used to investigate problems in realistic settings, the cost of the survey is reasonable when one considers the amount of information gathered, a large amount of data can be collected with relative ease from a variety of people; surveys are not constrained by geographic boundaries; they can be conducted almost anywhere and finally, the researcher can solicit information about respondents' private thoughts, feelings or emotions due to the self-report approach used in a survey.

4.3.2.2 Data gathering techniques

A questionnaire method was also applied. Neuman (1997:37) states that a survey researcher asks people questions in a written questionnaire handed to people. The questionnaire items comprised structured (consists of predetermined choices called close-ended questions) and the unstructured (where responses are not limited to choices called open-ended questions). The NMDS sets the contract renewal schedule therefore the questionnaires were administered to the UFS and CUT sponsees during their renewal days or weeks.

The purpose of the study and the ethics concerned were explained to prospective participants and an opportunity to ask questions was granted to them on all occasions. The prospective participants were enthusiastic to participate in this study; some participants were referred by their classmates to the researcher. The researcher administered the questionnaire himself to the sponsees and respondents were not allowed to take the survey home. In contention, Baxter and Babbie (2004:187) states that at times it may be appropriate to administer the questionnaire to a group of respondents gathered at the same place at the same time. When they were handing in the questionnaires, the participants were hopeful that the results of this study would bring changes at the NMDS.

It was mentioned earlier that for the Lesotho institutions, the sample will be drawn from NUL. A survey was conducted in a class of students pursuing their studies in African Languages. Baxter and Babbie (2004:187) assert that students might be surveyed during home-room period or lesson. Convenience sampling was used for other stakeholders whereby the researcher administered the questionnaire to directors or registrars of some tertiary academic

institutions, media and the bank located in the capital city, Maseru. Stewart (2002:59) explicates that the researcher selects elements to study simply because they are easily accessible without any consideration of mathematical rule.

It is further argued by Baxter and Babbie (2004:188) that when a researcher delivers the questionnaire, and picks it up, the completion rate seems higher than for a straightforward mail survey. For this reason, the researcher delivered and picked up the questionnaires himself except for the NUL sample where the lecturer from the Department of Language Studies assumed that responsibility.

The categorisation to be discussed in the subsequent section is adapted from Wimmer and Dominick (2006:189–194); and Baxter and Babbie (2004:186–188).

4.3.2.3 Questionnaire layout and design

It is argued by Wimmer and Dominick (*ibid*) that the approach used in asking questions as well as the physical appearance in a self-administered questionnaire can affect the response rate. Baxter and Babbie (2004:186) elaborate that the format of a questionnaire is just as important as the wording and ordering of the questions asked. An improperly laid-out questionnaire can lead respondents to miss questions, confuse them about the nature of the data desired, and even lead them to throw the questionnaire away.

In this study, the questionnaire items were spread out and uncluttered so that its appearance was reader friendly. Furthermore, the matrix of questions and answers was constructed specifically for questions that have the same set of answer categories.

4.3.2.3.1 Introduction of the questionnaire

According to Wimmer and Dominick (2006:189–190) one way to increase response rate in any survey is to prepare a persuasive introduction to the survey. Regardless of the survey approach used, a well constructed introduction generates higher response rates. The researcher wrote an introduction that persuades respondents to give answers. In the introductory remarks it was mentioned that the information provided by respondents will be used as a basis to develop a new IMC strategy for the NMDS. The promise seemed to be a motivation to respondents because of the anticipated benefit.

4.3.2.3.2 Instructions on the questionnaire

Baxter and Babbie (2004:186) maintain that every questionnaire, whether to be completed by respondents or administered by interviewers, should contain clear instructions and introductory comments where appropriate. For this study, the instructions on the questionnaire were clear and easy to follow.

4.3.2.3.3 Questionnaire length

It is argued by Wimmer and Dominick (2006:193) that long questionnaires cause fatigue and low completion rates. Shorter questionnaires guarantee higher completion rates.

4.3.2.3.4 Question order

The introductory remarks on the questionnaire were followed by the preliminary questions, which were demographic and personal in nature. The purpose of these simple and short questions was to motivate respondents to answer subsequent items, and to establish rapport with participants. After a short introduction to the study, the interviewer can best begin by getting demographic data about the respondent. Once the initial rapport has been established, the interviewer can then move into the area of attitudes and more sensitive matters (Wimmer & Dominick 2006:191–192; Baxter & Babbie 2004:186).

4.3.2.3.5 The questionnaire and interview protocol of the study

It is recommended by Wimmer and Dominick (2006:192) that the questionnaire should be organised in a logical sequence, proceeding from the general to the specific. It is further added that questions on similar topics should be grouped together and the transition between question sections should be clear and logical. Baxter and Babbie (2004:186) warn that the desired ordering of items differs somewhat between interviews and self-administered questionnaire. For the final version of the questionnaire, see appendix G.

Concerning the in-depth interviews conducted with NMDS employees, an interview guide was used. Lindlof and Taylor (2002:195) expound that the format of an unstructured questionnaire normally appears as an interview guide which follows an informal and flexible approach. Patton (2001:349) stipulates that topics and issues on the interview guide should be specified as an outline in advance and the interview guide should not dictate how and when questions should be asked.

In this study, the items in both the interview guide and the questionnaire were categorised as follows: the first category covered the respondents' demographic data. These are the warm-up questions which are easy to answer and non-threatening. In the second category the concept stakeholder century was explored. The following variables were measured: needs and wants of stakeholders, interactivity with them, the use of alternative sources of information for stakeholders, and the outside-in approach to communication. The third category concerned the quality of service provided by the NMDS to its stakeholders. The quality of service was determined through its reliability, responsiveness, competence, courtesy, credibility, access, communication and the tangibles (Zeithaml & Bitner 2003). Finally, the items assessed the NMDS' use of different marketing communication techniques and applicability of IMC principles thereof. The NMDS is a service providing organisation; its employees are its most important resource and therefore must be conscious about clients. For this to be achieved, the management must always communicate with the employees, and thus, internal communication must be effective. The interview guide for the NMDS employees consisted of items assessing internal communication which is a prerequisite for external communication [see appendix H].

In a nutshell, the items on the interview guide and questionnaire were derived from the literature study, particularly on the stakeholder century concept and principles of IMC. The questionnaire items were arranged in sections that relate to accurate predictions and findings to the research objectives.

4.4 Data analysis

With regard to analysing data quantitatively, the computer aided analysis technique (Statistical Package for Social Sciences) was employed in this study. Cross tabulation was utilised to compute the index of similarities and differences in observed frequencies between variables. From the variables that were found to be relevant, the frequency distribution table was employed to list each measurement level that exists along with the frequency of observations that correspond to that level. Bar and pie charts were used for illustration of the findings.

4.5 Sampling design

The quantitative approach was convenient for NMDS' clients (current sponsees), institutions' management, the media and the banks. Neuman (1997:31) argues that a survey researcher

often uses a sample or a smaller group of selected people but generalises results to a larger group from which the smaller group was chosen. Purposive sampling was used in this study because the subjects had to command characteristics or qualities required by the researcher. Purposive sampling occurs when a researcher selects an element from a population or universe to be part of a sample as a result of the element's specific characteristics of interest to the researcher (Stewart 2002:59). The study also used simple random sampling and questionnaires were given to the subjects. Despite the fact that purposive and simple random samplings were predominantly used in this study, there were other methods employed such as convenience and homogeneous sampling.

4.5.1 Defining the target population of the study

When an investigator is interested in studying a group of people with particular characteristics of interest, the group is known as the population. The group to which the results might be applied or generalised is the target people (Stewart 2002:54).

With regard to the quantitative approach, the target population in this study was divided into categories: the first was NMDS current sponsees, with the sample drawn from institutions outside Lesotho (RSA) and those within Lesotho (NUL). The Central University of Technology (CUT) and the University of the Free State (UFS) - situated in the Free State province - were selected to represent the RSA sample. These two universities have the highest number of current sponsees compared to other institutions outside Lesotho. Similarly, for local institutions, NUL sponsees were chosen as a sample also because the largest number of local sponsees is found at NUL.

The other section of NMDS stakeholders included in this research and categorised as other stakeholders in the analysis section were the management of institutions; the media and the employees of Standard Lesotho Bank as the only bank used by the NMDS to pay its sponsees. These groups of stakeholders were selected purposively from the capital city, Maseru by the researcher to be part of this study.

4.5.2 Identifying the sampling methods

According to Welman and Kruger (2002:191) various methods of sampling may be employed in a study. For the purpose of enhancing the quality of this study, various sampling methods

including simple random, purposive, convenience and homogeneous samplings have been incorporated.

With regard to the NMDS current sponsees and other stakeholders, the simple random sample was used. It is considered to be the unrestricted form of probability sample. In this method, each population element has a known and equal chance of selection (Cooper & Schindler 2003:184).

Nevertheless, Baxter and Babbie (2004:135) state “sometimes it is appropriate for you to select your sample on the basis of your own knowledge of the people, its elements or based on your judgment”. Viewed in this way, a purposive sample includes respondents chosen on the basis of their knowledge (Creswell 1998:58). The NMDS employees were chosen purposively. For this reason, purposive sampling was employed in this study because the researcher used his knowledge to identify a particular sample due to their distinctive expertise (Du Plooy 1995:62). According to Du Plooy (*ibid*) an advantage of purposive sampling is that the units selected are especially qualified to assist in the investigation. Therefore, it ensures that group or population parameters found in the population can be represented in the sample.

Since the NMDS sponsors students in many institutions locally and internationally, the management of other institutions may not be reached with ease. This suggests how diversified the target population or universe for this study is. Therefore, for institutions’ management the convenience sample was used. Stewart (2002:59) argues that for convenient sampling, the researcher considers his or her ability to access a sample drawn from a diverse target population or universe. The selected sampling methods enhanced the quality of this research because respondents had insight into the NMDS activities - as a result they managed to provide valuable information on how effective the NMDS is in communicating with its stakeholders.

4.5.3 The sample size of the study

“You may wish to study a small subset of a larger population in which many members of the subset are easily identified but the enumeration of them all would be impossible,” state Baxter and Babbie (2004:135). In contention, Wimmer and Dominick (2006:100) added that determining an adequate sample size is one of the most controversial aspects of sampling. The sample size is dependent on what the researcher wishes to know, the purpose of the inquiry, the usefulness of the information, and what is possible with the available time and resources (Patton 2001:245).

Within the quantitative context, Wimmer and Dominick (2006:102) recommend that the larger the sample size, the better. They further warn that a large unrepresentative sample is as meaningless as a small unrepresentative sample; therefore researchers should not consider numbers alone. Quality is always more important in sample selection than mere size. For this study, 410 questionnaires were administered to the NMDS clients and other stakeholders. The participants who responded to the questionnaire and gave it back were 230.

4.6 Research design

According to Cooper and Schindler (2003:146) the research design is the plan and structure of investigation so conceived as to obtain answers to the research problem or questions. The research design for this study consists of three parts. The first entailed an exploration of literature used in this study. This section has been dealt with in chapters 2 and 3. The second part focused on the qualitative approach and in-depth interviews were used. The third part involved the quantitative research, and more specifically a survey. These methods were employed to elicit information from the stakeholders of the NMDS on the effectiveness of the marketing communication techniques used by the NMDS to communicate with them (the stakeholders). The research design discussed in the subsequent section has been adopted from Cooper and Schindler (2003:14–151).

4.6.1 Use of research

Research is used for two purposes, either to advance general knowledge or to solve specific problems. Those who seek an understanding of the fundamental nature of social reality are engaged in basic research (also called academic research or pure research). Applied researchers by contrast primarily want to apply and tailor knowledge to address a specific practical issue. They want to answer a policy question or solve a pressing social problem (Neuman 1997:21). The discussion in chapters 1 and 2 described the possibility that there are communication related problems between the NMDS and its stakeholders. The strikes and demonstrations by the NMDS sponsees create the impression that the NMDS is not yet prepared to face up to the challenges of stakeholders century. Irrespective of the fact that the study attempts to explore this problem, it is fundamentally basic research because it focuses on exploration and the ability to contribute towards the body of knowledge (Neuman 1997:21).

4.6.2 Time dimension of research

In defining the time dimension of the study, Neuman (1997:28) claims that quantitative research is divided into two groups: a single point in time (cross sectional research) versus multiple time points (longitudinal). Wimmer and Dominick (2006:121) further add that in cross-sectional research, data are collected from a representative sample at only one point in time. Longitudinal research in contrast involves the collection of data at different points in time. Although this study uses both qualitative and quantitative approaches, it is cross-sectional and does not follow the longitudinal approach.

4.6.3 Defining the research environment of the study

As was previously mentioned, this study administered the questionnaire to various categories of respondents. For the population studying in the RSA institutions, the sample which comprised of UFS and CUT sponsees were given the questionnaires at the NMDS premises during their annual renewal of scholarship contracts.

The start of the scholarship renewal procedure is such that on a daily basis the NMDS' registry personnel assembled all sponsees coming for renewal of their scholarship contracts in the NMDS main hall to collect the students' academic results. The academic results were taken to the registry department for filing in individual sponsee's manual file. While the students were assembled, the researcher used the opportunity and requested the UFS and CUT sponsees to stay behind. The questionnaires were given randomly to participants and the ethical considerations were together with the instructions were explained by the researcher before the respondents could start answering questions on the questionnaire. The researcher appointed one participant from both groups (UFS and CUT) to assist in collecting the questionnaires after the participants have finished answering them.

4.7 Pilot study

According to Wimmer and Dominick (2006:194) the best way to discover whether a research instrument is adequately designed is to pretest it, thus, conducting a mini-study with a small sample to determine whether the study approach is correct and to help define the questions. The literature further argues that areas of misunderstanding or confusion can be easily corrected without wasting time or money. Stewart (2002:113) adds that the questionnaire or interview is then presented to these respondents and their responses solicited. Wimmer and

Dominick (2006:194) add that self-administered questionnaires should be pretested with the type or respondent who will participate in the actual study. In this study, a pilot study was conducted with 15 participants studying at UFS and 15 at CUT. Wimmer and Dominick (2006:101) recommend that samples with 10 to 50 subjects are commonly used for a pretesting measurement instrument and pilot studies. The respondents at UFS were given the questionnaire by the researcher while with those at CUT the research assistant assumed the task.

4.7.1 The pilot study results

With regard to the pilot study, the response rate was 97 per cent. In the introductory remarks of the questionnaire, it was mentioned that the information provided by respondents will be used as a basis to develop a new IMC strategy for the NMDS. This promise seemed to be a motivation to respondents and is thought to have increased the response rate because of the benefits anticipated by the participants.

Some research participants complained that the questionnaire was long. This was because questions were printed on one side of each sheet, not side by side. This suggestion was accepted by the researcher and the questionnaire was printed side by side for final administration. During the final administration, the length of the questionnaire did not seem to be an issue anymore.

The researcher ensured the correct sequence of the items in the questionnaire; furthermore questions were put in a clear and simple way. But the results of the pilot study still suggested minor rephrasing of some questionnaire items and slight changes in the sequence. The order and rephrasing were effected by the researcher in preparation for final administration of the questionnaire.

4.8 The reliability and validity of the study

According to Cooper and Schindler (2003:231) reliability has to do with the accuracy and precision of a measurement procedure. By the same token, Neuman (1997:138) puts it as follows: "reliability tells us about indicators' dependability and consistency. It means that the information provides by indicators (questionnaires) does not vary as a characteristics of the indicator, instrument or measurement device itself."

