



INTERPERSONAL
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Integrated Organisational Communication

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IMC

EFFICIENT

IMAGE

Trust

CUSTOMER
FOCUS

Systems Thinking

Collaboration

STRUCTURE

Editors: George Angelopulo & Rachel Barker

The marketing context

Charmaine du Plessis

Excessive reliance on a company's traditional ways of executing marketing can leave the company with no way of seeing how things could be done differently and even potentially better.

Wyner (2004)

5.1 Introduction

The discipline of marketing is another of the more prominent focus areas of integrated organisational communication. This book examines the communication of organisations and, as a great deal of the organisation's communication is related to its marketing, it is therefore imperative to understand marketing and the marketing context of organisations' communication. Communication that is related to an organisation's marketing is usually carefully planned and integrated with other organisational communication processes. Marketing management has the challenge of creating a coherent corporate brand image of the organisation in the minds of its various stakeholders through integrated messages in the marketing strategy.

This chapter explores the diverse approaches to the practice of marketing theory and attempts to contextualise these in terms of marketing communication. In this chapter we discuss the following:

- The history and development of marketing as a discipline.
- The marketing mix.
- Marketing theories.
- Marketing management.
- The marketing plan.

5.2 History and definitions of marketing

Various definitions of marketing exist. Over the years these have expanded from a narrow viewpoint that focuses only on the needs of the organisation to a much broader perspective that also accommodates the needs and wants of its customers. Marketing is currently also acknowledged as an educational process that includes non-marketers and which can play an important role in society. One of the earliest definitions of marketing that acknowledges the point of view of the customer is that of Drucker (1954: 37), which reads as follows:

Actually marketing is so basic that it is not just enough to have a strong sales department and to entrust marketing to it. Marketing is not only much broader than selling; it is not a specialised activity at all. It encompasses the entire business. It is the whole

business seen from the point of view of the final result – that is, from the customer’s point of view. Concern and responsibility for marketing must therefore permeate all areas of the enterprise.

Boone and Kurtz’s (1999: 9) definition of marketing expands on the emphasis on the customer by also including relationships:


Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods, services, organisations, and events to create and maintain relationships that will satisfy individual and organisational objectives.

The above definition identifies the four Ps of the marketing mix, namely product, price, promotion and distribution (see Section 5.4), and organisational functions, and emphasises the establishment of meaningful interaction with the customer.

The 2004 definition of marketing by the American Marketing Association acknowledges the mutually beneficial relationship between the organisation and its customers when it states that ‘[m]arketing is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders’. On the other hand, its 2008 definition now also includes society at large: ‘Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large’ (American Marketing Association, 2009).

The 2008 definition by the Marketing Association of America (2009) is adopted as the working definition of marketing for this book. The different concepts in this definition are elucidated in Table 5.1:

Table 5.1 Key elements of the 2008 definition of marketing by the American Marketing Association (2009)

Activity, processes	Marketing is no longer a function – it is also an educational process
Set of institutions	Marketing is a science, an educational process and a philosophy, and not just a management system
Creating	Through creative messages, marketing management must endeavour to change unfavourable conditions in the market place into opportunities
Communicating	Marketing communication must include messages and media about the product or service which, nowadays, must include new media and social media platforms
Delivering	Marketing must ensure that promises that have been made to the customer are kept
Exchanging	Marketing must persuade customers to buy; in other words, to engage in transactions 

Offerings	Marketing must facilitate product, price, distribution and marketing communication, as well as efficient service from people and processes
Value for customers, clients, partners, and society at large.	It is possible to market a product to 'do good' Customers, clients, partners and society can obtain satisfaction from the resources and abilities of the organisation Marketing can promote the well-being of society in the longer term

Source: American Marketing Association (2009)

Modern marketing has evolved over many years through the eight stages indicated in Table 5.2.

Table 5.2 The eight stages through which the marketing discipline has evolved

First stage	Selling (ancient times) (18th and early 19th centuries)
Second stage	Selling, advertising (late 19th century)
Third stage	Selling, advertising, marketing research (20th century)
Fourth stage	Marketing department develops a balanced marketing programme which co-ordinates all the marketing mix instruments (20th century)
Fifth stage	Market-oriented companies (20th century)
Sixth stage	Cause-related, social and relationship marketing (20th and 21st centuries)
Seventh stage	Online marketing (21st century)
Eighth stage	Social media marketing (21st century)

Sources: Boone & Kurtz (1999); Cant, Strydom & Jooste (2004); Evans (2008); Kotler & Mindak (1978); Strydom (1999)

The first marketing activity occurred in the 18th and early 19th centuries with the ancient selling function when goods were sold by street vendors who shouted out the benefits of their product in public. However, in the late 19th century, manufacturers started to realise that repeated advertising could greatly enhance their sales activities. The swift growth of national markets in the 20th century increased the need for marketing information on which marketing management could base their planning, and this led to the second evolution of marketing: advertising. During the third stage, sellers realised that they could reduce their risk by spending money to establish what customers really wanted and how they perceived the organisation and its products and services. Initially the sales, advertising and marketing research functions operated independently of each other, but the fourth stage saw these three functions combined into a marketing department. The market-oriented fifth stage evolved when the various departments of the organisation all adopted and practised a customer philosophy (Kotler & Mindak, 1978: 15).

During the sixth stage, managers' attitudes towards the marketing function in the organisation have changed considerably over the years. Top management have realised how important it is to actively market the organisation's products and/or services in order to compete effectively in the marketplace. Marketers also realise how important it is to accommodate the needs and wants of the organisation's customers and that credibility and trust are crucial to improved productivity and long-term relationships (Strydom, 1999: 11).

The development of the Internet led to the seventh stage and concepts such as online marketing (or e-marketing, e-tailing and mass customisation); it is now possible to create a marketing strategy for a single customer (Cant *et al.*, 2004: 21) (see Chapter 10 for a more detailed discussion on this).

The rise of various social media platforms resulted in social media marketing, the eighth stage and most recent application of marketing. Social media marketing strategically uses natural conversation that occurs on various social media platforms to benefit the organisation's brand by means of viral marketing (Evans, 2008: 13). During viral or word-of-mouth marketing (WOM), consumers discuss, appraise, criticise or recommend an organisation's brand on social network platforms used by consumers, their friends and peers (Cheung, Lee & Rabjohn, 2008: 229) (see Chapter 10, Section 10.7).

5.3 Marketing perspectives

Marketing has evolved as a result of various perspectives. It has progressed from constricted production and sales-orientated perspectives to the more customer-orientated perspective typical of modern marketing.

The organisation's mission and vision determine whether it is predominantly sales or market orientated. For instance, a marketing-orientated organisation may be highly active in sales but be driven by the principles of the marketing concept as the motivating force behind these sales activities (Helgesen, Nettet & Voldsund, 2009: 27).

Seven important marketing perspectives are discussed in this section. These are the production-orientated, sales-orientated, marketing-orientated, the marketing concept, cause-related marketing (CRM), social marketing and relationship marketing perspectives.

5.3.1 Production-orientated perspective

The production-orientated perspective (prevalent from the time of the Industrial Revolution until the 1920s), purported that customers favoured products that were available and that products sold themselves. With this in mind, management focused on the production of a few specific products which were mass produced by machines in factories, and on improving production efficiency. The major focus was therefore on production, not marketing, and the needs of consumers were seldom taken into account (Pride & Ferrell, 2007: 11). The underlying assumption at this time was that consumers would buy products that were produced at low cost and in great volumes (Kumar, 2001: 11).

However, consumers were relatively poor and unsophisticated, and bought new products only when they could afford them. Consequently stocks began piling up, which made management realise the importance of stimulating demand to increase sales. This change in management thinking led to the sales-orientation era of marketing (Strydom, 1999: 11).

5.3.2 Sales-orientated perspective

During the sales-orientated perspective stage (from the early 1930s and into the 1960s), sales-orientated organisations believed that consumers would buy enough of the organisation's products only if a special promotion and selling effort were made. During this stage it was believed that maximising sales volumes was the key to profitability (Pride & Ferrell, 2007: 11).

At this time it had become more difficult to ascertain the requirements of the market, and organisations began to pay more attention to their competitors and what they offered. In sales-orientated organisations, advertisements were placed to inform consumers of the availability of products while sales representatives promoted products through direct personal contact (Strydom, 1999: 13).

The most important characteristics of the sales-orientated perspective include concepts such as sales volumes, short-term profitability, selling skills, sales promotion, sales techniques and sales tricks. Organisations were therefore more transaction rather than relationship orientated (Helgesen *et al.*, 2009: 29).

5.3.3 Marketing-orientated perspective

The marketing-orientated perspective stage is considered to be the foundation of contemporary marketing philosophy. This perspective is based on the understanding that the organisation must research the needs of its customers and respond to them accordingly. Understanding and addressing these needs was now an activity that was done throughout the organisation and not only by the marketing department (Pride & Ferrell, 2007: 11).

During the marketing-orientated perspective stage (originating in the early 1950s), attention was focused more on marketing than selling; the top executive responsible for this activity was called a marketing manager or a director of marketing (Stanton, Etzell, Walker *et al.*, 1992: 9). The marketing era emphasises the sales message; the price; product quality; packaging; methods of distribution; and which ways were most effective for communicating messages to the target audience through marketing communication. It was further characterised by the adoption of the marketing concept as a management philosophy (Strydom, 1999: 13).

5.3.4 The marketing concept

The marketing concept is a direct result of the market-orientation stage. It is a straightforward and logical idea, which puts the customer at the focal point of overall organisational activities. Its emphasis is on consumer orientation, which is a management philosophy that incorporates the marketing concept into the organisation. The organisation commits to proper planning so as to transform

the consumer orientation philosophy into specific actions (Loudon, Stevens & Wrenn, 2005: 2).

Strydom (1999: 13) defines the marketing concept as one that 'holds that achieving organisational goals depends on determining the needs and wants of the target market and delivering the desired products or services more effectively and efficiently than competitors'. The marketing concept plays a dominant role in business and dates as far back as 1952. For example, General Electric's annual report in 1952 describes the new management philosophy that underlies the marketing concept thus:

[The concept] introduces the [marketer] at the beginning rather than at the end of the production cycle and integrates marketing into each phase of the business. Thus, marketing, through its studies and research, will establish for the engineer, the design and manufacturing [person], what the customer wants in a given product, what price he [or she] is willing to pay, and where and when it will be wanted. Marketing will have the authority in product planning, production scheduling, and inventory control, as well as in sales, distribution, and servicing of the product (Boone & Kurtz 1999: 13).

In the 1960s the marketing concept was 'proclaimed' as the saviour of organisations. As a result it received a great deal of attention from the academia. It was maintained that if organisations were to adhere to the principles of this management philosophy, they should strive to satisfy the needs of consumers through a co-ordinated set of activities that would also allow the organisation to achieve its objectives. The marketing concept therefore requires an awareness of the wants and needs of the consumer but not at the expense of the goals of the organisation. All members of the organisation must accept and adhere to the marketing concept in order for it to be successfully implemented (Pride & Ferrell, 2007: 10).

The essence of the pure marketing concept is expressed in three core principles (which might vary according to different authors and theorists). According to Cant, Strydom, Jooste and Du Plessis (2009: 11), the core principles include a profit orientation, a consumer orientation and the integration of all organisational activities directed at profitability. These core principles gave rise to the societal marketing concept – or the social responsibility of marketers – because they were considered inadequate for addressing consumer needs in the long term. (Corporate social responsibility maintains that organisations are part of the larger society in which they exist and are accountable to society for their performance.) The principles of the marketing concept are explained in Table 5.3 on the following page.

However, the extent to which implementation of the marketing concept is successful depends on various variables, for example the organisational structure and the demand of internal operations (Morgan, 1996: 21).

Table 5.3 The various principles of the marketing concept

Marketing concept principle	Explanation
Profit orientation	Maximisation of profitability is the primary objective of any profit-seeking organisation but this can only be achieved if consumer needs are met
Customer orientation	All marketing activities of the organisation should take into account consumer needs, demands and preferences
Integration of organisational activities	All departments in the organisation must work together to accomplish marketing objectives. This is best achieved within an IMC approach (see Chapter 6)
Societal marketing	When marketing policies are set, marketers also need to consider organisational profits, consumer needs and the interests of society

Source: Cant *et al.* (2009: 11–13)

This marketing concept is further developed in the following perspectives: cause-related marketing (CRM), social marketing and relationship marketing.

5.3.5 Cause-related marketing (CRM)

CRM is based on the societal approach that proposes that organisations should be considered accountable to society in general. The societal approach maintains that organisations are part of society and therefore need its approval if they are to operate effectively (Nielsen & Thomsen, 2009: 86).

Organisations have become increasingly active in co-operative development programmes and partnerships with non-profit and charity organisations. These programmes not only benefit the charities or non-profit organisations involved but the organisation itself. This approach is now referred to as CRM. It links specific products or services with a specific cause and can be defined as ‘a commercial activity by which businesses and charities or causes form a partnership with one another to market an image, product or service for mutual benefit’. Benefits of CRM include an increase in sales; the enhancement of the organisation’s reputation and brand; new customers; and an increase in employee loyalty (Cant *et al.*, 2004: 17). Table 5.4 depicts the six principles of successful CRM.

Table 5.4 The six principles of successful cause-related marketing

Integrity	The organisation must adhere to the highest ethical standards in all its CRM activities and relationships
Transparency	The organisation must ensure that communications between the partners and with consumers are legal, decent, honest, truthful and clear

Sincerity	The organisation must provide strength and depth to the relationship with a non-profit organisation or cause
Mutual respect	The organisation must appreciate the intrinsic value that the non-profit organisation brings to the CRM partnership
Partnership	The organisation must ensure that both sides share the risk and rewards
Mutual benefit	The organisation must ensure that all parties' objectives are being met

Source: Barrett (2002), in Cant *et al.* (2004: 17)

5.3.6 Social marketing

Social marketing is an approach similar to corporate social responsibility (see also the public relations section in this book), which is also relevant to the marketing context.

The core of the social marketing perspective is illustrated by the marketing concept's management philosophy that customers' unmet needs should be fulfilled. Social marketing is often used when an organisation requires behaviour change which cannot be achieved by information dissemination alone. The marketing mix is subsequently used in an integrated manner while formative research is undertaken to better understand consumer wants and needs (Sublet & Lum, 2008: 47). Social change marketing programmes are implemented using marketing principles and techniques in areas such as health care, family planning, traffic safety, substance abuse, ethnic tolerance and even green marketing, to name but a few (Koku, 2009: 137). Social change can be promoted by influencing social norms or attitudes or by persuading individuals to engage in new behaviours, such as increasing daily physical exercise or reducing binge drinking. Social marketing addresses behaviours which are influenced by intrinsic values, therefore a deep understanding of cultural values is vital for successful research and effectively segmenting target audiences (Douglas, 2008: 152).

5.3.7 Relationship marketing

Relationship marketing was introduced in the 1990s and presents a paradigm shift away from the marketing-orientated approach towards the more modern way in which marketing is now practised, with the basic focus on customer needs still intact. This perspective encourages customer-centric marketing and largely aims to retain customers and encourage their loyalty (this is also referred to in the literature as retention marketing) (Keiningham, Aksoy, Perkins-Munn & Vavra, 2005: 33).

The relationship marketing perspective focuses on identifying and establishing, maintaining and enhancing and, if necessary, ending relationships with customers and stakeholders (while still profitable to both parties) so as to meet both parties' objectives through mutual exchange. This emphasises a paradigm shift away from competition and conflict towards mutual collaboration; from self-reliance and choice to mutual

dependency (Cant *et al.*, 2004: 18). See Chapter 6 for a more detailed discussion of the relationship marketing perspective.

5.4 The traditional marketing mix

The marketing mix concept was introduced by Neil Borden in the 1950s and consists of 12 elements intended to guide marketers in different situations. Jerome McCarthy soon labelled and reduced these to the 'four Ps', to enable students and teachers to more easily remember the instruments of the marketing mix (Kitchen, De Pelsmacker, Eagle & Schultz, 2005: 218). This marketing mix theory has dominated the marketing approach for the last four decades and, although the four Ps have expanded and changed over the years, McCarthy's original four Ps are still very popular. Many definitions of marketing still focus on the traditional marketing mix, which is the focus of this section (Kitchen *et al.*, 2005: 218) (see also Section 5.4.6).

Kumar (2001: 66) defines the marketing mix as 'the amounts and kinds of marketing variables the firm is using at a specific time. Under marketing mix we include mainly product mix, distribution mix, communication mix and service mix'. The marketing mix therefore consists of everything the organisation can do to increase the demand for its product(s). These many possibilities can be collected into the four Ps. The marketing mix is a blending of the four variables or strategy elements to fit the needs and preferences of a specific target market. Each strategy is a variable in the mix. A specific combination of these variables determines the success of marketing efforts (Boone & Kurtz, 1999: 24).

There are four variables which the marketing management team must take into account when making marketing strategy decisions, namely the product itself; the place where it is to be sold (distribution of the product); the marketing communication methods that will be used to inform the consumer about the product; and the price of the product, which should reflect its value to the consumer (Cant *et al.*, 2004: 21). The organisation develops a marketing strategy which usually includes these four variables (or marketing tools generally known as the four Ps of the marketing mix) to align the organisation's operations and to satisfy the needs and wants of its target market. A target market is the specific section or group of consumers that the organisation directs its marketing efforts towards (Kumar, 2001: 78). The traditional four Ps are the following:

- product
- price
- place (distribution channel)
- promotion (marketing communication).

An organisation's marketing plan includes strategies that indicate how the various elements of the marketing mix contribute to the achievement of marketing objectives. When a marketing plan is compiled, consideration is given to each of the four Ps, while the focus is on strategic issues which are based on the competitive, differential advantage. The basic task of marketing is to combine these four elements into a marketing programme that can enhance its effectiveness when dealing with customers (Boone & Kurtz, 1999: 24). According to Brink and Berndt (2004), this marketing

mix model has become outdated for consumer goods marketing, is too restrictive for business-to-business and services marketing, and does not present a customer-orientated perspective.

The traditional four Ps are explained in more detail below:

5.4.1 Product

Product refers to ‘the bundle of attributes and features’ – both tangible and intangible (that is, touchable and untouchable) – which an organisation offers. It includes the parts that support the physical product – that is, its packaging, warranty and colours, as well as its emotional components, namely brand loyalty, status, self-esteem, security and convenience (Burnett & Moriarty, 1998: 35).

Koekemoer (2004: 7) points out that every marketer starts out with at least a basic concept of a product or service that will be attractive to a certain number of consumers. This ‘product offering’ forms the basis of the business enterprise and strategy. The strategy that an organisation adopts for its product plays a fundamental role in its long-term financial success. An organisation should therefore adopt a product-market strategy. For this, the organisation establishes which of the marketing mix elements will best enhance the sale of its product(s). Other important considerations are customer needs, current markets, sales trends and the competitors’ products (Pitt, Bromfield & Nel, 1994: 155).

If the aim of an organisation’s new product is to gain a competitive advantage, product planning is managed by means of strategies to improve existing products and to develop new ones, as well as a consideration of product elements such as branding, packaging and other product features (Stanton *et al.*, 1992: 15).

5.4.2 Price

Burnett and Moriarty (1998: 55) define price as the ‘total value assigned to the product by the seller and the buyer’. The price of a product, however, has different meanings for sellers and buyers. For the seller it is a series of cost components and is related to profit, while for the buyer it is the historical price of the product, the competitive price, the expected price, the financial risk involved in buying the product, and the perceived need for the product (Burnett & Moriarty, 1998: 54).

According to Koekemoer (2004: 9), price is used to differentiate products from one another and as such it provides consumers with very valuable information. Burnett and Moriarty (1998: 54) argue that pricing decisions are important in the marketing strategy because the price of the product should always be related to the achievement of corporate and marketing objectives and be established in relation to factors such as the product life cycle, the requirements of the total product portfolio, and sales as well as market share objectives.

Pitt *et al.* (1994: 159) state that the procedures and methods which an organisation uses to meet its pricing goals are dependent on the market and competitive circumstances as well as on costs. In fact, the right price has a direct effect on an organisation’s profits because it determines the difference between the cost of producing an item and the

price at which it is eventually sold. However, a higher price can reduce demand while a low price can often lead to increased sales.

An organisation should always consider pricing objectives; prices charged by the competition; legal restrictions on pricing policies; and the perceived relationship between the organisation's prices and product quality (Pitt *et al.*, 1994: 159). The management of an organisation should determine the right base price for its products and then decide on strategies concerning discounts, freight payment and many other price-related factors (Stanton *et al.*, 1992: 15).

5.4.3 Place (distribution channel)

The place or distribution channel is 'the marketing mechanism used to present, deliver, and service the product for customers' (Burnett & Moriarty, 1998: 53). Koekemoer (2004: 10) explains distribution as the 'process of ensuring that the marketer's product offering is made available to the targeted consumers in the right place(s), at the right time, in the right quantities, in the "right" (good) condition, and at the "right" (competitive) cost'.

A distribution channel includes all the institutions, processes and relationships that facilitate the product's journey from the manufacturer to the buyer. The marketing channel (which is a network of institutions through which products move) also plays a vital role because decisions about the choice of the channel should be seen as an integral part of the organisation's marketing strategy and one that can be adapted to changing circumstances (Burnett & Moriarty, 1998: 49).

The outlets determine the place where customers buy their products – that is, where these products are made available to them. The planning of the organisation's distribution channel should be based on a careful assessment of the market requirements and the ability of the organisation to meet them. This is part of the organisation's marketing plan (Pitt *et al.*, 1994: 156).

5.4.4 Promotion (marketing communication)

Promotion is the component of the marketing mix which is used to inform and persuade the target audience to buy or use an organisation's product(s). Promotion is the element in the marketing mix that communicates the key messages to target audiences (Belch & Belch, 2009: 18). Promotion is also known as marketing communication and these concepts are, for all intents and purposes, the same. However, in this book we refer to marketing communication.

The main purpose of the marketing communication mix (promotional mix) is to develop effective communications by focusing on what to say, how to say it, to whom to say it, as well as through which media, and how frequently. These elements form part of the organisation's marketing communication plan to optimally use the promotional mix, and they are based on the marketing goals which have been set. The preferred marketing communication mix elements are those that are considered best for the organisation if it is to achieve its marketing objectives (Lamb, Hair & McDaniel, 2008: 14).

Each element of the marketing communication mix is designed to fulfil a specific function and can be used either alone or in combination to create meaningful marketing communication with potential customers. In marketing, it is essential to establish which elements of the promotional mix will work for the product and its target market, and then to enhance the performance of the appropriate elements by integrating them into a cohesive marketing communication strategy. This concept of ‘integrating’ illustrates the relevance of the integrated marketing communications (IMC) approach, especially the way in which it introduces the concept of integrated promotional management. Integrated promotional communication accentuates the co-ordination of the marketing communication and other marketing concepts. In practice, an effective marketing communication mix will include all the elements, albeit in different proportions. Various authors consider the following elements to be part of the marketing communication mix, although they might exclude or include some and not others:

- personal selling
- sales promotion
- publicity/public relations
- marketing public relations (MPR)
- advertising
- direct marketing
- sponsorship
- the Internet/online marketing.

When developing a marketing communication strategy, marketers blend together the various elements of marketing communication to communicate most effectively with their target market. Many organisations use an IMC approach to co-ordinate all marketing communication activities so that the consumer receives a unified and consistent message. See Chapter 6 for a more detailed discussion of both the elements of the marketing communication mix and of IMC. Especially take note of the meaning of the concept of ‘sales promotion’ and how it differs from the concept of ‘promotion’ – that is, marketing communication.

5.4.5 *Interrelation of the elements in the marketing mix*

The four marketing tools in the marketing mix, discussed above, complement one another in the organisation’s marketing plan. The organisation must regularly evaluate the blending of these tools to ensure maximisation of profitability and satisfaction for the organisation and its stakeholders (Kumar, 2001: 67).

5.4.6 *Expansion of the marketing mix elements*

Even though McCarthy’s four Ps framework is still popular, theorists increasingly add more Ps to the marketing mix, especially when they are applicable to the service industry (for example Booms and Bitner’s (1981) extension of the four Ps to seven Ps to include process, physical evidence and participants). In this instance, ‘process’ refers to the procedures, mechanisms and flow of activities within a specific service industry; ‘physical evidence’ refers to the environment in which the service is delivered; and

'participants' refer to the customers who buy the service and other customers in the service environment (Rafiq & Ahmed, 1995: 7). This seven Ps framework has gained widespread acceptance in the services marketing literature (Rafiq & Ahmed, 1995: 6). The Nordic School of Services Marketing adds to this view by including the customer as an active participant in the service process. Because consumers are active participants in the service offering and even product development, the consumer can be considered to be part of the service he or she buys and consumes (Grönroos, 2006: 318).

Another perspective is that the four Ps of the marketing mix are inadequate to ensure full consumer satisfaction on their own. Two further variables, namely people and processes, must be added to the four existing marketing instruments. The variable 'people' refers to the employees of an organisation who should be trained in customer service and who realise that their sense of job satisfaction is connected to the success of the organisation. The variable 'processes' refers to integral parts of the production, administration and marketing functions (Christopher, Payne & Ballantyne, in Cant *et al.*, 2004: 18).

The four Ps were also adapted to the four Cs of the marketing mix. These were developed by Robert Lauterborn (1990) and advanced by Philip Kotler (2000) The four Cs constitute a more client-oriented marketing perspective, with more focus on customer needs and wants; costs necessary to satisfy those needs; convenience; and communication. The central tenets of this approach are the following:

- *Product becomes customer needs and wants:* What does the customer need and want? The traditional definition of 'product' now also includes experiences, add-ons, privileges, information, partnerships, and so on. However, within this context the product remains the value of the product in terms of what customers are willing to pay.
- *Price becomes cost to satisfy need:* What is the cost to the customer, both in money and time? The old definition of 'price' should now be changed to include value, add-ons, partnerships and other factors that are relevant when weighing how customer needs are satisfied
- *Place becomes convenience:* How is the customer demanding convenience and how is the organisation responding? These days the concept of 'place' includes more than just a physical area. For instance, purchasing online, delivery and manufacture on demand are just some of the ways in which 'place' has changed over recent decades. Where and how a customer buys a product is no longer necessarily the same place as where and how they pay for it and where and how they consume it.
- *Promotion becomes communication:* What is the most effective way for the organisation to communicate with its customers? Nowadays, it is important to cultivate relationships with customers through online marketing and social media marketing platforms (see Chapter 10). Integrated marketing communication (see Chapter 6) is also important to align sales and marketing efforts (Teneric business [Sa]).

After Kotler (2000) advanced the four Cs of marketing, many non-academics also began renaming the four Cs. Some examples include the following:

- commitment, consistency, connection, change
- communication, customisation, collaboration, clairvoyance
- customer value, convenience, change, communication
- community, citizenship, customer, conversation
- customer, competition, cost, communication (Ling, 2009).

Chekitan and Schultz (2005) propose one of the more recent and academically sound changes to the traditional four Ps. They maintain that the four Ps are no longer relevant to the marketing mix because they do not reflect 21st-century market realities in terms of how organisations now relate to customers. They therefore propose a new customer-centric marketing mix that includes solutions, information, value and access (known as SIVA). Using this model to respond to customer questions, marketers can respond better to current market dynamics. The marketing approach is ‘reconceptualised’ from the customer’s viewpoint as follows:

- *Product becomes solutions*: The customer asks the question: How can I solve my problem?
- *Promotion becomes information*: The customer asks the question: Where can I learn more about it?
- *Price becomes value*: The customer asks the question: What is my total sacrifice to get to this solution?
- *Placement becomes access*: The customer asks the question: Where can I access it?

5.4.7 The marketing mix in the age of the Internet

The 1990s is generally acknowledged as a turning point in the field of information technology (IT). This turning point is symbolised by the Internet, whose role has become more important in society as well as in the organisation. The Internet has resulted in a new marketing context – that is, the content of marketing activities as well as the process of controlling these marketing activities. Online marketing involves more two-way interaction between organisations and consumers, and this increased involvement has changed many aspects of the marketing mix. Consequently, organisations have also adopted an e-marketing mix (Krishnamurthy 2006: 243). See Chapter 10, Section 10.7 for a more detailed discussion of online and social media marketing.

5.5 Marketing management

Marketing management consists of a continuous process that involves planning, organising, leading and controlling marketing activities. These activities include identifying opportunities and threats in the marketing environment; compiling marketing data; selecting a specific target market; selecting the strategy of the marketing mix (see Section 5.4); compiling a detailed marketing plan; dealing with marketing personnel; and controlling the marketing process (Cant *et al.*, 2009: 24).

Cohen’s (1988: 11) early definition of marketing management, although formulated two decades ago, still includes all the elements of good marketing management. Cohen states that ‘[m]arketing management is the analysis and planning leading to selection of one or more market targets – the design of an integrated marketing strategy to reach

selected market targets – and implementation and control plan strategy to achieve corporate marketing objectives’.

Part of marketing management is the development of a marketing plan. An organisation should have a marketing plan as well as a strategic marketing plan. A marketing plan consists of various steps that accommodate marketing activities over a period that can be from one week to one year. A strategic marketing plan, however, assists in developing and implementing marketing strategies to achieve specific marketing objectives, which in turn lead to the achievement of an organisation’s overall objectives. The strategic marketing plan’s scope is usually over a period of three to five years. It includes the organisation’s mission or strategic direction, its objectives and goals, its growth strategies and the business portfolio (Paley, 1999: 248).

This section only deals with the marketing plan. Although the marketing manager is typically responsible for the marketing plan, participants in the plan comprise all the functions in the organisation, including finance and production. According to Ferrell and Hartline (2008: 141), a marketing plan generally accomplishes the following five purposes:

- It explains the current and future situation of the organisation.
- It states the anticipated outcomes so that the organisation knows what to expect.
- It specifies all actions that will be taken and who will be responsible for each one.
- It identifies the resources needed to accomplish all planned strategies and actions.
- It allows for each action to be monitored and carefully evaluated so that necessary controls can be implemented.

5.5.1 The steps in the marketing plan

It is important to bear in mind that the five proposed steps that are followed in the marketing plan differ among authors. According to Paley (1999: 248), a marketing plan consists of the following five steps:

Step 1: Situation analysis

The marketing manager describes in factual and objective terms where the organisation stands in relation to the total marketing mix, for instance the sales history of the product, its position in the industry, evaluation of the organisation’s and competitors’ pricing policies and pricing trends, and so on (see Section 5.4).

In addition, the marketing manager also considers the organisation’s target market, for instance its customer profile, the geographic aspects of product usage and customer awareness. It is also important to perform an analysis of the competition and consider its strengths and weaknesses during this step. Table 5.5 on the following page summarises the most important aspects of the situation analysis step.

Table 5.5 Important aspects in the situation analysis step

Current position/product	A market analysis should be confirmed by means of proper market research. Both the internal and external environments should be analysed using a SWOT analysis (to determine the organisation’s strengths, weaknesses, opportunities and threats) Is the current product or service adding value to the customer? What is the sales history of the product?
Target market	Who are the customers? (It is best to draw up a customer profile). Where are the customers residing? What is their demographic profile?
Competition	What similar products and/or services are being offered by the competition? Who are the competitors?

Step 2: Marketing opportunities

The marketing manager considers marketing opportunities such as current markets; buyers; growth markets; product service development and innovation; and targets that provide an opportunity for the organisation’s products and/or services.

Table 5.6 Marketing opportunities considered by the marketing manager

Present markets	Where is the product currently being sold?
Buyers	Who are the buyers?
Growth markets	Which markets are still unexplored and can add to the growth of the product and/or service?
Product service development and innovation	Can the current product(s) be changed to better suit the needs of the customer? Is there an opportunity for better service delivery?

Step 3: Marketing objectives

During this step, the marketing manager considers the relevant factual data that was obtained during the situation analysis step. He or she interprets their meaning and consequences to the organisation’s product line in terms of opportunities that have been identified. Goals are then set in terms of what the organisation wants to achieve during the current planning period. However, goals without objectives can prove to be a meaningless exercise. Objectives need to be attainable, measurable, continuous (that is, they must be applicable from one planning period to another) and set so that they are achievable within a reasonable time frame. Responsibilities should also be

assigned to employees who can achieve these objectives (Ferrell & Hartline, 2008: 141). The marketing manager also needs to generate assumptions and projections about future conditions and trends with regard to the economy, technology and socio-political aspects such as legislation, taxes, education, and so on.

Primary objectives include financial objectives (current and projected sales, profit margins, market share objectives), while functional objectives are set when the careful blend of the marketing mix is considered in detail. Table 5.7 summarises the most important aspects of the marketing objectives step.

Table 5.7 Important aspects in the marketing objectives step

Data gathered from situation analysis	Based on the market analysis and the analysis of the competition, what objectives can be set to improve the situation?
Opportunities identified	Which new opportunities exist for the organisation's product and/or service?
Setting goals and objectives	What exactly are the goals and objectives for the next marketing period?
Assigning responsibilities	Who in the organisation will be responsible for achieving these objectives?
Projections for the future	Which aspects might impact on the organisation's product and/or service in the future? Conduct a trend analysis

Step 4: Strategies and action plans

In this step, specific strategies are designed and implemented through specific marketing actions that are in accordance with the objectives that have been set. Ferrell and Hartline (2008: 323) point out that strategies and action plans are usually also designed in line with the organisation's mission and vision, and organisational culture.

A marketing strategy is a guideline for co-ordinating resources such as money, people and material to achieve a set objective, for example more profit for the organisation. Responsibilities that have been assigned to relevant staff in terms of objectives are elaborated upon, schedules are determined and budgets are established. Personnel who are involved, such as the sales, service and manufacturing departments, are included in the planning exercise. Marketing strategies include product, pricing, advertising, media and marketing communication strategies. Smith and McDonald (2003) explain that a strong marketing strategy:

- defines homogeneous targets – that is, it defines targets in terms of real segments and groups of people with similar needs
- contains proposals for fulfilling each market segment's needs
- is unique and differs from that of the competitors
- maximises strengths and minimises weaknesses of the organisation

- creates synergy (that is, integration, when all the pieces working together ensure that the whole is greater than the sum of its parts) in the use of internal resources (for example manufacturing or sales) or between customers
- is aligned with marketing objectives
- anticipates the future and does not concentrate only on today’s market
- is properly resourced – that is, the resource implications of the strategy are considered in careful detail
- makes clear the basis of competition, for example better product performance than that of the competitor.

An organisation’s traditional marketing strategy should be fully integrated with online, social and mobile media for maximum effectiveness (see Chapter 10, sections 10.7, 10.8 and 10.9).

Table 5.8 Important aspects in the strategy and action plans step

Objectives	Marketing actions should be designed to realise all objectives. For each marketing objective, several marketing actions could be set
Mission, vision and organisational culture	Marketing actions should incorporate the mission, vision and culture of the organisation
Schedules	Marketing actions should be scheduled according to attainable deadlines and assigned to responsible personnel
Budget	Marketing actions should be planned and implemented according to a budget that has been predetermined

Step 5: Financial control and budget

The marketing strategy of the marketing plan is devised according to a carefully planned budget. Once the marketing plan has been designed, the marketing manager must decide how to monitor and control the finances during the implementation of each marketing action. Procedures to control and review the marketing plan and its budget must be developed and in place even before the marketing strategy can be implemented.

Table 5.9 Important aspects in the financial control and budget step

Implementation	How will the budget be implemented according to each marketing action that has been set? What will each marketing action cost?
Monitoring	How will the expenditure of each marketing action be monitored?
Review of the marketing plan	Is it necessary to review the marketing plan? How much will the review cost? Was the campaign effective? What were the results? Can the budget be justified in terms of the results?

5.6 Summary

In this chapter we have discussed the history and definitions of marketing; how the marketing discipline evolved through various marketing theories; the marketing mix; and marketing management. We also discussed how, although the traditional four Ps of the marketing mix are still popular, theorists increasingly add more Ps to the mix, according to the specific needs of the target audience.

Case study

Zoom PEP Generations

Executive summary

Here's the challenge

At the start of 2007, PEP Stores, with 1 100 outlets and the country's biggest single-brand retailer, was stagnant. Its numbers were solid but the brand status was unimpressive. Its positioning was entirely linked to price in a market that increasingly demanded and could get quality as well. Its main rivals were moving ahead. The marketing team and its agency, Zoom Advertising, were tasked with shifting perception of the brand away from a focus on price without losing any of its integral 'value' attraction. At the same time they had to immediately spike sales and energise staff.

Here's the solution

A new pay-off line was developed. 'Lowest prices for everyone' was replaced with 'Best prices... and more!'



Figure 5.1 PEP logo

It was essential that this new positioning was communicated in a bold, clear and broadly appealing way. The soapie *Generations* was an obvious media vehicle because the audience of the nation's most popular daily soap opera was an almost perfect demographic match for PEP's target market.



Understanding this was the result of a conventional piece of analysis and the conventional plan would either have been to advertise during *Generations* or use product placement. But Zoom wasn't interested in thinking conventionally. They decided to effectively 'own' *Generations* for a period of two months. This was the first time that what is known in the USA as 'branded entertainment' was seen in South Africa. The iconic TV programme is set in an advertising agency, so Zoom proposed that the development of the new PEP campaign could become part of the storyline and that one of *Generations'* most popular characters, Queen Moroka (played by Sophie Ndaba), could be promoted from the reception desk and prove her worth in characteristically soapie fashion by 'winning' the PEP account. She could even be wearing PEP clothes as she does so and then those outfits could be available and marketed in store the next day.

Then the marketing team suggested that viewers could SMS their pay-off line suggestions as the campaign evolved in the storyline. The new advert could break within the show as the culmination of the virtual campaign without any station identification to separate it from the programming. All PEP stores could have a complete make-over for the morning after the 'campaign launch' on *Generations*. And then, why not use Queen Moroka and her on-screen son, Prince, as ongoing brand champions?

Here are the results

The *Generations* campaign started in June 2007 and ran until it peaked with the launch of the new TV advert within the *Generations* storyline on 26 July 2007. The stores' new look was in place the following day. Retail Liaison Committee (RLC) monthly figures show a sharp and highly significant leap for PEP's market share of the Clothing, Footwear and Textile (CFT) sector, from 9.5% to over 9.8% between end-May and end-July 2007. This increase was preceded by five months of consistent loss of market share.

This leap turned out to be more than a mere one-hit wonder. In the last five months of 2007, at a time when PEP's competitors were feeling the effects of a tightening economy, PEP's market share grew by a further 5% and customer numbers increased by 7.67% to an all-time high. PEP's annual turnover rose 20.75% and its rand per customer sales grew by R2.45 after two previous years of decline. Queen Moroka's slogan SMS competition received over 98 000 entries in a two-week period. In the brand perception arena, PEP scored a 4.6% increase in its total brand relationship score in the IPSOS Markinor/*Sunday Times* Top Brands survey and further qualitative research conducted at the end of 2007 found that key communication objectives of the re-positioning project had been impressively met. The total cost of the campaign, including Point of Sale, was R12.6 million. With an annual turnover of R8 billion and an annual turnover growth in 2007 of R1.3 billion, the cost of the campaign represented serious value for money. With the *Generations* campaign from Zoom, PEP very definitely got 'Best price...and (much much) more'.



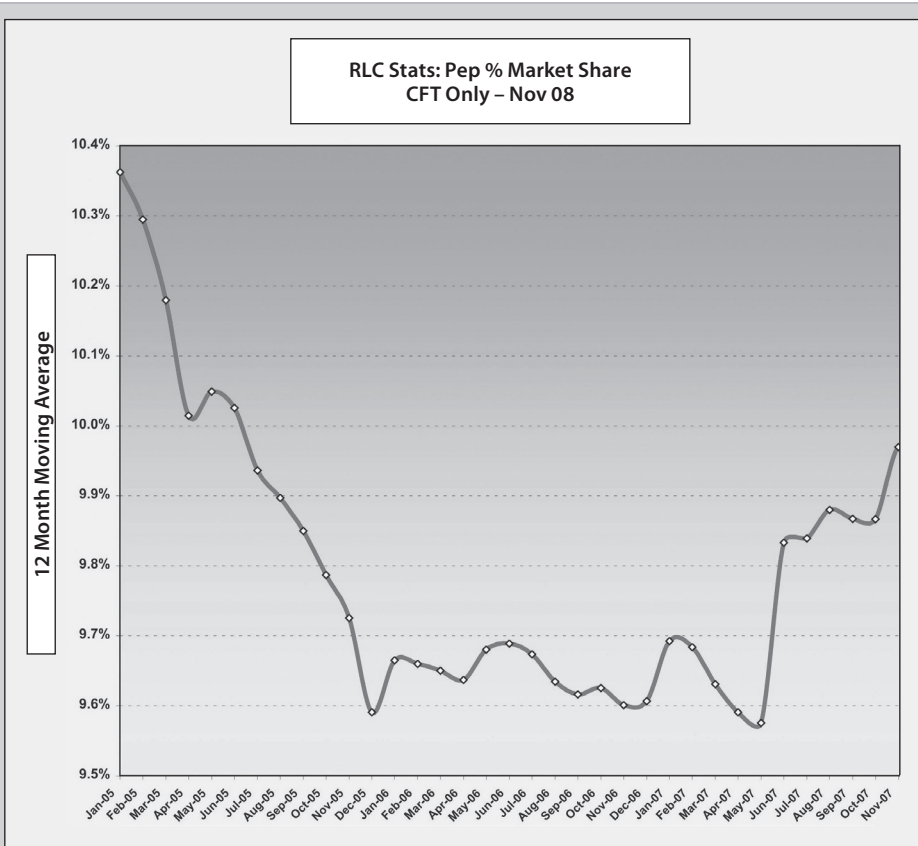


Figure 5.2 Market share – CFT

Project title – Zoom PEP Generations

The brand

PEP is South Africa's largest single-brand retailer, with 1 100 outlets conducting 200 million transactions per year. There are also PEP stores in Botswana, Lesotho, Namibia, Swaziland, Zambia, Mozambique, Angola and Zimbabwe. The brand history is a classic South African retail marketing story. From its beginnings as a single-store clothing and footwear retailer in Uppington in the 1950s, the thinking that drove the company was that even if you were poor you still had to be able to dress yourself and your family well. Renier van Rooyen opened that original store in the Northern Cape and it was one of the first white-run establishments to cater to the black community by providing quality, durable clothing at much-discounted prices. He allowed black customers to see, touch and hold merchandise before buying – a break from the established segregated practice of displaying all stock behind a counter. Van Rooyen soon opened other stores in small towns throughout the country, trading as BG Bazaars. By the early 1960s it became necessary to change the brand name because it was colliding with that of OK Bazaars.



Van Rooyen settled on a suggestion made by a travelling shoe salesman and PEP Stores was created in 1965. The name struck a chord with Van Rooyen. It characterised the man himself, a hard worker who always demanded tasks be done 'with pep'. The word also had punch, and it was easy to remember, pronounce and read in all South African languages. It promised vigour, zest and energy, qualities that he believed characterised his staff. It wouldn't have been called a brandprint (unique identity) in 1965 but that's what Van Rooyen had instinctively created. This brandprint informs the management and marketing of PEP to this day, even though the chain has massively expanded both its footprint and its product range. For example, top cellular products, airtime, appliances, homeware, health, wellness, beauty products and insurance have been added to the CFT base. Brand studies up to 2007 showed that the PEP brand indeed carried all the characteristics which Van Rooyen had attributed to the word. It also enjoys very strong value as a community brand – that is, engaged, involved and very much present in the lives of ordinary South Africans. However, the PEP brand has remained firmly anchored in price. The brand statement was clear: 'Lowest prices for everyone'.

Campaign/strategy dates

Strategic reassessment of PEP's brand positioning began in 2005. Brand research by Yellowwood Brand Architects was commissioned in February 2006. The *Generations* campaign idea was approved in November 2006 and the new pay-off line was approved in January 2007. The campaign was developed over four months, culminating in its first appearance on *Generations* on 19 June 2007. The new TV ad was launched within the *Generations* storyline on 26 July 2007 with all Point-of-Sale (POS) in-store the following day. From 26 July until 18 August 2007, the new TV commercial ran with 25 flightings on SABC1, 2 and 3 as well as on e.tv. The initial TV burst was supported by three insertions of press ads in the *Daily Sun*.

Situational analysis

In 2005, the company was in good financial health and had no debt. However, its relationship with its customers (and its trading numbers) appeared to be reaching a plateau. The customers had begun to experience PEP as over-familiar and predictable. Jet Stores was the clear sector leader and it was increasing its lead. The other primary competitors were Mr Price and Ackermans, while major food retailers like Shoprite/Checkers were also broadening their range of offerings to include the CFT sector. In February 2006, Yellowwood Brand Architects was commissioned to conduct a qualitative survey among more than 1 000 PEP customers. The long-standing pay-off line, 'Lowest prices for everyone' was found to be out of touch with the majority of the LSM 2–6 (Living Standard Measurement) customers. Customers weren't simply after the lowest prices. They wanted value for money. They wanted quality assurance. They wanted customer service. They wanted style. In a nutshell, they wanted more. Based on this, the brand's positioning was shifted from the one-dimensional price position to one that communicated a value proposition in line with PEP's brand essence.

'Best prices for everyone' became 'Best prices... and more'.

Target audiences

PEP's target audience consists of two segments:
Family segment 1 (LSM 2–4) and Family segment 2 (LSM 5–6).



Family segment 1 (LSM 2–4)
 Household income: R500–R1 400
 Rural: 65%
 Race: 97% black
 Age: 25–49 years

Family segment 2 (LSM 5–6)
 Household income: R1 400–R4 000
 Metro/city: 58%
 Race: 80% black
 Age: 25–49 years

Business objectives

By effectively communicating a new, broader brand offering PEP hoped to:

- retain and grow spend from existing customers
- attract new customers
- offer a viable brand platform for expansion into higher premium offerings
- re-energise staff
- burnish the business image of PEP.

Marketing objective

This was to effectively communicate a new, broader brand offering without compromising the current value positioning. The solution applied must work across a range of target markets – that is:

- existing customers
- potential customers
- staff
- the community
- business opinion makers.

The solution had to work on both a brand level and as an immediate sales driver.

The strategy campaign

The perfect platform

The iconic *Generations* (on SABC1) is South Africa's favourite soapie. It is beamed daily into the homes of over five million viewers and is set in the fast-paced world of an advertising agency.

The overlap between *Generations*' viewers and PEP's market, together with the glamorous and inspirational characters and the sheer viewer numbers, made this soap opera the perfect platform from which to launch PEP's re-positioning. By using the virtual advertising agency to solve PEP's marketing problem in front of millions of viewers, PEP's re-launch became an integral part of the storyline – every day, for three months.

The ideal spokesperson

The popular and likeable Queen Moroka – an under-appreciated receptionist at the agency – takes the initiative to strategise the re-positioning and is duly appointed project leader. Amidst a flurry of personality clashes, power struggles, looming deadlines and late nights, she and her team of creatives pull off the pitch that defines the agency.



This was a rags-to-riches story that gripped South African viewers and offered them a rare and realistic glimpse behind the scenes of a successful advertising campaign. Apart from becoming a credible and much-loved spokesperson for the brand, on occasion the stylish Queen Moroka also treated viewers to a fashion show, outfitted in PEP clothing.



Figure 5.3 Queen Moroka and scenes from *Generations*

In-store image transfer

Queen's image and clothing selection were transferred to the in-store environment, and each outfit was available and extensively promoted in every branch across the country the very next day. These promotions were backed by point-of-sale and press advertisements in the *Daily Sun* as well as by magazine advertisements in *Drum*, *You* and *Huisgenoot*.





Figures 5.4 and 5.5 Point-of-Sale

Integrated viewer participation

To reinforce the real-time nature of the launch, Queen invited viewers to help the agency choose the new slogan via an SMS competition. The response to this competition was almost 100 000 SMSs over a two-week period. Queen later announced the winners on-screen.



Figure 5.6 SMS competition

Drama–advertising interaction

However, the real coup occurred on the night that the virtual agency finally revealed the new positioning in the form of PEP's first-ever brand TV commercial. The actual ad was fed in as the first ad in a commercial break and the transition from the *Generations* storyline to the actual PEP commercial was seamless. The network even dropped its regular station marker for this break to ensure a flawless and world-first drama–advertising integration.





Figure 5.7 PEP’s brand television commercial during the showing of *Generations*

Real-time transformation

The night the new slogan and branding were unveiled, PEP staff across the country worked late in order to update every branded element in- and on-store. The staff – or *Dynamos*, as they are referred to – were entertained and encouraged via the in-store radio station, *Feel Good FM*. Not only did South Africa experience the announcement live on TV, they were also treated to the new look nationwide the very next day. This world-first in branded entertainment succeeded in blurring the lines between soap opera and real life. Viewers, together with their on-screen idols, became part of the brainstorming sessions. They worked the late nights, weighed up the options and came up with the winning effort. They became champions of the brand. Queen’s association with the brand was so well received that her son in the *Generations* storyline, Prince, also became an ambassador for the brand. Since the beginning of 2008 he has become the recognisable face of Student Prince, the quality schoolwear brand manufactured by PEP and sold in all PEP stores.