On the other hand, Cooper and Schindler (*ibid*) define validity as the extent to which a test measures what it is intended to measure. Neuman (1997:141) opine that the reason the researcher can never achieve absolute validity is that constructs are abstract ideas, whereas indicators refers to concrete observation. Furthermore, Neuman (1997) adds that validity tells us whether an indicator actually captures the meaning of the construct in which we are interested. Perfect reliability and validity are virtually impossible to achieve, rather they are ideals researchers strive for (Neuman 1997:138).

In an attempt to improve the reliability and validity of the study, triangulation was employed. Du Plooy (2002:39) describes triangulation as the combination of two or more data-collection methods and reference to multiple sources of information to obtain data. Baxter and Babbie (2004:318-319) suggest the following forms of triangulation: the use of multiple and different sources of data which may be achieved by comparing the experiences and perceptions with one informant with those of other informants. The second form is the use of multiple and different methods of research whereby an in-depth interview may be triangulated against a quantitative method such as survey research. Moreover, De Vos and Johnson (in Du Plooy 2002:39) state that in addition to the use of two or three methods (a questionnaire survey followed by focus group interview), triangulation also applies to:

- The collection of data using different types of sampling;
- The analysis of the same data from two or more theoretical and conceptual perspectives; and
- Conducting observations or analysing data using more than one investigation.

Consistent results between triangulated studies are powerful contributors to external validity (Stewart 2002:78). It is further argued by Du Plooy (2002:39-40) that although triangulation may in practice result in the combination of a qualitative and quantitative approach to communication research, the main reason for applying it is to test theoretical assumptions in more than one way and to increase the reliability and validity of observations, analyses and findings. In order to improve reliability and validity, this study adopted all three forms of triangulation.

According to Neuman (1997:141) one of the principles for improving reliability is to use a pretest or pilot version of a measurement first. At least one pilot study should be conducted for any newly developed scale to ensure reliability and validity. A pilot study was employed in this study [see 4.7].

Davmon and Holloway (2002:92–95) suggest ways that a qualitative inquiry can justify validity and reliability. These authors state that validity can be demonstrated by showing relevance and trustworthiness. Furthermore, Davmon and Holloway (2002:89–90) consider a qualitative study to be reliable when the decisions trail is presented that documents the decisions and steps that the researcher took during the project. This allows future research to follow the same process as the original researcher and help readers to understand the decisions made. Following this argument, it has to be mentioned that the validity and reliability of this study, according to Davmon and Holloway (*ibid*), is provided throughout this section. The researcher paid meticulous attention to validity and reliability to ensure that findings adhere to the highest level of credibility and trustworthiness (Babbie & Mutton 2001:51).

According to Baxter and Babbie (2002:369), member checking is a procedure in which the researcher goes back to participants with the analysis seeking feedback on its credibility. For the purposes of the quality checks in this study, member checks were employed. This was done during interviews, through paraphrasing, summarising and repeating the respondents' comments to ensure that the researcher verified his understanding of the data. It is with integrating the above methods in this study that the researcher sought the trustworthiness and credibility of this study's interpretations.

In this study, once initial data was collected, open coding of data took place and the researcher started looking for patterns in the data. Saturation of the information categories contribute to the reliability of the study.

4.9 Ethical considerations

The fact that the researcher worked with the NMDS employees for almost four years, strengthened relationships with them hence their ability to provide more information. During the interviews with the NMDS employees, some responses given were very short, but with the probing questions asked by the researcher, more information was provided.

Wimmer and Dominick (2006:76) comment that respondents have a right to know whether their privacy will be maintained and who will have access to the information they provided. It is further argued by Wimmer and Dominick (*ibid*) that there are two ways to guarantee privacy: by assuring anonymity and by ensuring confidentiality.

In this study, in the introductory remarks of the questionnaire, the anonymity and confidentiality of the respondents was guaranteed. Furthermore, the researcher explained to participants before they volunteered to take part in the study that the information they provide is anonymous and confidential. Moreover, the purpose of this research was also explained and the fact that participants were not coerced, thus the fact that they could voluntarily participate in this study was also emphasised.

The explanation of ethical rights verbally and in written format is thought to have resulted in freedom of expression by participants without any fear of victimisation. The NMDS current sponsees were also free to provide information. Some commented that the study seems to be helpful in that it sounded as if it could be a solution to their long term problem with the NMDS, and participants were enthusiastic to participate in the study.

4.10 Limitations of the study

According to Wimmer and Dominick (2006:136), one of the disadvantages of in-depth interviews is that they are sensitive to interviewer bias. In a long interview, it is possible for a respondent to gather a great deal of information about the interviewer. The physical appearance, age, race, gender, dress, nonverbal behaviour and comments of the interviewer may prompt respondents to answer questions untruthfully (Wimmer & Dominick 2006:202). It is highly possible that respondents, particularly the NMDS employees, might have been the victims of one or more of the factors mentioned in this paragraph.

One of the limitations of the qualitative paradigm is that since researchers addresses human activities in the real world, theorists operate within their subjective realities, therefore a degree of subjectivity may be present (Cutlip, Center & Broom in Du Toit 2006:33).

Finally, the fact that the researcher is an employee of the NMDS might have inhibited some of the participants' responses.

4.11 Conclusion

In this chapter, research design and methodology were discussed. The combination of both qualitative and quantitative approaches to research was explored. As this study uses grounded

theory and survey strategies, the nature and scope of both concepts were dealt with in-depth. The research design was also covered. The environment in which the study was conducted was also described.

This chapter dwelled on defining the target population and identifying the sampling methods and sampling size. The theory on questionnaire layout was explained. The theory covered the inclusion of the persuasive introductory remarks, question length and order. The questionnaire and interview protocol for this study were discussed.

The pretesting of the measurement instrument that was employed through a pilot study was highlighted. Moreover, the administration of the pilot study and the results thereof were discussed. Apart from that, the methods of data collection and analysis were described for both the qualitative and quantitative approaches in this research. This chapter further overviewed the reliability and validity of the study. Moreover, the ethical considerations were explored. Finally, the limitations of this study were discussed. In essence, this chapter took a closer look at the approaches and methods used in this research for sampling and collection of data. The next chapter will present the data gathered through the research and the findings based upon the data.

Chapter 5

Presentation and interpretation of research findings

5.1 Introduction

In this chapter, the presentation and interpretation of the research findings from both the qualitative and quantitative approaches will be dealt with. The research findings reported relates to the third objective of the study, namely how do stakeholders perceive the effectiveness of the NMDS' marketing communication activities? In the first phase of the research (Phase A), the data from the qualitative research was collected. As stated in chapter 4, the strategy used for the qualitative inquiry was grounded theory. The face-to-face personal in-depth interviews with members from higher education institutions' management, the media, financial institutions and NMDS employees, were conducted. These respondents in Phase A will be divided into two groups, namely employees and other stakeholders.

The first group consisted of members from the management of tertiary institutions in both Lesotho and RSA, the media and the banks. Specific officers were designated by the organisations to adhere to each company's information policy. These individuals provided information to the researcher on behalf of the respective companies. The second group consisted of employees from the NMDS. Interviews were conducted with the NMDS employees from three management levels – junior, middle and top management. The researcher was granted freedom to interview any available NMDS employee.

5.2 Method of reporting the results

The research results of the study will be reported according to the two phases that were employed, namely the qualitative research approach (Phase A) and the quantitative research approach (Phase B).

As discussed in chapter 4, a grounded theory strategy was utilised in the qualitative approach. The responses from Phase A were grouped into categories and subsequent categories to reflect similarities and differences in prominent themes that evolved from the data. De Vos (1998:341)

concur and states that the analysis enables the researcher to synthesise, interpret, link, see relationships, conjecture and verify findings. The following categories and prominent themes within each category were identified:

Category 1: The NMDS position with regard to integrated communication

Prominent themes:

- internal communication
- communication techniques used internally
- interactivity with stakeholders

Category 2: The significance of IMC in establishing and nurturing relationships with stakeholders

Prominent themes:

- effectiveness of marketing communication techniques
- Ten drivers' model - integration categories

Category 3: Improving interactivity with stakeholders

The responses from members of higher education institutions' management, the media and financial institutions (group 1) will be reported first, followed by responses given by NMDS's employees (group 2). When a matter was not relevant to one of the two groups, the discussion reflected only the responses of the group that offered an opinion on the issue. The summary of responses from both portions of stakeholders (group 1 and 2), and the interpretation of the findings will then be described together. Each of the different categories and themes are reported based on three principles, namely: responses, summary of key results, and interpretation of findings.

The research data gathered during the quantitative component of this study will subsequently be discussed in phase B. Tables, pie charts and figures will be used to present the quantitative results and support the discussion thereof.

Before the results of the research are discussed, the demographic profile of the respondents is reported.

5.3 Demographic profile of respondents in phases A and B

Table 5.5 below shows the demographic profile of respondents of the study and their relationship with the NMDS. There are two categories: the students sponsored by the NMDS (i.e. sponsees) and other stakeholders such as tertiary education institutions' management, media and financial institutions.

	Frequency	Percent	Valid Percent	Cumulative Percent
Phase A Other stakeholders Group 1 and 2	8	3.5	3.5	100.0
Phase B Sponsees	222	96.5	96.5	96.5
Total	230	100.0	100.0	

Table 5.5: Respondents classified according to their relations with the NMDS

It is evident that a large category of participants is made up of the NMDS sponsees (96.5 percent), while other stakeholders comprised just 3.5 per cent. As mentioned earlier, participants were further classified according to their country of study. This has been illustrated in table 5.6 below.

	Frequency	Percent	Valid Percent	Cumulative Percent
Phase A Other stakeholders	8	3.5	3.5	3.5
Phase B Lesotho	117	50.9	50.9	54.3
RSA	105	45.7	45.7	100.0
Total	230	100.0	100.0	

Table 5.6: Demographic profile of participants according to the country of study

From the table above, other stakeholders included people who were not sponsees of the NMDS but should be considered in the decision making process of the NMDS. These included the academic institutions' management, the media, banks and NMDS staff. This category

comprised 3.5 percent. The Lesotho participants comprised 50.9 percent, while the RSA participants represented 45.7 percent.

5.4 Research results – Phase A

The results of the in-depth interviews are discussed in this section. As indicated earlier, the qualitative section of this study focused on the employees of the NMDS, and also other stakeholders like tertiary institutions' management, members from the media, and financial institutions.

5.4.1 Category 1: The NMDS position with regard to integrated communication

According to Mulder (2007a) the main components of integration areas in an organisational communication entails managerial, corporate and marketing communications. In addition, Niemann (2005) proposes that the organisation, the stakeholders and the environment need to be integrated in the implementation of the management of strategic integrated communication [see 2.6.4.1]. The following concepts that relate to this category were identified:

5.4.1.1 Internal communication

According to Puth (2000:30) the essence of leadership is communication. Without communication there can be no management. It is further argued that managerial communication plays an important role in binding relations between the company and all its stakeholders [see 3.5].

In order to understand the effectiveness of internal communication within the NMDS, the employees were required to provide their views regarding internal communication. The responses in this category are divided into two components:

- Top management meetings

Responses (group 2)

- They met but in the past, it was once a month although it is possible that I might have forgotten since that happened long time back.
- There were meetings once a month in the past, not now.

- I have not seen the top management meeting currently except when professor Moletsane was the director.
- They met only when there is crisis such as strikes, otherwise I have not seen any deliberate meetings by the top management.
- Currently there are no management meetings.

Summary of key results

- There is no effective sharing of information between sections
- Stakeholders are the victims of conflicting messages by the NMDS
- It is implied that there were top management meetings in the past, currently they are not being held
- Top management meeting are irregular (convened only when there is a crisis)

Interpretations of findings

It is argued by the literature that inconsistent messages create confusion and misinformation contributing to speculation about the organisation (Mulder 2004). The results in damage to the corporate reputation and trust and it negate the relationships between the organisation and its stakeholders.

The literature further states that communication in an organisation should be a strategic intent (Niemann 2005). If the organisation's top management does not interact regularly, a gap is created. The organisation is likely to be chaotic due to failure by the person in the authoritative position to create a platform to share information and experiences.

- Top management meeting with the general staff

The employees of every organisation are regarded to be its most valuable resource. Koekemoer (2004:434) suggests that two-way communication between management and employees is based on the following principles: management sharing information, communication should be factual and accurate but not misleading, information should be timely to avoid misunderstandings, and information should foster a feeling of unity. Responses that relates to this issue were:

Responses (group 2)

- We do not have any meetings now, but in the past it was there. It was monthly.
- The last time we had meetings was when prof. Moletsane was the director.
- Meetings are very rare, only when there is crisis. It is totally not regular
- General staff meetings are convened as and when necessary

Summary of key results

As with top management, the management meetings with the rest of staff were organised in the past (during the tenure of prof. Moletsane). At present meetings are held irregularly, and the meetings that are held are mostly crisis-driven.

Interpretation of results

It is argued that for IC to have a meaningful impact, it has to start with the buy-in of the management of the organisation and their employees. Bottom-up communication is advocated in the stakeholder century as it encourages and enables an outside-in approach to communication. With this type of approach, employees bring ideas from other stakeholders into the organisation. It seems as if the opposite is true of the NMDS with regard to internal interaction.

○ Message consistency

Message consistency to a large extent reflects the effectiveness of internal communication. Poor organisational communication results in conflicting messages being portrayed to internal and external stakeholder groups. In an attempt to determine the degree of the NMDS internal communication, respondents were asked to state whether the various departments convey similar messages to stakeholders.

Responses (group 1)

- I think there is a serious problem within the NMDS with regard to internal communication. I once came across a case where the information I got from the desk officer differed completely with the one from the director. For example, my institution wrote to the secretariat in July last financial year requesting sponsorship for a specific category of students for the next financial year. When calling the desk officer, she always gave an excuse that the letter has been submitted to the director until we made a

follow-up directly to the director. The director told us that we are late. We appealed to him that we made a request as far back as July. He was so embarrassed to hear that, we quickly realised that the director never knew about the correspondence. The desk officer decided to keep the information with her.

- The NMDS is not consistent at all. A clear example was on the agreement between us and the secretariat that the IT department should issue a form for prospective sponsees to enable them open bank accounts. Even now, a large number of prospective sponsees come to the bank without those forms. When you inquire, people will give different responses and put blames unto one another.
- I once inquired about the payment of my institution; I was passed from one section to another until I gave up and left without any information about that payment.

5.4.1.2 Communication techniques used for internal communication

This category is based on the nature and effectiveness of the techniques used during internal communication. Three broad themes emerged in this category, namely the tools utilised, the style of communication employed, and employee's involvement in decision-making.

- Tools utilised

Responses (group 2)

- For now none, but in the past it was through meetings and memos
- It is telephones and memos
- Telephones and memos are the ones used often but in an informative manner. Internet is there but it is not used effectively by the staff particularly for work purposes
- Telephones and memos but in an informative manner
- Telephones are the ones that are used mostly to communicate internally
- Ad hoc meetings, memos and telephones.

Summary of key results

- Telephones and memorandum are dominant, although they are informative
- Meetings seem to be assembled in an ad hoc manner

Interpretation of results

Niemann (2005); Mulder (2004); Gronstedt (2000) and Duncan and Moriarty (1997) acknowledge the fact that in an organisation everyone has the potential to touch the customer. It is argued that employees are the first to interact with the stakeholders and therefore must always be knowledgeable about the company. The NMDS uses few or limited techniques to communicate internally, thus denying employees from interacting effectively. This shortcoming creates the situation whereby the right hand does not know what the left hand is doing.

- Style of communication employed in the process of communicating (vertical/horizontal)

Responses (group 2)

- In the past, it was interactive, because I remember that each individual section will be asked to report on its activities; for example status of payments, problems encountered and solutions thereof.
- It was horizontal in the past.
- It was horizontal in the past (during prof's era) but now that it is done very rarely when there is crisis, it is highly vertical.
- In the past it was horizontal (interactive) whereby staff will be free to give their input.
- It is highly vertical, thus staff is informed. The platform is not offered for them to participate.
- It is highly vertical, there is no sharing of ideas or input from the middle or junior staff
- I think both methods were used. In the past when each section was reporting, the horizontal applied. At times we shall just be told what to do.

Summary of key results

- The style of communication within the NMDS is vertical (informative)
- The staff enjoyed the horizontal (interactive) style in the tenure of the former director

Interpretation of results

It is evident from the responses given that the NMDS staff enjoyed interactive communication in the past, but at present top down communication is dominant.

- Employees' involvement in decision-making

The literature on branding states that employees are a critical part in developing the brand for a service organisation because the brand is basically offered through behaviour. The organisations' first stakeholders are its employees. For employees to be stakeholder-conscious [see 3.8.7] they should be involved in the decision making processes of an organisation. Regarding their involvement in the NMDS affairs, stakeholders' responses are reported below.

Responses (group 2)

- No. Our part was just to make propositions on procedural issues for the sake of making our work easier, but still that was put to question.
- We as the NMDS get involved but in a much centralised manner. It's not where you can freely express your ideas.
- No. We are just told; there is no input from the NMDS.
- No. We are told what has been decided.
- No, the NMDS staff doesn't have an input in policy changes.
- No, I don't remember that happening.

Summary of key results

- The NMDS staff (from the responses given) have no input on policy changes

Interpretation of results

It is imperative that cognisance be taken that the involvement of organisational employees in decision-making is of the utmost importance because the implementation of the plans or changes and the success thereof depends on the level of employees' involvement.

5.4.1.3 Interactivity with stakeholders

With regard to interactivity between the NMDS and its stakeholders, the stakeholders in Phase A responded as follow:

Responses (group 1)

- I cannot remember the number of times my organisation has been asking for a meeting with the NMDS, to-date we have not secured a single meeting. This is despite the exacerbating sponsees problems by the NMDS.

- It is my fourth year in this organisation; I have never seen any invitation by the NMDS to any meeting. We always sacrifice to go to the NMDS as our initiative to get things done. They never initiated any interaction with us.
- They have never involved us in their affairs. We go there only when there is a strike by students.
- They do not understand how the media can help them stabilise the situation there, hence their failure to involve us.
- We had a working committee with the NMDS which was established around the year 2000. It met monthly and unfortunately due to the high NMDS staff turnover, it got paralysed and became non-functional. This was an initiative by the bank. We achieved a lot for the benefit of our client. An example was the launch of the maestro card which assisted sponsees studying in foreign institutions.

Summary of key results

- The NMDS does not involve stakeholders in their decision-making
- Stakeholders that try to initiate meetings with the NMDS more often than not fail to secure appointments
- There is no interaction between the NMDS and its stakeholders

Interpretation of findings

It was mentioned earlier that relationships with stakeholders hinge on effective communication. The NMDS' failure to involve or interact with stakeholders in a meaningful manner creates a rift between the organisation and its stakeholders, resulting in sour relationships.

With regard to the NMDS employees, interactivity with stakeholders was separated into three general themes:

- Policy change

Respondents were required to identify the person or persons responsible for changing the policy at the NMDS. The responses were as follows:

Responses

- When the secretariat was formed, there was NMDC and NMDS. The NMDC is a policy making body. It only existed for the first five years since 1978 and the new one which was suppose to commence in 1983 was never in place to-date. Since 1984, the NMDS was run by directives. Basically decisions at NMDS were made through the minister's discretion.
- The NMDS policy is suppose to be changed by the NMDC, but the practice has been that the minister of Finance is the one changing the policy.
- It is the minister (of Finance).
- I suspect it is the minister (of Finance) responsible for changing the NMDS policy.
- It is the minister (of Finance), with recommendations from the NMDS.
- Most of those directives (given by the minister of Finance) have been very questionable

Summary of key results

- The NMDC is a legitimate body to review the NMDS policies
- This body ceased to exist in 1983 and there has been a vacuum for almost 26 years
- For 26 years the ministers of Finance have been responsible for reviewing the NMDS policy
- Respondents claimed that most of the minister's decisions have been discretionary (not policy-based)

Interpretation of results

The responses indicate that the cross-sectional communication resulting in planning is lacking between the office of the honourable minister and his department (the NMDS). IC advocates for dialogue, not directives. The messages sent out by the organisation as a result of the directives are inevitably conflicting because there is no buy-in from the implementers. This also affects the strategic consistency hence a negative impact on the brand of the organisation.

- Consultation with stakeholders in making changes

Responses

- The NMDS role has been to consult the authorities to get what they have decided then the NMDS goes on informing stakeholders.

- Stakeholders are not involved at all. The way the NMDS is managed doesn't give room for stakeholders' participation in that everything is between the NMDS and the minister. Furthermore, the absence of the NMDC poses a challenge in terms of currently involving stakeholders. Otherwise, if it was in place, its composition according to the act involves various stakeholders. Also, the secretariat itself doesn't have structures to give room for stakeholders' participation. Finally, the office of the PRO is not well capacitated to involve stakeholders' issues in that it lacks financial, physical and human resources.
- No they are not involved and according to me this is wrong. Similarly, due to the lack of direction in this institution, no one will volunteer to involve stakeholders. The reason being that things change from time to time here – there is no consistency. The minister will have said this today and you go to people with that, tomorrow it will have been changed. We are so uncertain about our work.
- They are also told like us, and I think this is mainly because of bad administration both internally and from our authorities. Also there is absolutely no team spirit amongst all involved parties especially those with power - I mean high ranking government officials.
- No, stakeholders are informed of the NMDS decisions, they are not involved. A clear example is that sponsees do not know the number of subjects they should pass for them to get scholarship renewal for the next year. Again, they are not given information about their personal allowance whether for a particular year they are paid for the whole or half a year.
- They are not consulted whereas they are an important component of the NMDS.

Summary of key results

- The NMDS' top management consults with the authorities (minister and principal secretary)
- The top management of the NMDS is informed of the changes and it goes on to inform stakeholders
- The NMDS stakeholders are not involved in the NMDS decision-making process

Interpretation of results

It is mentioned by Duncan and Moriarty (1997:17) that the more the organisation provides feedback and facilitates dialogue with stakeholders, the more integrated the stakeholder will be into the organisation's planning and operation. Niemann (2005:8) advises that organisations need to follow an integrated communication (IC) approach in order to enhance interaction with

its stakeholders. According to IC literature it is very difficult to get employees' cooperation if they are not part of the planning process. Therefore it will be challenging to get the NMDS stakeholders to buy-in on decisions imposed on them.

- Style of communication with stakeholders (centralised/decentralised)

Responses

- It is centralised.
- It is highly centralised and very poor. We tell stakeholders what should happen.
- It is highly centralised.
- It is more centralised. In most cases the NMDS communicates with us when there is a crisis, such as strikes.

Summary of key results

The NMDS communication with its stakeholders is reported to be highly centralised, thus not interactive.

Interpretation of results

IC scholars argue that the stakeholder century is about nothing except more listening and learning and less telling and selling (i.e. outside-in approach) (Niemann 2005). Through their actions, the NMDS is contradicting one of the fundamental principles of IC, namely interactivity. Interaction enhances relationships and consequently brand equity.

5.4.2 Category 2: The significance of IMC in establishing and nurturing relationships with stakeholders

In this category two main themes were identified. These themes evolved around the nature of the marketing communication techniques most commonly used, and furthermore the effectiveness of the different techniques. In this category the motive was to shed light on the benefits of using various marketing communication techniques in communicating with stakeholders. Respondents were asked about the marketing communication techniques mostly used in an effort by the NMDS to communicate with its stakeholders.

- Commonly used communication techniques

Responses

- They have always used telephones, letters and public notices announced over the radio.
- We have not communicated using the internet before.
- They often use telephone and letters to communicate with us.
- They never used the e-mail.
- The working committee often used meetings

Various marketing communication techniques were rated by the NMDS employees. The motive was to determine the commonly used techniques by the employees during communication with other stakeholders.

Response of rating

- Telephone
- Letters
- Radio
- Briefing sessions / meetings
- Newspapers

Summary of key results (group 1)

- The most commonly used techniques by the NMDS in communicating with its stakeholders are telephonically and via letters. The radio and meetings were used, but not effectively. The new media (internet / e-mail) was completely under-utilised.

Summary of key results (group 2)

- A number of respondents stated that radio was rated high before the office of the PRO was closed.
- The most prominent techniques the NMDS uses to communicate with stakeholders are telephones, the radio and briefing sessions.

Interpretation of findings

IMC scholars argued that stakeholders in the 21st century are faced with the challenge of information clutter as a result of high competition in the market place and information technology which makes information acquisition easy (Duncan and Moriarty 1997). The organisations are therefore advised to utilise various marketing communication techniques in a unique manner to influence stakeholders to prefer the specific organisation's service or product, as opposed to others.

It appears that the NMDS has stagnated and only uses traditional methods of communicating with stakeholders. It became apparent that all stakeholder groups were targeted predominantly with only one communication technique, namely radio. In the 21st century, stakeholders are exposed to too many communication techniques because of a highly competitive marketplace and information acquisition should not be a problem. As argued earlier [see 3.3.4], relationships are communication driven. For this to be viable, an organisation has to maintain two-way symmetrical communication with stakeholders. Two-way symmetrical communication should be based on the stakeholders receiving inputs from many alternative sources, having the opportunity to give input and feedback through existing communication platforms.

- The NMDS effectiveness in utilising various marketing communication techniques

Responses (group 1)

- The use of marketing communication techniques is absolutely ineffective
- If they are using these limited techniques while there is array of techniques to exploit, it means they are seriously lacking behind
- I used to hear their radio programme in the past, otherwise the use of other techniques is ineffective

Responses (group 2)

- No, we still need to work hard to employ other techniques.
- No, the reason being people are not educated on regular basis about the NMDS rather they are told when there is something happening.
- No, we only use the limited techniques such as briefing sessions and radio

Summary of key results

The NMDS effectiveness in the use of various marketing communication techniques has been denied by the respondents.

Interpretation of results

This shows that the NMDS has to vigorously make use of all other communication techniques. Each stakeholder should be targeted with the appropriate message and communication tool. It is also evident that knowledge of, and the adoption and implementation of IMC at the NMDS is non-existent.

- Mission and brand awareness

Duncan and Moriarty (1997) offer criteria that successful companies use to integrate their marketing communication activities. One of the criteria is to determine whether the stakeholders are familiar with the mission and brand of an organisation. The responses in this regard were:

Responses (group 1 and 2)

- I have not known the NMDS to be having brand
- Even if it has brand, it is only known by them (NMDS). We do not know it
- I know its brand to be troubles. We focus on healing stress caused by the NMDS
- I do not know the NMDS mission
- It is not there, one can just suppose it to be this and that basing ourselves on what we are doing. It is not written anywhere.

Summary of key results

- Respondents seem to be unfamiliar with the NMDS brand and mission
- Even though some assume to know the mission, they admitted that it is not available in written format

Interpretation of findings

The literature describes the brand as the bond between the organisation and its stakeholders. Therefore in the absence of an element that binds various stakeholders together, fragmentation of ideas and feelings is unavoidable. Equally important, the mission needs to be focused in order for the organisation to develop a conspicuous presence rather than a fragmented one

(Ehlers 2002:178). In a nutshell, the organisational brand and mission together make it possible to avoid diverse opinions by both the employees and organisational stakeholders.

The organisational mission is one of the ten drivers classified under institutional processes that Duncan and Moriarty (1997) suggest should be in place for the organisation to successfully integrate its marketing communication activities. The mission creates a focus for the employees of an organisation through putting together all fragmented ideas about the company. It is of no value if no one knows about it (Burnett & Moriarty 1997).

- Cross-functional planning

Responses (group 2)

- Yes, there are intersectional meeting e.g. loan bursary, IT and various desks use to convene although they were not regular.
- Yes, they do meet but as need arise.
- Yes, there are intersectional meetings although they are ineffective.
- No, there are no deliberate intersectional meetings except when there is an urgent task to be done. There is absolutely no internal communication in this department from the man at the gate or the switchboard operator up to the top most people, communication is dead. This is why we are accused of not talking one thing to the clients because we are internally not at the same wave-length with regard to information.
- Sometimes, there can be an informal meeting between for instance, RSA, Loan Bursary, Registry and IT sections when they are preparing for a certain event such as interviews.

Summary of key results

- According to the responses on this issue, there is cross-sectional planning
- The planning is not regular; it comes as and when the need arise.

Interpretation of results

Duncan and Moriarty (1997:16) has categorised cross-sectional planning as one of the infrastructural issues that facilitate integration of the marketing communication endeavors of an organisation. In a company where cross-functional planning is effective, there is a holistic approach in business and messages therefore are not conflicting.

5.4.3 Category 3: Improving interactivity with stakeholders

In this category the participants were requested to make suggestions to improve the NMDS interaction with its stakeholders.

Responses (group 1)

- Regular meetings between the NMDS and its stakeholders to iron out the past and present grievances with the aim of paving the way-forward.
- Use of other communication techniques such as internet because it is cheap
- They should secure radio, newspaper and TV slot to keep stakeholders up-dated
- The NMDS should revisit its communication strategy to facilitate internal and external communication with its stakeholders.
- It should initiate meetings to show its dedication in communication with stakeholders. This should go contrary to the current situation whereby meetings are initiated by stakeholders sometimes without success. Mostly, meetings are crisis driven.
- It should identify its market, segment it and engage during interaction with each segment. For instance, the NMDS may engage teachers during career guidance which may involves the procedures prospective sponsees should follow when applying for the scholarship. The NMDS could request banks to sponsor such events.

Responses (group 2)

- Management should always consult the staff before making decisions. This is because the junior staff does the fundamental work and they must be informed. Secondly, there should be discussion forums that include all stakeholders.
- If there can be a marketing or communication officers. Else, there should be a unit responsible for marketing the services of the NMDS. It is true the office of the PRO is there but it is inactive at a moment, it should be consistent. Secondly, there should be internal and external meetings where information and problems are shared. Externally, the sponsees should be offered an opportunity to tell their problems and we address them accordingly. Thirdly, the office should make magazines or brochures and distribute them to prospective clients in the high schools through headmasters' associations. Career guidance should also be conducted at high schools.
- Public gatherings must be convened for communities in the rural areas to know about scholarship issues. Sponsees should be encouraged to have individual e-mail addresses and the NMDS use of ICT be improved to enable the department to communicate

effectively with sponsees. Finally, the NMDS should communicate regularly through meeting with institution's management to discuss issues affecting them such as deadlines for submission of claims or academic results for ease of renewal of scholarships.