Figure 5.8 Student Prince



Queen's celebrity status also enabled her to spearhead a PEP blanket-collection drive for various homeless charities during the winter of 2008. This community service project was also written into the script, where she bought blankets from PEP and distributed them to the homeless. This was followed by an appeal to viewers to drop off blankets at PEP stores for distribution to selected charities. PEP then matched this effort in blanket donations. By tapping into the high production values and celebrity status of *Generations*, PEP managed to run an extremely cost-effective campaign whilst targeting the majority of both lower- and middle-income markets. Long after the launch of the new positioning, PEP's involvement with *Generations* continues. Queen Moroka continues to be an ambassador on-screen for the brand and features prominently in PEP promotions. Her image is a constant presence in-store and on printed advertising material. Sophie Ndaba, who plays Queen, has had an even greater impact on the campaign because, in the words of a leading local entertainment website, she has 'transformed herself from a budding actress to a prime-time diva'. She describes herself as 'a five-star freak' who loves luxury – and yet she's wearing PEP!



Figure 5.9 PEP's blanket drive

Budget

The budget for writing PEP's re-positioning into the *Generations* storyline for three months prior to the launch, including licensing and character fees, was set at R5 million.



Table 5.10 An example of the budget for the campaign

Production of the brand TV ad	R1 million
Flighting of the brand TV ad	R0.8 million
All supportive Queen campaign advertising	R0.5 million
All Point-of-Sale	R1.5 million
All tag-line Point-of-Sale replacement cost	R3 million
Total budget	R12.6 million

In addition, the value of the editorial PR surrounding the campaign was estimated at around R5 million.

Results

High volume retail is one of the most closely monitored business sectors, with a multitude of matrices to measure performance in a variety of ways. One of those finely tuned measuring instruments provides exemplary evidence of the impact of the *Generations* campaign. The Retail Liaison Committee (RLC) tracks market share in the Clothing, Footwear and Textile (CFT) sector on a monthly basis.

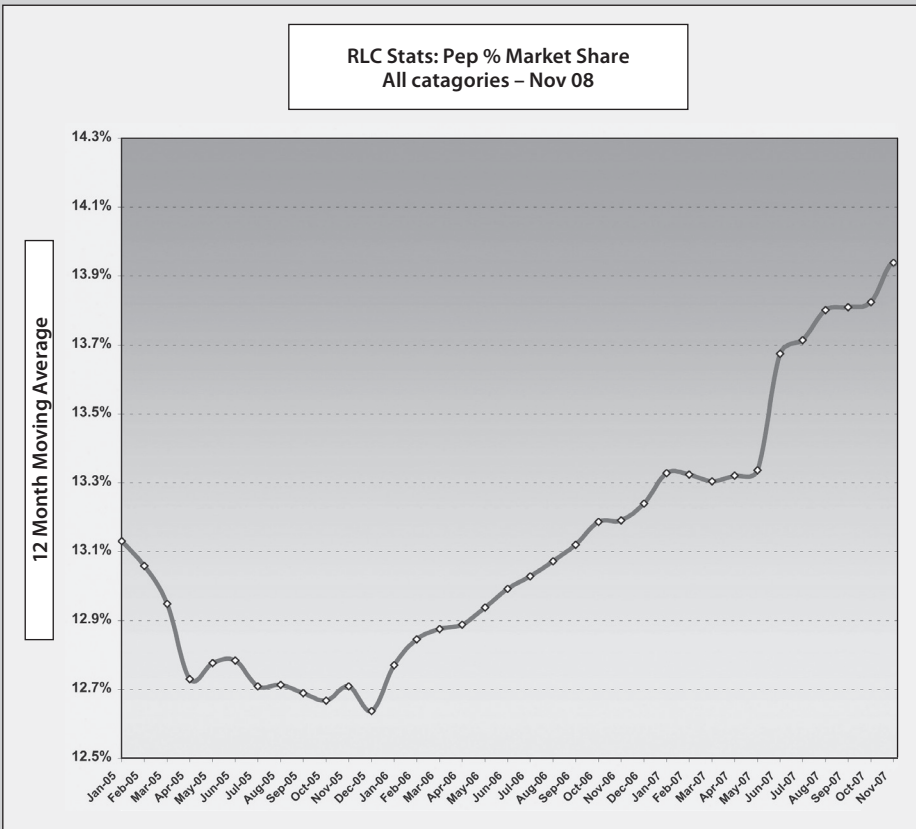


Figure 5.10 Market share – all categories

Figure 5.10 shows that from January 2007 to a low point at the end of May 2007, PEP dropped market share from 9.69% to 9.57%. Such a seemingly minor decrease nevertheless represents a huge amount of turnover in a high volume/low margin business. At a time when the entire sector was feeling the pinch of four successive interest-rate hikes, union strikes and a falling rand, the RLC/CFT graph for PEP turns sharply upwards from the end of May and by the end of July is at 9.83%. The *Generations* campaign ran from 19 June and peaked at the end of July. This is a market share figure which means sales were being gained from competitors. It is not a reflection of growing turnover in a growing market. And, as the chart shows, that market share growth continued more or less unabated until the end of the year.

As can be seen in Figure 5.11, which represents sales in its entirety, the performance in the CFT sector was mirrored across the range. During the same six months, customer numbers grew by 7.67% to an all-time high, a further indication that PEP was expanding its customer base. Looking at the whole year, PEP's turnover growth in 2007 was 20.7% compared to 17.4% the previous year, which, by general consensus, provided a more optimistic and expansive trading environment.

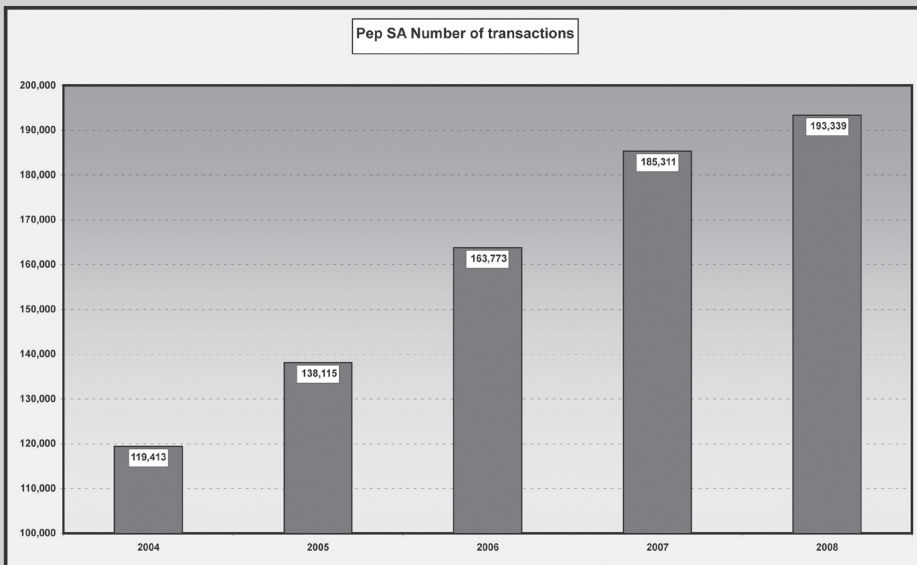


Figure 5.11 Number of transactions of PEP SA

They also improved their average rand sales per customer by R2.29 to R36.72 (6% increase), having seen that number decrease in the previous two years.



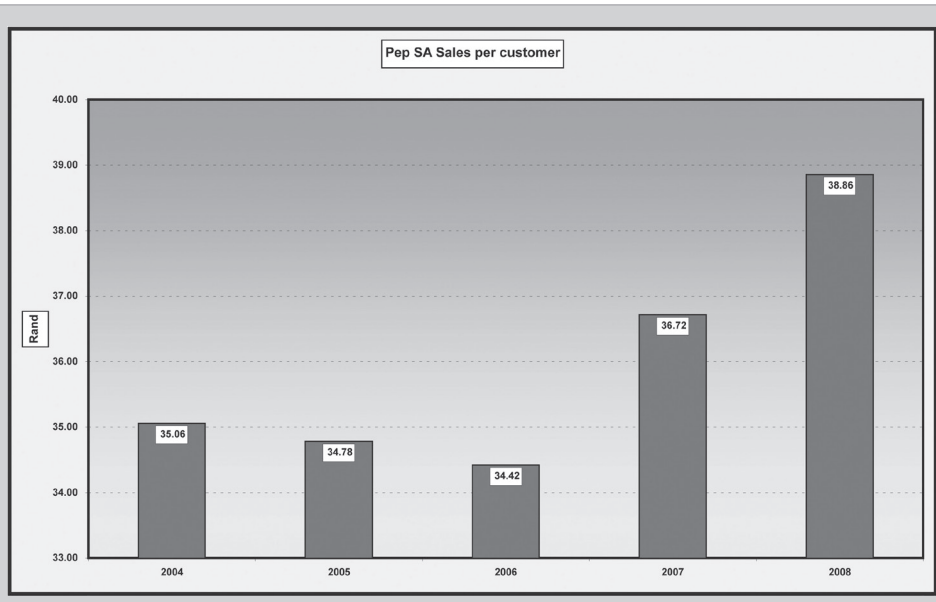


Figure 5.12 Sales per customer, PEP (SA)

One extra, hard data piece of responsiveness to the campaign is that Queen Moroka’s slogan SMS competition received 98 100 entries over a two-week period. In addition, a campaign that cost R12,6 million achieved PR exposure valued at R5 million. The clear correlation between the dates of the advertising campaign and the improved performance data demonstrates that this unique marketing solution triggered business success.

Might there possibly have been any other alternative contributory factors? The broader economic context was essentially negative. Some other retailers in the sector also grew in late 2007 but others contracted. The turnover numbers combined with market share growth for PEP shows that it was a true winner in the year and was not simply riding a rising tide. PEP did not cut prices any more than usual to drive new sales. There were special drivers and offers attached to the *Generations*-linked product but value rather than price was the key to the offer. And those drivers were executed as part of the campaign. (Interestingly, previous price-driven campaigns over the past two years had produced nothing like these results). The stores did improve their look and feel but, again, this was part of the campaign. PEP staff – the ‘Dynamos’ – were more motivated and their improved performance was important. The campaign had also been specifically designed to help achieve this increased motivation and performance, not least by using a programme which many of the staff loyally watched.

It must be acknowledged that cellphones and airtime had increasingly contributed to the company’s bottom line throughout 2007. This particular market growth was driven by some factors external to this campaign in what is a very price-sensitive area. However, CFT remains the major focus of the business. There were managerial decisions and efficiencies within the group that increased profitability but, while such measures might improve margins and would possibly influence spend per customer, they would never significantly increase feet through the door and turnover to the extent revealed by the data. PEP management and their marketing team were also the prime motivators of this entire process. They recognised their brand weakness, sought informed research, promoted introspection and then boldly championed both a new strategic approach and a risky, untried marketing solution.



Allowing for all of that, the hard numbers in this hard-nosed business demonstrate that Zoom's campaign resulted in significant short-term effects on sales. They changed the retail landscape. Achievements in changing brand perceptions are far less tangible and more difficult to measure but the available data is also uniformly positive. The IPSOS Markinor/*Sunday Times* Top Brands survey provides an annual brand relationship score. The clothing score category was not measured in 2007 but the improvement in PEP's brand relationship score during 2006–2008 rose from 16,4 to 21 (a growth of 28%). This was significantly greater than any other brand in the sector. The gap has closed on market leader Jet Stores. Qualitative research conducted by Yellowwood Brand Architects at the end of 2007 found that key communication objectives of the re-positioning project that had been met were:

- a positive change in the perceptions of PEP as a retailer of quality goods
- an increase in value and style associations following the *Generations* campaign.

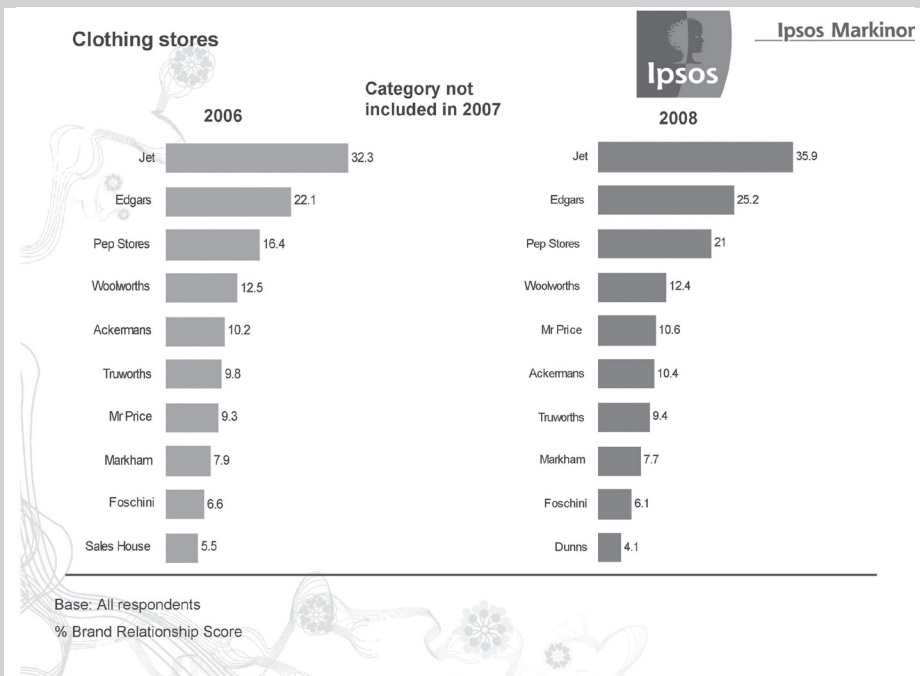


Figure 5.13 Ipsos Markinor top brands

Qualitative research conducted by Yellowwood Brand Architects at the end of 2007 found that key communication objectives of the re-positioning project that had been met were:

- a positive change in the perceptions of PEP as a retailer of quality goods; and
- an increase in value and style associations following the *Generations* campaign.

The Yellowwood research further concluded that, of the strategic objectives, notable areas that saw improvement were:

- the maximising of PEP's strength as a low-cost provider
- a successful positioning move from 'Lowest prices' to 'Best prices... and more'
- an increase in perceptions regarding quality
- an increase in perceptions of 'Simple style or stylishness'
- the regaining of PEP's position as an iconic South African brand.



Yellowwood then followed up this qualitative research with a quantitative survey, to provide a statistically accurate reading on the subject. A sample of 500 people from seven provinces was used. Key findings from this survey were:

- an increase in regular usage of the brand
- a decrease in brand rejection
- a strongly maintained association of price
- a sense of 'value' added to existing perceptions of the brand.

Quantitative sample

Province	Total sample	Metro	Non-metro
Western Cape	50	35	15
Eastern Cape	110	55	55
KwaZulu-Natal	95	45	50
Mpumalanga	40	0	40
Limpopo	45	0	45
Gauteng	115	115	0
North West	45	0	45
TOTAL	500	250	250

Figure 5.14 Yellowwood sample

Regarding the advertising successes specifically, the survey found:

- high levels of advertising awareness
- high levels of *Generations* link (almost 10 months after the launch)
- a very strong association with Queen Moroka
- great recall for 'Best prices ... and more'.

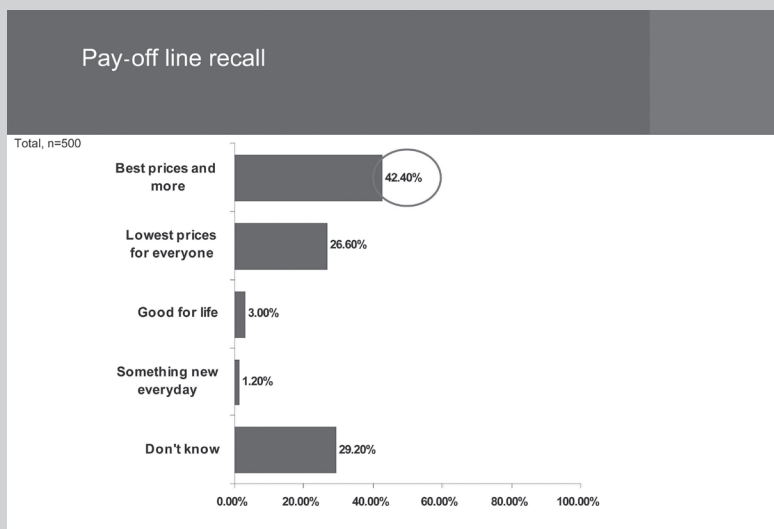


Figure 5.15 Yellowwood: Pay-off recall

Strategic objectives achieved

- Maximise our strength as a low cost provider
- Move from LOWEST PRICE to LOW PRICES + (MORE)
- Increase QUALITY perceptions
- Increase perceptions of SIMPLE STYLE OR STYLISHNESS
- Become EVERYDAY LOW PRICE VARIETY STORE FOR FAMILY LIFE ESSENTIALS
- FOCUS on our heartland of LSM 2-4 and recapture their hearts
- Regain STRENGTH over JET
- Regain position as ICONIC SOUTH AFRICAN BRAND

Figure 5.16 Strategic objectives achieved

The confirmation from Yellowwood that the *Generations* campaign had made its mark and achieved key objectives was reassuring but certainly came as no surprise. Everyone involved knew it. This was one campaign that, ground-breaking as it was, felt right all along. The media fit was perfect and the idea was big and highly original. The execution was superb and the numbers jumped almost immediately and then sustained their strength. One can't ask for much more than that. And the client agrees:

Looking back it's hard to imagine how the PEP/*Generations* campaign could have gone any better. We needed to shift our brand perception away from price-only to a brand that offers more. It was a multi-tiered approach that required us to re-look at every aspect of the brand, paving the way for the next era in PEP's life-cycle. We also wanted to re-invigorate the company at every level, especially within the stores. The new campaign developed by Marcus Banga (Marketing Director PEP) and Zoom Advertising was brilliant. Even if you locked me in a room for a week, I couldn't conceive such an idea! The response from our customers was overwhelming and PEP was a HOT topic in the communities because of the *Generations* connection. The campaign certainly has changed the way people perceive PEP and has established PEP as an inspirational brand.

George Steyn
MD PEP

The above marketing campaign won a Grand Prix and Gold at the *Sunday Times* Marketing Effectiveness Awards and also at the APEX Awards in 2009.



SOWETAN, Business
Friday, 27 July 2007, p. 21

Generations pepped up with new ad campaign

Lihle Mtshali

Last night, *Generations* viewers saw the ads created by ditzy receptionist Queen whose proposed advertising campaign for PEP got the thumbs up from the clothing chain.

Today, PEP customers will see the very ads developed in SABCI's 8pm weekday soapy displayed in the clothing chain's stores.

This marks the first time a marketing technique called branded entertainment has been used in South Africa on a large scale.

PEP's advertising agency Zoom pitched the idea after market research found the retailer's customers are also *Generations* viewers.

PEP's new tagline, best prices and more, was first introduced to *Generations* viewers six weeks ago when Queen, played by Sophie Ndaba, decided to take a shot at advertising and pitched for the PEP account.

Thereafter the soapy followed her progress, culminat-



AIMING HIGH: Receptionist Queen, played by Sophie Ndaba, wins the PEP advertising account.

ing in the big reveal that she won the account.

To add a bit more authenticity to the storyline Queen has been wearing PEP clothes on the programme during the six-week build-up to the launch.

Generations viewers will now see the advertising campaign portrayed in the television series carried out with

posters and signage in all PEP stores countrywide.

"It is very clever how the campaign was worked into the storyline and it should create a lot of excitement on the market when PEP's customers see the link-up between what they've been watching on *Generations* and what's in the stores," said Marketingweb managing editor Gillian Jones.

Figure 5.17 An example of publicity for the advertising campaign

(Case study provided by Steve Massey of Zoom Advertising, Cape Town and used with his full permission. Issues related to copyright were addressed.)

Activities

1. Explain how different definitions of marketing are noticeable in the various stages of the evolution of marketing.
2. Discuss how the four principles of the marketing concept are extended in the cause-related, social marketing and relationship marketing perspectives.
3. What is the role of marketing communication in the marketing strategy?
4. What is the difference between a marketing plan and a strategic marketing plan?
5. What role should the marketing concept play in marketing management activities and why?
6. Why is the traditional marketing mix considered by theorists to be no longer adequate to prepare a proper marketing strategy?
7. According to you, which elements could also be added to the marketing mix?

8. Indicate how you would market a new product of your choice by referring to the five steps of the marketing plan. Your discussion should include an explanation of each step and how each step relates to your new product.
9. Do you think social marketing necessitates a discussion in the context of marketing?

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Integrated marketing communication

Rachel Barker

[Integrated marketing communication] underpins the belief that marketing creates value by building brands, nurturing innovation, developing relationships, creating good consumer service and communicating benefits.

Gilligan & Wilson (2009: 3)

6.1 Introduction

The previous chapter addressed marketing management in detail. In this chapter the focus will be on integrated marketing communication (IMC). A significant modern premise that emerged in the field of marketing communication is the drive towards integrated actions, which is also referred to as integrated marketing communication. Baker (2003) sees it as the blurring of the edges of marketing communications. More recently, the emphasis has been placed on the importance of brand competition which compels organisations to implement the most effective communication strategy to create and enhance relationships with consumers and other stakeholders where integration is the key component to do this (Du Plessis, Van Heerden & Gordon, 2010: 8). One of the most notable writers in the field, Schultz (in Jones, 1999) suggests that IMC is the apparent progress made by mass market media advertising towards targeted direct marketing. IMC therefore advocates that marketers make a paradigm shift from promotion *to* their target markets, in the sense of advertising being a unidirectional set of activities, to communicating *with* their target markets, which emphasises a two-way flow of information. The shift, moreover, is away from the concept of promotional mix and its focus on advertising and sales promotion activities, towards an integrated communications approach that includes all marketing activities (Kitchen, 1999) to create and enhance relationships. Hence, when the promotional mix is referred to in this chapter, the term encompasses the concept 'marketing communication mix'. Consumers' growing awareness of available choices has necessitated marketers adjusting the way in which they communicate, through the promotional mix, with these better-educated, cost-conscious and demanding people.

Because marketing communication is integrated with organisational operations on a strategic level, it is problematic to continue to view marketing communications as a separate field of activity. Therefore, the point of departure of this chapter is to see IMC as an approach that is used to operationalise the relationship between the elements of marketing communication, as well as the integration between these elements and the broader marketing objectives of an organisation to align with and enhance its corporate brand.

This chapter therefore discusses IMC in terms of:

- its definition
- the evolution of IMC
- the theoretical perspectives
- its role as a process
- the elements of the promotional mix.

The chapter concludes with a view of the new trend which favours relationship marketing, and presents a global perspective on IMC.

6.2 Definition of IMC

Definitions of the concept of IMC emerged during the 1980s in response to the need for organisations to have a more strategic integration of communication tools (Du Plessis *et al.*, 2010) but these definitions have evolved notably over the last two decades. According to Baker (2003), the watershed between the production/sales approach to business and the emergence of a marketing orientation was probably best illustrated with the publication of Theodore Levitt's article 'Marketing myopia' in 1960. Seen in the 1990s as a marketing concept used for sales promotion, product publicity, events, sponsorships and direct marketing (Du Plessis, Bothma, Jordaan & Van Heerden, 2003), the marketing concept was articulated as reflecting the necessary characteristics of modern marketing, emulating the creed of modernism in general. In the 21st century it is seen as a relationship-building domain with personalised and integrated customised messages aligned with the corporate brand of the organisation. IMC in the 21st century is characterised by a postmodernist perspective in a market where strategies and tactics are needed to create and sustain a competitive advantage (Proctor & Kitchen, 2002). Today it is accurate to say that IMC is a newly emerging discipline with both a managerial orientation and a business philosophy, and one that has been affected by a postmodernist perspective.

Nevertheless, in the literature there are contradictory viewpoints on IMC in the 21st century. This is primarily due to a lack of consensus on what IMC implies in practice. Some see it as replacing the traditional above-the-line and below-the-line approaches with a through-the-line or zero-based approach, while others view it holistically, either in terms of a 'skin-deep' integration of messages or of a comprehensive plan that evaluates the strategic role of a number of communication disciplines (such as advertising, direct response, sales promotion and public relations) needed to achieve synergy (that is, when the whole of the promotional effort is greater than the sum of the parts) (Schultz & Kitchen, 2000).

The most widely used definition seems to be that of the American Association of Advertising Agencies (Belch & Belch, 2001: 11), which defines IMC as a concept of marketing communication planning that recognises the added value of a comprehensive plan which evaluates the strategic roles of the marketing communication techniques (that is, advertising, direct marketing, sales promotions, personal selling, sponsorships and public relations) and combines these disciplines to provide clarity, consistency and maximum communications impact (through the seamless integration of discrete messages).

A more recent definition is proposed by Duncan (2002: 8), in which the importance of branding is emphasised:

IMC is a process for managing the consumer relationships that drive brand value. More specifically, it is a cross-functional process for creating and nourishing profitable relationships with consumers and other stakeholders by strategically controlling or influencing all messages sent to these groups and encouraging data-driven, purposeful dialogue with them.

In line with the integrated communication approach followed in this book which postulates that all the messages should be aligned with the corporate brand of the organisation, the above definition can be adapted to read:

IMC is the process of strategically managing consumer and stakeholder relationships in support of the corporate brand of an organisation; the process is aligned with and drives the corporate brand of an organisation.

Turney (2001) argues that, in spite of various debates, professional journals report that public relations and marketing have already merged and that a wide range of communication tools and strategies need to be integrated in order for marketing communication goals and objectives to be achieved. He understands IMC to be ‘the irrepressible intertwining of heretofore separate disciplines ... into a sometimes unholy alliance to win consumer support’ (Turney, 2001).

The next section will touch on the development of IMC in terms of its evolution, definition and trends.

6.3 Development of IMC

6.3.1 Evolution

The evolution of marketing can be traced back to the 1800s, in formats ranging from direct personal relationships, personal selling, mass production and marketing during the Industrial Revolution to the concept of mass communication (using broad-based media to reach large consumer markets, advertising, publicity, and so on) as part of communication strategies (Belch & Belch, 2001; Du Plessis *et al.*, 2010: 8).

Hence, IMC evolved from direct personal relationships and selling communication strategies in the 1800s to the holistic communication approach that characterised the 1990s (which saw the amalgamation of elements of the promotional mix such as public relations, marketing, advertising, promotion and online media). During the Industrial Revolution and mass production, mass marketing was used to sell products, with the focus on broad-based media to reach a large and diverse population. Although mass media were the major marketing tool during the 1950s and 1960s, a definite move towards sales promotion and the measurement of results became evident in the 1970s, while in the 1980s the need for strategic integration elicited a move towards the process of IMC. This evolution indicates the shift from personalised sales to mass marketing to relationship building (with a focus on personalisation and customisation) (Du Plessis *et al.*, 2003).

Various driving forces for the growth of IMC, as identified in the literature, are summarised in Table 6.1 (Baker 2003; Du Plessis *et al.*, 2003; Du Plessis *et al.*, 2010; Grein & Ducoffe, 1998; Kitchen & Schultz, 1999; Yeshin, 1996).

Table 6.1 Driving forces for the growth of IMC

Driving force	Description
Value for money	Organisations want to gain maximum value for money with maximum impact, resulting in shrivelling marketing departments and pressure on margins
Increasing pressure on organisations' bottom lines	Organisations seek compensatory savings in all activities through economic pressures and profitability
Increasing client erudition	Especially to understand retailers, customers and consumers – an increased confidence in using other marketing communication disciplines
A dissatisfaction with advertising	Resulting in clients using other disciplines to improve consumer relations and sales
Increasing mass-media costs	Where database costs decreased, mass-media costs (especially television) increased dramatically
A disenchantment with agencies	Advertising agencies specifically have lost ground in terms of strategic input and direction
Media channel fragmentation	Changing face of the media demands the re-evaluation of a variety of media channels to deliver the message and achieve impact from marketing communication budgets
High expense of traditional advertising, which is not cost effective	Traditional forms of advertising are no longer cost effective – organisations are turning to other forms or advertising to achieve objectives
Rapid growth and development of database marketing	Sophisticated database techniques are a more precise means of targeting consumers; there is a move away from traditional mass marketing towards focused communication
Shift of information technology	Information technology allows for interactive communication and direct buying
Power shift towards retailers	Manufacturers' domination has bowed to the demands of retailers to ensure that products are not de-listed on the shelves
Increasing price competition	To overcome the impact of downward price spirals, organisations are realising that marketing communication is often the differentiating factor between competing brands and brand distinction
Environmental factors	Environmental concerns have forced organisations to adapt to environmental changes and to use environmentally friendly products
Emergence of a variety of remuneration methods	Today's marketing communications organisations are rewarded in more ways than merely earning a commission



Driving force	Description
Need for brand integration	The brand's personality and values should link to the strategic and consistent communication of messages to establish brand values
Stakeholder centricity	Focus should be on the needs and wants of the stakeholders
Synergy	Branding should be aligned to enhance and/or reinforce synergy
Message consistency	Core messages should be aligned with the corporate brand of the organisation
Sustainable	Long-term relationships should be established and maintained

To address the needs of the marketplace, agencies started to merge to form larger groups to provide a more comprehensive range of services in marketing communication, and more and more acquisitions took place as a result of increased global competition. This drive towards globalisation necessitated the need for synergy between all marketing communication activities. In a study conducted by McGoon (1998), four stages of IMC development are identified:

- *Stage 1: Tactical co-ordination of marketing communication.* The focus falls on functional areas including advertising, promotion, direct response, public relations and special events. A high degree of interpersonal and cross-functional communication is needed as formal policies and procedures are insufficient.
- *Stage 2: Redefining the scope of marketing communication.* The organisation begins to examine communication from the consumer's viewpoint, including all contact and entry points. The scope of communication activities also broadens to include internal marketing to employees, suppliers and other business partners. Extensive information on consumers is gathered through primary and secondary market research as well as actual consumer behaviour data. Feedback channels are created to gather information about consumers.
- *Stage 3: Application of IT.* The organisation uses data obtained through IT to provide a basis for the identification of values and to monitor the impact of integrated internal and external marketing communication programmes over time. IT must be incorporated effectively into communication planning, development and execution.
- *Stage 4: Financial and strategic integration.* The emphasis shifts from skills and data to driving corporate strategic planning using consumer information and insight. Financial measures should be adopted into the evaluation process based on return-on-consumer investment measures.

These four stages paved the way for the introduction of IMC in the organisation. Another key component is the integration of the external marketing communication efforts with the internal marketing communication and efforts to align it with the overall organisational corporate brand. Semenik and Bamossy (1995) identify the

following four features of contemporary IMC programmes, which distinguish the process from historic applications:

1. *Outside-in approach to developing communications:* In IMC, the organisation starts with the consumer and works backward towards the brand or organisation.
2. *Comprehensive and detailed knowledge of consumers:* IMC programmes are more database driven than traditional integrated promotional programmes.
3. *Brand contact perspective:* Brand contacts refer to every encounter or all the ways in which consumers come into contact with the organisation and product, including packaging, employee contacts, in-store displays, sales literature and sales/media exposure. Each contact should be clear and consistent with the overall IMC programme.
4. *Centralised co-ordination:* A central person or a group should be appointed to control and evaluate all communications and contact with consumers.

It is clear that IMC takes a much more inclusive and systems-oriented approach to the communication planning process, while emphasising that the process should be uniform and consistent with the overall communication efforts of the organisation. In most approaches, the various elements of the marketing communication mix are seen as separate functions fulfilled by specialists in specific areas.

The new era of marketing communication is characterised by the empowerment of consumers, by social changes and by rapid technological developments – all of which have changed the business environment dramatically. Technology developments created opportunities for greater relationship building through sustained databases of consumers. The renewed focus on consumer needs and the progress made in the field of IT have changed the way in which marketers promote their product offerings to consumers, thus emphasising the focus on IMC. IMC is thus an attempt to pay closer attention to the central aspect of the marketing process – that is, to develop and strategically manage the brand and its relationship with the consumer through using an integrated approach. According to Gronstedt and Siracuse (1998: 2), IMC has made a significant contribution in setting aside the four Ps in favour of ‘how the consumer makes sense of all marketing communication messages [and] ... what motivates consumers to become loyal to a brand or company’. This supports the fact that brand and marketing strategies should be aligned and should take the lead in defining the corporate brand.

6.4 Components of IMC

An effective IMC programme is based on a carefully planned and well-managed relational consumer database, a targeted consumer orientation, and a psychology-driven prospecting sales approach (Reich, 1998). The following dimensions are therefore crucial in the practice of IMC:

- IMC is an increasingly important feature of strategic marketing communication.
- Organisations should strive to achieve profound and enhanced integration of marketing communication actions that are aligned with the corporate brand.
- IMC reflects a fundamental conceptual and practical change in the development and implementation of marketing communication programmes.
- To achieve global presence, organisations should attempt to achieve consistent imagery for its brands and coherent messages in its integrated communication.

- IMC requires the emergence of better skilled communicators who have a holistic overview of communication in the organisation from a brand management perspective.
- It is important to focus on a few key brands with effective brand support.
- Consumer information infrastructures (for example databases) should be managed to achieve brand objectives in terms of core values, promises and personality.
- IMC encourages the view of communication as a unified image rather than individual brands (adapted from Baker, 2003).

Various benefits of and barriers to the use of IMC have been identified in the literature, of which the most notable are summarised in Table 6.2 (Baker, 2003; Kitchen & Schultz, 1999; Linton & Morley, 1995).

Table 6.2 Benefits of IMC and barriers obstructing its use

Benefits	Barriers
<ul style="list-style-type: none"> ■ Creative integrity ■ Consistency of message delivery ■ Impartial marketing recommendations ■ Better use of media ■ Improved marketing precision ■ Operational efficiency ■ Cost savings ■ High-calibre, consistent service ■ Easier working relations ■ Increased impact ■ More creative ideas ■ Better communication uniformity ■ Increased importance of single brand personality ■ Greater control over communication budget ■ Greater professional experience ■ Better measurability of reaction and liability for communication programmes ■ Increased brand awareness ■ Combats competition ■ Stronger, single, focused message 	<ul style="list-style-type: none"> ■ Few organisations have reached the stage of full integration ■ Subject largely misunderstood ■ <i>Internal problems:</i> Lack of management understanding of the benefits; short-term outlook on the planning process; inherent nature of 'political' battles between departments for supremacy; fear of departmental budget/staff reductions; and fear of losing expertise ■ <i>External factors:</i> Agency egos and fears of losing control; lack of expertise in individual areas of communication; concern over reductions in the scale of communication ■ Budget; and problems with the system of remuneration ■ <i>Structural problems:</i> Few organisations are in the position to implement integration ■ IMC staff need to develop new skills and expertise

A key factor of IMC is the need for clear and concise communication to establish mutual understanding between the buyer and seller. To achieve this, market research can make an important contribution to gaining insight into and understanding of the consumer's needs and behaviour. The challenge is to do this in a holistic and integrated manner so as to ensure a comprehensive and all-encompassing attempt at long-term success.

6.5 Environmental analysis

In order to ensure a competitive environment, organisations need to recognise the importance of changes in the environments which can directly and indirectly influence

the functioning of the organisation. In order to do this, an *environmental analysis* should be conducted, both internally as well as externally. The internal environment refers to the *micro level* and the external environment to the *macro level*.

Different techniques for environmental analysis can be applied to assess how the organisation relates to what happens and to develop strategies that accommodate both internal and external conditions, changes, resources, and so on so as to ensure sustainability. These methods include the following:

- The *SWOT analysis*: SWOT is an acronym for strengths, weaknesses, opportunities and threats, and is the analysis most often used by organisations.
- The *SPACE (Strategic Position and ACtion Evaluation)*: This is usually used to analyse financial strength, competitive advantage, environmental stability and industry strength.
- The *Grand Strategy Matrix* (a combination of the previous two techniques): This is easy to use and a very popular strategic management tool that measures two specific dimensions, namely competition position and market growth (Ehlers & Lazenby, 2010).

Environmental scanning therefore assesses trends that affect both the organisation and its consumers. Five main environmental forces that need to be scanned include:

- Social, cultural and demographic forces (for example differences in gender roles, buying patterns, growing populations, changes in household sizes, ageing populations, changing family structures, higher levels of education, geographical shifts, and so on).
- Economic and/or physical forces (for example increased expenditures, interest rates, rising levels of debt, different patterns of consumer expenditure, increasing costs of energy, consequences of pollution, shortages of raw materials, and so on).
- Technological forces (for example accelerating pace of change, increased use of wireless broadband technology, free software, advancements on regulation, and so on).
- Competitive forces (for example the growing influence of globalisation and increased focus on empowerment of workers to improve performance).
- Political or regulatory forces (for example new legislation, intellectual property, concern for privacy, online spam, and so on) (Kerin, Hartley, Berkowitz & Rudelius, 2006; Gilligan & Wilson, 2009).

Environmental analysis enables the organisation to understand these key aspects as a prelude to identifying the organisation's strategic position, and includes four main stages (Gilligan & Wilson, 2009: 156):

- An initial audit of the environment to identify the type of and changes in the environments.
- An analysis of the organisation's standing that involves a combination of strategic group analysis in which competitors are mapped in terms of similarities, dissimilarities, capabilities and strategies; as well as a market share analysis to determine the share thereof.
- An identification of emerging opportunities and threats, and how the organisation's strengths can manage these.
- An initial proposal of a marketing strategy.

From an IMC perspective, a competitive brand strategy that ensures messages are aligned with the corporate brand, uses appropriate media to communicate (reach and richness of the media) with consumers cost effectively with the aim of enhancing mutually beneficial relationships, and conducts environmental scanning addresses crucial elements. Integration in this sense entails an understanding of the brand identity (in terms of the vision, values, value proposition, positioning and associations). *Brand positioning* is notable as it refers to the exact or explicit and intended meaning of the brand that is to be created in the minds of the consumers (Tybout & Calkins, 2005).

6.6 The promotional mix

In terms of an integrated marketing communication perspective, a holistic approach to the promotional mix is advocated. A key issue is to ensure consistency between any promotional mix component and the overall marketing communication efforts of an organisation in support of the corporate brand. The promotional mix consists of nine ingredients, illustrated in Figure 6.1, which should be used interactively in terms of an integrated approach. These elements are briefly discussed in the next sections.

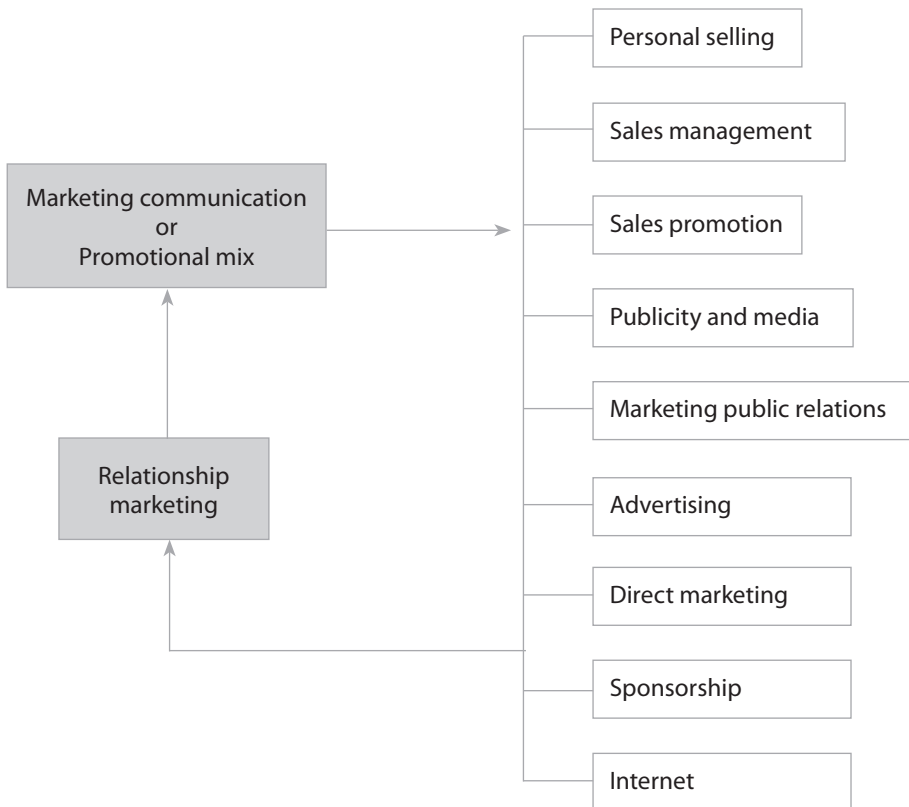


Figure 6.1 The promotional mix

6.6.1 Personal selling

Personal selling, which is sometimes confused with marketing, is only one of the marketing communication mix elements and entails the presentation of information on an organisation's products or services from one individual to another or to a small group of people (Semenik & Bamossy, 1995). Du Plessis *et al.* (2010: 141) define personal selling as 'the oral, person-to-person presentation of a product, service or idea' (in other words the brand) to a potential consumer where the seller tries to satisfy the consumer's needs and wants by offering suitable goods and services to ensure a successful sale.

Personal selling aids the communication flow between an organisation and its consumers in two ways. Firstly, salespeople are responsible for implementing marketing strategies; the sales force is the embodiment of the entire marketing programme. Secondly, the responsibilities of the salespeople need to be expanded to include a wide variety of marketing activities, such as market analysis, sales forecasting, new product ideas, buyer behaviour analysis, communication, sales co-ordination, consumer service and relationship building (Semenik & Bamossy, 1995). To be effective, personal selling should be integrated with:

- other promotional elements
- other organisational functions, such as distribution and production
- the consumers and competitive structures in the market.

The role of personal selling is threefold:

1. *Information role*: Personal selling is part of a two-way process through which information about the organisation's product or offering needs to be communicated to existing and potential consumers. This process, which allows for feedback, ensures that consumers' perceptions are correctly interpreted and understood by management.
2. *Persuasive role*: It is necessary to convince consumers that their needs have been identified and that the product or offering provides competitive benefits.
3. *Relationship-building role*: Salespeople have to initiate, build and develop relationships between the organisation and its consumers, which brings the role of the 'relationship manager' to the fore (Kitchen, 1999; Semenik & Bamossy, 1995).

Different types of personal selling are identified in the literature, with the most notable being:

- *order taking*, which refers to accepting orders for merchandise or scheduling service either in written form or verbally
- *creative selling*, which is a process of selling in which a consumer relies on the salesperson for technical information, advice and service
- *supportive communications*, where the objective is to provide information and services to consumers, ensure that consumers are satisfied, and to create goodwill (Semenik & Bamossy, 1995).

In terms of an integrated approach, personal selling is designed to support the various elements of the promotional mix, and offers several advantages and disadvantages. These are outlined in Table 6.3 (Du Plessis *et al.*, 2003; Du Plessis *et al.*, 2010; Koekemoer, 2004; Gilligan & Wilson, 2009).

Table 6.3 Advantages and disadvantages of personal selling

Advantages	Disadvantages
<ul style="list-style-type: none"> ■ Personal contact enhances the level of consumer satisfaction ■ Personal selling brings the human element into selling, which personalises the brand of the organisation ■ Salespeople can provide instant feedback on questions, supply detailed explanations, and transmit complex information ■ Salespeople can educate consumers through demonstrations of the product and/or the use of visual aids to communicate complex and large amounts of information ■ Tailored messages and communication can be directed at qualified prospective customers to improve the possibility that a sale will take place ■ Salespeople can build more personalised relationships with consumers 	<ul style="list-style-type: none"> ■ Salespeople can contact only a small number of potential consumers per day ■ It is expensive to call on potential consumers in terms of cross-country travel ■ Poor selling skills can do more harm than good ■ It is time consuming ■ Message inconsistency can occur if different salespeople do not deliver a unified message in support of the overall brand ■ It is difficult to keep salespeople motivated, especially if they are not successful or have negative experiences ■ Unethical behaviour (in other words when socially accepted rules of conduct, honesty and fairness are broken) can compromise the organisation and its brand

Environmental effects on personal selling

Three main environmental influences impact on personal selling. These include the external environment, the organisational environment and the sales environment (Du Plessis *et al.*, 2003).

The *external environment* cannot be controlled, and marketers and salespeople should adapt their strategies to accommodate such changes. External environment variables include:

- *Economic environment*: This influences the potential demand for a product in terms of a country's growth rate, unemployment rate and the level of inflation.
- *Ethical and socio-cultural environments*: These set standards for ethical behaviour and foster the rights of people through equity, fairness and impartiality.
- *Legal-political environment*: Economic goals are set within the framework of legislation to ensure appropriate corporate behaviour and to eliminate misrepresentation of products, for example.
- *Natural environment*: This refers to the raw materials and energy resources needed for packaging, promotion and distribution (which should be considered in the development of marketing and sales plans).
- *Technological environment*: Rapid technological development needs to be taken into account in sales plans and sales activities as this can improve transportation, communication and data processing.

The *organisational environment* also influences the sales process through policies, resources and abilities. Elements of this environment include:

- *Goals, objectives and culture:* The marketing goals and objectives should fit into the overall goals of the organisation, and the organisational culture emanates as a result.
- *Training programmes:* To ensure that salespeople have the skills and knowledge to function competitively.
- *Financial resources:* These affect the sales budget and salesforce size.
- *Production and technological capabilities:* These determine whether the organisation can develop new products, enter new markets and serve increased demand.
- *Research and development initiatives:* These serve as a basis for marketing and sales activities.

The *sales environment* determines various responsibilities for the salespeople which include the following:

- *Retail sales:* Consumers visit the organisation with the intention to buy, and salespeople assist from behind the counters of retail outlets.
- *Wholesale sales:* The selling process takes place in an organisational environment where wholesalers buy in bulk, add a mark-up to the products' prices and sell them directly to the retailers.
- *Manufacturer sales:* Manufacturers sell to wholesalers or large retailers who use their own sales force to sell products, set up point-of-sale material, and ensure that stock is displayed and clients are notified of new products, promotions, and so on.
- *Service sales:* An organisation sells a service.

The future of personal selling

The evolution of selling from merely selling a product (whether the consumer wants it or not) to emphasising the value of helping consumers buy products or services that satisfy their needs will change the future of personal selling. This is the case both in terms of the profile of the salesperson as well as in terms of the focus on the quality of the product or service. Koekemoer (2004) identifies the following issues that will influence the future of personal selling:

- Consumers are more sophisticated, more educated and more discerning.
- The buying function is professionalised, as buyers attend courses and seek to improve profits.
- Better sales training for salespeople enables them to better understand what buyers want; this training also enhances their product knowledge, selling skills and their awareness of how to build long-term relationships.
- Improved telecommunications is used as an effective cost-cutting and revenue-generating selling method.
- Technological developments such as the Internet, social networks, cellphones and e-mail make salespeople more accessible, and websites can provide product and ordering information on a continuous basis.

Ethical issues are a primary area of concern with personal selling. Salespeople are the intermediaries between the organisation and the consumer; therefore it is important that they fulfil their promises. Other ethical issues include lying, abusing entertainment allowances and expense accounts, offering bribes, false reporting, using vehicles for

personal use and criticising the competition. The salespeople's value systems, which include integrity, are crucial to addressing these issues (Koekemoer, 2004).

In terms of IMC, it is clear that personal selling should emphasise interests that are mutually beneficial to both parties; be stakeholder orientated with a focus on the needs of the consumers; operate according to two-way communication; and be value driven in that selling is based on the desire to meet the needs of the consumers, respond to market trends and support the corporate brand of the organisation. This is only possible through creating, building and sustaining relationships.

6.6.2 Sales management

Although salespeople must manage their own efforts, a sales management team oversees the overall performance of the sales force. Sales management is defined as the management process directing strategy, devising tactics and implementing policies that fulfil the organisation's sales, marketing and corporate objectives (Kitchen, 1999). The team is responsible for managing, controlling and motivating the sales force so that it is correctly positioned to fulfil its role(s). The three main problems sales managers face are the high cost of personal selling, the time involved and the changing patterns of consumer buying. A marketing or sales manager who is responsible for the management of the sales force should be able to make decisions on the following:

- *Agents versus direct sales force:* Should agents (manufacturer representatives) or a direct sales force be used?
- *Sales force structure:* How should the sales force be organised to achieve the best and fairest results?
- *Sales force size:* How many salespeople should be assigned to achieve the objectives and address the needs of consumers?
- *Territory deployment:* How should potential sales territories be divided to facilitate effective sales force operations (Kitchen, 1999; Pitt, 2002)?