- There should be strategic plan for the NMDS where the mission will be derived. Secondly, internal communication should be strengthened first before going out to stakeholders so that the organisation's voice to the stakeholders could be one. In addition, the organisation's management should recognize the importance of communication between the supervisors and their subordinates – the left hand should know what the right hand is doing. Message consistency is easy where internal communication is effective. Thirdly, the NMDS work is very sensitive (it deals with people's future and concerns finances which is a crucial aspect of a persons' life), there should be training for the receptionist and the switchboard operator on customer care because they are the first people to give the NMDS impression to the clients. The customer care training should also cover the rest of the staff. Apart from that, the NMDS personnel must be highly trained, for instance academic requirements for the registry personnel must not be Cambridge Overseas School Certificate – this standard should be improved because the organisation deals with people who are educated and for ease of organisational service delivery, the personnel must be of higher level in terms of training.
- The other crucial deficiency at the NMDS is the absence of the National Manpower Development Council (NMDC). This is the body that should review NMDS policies. At a moment, the secretariat is receiving applications, interviewing applicants, awarding scholarship and paying for sponsees. This means the secretariat is 'an all-round body' whereas according to the NMDS Act the council should nominate the selection committee to carry out some of the duties currently done by the secretariat. Therefore, I believe there is no transparency in doing things at the NMDS hence stakeholders' dissatisfaction about most decisions taken by the secretariat. An example in the case of RSA sponsees concerns the limit on number of failed subjects versus renewal of scholarship. Every January, there are great conflicts between the NMDS and its stakeholders up to the level of the ministers on the conditions of the RSA scholarship renewal. It is the council that has a mandate to make a policy with regard to the issues of this nature.
- The office of the PRO offers an important service at the NMDS, for instance career guidance. The fact that it is closed when he is at school causes a great chaos to both the

NMDS and its stakeholders. That office must be properly staffed. Lastly, the office of the researcher should be empowered so that sensible reports could be written that will enable stakeholders to know better about this organisation.

- We must use other radio stations so that we reach other audience especially when there are burning issues. With regard to the TV, there must be weekly or at least monthly programmes on TV for those who do not prefer the radio. Moreover, a proposal must be made for the NMDS column on a widely-read newspaper. The use of information communication technology must be improved. This may enhance the use of organisational mails, newsletters and brochures and to be available both manually and electronically. I personally recommend the use of magazines and brochures because reference is easier. SMSes be used on once-off issues.

It is imperative to emphasis the issue that the absence of the policy making structure at the NMDS has been disastrous. There is no strategic plan, no vision and mission. How can an organisation entrusted with such an important responsibility run without the above? The only thing that keeps the NMDS going is directives. They disorganise us most. There can never be consistency in an organisation run by discretionary decisions and directives. This is why it is difficult for the public to belief in the NMDS decisions because the NMDS is never a legitimate body to make final decisions – that should be done by the council. The public is rebellious because they don't have the buy-in on the NMDS issues since they are not represented. The absence of the policy affects both internal and external communication. There is no person at the NMDS who can stand boldly and say things are this way because tomorrow something different will be said by our authorities. If you commit yourself, you may end up being a fool to your clients. This results in a lot of message inconsistency and dissimilar decisions on the same issue which is an everyday complaint from our clients.

- I think the frequency of using electronic media should be increased. Apart from that, the trips to the NMDS can be reduced if the NMDS website could be operational. Finally, the NMDS should produce magazines and distribute them to their target audience.
- Empowering PRO's office. Secondly, we must come up with a clear communication plan and agree on the frequency of our meetings e.g. monthly or fortnightly. Thirdly, the whole of the NMDS staff must be given intensive training on customer care. Again, the NMDS must develop a new organisational culture, for instance start with a typical issue like greeting our clients. It is important; it shows an element of care and respect to

people. It will dilute this element of rudeness that we are very popular of. Finally, the NMDS must involve stakeholders when making decisions affecting them.

- We must embark on marketing the services the NMDS provide to the consumers. We also have to strive towards the satisfaction of our stakeholders by doing our work in a motivated way. Furthermore, internal marketing should be improved. But it should be mentioned that every employee get happy at work when he/she knows what to do. If you don't know what to do, you are likely to be the unhappiest employee. In one way or the other, there is likelihood that the service offered by the unhappy employee to clients may be very poor.
- The absence of the council is the cause of our frustration here at the NMDS. There is no organisation as important as the NMDS that is run by directives without a policy at all. Transparency and consistency will be there because the policy is there. The NMDS staff will be confident to talk about the NMDS activities if they know that they are backed-up by the policy that has been made by the legitimate body. Presently, we fear to talk about the NMDS because things change now and then. People even challenge everything at the NMDS because they know that we do not have the mandate to make decisions. It is true our clients are complaining about us, but the decision making body is non-existent. "It is not because we like the current situation, but the problem is, what is it that we communicate to our stakeholders, and whose decisions are we communicating? How sustainable are those decisions? This is the dilemma this organisation is faced with," claimed one of the employees with great disappointment.

Summary of key results (group 1)

- Face-to-face interaction and regular use of other communication techniques are recommended
- Interaction should not be crisis-driven
- The NMDS should plan, and during implementation of the plan relevant stakeholders should be engaged

Summary of key results (group 2)

- The NMDS must have a communication plan
- Establishment of the marketing communication unit - well-staffed to carry-out its activities of marketing the NMDS' services and handling grievances consistently

- It is suggested that interactive and regular internal communication at the NMDS be prevalent
- Forums encouraging dialogue with stakeholders be established
- The establishment of the NMDS strategic plan - the mission will be drawn from the strategic plan
- The NMDS personnel be trained regarding the care of stakeholders
- Facilitating the resuscitation of the NMDC for policy-making purposes
- The absence of policy has worsened relations between the NMDS and its stakeholders because decisions are made on discretion without stakeholders' buy-in
- The NMDS is encouraged to use ICT in a regular manner and to target each stakeholder segment with the appropriate tool

Interpretations of findings

Niemann (2005) argues that frequent in-depth interactions with stakeholders should be a goal to be achieved by the organisation. This author further maintains that organisations should develop a communication strategy for each stakeholders' group and target each group with its own appropriate techniques and message [see 2.8.4]. This will facilitate decision-making by the involved parties before other external environments could impose decisions on the organisation.

The stakeholders are not familiar with the concepts of integrated communication and integrated marketing communication, or with their role in establishing and nurturing relationships with stakeholders.

5.4.4 Summary of research findings in Phase A

The lack of sharing of information within the NMDS and the use of limited techniques in communicating with stakeholders poses a great challenge to the effectiveness of the messages sent out by this organisation to its stakeholders. It was revealed from the findings that messages from the NMDS are inconsistent and conflicting. The research also disclosed that the NMDS has failed to include its stakeholders in decisions affecting them. This resulted in sour relations between the NMDS and its stakeholders. Apart from that, the absence of a mission and a brand at the NMDS lead to misdirected efforts by the employees because there is no guide and engine to assist them reach their destination.

In the following section, the study will focus on the quantitative approach.

5.5 Research results – Phase B

In phase B the quantitative research approach was followed. Questionnaires were utilised and the responses provided by participants on various measured variables are herewith reported.

5.5.1 The NMDS mission and brand awareness

In most organisations, the employees do not share a similar sense of direction or purpose. According to Puth (2002:189), in the absence of a compelling sense of direction, it is unlikely to find many employees with a high sense of responsibility of competitiveness. The organisation's mission statement should provide its people with an enticing and compelling spectacle of a new destination - the place that people have an urge to go to. As indicated earlier in the in-depth interviews conducted with the stakeholders, they seemed to not be familiar with the NMDS mission and admitted that they have not seen it in writing anywhere.

The research results in phase B supported this notion as 58.3 percent of the respondents claimed to be unfamiliar with the NMDS mission, whereas 38.3 percent claimed that they have no knowledge thereof. 3.5 percent of the respondents did not respond to this question. This is illustrated in table 5.7 below.

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	88	38.3	39.6	39.6
No	134	58.3	60.4	100.0
Missing	8	3.5	100.0	
Total	230	100.0		

Table 5.7: The respondents' familiarity with the NMDS mission

In connection with the NMDS brand, a large number of participants argued that the NMDS does not have a brand. The percentage response of those who believed that the NMDS has a brand was 41.3 percent, whilst those who denied branding at the NMDS totaled 58.3 percent. According to the responses given and statistics, more participants claimed that the NMDS does not have a brand. However, it was surprising that upon further investigation it was determined that those that answered positive in this regard, considered the NMDS logo as the brand. Taken

this into consideration, it can be concluded that the NMDS does not have a strong brand position.

5.5.2 Stakeholders' participation

In most cases, organisations implement changes in their policies and procedures as an attempt to improve or speed up service delivery. The respondents were asked if in their interaction with the NMDS they experienced any change in the way it operates and how they knew about the change. Those who claimed to have experienced change reported that they knew about it through:

5.5.2.1 Student representative bodies and colleagues

The clients (students) of the NMDS were reported to have made changes known to their fellow sponsees. The friends of the respondents also seem to play an important role in the communication process. "We just heard the changes from our friends as rumours," commented one respondent. Furthermore, student representative bodies were also reported to have informed respondents of changes in the NMDS operations.

5.5.2.2 Media options

A significant number of respondents from Lesotho commented that they heard about the changes through announcements on the state radio.

5.5.2.3 The NMDS employees

Some respondents were given information about changes by the NMDS employees when they (the sponsees) visited the NMDS or when the NMDS employees visited the sponsees' tertiary institutions.

5.5.2.4 Implementation of changes

A number of respondents reported that they became aware of changes when the changes were implemented. This comment underlines it: "I just realised when I checked my account that we were given lump sum of food allowances, which was worse because it leads us to starvation resulting to less performance at school. For instance, the NMDS changes from paying respondents their stipends each semester to paying the lump sum for the whole year."

Table 5.8 below summarises the participants' responses on whether they experienced the NMDS policy or operations' change. The majority of the RSA respondents seem to have heard about the changes from NMDS employees when they (sponsees) visited the NMDS. On the other hand, the sponsees from Lesotho claim to have learned about the changes through their student representative bodies or their colleagues.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	85	37.0	39.0	39.0
	No	133	57.8	61.0	100.0
	Total	218	94.8	100.0	
	Missing	12	5.2		
	Total	230	100.0		

Table 5.8: Respondents experiencing operations change at the NMDS

Table 5.8 shows a large number of responses (57.8 percent) that have not gone through the NMDS policy or operations' change. Those who have experienced operations' change represented only 37 percent of the total number of respondents. This can be explained by the fact that some of the respondents were in the first year of their sponsorship with NMDS.

One of the biggest challenges faced by an organisation in their attempt to communicate with their stakeholders relates to the uniformity of messages sent. The question is whether the messages communicated by the NMDS create a 'one voice and feel' approach.

5.5.3 Message consistency

Effective co-ordination of communication within an organisation is paramount; it creates trustful relationships with the stakeholders rather than confusion and mistrust [see 3.8.2].

From a total of 202 respondents, 142 (70 percent) said there is no consistency in messages given by various NMDS sections. Only 60 participants (30 percent) said there is message consistency within the NMDS. Figure 5.1 illustrate these results.

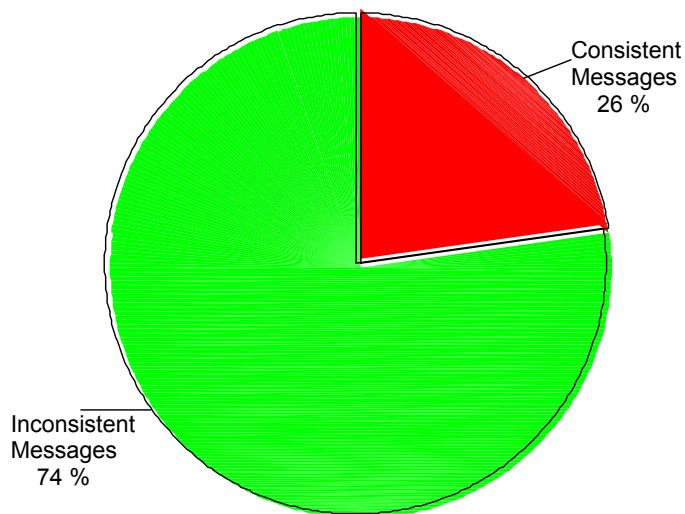


Figure 5.1: Message consistency

Regardless of the importance of message consistency, the research participants opine that the messages at the NMDS are disjoint and conflicting. The causes thereof were reported as follows:

5.5.3.1 Poor internal communication

The respondents suggested that poor communication amongst various departments within the NMDS caused differences in answers given to stakeholders. The following responses illustrate it:

- “They do not communicate with one another.”
- “No teamwork because some workers don’t have enough information about the company.”
- “I think there is a lack of good communication among the staff, even if there are changes made others are not being informed well or are ignored or there is misunderstanding of how things can be handled.”
- “It looks like the departments operate mostly in silos there is no integration of activities by different departments. It is clear at NMDS the right hand does not know what the left hand is doing.”

5.5.3.2 Lack of knowledge

The NMDS employees were blamed for not knowing their work and the purpose of their organisation “others do not know exactly what they are doing, i.e. not sure about their work,” opined one of the respondents. According to respondents, this problem becomes evident when a client is referred from one office to the other without a clear response. The other cause for conflicting messages has been reported to be unwillingness or lack of patience, discipline and teamwork on the side of the staff to help stakeholders.

5.5.3.3 Unclear and undefined policies

- “There is no consistency regarding NMDS regulations.”
- “Even people who are willing to do their work are confused by the nature of NMDS service.”
- “The procedure is not well defined to be used in all circumstances.”

5.5.3.4 Differences in perception

There were few respondents who believe that the difference in answers given by the various NMDS sections is a natural occurrence. Some said that messages vary because people themselves are not the same. “People themselves are dynamic this is why answers cannot be the same,” they argued. Furthermore some employees are diligent in their work, while others are not.

Irrespective of the fact that a large number of respondents did not answer this question, for those who answered, a large number believed that lack of internal communication, team work and knowledge of work amongst staff seem to be the cause for conflicting messages between or amongst the NMDS sections.

It has to be reiterated that respondents were from various categories - other stakeholders, Lesotho and RSA sponsees. When it comes to consistency in handling cases of students who have not passed, respondents blamed the NMDS for being inconsistent. Considering both respondents from Lesotho and RSA, from a total of 197 participants, 42 said the NMDS is inconsistent while 62 said it is highly inconsistent which adds up to 104 (53 percent). The respondents who said that the NMDS is consistent totaled 64 (32 percent).

From these statistics, it is important to note that a large number of respondents saying the NMDS has been inconsistent is represented by RSA respondents; whereas a larger portion from Lesotho defended the NMDS, saying it has been consistent. Table 5.9 below portrays a clear picture of numbers in bold.

	Consistency in handling cases					Total
	Highly consistent	Consistent	Neither	Inconsistent	Highly inconsistent	
Other stakeholders	0	1	0	1	0	2
Lesotho	22	23	12	19	25	101
RSA	6	12	17	22	37	94
Total	28	36	29	42	62	197

Table 5.9: The NMDS’s consistency in handling cases

5.5.4 Discrimination during scholarship renewal

It may be argued that the inconsistent messages result in decisions that are not uniform within the organisation. According to participants, discrimination manifests itself at the NMDS through:

5.5.4.1 Nepotism and favouritism

For those respondents who said there is discrimination, the nature of the discrimination was generally reported to be nepotism and favoritism practiced at the NMDS. Comments of this nature were identified as follows:

- “It depends on who you are and your status.”
- “There is a lot of nepotism that goes on at NMDS. A lot of people are discriminated on the basis of social status.”
- “In the case of students who have not passed, if one knows any member of the staff, he/she will get quick services. NMDS provides better services to those who have connections with them.”

According to respondents, nepotism and favouritism at the NMDS did not only benefit those related to staff members, but also students having parents or relatives occupying higher positions in government are given preference. “It all depends on who you know, if for example you personally know the Minister and you cannot renew because of your marks, you may just

be renewed because you know the Minister, he just has to make a phone call,” stated one of the participants.

Table 5.10 below illustrates responses demographically. From a total of 206 respondents, 100 (49 percent) denied discrimination whilst 106 (51 percent) argue that there is discrimination in the scholarship renewal processes. Note that there is no significant difference between the ‘yes’ and ‘no’ answers. But most interestingly, while 67 respondents from Lesotho said there is no discrimination at the NMDS, similarly, 67 respondents from RSA said there is discrimination.

	Any Discrimination		Total
	Yes	No	
Other stakeholders	1	2	3
Lesotho	38	67	105
RSA	67	31	98
Total	106	100	206

Table 5.10: Discrimination at the NMDS

5.5.4.2 Corruption

According to some respondents the NMDS employees receive bribes. It was stated “They are simply bribed, we know it.”

5.5.4.3 Administrative irregularities

The Lesotho respondents further complained of the administrative hiccups at the NMDS during renewal, such as congestion due to a poorly arranged renewal schedule and loss of the loan bursary contract copies belonging to students by the NMDS personnel.

With regard to discrimination at the NMDS a number of very serious allegations were made. A large number of respondents claimed that favoritism, nepotism and bribery cause sponsees to be discriminated against at the NMDS. These types of activities by NMDS employees could lead to questions about their motivation levels.

The literature argues that motivation is intrinsic and extrinsic (Puth:2000). The former comes from within; it is the drive from oneself. The latter is generated by the external environment

surrounding an individual. The environment may be economic, political and social (Niemann 2005). Obviously the environment around the NMDS employees has a bearing on their degree of motivation.

5.5.5 NMDS employees' motivation

Employees' motivation is of significant importance in communicating the organisational brand to the stakeholders. According to table 5.11, the majority of sponsees contend that the NMDS employees are not motivated when rendering services to stakeholders. From a total of 224 participants 182 (81 percent) denied motivation amongst the NMDS employees, while 42 (19 percent) maintained that the employees were motivated.

	Employees' motivation		Total
	Yes	No	
Other Stakeholders	3	4	7
Lesotho	28	85	113
RSA	11	93	104
Total	42	182	224

Table 5.11: The employees' motivation

With regard to suggestions relating to motivation of staff at the NMDS, the following comments emerged from the data:

- “Nothing can really make a person to be motivated if he/she is not, motivation comes from within. “
- “There should be more employees because the number of people to be helped is very high, so if they are overloaded they will not be motivated when rendering services to clients.”
- “The current staff at the NMDS need not be over – burdened with work, thus more staff needs to be recruited. For instance, part-time staff be employed especially during busy times such as renewal period.”
- “Staff needs to be reminded that they are there to work not turn their backs on us.”

Respondents suggested the following solutions as a means to enhance staff motivation:

5.5.5.1 Staff remuneration

It was suggested by the respondents that the NMDS staff remuneration be improved. “Put a little on top of their salaries during the peak period – renewal, interviews, registration and collecting results,” stated one respondent. Moreover, overtime incentives and benefits or rewards for members of staff performing well and finishing their work on time should be considered. Furthermore, performance management systems must be employed at the NMDS for evaluation purposes and staff members should be remunerated according to their performance.

5.5.5.2 Training and counselling

The respondents suggested that NMDS staff should be given an opportunity for training and to further their studies. Moreover, counselling sessions for the staff were also recommended:

- “Public workers must be polite, patient and always willing to help clients regardless of status, education or age. They should change their attitudes towards their stakeholders. Again they should be trained on genuine customer care programmes.”
- “One word, dedication. I think the NMDS staff needs to dedicate themselves to their work. Their unwillingness to assist clients lies in large part with their individual attitudes. A shift in their attitude will make NMDS a better organisation.”
- “They should undergo training in order to provide better services.”
- “Workshops should be held as often as possible where motivational speakers are invited to uplift and encourage them. These people have serious problems; I think counselling would also help them.”
- “Staff meets different cases – pathetic and heart breaking at times. Please arrange for them access to counselling facility”.

There was consensus among almost all the respondents that the NMDS staff should be regularly trained on customer care. Furthermore, respondents opined that motivational workshops be convened for the staff and that an opportunity for them to pursue their studies should be granted.

5.5.6 Improving information dissemination

Burnett and Moriarty (1998) describe interactive communication systems as computer technology that allows the marketing communicator to send persuasive messages while

simultaneously allowing the receiver to react, modify, and customise the message and the response. With regard to improving dissemination of information by the NMDS, respondents' suggestions could be categorised as follows:

5.5.6.1 The use of different media

Although radio was rated high as an effective communication technique, the respondents felt that the NMDS' use of other marketing communication techniques in communicating with stakeholders was ineffective. The effectiveness was also severely impacted by the closure of the PRO's office.

The respondents encouraged the NMDS to use various media options. It was suggested that the information should be posted on the internet and that briefing sessions be enhanced. The use of radio was recommended because it reaches the majority of the NMDS audience in the rural areas of Lesotho. It was recommended that the NMDS uses all the radio stations available in the country so that the majority of its target audience could be reached with ease. "They should consider using radio stations that target young people because most of its clients are still young. They do not listen to the national radio which NMDS uses more often. Further, the NMDS should complement radio communication with other techniques."

It was further proposed that the fixed newspaper column of the NMDS be negotiated with the most widely circulated newspaper. Another suggestion was that brochures and newsletters be printed and distributed to people in the villages and at schools and churches. In addition, the NMDS must have a website where the stakeholders can obtain information with ease. Moreover, the public notices must be put up on the notice-boards, both manually and electronically. Informative e-mails and SMS's should also be sent to the NMDS sponsees because stakeholders' addresses and mobile numbers are with the sponsor. The use of billboards for advertisements was also recommended by respondents. Letters enclosed with confirmation letters stipulating the expectations by the NMDS to the sponsees was also suggested by respondents. The NMDS' use of various marketing communication techniques is rated in table 5.12.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Broadcast	211	91.7	93.4	93.4
	Print media	11	4.8	4.9	98.2
	Electronic	4	1.7	1.8	100.0
	Total	226	98.3	100.0	
	Missing	4	1.7		
Total		230	100.0		

Table 5.12: Media options used by NMDS rated

With regard to effectiveness in the use of communication techniques when the NMDS communicated with its stakeholders, broadcast media seemed to be the highest with 91.7 percent. In assessing radio and TV, the use of radio has been rated highest (53.4 percent) while television was 12.1 percent. The least used marketing communication technique by the NMDS was the internet, with 1.7 percent.

In comparing the NMDS' effectiveness in the use of broadcast media between the RSA and Lesotho respondents, the sponsees studying in RSA and Lesotho rated the radio high and the internet low. Respondents from both the RSA and Lesotho are almost equally of the opinion that the use of the internet by the NMDS is rated lowest. Table 5.13.1 and 5.13.2 below illustrate the effectiveness of radio and the ineffectiveness of the internet.

	Effectiveness- Radio					Total
	Lowest	Low	Medium	High	Highest	
Other stakeholders	0	2	2	1	1	6
Lesotho	7	3	18	28	53	109
RSA	20	16	23	15	25	99
Total	27	21	43	44	79	214

Tables 5.13.1: Effectiveness of radio

	Effectiveness- Internet					Total
	Lowest	Low	Medium	High	Highest	
Other stakeholders	1	2	0	1	0	4
Lesotho	54	19	8	10	11	102
RSA	58	15	9	3	4	89
Total	113	36	17	14	15	195

Table 5.13.2: Effectiveness of internet

5.5.6.2 Word of Mouth marketing

Respondents encouraged the use of regular briefing sessions by the NMDS employees. It was recommended that the NMDS should convene meetings with stakeholders at their respective academic institutions. Thus, employees should go to the tertiary institutions to update clients about the issues at hand. It was further suggested that information could be communicated through student representative bodies. "I think that briefing sessions can be regular, at least at the end of each academic year and at the beginning so that we all know what NMDS expects from us," suggested one respondent.

5.5.6.3 Empowering the Public Relations Office (PRO)

Some of the respondents advocated the idea that the office of the PRO must be well capacitated. It was said that this would be helpful in making grievance know. One of them said, "Transform the office of the PRO from a one man encounter to a fully-fledged marketing and communication section." On the issue of decentralisation, it was suggested that the NMDS opens information centres in the districts to keep people informed.

The majority of the respondents suggested that the NMDS should use different mediums to disseminate information to stakeholders. Emphasis was put on the use of various radio stations, especially for stakeholders within Lesotho, because of varying stakeholders' tastes and preferences; while RSA participants preferred the use of the internet.

5.5.7 Challenges faced by the stakeholders

The researcher noticed a number of challenges faced by the stakeholders of the NMDS. The following were prominent:

5.5.7.1 Information inaccessibility

It was firstly suggested that information about the NMDS needs to be easily accessible. For example, radio, print and interactive media are not used effectively while the website is non-existent. In the table 5.14 below it is demonstrated that 35.2 percent of the respondents maintained that information is easily accessible, while 43 percent argued that it is difficult to obtain information at the NMDS. It is alarming when an organisation does not have the means to share information with almost half of their clients.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very easy	17	7.4	7.7	7.7
	Easy	64	27.8	29.1	36.8
	Neither	40	17.4	18.2	55.0
	Difficult	33	14.3	15.0	70.0
	Very difficult	66	28.7	30.0	100.0
	Total	220	95.7	100.0	
	Missing	10	4.3		
	Total	230	100.0		

Table 5.14: Information inaccessibility

5.5.7.2 Staff inefficiency

The NMDS staff was blamed for their failure to portray dedication, organisation and reliability when rendering services to its stakeholders. One respondent suggested: “Since the NMDS caters for a wide community of clients, it should organise its activities in advance to avoid congestion. For instance, make a renewal schedule in time and publicise it for people to know. Moreover, employing more and knowledgeable staff would also help.”

5.5.7.3 Unpleasant stakeholder interaction and non-involvement

Stakeholder-centric organisations respond to their stakeholders’ needs and wants optimally (Niemann 2005). For instance, the staff must always be willing to help stakeholders, provide service with due respect, politeness, consideration and friendliness; staff members must be available and accessible. Finally, the personnel must be able to communicate with the stakeholders in an interactive manner. This results in a positive organisational reputation, contributing to brand equity.

The results of this study revealed that about 80 percent of the respondents claimed to have experienced problems with the service offered by the NMDS. Moreover, almost 50 percent specify that the problems encountered were basically associated with the NMDS' failure to timeously pay academic expenses such as tuition, food, research and accommodation fees.

The literature asserts that listening to stakeholders is a fundamental element of the stakeholder century (Niemann 2005). On the question related to the NMDS staff granting stakeholders an opportunity to explain their grievances, only 15 percent consent to have been granted that opportunity, whereas 73.5 percent maintained to have not been given the opportunity at all. In addition, the majority of the respondents claimed that the NMDS had taken a period beyond a week to reach a conclusion on issues it was supposed to resolve. Most disappointing, 73 percent of respondents claimed to have come to the NMDS time and again in order to get answers concerning unresolved issues.

According to table 5.15, almost 53 percent of respondents reported that the NMDS employees' behaviour towards stakeholders was unpleasant; while only 24 percent of respondents indicated that they had pleasant interactions with NMDS employees.

	Frequency	Percent	Valid Percent	Cumulative Percent
Very pleasant	9	3.9	4.0	4.0
Pleasant	48	20.9	21.3	25.3
Neither	48	20.9	21.3	46.7
Unpleasant	120	52.2	53.3	100.0
Total	225	97.8	100.0	
Missing	5	2.2		
Total	230	100.0		

Table 5.15: Staff conduct towards stakeholders

Figure 5.2 depicts that the majority of the stakeholders stated that the NMDS does not involve them when they make decisions that affect them (the stakeholders). A small number of stakeholder indicated that the NMDS does involve them.

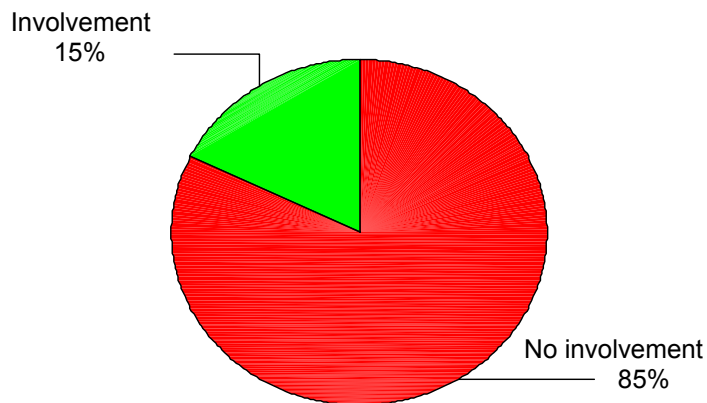


Figure 5.2: Stakeholders' involvement

It may be concluded that the NMDS has failed to provide effective stakeholder relationships and involvement of stakeholders in NMDS affairs. Several IMC scholars (Mulder 2004; Niemann 2005; Duncan & Moriarty 1997) argue that an organisation's failure to involve its stakeholders in its endeavors will forfeit their buy-in into organisational matters, hence stakeholders' failure to support the organisational brand. This will in most cases result in the reputation of the institution being at stake. Duncan and Moriarty (1997) warn that communication dimensions for all brand contacts and sources of these messages are critical because they impact on stakeholders' behaviour. The more the brand's position is strategically integrated into all the brand messages, the more consistent and distinct the organisation's identity and reputation.

It is clear from figure 5.3 below that a large number of the respondents claimed that the NMDS has a bad reputation. This has a negative impact on the perception of the organisation's brand.

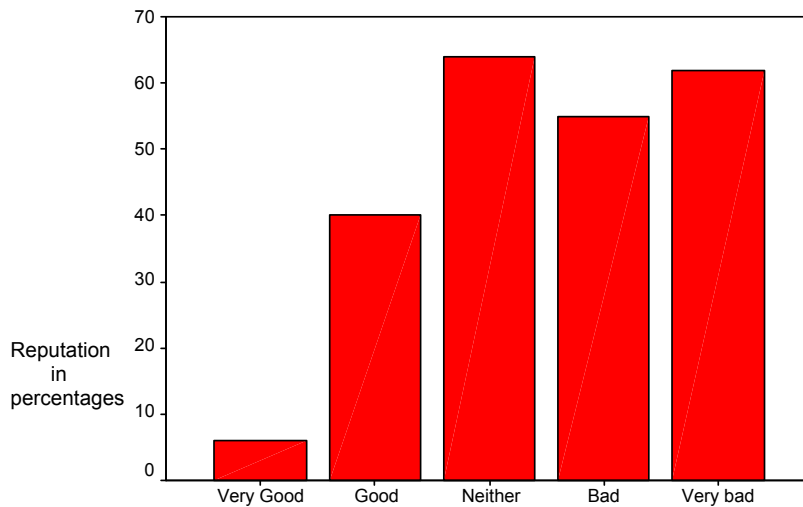


Figure 5.3: The NMDS reputation according to its stakeholders

5.5.8 Improving stakeholders' interaction

As a means to improve the NMDS' consultation with its stakeholders, the following suggestions were identified and put forth by the respondents, namely:

5.5.8.1 Use of various marketing communication techniques

It was further mentioned that the NMDS should use SMS communication because many of its clients have access to mobile phones. According to the responses by the participants, the absence of a department that is solely concerned with improving relations with stakeholders has been identified as a challenge faced by the NMDS. The relationships may be enhanced through the use of a variety of communication techniques such as broadcast media, electronic media and print media. The ability to interact with the NMDS was also highlighted by the respondents as being important. The respondents encouraged the NMDS to utilise communication techniques that enable two-way interaction, for instance, radio or TV phone-in programmes. One of the participants responded as follow: "Through the use of all communication mediums, more especially ICT, as we are living in the digital world. The NMDS must use radio, TV and newsletters, but most importantly develop a website apart from the already existing mediums. This will allow clients to access the organisation 24 hours and 7 days a week."