According to Baker (2003), sales management teams need to accommodate changes in the market conditions if they are to establish closer relationships with consumers. They should also adapt traditional approaches to determine an appropriate sales force size, territory deployment and sales targets so as to ensure a consumer-orientated and quality-based strategy. Organisations therefore need to employ people with multidisciplinary skills who are relationship oriented, financially aware, marketing trained, computer literate and skilled in negotiation. Baker (2003) identifies the following issues that need to be considered when addressing sales management:

- *Recruitment and selection:* To ensure that the most suitable applicants are appointed, recruitment should comprise position analysis, person-power planning, job description, job specification, screening and selection.
- *Leadership and supervision:* Appropriate leadership styles should be selected to ensure that the best characteristics of the subordinates are brought to the fore.
- *Effective management:* Managers should spend time with their salespeople; they should listen to them, take their concerns seriously and follow up the resolution of problems.

- *Remuneration:* Basic financial rewards and incentives can be used to motivate salespeople. Usually a balanced approach to salary and commission as well as a bonus or performance-related pay are used.
- *Evaluation and control:* The efficacy of sales management practices such as territory deployment, recruitment and training should be evaluated, which can be done through an audit of current performance.

It is clear that, in future, the crucial role of sales management will be to recruit, train, monitor and evaluate effective sales performance to ensure long-term beneficial relationships with consumers.

6.6.3 Sales promotion

Baker (2003: 458) defines sales promotion as ‘marketing activities usually specific to a time period, place or consumer group, which encourage a direct response from consumers or marketing intermediaries through the offer of additional benefits’. Semenik and Bamossy (1995) see it as the employment of motivational methods for the creation of direct reactions within a consumer, trade or business market. Kotler (2000: 597) makes this distinction: ‘Where advertising offers a reason to buy, sales promotion offers an incentive to buy’. Sales promotion impacts on IMC in many ways, with the most notable being the impacts on purchase behaviour; distribution (having the right product or service at the right time at the right place in the right amount); attracting consumers and encouraging them to purchase; and the impact of packaging, pricing and profitability.

According to Du Plessis *et al.* (2010: 179), three main areas for sales promotion occur. These are outlined in Figure 6.2.

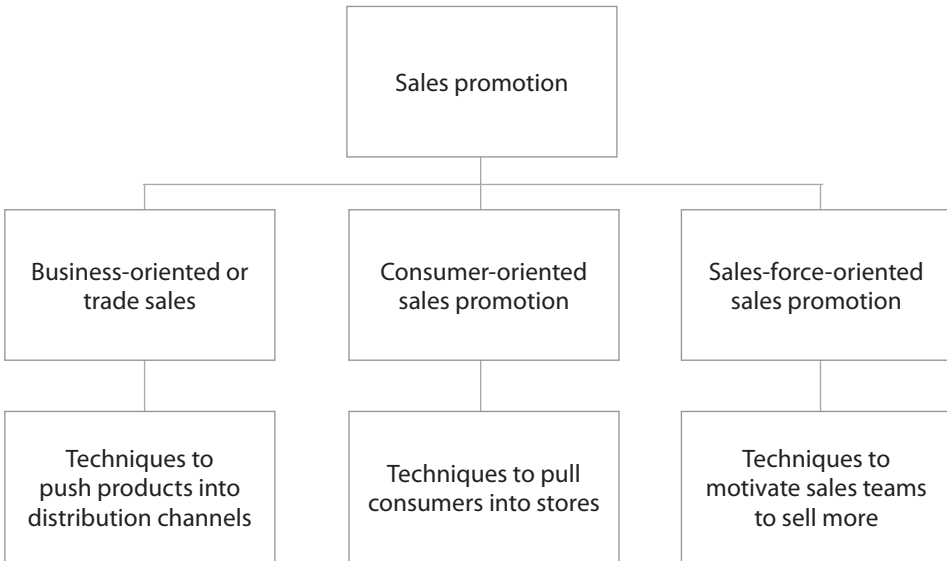


Figure 6.2 The three categories of sales promotion

It is apparent that sales promotion is an action-focused marketing event, the purpose of which is to have a direct impact on the behaviour of consumers. Emphasis is also placed on sales promotion being viewed as an incentive, which can be developed as either a push or a pull strategy. *Push strategies* refer to promotion that is directed toward trade members in an effort to encourage them to handle products. *Pull strategies* are the result of an organisation's successful advertising and sales promotion effort that is directed at the consumer. Consequently, sales promotion is continuously growing in importance, mainly in terms of the following eight key factors:

1. Increased respectability (professionalism) and the growing power of retailers.
2. Increased impulse purchasing (through in-store promotions).
3. Decreasing time horizons (time pressure makes fast responses attractive, especially through the Internet).
4. Micro-marketing approaches (more tailored and targeted communication).
5. Declining brand loyalty, increased competition and brand proliferation (caused by greater choice; more brands which need unique differentiation; the narrowing of perceived differences between brands; and the increased attractiveness of retailers' own-label products – that is, 'no name brands').
6. Snowball effect (when organisations match their rivals' sales promotions) and short-term focus.
7. Affordability (promotions allow national coverage at a lower cost) and demand for accountability (that is, pressure on marketers to justify their existence).
8. Interactivity (that is, the increase in interactive media such as the Internet and interactive TV-online promotions) (Baker, 2003; Du Plessis *et al.*, 2010).

The main aims of sales promotion are to attract new consumers, to stimulate repeat purchases, to stimulate larger purchases, to increase store traffic, and to introduce a new product or service (Semenik & Bamossy, 1995). All of these aims should be based on the needs of the consumers. Sales promotion comprises a range of techniques that can be used to attain cost-effective sales or marketing objectives by adding value to a product or service for the benefit of its intermediaries or end users. These techniques, which include price allowances, contests and deals, can be used in conjunction with advertisements to encourage consumers to buy and resell products. The most widely used sales promotions are coupons and discounts; others include free samples and trial offers, rebates, premiums and competitions. Hence, sales promotions can be classified into the following three main categories, depending on the initiator and the target of the promotion:

1. Retailer and consumer promotions that are initiated by retailers, organisations or manufacturers, with the consumer as the ultimate target.
2. Sales promotions that are directed towards an organisation's own sales force as an incentive to improve productivity.
3. Price cuts, coupons, displays and feature advertising and/or a combination of these (Kitchen 1999).

Different types of sales promotions and objectives with examples are identified in Table 6.4 (adapted from Kitchen, 1999).

Table 6.4 Types, objectives and examples of sales promotion

Type	Objective	Example
Trade promotions	To push products from manufacturers to retailers and to persuade retailers to add brand support through price reductions to consumers, featuring price cuts, in-store advertising, and products displayed prominently	<ul style="list-style-type: none"> ■ Guarantees on products (for example a three-year guarantee on a television set or cellphone) ■ Extended credit (for example the Edgars red card)
Consumer promotions	To create a demand for products and therefore pull them from retailers. It is used to increase brand awareness among consumers, induce brand switching, attract new consumers and promote purchase acceleration with existing consumers	<ul style="list-style-type: none"> ■ Free gifts (for example Clinique cosmetics) ■ Free service (for example Vodacom)
Organisation promotions	To generate added store traffic, move excess product inventory, enhance store image, and create an overall perceived price image to attract consumers into the store	<ul style="list-style-type: none"> ■ 'Red hanger' sales at Edgars or end-of-season clearance sales at Woolworths to attract consumers

Importance and growth of sales promotion

Sales promotion has grown dramatically, principally at the expense of the mass media, owing to various factors that have arisen within the organisation’s uncontrollable macro environment. These factors include the following:

- *Balance of power has transferred from manufacturers to retailers:* The main reasons for this are the abolition of resale price maintenance, the growing retail concentration, the spread of own-label brands and the use of optical scanning equipment.
- *Stagnating markets and increased brand similarities:* The gradual stagnation of consumer goods markets and inflationary conditions, which has kept profits low, has also meant that organisations have had to find alternative ways to improve shares; the primary method has been to spend more money on sales promotions to increase sales impact. Without genuine, significant product differentiation, consumers have become more reliant on price or price-related incentives such as coupons, ‘pence-off deals’, refunds, give-aways, frequent-shopper programmes, bonus packs, warranties and competitions.
- *Reduced advertising efficacy:* Reasons for advertising’s reduced efficacy are the dramatically higher costs of advertising, media clutter, and audience fragmentation and receptivity (for example, there are many different target groups in South Africa alone).

- *Demographic changes*: Major demographic changes include the growth in the rate of unemployment, the growing number of employed women, and the fact that the population in most economies has grown very little.
- *Demassification and fragmentation of markets*: The erosion of television audiences and the development of multi-set households; remote-controlled television consoles; video recorders; teletext; computer and television games; cable and satellite television; micro television; the World Wide Web and Internet; touch keypads; and CD-Roms, as well as the emergence of a multiplicity of other promotional activities, have had a direct impact on the effect of sales activities on target markets (Kitchen, 1999).

In spite of these factors, sales promotion continues to be regarded as a low-status area, and few organisations use it effectively.

A crucial aspect of sales promotion is the formalisation of the planning process. The steps of sales promotions planning are:

- *Environmental or situational analysis*: Identifying problems and opportunities in terms of brand performance, competitive performance, competitive promotional activities, and consumer responses and needs.
- *Setting of objectives*: Addressing the identified problems, which can include trade objectives (to encourage greater shelf space and price cuts in store) or consumer objectives (to increase sales, build brand loyalty, and so on).
- *Development of promotional strategies*: Accomplishing the set objectives, taking into consideration the market type, competitive conditions and the cost effectiveness of activities.
- *Implementation of plan and activities*: Creating brand awareness and interest.
- *Evaluation of results*: Assessing whether the objectives have been met within the set budget. This serves as the benchmark for future activities.

Sales promotion strategy

The sales promotion strategy involves activities aimed at meeting the sales promotion objectives. Koekemoer (2004) identifies four factors that need to be considered when developing a sales promotion strategy:

1. *Product-related factors*: These factors include the product type (certain types of products lend themselves to sales promotion more than others); price (sales promotion is either more or less effective, depending on the price); brand image (extremes include either an exclusive or a value-oriented brand image); and the product's stage in its life cycle (promotional strategy differs in each stage, from the introductory, growth and maturity stages to the decline stage).
2. *Consumer-related factors*: These factors include the characteristics of the target market; the type of buying decision involved; the involvement level of the consumer (high or low); and the psychological risk level, especially for high-involvement products where consumers tend to minimise their exposure to economic, psychological and performance risks.

3. *Organisation-related factors*: These factors include the fact that sales promotion is only one component of the overall marketing communication strategy, and the resources allocated to that strategy.
4. *Situation-related factors*: These refer to the prominence of the organisation in its environment and the activities of its competitors.

An effective sales promotion strategy is based on clearly defined objectives that are integrated with the overall objectives of the organisation and other IMC activities; target audience analysis, with clear messages to ensure maximisation of efforts; and the implementation of well-planned activities to ensure the required results are obtained.

6.6.4 Publicity and media

Publicity, also referred to as corporate or marketing publicity, can be defined as non-personal communication, not directly paid for, in the form of a media release to ensure exposure of a product, services and brands to a known target audience. This differs from public relations, which has routinely been seen as an ingredient of the promotional mix, with the purpose of managing strategic relationships and establishing and maintaining mutual understanding between an organisation and its internal and external stakeholders. *Media* refers to all the channels used for public communication, including broadcasting, print, out-of-home and any form of interactive communication. Usually a *media plan* is developed which is used as a guideline in the media selection process to find the most suitable medium or combination of media to communicate messages with the most cost-effective reach and richness, in support of the corporate brand of the organisation.

Product publicity is clearly part of media planning, and is a series of decisions to deliver the advertising message(s) to the consumers and users of the product or brand (Belch & Belch, 2001) with specific objectives and through marketing communication. It can be argued that if public relations and publicity are included in the IMC programme, product publicity relates to the functions that each element performs and the value that they and their related activities can add to the broader IMC effort. When the media plan is completed, *media buying* takes place and negotiations between buyers, publishers, broadcasters and other representatives commences.

Du Plessis *et al.* (2003) present the following reasons for integrating publicity, media and public relations functions and techniques in the IMC programme to fulfil marketing objectives. As the result of such integration, the programme:

- targets and manages relationships with important stakeholders
- can be used to communicate with inaccessible stakeholders, such as opinion leaders and business decision makers
- enables organisations to analyse emerging trends and changes in the environment
- enables organisations to plan for crises or to prevent them
- allows for more flexible communication
- adds credibility, especially through news stories
- is more cost effective if publicity is generated through public relations activities
- can position and create a positive corporate image of the organisation
- can create the basis for sales.

The following methods can be used to obtain positive media publicity:

- Media releases can be distributed to the media for publication or broadcast.
- Media conferences or launches can be arranged to announce important events or endeavours.
- Exclusive rights to information can be granted to ensure coverage.
- Interviews with key personnel can be conducted.
- Community involvement can be implemented to create awareness and recognition of the organisation's contribution to the well-being of a community.

Public relations (and publicity) are often also involved with corporate advertising, sponsorships and other initiatives beyond the borders of the promotional mix, hence the term 'marketing public relations', which is discussed in the next section.

6.6.5 Marketing public relations

Marketing public relations (MPR) is a new promotional discipline that comprises specialised application techniques garnered from activities which support both marketing and public relations. The premise in this book is that MPR, publicity, and public relations – which are generally differentiated from one another because they are not always used for the same purpose – can be used as alternative methods for communication information about the organisation and products and services in support of the overall brand. This can be seen as a separate management function.

There are various viewpoints concerning whether public relations should fall under the marketing function, or whether it should rather be viewed alongside advertising and promotion as part of the promotional mix. To explore the question of whether public relations should be a new marketing discipline, it is important to look at it from a marketing perspective. In terms of this perspective, it is suggested that public relations be incorporated as an additional element into the promotional mix so as to influence current or potential audiences, markets or publics, with the aim of achieving marketing objectives. This perspective views marketing as the dominant communication function and public relations as a promotional tool, and therefore ignores the fact that non-marketing problems cannot be solved by marketing management methods and techniques.

Thus, in many circumstances, public relations might be used as a corrective of and complement to marketing. For example, public relations can play an important role in encouraging support for an organisation's marketing activities (that is, by keeping the organisation's publics informed about new product development), in explaining policy changes (to prepare the ground for marketing activity), and in offering a either public explanation or an apology in the case of a crisis. The complementary use of marketing and public relations ensures synergy and facilitates the provision of information and techniques of communication to support product and sales promotions, the development of a social environment conducive to effective marketing, and the focus on growth and consumption. It is therefore necessary to realise the importance of public relations in the marketing function, and vice versa; and to understand the role that public relations can play in the promotional mix.

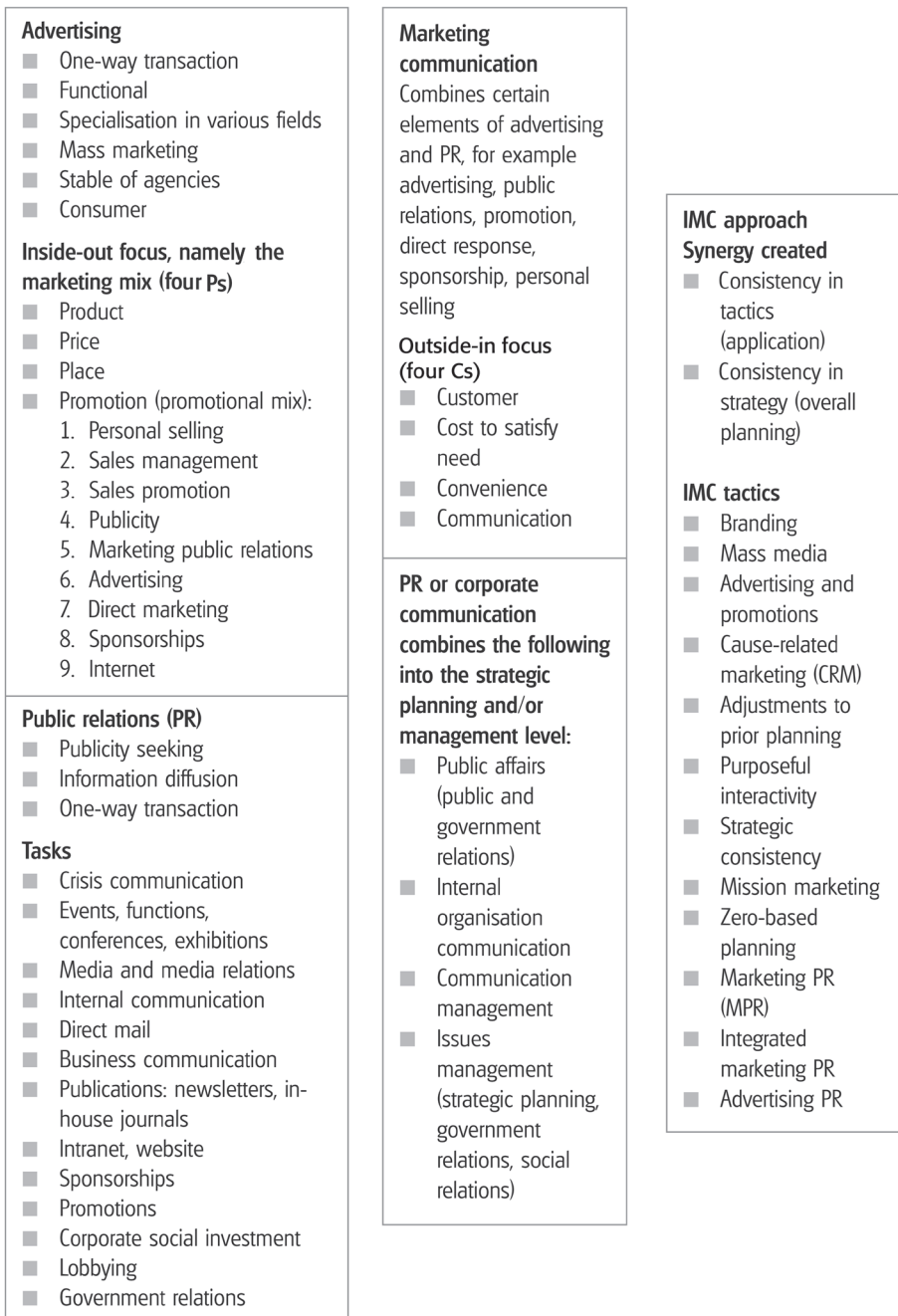


Figure 6.3 The merging fields of adverting, public relations and marketing communications

It is necessary to differentiate here between public relations and corporate public relations (see Chapter 7), marketing public relations and product publicity. Where *public relations* attempts to promote goodwill and mutual understanding between an organisation and its internal and external stakeholders and is therefore sensitive

to public opinion, *corporate public relations* (which includes public relations activities such as crisis communication, issues management, corporate identity/image, social responsibility and social investment, and corporate advertising, and which are discussed in more detail in chapters 7 and 10) makes use of public relations programmes that are designed to create or build the corporate brand through corporate positioning, to address the needs of the different stakeholders, and to enhance the overall success of the IMC activities. *Product publicity* consists of activities aimed at securing editorial space (not paid-for space) for the specific purpose of assisting in sales goals.

MPR, however, goes beyond publicity in that it uses both public relations and marketing techniques to build a product or service brand as well as a corporate image and identity that reflect favourably on products through brand-positioning, brand-image and brand-differentiation strategies. MPR therefore focuses on consumers and prospects and is not used only to generate product publicity. In terms of an integrated approach, it is clear that a combination of these elements enhances an organisation's overall strategy. However, for the purpose of this chapter it is argued that MPR tools and techniques are also important elements of the IMC promotional mix.

Although definitions and interpretations of MPR vary widely, in this context the term can be defined as the process of planning, executing and evaluating programmes that encourage purchase and consumer satisfaction through credible communication of information that is aimed at the needs, wants, concerns and interests of consumers (Harris, 1993). In the promotional mix, MPR not only complements other marketing efforts but also serves the unique purpose of giving a product, service or market added credibility, exposure and newsworthiness. Figure 6.3 illustrates the concept of MPR further.

The benefits of MPR for IMC are summarised as follows:

- The credible and positive relationships can be established with the consumers and the increased market penetration that results.
- Effective allocation of the budget.
- Increased skills for handling a miscellaneous set of communication and promotion activities.
- Public relations can remain a management function that is concerned with the organisation's relationships with its public (Kitchen, 1999; Koekemoer, 2004).

According to Kitchen (1999), the uses of MPR can be summarised as follows:

- Introduction or publicity of new products through launches (for example Vodacom's launch of the BlackBerry 6210 cellphone).
- The building of brand loyalty by focusing on the credibility factor and its role in relaunching, revitalising, re-positioning, and sustaining mature and declining brands (for example Cell-C's revised new image).
- The building of consumer trust and positioning an organisation in the market as a provider of help (for example Sasol's social responsibility programme, and Nedbank's support of wildlife trusts and involvement in nature conservation).
- Cause-related marketing (CRM) through which the organisation makes donations to a worthy cause on the consumer's behalf if the consumer buys their product

(for example ABSA’s involvement in Casual Day) (see Chapter 5 for more details on cause-related marketing).

- Sports marketing through which an organisation that is involved in the sports industry recognises and accepts its value as a promotion tool (for example Puma sponsors the South African soccer team, Bafana Bafana).

The potential contribution of MPR to marketing practitioners is made apparent in the literature. MPR manages a miscellaneous set of communication or promotion activities that marketing practitioners normally neglect or lack the skill to handle. These activities, also referred to as the ‘pencils’ of public relations, include, among others, publications, events, news, community relations, identity media, lobbying and social investments.

6.6.6 Advertising

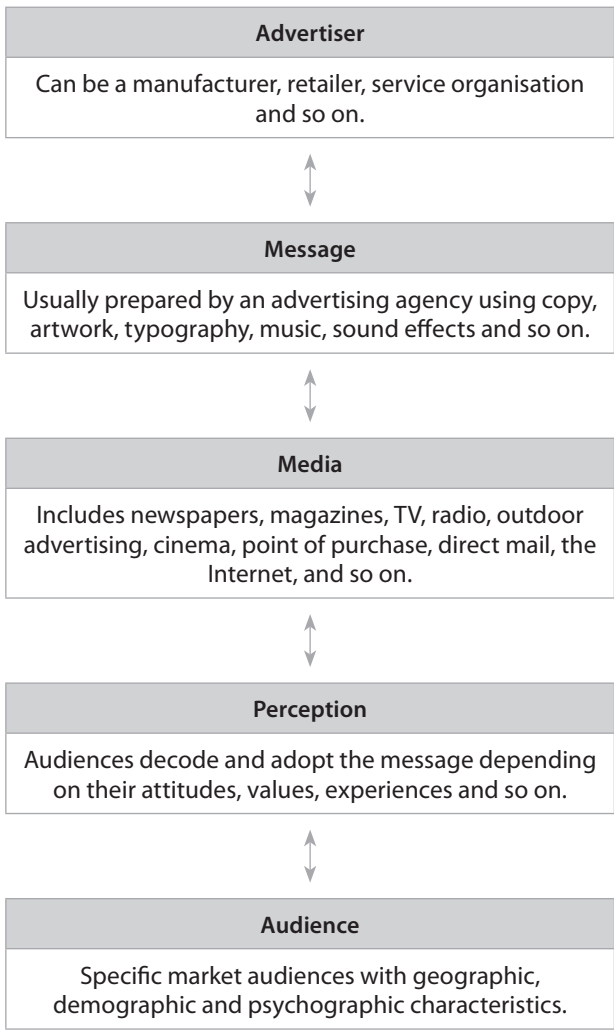


Figure 6.4 The advertising process

A detailed discussion of advertising is presented in Chapter 8. Advertising has traditionally been the most evident form of marketing communication. Baker (2003: 419) presents a broad definition of advertising as it is relevant to this chapter: '[Advertising is] promotion via an advertisement in a chosen advertising medium, guaranteeing exposure to a general or specific target audience, in return for an advertising rate charged by the media owner plus the cost of producing the advertisement'. To be more specific, advertising is the planned, paid for, non-personal presentation of information related to a product, service or idea to a multitude of existing and prospective consumers through the mass media with the aim of creating awareness, persuading, informing and/or reminding the target audience (Du Plessis *et al.*, 2003). Advertising is also referred to by some authors as an 'awareness builder' (Du Plessis *et al.*, 2010).

Advertising is a creative, mass-communication process. Its objective is to communicate an idea change or reinforce an attitude, or provide important information about a particular product or service. The advertising process involves five steps, as illustrated in Figure 6.4 on page 204 (Kitchen, 1999).

The creative advertising process

The creative advertising process is discussed in more detail in Chapter 8. Succinctly, creativity in advertising is defined as the ability to devise original approaches to situations – either with new or improved solutions to problems – which will persuade consumers to act. Although it is difficult to measure 'creativity', Du Plessis *et al.* (2010: 66) indicate that the ultimate goal of the creative advertising process is to be unique. This uniqueness is determined in terms of impact, the creative platform, the message, the brand and the final communication. Du Plessis *et al.* (2003) identify the following seven types of creative strategies:

1. *Generic strategy*: No attempt is made to differentiate a brand from that of competitors.
2. *Pre-emptive strategy*: An attempt is made to take ownership of an ordinary claim, which obstructs competitors that wish to emphasise the same attribute.
3. *Unique selling proposition strategy*: The advertiser makes an ascendancy declaration (a major statement) based on a distinctive product attribute (or feature) by focusing on a marked consumer (or distinct) benefit.
4. *Brand image strategy*: This refers to the highlighting of the particular psychological appeal of different products.
5. *Positioning strategy*: This is a direct effort to make comparisons with competitors' products.
6. *Resonance strategy*: This refers to attempts to appeal to consumers' pleasant memories.
7. *Emotional strategy*: Advertisements play on emotions such as fear, love, disgust, nostalgia, guilt and regret.

Advertising is physically more distant from its target audience than many other elements of the promotional mix and is therefore unlikely to be able to secure a sale except in the case of direct-response advertisements. Today, it is generally agreed that advertising's primary role is longer-term brand building, which it achieves through building awareness, conveying information, telling a story, establishing an identity

and creating a predisposition. While advertising has certain common aims, specific advertising campaigns set more precise objectives. It is a broad principle that these objectives should be established before the planning and implementation of an advertising campaign because a campaign can be evaluated only if formal objectives exist against which performance can be measured. For an advertising objective to be workable and effective, it must be explicit, precise and specific, and it must be carefully considered, calibrated and measured. These criteria dictate that each person who has an interest in the aims of the advertising campaign must have an opportunity to influence the content of the objective during the planning process. The objectives must be specific and should also offer more guidance than merely to 'increase consumer awareness'. Any advertising objective should ideally also be able to be measured by realistic, accessible research methods.

The important roles of advertising in terms of an IMC programme are to build awareness, inform the target audience, overcome false impressions, generate interest, develop consumer preferences, support the sales force, generate leads, position the product or service, build credibility and a positive image, reassure purchasers, create trust and remind consumers about the availability of products or services.

6.6.7 Direct marketing

The concept of direct marketing came into being in the late 15th century, when in 1452 Johannes Gutenberg invented the movable type that revolutionised printing (it was now possible to inexpensively produce large quantities of books that were sold through catalogues) (Koekemoer, 2004). Although Claude Hopkins, an advertising pioneer, referred to it as 'scientific advertising' in 1923, the term 'direct marketing' was first used in 1961 when Leser Wunderman employed it as a more comprehensive description of 'mail orders'. Wunderman's methods of marketing included new methods of ordering through telephone communication, as well as magazine subscriptions and continuity publishing of books and music series (Baker, 2003). Today, direct marketing is a sophisticated method of distribution, mainly due to the power of the Internet, which enables organisations to trace the purchase and payment behaviour of consumers on a one-to-one basis.

Although direct marketing has until recently been seen primarily as a method of distribution through one (or more) medium of advertising to gain a measurable response and/or transaction (Du Plessis *et al.*, 2003), it has also been defined as a method of distribution in which transactions between buyer and seller are concluded without the intervention of a salesperson or retail outlet. A more up-to-date definition, which incorporates database usage, views direct marketing as the process in which individual consumers' reactions and transactions are recorded and the data are used as a basis for targeting, executing and measuring these actions (Baker, 2003; Koekemoer, 2004) through an interactive marketing system using one or more advertising media. Any organisation that uses these media to gain a measurable response and/or transaction on or off line and maintains a consumer database is using direct marketing (Baker, 2003; Du Plessis *et al.*, 2010).

From these definitions, it is evident that direct marketing is an interactive process in that the marketer and the consumer engage in two-way communication. Direct

marketing is implemented through various media, for example TV, radio, print, direct mail, the telephone or cellphone, and the Internet. It also provides the consumer with the opportunity to respond to the marketing effort via telephone, cellphone, social networks, mail, fax, the Internet and personal visits. The main distinguishing feature of direct marketing is thus its ability to develop personal relationships with consumers and to refine those relationships over time by matching product or service benefits with the unique needs of individual consumers through exact targeting, immediate action, subtle strategies and measurable responses. Two primary objectives of direct marketing are identified in the literature:

1. To establish relationships by requesting a direct and instantaneous response from consumers in the form of a purchase, the request for information, or a data response concerning consumers' needs.
2. To maintain and enhance consumer relationships, irrespective of the elements of the communication mix through which it has been established (Du Plessis *et al.*, 2003; Kitchen, 1999).

Direct marketing media include direct mail (personally addressed communication such as direct-mail packages, letters, brochures, and so on); telemarketing (direct marketing via telephone, through inbound telemarketing like FreeCall 0800, ShareCall 0860 or MaxiCall 0861 numbers, or through outbound telemarketing via telephone to acquire information, support sales, encourage re-orders, and so on); direct-response print media (advertising in the media, that is, in magazines, newspapers and catalogues); direct-response broadcast media (such as direct-response advertisements on radio and television); and interactive media for global reach (such as the Internet; cellphones; social networks such as Twitter, blogs, Facebook, YouTube; and mailing lists).

The following direct marketing drivers are identified in the literature:

- *Market changes:* Direct marketing came into demand as a result of changes in market behaviour and in the efficacy of traditional media. Fragmentation of the markets (a major trend that strengthened the growth of direct marketing) resulted from greater independence within households and within communities. Other changes include an increase in the number of working women who are seeking time-saving purchasing methods (such as direct mail and telemarketing); the escalating divorce rate, which has resulted in a number of smaller and single households (this has affected the buying patterns of both genders – for example men are now deciding which washing powder to buy, and more women are buying cars and pensions for themselves); and the replacement of cash with credit cards as a means of payment.
- *Less-effective traditional promotional tools:* In recent years organisations have become dissatisfied with the more traditional promotional tools (such as advertising). Reasons for this include market fragmentation, which resulted in decreasing audiences for individual media, increasing media costs, and consumers experiencing clutter and information overload. Direct marketing is considered to have the potential to overcome these obstacles, because the message can be personalised.
- *More individualised consumer information:* Marketers need to use more effective media and to treat consumers as individuals; therefore they seek to acquire more detailed and personalised information about consumers.

- *Marketing databases*: A marketing database is defined as a ‘comprehensive set of interrelated data that serves multiple applications and allows for timely retrieval of information’ (Koekemoer, 2004: 373). Marketing decisions should be taken regarding segmentation and targeting. Databases are lists from which consumers can be targeted via direct marketing activities; these lists provide a wealth of information about the market, its consumers and potential consumers.
- *Data mining*: This refers to the process of investigating databases to discover links between consumer behaviour and almost any variable that might potentially be useful. In other words, marketers need to link consumer behaviour with its cause (Kitchen, 1999).

To address the needs and preferences of demanding and discerning consumers in a growing service industry, in which personal relationships are a key component, direct marketing has become an integral part of business-to-business (B2B) activities in which sophisticated databases and new media are used to build consumer loyalty. An essential element of direct marketing is interactive marketing, which entails direct marketing through new media. Baker (2003) lists ten distinguishing characteristics of interactive marketing:

1. continuous availability (that is, 24 hours a day)
2. marketing in real time
3. personalisation
4. data volumes and integration of data
5. many-to-many communication
6. comparison shopping
7. global reach
8. keeping in touch
9. low transaction costs
10. a website is more like a shop than a catalogue is.

Evidently, interactive marketing, having developed with the aid of technological innovations, offers the marketer revolutionary challenges and opportunities.

6.6.8 Sponsorship

The rapid development of sponsorship is being documented in terms of regulatory changes (for example those affecting alcohol and tobacco promotions); changes in government policies (that is, its commitment to funding more discretionary activities which has led to sponsorship becoming vital for cultural and sporting activities); the increased clutter and cost of the mass media (resulting from advertising); and globalisation (which has resulted in the breaking down of traditional marketing barriers) (Kitchen, 1999; Meenaghan, 1991; Mescon & Tilson, 1987).

Sponsorship is defined as a commercial agreement from which both parties (the sponsor and the organisation) expect a return on their investment, in both monetary and non-monetary terms, before, during and after the sponsorship campaign (Baker, 2003). According to Du Plessis *et al.* (2010: 276), sponsorship is a modifiable form of tailored IMC and can prove extremely successful if integrated with other IMC elements in a comprehensive campaign. It involves a marketing communication activity with financial

(or other) support from a sponsor which includes the right to use the sponsor's name and logo during the sponsored activity (Koekemoer, 2004). This definition implies that the beneficiary receives funds directly, while the sponsor's expectations are ultimately measured and met in terms of consumers' behaviour. For sponsorship arrangements to be successful, both parties need to have clearly defined and attainable outcomes and, because of the commercial benefits, should see the sponsorship agreement as a business arrangement. Different types of sponsorship have been identified, such as arts, entertainment, social investment (cause-related), education and philanthropy, and sport sponsorship. For the purpose of this book, it is necessary to consider the following main categories of sponsorship (also see Section 6.6):

- *Cause-related marketing (CRM)*: An organisation contributes to a designated cause, and a consumer engages in revenue-producing exchanges with the organisation (for example, a bank supports a sport trust or wildlife fund).
- *Sport*: This is one of the fastest growing and dominant benefactor sectors, mainly because of the high level of interest and awareness of sport fans, and the fact that sporting events can attract media both nationally and internationally (for example, the national rugby and soccer teams have a great deal of sponsorship).
- *Event-sponsorship*: An individual, team, organisation or activity is sponsored and linked exclusively to the sponsor's name (for example with golf challenges or the FIFA Soccer World Cup).

According to Koekemoer (2004), sponsorship creates a feel-good factor among consumers. He argues that the appearance of an organisation's brand name at, for example, a sporting event communicates to sports fans that the organisation shares the fans' values and interests, and therefore provides the type of product that they should favour. A typical example is that of Castle Lager, which has sponsored the Springbok rugby team. In return for paying for some of the team's expenses, Castle Lager's name has been embroidered on the team's rugby jersey; thus every rugby spectator is aware that Castle Lager supports the Springbok team and therefore is more likely to buy a Castle Lager rather than another brand of beer.

Compared with more traditional promotional tools such as advertising, sponsorship is a fairly new promotional tool. However, some organisations already use a sizeable proportion of their overall promotion budget for sponsorship, and it is anticipated that this figure will rise in the future. It is therefore important to include sponsorship in an IMC plan. Sponsorship can extend the impact of other elements of the promotional mix – such as advertising, sales promotion, public relations, direct marketing and personal selling – in an environment where consumers are more receptive (for example at sporting events) and key messages are therefore more relevant and persuasive.

Koekemoer (2004) identifies the following benefits of sponsorship:

- *Flexibility*: Sponsorship allows for niche marketing in that it fits the demographic and psychographic requirements of consumers.
- *Brand equity*: Sponsorship provides brand exposure, builds association value or brand exclusivity, and can alter brand personality traits through association with a specific event.

- *Media exposure*: Sponsorship can create a competitive advantage and extend the value of advertising campaigns by creating an interactive, dynamic environment for relevant and persuasive messages.
- *Industrial labour relations*: Sponsorship can enhance the image and reputation of an organisation, increase staff morale and encourage future job expectations.
- *Cost effectiveness*: Sponsorship creates coverage and brand awareness more quickly than traditional advertising.
- *Global and national unification*: Sporting success can facilitate access to international markets, create long-term relationships with consumers and with the nation, and inspire feelings of nation-wide goodwill.
- *Challenges*: Marketers require creativity and ingenuity to maximise return on sponsorship investment.

Methods to determine whether sponsorship is successful include the following:

- *Media audits*: Sponsorship requires advertising support. The fact that news coverage of the sponsored event is at the discretion of the media means that sponsorship has elements in common with public relations activities. Perhaps not surprisingly, therefore, one method of evaluation entails a straightforward analysis of media coverage. This method assesses, as a measure of advertising efficacy, the frequency with which an advertisement has been broadcast. However, the number of insertions is not a measure of exposure, nor does it indicate whether any change in behaviour has occurred. Media audits, therefore, are of limited practical use.
- *Awareness measures*: This approach recognises that any marketing communications success depends on the communication being noticed by consumers. Awareness has long been a popular variable in the evaluation of advertising. There are two reasons for this. Firstly, awareness is simple and inexpensive to measure and, secondly, awareness is regarded as highly responsive to levels of advertising intensity. However, this method of measurement still does not reveal whether or not there has been a change in consumers' behaviour.
- *Image and attitude*: Image and attitude variables are popular objectives to be measured. Researchers investigate whether consumers who are aware of an organisation's sponsorships view that organisation more favourably. They have found that, while some elements have been viewed more favourably, this has not consistently been the case.
- *Persuasion and preference*: Sponsorship is seen as a form of indirect persuasion that works through the strength and duration of the sponsorship link, the gratitude felt and the perceptual changes that might have occurred in response to this link. To investigate these components of persuasion, researchers measure awareness, and have found it to be critically dependent on the level of advertising support and the time period that this support is present.
- *Behavioural messages*: If sponsorship is undertaken to achieve behavioural outcomes, it would seem logical to measure the behaviours that are thought to be affected. But such measurements are complicated. Numerous authors have acknowledged that sales are affected by more than just advertising, sponsorship or any other promotional variable that might have been employed in a given campaign.

In other words, sales are a function of many variables, and the belief that sales can be predicted on the basis of promotional activity alone ignores many other variables that are considered to affect purchase behaviour.

The problems inherent in the use of awareness, image or behaviour as indications of sponsorship effectiveness inevitably raise the question of whether sponsorship can be evaluated effectively. Although it is difficult to measure the effectiveness of sponsorship, researchers and theorists agree that it is usually beneficial to an organisation when it uses sponsorship as part of the promotional mix. Sponsorship forms an integral part of IMC because it can extend the impact of the other elements of the promotional mix. The following provides an example of the use of sponsorship as an integral part of IMC.

6.6.9 *The Internet*

The new millennium is characterised by rapidly changing technology, especially IT, which is having a revolutionary effect on the study and practice of IMC (as most marketing communication media is technology based). Many of the old ways of marketing are being questioned, and new media opportunities have developed as a result, most notably the Internet, the World Wide Web, e-mail and mobile technology. (These concepts are defined and discussed in detail in Chapter 10.) In this section, the focus is on the applicability of technological developments and the Internet to IMC.

Technological developments

According to Kitchen (1999), the following points summarise the most important emerging technological trends applicable to IMC:

- The growing importance of electronic commerce, especially in business-to-business (B2B) marketing.
- Rapid internationalisation of small and medium-sized enterprises, made possible through effective Internet marketing.
- Innovative approaches to market segmentation and the move towards one-to-one marketing.
- New developments in market research and marketing information systems as a result of electronic communications, data-mining techniques and the Internet.
- The changing role of marketing intermediaries, with IT facilitating direct buyer–seller relationships.
- The growing importance of virtual communities and electronic networks.
- New approaches to marketing communications, promotion and advertising.
- Changing power relationships between consumer and supplier, as well as innovative, digital approaches to consumer service and support.
- The impact of IT on market structure, conduct and performance.
- New consumer-driven approaches to product development which incorporate IT.

IMC and the Internet

The Internet has become an indispensable global marketing tool. Especially for small and medium-sized enterprises (SMEs), effective online marketing (on the Internet) can provide a low-cost ‘gateway’ to global consumers. However, the Internet provides a

fundamentally different environment for international marketing communications. New strategic approaches and a digital mindset are necessary for success.

The key to understanding the Internet is the concept of connectivity. The capability of even the most technologically advanced computer is limited when it is operated on a stand-alone basis. However, if the computer is networked to other computers it becomes an extremely powerful communications and information search vehicle. Networks can take the form of local area networks (LANs), such as the Internal e-mail systems operated by most large organisations, and wide area networks (WANs), which link organisations in different localities. Increasingly, cities and larger regions are connecting into metropolitan area networks (MANs).

The Internet is an extremely interesting form of networking and is doubtless the one with the greatest business potential. It is an important marketing communication tool for improving communication with various target audiences, especially through the use of e-mail, Usenet/newsgroups and LISTSERVS (Kitchen, 1999). Chapter 10 provides a detailed discussion of online marketing communication and digital communication.

Another facet of online marketing is e-commerce, which in its simplest form can be defined as buying and selling via the Internet or using electronic communications technology to meet marketing objectives. Baker (2003: 638) suggests that e-commerce involves more than mere electronically mediated financial transactions between organisations and consumers, and she postulates a more comprehensive definition of e-commerce as the 'sharing of business information, maintaining business relationships and conducting business transactions by means of telecommunications networks' (see also Zwass, 1998).

The impact of e-commerce on marketing communication in an organisation can be seen in terms of the opportunities for the buy-side and sell-side of e-commerce transactions. *Buy-side* e-commerce takes place when an organisation purchases resources from its suppliers; this is also referred to as business-to-business (B2B) transactions. *Sell-side* e-commerce involves transactions in which products are sold to an organisation's consumers through appropriate distributors (Baker, 2003). It is important to acknowledge the value of the Internet as an element of the promotional mix as opposed to viewing it as simply another marketing channel. The challenge for marketers is to stay abreast of new developments and to acknowledge the significance of the Internet as part of the IMC approach in an organisation.

6.7 The relationship marketing perspective

The new millennium has generated a new area of marketing known as *relationship marketing* (Baker, 2003). The focus of this kind of marketing is communication *with* rather than *to* consumers, and it emphasises the importance of feedback and two-way communication. This represents a move away from transactional marketing towards interactive marketing. The need for integrating the different perspectives, and extending beyond the singular view of marketing to a multiple perspective, becomes apparent. Relationship marketing therefore seeks to combine all internal and external marketing activities by highlighting the significance of interrelational relationship marketing.

The emergence of relationship marketing was forecast in debates that took place during the 1990s. People contemplated whether it would replace traditional marketing and whether new theories would be needed to study the concept. Criticism against this marketing paradigm is based on the idea that symbolic two-way communication cannot replace genuine two-way communication, and that a symbolic relationship will not have the same effect as a real one. In its quest to simulate a relationship, this paradigm can be persuasive and authoritarian and, as a result, can be classified as one that is similar to the persuasion paradigm, which does not use a genuine two-way communication process.

According to Möller and Halinen-Kaila (1997), contemporary interests in relationship marketing are acquired from four basic sources: marketing channels, B2B marketing, services marketing and direct/database marketing (consumer marketing). This perspective challenges the traditional marketing management paradigm (with its focus on the four Ps of the marketing mix, especially on product) and emphasises the value of both the buyer and seller in the exchange process, thereby stressing the significance of managing exchange relationships (with more emphasis on price, package and people). The most recent perspective suggests replacing the four Ps of the traditional marketing mix with the four Cs of relationship marketing, which include:

- consumer needs and wants
- costs
- convenience
- communication.

The relationship marketing paradigm is based on the ‘who’, which adds value to the product or service to ensure long-term and ongoing relationships (Grönroos, 2004). From the literature it is clear that the relationship marketing movement, which acknowledges the significant role of the consumer in the value-creation process, will have a powerful impact on IMC in terms of turning it into the ‘integrative function’ that would provide other departments with the market-related input they need to function in a co-ordinated way.

Numerous definitions of relationship marketing exist and are derived from different research perspectives that have different focuses. These range from a practical point of view, with a focus on establishing successful relational exchanges (Morgan & Hunt, 1994) to a purpose perspective in which the specific objectives of all parties are met (Grönroos, 1997), and the processes through which relationship marketing is enacted are clearly defined (Möller & Wilson, 1995). According to Baker (2003), it is not possible to present a single, accurate definition of relationship marketing because the differing perspectives of researchers necessarily influence each definition. Based on the fundamental issues identified above, the following definition of relationship marketing is used for the purpose of this book:

Relationship marketing is the commercial activity between economic partners, service providers and consumers that aims to create, maintain and enhance these relationships in order to achieve mutually beneficial objectives based on profit and trust between these parties.

Relationship marketing therefore emphasises that both parties must gain from the relationship and that both parties’ objectives must be met. For the consumer, these

objectives might be, for example, satisfaction by buying or using a quality product or service. For the seller, the objective could be, for example, increased profitability through enhanced consumer loyalty. There is a strong link between the parties' objectives because increased consumer satisfaction leads to consumer loyalty, which in turn leads to profitability for the seller (Baker, 2003; Brink & Berndt, 2004). Baker (2003) believes that the renewed emphasis on the nature of the consumer relationship will encourage retail marketers to realise the importance of consumers' intellectual and judicious abilities. Furthermore, it is important to be aware that contemporary marketing and the traditional marketing mix are no longer sufficient to address the ever-increasing competitive marketing needs. Given the variety of products on the market (also as a direct result of globalisation), consumers will use perceptual differences to discriminate between rival brands. To ensure brand loyalty and differentiation, continuous IMC campaigns will become a necessity for achieving and maintaining competitive advantage in the marketplace. Key processes of relationship marketing include integrated communication, two-way interaction and value-added marketing (Grönroos, 2004).

According to Kitchen (1999: 406), the purpose of relationship marketing is to 'establish, maintain and enhance relationships with consumers and other partners at a profit, so that the objectives of the parties involved are met'. This is achieved with mutual exchange, and as a result of the following relationship marketing objectives in an organisation:

- Create, maintain and build existing consumer relations through focused and cost-effective solutions that are based on consumers' needs.
- Expand relationships through existing consumers, nationally and globally.
- Ensure that consumers are satisfied by offering collective products and services that address their needs.
- Offer services at a lower cost by decreasing operational and communication costs through an integrated approach.
- Enhance the corporate brand of the organisation through strategic and tactical relationship building.
- Develop or use existing databases and data mining to integrate relationship marketing and interactions with consumers in order to ensure consumer retention, extension and selection.

The following elements are crucial to relationship marketing:

- *Trust*: Trust is crucial not only to marketing but also to personal relationships, therefore it is equally important in relationship marketing. Trust is necessary if both the seller and the buyer are to feel that they are receiving a fair division of the available resources. Three points are crucial to establishing trust: trust is about equity; trust is about looking ahead, using past and present behaviours to inform an understanding of what might occur in the future; and trust is about the allocation of scarce resources such as time, money and product benefits. Trust reduces conflict and increases satisfaction and confidence between partners. Conceptually, trustworthiness comprises two elements: credibility and benevolence. Credibility is the belief that a partner has the expertise to perform a task effectively and

reliably, and benevolence is the belief that a partner's intentions and motivations will be beneficial to both parties when new circumstances arise.

- *Commitment*: This refers to a desire to maintain a valued relationship. Commitment to a partnership implies that the partner is prepared to make an effort to maintain the relationship and to avoid other partners that could threaten the partnership's existence. Commitment also implies a degree of vulnerability.
- *Social support*: Social support provides benefits such as the reduction and control of uncertainty, an increase in self-acceptance, and social integration within the larger community. Social support can also be a key factor in the development of relationships between organisations and consumers (Brink & Berndt, 2004; Kitchen, 1999; Doole & Lowe, 2005).

Trust, commitment and mutual benefit lie at the heart of relationship marketing. Many marketers conduct marketing strategies under the guise of relationship building but in fact ignore these important concepts. This problem can be attributed to the fact that relationship marketing is often incorrectly seen as the equivalent of direct marketing, in which the database is at the core of the relationship. Marketers use many different strategies and techniques but, whichever technique is adopted, honesty must inspire the relationship-building process.

There is some disagreement concerning the stage that relationship marketing has reached. Nevertheless, many marketing academics and practitioners see the relational approach as a central point of marketing. It is agreed, however, that regardless of whether relationship marketing is still emerging or is already a developed discipline, it is worthy of further development and exploration.

It is also argued that relationship marketing and IMC are interconnected, as the purpose of marketing is the creation of relationships. Currently, direct marketers and public relations practitioners are incorporating relationship marketing concepts but the dimension of this marketing can also offer a great deal towards the explanation and analysis of sponsorship activity. Furthermore, trust, which lies at the heart of relationship marketing, is clearly a critical issue for advertising. Sales promotion (typically a short-term activity) can be effectively integrated into long-term, relationship-oriented communications, and personal selling (arguably for many years the representation of relationship marketing) has much to contribute to a relationship-building strategy. Thus, it is clear that relationship marketing has to be integrated and has to be a part of each of the different elements of the promotional mix (Kitchen, 1999). In addition, Haimowitz (2011) proposes that an understanding of consumer needs and interaction is crucial to performing such marketing. This becomes possible only if relationship marketing is viewed from an integrated marketing perspective. The Internet, or course, presents both new opportunities and challenges to relationship marketing.

6.8 A global marketing perspective

Globalisation, a powerful business and industrial policy wave of the late 1980s and 1990s, is a widely used term that has a multitude of meanings. It is most often seen as the opportunity to expand business internationally, depending on the products on

offer and the methods selected to build brand relationships. In terms of an integrated marketing approach, brand messages need to be adapted to maintain strategic brand consistency. Cross-functional planning is an essential component when brand messages become global (Duncan, 2005).

With regard to marketing, globalisation can be viewed from two perspectives: business and societal (Semenik & Bamossy, 1995):

1. From a *business perspective*, globalisation can be seen as a phase in the marketing development cycle in which the organisation migrates to other countries in search of enhanced opportunity, expansion and growth – that is, domestic enterprises develop and mature into exporters, international operators and, eventually, global enterprises. In this global environment, marketing is one of the main strategic focus areas that can be used to deal effectively with the changing motives, expectations and requirements of consumers, employees, stakeholders, competitors and the ever-changing marketplace.
2. From a *societal perspective*, broad social and economic effects on the marketing process are presented. Here, the roles and purposes are fundamental to the process of marketing and do not change from market to market, although the context within which these roles and purposes manifest does indeed change.

Table 6.5 presents the primary differences between a global business perspective and a global societal perspective (adapted from Semenik & Bamossy, 1995).

Table 6.5 Business and societal perspectives on globalisation

Global business perspective	Global societal perspective
<p><i>Comparative advantage:</i> Trade-offs that countries make in global trading arrangements which affect the broad economic role of marketing in society that is related to exchange. Globalisation and technological change have made traditional ways of measuring competitive advantage less important</p> <p><i>Types of economic systems:</i> Economic systems are adapted to serve the needs of members. An economic system is a set of mechanisms through which scarce resources are allocated to produce and distribute goods and services. There are two types: planned economics (systems that are rigidly controlled by government) and market-driven economics (systems that operate on the premise that market forces will result in the most efficient allocation of scarce resources)</p>	<p><i>Competition and interdependence:</i> Interrelated forces which provide an underlying framework for micro marketing; in the global marketplace, organisations constantly develop and sustain a competitive advantage within a framework of competition, negotiation and co-operation with trading partners</p> <p><i>Economic regionalism:</i> To function beyond the confines of national borders</p>

Although it is clear that, with regard to the rest of the world, marketing is both a business and a societal process, an understanding of the cultural process is crucial

to the successful management of the global marketing process. Two viewpoints exist on the importance of cultural differences and similarities. The first postulates that brand messages should be customised for local cultures, while the second maintains that universals should be applied for cross-cultural, integrated campaigns, and that specific target audiences will have similar needs irrespective of borders. Duncan (2005) highlights issues such as standardisation and consumer segmentation as a means of addressing some of these problems, and suggests, alternatively, that adaptive strategies should be used (which can result in complex global marketing programmes, especially if an IMC approach is taken).

General principles to ensure global brand consistency and consistency in message delivery are summarised in the following basic media strategies:

- Localise media mixes to reflect the available media mix in each country.
- Use international publications, satellite television and the Internet.
- Participate in programmes that have transnational audiences, such as sporting events (Duncan, 2005).

Vehicles for global brand consistency include global outdoor media, television advertising, the Internet (a truly global medium), media convergence (to merge the use of the telephone, television and the computer with other new technologies such as smart cards, pagers, and so on), and media regulation (through careful national media planning and buying responsibilities).

Kotler (2000) maintains that organisations should extend their domestic market to the global market, but also highlights the risks that might result from fluctuating exchange rates, unstable governments, protectionist barriers, high product- and communication-adaptation costs, and several other factors. He argues that the potential gains and risks of international marketing will be determined by the systematic way in which sound international marketing decisions are made (Kotler, 2000). To achieve this, the following factors need to be considered: the international marketing environment and trading system; what proportion of foreign to total sales to seek; which particular markets to enter; how to enter them; the extent to which the four Ps should be adapted to individual foreign markets; and the development of an effective organisation for pursuing global marketing.

Relationships have become a key focus in a global marketing perspective, with the emphasis on attracting the consumer to the product or service through price, quality, design, brand image, strategic alliances, technology, product and sales distribution, networks and consumer services, to mention but a few. Maintaining an integrated perspective should be the key intention in this process.

6.9 Ethical issues of IMC

IMC and rapid technological advancement has resulted in new ethical issues that are relevant both globally and domestically, specifically ethical issues concerning privacy, the balance of consumer and business interests, and the proliferation of e-mail advertising. A very detailed definition of ethics is provided by Kerin, Hartley, Berkowitz and Rudelius (2006: 98), who maintain that ethics are the 'moral principles

and values that govern the actions and decisions of an individual or group [... that] serve as guidelines on how to act rightly and justly when faced with moral dilemmas’.

Most countries have introduced various codes of conduct on ethics and/or social responsibility, with the emphasis shifting towards consumers’ needs and away from the needs of producers. Furthermore, emerging societal issues demand greater accountability to ensure the well-being of the larger society, hence the emphasis on the societal marketing concept. This concept stresses that organisations should satisfy the needs of consumers in a way that ensures the well-being of society as a whole.

The societal marketing concept is directly related to two aspects: macro-marketing and micro-marketing. *Macro-marketing* includes broader issues such as the cost of marketing, advertising, resource scarcities and environmental impact, whereas *micro-marketing* focuses on the ways in which individual organisations direct their marketing activities and allocate resources for the benefit of their consumers.

6.10 Summary

This chapter highlights a selection of elements and core concepts that are part of the emerging understanding of IMC. A central argument is that IMC should be seen from a theoretical as well as an empirical viewpoint and that, in terms of an integrated approach, it should support the corporate brand of an organisation. The nature of IMC and its implementation in the organisation is based on a sound understanding of the marketing mix and the elements of the promotional mix (which in turn is influenced by globalisation). Furthermore, the insights into the field of relationship marketing are crucial to IMC and its developing paradigms.

IMC will continue to play a significant role in the communication of organisations in the future. Although IT is fast becoming a powerful communication tool and an essential component of IMC strategies, it also creates various challenges and opportunities with its potential to achieve truly competitive, integrated and effective marketing communication strategies in the ever-increasing competitive and innovative marketing communication environment.

In the next few chapters, specific elements (that is, public relations, advertising and integrated online communication) of the promotional mix will be discussed in more detail so as to address the growing academic requirements in these fields.

Case study

Cell C



Figure 6.5 Previous logo





Figure 6.6 New logo

Cell C, for several years associated with a red logo and spotted 'C', revealed a refreshing, new black and white logo with the 'C' in the latter part of Cell C placed within a solid circle. In 2010, Cell C launched a new corporate identity that is intended to reflect the company's vision of understanding its customers' way of life better than any of its competitors, and tailoring solutions that will enhance their customers' lifestyles and improve their livelihoods.

The new brand identity also consists of a six-colour bar which represents the colours of the South African flag and symbolises the commitment that Cell C has made to caring about South Africa, and South Africa only. Cell C intends to cater to all customers and not just those within specific Living Standards Measures (LSMs). The CEO of Cell C revealed that the decision to change the company's well-known brand was a call to action for the organisation and is in line with the current changes within the company. He explained that a brand ought to be relevant, appealing and inspiring to those inside as well as outside the organisation, and he felt that the new brand reflects the changes they are making to improve the experience of Cell C's customers at every touch-point. Furthermore, Cell C intends to gain the trust of customers by being very transparent concerning the changes that are needed. Consumers are invited to participate in all dialogue as Cell C wishes to engage them in the changes that are happening. Cell C also seeks to understand the areas in which customers are dissatisfied in order to address those issues.

Cell C has also launched an easy-to-use website where customers from all networks can indicate where their calls drop or where they have connectivity issues. Once these issues have been addressed, Cell C will provide customers with feedback so as to increase consumer participation.

Cell C expected to cover 34% of the South African population by the end of 2010 with its 4G^s network and, further, aimed for 67% population coverage by mid-2011. Cell C intends to become the operator of choice and, in addition to its advanced network, will continue to launch exciting and innovative products that address the needs of its customers.

(Permission to use this case study was obtained from Nicola Nell of Cell C.)

Activities

1. Critically evaluate the evolution of IMC.
2. You are the marketing director of Cellunet, a new cellular phone company in South Africa. You have been allocated a total amount of R5 million to market the company and its products. Indicate which elements of the promotional mix you would include in the marketing plan to promote this new company and its products. Explain the motivation behind both your choice(s) and the proportion of the budget allocation to each of the selected elements.

3. You have been appointed as the marketing communications director for NewStop Airlines, the newest airline operator in South Africa. Your primary competitors are the airlines that have been operating for a number of years. Your brief is to introduce your new brand in a way that will differentiate it from the existing airlines and to gain a 10% market penetration in the first year of operation. Included in your brief is the setting up and co-ordination of the marketing communications of the brand. Indicate or describe the IMC process that you will follow and explain your motivation in terms of which elements of the promotional mix you will include and how you will implement it.
4. Discuss whether you think relationship marketing is going to replace the traditional four Ps in the marketing mix and why.
5. Critically evaluate the impact of globalisation on the marketing activities in your organisation (or an organisation with which you are familiar).
6. Read through the case study on Cell C. Indicate which elements you think most contributed to the success of the project in terms of an IMC approach.

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Contextualisation of traditional advertising

Janette Hanekom

Advertisers are the interpreters of our dreams – Joseph interpreting for Pharaoh. Like the movies, they infect the routine futility of our days with purposeful adventure. Their weapons are our weaknesses: fear, ambition, illness, pride, selfishness, desire, ignorance. And these weapons must be kept as bright as a sword.

White (www.biz-community.com)

8.1 Introduction

Advertising is a complex and vibrant field of study and one of the most fascinating phenomena in business. Tellis and Ambler (2007) describe the advertising phenomenon as pervasive, perplexing, multidimensional and unfathomably rich. It therefore necessitates a thorough knowledge of the theory behind the onslaught of those well-executed and daunting advertising messages with which each of us is ambushed every day. Experts from different disciplines disagree about the role of advertising. Some economists accuse advertising of inflating the prices of goods while some religious leaders claim that it is materialistic because it ‘creates desires for worldly goods and pleasures’ (Tellis & Ambler, 2007). Experts in sociology maintain that advertising undermines the values of society, and politicians, despite their own high advertising expenditure, accuse advertising of wasting scarce resources (Tellis & Ambler, 2007).

Whatever the opinions and attitudes toward advertising may be, it is a significant component of the society in which we function. Nobody can escape the phenomenon entitled advertising, therefore it is with enthusiasm and interest that the important conceptions of this phenomenon are presented and discussed in this chapter.

The purpose of this chapter is to familiarise the reader with the concepts, theories and models of traditional advertising in order to establish a foundation on which advertising in general can be practised. It is impossible to practise, develop and create effective advertising messages without a keen understanding of the composition of the advertising phenomenon. A discussion of the remarkable evolution of advertising, advertising media and advertising content is therefore included, with particular emphasis on the evolution of advertising in South Africa.

Once advertising’s fascinating development is known and understood, it is important to examine its intricate nature. Therefore, this chapter provides a section on important definitions of advertising, after which it develops and explains an original definition of advertising. The diverse nature of the subject is further illustrated with the classification of advertising, and a discussion of the different roles it plays in society.

Advertising should be contextualised in terms of its role and place in the overall communication strategy of an organisation, as well as in the promotional mix and

marketing mix. These form part of the external communication activities of the organisation and should be aligned with the internal organisational communication activities (intra-organisational communication) in order for the organisation to present a unified corporate brand to internal and external stakeholders.

Although this chapter examines advertising as a separate communication function, it should be understood as an integrated and interdependent part of all the internal and external communication activities of the organisation. Advertising therefore does not function in isolation; rather, it is part of the marketing communication mix.

All internal and external communication messages, which include marketing and marketing communication messages (that is, public relations, advertising, online and all other marketing communication messages), should send out a unified message to internal and external stakeholders in order to build a unique and cohesive overall corporate brand for the organisation. For the advertising practitioner, this means that advertising messages, together with all other communication messages, should be effectively executed so that individual stakeholders will capture a positive corporate brand out of a multitude of contacts and impressions (Cornelissen & Lock, 2001).

Significant consideration is then given to the societal role of advertising. It is important to know whether advertising creates social values or merely mirrors them. It is additionally important to know and understand the different types of advertising messages that might pose a threat to society in general, and most especially to vulnerable groups.

The final section of this chapter deals with advertising consumer response theory, which includes several traditional advertising consumer models, as well as the integrated marketing communication internal consumer response model. This integrated model explains, in an integrated manner, the internal consumer response process through which consumers proceed when exposed to advertising messages. The comprehension of these models will assist the advertiser in the development of an advertising message that is based on thorough knowledge of the cognitive processes involved in the processing of advertising information.

In this chapter, the focus is on the contextualisation of traditional advertising, therefore the following are discussed:

- the history of advertising
- definitions of advertising
- classification of advertising
- the roles of advertising
- advertising and its role in the marketing mix and the overall communication strategy of the organisation
- advertising's role in society
- advertising consumer response theory
- the ethics of advertising.

8.2 A brief history of advertising

Advertising is regarded both as an art and a science; it can therefore be considered a complex field of study. This complexity necessitates knowledge of how the advertising phenomenon, its media and content have evolved. This section briefly explores the

7 000-year-long history of advertising in the context of the evolution of advertising in general, and the evolution of both the media of advertising and the content of advertising in particular.

8.2.1 *The evolution of advertising*

Early civilisations

Advertising is estimated to have been a facet of society as far back as 7 000 years ago, emerging almost as soon as commerce began (Tellis & Ambler, 2007). The Babylonians stencilled inscriptions on bricks approximately 3 000 years BC and these can be called the first advertisements (Presbrey, 1968). Later, there were barkers and criers who advertised orally.

Merchants then hung the symbol of their trade over their doors, which indicated the nature of their business. These were found from the early civilisations of Egypt, Mesopotamia, Greece and Rome. After the spread of literacy in ancient Rome (from 200 BC onwards) written advertising became prevalent, with advertisements painted on walls in the form of announcements. Such advertisements were controlled by an advertising contractor. During this early advertising developmental period, advertising and production remained primarily local. Items such as land, slaves and transport were advertised (Tellis & Ambler, 2007).

From its earliest days, advertising served the purpose of informing, persuading, selling and reminding consumers to buy or act (Tellis & Ambler, 2007). Advertising today is much more persuasive because of the multitude of media available as well as the large number of goods that are advertised.

The Industrial Revolution

The Industrial Revolution that took place between 1760 and 1830 transformed every aspect of society and the economy, with developments such as the possibility of mass transportation, for example. These changes necessitated the need for mass marketing, which in turn led to mass advertising through mass printing. The advertising message was now more widely distributed through handbills, posters and newspapers. Because of advertising, consumers now demanded brands with which they were familiar and, as a result, retailers then stocked the advertised brands (Tellis & Ambler, 2007).

The mid-19th century onwards

Mass production of industrial goods emerged during this period of the evolution of advertising, which also saw a shift from a focus on simply supplying products to more of a focus on satisfying consumers, which in turn led to the creation of demand from consumers. Because most men were employed in the military, women did the shopping and they became increasingly willing to buy ready-made products, such as food and clothes, rather than making these items themselves (Tellis & Ambler, 2007).

They demanded products that could make their lives easier, and markets began to shift from local to national as a result of products becoming popular in the broader national context instead of only locally. This in turn resulted in much more choice available to consumers. Advertising was now more cost effective than personal selling and could also

both create and increase demand. Print media were more established and respectable, and were instrumental in increasing the importance of branding. Consumers demanded that products should be unique, with unique brand names, and that the unique advantages should be communicated to them through advertising (Tellis & Ambler, 2007).

Post World War II

During this period in the evolution of advertising, marketing was regarded as a function that was separate from sales. With the arrival of television, access to mass markets became much easier. Television changed the way in which advertising messages were structured and delivered and was beneficial for developing brand names and introducing new products. Since this period, new technological developments have accelerated even further and have again changed the way in which advertising messages reach and engage markets (Tellis & Ambler, 2007).

8.2.2 The evolution of advertising media

Similar to the evolution of the advertising phenomenon in general, the media of advertising have also evolved. At the arrival of each new medium, communications are transformed in order to adapt, although the history of advertising media demonstrates that no advertising medium has ever ceased to exist with the onset of a new advertising medium. They have, in fact, simply co-existed to function in an integrated partnership (Tellis & Ambler, 2007). Today, this is evident in the manner in which organisations attempt to integrate the elements of the marketing communication mix; this has led to the integrated use of different media. This section considers the main media avenues available to advertising and explains how these have evolved over time.

Outdoor

Today, outdoor advertising is seen on billboards along highways; on trains, buses and taxis; and in airports, bus stations, phone booths and public bathrooms; it even appears on car parking tickets. In addition, with the development of technology, moving and still advertising images can be displayed on any type of surface. Outdoor advertising as it is known today began as a means of mass communication in ancient Egypt, where five-foot-high basalt tablets, carved with hieroglyphics, announced laws, decrees and warnings (Tellis & Ambler, 2007). Romans communicated their laws to the public by means of inscriptions on tablets, buildings and monuments, while the earliest form of sports advertising (the earliest form of sponsorship) was circulated with the use of placards at gladiator contests and circuses for the purpose of promoting the event. Later, in the 1400s, handbills and poster bills appeared and, 200 years later, outdoor signs in London's streets emerged. With Thomas Edison's big invention, electric advertising signs also became possible (Tellis & Ambler, 2007) and are still widely used today.

Newspapers

With the rising popularity of television and the Internet as advertising media, it was predicted that newspapers as an advertising medium would cease to exist. Despite these predictions, the popularity of newspapers continues to rise with over 400 million

people buying a daily newspaper and readership that exceeds one billion people per day (Tellis & Ambler, 2007). Newspapers have even embraced the popularity of the Internet by increasing their online presence.

The development of advertising and of newspapers went hand in hand during the 18th and 19th centuries when newspapers began to emerge in Germany, England, France, London and the US. In 1700, in England, newspapers charged a shilling for an advertisement, regardless of the number of lines used (Presbrey, 1968). The first printing press in the US – the Harvard University Press – was imported by Harvard University in Cambridge in 1638, and printed advertising began in earnest, with the earliest advertisements containing information about land, runaway slaves and transportation (Du Plessis, 2000).

Magazines

The magazines that were launched during the mid-19th century did not contain advertising and were primarily literary, but advertisers soon began to recognise the opportunities for advertising in magazines and, therefore, by the end of the 19th century, magazine advertising accounted for two-thirds of publisher revenues (Tellis & Ambler, 2007). Although magazines were originally regarded as a medium for the wealthy and well educated, they are now created for every possible type of audience and have emerged as popular advertising media.

Radio

When the radio was invented in the US in the 1920s, it immediately embraced advertising. This medium soon became very popular because it was available to most American households during the Great Depression. Its popularity amongst advertisers and marketers also grew quickly and it is therefore regarded as the first national medium for mass marketing that created great opportunities for quickly introducing new products and developing brand names (Tellis & Ambler, 2007).

Television

Television provided the added advantage of visual images, with the result that television broadcasting and advertising became more popular than radio broadcasting and advertising. Even nowadays, television continues to be the largest source of worldwide advertising revenue. Because of the close relationship between radio and television, television drew substantially from the knowledge that had been acquired during the evolution of commercial radio (Tellis & Ambler, 2007).

Internet

Even though Internet advertising only began in 1994, it is the fastest-growing new medium ever (Tellis & Ambler, 2007). It is estimated that Internet advertising continues to grow by 27% each year, and it is predicted that it will soon overtake outdoor advertising. One of the reasons for the popularity of the Internet as an advertising medium is the fact that it is well suited for search applications involving

online local, national, international, directory and classified advertisements (Tellis & Ambler, 2007).

8.2.3 The evolution of advertising content

The evolution of the advertising phenomenon in general, as well as the evolution of advertising media have thus far been discussed and explained. It is, however, important to understand that with the development of advertising and the media it utilises, the content of advertising has subsequently also evolved to adapt to the creative possibilities that are available today.

The informational role of advertising content

During the 1800s and early 20th century, advertisements were regarded as informational because the majority of them were classified, un-illustrated offers made to all citizens in order to sell something specific. These types of advertisements specified what was for sale, the price and where to find it. Because the advertisements during this time were merely informational, advertisers soon realised that they presented limited creative opportunities (Tellis & Ambler, 2007). In response to this realisation, by the early 1900s advertisements were required to show originality and creativity and to appeal to audiences' emotions. Advertisers had realised that human nature is often instinctive and irrational and that audiences would respond more favourably towards emotional appeals than logical arguments and reasons (Tellis & Ambler, 2007). Therefore, rather than adhering to an explicit selling or informational approach, advertising content now evolved to adopt a more entertaining approach.

The creative role of advertising content

Advertising messages evolved from being merely informational to include spectacular creativity and appeals that focused on eliciting human emotion. The focus now was on the 'big idea' and the 'creative concept'. Creativity therefore became the focal point when creating advertising messages. Although this creative approach certainly elicits audiences' attention and consideration, advertisers should bear in mind that the main aim of advertising is to communicate brand messages. If effective branding does not occur during the advertising message communication process, the advertisement is unsuccessful. During this period, certain key personalities were prominent. David Ogilvy championed research and copy testing, and encouraged his advertising agency to create clean, powerful advertisements that were characterised by graceful, sensible copy and a palpable respect for the consumer's intelligence. Leo Burnett tried to find drama in each product and presented it as believably as possible through warmth, shared emotions and experiences. Bill Bernbach adopted the simple, creative philosophy of finding the basic story in the product and presenting this in an articulate, intelligent and persuasive manner. Theodore F MacManus's style was influential, image oriented and atmospheric, with elaborate layouts and emotional appeals, whereas Rosser Reeves created the 'unique selling proposition' concept that focused on driving home a central, research-based selling point. Jeremy Bullmore contributed to the development of advertising content by realising that the advertisement or stimulus was not the most

important aspect of advertising but, rather, that the consumer's response was what mattered most (Tellis & Ambler, 2007).

In the discussion above, it is evident that advertising in general, advertising media and advertising content adapt to conditions and the current culture and society in which they function. Although advertising has become more complex than ever before, it still tries to inform, persuade and remind consumers and potential consumers of the product or service's value (Tellis & Ambler, 2007).

8.2.4 The development of advertising in South Africa

The evolution of advertising in general, its media and its content have been discussed. It is additionally important to consider the evolution of advertising in South Africa.

Advertising reflects the period in which it is produced, as do literature and art. The traditional purpose of advertising is to sell a product or service to a consumer but, over time, the purpose has evolved into an art that is intended to appeal to people's thoughts and emotions. This distinguished form of art reflects society's moods, prejudices and current concerns, and this is particularly evidenced in the way in which advertising has developed in South Africa.

Advertising has been practised formally for 200 years in South Africa and had developed into a highly sophisticated and specialised business. Changes in advertising and the media environment occurred simultaneously and can be divided into several phases:

- *Phase 1:* Posters developed into a colourful medium for advertising.
- *Phase 2:* Handbills preceded press advertising and are now seen as a creative challenge for every modern advertiser.
- *Phase 3:* Cinema advertising regained the importance that it had held before the advent of commercial radio.
- *Phase 4:* In the 1970s, commercial television resulted in changes in the industry as agencies adapted first to the audio medium and then to the audio-visual medium.
- *Phase 5:* Retail advertising, considered to be the foundation of all advertising, still receives a large portion of advertising spending today.
- *Phase 6:* Radio became an extremely important advertising medium, and radio advertisements reached an unprecedented level of sophistication.
- *Phase 7:* When television became a popular advertising medium, South African advertising agencies started to seek associations with international companies. These relationships still exist today (Bryce, 1990).

The South African advertising industry was influenced by the development of advertising in England in the 20th century, after which American internationalism dominated the scene. However, the unique demands of Africa are becoming more salient and these are now carefully considered in local advertising. South Africa has its own history both of people who significantly influenced the advertising scene and events that indicate the development of this phenomenon. Some of these developments are the following:

- In 1824, George Grieg's weekly South African *Commercial Advertiser* was published. More than four of its eight pages were filled with advertisements.
- Subsequent newspapers such as the *Cape Argus* became a medium of communication with the general public for entrepreneurs and business people that used simple advertisements to inform potential clients of their products and services.
- Notices of the departure times of ships; their destinations; who to contact for freight and passage details; and bolder advertisements announcing the arrival of mail ships were all part of early South African advertising.
- The *Cape Times* and *Daily Advertiser* were launched, in which personal advertisements made their appearance.
- By 1910, crude cartoons were used to illustrate products, often for patent medicines of dubious repute.
- Styles of advertisements changed constantly and by the 1920s line drawings were being displaced by black and white photographs, which in turn were replaced by colour, especially in magazines.
- At the end of World War I, magazines were offered to advertisers as a new medium.
- Advertising agencies rose to the challenge of the developing advertising scene in South Africa, with staff doing everything from copywriting and layout design to client liaison.
- Legends such as Stanley Ashmead-Bartlett, P N Barrett, Doug Cocksedge, Fred Puzey, Hamilton Russell, Roland Wentzel, Eric Lindsay Smithers, Hannes van Zijl, Nic Tredoux, David Hart and Tommy Young dominated the advertising scene in South Africa.
- In 1957, advertisements on bus shelters were introduced in Johannesburg.
- A new system of 'sound advertising' was also introduced in 1957 when points-of-purchase sound advertising systems were installed in trading stores on the Reef.
- Once the importance of creativity in advertising was recognised, research became important and by 1960 had been incorporated into advertising campaigns.
- In 1962, the Anglican church in Natal decided to use advertising to encourage people to attend church services for the benefit of themselves and the community.
- At the time of its 50th anniversary in South Africa, the advertising agency JWT was still considered to be the largest agency in South Africa.
- The South African Advertising Research Foundation (SAARF) was started in 1974 to produce the All Media and Product Survey (AMPS), which is unique in the world and has been produced annually since 1975.
- In January 1978, the first advertisement on television in South Africa, for Big T Burgers, was broadcast. Bilingual advertisements were not allowed on television.
- The Loerie Awards were established in 1978 to highlight the best in advertising.
- The amount spent on direct response marketing, which included direct mail and marketing; knock-and-drop flyers; mailers; and even advertising via fax machine, more than doubled between 1980 and 1985.
- By 1989, outdoor advertising was fully recognised as an advertising medium.
- By 1990, there were 17 daily newspapers, two national and three regional Sunday newspapers, nearly 400 trade and 200 consumer journals, and a host of twice-

weeklies, weeklies, fortnightlies, monthlies and quarterlies in South Africa. This led to the specialisation of and within advertising agencies.

- In the 1990s, sponsorship gained popularity.
- In the last 20 years, agencies have changed markedly, with several, such as Hunt Lascaris and Barker McCormack, aiming to service African needs when creating advertisements and developing specifically South African concepts (Bryce, 1990).

8.3 Defining the nature of advertising

It is clear that over the years the advertising phenomenon has evolved enormously. This evolution led to the regular redefining of advertising. It is important to understand advertising's intricate nature and to accurately define it. In this section, several definitions of advertising are reviewed and analysed, and its nature is elucidated upon. Because advertising is such a dynamic field of study it is difficult to devise a singular, comprehensive definition, therefore a diverse spectrum of definitions is presented and commented on in an attempt to guide the formulation of an original definition of advertising. The most important consideration when defining advertising is to recognise those elements that are unequivocally part of the nature of the advertising phenomenon. By scrutinising several definitions of advertising, its complex nature can be thoroughly considered. Koekemoer (2004: 67) defines advertising as

... any paid form of mass presentation of ideas, products and services by an advertiser, addressed to selected target audiences with the objective of creating awareness, informing, reminding, influencing, and persuading them to buy the product or service or to be favourably inclined towards these ideas, products or services.

This definition describes advertising as *commercial communication*. In other words, it is paid for. This particular phrase distinguishes advertising from publicity, which is usually not paid for by the sponsor. In the case of advertising, the advertiser pays for the advertising space or time and therefore has the prerogative to present any persuasive message to the target audience. Low-cost mass communication is used to present ideas, products and services to the target market. This means that mass media is utilised with the intention of speaking to as many consumers as possible at the lowest possible rate (Koekemoer, 2004).

Advertising is not only concerned with products; it also aims to make consumers aware of ideas, goods and services different organisations offer. The advertiser could be an organisation, a non-profit organisation, a political party or any individual that wishes to influence a specific target audience. Specific products or services will satisfy specific audience segments' needs, and advertisements are therefore not aimed at every consumer but rather at specific segments of consumers – that is, the selected target audience (Koekemoer, 2004). Koekemoer (2004) furthermore defines advertising as a means of making known, informing and persuading potential customers to respond favourably to a product, idea or service. Advertising thus ultimately creates awareness, reminds and positions the brand. Moriarty, Mitchell and Wells (2009: 9) provide a more recent definition of advertising:

Advertising is a paid form of persuasive communication that uses mass and interactive media to reach broad audiences in order to connect an identified sponsor with buyers (a target audience) and provide information about products (goods, services, and ideas).

This definition identifies five important factors:

- The advertisement is paid for by the advertiser, with the exception of public service advertisements, or if the space and time is donated.
- The sponsor is identified in the advertisement.
- Advertisements are directed at target audiences. These are mass markets of a broad audience of potential consumers.
- Advertising has many functions, of which the most important are information and persuasion.
- Advertising is usually non-personal and directed not at a specific person but at a mass market (Moriarty *et al.*, 2009).

Belch and Belch (2009:18) contribute another comprehensive definition of advertising. They define this phenomenon as ‘any paid form of non-personal communication about an organisation, product, service, or idea by an identified sponsor’. Once more, the most important aspect of the definition of advertising is the fact that it is paid for. The only exception would be, for example, public service advertising where space and time is sponsored by the media. Advertising furthermore involves mass media such as television, radio and print and is therefore non-personal, as it does not communicate in a personal manner with the individual. This allows for messages to be distributed to large audiences with no immediate feedback necessary (Belch & Belch, 2009). Yet another perspective of advertising is provided by Odih (2007) who defines advertising as follows:

Advertising congruity allies commodities with culturally constituted representations of everyday life. Advertising achieves this by separating ‘the intrinsic qualities of being human from actual living humans’ and this ‘reification imparts a timelessness to the manufactured product’.

This definition clearly illustrates the link between culture and what is represented in advertisements, and furthermore illustrates the various perspectives from which the advertising phenomenon can be considered.

From the above discussion, it is apparent that various authors have differing definitions of the advertising phenomenon. However, it is important to recognise the elements that all of the above definitions regard as invaluable when describing advertising.

Table 8.1 on the following page summarises the most significant elements that describe the nature of advertising and which should be evident in the definition of advertising.

It is clear that, because of the intrinsically complicated nature of this phenomenon, no single definition of advertising can be formulated. It is possible, however, based on the definition provided above, to formulate an original and comprehensive definition of advertising, which is used for the purpose of this book:

Advertising is the persuasive and influential communication of messages to a specified segment of an audience by an identified advertiser who pays for unmodified messages to be delivered through the mass media.

Table 8.1 Important elements in the definition of advertising

Important elements	Description/explanation
Paid communication	Advertisements such as public service advertisements (road safety and anti-smoking messages) are not paid for, while the opposite holds true for commercial advertising messages. The advertiser of the latter is therefore allowed to provide any information on the product, service or idea advertised because it is paid for by the advertiser
Mass media	The advertising message is usually communicated to the target audience by means of mass media, which include newspapers, magazines, outdoor advertising, radio, television, cinema and the Internet. Because advertising messages are communicated through these means, the messages are impersonal, and advertisers receive delayed feedback from members of the audience
Identified advertiser	The advertiser is introduced by the advertising message, the main purpose of which is also to identify the advertiser’s product, service or idea. The advertisement should also orientate the audience positively towards the advertiser and the product, service or idea advertised
Specified segments of audiences	Advertising messages are aimed at specific individuals and not at every individual consumer. Certain products or services are advertised only to those audience members whose needs and wants will be satisfied by using it
Persuasive/influential message	The advertising message is usually not only informational or entertaining but also aims to persuade consumers to buy a specific service, use a specific product, or believe a specific idea. The message should therefore be influential in nature in that a response or reaction should be elicited from audience members
Unmodified message	No gatekeeper may alter the advertising message. The message should convey only the information that the advertiser wants the target audience members to receive

8.4 Classification of advertising

Embedded in the definition of advertising is an explanation that advertising messages are aimed at different audience segments and different types of consumers. Advertisers try to reach various audiences by means of numerous advertisements. It is thus crucial for them to develop a system for the classification of advertisements.

Although advertisements can be classified according to purpose, target audience, geographic area and medium (Koekemoer, 2004), it is important to bear in mind that these categories overlap and that a single advertisement could be classified into two or even three categories. Thus, these categories are not mutually exclusive; rather, they provide a framework for structuring the different ways in which advertising is used to communicate a diverse spectrum of messages.

8.4.1 Classification by purpose

The categories of advertising covered here are primary and selective demand, product, idea, corporate image, commercial and non-commercial, action or response, political, personal, recruitment and retail (Koekemoer, 2004).

Primary and selective demand advertising

Primary demand advertising is designed to stimulate demand for the general product class or entire industry, for example chicken, whereas selective demand advertising focuses on creating demand for a particular manufacturer's brand, for example Rainbow Chicken. Advertisers usually concentrate on advertising a particular brand to increase its market share. They believe that there is a primary demand for the general product and that they must give consumers a reason to buy their particular brand.

Product advertising

Other names for product advertising are *brand advertising*, *manufacturers' consumer advertising* and *advertising by producers* (Koekemoer, 2004; Wells, Burnett & Moriarty, 2000; Moriarty *et al.*, 2009). People usually associate product advertising with the term 'advertising'. Manufacturers use it to communicate directly with their customers by promoting, for example, drinks, food, tobacco, clothing, cars, household goods, toiletries and leisure goods. It is the most visible type of advertising and focuses on the development of a long-term brand identity and image. Products such as Koo canned foods, OMO washing powder, Enterprise cold meats, Handy Andy household cleaner, Mrs Ball's chutney and Fatti's & Moni's pasta are well-known brand names in South Africa, and all are extensively advertised by means of product advertising.

Corporate image advertising

Corporate image advertising is also referred to as *corporate advertising*, *public relations* or *institutional advertising* (Koekemoer, 2004; Wells *et al.*, 2000). This type of advertising is specifically designed to promote an organisation's mission or philosophy regarding important issues and aims to establish a corporate identity for the organisation in the minds of the target audience, rather than merely focusing on selling products and services (Moriarty *et al.*, 2009). The covert purpose of this type of advertising is to convince the target audiences and publics to have a positive attitude towards the organisation, which will lead them to buy the organisation's products or use its services. The radio station Jacaranda FM 94.2, with their Good Morning Angels project where they raise funds for needy people, is one example of corporate image advertising. With this project they raise awareness of their commitment to helping people in need and therefore establish a positive corporate image in the minds of their target audiences. Many organisations nowadays promote, for example, global warming awareness. This involvement seeks to raise consumers' awareness of the important issue of preventative measures to combat global warming. It additionally promotes a positive attitude towards the organisation itself.

Non-commercial and commercial advertising

Non-commercial advertising includes *charity, educational, government, cause, public service, social, institutional and group* advertising (Wells *et al.*, 2000). Charity organisations like the Salvation Army gather funds, inform supporters, volunteer and educate the public about the services they provide. Advertisements such as these are usually sponsored by associations, groups and committees rather than by individual organisations. They do not try to sell a specific product but rather to raise issues, influence ideas, affect legislation or alter behaviour in ways that they consider socially desirable. These advertising messages therefore focus on a good cause, such as the dangers of drinking and driving, or preventing the abuse of women and children.

Commercial advertising, by contrast, includes *selective demand, product, direct response, national and retail* advertising.

Action or response advertising

Action or response advertising aims to bring about the consumer audience's immediate action and it is sometimes also referred to as *direct-response advertising* (Koekemoer, 2004; Wells *et al.*, 2000; Moriarty *et al.*, 2009). Action or response advertising differs from awareness or image advertising which focuses on creating awareness of and interest in an image of a product. This type of advertising influences consumers to select a specific brand the next time they shop.

Action advertising seeks an immediate, direct response from the consumer. A direct-mail advertisement provides a telephone number or postal address, and tries to stimulate a sale directly. The consumer can respond by telephone or by mail, and the product is delivered to his or her door.

The majority of advertisements on television or radio are awareness or image advertisements but some can be a mixture of awareness/image and action/response advertising. The television advertisements, for example, might devote a few seconds to image building and then focus on action or response messages by providing a telephone number for immediate information and sales. The many infomercials on television provide good examples of awareness/image advertising combined with action/response advertising. The Verimark and Glomail advertisements make consumers aware of the product and then attempt to persuade viewers that they will not be able to survive without that product before they finally provide a telephone number that viewers should immediately contact to obtain the product. The Internet, as the latest advertising medium, has contributed significantly to establishing direct-response advertising as a popular type of advertising (Moriarty *et al.*, 2009).

Retail advertising

Retail advertising is sometimes also referred to as local advertising and focuses on the place (that is, the store) where consumers can buy a specific product or use a service. This type of advertising therefore sells the retail establishment as the place to buy a number of brands and not individual products. Retail advertisements are specific about the location, and the products that can be bought there. Every type of retail store – such as department stores, chemists, grocery stores, sporting goods stores and

speciality stores – offers goods bought from the producers. Retail advertising provides facts about products that are available in local stores, and aims to create store traffic and a positive image in the minds of the target audience (Moriarty *et al.*, 2009).

Enterprises such as banks, restaurants, funeral homes and dry cleaners also offer services to consumers and they too advertise by means of retail advertising. Although the terms *retail* and *local advertising* are sometimes used interchangeably, local advertising more specifically refers to a retailer, manufacturer or distributor who offers products in restricted geographic areas (Moriarty *et al.*, 2009). In South Africa, examples of retail outlets are Spar, Shoprite Checkers and Game, and examples of restaurants are Spur, Wimpy and McDonald's.

Political advertising

Politicians use political advertising to persuade the general public to vote for them at election time. Politicians address important issues by means of political advertising, which also allows them to tell the public what they stand for (Koekemoer, 2004).

Personal advertising

Personal advertising is when individuals buy space in local newspapers to, for example, sell cars or furniture, find new owners for pets, or sell camping equipment.

Recruitment advertising

Organisations make use of recruitment advertising to recruit staff for positions that they have available (Wilmshurst, 1985).

8.4.2 Classification by target audience

Two broad categories exist under this classification, namely consumer advertising and business-to-business (B2B) advertising (Koekemoer, 2004).

Consumer advertising

Consumer advertising includes end-product (brand or service) advertising on a national or local basis, retail advertising and direct-response advertising. Consumer advertising entails any advertising aimed at the consumer, who buys the product or uses the service. This type of advertising is usually done on a national basis by national advertisers, while local service providers (such as a hotel) or smaller manufacturers might use local advertising (Koekemoer, 2004).

Business-to-business (B2B) advertising

Many companies need to advertise to other businesses or organisations or to a particular industry or profession. The target of this type of advertising is people who either use a product or service, or who influence a firm's decision to purchase another organisation's product or service (Koekemoer, 2004). The three categories of B2B advertising are industrial, professional and trade advertising:

1. *Industrial advertising*: This is aimed at a small group of people that buy goods and services for commerce, industry, government and other institutions (for example hospitals, schools, hotels and catering chains). The people who buy these products do not buy for themselves and they buy products such as factory machines, office equipment and vehicles, bulk supplies of stationery, raw materials and components. Products advertised under the banner of industrial advertising usually become a physical part of another product (for example raw material or component parts), are used in the manufacture of other goods (for example machinery or equipment), or to help the manufacturer conduct business (for example office supplies, computers, copy machines). Industrial advertisements are usually found in general business publications (such as *Financial Mail* and *Finance Week*) or in publications targeted at the particular industry (such as *Engineering News*).
2. *Professional advertising*: Professional advertising is directed at professionals such as doctors, lawyers, dentists and pharmacists. This type of advertising encourages professionals to prescribe or recommend specific products to others. For example, by advertising a product like Panado in a medical journal, the sponsor hopes to persuade doctors and pharmacists to recommend it to their patients and clients.

It is important to distinguish between *professional advertising* and *advertising done by professional people*. In the past, professionals such as doctors, lawyers and dentists did not advertise their services; however, more recently, professionals have used this type of advertising to attempt to gain an advantage over their competition (Koekemoer, 2004).
3. *Trade advertising*: Trade advertising is seen in specialist publications addressed to groups such as grocers, retailers, wholesalers and agents. This type of advertising intends to persuade retailers and wholesalers to stock a particular product and to promote the sale thereof. For example, a particular brand of dog food, such as Epol, is advertised to a retail outlet like Shoprite Checkers or a wholesaler like Makro. In this example, trade advertising tends to emphasise Epol's profitability and the consumer demand that will create a high turnover for Shoprite Checkers or Makro.

One of the aims of trade advertising is to secure an initial trial for a product. Manufacturers are interested in increasing the number of retail outlets that stock their brands. With trade advertising, the manufacturer of a particular brand can persuade the retailer to stock the brand and provide a distinct space in the retail outlet for its brand. Furthermore, trade advertising can increase trade support for a particular brand. It can encourage retailers to give a prominent position to an organisation's products, use a manufacturer's point-of-purchase material, or take advantage of dealer incentives offered by an organisation. Trade advertising announces consumer promotions and offers a schedule that outlines when such promotions will occur in the future. This is to let dealers know that they are being supported by specific advertising, as well as to encourage dealers to co-ordinate local promotions with the manufacturer's national advertising efforts (Koekemoer, 2004; Wells *et al.*, 2000).

8.4.3 Classification by geographic area

Advertising can be used locally, regionally, nationally and even internationally (Koekemoer, 2004).

Local advertising

To persuade local consumers to buy products at a specific retail outlet, local retailers use local advertising. This kind of advertising can also be used to convince consumers to use a local service such as a restaurant, hairdressing salon or bank. Whereas national advertising focuses on persuading consumers to buy a particular brand, local advertising attempts to persuade consumers to buy products at a specific retail outlet. This type of advertising specifies general aspects such as trading hours, service, the variety of products, sales promotions and sales.

Regional advertising

When an advertiser wants to devote the advertisement of a product or service to a certain area, the advertising will specifically state, for example, 'only in Gauteng' or 'only available in the North West province'. This advertising category overlaps with local advertising where a retailer in a specific geographic area advertises products available in store.

National advertising

National advertising is sometimes also referred to as *retail advertising*. Manufacturers advertising a particular brand that is sold through different distribution outlets use this type of advertising. The product is usually sold in major centres around the country. National advertising contributes to building the image of and demand for a brand by providing general product information. It is assumed that a consumer enters a retail outlet with the intention of buying a particular brand that is promoted by national advertising, ranging from consumables such as Coca-Cola and Bokomo to larger products such as Mercedes-Benz and Philips.

International advertising

Multinational marketing companies use international advertising to promote their brands to the trade industry and to consumers. Examples are Coca-Cola, Colgate and Pepsi. Although these brands are well known all over the world, the advertising approach cannot always be exactly the same in every country. Different models, languages, cultural issues and international media are utilised to advertise a product in each country.

8.4.4 Classification by medium

Advertisers can use any type of medium to present their advertising messages to target audiences. The media include print advertising (newspapers and magazines), broadcast/electronic advertising (radio, cinema and television), outdoor advertising (fixed sites and transit) and the Internet. Internet advertising is often also referred to as *interactive*

advertising. This type of advertising can be delivered only to individual consumers who have access to a computer and the Internet. The medium is interactive in nature because the consumer can respond to the advertising message, modify it, expand it or ignore it.

Table 8.2 (adapted from Koekemoer, 2004) summarises the different ways in which advertising can be classified.

Table 8.2 The classification of advertising

<p>By purpose</p> <ul style="list-style-type: none"> ■ primary and selective demand ■ product advertising ■ corporate image advertising ■ commercial/non-commercial advertising ■ action/response advertising ■ retail advertising ■ political advertising ■ personal advertising ■ recruitment advertising 	<p>By target audience</p> <ul style="list-style-type: none"> ■ consumer advertising ■ business-to-business advertising ■ industrial advertising ■ professional advertising ■ trade advertising
<p>By geographic area</p> <ul style="list-style-type: none"> ■ local advertising ■ regional advertising ■ national advertising ■ international advertising 	<p>By medium</p> <ul style="list-style-type: none"> ■ print advertising (newspapers and magazines) ■ broadcast/electronic advertising (radio, cinema and television) ■ outdoor advertising (fixed sites and transit) ■ the Internet

8.5 Roles of advertising

It has been demonstrated that advertisers prepare different types of advertisements for different types of audience segments. Different products, services and causes furthermore require diverse advertising messages. Taking this into consideration, it is apparent that advertising also plays different roles in business and society. Thus, because of the complicated nature of advertising and its influence on organisational stakeholders and the broader society, advertising can no longer be regarded merely as an element of the marketing mix which communicates marketing communication messages on behalf of an organisation. The different roles that advertising plays in the organisation as well as in the broader context of society are central to this discussion. The two roles of advertising that will be focused and elaborated on in this chapter are the marketing and societal roles of advertising, even though the marketing, communication, economic and societal roles of advertising are also discussed below, according to Moriarty *et al.*'s (2009) classification.

8.5.1 The marketing role

Marketing is the process whereby an organisation provides goods and services to consumers based on their identified needs and wants. Anything from goods (such as

vehicles, television sets and furniture) and services (such as restaurants, real estate and insurance) to ideas (such as ‘stop smoking’ or ‘don’t drink and drive’) can be sold by an organisation. Products are organised into product categories and presented to target audience segments (Moriarty *et al.*, 2009) the marketing mix, or the four Ps, are the tools available to marketers (refer to chapters 5 and 6 for complete and detailed discussions on the marketing mix and marketing communication mix). The marketing communication mix or promotional mix is the most important communication element of the marketing mix. Advertising is one of the elements of the marketing communication/promotional mix, and assists in developing brands, which is, according to Moriarty *et al.* (2009), the distinctive identity of a particular product that distinguishes it from its competitors. From an integrated perspective, advertising functions in unison with the other elements of the marketing communication mix in order to communicate an organisation’s cohesive and integrated corporate brand.

8.5.2 *The communication role*

Advertising is a form of communication, and informs and persuades target audiences about an organisation’s products and services. This is the most prominent role that advertising plays in the marketing communication mix. Advertising is a form of mass communication which is indirect and complex, and transmits product information to connect buyers and sellers in the marketplace (Moriarty *et al.*, 2009). As part of its communicative role, it plays a branding role, transforming a product by creating an image that goes beyond straightforward facts (Moriarty *et al.*, 2009). Thus, in order to successfully fulfil a communication role, the advertising message should clearly communicate the brand message, which should then be comprehended and retained by the target audience.

8.5.3 *The economic role*

Advertising plays an economic role because it brings cost efficiency to the marketing effort (Moriarty *et al.*, 2009). This is because advertising can reach a large audience and therefore bring down the cost of marketing efforts. It is argued that the more people know about the product, the higher the sales will be. It also follows that the higher the level of sales, the cheaper the product can be. Moriarty *et al.*, (2009) explain that advertising flourishes in societies where supply exceeds demand and where its function extends beyond the simple informational role to create a demand for a particular brand. This is done through two techniques:

- hard-sell approaches where reasons are used to persuade consumers
- soft-sell approaches which build an image for a brand and play on consumers’ emotions.

Two schools of thought regarding advertising’s economic role exist. The first regards advertising as a vehicle for helping consumers assess value through price cues and other information such as quality, location and reputation (Moriarty *et al.*, 2009). Adherents to this school believe that advertising is a means to objectively provide price/value information and thereby create more rational economic decisions. The second school maintains that advertising appeals to consumers’ emotional responses by presenting

them with images and psychological appeals that can influence their decisions. This type of advertising is regarded as persuasive and causes consumers to stay loyal to a brand, irrespective of the price.

8.5.4 The societal role

All of us are confronted daily with numerous advertising messages, even when we are not aware of them. Advertisements not only play an important informational role but also can have an immense societal effect upon the society in which they are presented. For this reason, advertising's effect on society should be evaluated, discussed and carefully considered. Moriarty *et al.* (2009) concur that advertising has a number of social roles. It is well known that advertising informs, persuades and educates audience members regarding products, services and ideas, but it also both mirrors and creates fashion and design trends, and therefore can shape a society's aesthetic sense. By presenting images of the world we live in, advertising helps to shape an image of ourselves and our society by providing role models with whom we can identify, which in turn can affect the development of own personalities and identities. The societal role of advertising can be regarded as both positive and negative, however. (This is discussed in detail in a subsequent section.)