Apart from that, some respondents suggested the use of communication research to improve consultation and involvement, especially when changes are made. Furthermore, the NMDS was

encouraged to visit tertiary institutions and get involved in public gatherings, organised by education officers at district level.

5.5.8.2 The staff training on stakeholder (customer) care

From the research results it is apparent that the NMDS staff will have to change their negative attitude towards their stakeholders, and dedicate their time listening to them. Respondents opined that the NMDS employees should not react emotionally and learn to master customer care service. The following responses confirm a need for employees that are skilled in effective customer care:

- “Friendly and knowledgeable staff should be a start. Patience is a prerequisite amongst the NMDS staff. “
- “They should have more people like Ms Busisiwe who has time for everybody and is patient and polite explaining and motivating students, giving them solutions to their problems.”

5.5.8.3 Involvement of stakeholders

The respondents suggested that on a regular basis, the NMDS should inform and involve its stakeholders when making plans and implementing them. This should take place through workshops and meetings with student representative bodies. The following responses exemplify:

- “They should include us in decisions which affect us as students.”
- “It should include clients and stakeholders in its decisions and it should be friendly and be free to ask advice more especially from stakeholders. The regular meeting, briefing sessions and workshops with stakeholders must be convened where view or suggestions by stakeholders and the NMDS can be discussed.”
- “There should be an office of the PRO that sees to it that it links clients and stakeholders with the NMDS management should any problem arise so as to solve problems on time.”
- “NMDS must have a suggestion box and encourage people to use it.”

5.5.8.4 Use of information communication technology (ICT)

Information communication technology is of utmost importance for building and nourishing relationships with the organisation's stakeholders. Most of the respondents contended that the use of ICT at the NMDS is poor. In concurrence, some participants said:

- “The use of information technology at the NMDS is very poor and it's high time NMDS should invest in the use of information technology to simplify its work and reduce the long queues which are tiring.”
- “The NMDS records need to be computerised.”

From a total of 220 respondents, 75 percent of the participants rated the use of ICT at the NMDS as poorly advanced. Table 5.16 depicts the situation.

					Total
	Highly advanced	Advancing	Not advanced	Poorly advanced	
Other stakeholders	0	1	4	1	6
Lesotho	6	35	45	27	113
RSA	1	12	31	57	101
Total	7	48	80	85	220

Table 5.16 The NMDS' use of ICT

5.6 Summary

This chapter reported on the interpretation of the research results from both phase A and B. At first the findings from the face-to-face, personal in-depth interviews with other segments of the NMDS stakeholders, including tertiary institution management, members of the media, financial institutions, and NMDS employees were discussed. Thereafter the findings from the quantitative survey amongst the NDMS sponsees were described.

In phase A, where the NMDS employees and other stakeholders took part, it was evident that internal communication is ineffective because meetings between sections and amongst the members of the staff are held in an ad hoc manner. Therefore, stakeholders turn into victims of the inconsistent and conflicting messages by the NMDS. It was further reported that the

communication style between the management and the staff is vertical (informative) and mostly crisis-driven. The staff reported that they last enjoyed the horizontal (interactive) style during the directorship of Prof. Maboe Moletsane.

It was further reported that the NMDS had no input on policy changes. In turn, they (NMDS) do not involve their stakeholders when making decisions affecting them. In essence, it was affirmed that there is no meaningful interaction between the NMDS and its stakeholders. Most decisions were made by the minister responsible for the NMDS. The decisions made were not policy-based (discretionary) because the legitimate policy making body last existed in 1983. Fortunately, the Minister of Finance and Development Planning resuscitated the NMDC in February 2009.

The respondents commented that the most commonly used techniques by the NMDS in communicating with its stakeholders are telephones and letters. It was found that the radio and meetings were utilised in the past while new media (internet) was totally underutilised. The respondents denied the NMDS' effectiveness in the use of different marketing communication techniques. Through the findings of the research, it was noted that participants seem to be unfamiliar with the NMDS' mission and brand. Some research participants who claimed to know the NMDS' mission acknowledged that it is not written anywhere for people to be familiar with about it.

The research participants suggested that the NMDS must have a communication plan. Moreover, a well-staffed marketing communication unit has to be established within the NMDS to effectively market the NMDS' services and handle grievances efficiently. Regular and interactive internal communication within the NMDS is encouraged. Furthermore, it is suggested that forums encouraging dialogue with the stakeholders should be started. Also, the absence of a written mission of the NMDS calls for the establishment of the NMDS strategic plan where from the mission and vision will be derived. The respondents further indicated that the NMDS personnel must be trained on stakeholder care. The regular use of ICT to address the communication needs of certain portions of the NMDS' market segments is encouraged.

In phase B of the research where the NMDS sponsee and other stakeholders participated, the majority of respondents also indicated that they are not familiar with the NMDS mission and brand (same as in phase A). Generally, according to responses from phase B, the stakeholder's

participation within the NMDS seems to be lacking. It is reported that stakeholders are normally told about decisions affecting them rather than involving them in dialogue to discuss matters. Respondents accepted that there is poor internal communication leading to inconsistent messages from the NMDS to its stakeholders. This inconsistency is evident in the annual renewal of scholarship contracts whereby the respondents lamented the discrimination caused by nepotism and favouritism, corrupt practices and administrative irregularities.

The respondents recommended that the NMDS employees must be motivated (intrinsically and extrinsically). The motivation may take the form of staff remuneration and/or staff training and counselling. It was further suggested that the NMDS information dissemination may be improved through the use of different media, word of mouth marketing, empowering the office of the PRO or establishing a well-staffed marketing communication unit as suggested in phase A. The participants noted the challenges faced by stakeholders as information inaccessibility, staff inefficiency and unpleasant stakeholder interaction and non-involvement. The improvements suggested by the participants to improve the stakeholder interaction were the use of various marketing communication techniques, the staff training on stakeholder care, and use of ICT as suggested in phase A above.

Chapter 6

Conclusions and recommendations of the study

6.1 Introduction

The fierce competition amongst companies to win stakeholders' interest and loyalty poses a challenge to organisations to seek means of strengthening long-term relationships with them. Marketing communication scholars believe that communication is a viable option to enhance the relationship between an organisation and its various groups of stakeholders. The use of IMC is of critical importance considering the fact that stakeholders are increasingly empowered in the current marketplace.

The primary goal of this study was to provide guidelines to improve relationships between the NMDS and its stakeholders. The objectives of the study were to discuss the context in which stakeholders relationships are pursued; to reflect on the stakeholder century concept and IMC; and to explore the marketing communication activities the NMDS has embarked on to establish a relationship with stakeholders. In this chapter the conclusions drawn from the data presented in chapter 5 will be discussed and recommendations regarding the NMDS' relationships with its stakeholders will be provided.

6.2 Conclusions of the study

The data collected through this research provided valuable insight into the matter. In the following section an overview will be provided of the conclusions that culminated from the literature review and the research results.

6.2.1 The systems theory concept

The results of this study revealed that one of the challenges faced by the NMDS is deficient team work as a result of ineffective internal communication. Considering the systems theory concept, Kreps (in Mulder 2007a:6) states that the key elements of this approach to organisation is the emphasis on the functional integration of systems units in the accomplishment of organisational activities. The three main characteristics that define the

system concept are interdependence, permeability, and interrelatedness between the different parts of the system.

Mulder (2007b) argues that a system can be seen as an assembly of components which in an organisational context are the members of an organisation in the different departments. No organisation can function properly or reach organisational goals without a good system of communication. Organisational communication is the central binding force that permits coordination among people and thus allows for organised behaviour (Puth 2002). Niemann-Struweg and Grobler (2007) also warn that internal messages are pivotal in an organisation so as to ensure agreement on the rationale for the organisation, accordance with organisational procedures and agreement on the organisational purpose. Mulder (2007b) further claims that organisational communication embodies managerial communication, corporate communication and marketing communication which are interrelated, sometimes overlapping, often inseparable and converging. It is further argued that the organised behaviour manifests itself as the fruit of the optimum level of interactivity between the organisation and its stakeholders. Against this background, it is concluded that the systems theory driven by systems thinking is an appropriate grand theory to address the research problem of this study.

6.2.2 Reflecting on the NMDS

The Lesotho government has tasked the NMDS with the mammoth responsibility of administering scholarships to multitudes of Basotho willing to further their education at tertiary institutions, both locally and abroad. Due to the nature of its mandate, various categories of stakeholders are unavoidably attracted by the activities of the NMDS because of their various interests. Evidently, this situation creates a serious challenge to the NMDS in keeping all the stakeholders satisfied. Senoana (2005), Khali and Co. (2003) and Kasasa (2003) are of the view that effective communication between the NMDS and its stakeholders is paramount.

6.2.3 Stakeholder century and IMC

Niemann (2005) opines that the stakeholder century is an outside-in approach to communication, thus the organisation listens and learns from its stakeholders. It encourages dialogue between the former and the latter. The interaction between those with a stake in the organisation should preferably be through integrated communication. In the same manner, IMC which has been termed a concept that is result oriented and incorporates all marketing

communication techniques in a synergistic manner, it also encourages dialogue between the organisation and its stakeholders.

6.2.4 Core conclusions on NMDS stakeholder's perception

The NMDS's stakeholders perceive the NMDS as not interactive. Furthermore, it operates aimlessly without a mission and brand. As a result the messages sent to stakeholders are inconsistent. Moreover, the employees are not stakeholder-conscious and information communication technology is under utilised.

6.2.4.1 Lack of interactivity

It is argued by Niemann (2005:257) that interactivity from a stakeholder's perspective means accessibility, recognition, responsiveness and accountability. To be interactive, the organisation must place as much emphasis on receiving messages as it does on sending messages. Duncan and Moriarty (1997:17) add that interactivity is a form of integration and balance between mass personalised and interactive media which is required to augment feedback from customers and to reach them. The more customer feedback and dialogue is facilitated, the more integrated the customer will be into the organisation's planning and operations. This means the organisation achieves more listening and learning, and less telling and selling (Niemann 2005).

Duncan and Moriarty (1997) propose that as speed and flexibility increase in manufacturing, so too must communication between an organisation and its stakeholders. One way to achieve this is to have frequent in-depth interactions with customers and stakeholders in order to detect their changing needs, wants and concerns. The more feedback and dialogue is facilitated, the more integrated the customers and stakeholders will be in the organisation. In concurrence, Niemann (2005:53) states that it is necessary for an organisation to maintain two-way symmetrical communication with the stakeholders which is based on the stakeholders receiving inputs from many alternative sources rather than merely the organisation.

It is imperative that the employees, being the first members of an organisation to touch stakeholders, be granted an opportunity to have a buy-in on decisions made within the organisation for ease of execution. It is apparent from the results that stakeholders felt that the internal communication at the NMDS is totally ineffective. If employees are not communicated to, then it is inevitable that stakeholders are going to suffer the consequences. All stakeholders, including the employees, institution management, the media, banks, and sponsees reported that

they were not involved by the NMDS management when decisions affecting them were made. In order to prepare the employees for stakeholder contact, internal communication is necessary.

On the eve of interactive communication between the NMDS and its stakeholders, it is of value to note that all efforts should be geared towards improving the brand of an organisation.

6.2.4.2 Absence of organisational mission and brand

The value of a mission in an organisation has been stressed [see 5.5.1]. On the whole, a known mission could strengthen the relationship between an organisation and its various stakeholders (Duncan & Moriarty 1997:131). A large number of respondents signified unfamiliarity with the NMDS mission. In contention, the investigation by Ernst and Young (2006:27) revealed that the Secretariat had no strategic plan to direct its future vision and mission. This meant there were no strategies designed to achieve the set goals in the short to long-term. Duncan and Moriarty (1997) argue that a mission is of little value if no one knows about it. Niemann (2005) suggests that integrating the mission into the business operations serves as a call to unity and provides a common and consistent focus for all employees. This implies that without the direction provided by the organisational mission, employees are likely to lose unity, consistency and direction. This leads to an organisation with employees that do not value their stakeholders.

On the other hand, the purpose of IC is to increase brand value by strengthening relationships and can therefore be applied to any type of business, e.g. services and non-profit making organisations (Schultz & Kitchen 2000:466; Schultz 1998:20). The literature on branding maintains that a brand is the promise of an experience. Overton-de Klerk (in Mulder 2007b:8) argues that a product, service or company becomes a brand through communication. Communication is the means through which value is added to the product, service or company. Therefore the product, service or company is entrenched as a 'symbol' within the mind of a consumer or other stakeholder.

Duncan and Moriarty (1997:14) postulate that an organisation must view itself as a brand. By the same token, Chrzastek and Reid (2006) maintain that employees are an organisation's foremost brand. For that reason, recognising the communication dimensions of all the brand contacts and sources of these messages is significant because they impact positively or negatively on the behaviour of customers and other stakeholders. In addition, the more the

brand's position is strategically integrated into all the brand messages, the more consistent and well defined the organisation's identity and reputation will be (Niemann 2005:82-83).

The majority of respondents in this study claimed that they are not familiar with the NMDS brand. This results in unfulfilled promises, lack of bonding between the NMDS and its stakeholders, and ultimately negative relationships.

6.2.4.3 Message inconsistency

The respondents claimed that the messages within the NMDS, and decisions thereof, are inconsistent. Ernst and Young (2006:31) also noted that internal sharing of information appears to be inadequate and there is no centralised gathering of information to enable the secretariat to operate sufficiently. Also, there is a clear absence of management information resulting in the breakdown of the reporting line between the NMDS and the Minister. Moreover, there is no liaison between the secretariat, educational institutions (particularly in the RSA) and other external stakeholders. This situation has resulted in poor service delivery and a high risk of fraud and error. Ernst and Young (2006:42) further noted: "Unclear policy guidelines increase the risk of fraud and error as the boundaries cannot be ascertained with any certainty."

Du Plessis, Jooste and Strydom (2001:276) argue that an organisation should set the boundaries within which employees are free to create value, framing the meaning of the word 'trust' in policies and procedures. Mulder (2004:231) advises that the problem with failing to manage stakeholder groups and their diverse communication needs, opens doors to inconsistency and inconsistency is a barrier to supportive relationships. Mulder (2004) adds that in organisations where there is no effective coordination, the right hand does not know what the left hand is doing. "Lack of truly integrated communications can lead to a gradual or sudden deterioration of the company's credibility and reputation" (Drobis in Mulder 2004). This, according to Mulder (*ibid*), comes about when stakeholders do not receive the same messages. Credibility is achieved by telling stakeholders the same thing in a timely fashion. Consistency is very critical. Inconsistent messages create confusion and contribute to misinformation and speculations.

The key assumption underlying internal communication in an integrated marketing communication context is based upon the notion that to satisfy customers or stakeholders, the

firm must first have satisfied employees (Mulder 2007b:12). Ultimately, satisfied employees grow to be stakeholder-conscious.