8.6 Advertising and its role in the marketing mix and overall communication strategy of the organisation

The most visible and publicly known element of the marketing communication mix, namely advertising, is revealed, on a daily basis, by the creative, exciting, rewarding and challenging advertising industry (Ouwersloot & Duncan, 2008). The challenge, however, lies in the way in which advertising is integrated with the many other marketing communication elements available. Section 8.5.1 (the marketing role), in order to contextualise advertising's prominent position in the broader framework of organisational communication, explains advertising's marketing role in terms of its association and position in the marketing mix and marketing communication mix. We now further this discussion by elucidating advertising's role in the marketing mix and overall communication strategy of the organisation. This discussion is necessitated by the fact that advertising is frequently thought to be the same as marketing. Advertising is not marketing; rather, it is an integral part of the marketing process in an organisation. The marketing process traditionally consists of the four elements of the marketing mix: product, price, channel of distribution (place), and promotion or marketing communication (the four Ps) (see also Chapter 5). Although the four Ps concept has evolved into different perspectives, such as the four Cs perspective, it is still the most widely used marketing mix perspective. While each of these elements is essential in communicating with different target audiences and markets, the most visible communicative element is the promotional or marketing communication mix.

The main purpose of this element is to communicate marketing messages to a diverse spectrum of consumers. The promotional/marketing communication mix itself also consists of different elements or tools that can be used to facilitate effective communication with consumers. These elements include advertising,

sales management, sales promotion, direct marketing, personal selling, public relations, publicity, sponsorship, marketing public relations and the Internet. It is therefore apparent that advertising is only one element of the promotional/marketing communication mix and that it is used in combination with the other elements of this mix. The combined use of these elements is referred to as integrated marketing communication (IMC). The concept of IMC has evolved since it was defined by authors such as Smith (1995: 64) as:

... a concept of marketing communications planning that recognizes the added value in a program that integrates a variety of strategic disciplines, e.g., general advertising, direct response, sales promotion, and public relations – and combines these disciplines to provide clarity, consistency, and maximum communications impact.

More recently, Belch and Belch (2009:12) defined IMC as:

... a strategic business process used to plan, develop, execute and evaluate coordinated, measurable, persuasive brand communications programs over time with consumers, customers, prospects, employees, associates and other targeted relevant external and internal audiences. The goal is to generate both short-term financial returns and build long-term brand and shareholder value.

At about the same time, Ouwersloot and Duncan (2008) defined IMC as:

... a collective term for all the various types of planned messages used to build a brand – advertising, public relations, sales promotion, direct marketing, personal selling, packaging, event and sponsorships, and customer service.

Naik (2007) regards the big idea in the IMC concept as:

... the holistic view of marketing communications so that the brand capitalize synergies among advertising, direct response, sales promotion and public relations. The creative combination of multiple activities should offer clarity, consistency and impact.

Shimp (2003) suggests that:

...IMC is a communication process that entails the planning, creation, integration, and implementation of diverse forms of marketing communication (advertising, sales promotion, publicity releases, events, etc.) that are delivered over time to a brand's targeted customers and prospects. The goal of IMC is ultimately to influence or directly affect the behaviour of the targeted audience. IMC considers all sources of contact that a customer/prospect has with the brand as potential delivery channels for messages and makes use of all communications methods that are relevant to customers/prospects and to which they might be receptive.

Chapter 5 explores marketing in detail, along with the role and place of advertising in the marketing mix. Chapter 6 discusses IMC and the place of advertising in the promotional mix; the nature of the different elements of that mix; and the importance of the integration of the marketing communication processes with all other communication processes in an organisation.

Even though most of an organisation's visible communication messages are disseminated under the marketing umbrella, all organisational activities and functions send out communication messages, and these must be integrated. Truly integrated

communication results from different internal and external communication functions being produced and practised within a consistent framework. This essentially entails the centralisation and constant delivery of all these messages. Therefore, the messages should communicate the same idea in a related way to all internal and external stakeholders so as to create a single corporate brand for the organisation.

Prior to the realisation that a coherent communication policy facilitates a favourable corporate organisational brand in the eyes of its major target groups and that this communication policy should be followed for the better operation of the organisation in general, communication was practised in a fragmented way in most organisations. It is now understood that the centralisation and synchronisation of communication from all sources in an organisation, as well as in any internal or external organisational activity, are imperative for its successful functioning.

Therefore, it is crucial to understand that integrated marketing communications (for example advertising, sales promotion, product publicity, direct marketing, packaging, and so on), and integrated marketing (product, price, place and promotion), each play only a certain part in determining and implementing truly integrated communication in any organisation.

Everything an organisation does or does not do sends a brand message. Thus, the integration of all marketing messages, marketing communication messages, intra-organisational communication messages and the organisation's entire communication effort is regarded as crucial and significant in terms of creating the synergies that are generated due to the orchestration of multiple activities (Naik, 2007). Integrated communication thus emphasises the need for co-ordination, harmonisation and integration of all forms of internal and external communication in any organisation.

In addition to investigating the important marketing role that advertising plays as an element of the marketing communication mix and in the overall communication effort of the organisation, it is necessary to further investigate the role it plays in society.

8.7 Advertising and its role in society

The question as to whether advertising is good or bad for society has been addressed by advertising scholars, researchers and practitioners but no conclusion has yet been reached. Social criticisms of advertising stem from the manner in which it is used as a selling tool and because of its impact on society's tastes, values and lifestyles, which has led many critics to believe that advertising plays a major role in influencing and transmitting social values (Belch & Belch, 2009). Many of the techniques and methods used by advertisers in their advertising messages constitute deception, untruthfulness, offensiveness and exploitation. Most advertising messages attempt to provide information about products (Moriarty *et al.*, 2009) with persuasive messages which aim to inform a specific target audience about products and services. This can be done through mass media and by connecting an identified sponsor with the particular audience segment. Because of advertising's visibility and the significant role it plays in society, it needs to act in a socially responsible manner, irrespective of the purpose or role it serves (Moriarty *et al.*, 2009; Belch & Belch, 2009).

Different perspectives concerning the role of advertising as an institution in society are presented below.

8.7.1 *The demand-creation debate*

The most important question posed here is whether advertising causes demand creation or not. Do external advertising messages unnecessarily drive consumers to feel a specific need or want for a specific product, service or cause? Are advertising messages powerful enough to create demand for products and services which consumers do not need? Many critics believe that, rather than merely providing information about the products, advertising creates demand for products by persuading consumers to buy the products (Belch & Belch, 2009). Generally, informational advertising which reports on price, performance and other objective criteria is regarded as acceptable, whereas persuasive advertising that plays on consumers' emotions, anxieties and psychological needs and desires such as status, self-esteem and attractiveness is regarded as unacceptable. Moriarty *et al.* (2009) contextualise this debate by noting that people did not, for example, realise that they had body odour until 1919 when a new body deodorant, *Odorono*, was developed and advertised to women for the first time. Men were expected to emit bad odours and therefore the advertisement was directed only at women. When the advertisement was placed in the *Ladies Home Journal*, 200 people cancelled their subscription to show their disgust with it. Despite this uproar, the advertisement was effective, and sales for the deodorant rose by 112%. Moriarty *et al.*'s example shows that consumers will buy an advertised product even if they do not know or believe that they need it. This succumbing to advertising pressure still takes place today, when consumers are persuaded by means of well-executed advertising messages that they need a product or service which they appeared not to have needed prior to the advertising. The converse, however, is also true. Consumers might buy a product for the first time even though they do not really need it but they will certainly not continue to buy it if they are dissatisfied with it. Therefore advertising might create demand but consumers will refuse to purchase the product if they do not want or like it (Moriarty *et al.*, 2009).

8.7.2 *The shape-versus-mirror debate*

Ever since the onset of advertising there has been debate concerning whether advertising *shapes* or *mirrors* social values. It should thus be determined to what extent advertising influences society and public opinion. It has been argued that advertising influences vulnerable groups such as children and young teenagers (Moriarty *et al.*, 2009). It is, however, impossible to substantiate this argument because so many different factors can influence teenagers, children or other vulnerable groups. For example, advertising might not be the only culprit responsible for the prevalence of eating disorders. Critics ascribe to advertising the role of creating social trends and dictating how people think and act. This, together with relentless television, Internet, radio and print messages, as well as outdoor advertisements, creates 'desirable' images or objects which individuals try to emulate or obtain. Critics maintain that these images that are presented in

advertising messages influence members of society to believe that they should conform to the 'norm' that has been established by such images.

On the other hand, advertisers and the creators of advertising messages defend themselves by explicating that they only mirror trends that are already evident in society in order to establish a connection with their target audiences (Moriarty *et al.*, 2009). If advertisers, for example, realise that society values honesty and ethical behaviour or specific moral values, they will mirror those aspirations and values in their advertising messages. This argument maintains that advertising messages replicate societal values and norms, and therefore do not create them. For as long as advertising as a phenomenon is part of our daily lives, this debate will continue.

It is concluded here that advertising and society's values and norms are interactive (Moriarty *et al.*, 2009) and, therefore, that advertising both mirrors and shapes societal values.

8.7.3 The over-commercialisation debate

During the second half of the 20th century, materialistic consumerism in the Western world escalated dramatically. A question that has been posed is whether or not advertising contributed to this by encouraging consumers to become more materialistic (Moriarty *et al.*, 2009). Many critics argue that advertising encourages materialism and consequently has an adverse effect on consumers' (and society in general's) values. Furthermore, advertising is blamed for creating a preoccupation with material things rather than encouraging intellectual or spiritual concerns (Belch & Belch, 2009). As with the discussion above, it can either be argued that advertising creates more materialism in society or that it simply mirrors the materialistic values already present in it. To argue that advertising directs commercialism and materialism is to suggest that consumers do not have minds of their own. Consumers still have the opportunity to decide for themselves whether or not they want to buy a product or use a service. Another important point to remember is that materialism and commercialism are a global trend and it would be unfair to ascribe its negative impact solely to advertising. Belch and Belch (2009) determine that a major contributor to this increasing materialism is advertising that

- creates needs rather than merely shows how a product or service fulfils them
- shows images of the good life and suggests that the acquisition of material possessions leads to happiness and joy
- suggests that material possessions are symbols of status, accomplishment, and success and that having them will lead to greater social acceptance, popularity and sex appeal.

Arguments against this viewpoint emphasise that this emphasis on material possessions does not necessarily eliminate society's interest in intellectual, spiritual or cultural values and therefore such advertising might simply be a reflection of societal values. The question once again arises: Does advertising reflect or shape societal values and norms? Does advertising cause materialism or does it reflect the materialistic culture evident in today's consumerist society?

8.7.4 The untruthful or deceptive advertising message debate

One of the most important criticisms levelled against advertising is that it is deceptive and untruthful and consequently misleads consumers (Belch & Belch, 2009). Studies among consumers show that they do not trust advertising messages for most types of products and prefer to rely on word of mouth from friends and family, which they consider to be a more trustworthy source of information. Advertising regulations insist that advertisers should have a reasonable basis for making claims about product performance and that advertisers might be required to provide evidence to support any claims made in advertising messages (Belch & Belch, 2009). Consumers perceive deception somewhat differently and therefore have varied opinions about what impacts on their beliefs, values and norms. This, together with the fact that advertisers are allowed to use puffery (promotional statements and claims that project subjective rather than objective views) in their advertising messages, complicates the issue of untruthfulness and deception in advertising.

8.7.5 The advertising-to-children debate

Advertising to children is one of the most controversial topics in the advertising industry and has been the subject of heated debate for many years (Moriarty *et al.*, 2009). Television is used by children as an information source and is therefore one of the most important media through which advertisers can reach children. Approximately 80% of all advertising targeted towards children falls within four product categories: toys, cereals, candy and fast-food restaurants (Belch & Belch, 2009). Children are regarded as an important target market because of their direct purchase ability and their influence on family purchase decisions.

Concerns have also been raised regarding marketers' use of other marketing communication elements such as radio advertisements and point-of-purchase displays. One of the reasons why this topic draws so much attention is because children's vulnerability is frequently exploited in the market, while their inability to understand and critically evaluate the purpose of persuasive advertising appeals complicates the matter (Belch & Belch, 2009). Children have impressionable minds and cannot make responsible choices without guidance from accountable adults. This is especially the case with preschool children, who show an incapability to differentiate between commercials and programmes, to comprehend the selling intent of commercials, and to distinguish between reality and fantasy.

8.7.6 Advertising's impact on other societal issues

Advertising's impact on society's values and norms is evidently an important debate that will persist for some time. Advertising is not only accused of shaping societal values and norms, over-commercialising consumers, being deceitful, and cunningly advertising to children, however. It is also charged with other societal crimes. This section therefore encourages the reader to think about what and how advertising contributes to our daily lives, as well as the influence it has on our cultural norms and values. The main issues surrounding advertising's social responsibility were highlighted in the previous section with the debate concerning advertising's role in

creating demand for products and its ability to shape societal values and creating materialistic consumers. Moriarty *et al.* (2009), Drumwright (2007) and Belch and Belch (2009) elaborate on the societal impact of advertising by adding six key societal issues that need to be taken into account:

- *Poor taste and offensive advertising:* Whether or not advertising is considered to be offensive or offered in poor taste usually depends on the context in which the advertisement is viewed. A specific advertisement might not be offensive to adults but when they view that same advertisement with children the different context might make them feel differently (Moriarty *et al.*, 2009). Usually elements such as nudity, vulgarity and violence are considered to be offensive in terms of general societal norms and values, and advertisers and marketers alike need to pay due heed to the target audience's specific needs, norms and values. However, what might be regarded as poor taste and offensive advertising in one context might well be acceptable to a different target audience. It is thus of utmost importance that advertisers analyse their target audiences and, through the process of audience segmentation, direct specific advertising messages to specific audiences.
- *Sex in advertising:* Although sex or sexual suggestion in advertising is not a new phenomenon, it is becoming increasingly more blatant (Moriarty *et al.*, 2009). The use of women or men as sex objects in advertisements, especially when sex is irrelevant to the product being advertised, has also been a matter of heated debate for many years.
- *Portraying diverse people fairly and accurately:* When a trait or group of traits of a specific cultural group is not represented accurately, it constitutes stereotyping (Moriarty *et al.*, 2009). The issue of portraying diverse people fairly and accurately in advertisements is linked to the 'shape-versus-mirror' debate. If on the one hand it is acknowledged that advertising has the ability to shape societal values, norms and views, advertisers should be sensitive to the way in which they portray different groups of people. On the other hand, if it is believed that advertising mirrors societal norms and values, advertisers have the responsibility to ensure that the representation of any group is accurate and fair. Moriarty *et al.* (2009) discuss common problems encountered in the way advertising portrays diverse people and groups:
 - *Gender stereotypes:* If advertising shapes societal norms and values, it teaches society the way in which people supposedly fit into culturally shared gender and racial roles. Advertising has historically portrayed gender according to distinct and predictable stereotypes (Moriarty *et al.*, 2009). Men are usually portrayed as strong and independent whereas women are portrayed as nurturing, empathetic, softer and dependent. In general, advertising messages fail to recognise the changing role of women in society, which leads to the common belief that advertising messages portray stereotypical images of women.
 - *Body image and self-image:* Advertising has a responsibility to portray healthy body images yet many advertisements play on consumers' insecurities about their appearance. This is evident in the way in which supermodels are used to

convey the ‘perfect’ appearance. According to Moriarty *et al.* (2009: 72), ‘the standard of attractiveness is a sociocultural phenomenon that advertising both mirrors and shapes’. Advertisers therefore have the responsibility to present members of society with healthy cultural standards of physical attractiveness and beauty.

- *Racial and ethnic stereotypes*: Advertisers also have the responsibility to accurately portray racial and ethnic groups and their culture.
- *Cultural differences in global advertising*: Cultural differences around the world are very real and need to be taken into account when designing advertising messages. Concerns have been raised about the homogenisation of cultural differences when advertisers impose their worldview on other cultures.
- *Age-related stereotypes*: Senior citizens are also regularly subject to stereotyping and are often portrayed in a negative manner.
- *Message-related issues*: Advertising messages should communicate fairly and accurately in order to avoid unethical and even illegal behaviour. Unethical advertising messages include false, misleading and deceptive messages and claims, and are therefore unacceptable in terms of social responsibility. One of the most prevalent issues relating to advertising message content relates to the distinction between providing information versus trying to persuade consumers (Drumwright, 2007). The question remains whether the advertising message merely informs with facts or persuades with emotional appeals, self-interested benefits and/or visual representation. It is argued that persuasive advertising content is objectionable because it creates desire in circumstances where consumers are unable to distinguish between information and persuasion. Of course, sometimes advertising messages need to be persuasive, for example when they are to do with social issues such as drinking and driving, drug abuse and HIV prevention.
- There are different types of misleading or false advertising messages:
 - *Misleading claims*: Many weight-loss advertising messages are guilty of exaggeration and are alleged to mislead consumers into believing that they will easily lose weight if they use a particular product. Such misleading claims are regarded as unethical advertising practice.
 - *Puffery*: Puffery is defined as ‘advertising or other sales representations which praise the item to be sold with subjective opinions, superlatives, or exaggerations, vaguely and generally, stating no specific facts’ (Moriarty *et al.*, 2009: 74). Because puffery is not illegal this is regarded more as an ethical issue. Puffery is evident when claims in advertising messages are based on opinion rather than fact, and when they make false or misleading promises (Drumwright, 2007). These types of advertising messages can be especially unethical when presented to children who do not always know the difference between opinion and fact.
 - *Comparative advertising*: In some countries such as the US, comparative advertising is legal and used regularly. Comparative advertising in South Africa is against the principles set out by the Advertising Standards

Authority (ASA) and is therefore not permitted. Comparative advertising can easily be misleading and is therefore ill advised.

- *Endorsements*: An endorsement is a testimonial from a spokesperson who endorses the brand. This type of advertising is legal and permitted except if the endorser does not actually use the product. If consumers can reasonably ascertain that a message does not reflect the spokesperson's opinions, beliefs or experiences, the message is then not endorsed but misleading. Celebrities are often used as spokespersons for certain brands, which helps to build credibility for the brand and the advertiser alike. Generally, consumers believe that the role models they respect will provide them with truthful information. An example of endorsements in advertising was the advertisement for Protex soap that had the well-known Springbok rugby hero Bryan Habana as its spokesperson.
- *Demonstrations*: Product demonstrations must not mislead consumers. This especially pertains to food advertising where substitutes such as a mixture of glue and water are sometimes used to advertise milk because genuine milk usually looks grey on television. Advertisers generally overcome this problem by inserting disclaimers in the advertising message.
- *Controversial message*: Some authors, such as Drumwright (2007), believe that sexual appeals, fear appeals and political messages are unethical.
- *Product-related issues*: It is essential that marketers carefully consider the type of product they wish to advertise and, consequently, careful assessment of the advertising message is essential. The key areas regarding product-related issues are the following:
 - *Advertising controversial products*: Because of its visibility, advertising is often blamed for 'selling' controversial products. Advertising messages for controversial products such as firearms, casinos, liquor, feminine hygiene products and condoms have become acceptable but in some contexts might still offend certain people.
 - *Unhealthy or dangerous products*: In the era of social responsibility, advertising agencies have become aware of the dangers of advertising unhealthy foods such as fast food, and dangerous products such as cigarettes. Another strict regulation has been imposed to prevent advertisements from advertising liquor to underaged drinkers. In South Africa, advertisements for cigarettes are no longer permitted and regarded as illegal.

8.8 Advertising consumer response theory

The evolution and nature of advertising, its classification, the different roles it plays in society and especially its social responsibility role has been highlighted in the preceding sections. It is nevertheless necessary to determine what happens after consumers have been exposed to an advertising message. What are the response processes through which consumers proceed when they perceive an advertising message, react to it and subsequently go out and buy the product or use the service advertised?

This section focuses on the theoretical approaches to advertising with a discussion of the various traditional advertising response models which elucidate the consumer response process, as well as of the integrated marketing communication internal

consumer response model (Hanekom & Barker, 2009). The latter model conceptualises the internal consumer response process prior to purchasing a product, using a service or proceeding to a certain type of action by identifying variables which could alter internal consumer response at each individual consumer response level. A brief discussion of these models is necessary in order to lay the foundation for effective communication via advertising messages.

In order to be able to develop effective advertising messages the advertiser needs to understand the processes through which the consumer proceeds when he or she is exposed to an advertising message. This process comprises a specific sequence of behavioural phases as the consumer travels toward behaviour such as purchasing a product or using a service. The advertising consumer response models describe and explain the communication process. Based on these explanations, the advertiser can define what might be expected to happen as a result of the advertising message, and can set out to measure whether or not it has elicited the desired response.

8.8.1 The three-order paradigmatic consumer response model categorisation

The traditional advertising consumer response models are categorised into three main paradigms that have been derived from the main premises of each of the models. This is referred to as the three-order paradigmatic consumer response model categorisation (Hanekom & Barker, 2009), as indicated in Table 8.3.

Table 8.3 The three-order paradigmatic consumer response model categorisation

PARADIGMS	The traditional sequential paradigm	The factorial variability paradigm	The inclusive facets paradigm
MODELS	<ul style="list-style-type: none"> ■ AIDA ■ Hierarchy of effects ■ Innovation adoption ■ Information processing 	<ul style="list-style-type: none"> ■ Three-order model of information processing ■ Integrated information response ■ FCB grid 	<ul style="list-style-type: none"> ■ Association model of the advertising communication process ■ Facets model of effects

Source: Hanekom & Barker (2009)

The models and relevant response stages in each of these three main paradigms are briefly discussed, based on Hanekom and Barker's (2009) classification, in order to provide a theoretical underpinning and basis for advertising consumer response.

The traditional sequential paradigm

The AIDA model

Strong's (1925) AIDA model is one of the most well-known and basic consumer response hierarchy models and is recognised for presenting the stages that are used to

take the consumer through the personal selling process (Hanekom & Barker, 2009). This model includes the following sequential steps that the consumer proceeds through from the stage of being unaware of the product to the stage where action is taken when, for example, they buy the product. These sequential steps are: (1) attention; (2) interest; (3) desire; and (4) action.

The hierarchy of effects model

The hierarchy of effects model by Lavidge and Steiner (1961) is a paradigm for setting and measuring advertising objectives. This model's basic premise is that advertising effects occur over a period of time (Hanekom & Barker, 2009) and should be thought of as a force which has to move people up a series of seven steps. These steps are the following:

- unawareness of the product
- awareness of its existence
- knowledge of what the product has to offer
- liking the product
- preference for the product
- desire to buy the product
- conviction that the purchase would be wise
- purchase.

The innovation adoption model

Rogers (1962) developed the innovation adoption model which explains the consumer's progress from being unaware of the product to purchasing the product, and consists of the following stages of the advertising consumer response process:

- awareness stage
- interest stage
- evaluation stage
- trial stage
- adoption stage.

The information processing model

McGuire's (1978) information processing model explains that consumers proceed through the following stages (a response hierarchy) when exposed to advertising messages:

- presentation via formal and informal media of communication
- the consumer attending to the message
- comprehension of the message content
- yielding to the correctly comprehended messages
- retaining the advertising message
- acting upon the inclination.

The factorial variability paradigm

The three-orders hierarchy model of information processing

The three-orders model of information processing by Michael Ray (1973) is divided into three quadrants, each of which depicts a different alternative response hierarchy (Hanekom & Barker, 2009):

- The *learning hierarchy* exists when the audience is *involved* in the topic of the campaign and when there are *clear differences between alternatives*.
- The *dissonance-attribution hierarchy* suggests a ‘do–feel–learn’ sequence and involves situations during which the consumer first behaves or purchases a product, then develops an attitude, emotional reaction or feeling as a result of that behaviour, and then seeks information that supports the behaviour.
- The *low-involvement hierarchy* suggests a ‘learn–do–feel’ sequence of the consumer response process and occurs when there are *minimal differences between alternatives* or when low involvement makes actual differences unimportant to the audience. This situation thus typically occurs when there is low involvement in the purchasing process and little product differentiation, and when advertising messages are important.

The integrated information response model

Smith and Swinyard (1982) developed the integrated information response model which suggests several different consumer response patterns that can result from advertising. They explain that different response sequences are likely for low-involvement purchases (for example cold drinks and bubblegum) as opposed to high-involvement purchases (for example cars and insurance).

The Foote, Cone and Belding (FCB) planning model

The following four quadrants are evident in the FCB matrix:

- The *informative planning strategy*: This planning strategy portrays the consumer who thinks about purchasing a specific product like a car, house or furniture. Because of the importance of the product and the thinking related to it, this consumer is highly involved in the purchasing decision and therefore requires an adequate amount of information about the product.
- The *affective strategy*: These product decisions occur when specific information is less important than an attitude or holistic feeling. The affective strategy depicts the consumer who wants to buy highly emotive products such as jewellery, cosmetics, fashion apparel or motorcycles.
- The *habit formation strategy*: This strategy represents the consumer who wants to buy products such as food and household items that involve minimal thought and a tendency to purchase as a result of buying habits and convenience. Consumers are not deeply involved when purchasing these products and do not think about them a great deal when doing so.
- The *self-satisfaction strategy*: This low-involvement area involves decisions where imagery and quick satisfaction lead to buying products that satisfy personal tastes. This strategy includes products such as cigarettes, liquor and sweets. Consumers

are not highly involved when purchasing these products although the products do elicit certain feelings from them (Vaughn, 1980).

The inclusive facets paradigm

The association model of the advertising communication process

In 1982, Preston introduced the association model of the advertising communication process with the intention of extending and improving on traditional response hierarchy models like the AIDA model (Hanekom & Barker, 2009).

Preston (1982) clearly indicates how the consumer proceeds through the response process when exposed to advertising messages with the following steps:

- distribution, vehicle exposure and ad exposure step
- ad awareness step
- product awareness
- association awareness
- association evaluation
- product perception, prior perception and integrated perception
- product stimulation, prior stimulation and integrated stimulation.

The facets model of effects

Moriarty *et al.* (2009) move away from linear models by presenting a model of advertising effects that includes perceptual dimension, persuasion, association and brand transformation that explains how advertising creates various types of consumer responses. The model is explained in terms of six categories of effects:

- *See/hear – the perception facet:* Consumers select the advertising messages to which they pay attention.
- *Feel – the affective or emotional facet:* The feelings associated with the affective facet are desire, liking and resonance.
- *Understanding – the cognitive facet:* The key drivers of a consumer's cognitive response are need, learning, comprehension, differentiation and recall.
- *Connect – the association facet:* The factors driving association are symbolism, conditioned learning and transformation.
- *Believe – the persuasion facet:* Persuasion changes attitudes and forms beliefs.
- *Act – the behaviour facet:* The behavioural response is often the most important goal of marketing communication. The factors that drive a behavioural response are try, buy, contact, advocate, refer and prevent.

8.8.2 An integrated marketing communication internal response model

The preceding section provided a brief overview of existing response models which were categorised in terms of three main theoretical paradigms. The integrated marketing communication internal response model was developed by Hanekom and Barker (2009) in order to propose a comprehensive conceptual model to address the main limitations of existing advertising response models, primarily in light of the lack of the integration of all possible consumer response levels and phases, as well as the

lack of the identification of specific variables which could alter consumer response levels and subsequent phases (Hanekom & Barker, 2009).

The main criticism that has been levelled against most of the existing traditional advertising response models is that they do not take into account all the variables/factors which could alter or influence the order of the consumer response process. The integrated marketing communication internal response model addresses the significance of the variables that can influence the order in which consumers proceed through the response process, as well as the impact these variables will have on the order or sequence in which consumers proceed through the different response levels and phases (Hanekom & Barker, 2009).

The integrated marketing communication internal response model in Figure 8.1 explains the six consumer response levels and subsequent consumer response phases through which the consumer proceeds when he or she is exposed to advertising messages. The consumer proceeds along these levels and phases from the stage of being unaware of a product or service to the point of purchasing the product or using the service. Although this model refers to the response process through which a consumer proceeds when exposed to marketing communication messages, from the integrated perspective that is advocated in this book, it can also be applied to the response process through which consumers proceed when exposed to advertising messages. Because advertising is one of the elements of the marketing communication mix, it is argued that this model explains not only the consumer response processes with regard to all elements of the marketing communication mix but also the advertising response process. The last column in the model shows the variables that can influence or alter the order or sequence in which consumers proceed through the response levels and phases when exposed to advertising messages.

The purpose of the model in Figure 8.1 is the following:

1. To integrate all existing, additional and original levels and phases of internal consumer response into one comprehensive model that indicates consumer response as a transactional rather than linear process.
2. To identify variables that could influence the sequence of the consumer response process at each consumer response level and phase.

This model identifies variables which could influence or alter consumer response at each individual consumer response level. The two-way arrows indicate that consumers that proceed through these levels simultaneously proceed through the related response phases in a *transactional* manner. It is important to bear in mind that these levels and phases might overlap, might be proceeded through simultaneously and might even be omitted. The manner in which a consumer proceeds through these levels might also be unique or adapted to each response process (Hanekom & Barker, 2009).

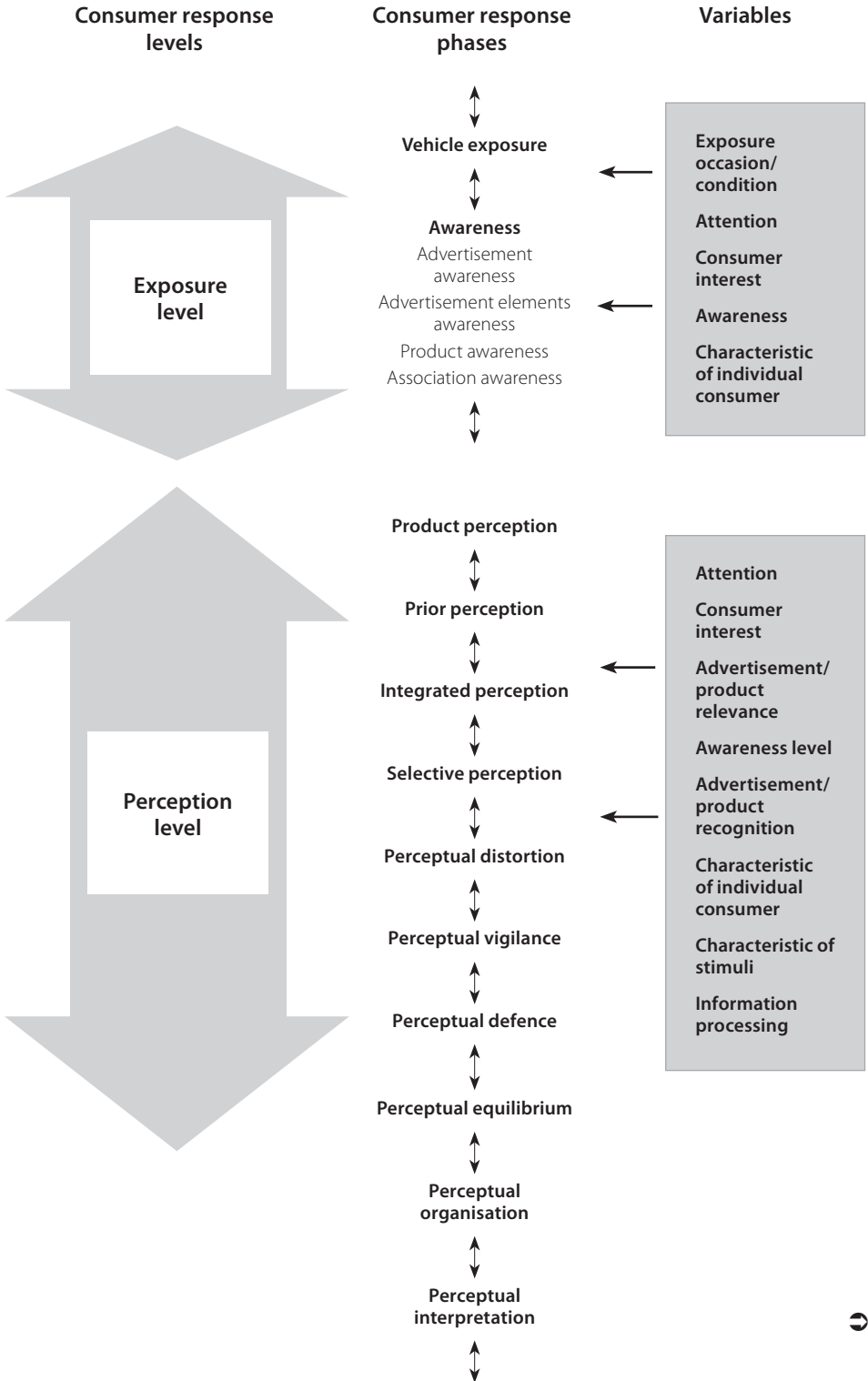


Figure 8.1 The integrated marketing communication internal consumer response model

Source: Hanekom & Barker (2009)

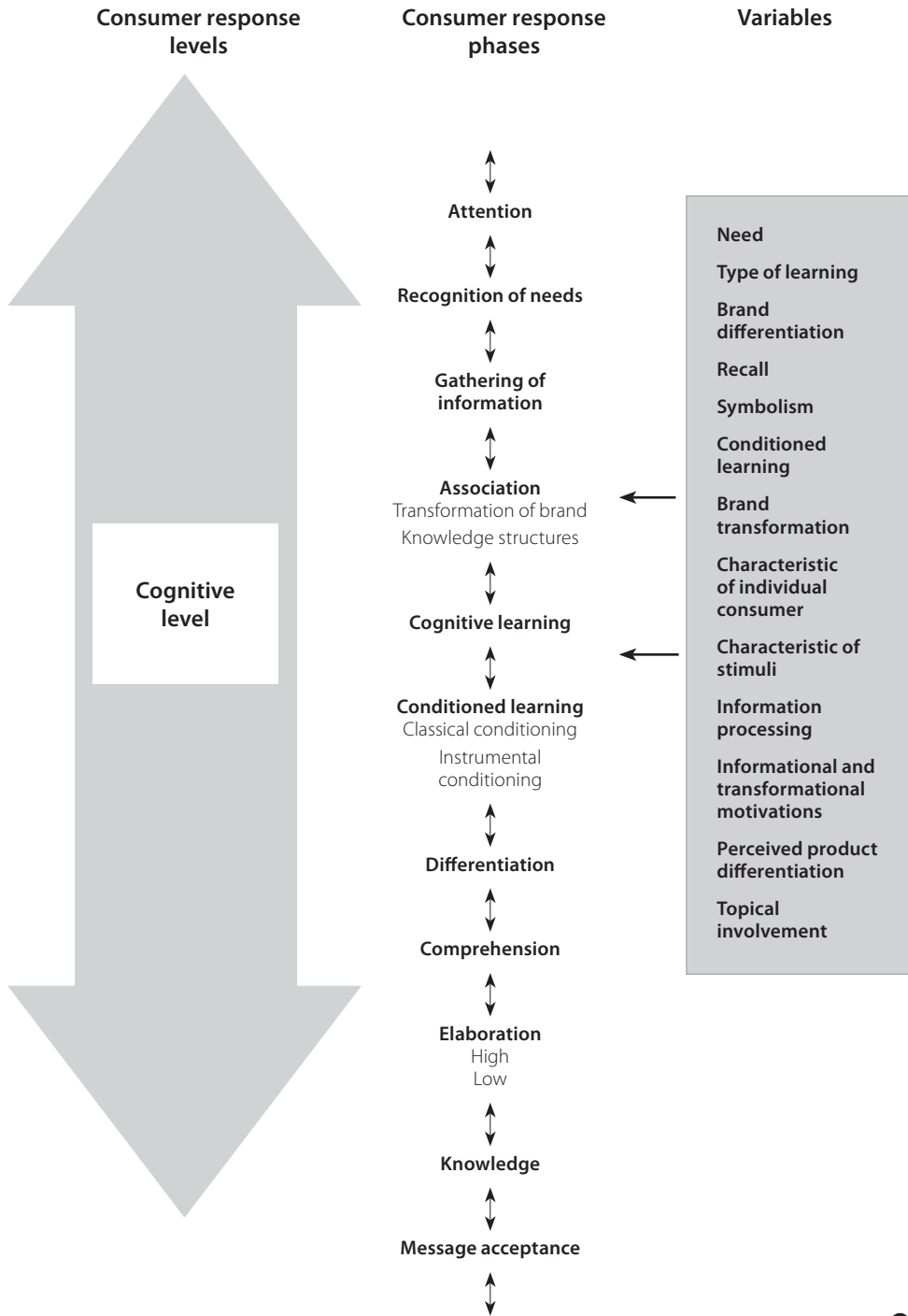


Figure 8.1 The integrated marketing communication internal consumer response model (continued)

Source: Hanekom & Barker (2009)

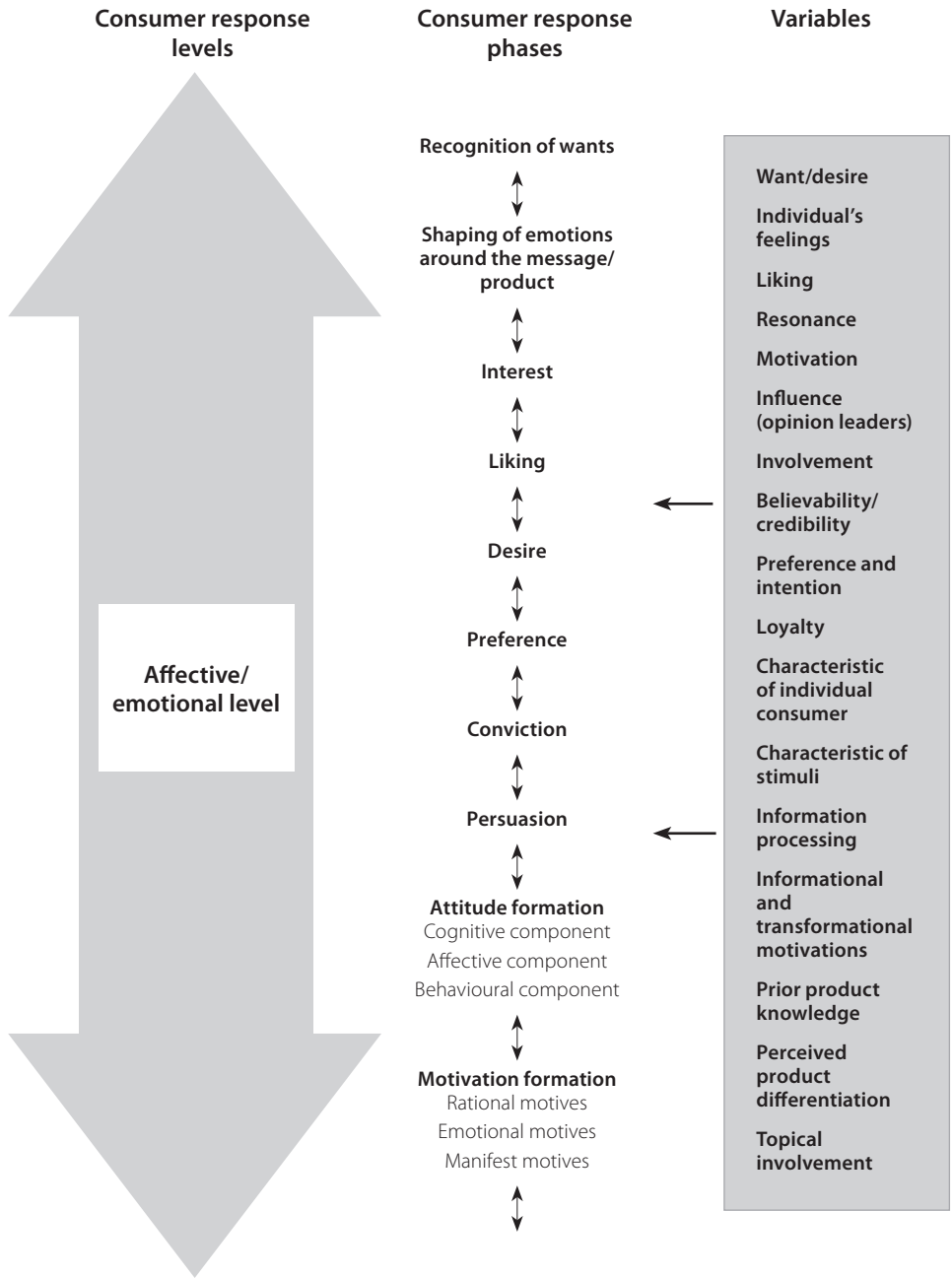


Figure 8.1 The integrated marketing communication internal consumer response model (continued)

Source: Hanekom & Barker (2009)

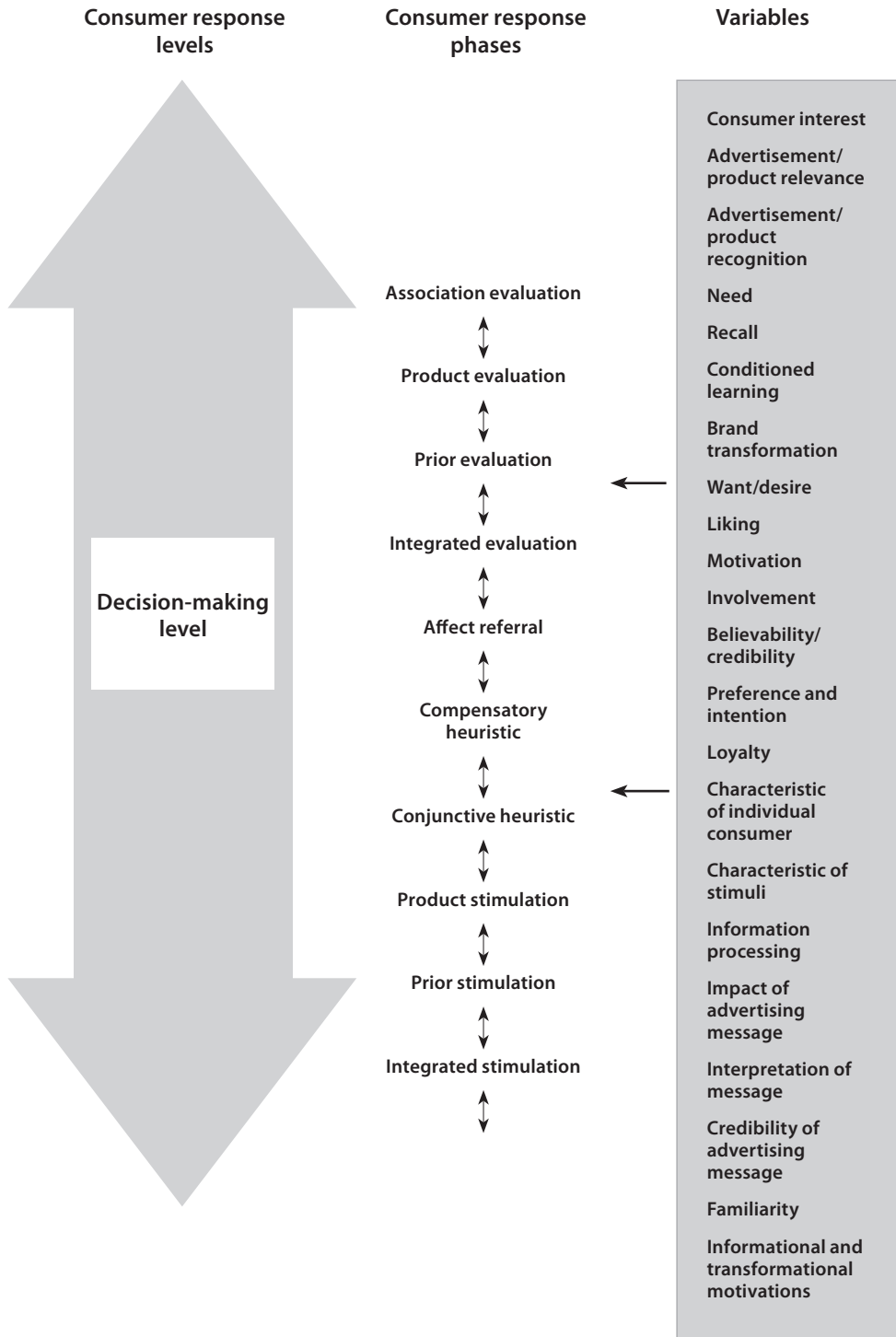


Figure 8.1 The integrated marketing communication internal consumer response model (continued)

Source: Hanekom & Barker (2009)

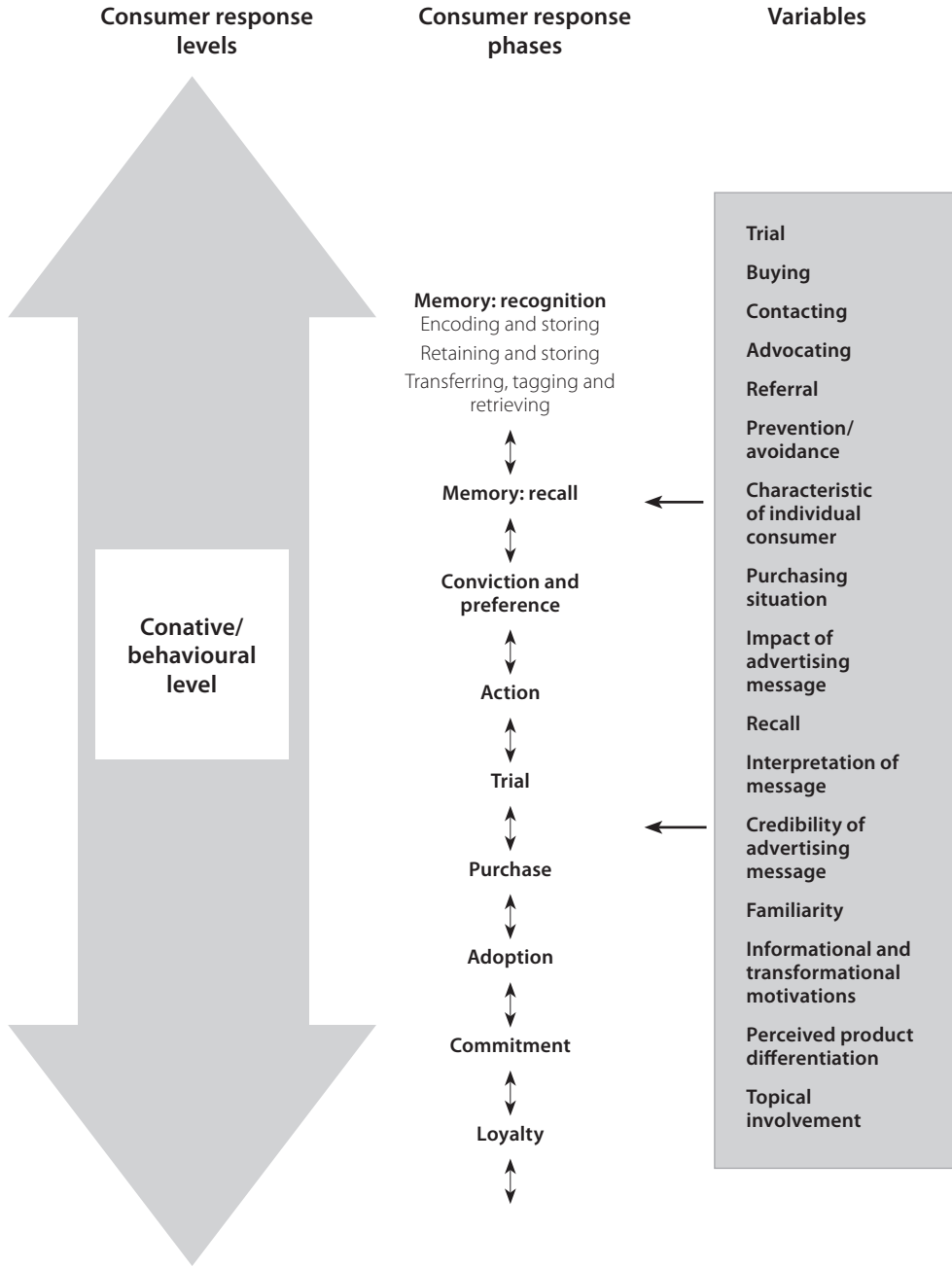


Figure 8.1 The integrated marketing communication internal consumer response model
(continued)

Source: Hanekom & Barker (2009)

The integrated marketing communication internal consumer response model indicates that consumers proceed through different internal consumer response levels and phases when exposed to integrated marketing communication, including advertising messages. Variables influence consumers' sequence and progression through the different internal consumer response levels and phases. Consumers proceed through the *exposure level*, *perception level*, *cognitive level*, *affective/emotional level*, *decision-making level* and *conative/behavioural level*, which all include numerous internal response phases, in a different order at different exposure occasions. Hanekom and Barker (2009: 162) explicate that 'consumers may even proceed through some of these levels and phases simultaneously, omit others and proceed through some in an unsystematic manner'.

8.9 The ethics of advertising

To conclude this chapter, the ethics of advertising are considered. This topic is important to a comprehensive discussion of the advertising phenomenon because advertising's social influence is so hotly debated. In the advertising industry, ethical decisions need to be made on a daily basis, especially as there are no clear indications of good and bad behaviour (O'Barr [A]). An immense grey area exists between the extremes of good and bad behaviour, and advertisers must constantly strive to act ethically and responsibly towards the society in which they function. According to Belch and Belch (2009), 'ethics are moral principles and values that govern the actions and decisions of an individual or group'. Moriarty *et al.* (2009) elaborate on this by explaining that ethics are the 'shoulds' and 'oughts' and the 'right thing to do' of behaviour. What makes ethical behaviour in advertising a grey area is the dilemma posed by the reality that advertisers and marketers can act within the law but still act unethically. Because advertising is such a visible way of communicating with consumers, ethical issues should be carefully considered and strictly adhered to. If ethics are ignored, actions that are highly visible and often very damaging to an organisation might result (Belch & Belch, 2009). As discussed in Section 8.7 (advertising and its role in society), the role of advertising in society is a controversial one and has been debated for centuries (Shimp, 2003), especially in terms of how it has the potential to shape norms and values, encourage over-commercialisation, disseminate untruthful and deceptive messages, and advertise to children and vulnerable groups in an inappropriate manner. These are all ethical issues that should be addressed by advertisers in order that they honour their social responsibility. Drumwright (2007) divides ethical issues regarding advertising into three distinct perspectives:

- the *macro* perspective, which focuses on advertising's effects on society
- the *micro* perspective, which focuses on a more individual level – that is, individual consumers, individual advertising practitioners, individual advertisements and specific advertising practices
- the *meso* perspective, which exists between the macro and micro levels, and focuses on the level of the organisation or groups of organisations – that is, the agencies, clients and media.

Table 8.4 identifies five ethical questions regarding advertising.

Table 8.4 Ethical questions regarding advertising

<p>How do consumers make ethical judgements about advertisements?</p>	<p>The question of how consumers make ethical judgements about advertisements is answered by Drumwright (2007) who explains that consumers’ perceptions of advertising ethics differ based on their personal perspectives on norms, values and morals. Advertisers therefore have to resolve the dilemma of whether an advertising message will offend all members of a target group or if it will only offend those whose norms and values do not correspond with those portrayed in the advertising message.</p>
<p>Are advertisements unethical because of the product advertised?</p>	<p>Another ethical question is whether advertisements are unethical because of the product that is advertised. If the product or service advertised is dangerous in some way, does that mean that the advertisement itself is unethical (Drumwright, 2007)? Advertisements for liquor, cigarettes and guns can be regarded as unethical on these grounds. More ethical issues are raised when advertisements for products that are not regarded as dangerous, such as sugared cereals and fast food, are considered. In abovementioned cases, the advertising message in itself might not be unethical but the product advertised might be considered so.</p>
<p>Is it unethical to target certain groups?</p>	<p>Drumwright (2007) argues that if we assume that targeting vulnerable groups is unethical then we have to examine the characteristics of the individuals in the target segment. Should high-sugar and fat products be advertised to young children who do not have the ability to discriminate between right and wrong, or should they only be advertised to older children who have the knowledge to understand the risks of the product? It must also be taken into account that advertising messages do not necessarily reach only those primary target groups for whom the message was originally intended because of the reach factor of advertising media.</p>
<p>Do advertisements invade privacy?</p>	<p>Exposure to advertising messages is generally unintentional. New technology enables marketers and advertisers to access and share consumer information even when consumers are unaware of these processes (Drumwright, 2007). Consumers can, for example, limit their exposure to print advertisements but it is more difficult to completely avoid outdoor advertising which consists of billboard, transit and poster advertising. Can these be regarded as invading consumers’ privacy?</p>
<p>Is the behaviour of advertising practitioners unethical?</p>	<p>According to Drumwright (2007), the role and behaviour of advertising practitioners raise scepticism and mistrust among the public. The major area of ethical concern includes the creation of advertising message content, as well as the agency/client relationship.</p>

Advertising is regarded as one of the marketing communication mix elements that is most subject to ethical discussions. This stems from its power to affect emotionally

vulnerable individuals who are unable to distinguish between fact and fiction, reality and fantasy, and right or wrong. Despite these vulnerable individuals, advertising messages usually address consumers' emotions and feelings in a persuasive manner which is difficult to resist. It is thus of utmost importance to consider and take into account the numerous ethical questions surrounding the advertising phenomenon.

8.10 Summary

This chapter introduces the complex nature of advertising by illustrating the evolution of advertising through the ages, with particular emphasis on the evolution of advertising media and content, and its development in South Africa. Significant definitions of advertising are explored and an alternative definition is developed and examined.

The classification of advertising illustrates the diverse nature of the phenomenon, while the section on advertising's place in the marketing mix illustrates the importance of the integration of advertising with other marketing communication activities. Advertising and its role in society is regarded as an important topic in the study of the advertising phenomenon, whilst the section on the theory of consumer response explains the process through which consumers proceed when they are exposed to advertising messages. An important consideration of the ethics of advertising is additionally provided in order to contextualise advertising in terms of its integration with other marketing communication elements. This chapter concludes:

We find that advertising works the way the grass grows. You can never see it, but every week you have to mow the lawn (Tarshis, www.biz-community.com).

Case study

Cheeky Kulula ads take on FIFA

Hannelie Boooyens
01 April 2010

You have to chuckle at the cheek of budget airline Kulula's witty advertisements that riled mighty FIFA, the body that rules global soccer and the power behind the World Cup. Without referring to 'World Cup' or 'soccer' one of the ads claimed Kulula to be the 'non-official national airline' of the 'you-know-what'.

FIFA complained, pointing out Kulula wasn't among the official World Cup sponsors so wasn't allowed to refer to the tournament in any way in its marketing.

FIFA's biggest gripe was that the combination of elements used in Kulula's ad left no doubt they referred to the World Cup. And that's illegal, they say, because Kulula didn't buy the right to use the World Cup as a marketing tool. Many South Africans not familiar with FIFA's strict marketing rules can't believe the soccer body can prescribe to local business what they're allowed to do with the country's national symbols. Kulula's group marketing director Heidi Brauer says, 'It's nuts to say we can't use the words South Africa or images of footballers in close proximity to footballs or vuvuzelas or the national flag. No one owns these things. It's like owning the sky.'



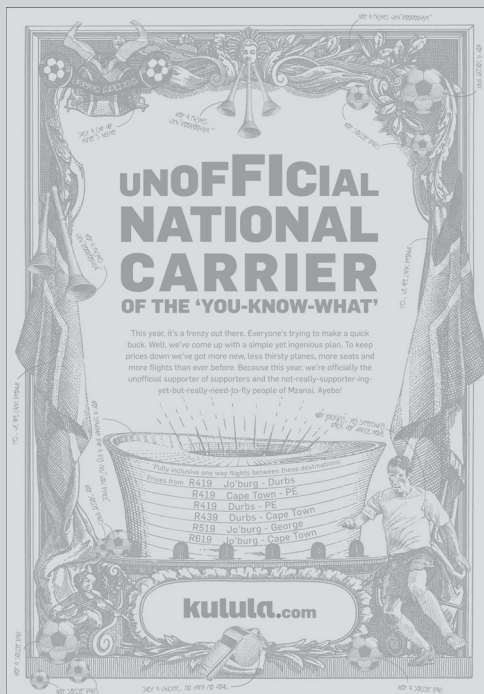


Figure 8.2 Kulula advertisement: Unofficial national carrier of the ‘You-know-what’

But a law does prohibit such ‘ambush marketing’, says lawyer Janine Holessen.

SA’s trademark legislation says companies may not tie themselves to an event unless they’re an official sponsor or have bought the advertising rights. So no one may unlawfully use any images connected with the World Cup.

For instance it’s illegal to use the numbers ‘2010’ together with the words ‘South Africa’, ‘RSA’ or ‘SA’ in an advert unless the company is an official sponsor of the 2010 World Cup.

Marketing columnist Chris Moerdyk commented that FIFA should never have taken Kulula’s campaign seriously. ‘All FIFA did was make the Kulula campaign even more of a success.’

Source: Booyens, H. 2010. Cheeky Kulula ads take on FIFA.

Available at <http://www.you.co.za/articles/Local/Cheeky-Kulula-ads-take-on-FIFA> (accessed on 14 June 2010)

Budget airline takes on FIFA ahead of the World Cup

Rhea Singh
22 March 2010

Budget airline Kulula had felt FIFA’s wrath when the world football authority blocked their ad in which it said that it was the ‘Unofficial National Carrier of the You-Know-What’. FIFA felt that the advertisement which was framed by soccer balls, soccer players, vuvuzelas, and was in the green and blue Kulula colour had pushed the limits of their copyright on the combined use of these symbols too far. The airline felt that FIFA’s reaction had been a ‘bit over the top’ and that



it was extreme to claim association with the representation of everything that relates to the World Cup including the South African flag and vuvuzelas.

The airline had vowed then that there would definitely be another ad and they stuck to their word. Only this time they are wittier! In yesterday's *Sunday Times*, Kulula seemed to mock FIFA's approach to marketing which associates any company to the World Cup by publishing a full page ad which refers to 2010 as 'Not next year, not last year, but somewhere in between'.

Since FIFA has a problem with the South African flag being used, this ad on its borders has two hanging pieces of cloth labelled, 'Colourful beach towel? Flag?'

Knowing about the world football authority's feelings towards the use of Vuvuzela's in advertisements, the ad is illustrated by golf tees which look a lot like a certain plastic trumpet but to reassure FIFA is labelled, 'Definitely definitely a golf tee'.

Continuing in the same spirit of not annoying FIFA, the ad is quick to point out, 'No, they're running shoes' next to a pair of what appear to be football boots without studs, towards the bottom of the ad.

In the middle of the page is an imposing structure that, at first glance, looks like a football stadium. Kulula had been told that they cannot use the Cape Town Stadium in their ads. So not wanting to offend the mighty FIFA they assure you that the structure is, in fact, 'Storms River suspension bridge'.

FIFA who are notorious for their lack of a sense of humour are sure to react but it certainly looks like they have met their match!

Source: www.rheasport.com. 2010. Budget airline takes on FIFA ahead of the World Cup.

Available at <http://rheasport.com/2010/03/22/budget-airline-takes-on-fifa-ahead-of-the-world-cup/> (accessed 14 June 2010)

Activities

1. Read the case study carefully and answer these questions:
 - 1.1 Which type of advertisement did Kulula use to promote their services during the FIFA Soccer World Cup?
 - 1.2 How many of the different elements of the definition of advertising are evident in the case study?
 - 1.3 Explain the response process (consumer response levels and phases) through which consumers will proceed when they are exposed to this advertisement.
 - 1.4 How would Kulula be able to integrate this advertisement with other marketing communication activities to sustain an integrated approach to communication?
 - 1.5 Consider advertising's social role in terms of misleading claims, puffery and poor taste, and offensive advertising, then enter the debate regarding advertising's responsibility towards society and relate Kulula's controversial advertisement to these issues.
 - 1.6 Based on the ethical issues surrounding advertising, decide if Kulula's advertisement and behaviour were ethical.
2. Explain the important role that the integrated marketing communication internal consumer response model can play in the development of an advertising campaign or advertising message.

3. Discuss the evolution of advertising media.
4. Discuss and explain the most crucial elements in the definition of advertising by referring to several authors' definitions of the advertising phenomenon.
5. Select at least 20 printed advertisements and ten broadcast advertisements. Classify them into the different categories of advertising and provide reasons for your classification.
6. Critically discuss and explain advertising's place in the promotional mix and marketing mix.

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CHAPTER 10

Integrated online communication

Rachel Barker, Charmaine du Plessis
and Janette Hanekom

From much of the industrial world's perspective, the lexicon of 1990s' television, radio, print and film was infiltrated by strange streams of nonsensical characters – complete with secret-code-like phrases such as www, dot, slash and dot-com.

Sherwin & Avila (1997: 11)

10.1 Introduction

Integrated online (or digital) communication, much like the Internet which as a communication medium has the ability to instantaneously impart information to a vast number of consumers (Conway, Ward, Lewis & Bernhardt, 2007), offers organisations new opportunities for building relationships with their consumers and stakeholders. It can also be used to obtain diverse information on a variety of organisations and services. *Digital communication* refers to any communication message which is sent by means of a communication channel that uses digital technology.

In Chapter 6, the Internet was discussed as one of the elements of the marketing communication mix. In this chapter it is discussed in more detail and is contextualised in terms of the integrated approach followed in this book. It is argued that integrated online or digital communication should not only be viewed from an integrated perspective through the alignment of online communication messages with the corporate brand of the organisation but that it should also be aligned with the traditional communication processes.

In South Africa, the influx of the Internet in 1996 revolutionised the face of communication. This development demands an understanding of the consequences linked to the Internet and World Wide Web. Most organisations that realise the potential of the online world have embraced the so-called 'superhighway' at a prodigious rate. The rapid growth and recognition of the Internet and the World Wide Web have transformed the way in which organisations communicate with stakeholders in their efforts to market products and services, transact with intermediaries, communicate with employees, create corporate images, and so on. This chapter creates a landscape for online communication processes in the organisation in a holistic, logical and comprehensible way by focusing on:

- the contextualisation of integrated online communication
- the history of Internet development in South Africa
- online advertising
- online marketing
- online public relations
- online crisis communication.

10.2 Key terminology for integrated online communication

The following key online communication terminology is relevant to this book:

- The *Internet* is a system of computers that are linked to each other through a vast array of networks consisting of telephone cables, satellite communication, optical fibre lines, office computer networks and various other means (Kitchen, 1999; Sherwin & Avila, 1997; Barker, 2004). These computers are constantly active (that is, online) to ensure a core of permanently linked units. The message structure of information on the Internet consists of text, graphic images, audio clips and even video images, or a combination of these.
- The *World Wide Web (WWW)* is a hypermedia information storage system that links resources around the world. It allows users to obtain (or display) information needed to access computer software and programs, and to communicate interactively. A particular site can have a number of graphic images and text that can contain ‘hot links’ or ‘hyperlinks’ which will take the user to another site where they can acquire further information (Koekemoer, 2004; Hurme, 2001: 72; Witmer, 2000; Kitchen, 1999; Sherwin & Avila, 1997).
- An *intranet* refers to the selective and controlled access via the Internet that certain users use to access certain sites. The intranet is therefore a private computer network based on the data communication standards and technologies of the public Internet that is accessible only to employees (Yen & Chou, 2001; Hurme, 2001).
- The *extranet* is an intranet that is selectively open to third parties such as vendors, customers, suppliers and stakeholders. The extranet provides a site where intimate, internal information can be shared with these third parties to build collaboration and partnerships. It requires connectivity, security, applications for all parties, and compatible directory services and messaging systems for all parties (Yen & Chou, 2001; Hurme, 2001).
- *E-mail*, the oldest feature of the Internet, refers to a written message that is delivered from the originator’s computer to the recipient’s computer, and involves the transmission of text messages and attached files. (Kitchen, 1999; Sherwin & Avila, 1997; Witmer, 2000; Horton, 2001.) E-mail is the most inexpensive medium available for global communication because an e-mail can be sent to any destination in the world at the cost of a local call (Koekemoer, 2004: 542).
- *Internet phone* and *picture (video) phone* are more advanced than e-mail and enable users who are concurrently online to talk to one another via the Internet or, if they have the requisite facilities, to see one another on their respective computer monitors while they talk at a lower cost than normal telephone call rates (Sherwin & Avila, 1997).
- *Gophers* and *Telnet* refer to sites (the directional plan or pointers to information about various topics) that users can access to obtain *general information*. These features allow the user to access information stored on other computer systems and are used for finding information other than that which is available on the WWW sites. *Gophers* allow the user to search across the entire Internet for information rather than just one area at a time. *Telnet* is a program that allows users to log on

to computer networks other than their own, and is a multilevel menu system for organising files of information which are stored at thousands of servers throughout the Internet (Kitchen, 1999; Sherwin & Avila, 1997; Witmer, 2000).

- *Usenet* (also referred to as *Internet newsgroups* or *net news*) refers to the network of computer users constituting a collection of discussion groups, and is a contraction of *User's Network* (Kitchen, 1999; Sherwin & Avila, 1997). These discussion groups are collective newsgroups (or online bulletin boards), and are subdivided into two types – that is, *moderated* and *unmoderated*. Moderated newsgroups are controlled and entirely open and anyone may post a message there; unmoderated newsgroups are uncontrolled. Usenet can therefore be defined as a collection of forums such as *newsgroups*, *discussion groups* and *bulletin boards*. Usenet is therefore used for discussions and to debate topics of interest (Holtz, 1998: 6; Sherwin & Avila, 1997: 131; Barker, 2004).
- *Mailing lists* (LISTSERVs) are similar to Usenet but differ in that, instead of being posted to a bulletin board, items are sent directly to users in the form of an e-mail (Kitchen, 1999; Sherwin & Avila, 1997; Witmer, 2000).
- *Commercial online services providers* include CompuServe and Prodigy, and offer some services applicable to public relations (Kitchen, 1999; Sherwin & Avila, 1997; Witmer, 2000).
- *Electronic news* and *electronic newspapers* can supply new information and add or update existing news as frequently as required. News agencies and newspapers use the Internet facility to update people on the latest news, often as it breaks (Sherwin & Avila, 1997; Witmer, 2000; Marlow, 1996).
- *Online marketing* is an interactive form of marketing that uses online media to reach a global target audience and allows for more one-to-one communication.
- *Corporate website* refers to the World Wide Web name for a particular kind of document that has been designed to be displayed on a browser by an *organisation* and not a private individual. In this document, listed choices are available that lead to all other pages that the organisation offers (Ellsworth & Ellsworth, 1995: xviii).
- *Internet resources* refer to Internet applications for online marketing such as the WWW, e-mail and the corporate website.
- *Online marketing applications* constitute online actions that the marketer can take on the corporate website to foster an organisation's marketing strategy, for example e-commerce, customer service, e-mail marketing, and so on.

10.3 Contextualising integrated online communication

Online or Internet communication constitutes web-based communication using a computer linked to the Internet. There are different areas of communication, for example online marketing and online marketing communications (including online advertising and online public relations). These areas of online communication are usually integrated on the corporate website, and support the whole online communication process. A holistic approach is followed in that online marketing, online marketing communications, traditional marketing and marketing communications are components of the communication solution. In addition, and in line with the

integrated organisational communication approach followed in this book, all the messages of these processes should be aligned with and support the corporate brand of the organisation.

Integrated online communication includes, *inter alia*, the integration of online marketing and online marketing communications techniques on the web. For instance, the organisation's marketing, advertising, public relations, promotions, media relations, internal communications, investors' communications and its Internet presence are all co-ordinated and based on its mission and positioning statements to provide consistency in terms of all the organisation says and does (Newsom, Turk & Kruckeberg, 2004: 58).

One outstanding feature of the WWW is *hypertext*, which provides for a hypermedia environment where information can be presented with pictures, animation, sound and text to a global target audience (Janal, 1995: 47). As the WWW combines the Internet with the concept of hypermedia navigation, integrated online communication is performed in a hypermedia environment which makes it immediate, dynamic (that is, allows for last-minute changes and additions) and multimedia friendly (Ainscough & Luckett, 1996: 37).

In terms of a holistic approach, online communication processes should be integrated with traditional ones in the organisation. It should therefore not take place in isolation but be viewed from an integrated and global perspective.

Gurãu (2008: 178) points out that for integrated online communication to occur successfully, the messages that the organisation sends to its online target audiences have to be adapted in a *three-stage process*:

- The message should both identify with and integrate the core corporate values of the organisation.
- The message has to be adapted according to the strategic and tactical objectives of the integrated online communication campaign.
- The message should be developed in accordance both with the specific characteristics of the target audience and the online communication tool.

Various online marketing, advertising and public relations techniques should be combined and used as 'an online communication mix', for example e-mail, discussion forums and the corporate website. Online communication tools all differ in terms of transparency, interactivity and selectivity, and how easy they are to remember. These differences should therefore be considered when an organisation seeks to establish the appropriate communication mix for each target audience.

In terms of the holistic approach mentioned above, the organisation should integrate online communication processes with traditional ones. In other words, these processes should not take place in isolation but should be viewed from an integrated and global perspective. It is clear that a new marketing mindset is required, one that focuses on mutual help, support and long-term relationships. This new mindset also needs a unified process in which online communication is used in collaboration with traditional non-online communication in organisations' integrated communication marketing strategies.

Online communication, however, is also moving toward communications and relations among individual recipients and consumers, and is not simply something that an organisation initiates to communicate with its consumers. This has become evident in the many social media that are available (Owen & Humphrey, 2009: 54) (see Section 10.7).

10.4 The digital divide

The term 'digital divide' has become an adage in today's globalised world. In an era that is characterised by the global expansion of mass media and electronic information superhighways that span the globe, the 'digital divide' refers not only to the gap that exists between the wealthy and underprivileged but also to the digital and ICT gap that exists between Third World countries and the developed world (Lesame, 2005: 1). Today, terms such as 'global information highway', 'information revolution' and 'information economy' are commonly used to illustrate the profound role information now has in modern societies. While most First World countries are experiencing rapid growth and a technological explosion, South Africa is as much a Third World country as it is a First World country, and will likely continue to be so for some time.

Although there are ongoing attempts to bridge the digital divide (for instance, with the setting up of tele-centres, digital villages and mobile training centres), various factors still contribute to the digital divide in South Africa, the most notable of these being expensive telephone and Internet services, Internet inaccessibility (especially in rural areas), poverty and illiteracy (Graham, 2004: 11).

10.5 Online processes

In terms of an integrated approach, online communication should be linked not only with other communication processes in an organisation but also with other online processes. According to Percy and Bodkin (2000), the components of the promotional mix for websites are as follows:

1. *Online marketing* includes *online marketing communication* techniques such as *online sales promotion* and *online direct marketing*. In terms of *online sales promotion* the major tools relevant to websites include coupons, refunds and rebates, premium and specialty offers, sampling offers, online demonstrations, contests, sweepstakes and games. The budget allocation for sales promotion has increased and some organisations spend up to a third of their promotion budgets on out-of-store promotions. *Online direct marketing* takes two forms. First, the organisation can engage in e-commerce by enabling site visitors to purchase products online. Second, customer service includes any direct marketing activity that involves auxiliary services such as post-sales communications on tracking purchases or account activities, product use, delivery or problems.
2. *Online advertising* performs the same function online as advertising does in the physical marketplace. The primary goals are to create awareness, communicate benefits, promote trial of the product or service, and urge consumers to action. This means that the website can communicate information about products, prices and/or distribution.

3. *Online public relations* includes news, media releases, speeches, educational programmes, corporate identity materials, public service activities, investor information, and lobbying or cause-related information. A close link exists between consumers' evaluations of corporate ability and of new products. Therefore, the website should provide organisational as well as product-specific information specially designed to influence customer attitudes and behaviour.

The above three elements function in synergy in the organisation and should all be considered when the organisation develops an integrated communication strategy.

10.6 Push and pull mechanism

Furthermore, the web can be seen as a *push and pull mechanism*. Push and pull theories of online communication are technology based and, according to Gordon-MacIntosh (2000), it is easier to reach a specific target audience if they are in an 'information gathering mode'. Internet traffic 'pull' refers to the provision of information to individuals at their request and is used when the ways in which a target audience finds a particular site is considered and steps are taken to ensure this process is an open and easy option for them. This is done through the use of links to sites and directories. Internet traffic 'push' is information that is provided to individuals whether they have asked for it or not and is aimed at persuading the target audience to revisit the site. This is done by making sure that the site has 'real value' or relevance to them. According to Horton (2001), the practicality of pushed or pulled data is based on audience preference. A good strategy would be to start with pull theory by creating and delivering content that users want and then to move from there to the push theory by getting their full consent to provide information without request. Because 'online' is user driven, it is important to build sound relationships with consumers and to consider message-receiver rights (Barker, 2004).

10.7 Information overload

Neher (1997: 58) defines *information load* as the quantity and rate of incoming information that is to be processed through a single channel whereas *information overload*, which is more subjective, depends on factors beyond the sheer number of incoming messages. Information overload is therefore when a user receives more information than is needed or wanted for effective functioning or the realisation of individual or organisational goals. As a result, information overload can lead to misunderstandings (Barker, 2004).

Online or web-based communication enables individuals and organisations to distribute information rapidly and globally, and as such can result in information overload and an over-reliance on technology at the expense of face-to-face communication. The main risk that excessive use of web-based communication (for example e-mail) poses is that it can lead to a loss of clarity of communication. Various strategies can be used to prevent information overload, with the most notable being training staff to handle information inputs and information processing, and the use of computerised management-information systems.

10.8 Online marketing

When Bill Gates, CEO of Microsoft, said in the late 1990s: ‘The Internet is a tidal wave. It will wash over nearly all industries, drowning those who don’t learn to swim in its waves’, he was warning organisations that they should embrace the advantages of the Internet (Gay, Charlesworth & Essen, 2007: 2). Today it is almost unthinkable for organisations not to have an online presence. Nowadays many organisations include online marketing as part of their overall marketing strategies. However, the Internet has laid down some new rules for marketers. These include greater transparency, more cost efficiency, more power and options for the consumer, as well as the necessity of building new relationships. Gay *et al.* (2007: 8) define online or e-marketing as ‘the use of Internet and related digital information and communications technologies to achieve marketing objectives’.

This section explores the development and nature of online marketing; the online marketing mix; the ten Cs of marketing; online marketing resources and applications; online marketing as a push and pull mechanism; and the advantages and disadvantages of online marketing.

10.8.1 Development and nature of online marketing

The explosive inception and immense growth of the Internet led to the development and institution of online marketing as marketers increasingly realised how the online environment could benefit and enhance their marketing strategies.

According to Richardson (2001), the first online marketing revolution was characterised by rapid growth in the business-to-consumer market. For instance, the online retailer Amazon.com pioneered retailing on the Internet while Yahoo defined the emerging role of cybermediaries (for example search engines). The second online marketing revolution evolved even faster than the first, with the focus now on the business-to-business market. For instance, Ariba and CommerceOne created global web-based electronic procurement portals for industrial operating supplies and parts. The third revolution is currently taking place within organisations themselves. Organisations are establishing corporate websites, extranets and intranets, which in turn are transforming customer and employee relationships.

Todaro (2009: 32) identifies two main factors that accelerated the growth of online marketing, namely *technological* and *economical*.

Technological factors that contributed to the development of online marketing are the following:

- better Internet connectivity, namely changes from dial-up to high-speed access
- more RAM memory speed for computers
- better online security
- the development of new technologies such as Java, JavaScript and dynamic websites technology (ASP, PHP).

Economical factors that contributed to the development of online marketing are:

- reliable online purchasing systems; and
- lower prices of computer hardware and Internet services.

Recent trends in marketing have introduced new concepts – such as online marketing, e-marketing, e-tailing, digital marketing and mass customisation – which propose that the Internet can be used to develop a marketing strategy for a single customer (Cant, Strydom & Jooste, 2004).

To develop a marketing strategy for a single customer it is necessary to take a one-to-one marketing approach – that is, different customers are treated differently. Such marketing can create strong customer loyalty and enhance the profitability of an organisation. With each interaction, the organisation obtains more accurate information about the needs and desires of its individual customers. The organisation then adjusts and customises the market offering and website accordingly (Botha, Bothma & Geldenhuys, 2004).

According to Mersham and Skinner (1999), the WWW allows potential customers to search for an organisation's offerings as opposed to the organisation being forced to reach out to potential customers. Consumers sit at their computers; search for the product or service they need, compare prices, characteristics and technical specifications; and then might request additional information via e-mail.

Because the WWW is interactive and personal, the traditional mass media model characterised by one-way communication is no longer relevant. The web-based marketing model has reversed the traditional message flow of the mass media model so that the message no longer moves from the marketer to the consumer and, instead, moves from the consumer to the marketer.

Traditional marketing media push messages, whereas new media pull information at the request of the consumer (on the condition that the marketer has the individual's consent).

The major strength of the Internet as a commercial medium is the fact that it allows an organisation to personalise its offer to match the interests and lifestyles of consumers as opposed to simply extensively reaching out to a general audience. Online marketing is now more about reaching the right people at the right time in the right context than about reaching as many people as possible over an unlimited period of time. Being successful online includes anticipating customers' needs, meeting those needs and retaining online customers. Online marketers and advertisers are especially interested in customer retention and long-term loyalty (Koekemoer, 2004).

Online marketing pays particular attention to personal interaction, interactivity and feedback. As a result, marketers tend to use different technologies to accomplish these, for example with the use of closed-loop technology. *Closed-loop technology* is an intelligent learning system that delivers personalised web content and targeted one-to-one communication to individual users. Content, visitors to the site, personalisation and communication are integrated with site analysis and measurement tools. The closed-loop system observes and learns more about a user each time that user interacts with the site; thus the site becomes more 'intelligent' with regard to the user. As a result, a customer profile is built up and is updated with each subsequent visit (Koekemoer, 2004). Online marketing generally has three objectives:

- *Brand development*: The organisation's online efforts integrates with and complement all traditional marketing efforts.
- *Income generation*: Revenue is increased by means of online sales, generation of leads and online direct marketing.
- *Customer service support*: In an online environment the organisation can augment its customer service and support at a lower cost (Charlesworth, 2009: 28; 29).

10.8.2 The online marketing mix

In Chapter 5, the traditional marketing mix is explained. Online marketing has become so prevalent in organisations' marketing strategies that theorists now also refer to an online marketing mix as *online product*; *online price*; *online distribution* and *online promotion* (Gay *et al.*, 2007: 101):

Online product

A distinction can be made between selling physical goods (for example books, DVDs), virtual goods (for example information goods), and service products (for example travel and insurance) online. However, marketers need to know how to appropriately sell and distribute these products using the Internet as a platform. Because it is more difficult to sell products online, marketers still use traditional channels to provide some trustworthiness to their products or services. For instance, if a perfume is being sold online, the customer will not be able to smell the product. Marketers therefore still include samples of perfumes in magazines or have samples available in stores. When customers have experienced the product in the real world, they are more likely to buy the product online. Selling a product online does, however, provide some added value to them. For example, they will have access to customer reviews and recommendations, 24-hour online customer service and more available choices.

Online price

Because the Internet is a more cost-effective and direct medium to sell products (that is, no intermediary is required), the customer should benefit from price reductions online. Numerous websites are available where customers can first compare the prices of different products. Marketers should therefore be careful not to present prices that are excessively higher than those on offer elsewhere online. Cheaper prices online can, however, be negated by high delivery costs.

Online distribution

Some organisations perceive the Internet as yet another distribution channel. Online distribution is a crucial element of the online marketing mix. The way in which a product or service that is sold online is distributed to online customers can give the organisation a competitive edge if its distribution methods are effective. For example, the local online book portal Kalahari.com is branded for its quick dispatching of items that have been ordered online. Because the organisation does not have to deal with an intermediary it can sell products directly to

the customer. The customer therefore obtains firsthand experience of the organisation's customer service.

Online promotion

Online promotion refers to online marketing communication (see Section 10.5). Different authors include different elements in the promotional mix for websites, but the most prominent are still online direct marketing, online sales promotion, online advertising and online public relations. Whichever online promotional mix element marketers make use of for online marketing purposes, the message should be clear, creative and tailor-made in order to compete with the countless marketing messages on the Internet.

10.8.3 The ten Cs of online marketing

In addition to an online marketing mix, Gay *et al.*, (2007) also identify ten Cs which are considered fundamental to online marketing success. These can be explained as follows:

Customer

The customer should always be the central focus of any marketing action, even in an online environment. Customers' needs should be addressed and they should be satisfied with the market offering online. Online customers also have more power and control online.

Corporate culture

The organisation's corporate culture should be evident online. For instance, its vision and commitment to online customers should be the same as for its other operations. In an online environment an organisation's vision should be extended to include new alliances and partnerships to deliver better service to online customers. An entrepreneurial culture and willingness to adopt new technologies are some of the aspects that are considered important.

Convenience

Customers purchase online because it is convenient and flexible, and offers them greater freedom. They do not need to go to busy shopping centres after work or waste valuable time queuing. Marketers should therefore ensure that customers' experience online is sufficiently convenient that these customers will be retained.

Competition

Marketers face much competition on the Internet. However, in an online environment, the competition often is widely dispersed and changeable. Competition can emerge in the form of traditional competitors that are now also available online, newly formed alliances and partnerships, or new organisations from abroad. Marketers

should plan strategically so that they are able to contend with emerging and existent competitors online.

Communication

Organisations should carefully consider the promotional mix elements that they choose for their websites (see Section 10.5). Communication in an online environment is one-on-one and tailor-made. Ample opportunities for feedback should be available to the consumer.

Consistency

Online messages should be consistent and complement traditional marketing messages. Communication used in the promotional mix elements for websites should reinforce and not conflict with the organisation's brand and traditional marketing messages.

Creative content

To attract more online traffic, content used for online marketing purposes should be creative and encourage online customers to become engaged in the online marketing messages.

Customisation

Online customers should be able to customise their online experience to satisfy their individual requirements. For instance, customers could be given the opportunity to set the organisation's website to show only product information that pertains to their particular region or city.

Co-ordination

All departments working with online purchases should carefully co-ordinate the purchasing process, for instance from providing information about the product and processing the online transaction to delivering the product to the online customer. The process should be transparent enough to ensure good customer service even after the purchase has been completed.

Control

Marketers can closely monitor online activities by having access to numerous web analytic tools. These tools provide them with some control over online marketing activities. Marketers should, however, know what to do with these online statistics so that they can further benefit the organisation's online marketing efforts.

10.8.4 Differences between online and traditional marketing

Online and traditional marketing have the same objectives, namely to increase an organisation's sales and profits. Online marketing aims to complement and achieve synergy (harmonisation) with the traditional marketing plan. A traditional marketing plan, for instance, uses traditional media to make the public aware of the

organisation’s corporate website and its various products and services. However, the approach of online marketing differs, mainly owing to the global target audience and long-term nature of the marketer–consumer relationship (Todaro, 2009: 19). Conversely, Krishnamurthy (2006: 153) points out a different approach in terms of traditional and online brand management. Where traditional brand management focuses primarily on the product and profit, online brand management is more concerned with the organisation’s relationship with the customer. This is built through, for instance, personal profiles, more opportunities for interaction and knowledge of the online customer.

In traditional marketing, the organisation, once it has selected the appropriate audience through market research, attempts to reach its target audience through marketing communication messages (Cant *et al.*, 2004). In online marketing, however, online customers find the organisation’s website by being attracted to the benefits it offers, and then they select the messages they want. By choosing from the tailor-made options, they *segment themselves* based on desired product benefits. Online marketing measures the number of website visitors who click on an online advertisement. Usually, these visitors are asked to complete an online form so that the marketer can obtain their demographic information. Table 10.1 summarises some of the differences between traditional and online marketing.

Table 10.1 Differences between online and traditional marketing

Online marketing	Traditional marketing
Includes direct selling to an individual using an Internet resource tool	Includes marketing to the masses
Includes a ‘pull’ marketing environment; in other words, customers find the organisation’s website by being attracted to the benefits it offers. Online customers then select the messages they want	Supports a ‘push’ marketing environment; in other words, the organisation attempts to reach its target audience through marketing communication messages after it has selected the appropriate audience through market research
Supports two-way marketing. More feedback is involved than in traditional marketing	Supports one-way marketing. There is little feedback from the target audience
Includes environmental scanning on the web while entailing a more specific approach, including competitive, technological and cultural scanning	Market segmentation and demographic research on the web are not yet reliable
Environmental scanning entails a broader approach, including competitive, technological and cultural scanning	Market segmentation and demographic research are more reliable
Online brand management is mainly consumer-centric	Brand management is more product and profit focused

Sources: Cant *et al.* (2004); Krishnamurthy (2006); Todaro (2009)

10.8.5 Internet resources for online marketing

Within an online marketing context, *Internet resources* refer to an Internet platform that will support the organisation's online marketing strategy and messages. In other words, it is the place(s) on the Internet where customers will be able to access online marketing messages. Various Internet resources are available, for instance corporate websites, electronic newsletters, e-mail, discussion forums and multimedia (Trinkle & Merriman, 2006: 19–34).

Owing to global accessibility, the *corporate website* is still seen as the organisation's most powerful marketing tool and therefore one that should be developed with care. The website is increasingly regarded as a direct selling medium; it provides another distribution channel for the organisation's products as well as the opportunity for the organisation to reach a global target audience. In addition, even small organisations have the opportunity to sell their products to much larger audiences. In order for a website to be successful it should be appealing, user friendly and functional; it should also offer sufficient value to retain customers. In addition, the information on the website should be regarded as credible and trustworthy (Sweeney, 2006: 20).

The organisation can proactively offer the *e-mail (or product) newsletter* as part of its online customer service and marketing strategy; this keeps customers informed of new products and services. The newsletter usually comprises industry news, product promotions and helpful hints. In some cases, it includes comments from customers which reflect favourably on the organisation's products and services. Marketers therefore also attempt to include information that will lead to viral marketing – that is, customers forward the newsletter to their friends and peers. Customers or users should preferably sign up to receive product newsletters via email (Blumberg, Forman & Miller, 2006: 18).

E-mail has existed since the inception of the Internet. It was developed in the early 1970s to allow computer users to send messages and share text files with others on the same network. Not only does it facilitate the organisation's interaction with its customers, it can also play a role in the formation of long-term organisation–customer relationships. E-mail can impact on the corporate image of the organisation, and the organisation should therefore consider e-mail in the formation of its policies and procedures (Burke, 2001). (See also Section 10.6.6. with regard to e-mail marketing, which is regarded as an online marketing application.)

Multimedia are interactive databases that allow users to access online information in various formats, for example text, graphics, video and audio. The use of multimedia ensures impact, immediacy and selectivity of the online marketing message. Media products can now also be streamed live. It is possible to do live audiovisual presentations, interactive live chats, and live videoconferencing (Jones, 2009: 181).

Marketers also use *online marketing forums, bulletin boards, newsgroups* and *mailing lists* to keep abreast of trends in marketing strategies. These types of forums are useful Internet resources that facilitate discussion and debate of topics of interest. The messages posted to a newsgroup are organised by a host computer which determines how long they should remain active before they are then removed. There are thousands of newsgroups and mailing lists through which users discuss thousands of topics.

Using the power of these forums, marketers can solicit the advice and opinions of experts around the world (Scott, 2010: 48–51).

10.8.6 Online marketing applications

Online marketing applications comprise those online actions (or dealings) which the marketer can apply on the corporate website to implement an organisation's marketing strategy. These include e-commerce, online market research, online customer service and support, e-mail marketing, SMS marketing and online advertising.

E-commerce

According to Norris, West and Gaughan (2000: 2), e-commerce 'embraces all aspects of buying and selling products and services over a network', such as the Internet.

E-commerce can take many forms, for example cybermalls. Cybermalls are virtual marketplaces that consist of individual websites linked under a general site (Learn2succeed.com, 2004). Two kinds of cybermalls exist. The *vertical* cybermall consists of cyberstores which all sell the same type of product; the *horizontal* cybermall is composed of, for example, a bookstore and a jewellery store – that is, stores which sell different kinds of products. An example of a horizontal cybermall would be the highly successful South African online shopping portal, Kalahari.com (Mardenfield, in Palumbo & Herbig, 1998). Lin and Atkin (2007: 211) regard the following as motivators for online shopping:

1. Consumers can save money and time as a result of not having to travel.
2. There is a wider choice of products.
3. Experiential users enjoy the online shopping experience.

However, there are still some concerns in terms of online security and the completion of transactions which continue to make numerous users wary of using the Internet to purchase products or services.

To attract customers to their websites, organisations use promotional tactics, such as free product samples, contests, quizzes, coupons and special time-restricted offers (Botha *et al.*, 2004).

Although e-commerce is becoming a flourishing industry in South Africa, organisations nonetheless need to learn more about how to maximise the commercial advantage that their websites can offer them. Online retailers such as Kalahari.com, MWEB Shopping Mall, Digital Mall, Exclusive Books, Netflorist, Cybercellar, Woolworths and Pick n Pay are some of the more popular e-commerce portals in South Africa (Shopping online in South Africa, 2009).

The practice of e-commerce, however, requires the proper infrastructure, basic technology, standards, language and Internet protocols (each machine on the Internet has a unique identifying number, known as an Internet protocol (IP) address. Interlinked communication and suitable hardware are also necessities (Botha *et al.*, 2004).

Online market research

Internet usage statistics are, as a rule, captured by means of *web analytics*. This means log files are written which capture web trends, unique visitors, users' page views, top exit pages and website engagement, to name but a few. Various web analytic tools are available to organisations although some of these do not necessarily provide functional information that can be used by marketing management for the marketing strategy (Kaushik, 2007: 3).

To target the right customers with tailor-made messages, marketers need to build up a customer profile. They therefore need to know the identities of their visitors and the reasons for their visits. Even though market research on the Internet is not considered to be totally reliable, the Internet is nonetheless a valuable research tool, and various resources can be used to gather information on website visitors to build up a profile of these visitors. As website visitors have neither the time nor the inclination to complete lengthy questionnaires, marketers might use the following tactics to capture the data they need (Janal, 1998; Grossnickle & Raskin, 2001: 141):

- Feedback about the actual website is requested.
- A postal code is asked for when the user fills in requested information. In this way, marketers can establish in which city and province the user lives.
- A contest or free product is offered in order to obtain addresses.
- Registration is required to access deeper levels of the site.
- A survey or opinion poll is conducted on the website, and the 'yes' and 'no' buttons are in fact 'mail to' (e-mail) buttons that send the participant's e-mail address to the organisation.
- Online visits are monitored through software programs that can track online usage.
- E-mail surveys can be used if the organisation has developed a list of e-mail customers.

Customer service and support online

Customer service and support online are as important as when the product or service is bought through traditional channels. Good customer service results not only in customer loyalty and retention but also in positive viral marketing (word of mouth). The advanced customer relationship (CRM) technology that is available today provides the organisation with an opportunity to build a special relationship with online customers. Corporate websites that allow for both first-class customer service and support online are the best marketing tools that organisations can have (Reynolds, 2004: 273). Reynolds (2004: 275) also argues in favour of a customer service strategy that is created especially for online customers. This can include detailed information on the corporate website about all products and services, a section for frequently asked questions (FAQs), and product specifications, as well as articles and even case studies (knowledge content). Customer service and support online are also fostered by using tools for interactivity; in this way the organisation can build a 'learning relationship' with the customer. Organisations that truly understand their key customers are able

to deliver better online customer service by adapting to their specific needs (Peppers & Rogers, 2004: 192).

E-mail marketing

E-mail marketing has become an integral part of online marketing and can play a valuable role in any online marketing campaign's success if done in the correct manner. E-mail marketing should preferably be part of the organisation's online marketing strategy and have specific objectives in mind. It can even be an effective replacement for direct mail because it costs far less, and better-targeted messages can also be sent. In addition, reminders about a sales promotion or event can be sent to the target audience (Chaffey, 2007: ix; 8). According to Mullen, Daniels and Gilmour (2009: 6), five types of e-mail are usually sent for marketing purposes:

- to create awareness of a product and/or service
- for consideration of a product and/or service
- to communicate specific information about the product and/or service
- to increase product and/or service usage
- to increase customer retention and loyalty.

Each type of the above e-mails can play a distinct role in establishing the organisation's brand message with a customer.

Spam e-mail is, however, still considered to be one of the most significant threats to the future of online marketing and, as a result, in April 2004, the Marketing Federation of South Africa (MFSA) released a set of landmark guidelines which are designed to combat spam e-mail and boost legitimate e-mail marketing. One of the guidelines, for example, stipulates that marketers should not acquire e-mail addresses through automated mechanisms that do not specifically gain the consumer's consent ('MFSA launches anti-spam campaign', 2004).

SMS marketing

SMS is the abbreviation for *short message service*, which involves the delivery of text messages to cellphones. Marketers use SMSs as a permission-based, cost-effective, high response-rate marketing tool to help them acquire and retain consumers, and to promote and sell products. Databases on the corporate website provide marketers with access to clients' cellphone numbers, although these can also be obtained in other ways.

Although e-mail is beneficial in terms of personal, one-to-one marketing, SMSs are even more personal because the marketing message can be customised. However, SMS is less intrusive than other media only when it is permission based, relevant and meaningful (Botha *et al.*, 2004). (See Section 10.10 for a discussion on mobile marketing.)

Online advertising

Online advertising is still a significant marketing application. (See Section 10.9 for a detailed discussion on this.)

10.8.7 Integration of online marketing with traditional marketing

Online marketing should be fully integrated with the organisation's marketing mix and not considered to be a separate campaign. If synergy with the traditional marketing plan is achieved, online marketing becomes much more valuable to the organisation's overall marketing objectives (Carmody, 2004: 294). Bayne (2000) reiterates that the most important aspect of an online marketing plan is to achieve synergy with the traditional marketing plan, and to use traditional media to make the public aware of the organisation's corporate website and online activities. Numerous organisations conduct business online yet still make use of traditional media to advertise their online business objectives. Organisations that successfully integrate their marketing strategies with different media currently also integrate their online and traditional marketing efforts with Web 2.0 technologies (Mohr, Sengupta & Slater, 2009: 391). (See Section 10.9 for a discussion on social media marketing.)

10.8.8 Online marketing as a push and/or pull mechanism

Online marketing as a push mechanism

Traditional media such as print, radio and television are 'push' media, which means that communication is usually one way, with little opportunity for feedback unless a direct marketing response mechanism is included. Marketers often push web pages in traditional media so that customers can find them. Web pages can also be pushed by means of new media, for instance through push technologies such as *web casting*, which imitates television. With web casting, consumers subscribe to 'channels' that are published online by advertisers. Advertisers send information and advertisements to the consumer according to a schedule that has been determined by the consumer. For instance, a user can subscribe to a news channel and specify that they wish to read business news updates every hour, although specifically targeted advertisements are included. Advertisers also use advertisements as screensavers. Each screen view can contain news, a stock ticker and an unobtrusive advertisement. The consumer can select the news categories, organisations and industries he or she would like to monitor. Advertisements are hyperlinked to the advertisers' websites, and the advertisers' aim is to encourage consumers to react to them (Baker & Hart, 2008; Janal, 1998).

Online marketing as a pull mechanism

Consumers are not pushed to find a website; instead they are 'pulled' to the site because they are attracted to the benefits that it offers. Online customers are therefore proactive in that they select the messages they want and can then enter into a dialogue with the organisation. Marketers therefore need to implement strategies to attract online customers to their websites and to ensure that the website is purposeful and useful to them (Baker & Hart, 2008: 506).

10.8.9 Advantages and disadvantages of online marketing

Online marketing has numerous advantages and disadvantages, as demonstrated in Table 10.2 on the following page.

Table 10.2 Advantages and disadvantages of online marketing

Advantages	Disadvantages
<ul style="list-style-type: none"> ■ Marketers can reach a global target audience ■ Advertising expenditure is spent on a target audience that is extremely receptive to the marketing message ■ The target audience can read marketing messages 24 hours a day and seven days a week ■ Unmatchable return on investment ■ People who are able to afford the organisation's product or service tend to react to online marketing messages ■ Marketing occurs through a customer-driven channel ■ Marketers deal with customers at the point when they are ready to buy ■ Multimedia makes the marketing message more appealing and creates relationships with customers ■ It allows organisations to link directly to consumers, which enables new relationships and interactions ■ The organisation can make more profit by cutting out salespeople, warehouse costs and distributors ■ In comparison with other media, it is cost effective ■ Small organisations can compete on an equal footing against larger organisations 	<ul style="list-style-type: none"> ■ Marketers reach only those people who are able to buy a computer and afford the costs of a telephone and an Internet connection ■ Barriers still exist, such as computer illiteracy and the digital divide ■ Many people prefer personal service to online purchasing ■ Many organisations still do not know how to take commercial advantage of their websites ■ South Africa continues to encounter problems with regard to correct and secure online payment systems ■ Many organisations' websites are not perceived as credible ■ Many organisations still do not know how to fulfil consumers' online needs, or how to retain online customers

Sources: Fritz, Dholakia & Mundorf (2002); Janal (1998); Todaro (2009)

10.9 Social media marketing

Social media marketing has its roots in viral marketing and electronic word of mouth (eWOM), which is discussed in detail below.

10.9.1 Electronic word of mouth (eWOM)

After the establishment in 2004 of Web 2.0, numerous applications such as social media networks became more accessible to the general public. Web 2.0 is a new technology that allows users to generate their own web content and to actively participate in the communication process (O'Reilly, 2005). Social media also create the ideal platform for consumers to instantly spread the word about an organisation's products and services by means of eWOM. eWOM is the same as viral marketing but uses the Internet as the platform on which to spread the communication message.

eWOM communication is any positive or negative story, via the Internet, from potential, actual, or former consumers that concerns an organisation's product and/or service. With eWOM, consumers obtain information about products and services from people known to them as well as from consumers who have actually used these products and services (Cheung, Lee & Rabjohn, 2008: 229). Marketers therefore use the benefits of eWOM to create awareness of the organisation's products and services or, using different social media content platforms, for brand-building purposes by means of social media marketing.

10.9.2 Social media content platforms

Marketers are increasingly using various social media content platforms for the purpose of viral marketing, or eWOM, to complement their traditional and online marketing strategies. Social media can be defined as 'user-generated content created or produced by the general public rather than by paid professionals and primarily distributed on the Internet' (Daugherty, Eastin & Bright, 2008: 1).