6.2.4.4 Employees not being stakeholder-conscious

The majority of the research participants criticised the NMDS employees' for unpleasant conduct towards stakeholders. The employees' lack of motivation when rendering service was further condemned. Today, organisations are compelled to ensure that their employees are stakeholder-centric (Gronstedt 2000:107). Smith and Taylor (2002:569) extend the argument by posing other challenging issues that the organisations must pay close attention to. Such include stakeholders' care, service or product quality, and employees' satisfaction. It is further added by Duncan (in Niemann 2005:154) that research has shown that organisations with high employees' morale have high levels of stakeholders' satisfaction. This implies that just as stakeholders' satisfaction is important, the employees' motivation is of utmost value.

It is argued by Du Plessis *et al.* (2001:273-274) that the employees' relationship internally creates an add-value for the stakeholders. The objective of internal marketing is to create relationships between management and employees and between organisational functions. Management has the responsibility to train and motivate employees but must also persuade employees to actively support the organisational marketing strategies. For this purpose to be successful there must be open and free communication. Du Plessis *et al.* further state that the most successful organisations are those that create channels which allow feedback to flow both upward and downward in the organisation. Employees feel they have a stake in an organisation when they have more of a voice. Just like external marketing, internal marketing must also be interactive. Traditional ways of internal mass-marketing such as the distribution of memos and internal magazines are insufficient. The social get-together is important but the internet can also facilitate the enhancement of relationships between management and employee and other stakeholders.

6.2.4.5 Under-utilization of technology

The NMDS was rated poor in the use of information communication technology by the respondents in this study. Duncan and Moriarty (1997) claim that databases are the engines that drive interactivity. Technology touches every aspect of our lives, making our world faster, smarter and more mobile than ever before (Mulder 2007b:15). According to Smith and Taylor (2002:222) technology keeps changing the face of marketing communications. Niemann (2005)

in assertion believes that two-way relationship building necessitates technology in order to encourage interactions with stakeholders. According to Smith and Taylor (2002:196) the internet offers a whole gamut of communications opportunities including two-way communication i.e. listening as well as sending information. They further argue that the messages can be pushed out and delivered on a one-on-one basis through the internet. Technology permeates every aspect of marketing and marketing communication. It means therefore that marketing communicators have to adopt new and better ways to understand, reach and connect with ever-more-elusive consumers or stakeholders (Mulder 2007b:15). Notwithstanding, Ernst and Young caution that computerisation is only a means toward an end and not an end in itself. A well designed system with the best procedures will not work without attention. Thus, people - not papers or computers - make it work.

According to this study, a number of factors impacted negatively on the NMDS' image, hence unfavourable relationships with its stakeholders. These factors include the NMDS' failure to involve its stakeholders in decision-making, the non-availability of a mission and brand, lack of consistency of the messages sent to stakeholders, employees' unpleasant conduct towards stakeholders, difficulty in acquiring information and feedback whereby stakeholders had to come to the NMDS regularly for an update on their pending issues handled by officials (lack of responsiveness), and under-utilisation of information and communication technology.

6.2.4.6 Ineffective marketing communication activities used by the NMDS

The respondents complained about the NMDS' staff's failure to visit schools, declining briefing sessions, non-availability of the NMDS website and magazines, the demise of the secretariat radio slot, use of one radio station to communicate with stakeholders, the closure of the office of the PRO, and the absence of the suggestion box. The implication here is that the use of marketing communication techniques such as advertising, personal selling, sales promotion, direct marketing, public relations and sponsorships have been ineffective.

6.3 Recommendations of the study

Against the background of the previous discussion it became evident that the NMDS has failed to function effectively in, and adapt to the challenges of the stakeholder century. This has resulted in poor relationships with all its stakeholders. The researcher therefore recommends

the adoption of relationship marketing, improved interactivity with stakeholders, and a holistic approach to communication.

6.3.1 Practicing relationship marketing

It is recommended that relationship marketing (both internally and externally) be attended to as a matter of urgency by the NMDS. As mentioned earlier in this study, relationships are communication driven. This dyadic type of communication within the NMDS is viewed as important because it provides an outside-in perspective which is the most commended technique of communicating with stakeholders in the 21st century. Duncan and Moriarty (1997) argue that the integration of all communication efforts serves as the driver of interactivity during the process of stakeholder interaction. Communication will not only help the NMDS establish relationships with stakeholders, but the planning and monitoring of such relationships will also be viable.

6.3.2 Improving interactivity

This deliberation instinctively leads to the proposition that for interactivity to be possible, the NMDS needs to espouse integrated communication. IC is built on the premises that there must be interaction between the two forms of communication (internally and externally) in an ongoing, interactive, independent and synergistic manner (Gronstedt 2000). It is argued by Mulder (2007a) that an organisation provides the environment within which IC is practiced. IC includes the integration of all communication sent out by the organisation, thereby including internal and external messages (Niemann-Struweg & Grobler 2007). In reiteration, for successful implementation of IMC, the context of IC should first be established. Whilst the IC focus is on integrating internal and external messages sent, conversely IMC focuses on integrating marketing communication techniques such as advertising, personal selling, sales promotion, public relations, direct marketing and sponsorships. The focus remains on the development and delivery of external messages in a clear, coordinated, consistent and synergistic fashion (Shimp 2003; Niemann-Struweg & Grobler 2007).

6.3.3 Following a holistic approach

The NMDS is advised to adopt a holistic style of communicating which should start at corporate level. Percy (1997) argues that the fact that IMC is both a concept and a process makes it difficult to be understood. As a result, marketing communication needs to be considered in an integrated way to ensure the “one-voice, one-look and feel approach”. Duncan and Moriarty

(1998) concur that the best way to communicate is to integrate marketing communication techniques in totality. Thus, a holistic approach in IMC enables coordination of different marketing communication techniques to ensure that stakeholders receive a consistent message. This eliminates the silos-type traditional way of using communication techniques. Mulder (2003) elaborates that IMC becomes an effective way of doing business if it operates at the corporate level in a holistic manner.

On the basis of the above discussion, the NMDS is therefore recommended to adopt and put into practice the IC and IMC to enhance its internal and external communication, hence improved relationships with both the employees and other stakeholders.

6.4 Recommended guidelines to improve the NMDS' position in the stakeholder century

The researcher proposes the ten drivers and the IMC principles put together by Mulder (2007b) as indicators to assist the NMDS to position itself in the stakeholder century. Although Duncan and Moriarty's ten drivers are mainly criteria of evaluation, it is assumed that their implementation will lead to integration. Mulder merged the ten drivers and the fundamental principles to derive an elaborated IMC drivers' model (Mulder 2007a).

According to Mulder (2008:182) organisational structure is a formal system created to enable organisational members to achieve organisational goals. The corporate level (first category) focus entails approaches, processes and activities that aim to create an environment in which an organisation can develop to maximize its long-run ability to create value. The second category consists of institutional processes implemented to take advantage of opportunities and compete effectively in the marketplace. The infrastructure category suggests the different resources and means necessary to support the processes level activities to reach the corporate level focus.

The elaborated IMC drivers model acknowledge the ten drivers identified by Duncan and Moriarty (1997) but goes further adding nine basic principles of IMC that underwrite the strategic approach that should be followed – the operational processes that must be employed and the infrastructure that should be available to facilitate effective IMC practices in an organisation (Mulder 2007a:20). The corporate focus category consists of a holistic business approach,

customer-centricity, brand integration, strategic consistency and sustainable success. The IMC principle of stakeholder segmentation has been implied as stakeholder focus.

The institutional process entails the maintenance of strategic consistency, generation of purposeful dialogue, marketing the mission, and the implementation of zero-based planning. Marketing the corporate mission, generating purposeful dialogue and message consistency also form part of this level. Zero-based planning is considered to be too constricting and is therefore replaced with financial accountability. Furthermore, contact synergy and customer conscience employees are also added to this category (Mulder 2007a:21).

The elaborated ten drivers' model illustrates a combination of the level of integration (corporate factors, institutional process and infrastructure) as suggested by Duncan and Moriarty (1997) and the IC basic principles underlying the successful implementation thereof. The inclusion of the basic principles of IC offers a more inclusive approach to the integration of marketing communication into the organisation's environment. Each of the drivers or principles falls into one of the three integration categories. A brief discussion of these drivers is given within the context of the NMDS:

Corporate factors

- The NMDS management is advised to integrate its communication, to apply a *holistic business approach* and consider IMC as part of the core decision-making processes, otherwise the true value of IMC will not be possible (Niemann 2005; Hutton & Mulhern 2003; Schultz 2001; Schultz & Barnes 1999).
- The NMDS must embark on *relationship management* campaigns in order to know its stakeholders (Belch & Belch 2001; Burnett & Moriarty 1998). This is possible through gathering and storing their information. It is this information that will facilitate relationship building through effective communication with them (Koekemoer 2004:372; Brown & Buskirk 1993:98).
- Considering the fact that the majority of respondents claimed to be not familiar with the NMDS brand, it is important that the NMDS positions its brand and ensures that it is entrenched in all of its activities. Therefore, *brand integration* is possible through communication with stakeholders which will add value to the service and the positive 'name' of the NMDS gets cemented within the minds of stakeholders, hence a positive

relationship between the former and the latter (LePla & Parker 1999; Duncan & Moriarty 1997).

- The messages at the NMDS brand contact points must be recognised. If not identified, the impact of such messages may be negative to the organisation's stakeholders. The brand position should be strategically integrated into all brand messages hence the importance of *strategic consistency* at the NMDS (Mulder 2007b; Niemann 2005).
- The NMDS is advised to focus its efforts not only on customers, but on all stakeholders. It is further suggested that when communicating, stakeholders should be segmented and targeted with the most appropriate messages and techniques. This will reflect a *stakeholder focused* institution and enhance relationship building efforts (Niemann-Struweg & Grobler 2007; Burnett & Moriarty 1998; Duncan & Moriarty 1997).
- *Sustainable success* is all about the marketing communication strategies and objectives that should be goal oriented. Both strategies and objectives aimed at the prospective or existing stakeholders used by the NMDS must be directed towards achievement of the predetermined goal (Mulder 2007b; Burnett & Moriarty 1998; Koekemoer 1998).

Institutional processes

- A mission creates an integrity platform and helps define and humanise a company. One of the benefits of an organisational mission is that it keeps the employees focused on the objectives of the company. Therefore, *mission marketing* is a long-term corporate activity with a company-wide buy-in (Mulder 2007b:17; Duncan & Moriarty 1997:128).
- The thrust behind *stakeholder-conscious employees* starts with understanding what stakeholders are interested in, then adjusting the service or procedures involved to meet their needs and wants. This can be achieved through dialogue or two-way communication, resulting in the building of long-term relationships between the NMDS and its stakeholders (Niemann 2005; Steyn & Puth 2000; Thorson & Moore 1996).
- The NMDS identity, position and its execution should be consistent throughout. *Consistency of messages* communicated creates a positive reputation, image and position of the NMDS in the minds of the stakeholders. These identity cues become unfocused and diffused in the absence of consistency (Mulder 2007b:14; Belch & Belch 2001:12; Schultz, Taunnenbaum & Lauterborn 1994:40).
- The NMDS should manage contacts with stakeholders such that synergy is created (*contact synergy*). The marketing communication techniques should be combined to present a similar message with feedback built into the process to make communication a

two-way flow of information (Mulder 2007b; Schultz & Kitchen 2000; Burnett & Moriarty 1998; Koekemoer 1998; Duncan & Moriarty 1997).

- In an attempt to achieve interactivity, it is important that the NMDS utilises mass, personalised and interactive media to enrich feedback from stakeholders (Duncan & Moriarty 1997:17). This facilitates the *generation of purposeful dialogue* between the NMDS and its stakeholders (Niemann 2005).
- According to Duncan and Moriarty (1997), the planning of IMC campaigns start with a SWOT analysis. It takes into consideration all the internal strengths and weaknesses of the brand as well as the external opportunities and threats within the NMDS. The literature considers IMC as results driven and financial measurement as its pillar hence the value of the IMC principle, *financial accountability* (Mulder 2004).

Infrastructure

- The various departments within the NMDS should interact more frequently and quickly to share information (*cross-functional planning*) to ensure that stakeholders are treated consistently (Niemann 2005; Mulder 2007b).
- According to Duncan and Moriarty (1997:193) the company's *core competencies* are what give it the competitive edge. An important aspect of the NMDS core competence is managing stakeholder relationships.
- *Database management* is a vital task in the stakeholder century because information is the bloodstream of integration (Duncan & Moriarty 1997). The manner in which the stakeholders' data is collected, organised and shared at the NMDS determines whether or not the organisation has a memory of its stakeholders' transactions and interactions. Marketing communication practitioners and theorists are of the view that IMC offers the ways and technology the means towards the ends (Koekemoer 2004; Gronstedt 2000; Schultz & Kitchen 2000; Brown & Buskirk 1993).
- The communication manager handles the responsibility for co-ordinating a brand's total communication programme. When communication expertise is necessary from outside the organisation, his or her task is to monitor the work performed by *specialized or integrated agencies* that it is of quality (Mulder 2007b; Duncan & Moriarty 1997).

6.5 Overview of limitations

Although the researcher attempted to restrict the limitations of the study, a few aspects are identified that could have imposed restraints upon the outcome of the data. The fact that the respondents knew that the researcher is an employee of the NMDS might have affected the information provided. This might have been caused by the presupposition from the participants that the researcher knew more about the institution in question, resulting in insufficient information being provided by the respondents.

Baxter and Babbie (2004:63-64) assert that all our experiences are inescapably subjective. Subjective knowledge opens up the possibility of personal subjective knowledge including intuition. Therefore, an element of subjectivity might have been a limitation in the study, most particularly the interpretation and conclusion stages. In the data analysis and interpretation process, the non-verbal cues such as body language and hesitations were not included and this could have limited the data interpretation. Finally, another limitation might have been that the study's sample was derived from the respondents in Lesotho and Bloemfontein only, whereas the NMDS sponsors students in all the nine provinces of South Africa, in the SADC region and in some of the universities overseas.

6.6 Recommendations for future research

As stated in chapter 2, the money used to sponsor Basotho citizens willing to pursue their studies at tertiary institutions is a revolving fund. It was stated by Senoana (2005) that the money owned by the previous beneficiaries of the NMDS exceeds 100 Million Maloti. The poor recovery of the money borrowed poses a challenge to the government, to the nation at large, and to the sustainability of the fund. The role of communication in the recovery of the NMDS loan bursaries from the previous beneficiaries may be a subject for future study.

The study was restricted to the NMDS and its stakeholders. Further investigation could be extended to all Lesotho government institutions or the private sector. The scope of a similar study can be broadened to institutions of higher learning in other provinces of the Republic of South Africa. Moreover, a comparison between the different provinces could also be made. This may help organisations or companies in Lesotho to consider their stakeholders in a more meaningful manner than is the case at present. This ultimately results in harmonised

relationships between organisations and their stakeholders, hence increased profitability. Equally important, after implementation of the recommended indicators, the NMDS' ability to operate in the stakeholder century can again be analysed.

6.7 To conclude

Duncan and Moriarty (1997) suggest that stakeholder touch points affect brand and brand equity. Mulder (2008:184) states that employee satisfaction correlates with customer satisfaction. This emphasises the importance of an integrated internal communication programme in any organisation that wants to be successful, and fosters stakeholder-conscious employees. Excellent organisations gear decisions and actions to the needs of stakeholders who are seen as the assets of the organisations with tangible equity and lifetime value. Such an organisation should enhance the brand experience and include purposeful dialogue. A stakeholder-centric organisation is entrenched in dialogue or two-way communication as its culture. Such a culture nurtures the building of long-term relationships with relevant stakeholders (Mulder 2008:123).