Different social media content platforms exist. Cosmo (2008) classifies and explains these as follows:

- *Networking sites* (for example Facebook, MySpace): Used for locating and keeping in touch with friends and family, or participating in online groups or fan clubs which have different topics of interest.
- *Social bookmarking sites* (for example Digg, Delicious): Social bookmarking allows users to locate and save websites that are of interest to them.
- *Social news sites* (for example Propeller, Reddit): Social news websites are online communities that allow their users to submit news stories, articles and multimedia to share with other users or the general public.
- *Video-sharing communities* (for example YouTube): Video sharing and hosting sites allows any and every video to be posted online. More recently, there are video sharing and hosting sites that specialise only in short-form, original content (for example Metacafe).
- *Photo-sharing sites* (for example Flickr): These allow for worldwide photo sharing, commenting, and photography-related networking sites.
- *Professional networking sites* (for example LinkedIn): These are social networking sites created primarily for business and professional networking.
- *Web-based encyclopaedias* (for example Wikipedia): These are free web-based encyclopedias that are written and edited by volunteers around the world.
- *Community answer sites* (for example answer.com): These sites provide an online question-and-answer platform, where questions are both asked and answered by members of the community.
- *Blog networking communities* (for example Open Diary): Blog networks host a huge variety of different sites and usually remunerate users either with advertisement revenue, a salary, or on a per-post basis in order to load their sites with excellent content.

- *Social media aggregators* (for example Friendfeed, Streamy): These websites accumulate information on everything that users do on social networks or websites, and then integrate it all in one location. These websites allows users to follow exactly what other users are doing on social media.
- *Micro blogging* (for example Twitter): The content is usually much smaller, in both actual size and total file size, than that of a regular blog. A micro blog entry might consist of only a short sentence, an image or an attached video. Users can also select to follow other users' 'tweets'.
- *Blog publishing* (for example wordpress.org): Publishing platforms allow users to both create and publish their own blogs.
- *Social web content discovery* (for example RSS feeds): Users can find appealing Internet content by subscribing to a feed.
- *Social media searches* (for example Socialmention): Social media search engines search user-generated content such as blogs, comments, bookmarks, events, news, videos, and so on.
- *Social event calendars* (for example Google calendar, 30 Boxes, social web): Community-driven websites allow users to find and promote any social events for free.
- *Mobile phone platforms* (for example MXit, The Grid): Mobile phone platforms assist users in locating friends and family and then staying in touch with them.

10.9.3 Social media marketing

Many definitions of social media marketing exist (some theorists refer to it as *social influence marketing*). Singh (2009: 10) defines *social influence marketing* as 'a technique that employs *social media* and *social influencers* to achieve business' marketing and business' needs'. Evans (2008: 13) refers to *social media marketing* as a social media application that strategically uses ordinary conversation primarily for brand-building purposes.

Social media marketing is an addition to online marketing but its focus is more on social media content and communities (Cosme, 2008). Social media marketing can, however, also pose a risk to an organisation's online reputation if they receive negative eWOM (Evans, 2008:158).

10.9.4 Creating a social media strategy for the organisation

When developing a social media strategy, organisations usually consider either a competitive differentiation, market share growth or brand expansion as their most important marketing objective (Borges, 2009: 73). When an organisation makes use of a competitive differentiation strategy, it usually increases its visibility in various social media by creating new social media content or through online content commenting. When growth of market share is the main consideration for using social media, an organisation aims to increase its revenue in a specific market segment. The organisation then commits itself to creating new social media content. In the case of brand expansion, the organisation develops a powerful social media content creation strategy, and creates new and appealing content in different social media content platforms (Borges, 2009: 73–76).

Social media marketing uses social media content platforms to reach the target audience by means of numerous social media marketing communications tools and tactics. Charton (2007), Luckhoff (2009), Schrecker (2008) and Zarrella (2009) describe some of the more popular social media marketing communication tools and tactics:

- *Twitter and micro blogging*: This involves promoting content about the organisation's products and services by sending short messages (tweets) to followers (for instance using no more than 140 characters).
- *Beacon*: This is an advertisement system on the social media site, Facebook. Data are sent from external websites to Facebook to communicate with targeted advertisements while users can share their activities with their friends.
- *Fan page*: This is a page that is set up either by or for a celebrity within a social media site such as Facebook or MySpace. Many organisations also create a fan page for a brand.
- *Blogs*: An individual provides commentary in the form of a personal diary about various topics of interest. Visitors to the blog may respond to messages.
- *Product blogs*: An individual or organisation provides commentary in the form of a personal diary about its various products.
- *Blog press room*: This is a press-related blog that is maintained by an individual or an organisation in which information is fed to the media by means of press releases, videos, photos and screen shots.
- *Review blog*: This is an extension of a blog but its focus is on promoting new products and services, and providing opportunities for professional reflections and viewpoints.
- *Sponsoring of content category*: Organisations are given a category in a suitable section of a social media site (for example on Facebook), where they can post original content.
- *Message board*: This is an electronic platform in the form of a forum where various messages about different topics can be posted.
- *Podcast*: This is a digital media file which users can download from the Internet and play back with the use of various Internet and communication technologies.
- *Vlog*: This is similar to a blog but the medium is a video in which users can see and hear the message.
- *Wiki*: An organisation makes available one or several web pages where users who access them can modify the content.
- *Really simple syndication (RSS) feed*: By subscribing to a feed, users can be connected to Internet content about the organisation's products and services.
- *Widget built into social media sites*: This is an applet which can be built into an HTML web page to add content and to make it more interactive.
- *Games, competitions, incentives*: These are set up to provide entertainment to online community members while they surf the website.
- *Video advertisement*: This is an engaging audio-visual advertisement that is generated by users and which is available on sites that are part of the Google content network.
- *Online social media press release*: This is a press release with multimedia features that users can access online.

- *Mobile platforms*: Organisations can use mobile social conversation sites to reach online consumers or to build the organisation's brand, for instance with MXit and The Grid (see Section 10.10).

10.10 Mobile marketing

Because a cellphone is usually switched on, is within immediate reach of the consumer, and is also a very individual device, marketers can communicate content about their products and services to their target market through what is known as mobile marketing. Pousttchi and Wiedemann (2006) define mobile marketing as a 'form of marketing communications using mobile communication techniques to promote goods, services and ideas'.

Mobile marketing is reliant upon mobile marketing applications such as wireless application protocol (WAP), short message service (SMS) and multimedia message service (MMS) (Carroll, Barnes, Scornavacca & Fletcher, 2007: 81).

Although SMS is still the most popular mobile data application for marketing purposes (Timpson & Troutman, 2009: 59), marketers now also consider other mobile marketing strategies for reaching more consumers (and not only those who have granted permission to be opted in to receive mobile advertising messages). Consumers can also subscribe to a branded mobile channel (contracted with a mobile service provider) where they can access different offers that can include exclusive content as well as applications, games, special opportunities, incentives and emotional experiences. The fact that these consumers subscribe to these branded channels strengthens the value of the sponsoring brand and simultaneously generates business value. Branded mobile channels, for instance, are available on popular mobile social platforms such as MXit and Vodafone. Various brands in South Africa have branded mobile channels, for example Billabong, *You* magazine and Vodacom, to name but a few. With consumers subscribing to a branded mobile channel, organisations can engage with consumers on a deeper level, increase brand loyalty and augment consumer retention (Friedrich, Gröne, Hölbling & Peterson, 2009: 54).

A cellphone usually belongs to one consumer only, so mobile service providers are able to do 'contextual marketing' to their subscribers based on tracked information such as the geographical position of users, the technical addresses of the cellphones, and customer profiles. Contextual marketing refers to the extent to which e-businesses use the Internet to provide customers with relevant information in the right context and in real time (Lee, Korea & Jun, 2007: 799). For instance, based upon information that the shopping centre marketing manager has concerning whether certain consumers are in the shopping centre at that specific moment, these consumers can receive SMS alerts that inform them of special promotions that are occurring in various stores in the shopping mall.

However, marketing via a mobile platform also poses various limitations and challenges, such as small screen size, limited bandwidth, device diversity, a limited set of visual and audio capabilities, as well as issues such as permission-based regulations, consumers' trust and their perception of personal intrusion. Marketers therefore consider the mobile medium to be more of a complementary or substitute

channel to current marketing communication strategies (Sinisalo, Salo, Karjaluoto & Leppäniemi, 2007: 775) or use mobile marketing communications primarily to strengthen the organisation's brand (Okazaki, 2009: 168).

10.11 Online advertising

Over the years the advertising phenomenon has developed in terms of content and media, and has subsequently evolved to adapt to the ever-varying needs of advertisers and audiences alike. Advertisers have therefore increased their efforts to locate media that are less costly, less cluttered and potentially more effective than the established media which have served their needs for many years (Shimp, 2003). Advertising on the Internet commenced with such intensity that some observers believed that traditional advertising was dead. It has been claimed that online advertising is superior to traditional advertising in that it provides consumers with greater control over the communication process, is more versatile than traditional advertising, and is superior at targeting consumers. Shimp (2003) agrees but also points out that the Internet is nothing more than a potentially key element of the integrated marketing communication (IMC) mix and not a total replacement for traditional advertising.

To explain the nature of online advertising, a definition is developed below for the purposes of this discussion:

Online advertising consists of inexpensive, borderless, persuasive, continuous and information-intensive online communication messages – sent out to a globally diverse audience that voluntarily accesses unmodified messages on the Internet – from an identified sponsor who directly receives feedback in an interactive manner.

New technologies like the WWW have generated a variety of possibilities in the effective transfer of advertising messages to diverse populations. So many different media options have become available for reaching consumers that audience fragmentation has resulted. Advertisers have sought to overcome this problem by using the Internet to reach these different audiences with varied advertising messages. The Internet has also enabled organisations to advertise to a global target audience at a much lower cost than they would have incurred had they used traditional advertising methods (Hanekom & Scriven, 2002). Advertising on the Internet offers unique opportunities to advertisers and these will grow as more advanced application technologies and infrastructure become available, and as more consumers become educated in the use of this medium.

As a communication medium, many advertisers do and will use the Internet as an advertising medium. It is important, however, to remember that traditional advertising media will never become obsolete. Because of the value of the different advertising media, advertisers and marketers should therefore follow an integrated approach. Although the Internet can be a central part of their advertising strategy, advertisers should be aware that they must use traditional media alongside this new and exciting medium. In terms of the integrated organisational communication approach, the messages should be consistent with other organisational communication messages, as well as with the overall corporate brand of the organisation. Market segmentation

and target marketing therefore play an increasingly important role when deciding on the ideal media mix and communication messages to use. Prior to elaborating on the nature of online advertising, however, the development of online advertising is briefly highlighted.

10.11.1 Development of online advertising

Although on the one hand online advertising is currently regarded as imperative to any marketing communication effort and is widely utilised, it is, on the other hand, also still developing in terms of content and applications. Organisations have attempted online advertising in many formats, which have revealed various developmental stages:

- Advertisers began by offering information and promotional material through textual gopher documents, electronic mass mailings, and the posting of messages in Usenet discussion groups. These types of online advertising were soon described as ‘junk mailing’, and advertisers realised that they were perceived as invasive in nature and were ineffective at delivering advertising messages to different target audiences.
- In response to this inefficacy, marketers and advertisers tried alternatives like commercial gopher sites, but they soon became aware that the impact of these messages was not what they hoped. They again sought alternative methods.
- The concept of distributed hypermedia documents began to develop and the National Centre for Supercomputing Applications (NCSA) released Mosaic, which was based on hypertext technology, namely the WWW (Rao, 1997). The WWW opened up enormous opportunities for advertisers and marketers to promote their products, services and ideas to a diverse spectrum of the population.
- As an advertising medium, the web is currently thriving and its popularity is increasing, despite its initial slow start. This could be attributed to advertisers’ realisation that this medium has immense potential as an advertising medium or ‘billboard’ that can reach an international audience.

Organisations now have a wide variety of media available to them, which has led to the development of e-commerce. By offering their own content and services on the Internet many organisations attempt, with greater or less success, to use it as a medium for conducting business (Loebbecke, Powell & Trilling, 1998). Although many organisations are now using the virtual market, the advertising opportunities that this new environment offers are still to be thoroughly explored, and marketers and advertisers should remember that this medium is very different from traditional mass communication media (Kiani, 1998).

In the online environment, advertising and commercial information is displayed and accessed in a new and unique way. Organisations intent on disseminating their advertising and marketing communication messages online need to adjust their internal and external communication strategies accordingly (Ranchhod, Gurãu & Lace, 2002). In this context, therefore, the re-evaluation and modification of each organisation’s traditional communication strategies are imperative. Of course there are numerous reasons why the Internet can be considered a valuable and effective communication and advertising medium:

- With its information-intensive nature, the Internet allows the organisation to provide an extensive amount of information to target audiences and markets.
- People are now consuming less traditional media and spending more time online. The Internet has become a popular information provider that enables consumers to find general, product- and service-related information online. The demographics of online users have also changed, and users represent a microcosm of society which bridges social class, age and household make-up (New Media Age, 2001). An increasing number of people have access to the Internet, and it can therefore be regarded as a communication medium that has the potential to reach a massive and diverse spectrum of consumers.
- Marketers and advertisers have realised that the web can be instrumental in their marketing campaigns ('Making Ads Work on the Internet', 2003). In the integrated marketing communication campaign, the tools for marketing communication (advertising, sales promotion, direct marketing, personal selling, and so on) are integrated, as are the media used to communicate with consumers. The Internet is another such tool, and can be used effectively to communicate with target audiences. In light of this, online advertising is gradually expanding in South Africa.

Having examined how the online advertising phenomenon has evolved, it is important to discuss its intricate nature.

10.11.2 Nature of online advertising

Moriarty, Mitchell and Wells (2009) suggest that online advertising has three primary purposes:

- It provides brand reminders on websites to people who are visiting the website.
- It delivers an informational or persuasive message that is similar to advertisements in the offline environment.
- It encourages people to visit the advertiser's website by clicking on a banner or button that will lead them to it. These advertisements therefore pull people to the websites.

In order to ensure effective communication in the online environment and to fulfil the primary purposes of online advertising, organisations should adhere to the four fundamental pillars of effective communication – namely dialogue, borderless communication, inclusive communication and continuous communication. These four fundamentals are particularly applicable in the online communication environment, and they should be adhered to concurrently (Ranchhod *et al.*, 2002). Table 10.3 elucidates these pillars.

Table 10.3 The four fundamental pillars of effective online communication

<p>Dialogue</p>	<p>The process of online communication begins with dialogue, because, in essence, communication is a process of exchange. The online environment allows for the exchange of communication messages between advertisers and consumers. Direct feedback from consumers becomes possible, and this in turn enables advertisers to adapt their advertising messages to the needs of the target audience. The traditional models of unidirectional communication are not suitable for online communication and should be replaced by many-to-many communication models</p>
<p>Borderless communication</p>	<p>Through the strategic planning of messages, communication can be borderless and delivered consistently across cultures and time zones. The Internet allows the advertiser to deliver similar advertising messages to consumers from different cultures in different time zones at the same time. Therefore, the advertiser should develop advertising messages that are tailor-made for consumers from diverse cultures. Borderless communication also necessitates that communication messages must be consistent across any organisation’s advertising, marketing and public relations (marketing communication) activities in both the real and online world</p>
<p>Inclusive communication</p>	<p>Inclusive communication should reach both internal and external audiences. Organisational communication messages should be integrated and communicated to all stakeholders in the same manner. Inclusive communication includes employees, consumers and any other stakeholders. The integrated manner in which messages are communicated creates synergy in any organisational communication strategy. Because online advertising is integrated with online marketing and public relations messages, each message aimed at internal and external organisational stakeholders should be inclusive</p>
<p>Continuous communication</p>	<p>Marketers and advertisers should ensure that communication messages are communicated to different stakeholders on a continuous basis. All stakeholders should be updated and informed of any new developments regarding products and services, as well as any organisational decisions that might influence them</p>

Unique characteristics of online advertising

As a communication medium, the Internet has many distinctive characteristics, such as ubiquity, flexibility, networked interaction, speed, global reach and time independence, and in these ways can be differentiated from traditional communication media. It is clear that advertising in this medium will possess equally unique characteristics, including the following:

- *Individualisation*: ‘Individualization refers to the fact that the Internet user has control over the flow of information’ (Shimp, 2003). With traditional advertising messages individual consumers have little control over the amount or rate of information they receive because such advertising is usually uni-directional and there is little opportunity to provide feedback. In contrast to this, the online environment provides consumers with the opportunity to choose the amount of exposure they have to a web advertisement; they decide what to watch, when and how much. The WWW and other interactive technologies therefore shift control from advertisers to consumers, who are now free to seek information they desire and ignore information for which they have no need.
- *Interactivity*: Interactivity is one of the most important key features of online advertising that differentiates it from advertising in the traditional media paradigm. When exposed to online advertising, the consumer is able to exercise unprecedented control over the content with which he or she interacts and therefore becomes a partner in the communication process and the production of messages. Shimp (2003) explains that interactivity ‘allows for users to select the information they perceive as relevant and for brand managers to build relationships with customers via two-way communication’. Traditional media encounters provide consumers with little possibility of interaction, although consumers might engage in a passive manner with action, but no interaction. Interactivity entails reciprocal activity by means of two-way communication (dialogue) and consumer control over the communication process. In the online context, consumers now need to be referred to as ‘users’ instead of ‘receivers’. Jin and Villegas (2007) add that interactivity provides multiple options, such as various controls and choices, a richer sense of feedback and two-way communication.

In terms of ensuring true interactivity, advertisers should engage in relevant strategies to guarantee that consumers are motivated to respond and interact with the online advertising content. The concept of interactivity requires proper consideration, owing to the shift in channel power from organisation to consumer that takes place during online advertising activities.

Much of the attraction of the Internet as an advertising medium is due to its interactive capabilities, which allow consumers to use it for providing and receiving information and services. Marketers and advertisers therefore should not use the Internet solely for the static provision of information without allowing for interactivity. This would lead to online advertising messages that are less effective. When online advertising is used as part of an organisation’s marketing communication strategies, the following need to be considered:

- *Equality*: The WWW provides a level playing field for all participants. Organisations, consumers and customers have equal opportunities to access and provide information.
- *Competency*: The consumer or customer who wishes to access the online environment needs computer skills to browse through commercial websites. This is in contrast to the physical world, in which access to advertising messages is not based on capabilities or skills.

- *Information intensity*: The Internet is not a simulation of a real-world environment; it is an *alternative* to real-world environments which offers online shopping facilities. In the real-world environment, the focus of the advertising messages is on visual persuasion, which is distinct from the information-intensive nature of online advertising messages. Any updated product- and non-product-related information can be delivered on the Internet because of its focus on content delivery (Kiani, 1998).
- *Affordability*: Presence in the online environment is relatively inexpensive to establish, and has the advantage in that a vast, international audience can be reached.

Types or forms of online advertising

Similar to print and broadcast media, the Internet is an advertising medium that marketers and advertisers need to consider (Belch & Belch, 2009) because it provides them with immense opportunities to present interactive advertising messages. Advertising on the Internet can be presented in different formats. Armstrong (2001), Hanekom and Scriven (2002), Shimp (2003), Belch and Belch (2009) and Moriarty *et al.* (2009) elaborate on the following forms which are used in the online environment:

- *Banners*: Banner advertisements are the most common form of advertising on the Internet; they are also referred to as ‘hot links’ (Armstrong, 2001). Banner advertisements are generally used to create awareness or recognition, to encourage consumers to enter contests and sweepstakes, or for direct-marketing objectives. Banner advertisements are also referred to as *side panels*, *skyscrapers* or *verticals* when they are presented as strip advertisements placed on the edges of photos or advertisements. Banner advertisements are usually found on popular, advertising-supported websites. They are the oldest and most popular type of online advertising.
- *Pop-ups*, *pop-unders*, *pop-behinds*, *interstitials* and *superstitials*: Pop-ups are those advertisements that appear on the screen when a webpage is accessed and which try to get the user’s attention. Pop-behinds burst open on the computer screen behind the opening page of the website. Pop-ups are larger than banner advertisements but are smaller than a full screen. Pop-unders are advertisements that appear at the bottom of the screen and become visible only when the user leaves the website. These are often used for subscription sales; they automatically spring up on top of the main web page when a website is accessed. Interstitials refer to the space that intervenes between things. These are advertisements that appear between two content web pages (Shimp, 2003). Superstitials are short, animated advertisements that play over or on top of a web page (Shimp, 2003).
- *Sponsorships*: There are two types of sponsorships. *Regular sponsorships* are used when an organisation pays to sponsor a section of a site. *Content sponsorship* is when the sponsor not only provides money in return for name association but participates in providing the content itself. Additional sponsorship opportunities available to online advertisers include naming rights to sites, input into the overall ‘look and feel’ of the site, and editorial sponsorships.

- *Skyscrapers*: Skyscrapers are extra-long, skinny advertisements that run down the right or left side of a website.
- *Minisites*: Minisites allow advertisers to market their products without directing the visitor away from the website (Moriarty *et al.*, 2009). Minisites appear automatically on the website and can be enlarged by the visitor at a later stage. Also referred to as ‘microsites’, these sites follow the basic structure and presentational feel of the sponsored site (Armstrong, 2001).
- *Widgets*: Widgets are tiny computer programs that allow people to create and insert professional-looking content into their personal websites. This type of online advertisement includes news notes, calculators, weather feeds, stock tickers, clocks, book or music covers, or other web gadgets that can be framed by a brand-name promotional offer. Widgets are used to get non-intrusive advertisements on the desktop, website or blog (Moriarty *et al.*, 2009).
- *Online shopping malls*: Kalahari.com, Edgars.co.za and Picknpay.co.za are all examples of this form of online advertising.
- *E-mail marketing*: With the aid of e-mail marketing, the advertiser can reach specific users, and this has led to this type of advertising becoming a rapid growth area in online advertising.
- *Liquid image advertisements*: This embedded imaging technology transforms ordinary web images into interactive images that reveal hidden layers of editorial content, streaming audio and video, advertising information and e-commerce capabilities.
- *Point roll advertisements*: These are similar to standard online banner advertisements but allow for greater interactivity. By rolling the mouse through the advertisement, the user accesses up to eight mini-web panels containing additional messages.
- *Enliven advertisements*: These are richly interactive media advertisements that can now offer animation from a macromedia flash movie.
- *Messaging plus*: These are large advertisements displayed on half of the computer screen.
- *Larger pages*: Larger pages facilitate interaction without linking users to new sites.
- *Interstitials*: These are advertisements that appear on the screen while the user is waiting for content to download. They are Java-based advertisements that appear while the publisher’s content is loading. Although they showed great promise when they were introduced, their number has not significantly increased over the last few years.
- *The selling of certain words to advertisers*: With this type of online advertising message, consumers visiting a web page to refer to a specific topic are shown an online advertisement that relates to the words that were used in the consumer’s search.
- *Push technologies*: Push technologies – or webcasting technologies – allow organisations to ‘push’ a message to consumers instead of waiting for them to find it. These technologies dispatch web pages and news updates, and might have sound and video geared to specific audiences or individuals. Internet users can personalise these ‘pushed’ messages, by, for example, requesting the specific information they are most interested in viewing.

- *Links*: Not everyone regards links as a type of online advertising but, in actual fact, they serve many of the same purposes as the types of online advertising discussed above.
- *Paid search*: Paid search is one of the most widely used forms of advertising on the Internet. With this type of advertising the advertiser pays only when a consumer clicks on their advertisement or link from a search engine page. Search engines now constitute 40% of all online advertising expenditure, with Google dominating the market (Belch & Belch, 2009).
- *Behavioural targeting*: Behavioural targeting involves advertisers' targeting consumers by taking into account their website surfing behaviour. By compiling clickstream data and Internet protocol (IP) information, segments of potential buyers can be identified, and advertisements can be directed specifically to them.
- *Contextual advertisements*: Advertisers target their advertisements based on the content of the web page.
- *Rich media*: Rich media include all content that is created in flash. The successful adoption of music videos, sports clips and news has led advertisers to create a variety of forms of streaming video advertising content. Belch and Belch (2009) list the following as types of 'rich' media:
 - *Online commercials*: Online commercials are the equivalent of television commercials. They can either be created especially for the Internet, or the existing television commercial can be placed on the Internet.
 - *Video on demand*: Video clips of various entertainment activities (which include advertisements or are sponsored) are also available through the Internet.
 - *Webisodes*: Webisodes are short, featured films. Organisations create their own content to advertise their products.
 - *Other forms of rich media advertising*: Other forms of rich media advertisements are interactive banner advertisements, expandable advertisements and rich media advertisements placed in video games, instant messaging, podcasts and video advertisements within blogs.
- *Additional Internet advertising forms*: As the Internet evolves as an advertising medium, more ways to deliver advertising messages appear. Belch and Belch (2009) give the following examples:
 - *Podcasting*: Podcasting is a medium that uses the Internet to distribute radio-like files for downloading into iPods and other MP3 players.
 - *RSS*: Really Simple Syndication (RSS) is a specification that uses XML to organise and format web-based content in a standard way. The difference between web content and an RSS feed is that the RSS feed can send out notifications whenever new material is available.
 - *Blogs*: Blogs reflect the writings of an individual, a community, a political party or any organisation. They offer advertisers a new way of reaching their target audience.
 - *Websites*: Most organisations nowadays have a website (Shimp, 2003) that is linked to the organisation's homepage. The organisational website has only recently been regarded as a form of online advertising and one which has proven to be invaluable because it can convey important information about

the brand, its character and its promotional offerings. Organisational websites can prove to be an especially valuable online advertising method when they are attractive and user friendly, and invite usage and revisits. Consumers visit websites with the aim of obtaining information about the organisation, the product or the service, and that is precisely what the website should then provide them with.

Despite the different types and forms of online advertising, online advertising can also fulfil other functions.

Online advertising functions

In addition to the e-commerce and e-business function of the Internet, online advertisers are interested in many of the other functions that can aid advertising messages in their attempt to sell a product or service, or create a positive image for an organisation. Moriarty *et al.* (2009) provide the following Internet functions that are important to online advertisers:

- *The information role:* ‘The most important advertising-related role that the Internet plays is to provide information’ (Moriarty *et al.*, 2009). The Internet is a huge online library which consumers use to find general information, as well as product and service information.
- *Online publishing:* Advertisers can adapt information from their traditional media to suit the online environment.
- *Online encyclopaedias:* Online encyclopaedias such as Wikipedia can prove to be a huge source of information for online visitors.
- *The entertainment role:* Many users visit websites on the Internet for entertainment, escapism and relaxation. The most popular web entertainment is Youtube.com, which is a site that carries consumer-generated film and video clips.
- *The social role:* Social networking refers to a new category of websites that allows users to express themselves, interact with friends, and publish their own content on the Internet (Moriarty *et al.*, 2009). MySpace targets young people and musicians, while Facebook is a real-time online journal that allows users to share personal information with friends. Because these types of social networking focus on the power of relationships, users are more likely to respond to messages on the site, such as advertising messages, if they effectively become part of the social context (Moriarty *et al.*, 2009). The relationships that users form on these websites also play a significant role in their decision-making processes.
- *The dialogue role:* The Internet not only provides information, entertainment and social networking but also opens up the possibility of two-way communication. Advertisers therefore regard the Internet as indispensable for two reasons:
 1. the possibility of creating a dialogue with the consumer
 2. creating a dialogue among and between consumers and potential consumers.

Because of the interactive nature of the Internet, traditional advertiser-controlled advertising is impossible. Nowadays the consumer can contact the organisation

online and obtain a personal answer to his or her questions. When consumers contact and influence each other via the Internet, word-of-mouth advertising, which is a very powerful type of advertising, commences.

It is clear that the variety of functions of online advertising is beneficial to advertisers and marketers alike. Although online advertising is essential and advantageous in any marketing communication effort, it does, however, have some disadvantages.

10.11.3 Advantages and disadvantages of online advertising

The Internet provides several advantages to marketers and advertisers. Many of its unique characteristics enable exceptional opportunities for the effective dissemination of advertising messages to target audiences and markets. However, there are certain disadvantages as well (Belch & Belch, 2001; Goldsmith & Lafferty, 2002; James, 2001; Moriarty *et al.*, 2009). In Table 10.4, the advantages and disadvantages of online advertising are briefly described.

Table 10.4 Advantages and disadvantages of online advertising

Advantages	Disadvantages
<ul style="list-style-type: none"> ■ Target marketing <p>The online environment allows advertisers to target specific groups of individuals, as only those consumers who are interested in a specific product, service or idea visit the website</p>	<ul style="list-style-type: none"> ■ Measurement problems <p>Research conducted on forecasts, audience profiles and other statistics from the Internet demonstrate a great deal of variance. These research statistics lack validity and reliability</p>
<ul style="list-style-type: none"> ■ Message tailoring <p>As a result of the Internet’s ability to target specific individuals, messages can also be designed to appeal to the specific needs and wants of the target audience. Owing to the interactive nature of this medium, one-to-one marketing messages become possible</p>	<ul style="list-style-type: none"> ■ Audience characteristics <p>The numbers and characteristics of Internet audiences can go out of date quickly, and details of Internet audiences often vary from one Internet service provider to the next. Because of the accelerating growth of the Internet as a communication medium, more and more people have access to this medium</p>
<ul style="list-style-type: none"> ■ Interactive capabilities <p>Aided by the interactive capabilities of the Internet, advertisers can increase consumer involvement and satisfaction. The consumer’s involvement with the advertising message provides almost immediate feedback to the marketer or advertiser</p>	<ul style="list-style-type: none"> ■ Websnarf <p>The process of downloading information from the Internet can take some time (for example when a number of users access a site simultaneously, and when dialup users access sites that contain detailed graphics). Certain consumers use the Internet precisely because of the speed of the medium, and any obstruction to this speed leads to frustration</p>

Advantages	Disadvantages
<ul style="list-style-type: none"> ■ Information access 	<ul style="list-style-type: none"> ■ Clutter
<p>Information is often freely available on the Internet. Consumers can find information on a vast array of topics, as well as on product specifications, costs, purchase information, and so on. Consumers also have the power to request more information if necessary</p>	<p>Some organisations' advertisements on websites are not noticed, perhaps because there are too many advertisements on a single page. Consumers are easily irritated by a clutter of advertisements and tend to disregard them</p>
<ul style="list-style-type: none"> ■ Sales potential 	<ul style="list-style-type: none"> ■ Potential for deception
<p>Increasingly, the Internet is being used to conclude deals and to sell products and services to consumers</p>	<p>Some advertisers try to target children with colourful and exciting advertising messages. If a child has access to a credit card and knows how to process a purchase on the Internet, he or she can spend a great deal of money buying items from the advertiser. The Internet has also been referred to as 'a web of deceit' as advertisers and marketers gain access to personal information through such children's Internet purchases. Moreover, issues such as organisations collecting data without consumers' knowledge and permission, hackers, and credit card theft detract from the value of the Internet as a communication and commercial medium</p>
<ul style="list-style-type: none"> ■ Creativity 	<ul style="list-style-type: none"> ■ Costs
<p>The online environment permits a uniquely creative approach to advertising messages</p>	<p>The costs of conducting business on the Internet continue to increase. It is still possible to establish a website inexpensively but to establish an effective website and to maintain it is becoming increasingly expensive</p>
<p>Exposure</p>	<p>Limited production quality</p>
<p>The Internet is a relatively inexpensive medium, and smaller organisations with limited budgets can use it to gain exposure to potential consumers</p>	<p>Currently, the Internet is less developed than certain traditional media in terms of production quality. Internet advertising does not offer the capabilities of many competitive media, although advanced technologies and rich media are narrowing the gap</p>
<ul style="list-style-type: none"> ■ Speed 	<ul style="list-style-type: none"> ■ Poor reach
<p>The Internet is the quickest way of acquiring information on an organisation, its products or services</p>	<p>The Internet cannot reach as many potential consumers as television can. Internet numbers are escalating but organisations must still use some traditional media to achieve reach and awareness goals</p>

Advantages	Disadvantages
<ul style="list-style-type: none"> ■ Flexibility 	<ul style="list-style-type: none"> ■ Accessibility
<p>The Internet is much more flexible for marketing and advertising than traditional media because it can gather fresh and updated information based on the direct feedback received from consumers</p>	<p>The Internet provides an opportunity for organisations to increase their hours of business on a global spectrum. Owing to accessibility and infrastructural issues in South Africa, accessibility can also be a problem on a global spectrum</p>

10.12 Online public relations

New online innovations and information communication technologies are revolutionising the practice of public relations. These new technologies can be used in public relations to raise the profile of an organisation (thus increasing awareness amongst the different target audiences) and, ultimately, to create a favourable corporate brand.

To realise the advantages these new online technologies offer to the practice of public relations, they can be examined through comparison with the main problems associated with traditional public relations. Traditional public relations is usually expensive (that is, there are the production costs of printed material such as brochures, newsletters, and so on); it can also be very time consuming (that is, corrections, revisions, printing and reprinting, and so on); and it frequently has a ‘hit-and-miss’ quality (that is, the target audience was not reached). Although online public relations will not eliminate all these problems, it will add to and subtract from today’s public relations methods and techniques. It will *add interactivity* but *subtract* costs; it will *add choices* but *remove dependence*; it will *add information value* to products and services but *remove barriers* to starting a business or expanding into international markets (Barker, 2004).

Although online public relations will not replace traditional public relations, it will extend and broaden traditional public relations into new directions to benefit both the client and the organisation.

10.12.1 Online public relations defined

Online public relations is defined in the same way as traditional public relations (see Chapter 7), but is conducted via the Internet and online services in a strategic manner, and can reduce barriers between an organisation and its internal and external publics (Marlow, 1997: 116). *Online* or *digital* refers to media such as the Internet, the World Wide Web, and commercial online services like CompuServe, amongst others (Hurme, 2001) and it includes tools like websites, SMSs, blogging, social networks and the WWW.

10.12.2 Differences between traditional paradigms and new online public relations trends

Based on Marshall McLuhan’s media theories, which suggest that *when a new technology comes along, it obsolesces older technologies*, it could be assumed that people will cease doing

anything else and will only surf the Internet and World Wide Web. This, however, is not necessarily the case (Barker, 2004). The creation of these new technologies has, of course, had a profound influence on public relations, and it is therefore essential to investigate the constantly changing paradigm shifts and models of online public relations for the Internet and commercial online services. Table 10.5 highlights some of the paradigm shifts and key trends for public relations (which can also be relevant to other online applications).

Table 10.5 Paradigm shifts and key trends for public relations

Traditional paradigms	New online trends
Individual documents with text	Compound documents which integrate text, pictures and video
Isolated items which are linear	Universal linking to create dynamic documents
General-interest services to broad audiences	Special-interest services aimed at specific target audiences
Subscription-only pricing	Advertiser and sponsor subsidies
Hard copy information	Internet libraries with data, information-rich newsgroups and mailing lists where users can read files and explore the WWW
Publishing as rocket science – that is, only specialists can publish	Publishing for everyone – that is, with the right Internet tools anybody can publish
CD-ROM versus online services	CD-ROM integrated with online services

Source: Barker (2004)

The main advantages and disadvantages of online public relations are presented in Table 10.6.

Table 10.6 Advantages and disadvantages of online public relations

Ten advantages of online public relations	Ten disadvantages of online public relations
Allows for timely mass-media publishing	Is not a complete PR strategy but a facet of an overall PR strategy
Enhances communication with journalists	Will not replace paper, a phone call, traditional mail or fax, or a visit
Allows the sending of messages to targeted audiences	Cannot reach everyone because not everyone is connected
Helps to keep track of what has been said in the media through online clipping services	Can be complicated, difficult to use and hard to understand, and users must be literate ☞

Ten advantages of online public relations	Ten disadvantages of online public relations
Creates a 24-hour presence	Can initially be expensive in terms of the start-up costs
Conveys information through multimedia publishing	Requires continual effort to maintain a positive Internet presence and constant monitoring
Provides searchable information	Has security weaknesses – for example hackers
Eliminates geographical barriers	Lacks a common user registry for e-mail users
Permits internal communication through intranets	Is a limited resource because the explosive growth which turned it into an information superhighway also slowed the speed of data processing
Allows management of crisis communications through posting corporate statements or positions online	Can damage an organisation’s image due to negative public voices (like activist groups) and criticism

Source: Adapted from Barker (2004)

10.12.3 Online public relations: a theoretical perspective

It has been emphasised that online public relations should not be executed in isolation but rather should be integrated with traditional public relations and other web-based and non-web-based communication processes in the organisation. In terms of an integrated approach, it is also essential that online public relations be aligned with the corporate brand of the organisation.

It is clear that new communication technologies have changed the way in which organisations can and do communicate. Organisations have to stay abreast of these changes and learn to function in an environment that is characterised by new technological developments and the challenges of the new information superhighway.

These new communication technologies have added the ‘dialogue’ dimensions of one-to-one, asynchronous communication (for example e-mail between two people) to communication processes both within an organisation and between organisations; many-to-many asynchronous communication (for example a large number of dialogues in discussion groups, chat rooms, Usenet, electronic bulletin boards, and so on); synchronous communication which can be one-to-one or many-to-many (that is, sender and receiver are present at the same time); and asynchronous communication which can be many-to-one, one-to-one or one-to-many (that is, consumers seek out a site to access information) (Hurme, 2001: 72).

These forms of communication emphasise the new interactivity involved in the process of communication. Hurme (2001: 73) elaborates on the two types of interactivity that exist:

- *Quasi-interactivity*, which refers to one-way communication (for example subscribing to the organisation's news releases and sending feedback to the organisations) that in theory (and occasionally in practice) can receive a response. Quasi-interactivity has the potential to be two-way communication; for example, an e-mail message can be responded to, a subscription for news releases can lead to further communication, and so on.
- *Two-way, truly interactive communication* includes, for example, exchanging e-mail messages with a public relations person, discussions with other stakeholders in the chat rooms of the web site, and so on.

From existing literature, it is clear that a general lack of theoretical foundations exist for online public relations and that available information presents fragmented perspectives that make little effort to propose an integrated viewpoint. In an effort to systemise *online* public relations, cognisance should be given to the existence of traditional public relations approaches as these can be used as theoretical basis.

Four major social scientific perspectives exist from which public relations theory can be built upon or benefit, namely *symbolic interactionism*, *exchange theories*, *conflict theories* and *structural-functional theories* (also referred to by some researchers as the 'systems approach') (Grunig & Hunt, 1984; Toth & Heath, 1992: 3–15). These viewpoints support the general trend of the views on online public relations and also build on other theories of communication regarding publics.

Freitag (2009: 36–38), Barker (2009), Grunig and Hunt (2002), and Fearn-Banks (2007) briefly summarise these main theories as follows:

- Haberman's theory of *communicative action*, which can be applied to a critical analysis of the rhetoric of civil society.
- The *inoculation theory*, which can assist in assessing the appropriateness of communication campaigns.
- The classic *co-orientation model of communication* that assesses attitudes and opinions about professional standards.
- The *relational communication approach* which explores the efficacy of public relations' persuasive efforts.
- *Rhetorical, crisis-response* and *coherence models* that aim to restore organisation's reputations.
- *Agenda-setting* and *propaganda theories*, which use complex combinations of theories to collectively provide an agenda-setting paradigm.
- *Excellence theories* which, based on the four models, classify types of public relations, including the press agency/publicity model (one-way transfer of information from organisation to publics which argue that *all publicity is good publicity*); the public information model (one-way transfer with the desire to report information through media releases); the two-way asymmetric model (use of social science theory and research to help persuade publics to accept the organisation's viewpoint – although there is some feedback the organisation rules and knows best); and the two-way symmetric model (which attempts to achieve dialogue and two-way communication to ensure mutual understanding between the organisation and the public).

- The *knowledge management paradigm*, which presents a way to manage messages which are *acquired, transferred* and *assimilated* during online communication.

Although the focus used to be on the Grunig-Hunt four-phase excellence model, this model spawned several global theories that constitute the way public relations *should* reflect the maturation of public relations theory into an international context, with a focus on three main areas: empowerment of the public relations function, communicator roles, and organisation of the communication function and its relationship to other management functions (Freitag, 2009: 35).

Linked to these arguments, Barker (2004) suggests that online public relations should be studied theoretically, with a combination of elements from the systems theory (which deals with the interrelatedness of the parts of an organisation), cybernetics (which deals with control and regulation in systems), and information theory (which focuses on the measurement and transmission of signals). Barker (2004) argues, that in terms of online public relations, a complex set of variables that relate to each other is evident, which means that elements of all three of the above theories can be applied in the practice of online public relations.

10.12.4 Online public relations tools

Various online public relations tools are available and are summarised in Table 10.7 (Freitag 2009; Barker, 2004; Horton, 2001).

Table 10.7 Online public relations tools

Tool	Description	Strategies
Online promotions	Part of website maintenance	<ul style="list-style-type: none"> ■ Free product samples ■ Contests where participants can win something ■ Information necessary to persuade people to buy the products or services online
Online relationships (networking)	Contact opportunities on the Internet – different proximity in cyberspace	<ul style="list-style-type: none"> ■ High visibility – be noticeable ■ Perceived personality – be well liked ■ Prestigious professional image – be respected for your abilities and integrity
Online customer support	Online support centres to assist customers and to build loyalty	<ul style="list-style-type: none"> ■ Increase loyalty through fast technical support ■ Reduce returns from customers who experience problems ■ Reduce bad word of mouth ■ Respond quickly to customer enquiries ■ Conduct market research ■ Use e-mail optimally

Tool	Description	Strategies
Online public affairs and community relations	To track and influence governmental and community activities	<ul style="list-style-type: none"> ■ Environmental scanning/event tracking/issues monitoring of public affairs and community relations in critical issues ■ Image building/online community goodwill by sponsoring online activities to the benefit of the organisation's image ■ Issues discussion and client positions online to serve as a co-ordinating knowledge base for campaign workers and to maintain contact with them ■ Newsletters, newsgroups and LISTSERVs can be used to promote client positions or issues online ■ Lobbying via e-mail to newsgroups can encourage response to governing bodies online
Online media relations	Electronic distribution of news releases and e-mail responses to reporters' inquiries	<ul style="list-style-type: none"> ■ Write effective online media releases – three types, namely e-mail releases, web page media releases and online radio shows (for example Yahoo!) ■ Determine a message that is aligned with the public relations goals and includes the purpose of release, and the features and benefits of the product, service or organisation ■ Gather information through research (on the product or service, the size of the market, opinion leaders' comments, and other public relations activities) ■ Write and edit the release and use the inverted pyramid style to write the story – that is, write the most important news first to capture the audience's attention and follow this with quotes, comments and background information ■ Distribute media releases online, publish on virtual or online media rooms, or send them via newswires (these can be accessed internationally) ■ Develop online media kits (electronic transmittal of information) which include visuals, sound bites from a spokesperson, product information, online brochures, and so on.

Tool	Description	Strategies
Online investor relations	Tracking of trading in the organisation's shares; monitoring of speculative activities; and distribution of information to potential online investors	<ul style="list-style-type: none"> ■ Electronic information on initial public offerings, investment opportunities and annual reports ■ Website investor relations, including counselling and maintenance ■ Analyst briefings using the Internet as a primary of supporting medium ■ Rumour control by hunting down speculators who manipulate stock prices ■ Investor contact through regular online communication ■ Online questions and answers with immediate feedback ■ Cyber chats (live messaging) with company officials ■ Sending of e-mail and online newsletters to current and prospective shareholders
Intranet and extranet	Intranet is used to inform the internal target audience about corporate information; extranet is similar to the intranet but is open to third parties	<ul style="list-style-type: none"> ■ Information on the intranet includes memos, newsletters, guideline documents, policies, internal phone books, training manuals and product information ■ Use the extranet to provide customers and suppliers with the information they need, and gain information about customers' interests
Online banner ads	Can be used as a targeted online banner campaign	<ul style="list-style-type: none"> ■ Advertise on news sites (such as c/net, Lycos, and Yahoo!) ■ Announce a launch of an organisation to highly trafficked sites ■ Launch a contest with banner ads and use a teaser campaign to announce the countdown (for example huge online attention seekers promote on one, two or multiple sites; promote partners; drive online traffic; and use online registration) ■ Use e-mail, banners (on top of a web page, at the side or floating), animated ads (images appear, move and disappear), superstitial ads (pop-up in boxes on the screen), interstitial ads (sprinkled through content), info-rich ads (layers of information) and dedicated websites

Tool	Description	Strategies
Online events	Communicate the organisation's message through a range of activities	<ul style="list-style-type: none"> ■ Spokesperson tours where celebrities or authors (including physicians, government officials and executives) take questions from the online community ■ Online promotions to promote products and services ■ 'Live' online meetings which allow participants outside a geographic location to participate in meetings through online technologies such as video, sound and whiteboarding (that is, writing on a surface in one location which is reproduced in another location) ■ Online media conferences with geographic reach beyond the room where the media conference is held ■ Product launches to reach targeted groups
Website launch planning	Opening or re-opening a website to gain the widest possible online and traditional media exposure	<ul style="list-style-type: none"> ■ Use online media, as well as search engine listings, according to a timetable, with persuasive information such as media releases and kits, screen shots of the webpage, give-aways, promotions and spokesperson tours
Online publications	Can include profit ventures, either with paid subscriptions or free newsletters circulated by e-mail and published as public relations promotions	<ul style="list-style-type: none"> ■ Online newsletters as part of the website are excellent and affordable public relations tools ■ Use simple sentences and paragraph structures and consider variables such as frequency, style, layout, and so on
Online mailing lists	Something between newsletters and newsgroups with elements of both – that is, using multiple e-mail addresses as a means to create and conduct group discussions	<ul style="list-style-type: none"> ■ Compilations of e-mail messages from members of the list ■ One subscriber poses a question or makes an observation on a relevant topic and others respond ■ Easier to participate and use than a newsgroup



Tool	Description	Strategies
Online bulleting board systems	A computer equipped with special software and telecommunications links allows the computer to act as an information host or server for remote computer systems	<ul style="list-style-type: none"> ■ Manages requests and interactions of users calling in to access the systems ■ Differs from major online services in terms of magnitude ■ Can be used for messaging, research and publicity ■ Advertises the availability of the board with mailers or ads which describe exactly how to use the systems as well as the benefits for the clients
Online forums	Create a base to provide customer support, answer questions and post news and new information – that is, online messages and library centres on the commercial online services	<ul style="list-style-type: none"> ■ Use it to provide information and to reach the general public, employees and customers ■ Use it to create, build and maintain positive relationships with clients ■ Publish information such as media releases, earning reports, new product information and data sheets ■ Include give-aways of free samples, sneak previews of new products and services, and provide customer support for technical questions
Online newsgroups	Discussion forums conducted entirely by e-mail but with contributions from a specific target audience that are called <i>postings</i> rather than messages or letters and which involve talking to them on a regular basis	<ul style="list-style-type: none"> ■ Build relationships with prospective and established clients
Online conferences	Use forums or the chat areas (for example WebChat) which enable conference participants to add pictures and sound to their text-based discussions	<ul style="list-style-type: none"> ■ Inform participates on what will be discussed and how they should use the online tools (usually this information is placed in a FAQ file) ■ Use the website on the Internet for interactive media conferences to announce new products and services in an effective way
Internal online communication	Communication with the internal target audience through e-mail on a regular basis	<ul style="list-style-type: none"> ■ Inform them of happenings in the organisation ■ A daily, weekly or monthly bulleting digest or info-corner can be established for this purpose



Tool	Description	Strategies
Virtual social networks	Social connectivity through virtual and digital media	<ul style="list-style-type: none"> ■ Use these social networks to the benefit of the organisation by using them as platforms on which to interact with consumers ■ Proactively 'manage' message content by acting as an 'expert or intelligence agent'

Example of an online media release

Integrated Online Communication Specialists
P O Box 1234
Pretoria
0001
South Africa

For immediate release

Contact person
Sharon Shaw
Integrated Online Communication Specialists
+27 012 997-5155
rabarker@mweb.co.za

[Type the Headline Here in Title Case]

[CITY-DATE: Start typing the first paragraph here. Write the media release in a selected model. Follow the guidelines for writing style. At the end of the release, type ### or '30' without the quotation marks.]

###

10.12.5 *Integration of online public relations with traditional public relations*

It has been argued that online public relations should be integrated with traditional public relations and other communication processes, as well as the corporate brand of the organisation. According to Holtz (1999), the future 'online web public relations area' will no longer be characterised by two kinds of public relations practitioners working side by side (those who use traditional tools and those who practise online public relations); rather, both practitioners will be expected to follow an integrated approach. In terms of an integrated approach, online public relations will use integrated marketing programmes, online or printed advertisements, sales promotions, and so on. This new approach will require a much wider application than the simple design and development of a corporate website. It will be essential to have proactive and integrated use of non-web tools alongside web-based tools such as e-mail, Usenet and LISTSERV groups to build electronic relationships and effective communications strategies. A key factor is that the total public relations message and corporate image

should be consistent with the corporate brand of the organisation in the real world as well as online.