Interaction between organisational members creates the organisational culture. This idea is central to a communication perspective in which communication constitutes organisational culture (Mulder 2008:178). Close relationships with all stakeholders are essential. Relationship management encourages positive and respectful relationships among management and employees, and between employees and other stakeholder groups.

In conclusion, the NMDS' position in the stakeholder century may be improved through integrated communication. It is suggested that harmonisation of relationships is possible through engaging in purposeful dialogue. The NMDS must first strengthen internal communications with its employees, and only then external communication with other stakeholders will improve. This is possible through a holistic approach to communication. This means the implementation of integrated communication and its principles and integration of all organisational marketing communication techniques in a manner that ensures a 'one-voice, one-look and one-feel' approach to achieve synergy. The objective of the NMDS should be to listen to and learn about (an outside-in strategy) the needs and wants of its stakeholders.

LIST OF REFERENCES

- Babbie, E.R. & Mutton, F. 2001. *The practice of social research*. Belmont, California: Wadsworth. Oxford University.
- Babbie, E.R. 2001. *The practice of social research*. Belmont: Wadsworth. Oxford University.
- Bak, N. 2004. *Completing your thesis: A practical guide*. Pretoria:Van Schaik.
- Baker, R. & Angelopulo, G. 2006. *Integrated organisational communication*. Cape Town: Juta.
- Baxter, L.A. & Babbie, E. 2004. *The basics of communication research*. Belmont: Wadsworth.
- Belch, M. A. & Belch, G. E. 1998. *Introduction to advertising and promotion: An integrated marketing perspective*. Irwin: McGraw-Hill .
- Belch, M. A. & Belch, G. E. 2001. *Introduction to advertising and promotion: An integrated marketing perspective*. Irwin: McGraw-Hill.
- Brown, H, E. & Buskirk, B. 1993. *Readings and cases in direct marketing*, Illinois: NTC Business Books.
- Burnett, J. & Moriarty, S. 1998. *Introduction to Marketing Communication: An integrated approach*. New Jersey: Prentice Hall.
- Chrzastek, J. D. & Reid, C. 2006. *Overcoming the challenges of professional service marketing: What professional service marketers can learn from consumer marketing*. [online]. Available: <http://jimc.medill.northwestern.edu/JIMCWebsite/2006/profservice.pfd> [2008, June 14].
- Cooper, D.R. & Schindler, P.S. 2003. *Business research methods (8th ed)*. New York: McGraw-Hill.
- Cooper, D.R. & Schindler, P.S. 2006. *Marketing research*. Boston: McGraw-Hill.
- Creswell, J.W. 1998. *Qualitative inquiry and research design*. New Delhi: Sage Publications.

Davmon, C. & Holloway, I. 2002. *Qualitative research methods in public relations and marketing communication*. London: Routledge.

De Vos, A.A. 1998. *Research at grassroots*. Pretoria: Van Schaik.

Duncan, T. & Moriarty, S. 1997. *Driving brand value: Using integrated marketing to manage profitable stakeholders' relationships*. New York: McGraw-Hill.

Duncan, T. 2001. *Integrated marketing communication using advertising and promotion to build brands*. New York: McGraw-Hill.

Dong, H. L. & Chan, W. P. 2007. Conceptualisation and measurement of multi-dimensionality of integrated marketing communication. *Journal of Advertising Research*, 47(3):222-236.

Doyle, P. 2000. *Value based marketing*. Chichester: John Wiley & Sons.

Du Plessis, F., Bothma, N., Jordaan, Y. & Van Heerden, N. 2003. *Integrated marketing communication*. Claremont: New Africa Education.

Du Plessis, P.J., Jooste, C.J. & Strydom, J.W. 2001. *Applied strategic marketing*. Sandown: Heinemann.

Du Plooy, E.M. 2002. *Communication research: Techniques methods and applications*. Lansdowne: Juta.

Du Plooy, E.M. 1995. *Introduction to communication: Course Book 2 – Communication research*. Cape Town: Juta.

Du Toit, N. 2006. *Creating and sustaining loyalty in the recruitment industry by means of integrated marketing communication*. (Unpublished Master's thesis). University of the Free State, Bloemfontein.

Ehlers, L. 2002. *The development of framework for structuring integrated communication in South African organisations*. Unpublished doctoral thesis: University of Pretoria.

Ernst & Young. 2006. *National Manpower Development Secretariat: Investigation to ascertain compliance with bursary policies and legislation.*

Foy, N. 1994. *Empowering people at work.* USA: Gower Publishing Limited.

Gronstedt, A. 2000. *The customer century: Lessons from world-class companies in integrated marketing communications.* New York: Routledge.

Hutton, J.G., Goodman, M.B., Alexander, J.B. & Genest, C.M. 2001. Reputation management: The new face of corporate public relations? *Public Relations Review*, 27:247-261.

Hutton, J.G. & Mulhern, F.J. 2002. *Marketing communications: Integrated theory, strategy & tactics.* New Jersey: Pentagram publishing.

Integrated Marketing Communication defined. [Online]. Available: <http://www.jimc.medill.northwestern.edu/JIMCwebsite/htm> [2008, May 15]

Kasasa, C. N. & Moekoa, G. 2003. *Report on the National Manpower Development Secretariat study on sponsorship, loan recovery and institution capacity.*

Khali & Co. 2003. *National Manpower Development Secretariat: phase 1 report on updating of student records and preparation of financial statements of the loan bursary fund: 1978 – 2002 and 1990 – 2002.*

Kingdom of Lesotho. 1978. *National Manpower Development Council Act (Act No.8 of 1978).* Maseru: Government Printer.

Kliatchko, J. 2008. Revisiting the IMC construct: A revised definition and four pillars. *International Journal of Advertising*, 27(1):133-160.

Koekemoer, L. 2004. (ed). *Marketing communications.* Cape Town: Juta.

Kotler, P. & Armstrong, G. 2006. *Principles of marketing* (11th ed). New Jersey: Pearson Education.

Leedy, P.H. 1997. *Practical research: Planning and design* (4th ed). Upper Saddle river: Merrill Prentice Hall.

Leedy, P.D. & Ormrod, J.E. 2001. *Practical research: Planning and Design* (7th ed). Upper Saddle river: Merrill Prentice Hall.

LePla, F.J. & Parker L.M. 1999. *Integrated branding: Becoming brand-driven through companywide action*. London: Quorum Books.

Lindlof, T.R. & Taylor, B.C. 2002. *Qualitative communication research methods* (2nd ed). United States of America: Sage.

Littlejohn, S.W. 2002. *Theories of human communication* (7th ed). Belmont: Thomson Wadsworth.

Littlejohn, S.W. & Foss, K.A. 2005. *Theories of human communication* (8th ed). Belmont: Thomson Wadsworth.

Management of NMDS. 1997. *National Manpower Development Secretariat operational manual: Policy, procedures and practice with guidelines on day-to-day operations and transactions*.

Marsh, R. 2002. *Review of office computer systems within National Manpower Development Secretariat: Working paper 1 from the advisor on computerisation, Commonwealth Secretariat*.

Moeletsi oa Basotho. 2008. *Manpower ha e na boiphihlelo*. 23 March: 8.

Mouton, J. 2001. *How to succeed in your master's and doctoral studies: A South African guide and resource book*. Pretoria: Van Schaik.

Mulder, D. 2003. *What constitutes integrated marketing communication?* (Paper read at the National Community Conference). University of the Free State; Bloemfontein.

Mulder, D. 2004. *The evolution of marketing communication: From selling to integration*.

Communicare, 23(1):220-237.

Mulder, D. 2007(a). *Integrating marketing communication effectively into an organisational communication environment*. (Paper read at the South African Communication Association – SACOMM conference held at The University of the Free State in September 2007). University of the Free State; Bloemfontein.

Mulder, D. 2007(b). *Driving integration home for organisational effectiveness*. (Paper read at the ANZCA annual conference in July 2007). Melbourne; Australia

Mulder, D. 2008. A conceptual model for integrating communication and corporate culture. *Communitas* (13): 171-189.

Mulder, D. 2008. An integrated communication model for marketing the UFS. Unpublished doctoral thesis, University of the Free State.

National Vision 2020. [Online]. Available:http://www.finance.gov.ls/documents/National_Vision_documents_final.pfd [2008 August 15].

Naumann, E. & Hoisington, H. 2001. *Customer centred six sigma: Linking customers, processes, improvement and financial results*. Wisconsin: AQS Press.

Neuman, W. L. 1997. *Social research methods*. London: Allyn and Bacon.

Niemann, I. 2005. *Strategic integrated communication implementation: Towards a South African conceptual model*. Unpublished doctoral thesis, University of Pretoria.

Niemann-Struweg, I. & Grobler, A.F. 2007. Obstacles to integrated communication implementation: Critiques of existing models and recommendations for a new South African model. *South African Business Review*, 11(3). [Electronic]. Available: http://www.journals.co.za/images/ejour/images/ejour/sabr.v11_n3_n4.pfd. [2008, May 19].

Parente, D. 2000. *Advertising campaign strategy: A guide to marketing communication plans* (2nd ed). Orlando: Harcourt College Publisher.

Patton, M.Q. 2001. *Qualitative research and evaluation methods (3rd ed)*. London: Sage.

Peck, H., Payne, A., Christopher, M. & Clark, M. 1999. *Relationship marketing: Strategy and implementation*. Oxford: Butterworth Heinemann.

Percy, L. 1997. *Strategies of implementing integrated marketing communication*. Chicago: NTC Business Books.

Piercy, N. F. 2003. *Market-led strategic change: A guide to transforming the process of going to market*. Oxford: Butterworth Heinemann.

Prioritised implementation matrix for the poverty reduction strategy paper 2004/5 to 2006/7: 2005. [Online]. Available:http://www.finance.gov.ls/documents/improve_Quality_Access_Education_6.pfd [2008, August 15].

Puth, G. 2002. *The communicating leader: The key to strategic alignment (2nd ed)*. Pretoria: Van Schaik.

Rajola, F. 2003. *Customer relationship management: Organisational and technological perspectives*. Berlin: Springer.

Rensburg, R. & Ferreira, M. 2004. *New concepts and technologies for Public Relations, Public affairs and corporate communication: Aligning corporate communication and excellence models to ensure continuous improvement in organisations*. Paper read at the Eleventh BledCom International Public Relation Symposium, Bled, Slovenia, 2-4 July: 1-23.[Online]Available from: <http://www.bledcom.com/uploads/documents/Rensburg-Ferreira.pdf> [Accessed: 2008, July 23].

Sandin, D. & Simolin, T. 2006. *Public Relations: As perceived and practised by commercial banks*. [Online] Available from: <http://epubl.ltu.se/1402-1552/2008/008/indexen.htm> [accessed 2008, July 25].

Semenik, R. J. 2003. *Promotion & Integrated Marketing Communication*. Ohio: Thomson Learning.

Schultz, D. E., Taunnenbaum, S. I., & Lauterbaun, R. F. 1994. *The New Marketing Paradigm: Integrated marketing communications*. Chicago: NTC Business Books.

Schultz, D. E. & Barnes, B. E. 1999. *Strategic brand communication campaigns (5th ed)*. Illinois: NTC Business Books.

Schultz, D. E. & Kitchen, J. P. 2000. *Communicating globally: An integrated marketing approach*. Illinois: NTC Business Books.

Schultz, D. E. 2001. *Developing integrated marketing communications*. Institute for the study of business markets. Pennsylvania State University, Pennsylvania. 22-23 May 2001. Conference notes.

Schultz, D.E. 1998. 'Invest in integration'. *Industry week*, 247(10):20.

Sekhonyana, E.R. 1978. Loan Bursary Fund regulations – Legal notice No.20 of 1978. Maseru: Government printer.

Sekoati, K. 2008. *Rental war looming: NMDS shoots to centre in unpaid accommodation fees*. Public Eye 18. April: 19.

Selinyane, N. 2007. *Barbarians slam our panel with court order*. Public Eye 31. August: 8.

Senaoana, M. 2005. *Restructuring of the National Manpower Development Council, Secretariat and Revolving Fund*.

Shackleton, C. 2006. *Developing key performance indicators for corporate communication in the information technology industry*. Unpublished Master's thesis. University of Pretoria.

Shimp, T. A. 2003. *Integrated Marketing Communication in Advertising and Promotion (7th ed)*. London: Thomson South-West.

Sirgy, J. 1998. *Integrated marketing communications: A systems approach*. New Jersey: Prentice-Hall.

Smith, P. R. & Taylor, J. 2002. *Marketing communications: An integrated approach*. London: Kogan Page.

Smith, T. M., Gopalakrishna, S. & Chatterjee, R. 2006. A three-stage model of Integrated Marketing Communication at the marketing-sales interface. *Journal of marketing research*, 43(4):564-579.

Soderlund, I. 2003. *An analysis of marketing communication practices in Bloemfontein: A pilot study*. Unpublished mini-dissertation. Bloemfontein: University of the Free State.

Stewart, T.D. 2002. *Principles of research in communication*. Boston: Allyn & Bacon.

Stefanescu, C. & Popa, L. 2008. *Managerial communication*. http://mpra.ub.uni-muenchen.de/7172/1/MPRA_paper7173.pfd [accessed 2008, July 25].

Steyn, B. & Puth, G. 2000. *Corporate communication strategy*. Sandown: Heinemann.

Strauss, A. & Cobin, J. 1990. *Basics of qualitative research: Grounded theory procedures and techniques*. Newbury Park: Sage.

Sweetman, R., Khuto, M.G. & Pakisi, M. 1995. *A study of the National Manpower Development Secretariat*.

Thabane, M.T. 2005. *Information Communication Technology policy for Lesotho*. [Online]. Available: <http://www.lesotho.gov.ls/documents/Lesotho ICT Policy Final.pfd>.

Thahane, T.T. 2004. *Budget speech to parliament for the 2004/2005 fiscal year: continuing to build foundations for sustainable delivery of services to the people*. [Online]. Available: http://www.finance.gov.ls/documents/budget_speech_2004-05%20final.pfd [2008, August 15].

Thorson, E. & Moore, J. 1996. *Integrated communication: Synergy of persuasive voices*. New Jersey: Lawrence Erlbaum Associates.

Van der Walddt, D.L.R. 2005. The role of product placement in feature films and broadcast television programmes: An IMC perspective. *Communicare*, 24(2):1-16.

Van Dyk, L. & Herholdt, J. 2004. *Transforming your employment brand: The Absa*

experience. Randburg: Knowres.

Welman, J.C. & Kruger, S.J. 2002. *Research Methodology (2nd ed)*. Cape Town: Oxford University Press.

Wickham, M. & Hall, L. 2006. An examination of integrated marketing communication in the business-to-business environment: The case of the Tasmanian light shipbuilding Cluster. *Journal of marketing communication*, 12(2):95-108.

Wimmer, R.D. & Dominick, J.R. 2006. *Mass Media research: An introduction (8th ed)*. Belmont, California: Wadsworth.

Yeshin, T. 2001. *Integrated marketing communication: A holistic approach*. Butterworth: Heinemann.

Zeithaml, V.A., Bitner, M.J. & Gremler, D.D. 2006. *Services marketing: integrating customer focus across the firm (4th ed)*. New York: McGraw-Hill.

Zeithaml, V.A. & Bitner, M.J. 2003 (3rd ed). *Services marketing: Integrating customer focus across the firm*. New York: McGraw-Hill.