It can therefore be concluded that integrated online public relations has three key components: *message consistency* (the same message regardless of media used), *interactivity* (meaningful dialogue), and *mission orientated* (everything stems from the mission of the organisation).

10.13 Online crisis communication

A *crisis* can be defined as any noteworthy business disruption which stimulates extensive media coverage and which could affect the normal functioning of the organisation (Barker, 2004). Crisis communication involves the identification of internal and external stakeholders who should receive up-to-date information during a crisis. Fast-moving online communication can create repeated problems, errors or inaccurate statements that might be seen as facts. An unmanaged online presence during a crisis can destroy the image of the organisation; a well-executed crisis plan will prevent long-term damage and avert possible disasters. Because online communication, due to its immediacy and reach, can prove to be a valuable tool during crises it should be utilised to ensure the effective functioning of the organisation during any crisis. Any crisis has five stages, which Fearn-Banks (2007: 10), MacLiam and Barker (2009) and Swart (2010) briefly present as follows:

- *Detection*: This stage begins with the warning signs of a crisis and is also referred to as the *prodromal stage*. The organisation can still attempt to mitigate the situation before it grows into a full-blown crisis. It is therefore important to detect early warning signs, notify and inform the employees immediately about the situation, report any warning signs that have been noticed by crisis watchdogs, implement plans to avoid the impending crisis, or prepare to address the relevant stakeholders such as the media and public.
- *Prevention*: Organisations can use various tactics and take certain actions to prevent a crisis. These can include ensuring that they are given regular updates on the crisis, reducing the use of hazardous processes, allowing free flow of information, following up on past crises or problems, and developing and distributing information.
- *Preparation*: A crisis communication plan is the primary means of preparedness, and such a plan will inform each member of the crisis team about what is expected, whom to notify, how to reach people, what to say, and so on.
- *Containment*: This refers to the organisation's efforts to limit the duration of the crisis or to prevent it from escalating.
- *Recovery*: This entails the organisation's efforts to return to business as usual by resolving the crisis and restoring the normal functioning of the organisation. It also important to restore the confidence of the stakeholders and the reputation of the organisation.
- *Learning*: This refers to an evaluative process in which the organisation examines the crisis and determines what was lost and gained, and how the organisation dealt

with the crisis, with the aim of making the crisis a prodrome (that is, an early-warning symptom) for any other such crisis that may occur in the future.

Conway, Ward, Lewis and Bernhardt (2007: 213) contend that the Internet has the *ability to instantaneously distribute information* and that this is a *powerful basis for the Internet's potential* to protect the reputation of a organisation. Barker (2009) argues that a crisis can become a time of chaos, risk and uncertainty for companies and that these companies require timely and appropriate communication to minimise damage to their reputation and to maintain consumer trust. The constant change brought about by a crisis-ridden era requires effective crisis management plans in order to ensure organisational survival, and for this reason Richardson (1994: 65) emphasises the necessity for solid crisis management. Crisis management is defined as 'any measure that plans *in advance* for a crisis, any measure that removes the risk and uncertainty from a given situation and thereby allows you to be more in control'. (Fink, 1986: 18; Darling, 1994: 4). Swart (2010) contends that online crisis management entails the following:

- the *early detection* or warning system
- implementation of strategies in order to *avoid* or lessen the impact of major occurrences on the organisation; these strategies should subsequently provide a proactive function
- *planning*, which is the core essence of crisis management. The crisis communication planning model discussed in Chapter 7 (Section 7.7.1) can also be used for online crisis planning
- the function that puts out the fire, which includes *controlling* the event
- providing a systematic, orderly *response* to crisis situations
- allowing the organisation to continue with its routine activities, as this also fulfils a reactive function
- influencing public opinion to the point that *post-crisis* opinions of any constituent audience are at least positive, or more positive (or less negative) than beforehand
- recognising the importance of post-crisis efforts in order to ensure proper reaction after a crisis and to perceive and manage the situation as a *learning system*, which can serve a post-evaluative function.

Online crisis management therefore involves a threefold process: to *proactively* plan and prepare the organisation for possible crisis situations; to sufficiently and promptly *respond* to crises; and to employ *post-evaluative* actions in order facilitate learning and prepare the organisation for future crisis events.

A crisis allows an organisation to communicate directly and rapidly with consumers through direct interaction, and the Internet in particular can contribute to effective crisis communication (Fjeld & Molesworth, 2006: 391). Despite the advantages of the Internet, organisations need to realise that this 'online security sphere' is going to continue to explode and that this will entail more and more challenges that will have to be effectively managed and controlled in future.

These considerable innovations can increase the possibility of a negative impact on an organisation's brand if an organisation fails to effectively manage a crisis, communicate with its consumers or enhance the reputation of the organisation (Barker, 2009;

Polasik & Wisniewski, 2009). Furthermore, a basic concern should be to reassure consumers. New media trends and the increasingly digitised organisational sphere therefore create new challenges for online communication crisis. Furthermore, consumers are more and more concerned about the corporate reputations of organisations, the perceived risk of online transactions, and product recalls. In addition, the abundance of communication channels makes it easy for consumers to switch to other products or services if they are dissatisfied. As much as a crisis can spread globally as a result of the new technology, organisations can also utilise this technology to their benefit, especially if they use many-to-many communication through proactive and well-prepared online communication messages, and act quickly and persuasively on the web to indicate that they are responsible and strategic in their communication. Research has indicated that the use of other online communication tools such as interactive chats, real-time video or audio files can be used effectively during online crisis communication. PR Newswire (2007) and Freitag and Stokes (2009) suggest that organisations can capitalise on new media trends by realising the following:

- Different audiences use different new media.
- The use of new media and multi-channels should be integrated with traditional media.
- The importance of and opportunities offered through social networks (like blogs, social networking sites, podcasts, videocasts, Web 1.0; 2.0; 3.0, and mobile media) should be recognised.
- Word-of-mouth communication where one person shares information with another is becoming increasingly important as, with this particular form of communication, consumers gather information which they especially value.
- Knowledge should be ‘managed’ in the knowledge creation, sharing and transfer process by those who are experts in the field.
- There is a need to communicate interactively with the media during a crisis; this is also referred to as ‘eye-witness’ news.
- The opportunities presented by social media.

It is therefore important that the Internet plays an integral part in the crisis communication plan as a whole. The following guidelines for online communication should be followed to handle unexpected events:

- *Develop a good online crisis plan:* Appoint a crisis team of key personnel (including the CEO, a public relations representative, a logistics person, a financial expert, a human resources expert and a liaison expert outside the organisation), designate a particular computer site that is set up to handle online queries and assign duties to members, brainstorm how to address the crisis, and record the plan and periodically update it.
- *Have a basic crisis communication first-aid kit:* Include a list of online media contacts with e-mail addresses, provide brief online fact sheets about the organisation, and so on – and choose the most appropriate methods to communicate messages effectively.

- *Respond quickly, completely, clearly and accurately:* Provide truthful information, and express concern and caring for affected stakeholders, the environment, and so on, depending on the nature of the crisis.
- *Accept responsibility:* Be truthful and transparent in order to enhance credibility; do not attempt to deceive stakeholders because they will be offended.
- *Show consideration for all the target audiences:* Remember the employees (they are the most important audience) and the investors and stakeholders.
- *Address the crisis directly on the website:* Create special links to an official statement and post up-to-the-minute media releases.
- *Address and monitor false rumours:* Monitor online newsgroups and mailing lists, and let them know where they can find more accurate information on the website.
- *Ensure accessibility and availability and that the crisis team answers all incoming e-mails:* Respond immediately, and avoid silence and ‘no comments’.

The importance of managing online crisis communication is therefore very important and it is evident that the Internet is an important communication channel that can be utilised to achieve this task. In the words of Mannan and Van Oorschot (2007: 1):

This work is intended to spur a discussion on real-world system security and user responsibilities, in a scenario where everyday users are heavily encouraged to perform critical tasks over the Internet ...

10.14 Web-based commercial communication

To align with the integrated context of this book, this section focuses on the integrated nature of marketing communication messages (that is, online marketing, online advertising and online public relations) in the online environment. Even though it is important to know and understand that these applications are separate marketing communication functions, it is also important to understand that the borders between them are beginning to blur.

For the purpose of this discussion online advertising, marketing communication and public relations messages are collectively referred to as web-based commercial communication messages. Accordingly, the following definition of web-based commercial communication (WBCC) has been developed:

Web-based commercial communication is the integration of information-intensive, persuasive and influential online advertising, marketing communication, public relations, promotional, and organisational communication messages that consumers voluntarily access, and which aim to lead globally diverse consumers through certain response phases to the point of purchasing or proceeding to a certain action (Hanekom, 2007).

10.14.1 The integrated nature of web-based commercial communication

As mentioned above, the term ‘web-based commercial communication’ has been developed to indicate the integration of online advertising, public relations and marketing communication messages and to indicate the difficulty of distinguishing between advertising, marketing communication and public relations messages on

the web (Hanekom, 2007). No clear borders exist between them. An organisational website consisting of organisational communication messages, for example, can be defined as a public relations function or message, because it contributes to building a positive organisational image. However, the same website can also be categorised as a marketing or advertising message for the organisation and its products or services.

WBCC messages have a commercial intent, just like advertising and marketing communication messages in the offline environment, and their prime purpose is to influence consumers to buy a product, use a service or proceed to a certain type of action. Thus, the focus here is on WBCC messages which are intended to move consumers through certain response processes prior to purchasing a product, using a service or proceeding to a certain type of action.

In the offline environment, marketing communication messages can be more easily distinguished from one another because they often use different communication channels. In addition, various aspects of communication fall under the responsibility of different people in different departments. These people frequently find it difficult to co-ordinate their messages – hence fragmented marketing communication messages are often distributed to the outside world. This is in contrast to the integrated nature of WBCC messages. These messages are often purposely integrated because they use the same channel; as a result, the function of these messages can sometimes be entwined and not easily discernible.

Hanekom (2007) reaches the conclusion that the integration of all WBCC messages, which could include online advertising, online marketing and online public relations, is imperative for building consistency in communication, which in turn contributes to an integrated marketing communication approach within the organisation. Apart from its integrative function, Hanekom (2007) explains that web-based commercial communication has the following functions online:

- *Creating a presence:* WBCC provides organisations with the opportunity to create a presence in the online environment. The Internet and the web have developed rapidly as exciting and indispensable marketing communication and advertising media, and for many organisations it has become crucial that they utilise these media effectively (Hanekom, 2007).
- *Creating relationships:* Because of the interactive nature of the Internet and the web, two-way information exchange takes place in web-based commercial communication settings, which in turn leads to an opportunity to create and sustain relationships. The organisation and consumer enter into a dialogue and thus begin the process of building a relationship online.
- *Creating value:* WBCC messages have the potential to create sufficient value for the organisation's clients that they are likely to return to a website.

10.14.2 Unique features of web-based commercial communication

The Internet is a new and different communication medium and it is therefore expected that its communication processes have features that differ from those of traditional communication processes (Hanekom, 2007).

The unique features of WBCC or online marketing communication messages can be summarised in the form of a comparison between WBCC messages and marketing communication messages (advertising) in traditional mass media.

Table 10.8 Comparing the features of WBCC messages with marketing communication messages (advertising) in traditional mass media

Features	Web-based commercial communication (WBCC)	Traditional media
Interactivity	Dialogue (two-way communication)	Monologue (one-way communication)
Flexibility	Immediate modification of the advertising message is possible	Traditional media are more rigid. Modification of advertising messages takes place over a longer period of time
Addressability	Personalisation of services, products and communication for specific individuals is possible	Mass media do not provide for individualised advertising/marketing communication messages
Accessibility	Organisational information is accessible on a 24-hour basis for all stakeholders across the world	Organisational information is only accessible when contact is made with or by the organisation (for example advertising/promotional messages)
Speed of the communication process	Rapid communication between organisation and consumers	Time delays in communication and feedback
Active attraction of consumers to WBCC	Exposure is not accidental. Consumers have to be actively attracted to the website	Exposure can be accidental
Active engagement of consumers' interest and participation in WBCC messages	Uses creative tactics to engage consumers' interest	No interaction required, therefore only attention and no participation is required
Ensuring that consumers return to a website	Because exposure is not accidental, organisations need consumers to return to a website or marketing communication message	Exposure is usually accidental; consumers would not usually voluntarily repeat the experience



Features	Web-based commercial communication (WBCC)	Traditional media
Customised interactions	Customisation of communication to one consumer at a time	Mass media communicates indiscriminately to mass audiences
Accentuation of content delivery	Emphasis on information delivery	Emphasis on visual persuasion
Effective target marketing	Based on consumer profiles, WBCC can target individuals who are significantly interested in a product or service	Consumer information is not easily obtainable; targeting is therefore more complicated
Information empowerment	Organisations can reduce uncertainty and control communication messages	Gatekeepers may alter messages and change meaning
Purchase facilitation	WBCC offers abundant product information, as well as the opportunity to buy	Purchase facilitation can be compared to direct marketing in the offline world
Ease of use	If consumers are computer literate, the Internet is easy to use	Consumers need to be literate in order to read and understand messages in traditional mass media
Relationship building	Possible because of the interactive nature of the Internet	More challenging because of limited personal information about consumer

Source: Hanekom (2007)

WBCC thus possesses unique characteristics which distinguish it from traditional marketing communication messages in the offline environment. One of these characteristics is the integrated manner in which WBCC messages can be presented online. Online marketing, online public relations and online advertising messages are presented in such an integrated manner online that it is usually difficult to tell the difference between these online marketing communication functions. However, the intention is still to create online marketing communication messages that will persuade online consumers to move through certain response processes and ultimately buy a product or use a service. WBCC messages thus also have a commercial intent.

10.15 Summary

In this chapter, a range of issues related to online or digital communication is highlighted. The main features outlined are that a core element of understanding and applying online or digital communication in practice is to focus on an integrated approach based on the

theoretical underpinnings of the various communication disciplines, but also that it is essential to align it with the overall messages in support of the corporate brand of the organisation. As the use of technology becomes more and more essential, the need to effectively integrate all communication activities and align all organisational messages has become crucial. Cutting-edge organisations will need to function cross-disciplinarily to remain competitive, create awareness and maintain a bottom-line focus. Online communication presents the opportunity to establish, build and manage stakeholder relationships online, which is conducive to the corporate brand of the organisation.

Case study

Online marketing

Use of social media marketing tactics for and during the launch of the Gautrain project



Figure 10.1 The Gautrain started operating on 8 June 2010

A new public transport system for Gauteng, the Gautrain will, upon completion, comprise 10 stations over an 80-kilometre route across three metropolitan areas, namely Pretoria, Johannesburg and Ekurhuleni. The Gautrain travels at 160 kilometres per hour using modern, international technology. It comprises 24 four-car trains supported by a bus feeder system of 125 buses to transport passengers over 36 routes around Gautrain stations. Gautrain operates from 05:30 am to 20:30 pm daily, with trains every ten minutes during peak hours.

Construction for the Gautrain began in September 2006. The first phase of the service, between OR Tambo International Airport and Sandton was completed and launched on 5 June 2010, in time for the FIFA 2010 Soccer World Cup. This section includes Rhodesfield Station and Marlboro Station. The remainder of the route was completed in mid-2011. This includes Hatfield Station, Pretoria Station, Centurion Station, Midrand Station, Rosebank Station and Johannesburg Park Station.

Gautrain's communication strategy and social media marketing tactics

Gautrain's communication strategy was devised to communicate the goals of the Gautrain project. Gautrain's social media tactics were created and implemented by the project's Provincial Support Team, the public partner in the Public Private Partnership (PPP) project. The social media tactics and messages were incorporated into the aims of the integrated communication and marketing strategy of Gautrain to also address the following: ➔

Issue management

The Gautrain Project has been one of the most controversial projects that the Gauteng Provincial Government (GPG) ever endeavoured. Issues related to the Gautrain Project needed to be closely monitored and managed to safeguard the reputation of the Gautrain Project and that of the GPG. The strategic approach is to proactively manage issues instead of managing crises.

Issues such as the environmental impact assessments; a ratepayers' association court case; cost of the project; timelines; management of disruptions during construction; and whether the Gautrain would be ready for the FIFA 2010 Soccer World Cup needed to be addressed by proactive issue-management techniques. This included frequent research, monthly mass-media analyses and also social media monitoring.

Key strategic communication issues

Following an environmental scanning and research process, several key strategic communication issues were continuously identified to be addressed through communication, marketing and social media activities. These issues were clustered around specific themes that were prevalent in the 2008 communication environment.

Communication aims

The communication aims identified below were applicable for the Financial Close phase and the initial construction phase of 2008:

- To create awareness and acceptance about Gautrain's contribution to the economic, social and political stability of the South African macro environment.
- To create awareness and acceptance about the environmental and legislative environment of Gautrain.
- To create awareness about Gautrain's commitment to on-time delivery.
- To facilitate integration and co-ordination amongst internal target publics.
- To facilitate more effective, two-way communication about Gautrain in general, amongst all relevant target publics.
- To enhance public knowledge, awareness and an acceptance of the Gautrain Project in general.
- To create awareness about Gautrain as the second largest PPP project in Africa.

Towards the pre-launch phase, January to July 2010, additional communication aims included the following:

- To promote Gautrain's ridership;
- To increase awareness about Gautrain's commitment to world-class delivery amongst relevant stakeholder groups; and
- To create an understanding about the service attributes of Gautrain.

Communication messages

Strategic messages were formulated for communication tactics aimed at the various stakeholder groupings. Three broad key message themes, according to the key strategic issues, were identified, namely: promotion campaigns; operationalising Gautrain; and government positioning.



Social media marketing tactics

Several social media marketing tactics were used to convey messages to achieve the communication aims of Gautrain's integrated communication and marketing.

Gautrain Facebook fan page

A lively Gautrain Facebook fan page was maintained where regular updates were posted, including photographs and videos. Fans contributed to the page through discussions, questions, comments on photos, and by publishing their photos.

By early March 2010, the Gautrain Facebook Fan page had just over 2 400 fans. On 4 March 2010, 25 Facebook fans were invited to have a sneak preview of the train. Fans were given the opportunity to see the train at the depot in Midrand and to have a look behind the scenes where the central control centre manages the signalling, CCTV cameras and overall operations of the bus and train system. After their visit, these fans posted their photos and shared their experiences.

Commenting on the trains with airport links around the globe that have mastered social networking, the site Air Rail News (2010) commended the Gautrain Facebook page as the favourite. Air Rail News compared the Gautrain Facebook page to others like the Heathrow Express, Canada Line, Flytoget, Delhi Metro and Arlanda Express.

Gautrain Twitter page

Regular tweets and twitpics were published through Gautrain's Twitter (2010) page: @TheGautrain. By early March 2010, @TheGautrain had just over 1 200 followers. Lively interactions were maintained with followers who asked questions and retweeted Gautrain tweets.

Following a request from one of @TheGautrain's followers, a tweetup was held at Gautrain's depot in Midrand on 13 March 2010. Tagged #tweetuponrails, 200 fans were invited to tweet live from inside the Gautrain at the Depot in Midrand which was reportedly the largest tweetup in South Africa to date. A tweetup involves a real-life meeting of Twitter followers to network and to gain more information about organisations or matters of interest while tweeting at the same time.

#tweetuponrails became a trendy topic on Twitter photo site Twicsy and, on the morning of the tweetup, Twitter users not attending the event were complaining that the hundreds of #tweetuponrails tweets were slowing down their feeds. Within hours after the event, countless blogs, Flickr and Picasa photo albums, YouTube and Zoopy videos, as well as several Facebook status updates, comments and photos were published. One user even submitted an article and photograph to *CNN iReport*. Users praised Gautrain's #tweetuponrails as a worthy case study in social media in South Africa.

Following #tweetuponrails, by 1 April 2010, Gautrain's Facebook Fan page had increased to 2 812 fans with 1 521 Twitter followers.

Furthermore, Gautrain supported the annual Twitter Blanket Drive (2010) in which Twitter followers collected blankets for the needy. Blanket collection points were established around the country on 29 May 2010. Gautrain attended the Sandton collection event and tweeted about the evening's progress along with fellow Twitter users. Tweets also scrolled on the Twitter Blanket Drive website.



For Gautrain's official commencement of operations event, which was celebrated on 5 June 2010 with an inaugural train ride and the cutting of ribbons at stations, 15 Twitter followers were invited to report about the event as citizen journalists. They enjoyed the same privileges as mainstream media, which included access to a media room, the receiving of media kits, and accompanying dignitaries and mainstream media on the inaugural train ride. The citizen journalists tweeted live from the event, updated their Facebook statuses as the evening progressed, posted videos on YouTube and reported about their experiences in their blogs. In fact, one tweet by a citizen journalist was the motivation for the headline of a *Mail and Guardian Online* article which read: 'What witchcraft is this? It's the Gautrain' (Harbour, 2010). The *Mail and Guardian* journalist who wrote the article, Tarryn Harbour, also tweeted during the event, as did a few other mainstream journalists present that evening.

Gautrain Flickr account

Gautrain photos were uploaded and shared with several rail enthusiast groups on the Gautrain Flickr (2010a) account. Rail enthusiasts also shared their photos of Gautrain in common groups.

Gautrain Wikipedia article

Although the Gautrain Wikipedia (2010) article was initiated by users who also regularly updated the content, Gautrain also made regular contributions to the page.

Gautrain History Blog

Users were encouraged to share their comments and uploaded their photos of Gautrain on a blog created by Gautrain, called the GauHistory Blog (2010). The aim of the history blog was to facilitate the writing of Gautrain's history through the eyes of users. In addition, the history blog also served as an aggregator for Gautrain related blogs, videos and photos in the blogosphere. This is done by sharing and publishing users' Gautrain-related YouTube videos, Flickr photos and blogs that appeared elsewhere on the Internet.

(Case study provided by Maritha Pritchard, senior writer at the Gautrain Project and used with permission of Gautrain Communication and Dr Barbara Jensen of the Gautrain Project.)

Activities

1. Explain how the various Internet resources and applications can be used by marketers in their online marketing strategies.
2. Indicate which social media content platforms you can use to launch a new product and/or service of your choice which will complement your traditional and online marketing efforts.

Case study

Online advertising

Matthew Buckland looks at what the net does in the advertising arena that traditional media can't, and argues it goes beyond branding, allowing people to transact with the advertiser and buy the product right there and then at the online shop.

The Ad Edge

Author: Matthew Buckland

Published: 06 April 2005

A great philosopher once said: I think, therefore I click. I think his name was Desmond or something, but click he did. After the click followed the advertiser's website, which listed the product and allowed Des to buy himself a fine-looking chariot and that gladiator suit he had always wanted.

You see, this is what online advertising is all about. It goes beyond the branding, allowing people to transact with the advertiser and buy the product right there and then at an online shop. The effectiveness, or lack thereof, of the advertisement can be measured immediately. We can tell how many people saw the advert (the branding bit), how many people clicked on the advert (the interacting bit), and how many people then went on to buy the advertiser's product (the most important, transacting bit).

It's all pretty neat and cuddly – until you see the dismal click – through rates. In fact the all-conquering great advantage of the net – its measurability – has paradoxically turned out to be a great thorn in its side at times. Because with this painfully accurate measurability, online advertisers began to see that average click through rates were low in the single digit percentile category and conversion rates (the purchase) were even lower.

Now online is not alone in this. It's just that the other mediums generally escape the rigorous checks and balances because they are not as immediately and comprehensively measurable. But even in the print world, some savvy advertisers have begun adding interactivity to their adverts by advertising a unique web address or cellphone number with a particular ad - which allows some measurability of the campaign.

Still, even though click through rates are relatively low, online advertising seems to be doing the job. A few innovative, clever companies such as the insurers, banks, car companies and online casinos have found online a happy hunting ground and continue to plow money into the sector, for no reason other than that they are getting the returns.

We are also starting to see more and more new advertisers starting to test online. It's part of the reason why local online publishers posted strong growth figures after a tough few years. It's also why most of the big online publishers in the US are battling with sold-out inventory. Clickz.com notes that there is such demand they just don't have the space left on their websites any more.

It's not rocket science really. Advertisers need to go where the consumers are in order to reach them. So as more consumers go online, the advertisers are following. In world terms, there are now more than half-a-billion people online (Nielsen//Netratings). The Interactive Advertising Bureau (IAB) reports that many target markets are spending time online that they once devoted to traditional media such as TV, radio and magazines.



Advertisers like online because they are given access to a top tier audience in the high LSMs - the big spenders. The net is also extremely efficient at gathering data about users for research and marketing purposes. There is no problem with this as long as it is done ethically, with the full knowledge of the user, who is not spammed.

Viral e-mail marketing, for those who know how to do it properly, has also found huge success with advertisers. The reason is that it's cheap, and the user does all the work for the advertiser by distributing the advertisements.

Depending on how advanced the online publisher is, advertisers should also be able to serve adverts to highly targeted audiences. Because the *New York Times* insists on free registration before you read – it only asks a few seemingly innocuous demographic questions – it's able to sell highly targeted ads based on users' age, gender and interests.

It's these unique features that makes online attractive to advertisers and gives the medium somewhat of an edge. The industry is still much smaller than its TV and print counterparts, but as its market share grows, so the medium is starting to grow.

Matthew Buckland is publisher of the *Mail & Guardian Online* @ www.mg.co.za

Source: Buckland, M. 2005. The Ad Edge. *Mail & Guardian Online*.

Available at <http://www.mg.co.za/>

Direct link: <http://mg.co.za/article/2005-04-06-the-ad-edge> accessed on 14 May 2010

Case study

Online public relations

Virgin Atlantic SA launches brand online through an integrated approach

Virgin Atlantic Airways, one of the world's leading long-haul airlines, recently announced the launch of their new brand online (and aligned with traditional advertising and public relations methods and technology), with the slogan 'Your Airline's Either Got it or it Hasn't'. The new online campaign aims to embark on defining the intangible focusing on the Upper Class experience, stems from the roots Virgin Atlantic was built on – a passion for flying and challenging the norm to give travellers a unique and unforgettable business class experience. Reaffirming Virgin Atlantic's belief that flying should be a pleasure, not a chore, the online campaign line, 'Your Airline's Either Got it or it Hasn't' encourages passengers to compare their flying experiences and asks 'Does your airline have "it"? 'It' represents what makes flying Virgin Atlantic great, from complimentary chauffeur drive on all four legs of a journey to moving from curb to Clubhouse in under 10 minutes at Heathrow's Upper Class Wing, to a fully flat bed with your own aisle access. These are just some of the ways that separate Virgin Atlantic Upper Class from the rest.

Aiming to take flying to new heights

Simon Newton-Smith, country manager, Virgin Atlantic South Africa said: 'Since our inception, we have approached flying in a unique way, and pioneered products and services that keep us ahead of the competition, all delivered at an incomparable value. We've always listened to what our passengers want – whether it is direct aisle access, complimentary car service, private security or an onboard bar, we strive to deliver a phenomenal experience that leaves our guests questioning why they would ever fly anyone else. This new online campaign drives home the difference between choosing to fly and choosing to fly on Virgin Atlantic. Time and time again, our passengers keep coming back because we get "it".'



'Your Airline's Either Got it or it Hasn't' aims to represent a new direction for the airline's online programme, by moving to a single global campaign and creating a seamless look across all its global gateways. The rich style of photography features the product benefits of Virgin Atlantic's Upper Class Suite, Heathrow Clubhouse, complimentary car service and other elements that separate Virgin Atlantic from its competitors.

(Permission to use this case study was obtained from Bonita Boni, Marketing and Communication Executive at Virgin Atlantic Airways Ltd.)
Available at: <http://www.virgin-atlantic.com>

Activities

1. Go to your favourite Internet search engine or directory site. Browse through the search page and look for links such as 'About this company', 'Business overview', 'Company overview', 'Company background', 'Company profile', and so on. Read the corporate overviews of a few company sites and make a short evaluation of each in terms of presentation, use of design, information on products and services, and so on.
2. Go to your own company website. Do an honest evaluation to see whether the image of the company created on the website is in line with the overall brand of the organisation, its mission, vision, goals and objectives.
3. You are the public relations officer in your organisation (or an organisation with which you are familiar). Indicate and discuss the online public relations tools that you would apply to reach your internal and external target audiences. Motivate your answer.
4. Develop an online crisis communication plan for your organisation (or an organisation with which you are familiar).
5. Matthew Buckland's case study on page 385:
 - 5.1 Discuss and explain the unique characteristics of online advertising that are evident in the case study.
 - 5.2 Contrast traditional advertising with online advertising based on the information provided in the case study.
 - 5.3 Discuss and explain the advantages and disadvantages of online advertising as mentioned in the case study.
 - 5.4 Discuss and explain the three roles of online advertising. Relate your discussion to the information provided in the case study.
 - 5.5 Discuss and explain the types or forms of online advertising.
6. Study the Virgin Atlantic case study carefully. Indicate which factors will contribute to the successful use of online communication to reach the global market.

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Section C

Introduction to organisational communication and communication integration

- Chapter 11: Assessing organisational communication
- Chapter 12: Integrated communication measurement

Integrated communication campaigns

George Angelopulo

The game is over: integration wins!

Don Schultz (1996)

13.1 Introduction

Daily communication is aimed at achieving certain objectives – asking for directions to a friend’s house, solving problems in a meeting with business colleagues, or negotiating the price of a carpet that you want to buy. Most of this communication is spontaneous, but spontaneity is reduced when communication becomes more formal or when its consequences become more important. Communication is more carefully considered and planned when it contributes to the attainment of some objective, particularly if that objective is important. Planned communication is obviously less frequent in one’s daily casual encounters with other people, but it becomes much more frequent within group, business, work and organisational environments.

A very large proportion of planned communication is implemented within a particular framework – that of the communication campaign. This chapter deals with communication campaigns in general, be they commercial, political, social, informative or educational. In earlier chapters, campaigns have been described for specific fields of communication such as public relations and advertising. It is evident that these share similar frameworks to the communication campaign described here, and that they differ in application rather than structure. The framework that is described in this chapter may be applied to an overarching communication campaign *and* for specific campaigns (such as direct response or advertising) that may form individual elements of this greater campaign.

In this chapter, specific attention is paid to the definition of communication campaigns, their context within broader integrated communication strategy, and their objectives. The chapter includes a framework for the implementation of communication campaigns, and concludes with a case study that illustrates integrated campaign development and implementation.

13.2 Communication campaign – a definition

A communication campaign is a purposive undertaking that is intended to achieve specific outcomes amongst a defined audience, during a specified time period, using an organised set of communication processes (adapted from Rensburg & Angelopulo, 1996). The definition contains five primary elements:

- A communication campaign is *purposive*. It is considered, planned and structured.
- A communication campaign is undertaken in to achieve *specific outcomes*. Specific results are intended.
- A communication campaign is aimed at a *defined audience*, the characteristics of which are clearly specified. Campaigns were originally defined as being directed at large audiences, but technology and evolving perspectives of planned communication have changed this, expanding the reach of campaigns to small audiences and individuals.
- A communication campaign occurs during a *given time period*, which may range from weeks to years. It differs from a *communication programme*, which is continuous, and from a *communication event*, which is a single element of a campaign or programme.
- A communication campaign involves an *organised set of communication processes*. These are in most cases the elements of the marketing mix and the activities required in managing them. They could include, for example, direct marketing, advertising, impact research, message production or the distribution of communication material.

13.3 The integrated context of communication campaigns

The factors affecting an individual's acceptance of a campaign message are extensive. They include the accumulated experiences of every contact made with the product, service or idea of the campaign, and the relative position of the campaign's message within the complex matrix of beliefs and experiences held by the individual.

A campaign's message will be reinforced if the individual has had positive experiences when dealing with the organisation and its staff, the product and its distributors, if previous product advertisements have been found to be true, and if friends' word of mouth has been good. The message will also be accepted or rejected on the strength of such things as the reputation of the communicating organisation, the individual's beliefs, or the relevance of the message to one's life.

Irrespective of the communicator's aim or the effort that goes into communication campaigns, audiences interpret campaign messages in any way they want. The communicator cannot force perceptions onto an audience – it is the audience that interprets the campaign message, so communication campaigns must be planned from the audience's and not the communicator's perspective. To do so, careful consideration of campaign integration is required.

Communication campaign integration should be dealt with at two levels. The first is integration with broader policy, strategy and practice – the external context. The second is the integration of all communications within the campaign – the internal context.

13.3.1 The external context of campaign integration

A communication campaign takes place within a broader context. It is an extension of broader strategy, and its effect is reinforced, supported, undermined or discredited by the other activities of the business, organisation or project of which it is a part. Conversely, a campaign also reinforces, supports, undermines or discredits the other

activities of the business, organisation or project. A communication campaign never exists in isolation, and should never be planned as such.

The process of integrating the campaign within the broader context is not generally dealt with in the campaign itself. It should be finalised at the corporate level at which the campaign is initiated and approved, and implemented in the campaign as a set of explicit criteria, conditions or directives. External integration should be resolved prior to the campaign, and the specific role of the campaign within the broader strategy should already be clarified at the outset.

13.3.2 The internal context of campaign integration

Besides external integration, the campaign must also be internally integrated. Internal integration exists firstly where all of the campaign's communication elements lead directly to the attainment of its overall objectives and, secondly, where they act in concert with each other. Internal integration is resolved by the campaign's communication planner, and forms part of the planner's tasks during the campaign.

13.4 Communication campaign objectives

Before looking at the complete structure of communication campaigns it is worth pausing to consider one aspect of communication campaigns that is particularly important – their objectives.

13.4.1 The nature of communication campaign objectives

All communication campaigns exist to attain certain ends. These may be clear in the mind of the person who initiates the campaign. Others in the organisation or the people who need to implement the campaign may not, however, share the same vision. Clear objectives and their specification are essential for two reasons. Firstly because everyone involved in the campaign must understand the ends to which it is directed and, secondly, because its success or failure can only be assessed in terms of the degree to which the campaign attains its specified objectives.

One way of creating clear campaign objectives is by operationalising them. Operationalisation is the explicit specification of the performance that is to be achieved and, by extension, the criteria by which this performance will be measured. Two principles of operationalising objectives are attainability and measurability.

Attainability

Attainability is the degree to which expected outcomes can be achieved by the campaign alone. It has two dimensions: scale and kind.

- The *scale* of expected outcomes must be realistically related to the resources available for their attainment. A regional campaign cannot, for example, be expected to have a national impact.
- The *kind* of communication used must also be related to the results expected of it. A communication campaign cannot be expected to attain outcomes over which it has no bearing, influence or effect.

Communication campaign objectives should not be confused with those of a greater project of which the communication campaign is only one part. In a project to sell a new motorcar model, for example, the communication campaign can only affect certain elements of the potential buyer's decision matrix. Elements like perception of quality, image of the model, product information or desirability of ownership may be affected by the campaign. The campaign will, however, have little impact on purchasing factors like affordability, negative personal experience with earlier models of the car, or the lack of a service network in the buyer's vicinity. The objectives of the campaign can be directly related to the former elements. If they address the latter, the problems will have to be resolved in operational areas of the organisation other than communication before they can be addressed in the form of a communication campaign.

Measurability

Measurability is the degree to which actual outcomes can be compared to intended ones. Measurability is best implemented in the form of a scale or score – the greater the score, the closer one has come to the attainment of the campaign's objectives. It is essential to stipulate expected outcomes and the measures used to evaluate the degree to which these are attained at the outset of a campaign. This ensures that measurement is standardised in value through time, and that everyone involved in the campaign understands it. In addition, a time scale for the attainment of objectives is an essential component of objective setting.

Although objective setting is extremely valuable, it may in reality not always be possible. Each objective should be separately stipulated and individually measurable, but specification and measurement should not take precedence over the attainment of important yet imperfect goals. It is also conceivable that the campaign creates or brings to light unplanned elements or events. Flexibility and the possibility of adapting the campaign in certain circumstances may be required and should be foreseen.

13.4.2 Types of objectives

Communication campaigns have objectives that generally fall into one of five categories: information, awareness, persuasion, behaviour and education (Rensburg & Angelopulo, 1996). Communication campaigns may be planned to *inform* the target audience about an issue or to *create awareness* of it (for example to inform voters about voter registration and to create awareness of the venues to be used for it). A communication campaign may seek to *persuade* audiences to change their attitudes (for example to convince indifferent voters that it is very important that they vote). Communication campaigns may also seek to *urge audiences to act* (for example to participate in an election). A communication campaign may also have *education* as its objective (for example to educate voters on the procedures of voting). A single communication campaign could include all of these objectives and may present them in various *phases* over a specific period.

13.5 The interactive model of communication campaigns

The interactive model of communication campaigns, initially formulated by Rensburg and Angelopulo (1996), offers a general framework that is applicable to communication campaigns of all kinds. The model follows two related principles: market orientation and integration. As indicated in earlier chapters, ‘market orientation’ may also be understood to mean ‘audience orientation’. The needs and predisposition of the audience are considered to be fundamental in developing the campaign structure and its message. The communication generated through the campaign must be integrated externally with the overarching strategy, and internally between the individual communication vehicles (that is, the elements of the communication mix and media) that are used within the campaign.

The interactive model emphasises the importance of interaction between communicator and target audiences in the development and implementation of a communication campaign. It recognises that there will be difficulties if the communicator’s aims conflict with the aims, needs and predisposition of the target audience. Communication campaigns that are intended to ‘force’ a concept, product or service onto an unwilling audience are extremely difficult to complete successfully, as are communication campaigns that have a wonderful core message in which no one is interested. Success relies heavily on the audience’s support for the premise and objectives of the campaign. The interactive model ensures that the communication campaign:

- is integrated with the communicator’s objectives
- integrates with the communicator’s total communication
- ascertains the target audience’s needs or wants
- integrates the communicator’s objectives with the target audience’s needs
- supplies a message that leads to the satisfaction of the audience’s needs and wants
- does so better than the competition
- maintains or achieves the positive predisposition of the target audience and important stakeholders
- achieves the communication objectives set for it.

The interactive communication campaign differs from campaigns in which the communicator’s own needs and abilities are the focus, or where the emphasis is on selling or forcing the communicator’s own ideas onto the target audience.

The interactive model differs from a number of communication campaign processes in that the communicator’s message is not seen as its starting point. Instead, the communicator first identifies his or her basic communication problem or opportunity. The communicator then looks to the target audience and its needs, identifying the alignment between these and the communicator’s own communication needs. Only then does the communicator consider the delivery of the communication message, the creation of the message, and the procurement of the material necessary to deliver it.

The interactive model of communication campaigns is comprehensive, and it includes steps that may be superfluous in specific campaigns. On the other hand, it outlines steps and procedures that may require greater attention to detail in specific campaigns than those offered here. The model should therefore be regarded as a

framework and a set of guidelines that requires judicious application in every case in which it is used.

The following is an abridged framework or template of the interactive model of communication campaigns, and can be used as a checklist when implementing a campaign. The framework is explained in greater detail in the section following it.

Framework: the interactive model of communication campaigns

Phase 1: Assess

Identify the communication problem or opportunity

- Specify the *provisional topic* of the communication campaign as conceived at the outset – not the campaign objective! A finalised objective should not yet be stated unless it has already been *conclusively specified* and is *absolutely clear*.
- State what is to be achieved by the communication campaign and the reasons for its implementation.

Identify the communicator

- This is the person, group or organisation on whose behalf the communication campaign is implemented.

Identify the communication planner

- This is the individual/group responsible for planning, controlling and implementing the communication campaign.

Identify the target audience


- *Primary audience*: demographics, psychographics, sociographics, behaviour and usage or needs (of the campaign's idea, product or service).
- *Secondary audiences*: same as the primary audience.
- Always consider *internal audiences* for inclusion in one of the above.

Analyse the situation

- Look at the historical review and forecast. Identify the role of the central idea, service or product of the campaign in the lives of the target audience – why and how it is used.
- Consider the costs, dispersion and availability, and the social, political and economic environment of the product, service or idea.
- Identify competitors.
- Describe the communicating organisation and specialists involved in the campaign.
- Identify the infrastructure and critical information (timing, budget, constraints, obligations). Included are conditions and directives for integration.
- All of the above must be written up in the form of an assessment document.

Phase 2: Create

Stipulate the communication problem or opportunity

- State the communication problem or opportunity as given in the assessment document (or the communication objective if it has already been specified). 

Define problems, strengths, weaknesses and opportunities

- Identify the problems, strengths, weaknesses and opportunities of the product, service or idea in respect of its relationship with the communicator, the target audience, and important stakeholders. A SWOT analysis is most commonly used for this.
- Describe the audience in terms of the most important characteristics identified in the assessment.
- Describe the product, service or idea. Revise this from the assessment to highlight only factors relevant to the campaign.
- Describe the position of the product, service or idea amongst primary and secondary audiences: acceptability, awareness, perceptions, usage, overall relationship.
- Define the need: audiences' general needs, problems and motivations, and specifically those in relation to the communicator and the campaign's product, service or idea.
- Describe the competition: competing ideas, services or products.
- Describe the environment and environmental conditions.

Establish the campaign topic

- Describe the focus of the communication campaign unambiguously as *the campaign topic* – the *specific concept* of the product, service or idea that is to be communicated.

Specify strategic communication objectives

- These must be operationally specified, relate directly to the campaign topic, and be directly attainable by the communication campaign alone.

The next three steps – message creation, task and resource allocation, and media selection – may be undertaken at the same time or in any sequence, depending upon the campaign's priorities.

Create the communication message

- Create the big idea (*what* the message will communicate) that is to establish the communication topic in the mind of the target audience.
- Develop the creative concept (*how* the message will be communicated) by individually developing the *message approach* and *execution*.

Allocate resources and tasks

- Specify the budget and its allocation.
- Allocate tasks to specific people and groups.
- Specify the infrastructure through which the relationship with the audience is to be maintained.
- Specify the communication mix – publicity, direct marketing, etc. – not media.
- Identify the review mechanisms that ensure and measure integration and objective attainment.

Select the media

- Keep the target audience and communication objectives in mind.
- Select the most cost-effective media with the greatest reach, frequency and impact.
- Integrate individual media strategies.



Produce the communication material

- This refers to the formal and informal media/material to be used during implementation.

Phase 3: Implement

Timing

- Implement on time for the period necessary to ensure the attainment of objectives.

Media

- Monitor media to ensure compliance and effectiveness.

Budget control

- Review costs throughout.

Supporting communication

- Concurrent communication can be undertaken to support the campaign or to deal with stakeholder responses.

Behaviour

- Track audience behaviour, interaction and relationship indicators.

Measurement

- Implement measures of effectiveness and objective attainment.

Phase 4: Evaluate

Objective attainment

- First evaluate the campaign objectives, and then evaluate audience reach, budget, media, creative objectives and integration criteria.

Corrective action and follow-up

- Decide on the next steps: termination or reinforcement of the campaign message if the campaign was successful; corrective action if problems were encountered.

The interactive model of communication campaigns involves four phases: assessment, creation, implementation and evaluation.

Before the campaign is undertaken, the individual who will be responsible for it must be selected. This person may need to refer decisions to others in the organisation or to outside agencies, but should have ultimate responsibility for the entire campaign. It is preferable that this individual is a member of the organisation or group undertaking the campaign, and has authority over it throughout.

The responsible individual could actively engage in the planning and execution of the campaign, and therefore fulfil the role of the communication planner, or could delegate these functions to others.

There are numerous reasons for having the ultimate responsibility allocated to a single individual. One person acts as the reference point of the campaign, monitors its status and remains informed and in control of the process. All queries can be answered at one source, and everyone involved in the campaign knows who is responsible for it.

13.5.1 Phase 1 – the assessment phase

This is the phase in which all relevant information is gathered, and the conditions of the communication campaign are identified. The assessment phase begins with extensive research into every aspect of the campaign's background.

The information gathered in this phase is the source from which the campaign's concrete plan of action will be created in the second phase. The assessment must therefore include all aspects that relate to the communication problem or opportunity that the communicator has identified. All relevant aspects must be considered: the audience; the communicator's broader operations and objectives; environmental conditions; important historical and future considerations; and the details, perceptions, status and communication of the product, service or idea that are the focus of the campaign.

Information is selected for inclusion in the assessment on the strength of its relevance to the communication campaign. To limit the extent of the assessment, a conscious effort must be made to include everything that is important to the campaign, and to exclude superfluous information.

The assessment must be presented as a workable document from which the communication planner can create the best possible campaign. This is a written document used for reference and review, forming the 'source book' or 'brand book' for the campaign and its topic. Over time it can be developed into the reference work on the communication topic, and it can be altered and adapted as the campaign evolves, is renewed or repeated.

In preparing the assessment it is advisable to assume that no previous knowledge exists on the subject. A good assessment document is comprehensive. It may be used as the communication brief – to brief the communication planner in the second phase – or the brief may be produced separately at the end of the first phase.

The communicator will normally undertake the assessment, although assistance in its compilation may be obtained elsewhere. An important component of the assessment is the identification of the communication planner who is responsible for the implementation of the campaign. This person may be an individual or group within the organisation or outside it, and may or may not be the communicator.

The assessment phase should describe the communication problem or opportunity, the communicator, the communication planner and the target audience, and it should include a thorough situation analysis.

Identify the communication problem or opportunity

At the outset the communication problem or opportunity is stated. The provisional topic of the communication campaign as it is conceived at this stage is specified. The

communicator states what is to be achieved by the communication campaign and the reasons for its implementation.

The objective of the communication campaign should be specified at this point *only* if the communicator is completely certain of it. If there is a measure of uncertainty about it, it should be stated as the communication problem or opportunity, and will be refined and adapted into measurable communication objectives during the second phase. It is stated at the outset to indicate the foundation and reason for the campaign, and to guide the quest for the best possible solution to the identified problem. The campaign topic and objectives will be developed as the campaign progresses, because greater clarity and focus will result from the research. Most importantly, the accumulation of information on the audience and its needs will influence the formulation and specification of the campaign topic. This, along with the campaign objectives, will normally be finalised only in Phase 2.

The communication objective, problem or opportunity will be written at the beginning of the assessment document, but their formulation may only be finalised at the end of the assessment process.

Identify the communicator

The entity on whose behalf the campaign is implemented is the communicator, who initiates the communication campaign, and may or may not implement it. The communicator may be an individual, institution, organisation, business, club or non-governmental organisation, or any other formal or informal group. Identification is important because this may not be clear to everyone who deals with the assessment document. For example, a communicator may be one product group in a division of a large organisation. Unless the identity is specified, it could be assumed that the communicator is the division, the organisation as a whole or the product group. Confusion of identity is particularly easy if the communicator is in a formal or informal alliance with other individuals, groups or organisations.

Identify the communication planner

The communication planner is the individual, group or organisation that is responsible for planning the communication campaign and controlling its implementation and evaluation.

The communication planner could be responsible only for planning the campaign or for other functions such as actual implementation or assessment as well. The communication planner could be a company's communication officer, a public relations practitioner, the communication department of a large company, a health official for the Department of Health in a rural area, an advertising agency, etc.

Where a company uses an independent public relations practitioner to plan and execute a communication campaign on its behalf, the company is the communicator and the public relations practitioner is the communication planner.

Identify the target audience

The target audience is the group with whom the communicator wishes to interact and communicate through the campaign. This is the group with which the communication planner must align the objectives and contents of the campaign, and which will determine whether the campaign is successful or not. Because the campaign communication is prepared for the target audience, that group's needs, problems, predisposition and preferences are crucial criteria in the development of the campaign, guiding the plan and the content of the campaign.

The target audience must be defined. It may be homogeneous (where everyone within the audience is similar in terms of specific characteristics) or heterogeneous (where the audience members differ in terms of specific characteristics).

Information about the target audience must be as comprehensive as possible, and could include its location; physical, social or psychological attributes; predominant beliefs; or product and service usage. Although any audience description may be valuable, some have proved to be more useful than others.

Demographic definitions are literally 'description of the people', and include factors such as age, sex, marital status, family size, level of education, employment status, occupation, income, residential size and location. Audiences can also be described *psychographically* in terms of personality (degree of aggression, extroversion, ambition, passivity, etc.) or lifestyle (values, beliefs, time usage, etc.). Psychographic descriptions tend to be of attitudes, interests and opinions. Audiences may be *sociographically* described in terms of group, political and social affiliations. They may also be defined by their *behaviour, product usage or needs*. Any of these audience definitions may be used alone, but where greater accuracy is required in identifying the audience, a combination is useful.

Important secondary audiences are also identified. These may be the communicator's important stakeholders (or those of the product, service or idea), and could also include, among others, the broader public, legislators, competitors, detractors and supporters. Secondary audiences that require consideration in almost every campaign include personnel within the communicator's organisation. These may be all personnel, only members of relevant units, the people required for the implementation of the campaign, or those who interact with audiences as part, or as a result, of the campaign.

The situation analysis

The situation (or situational) analysis is the evaluation of the situation in which the communication campaign is to take place, and the situation of the campaign's product, service or idea.

Historical review and forecast

A historical review of the product, service or idea, communicator and communication must be given. Any forecasts that may exist should also be noted.

The historical review describes the evolution of the product, service or idea, and explains the reasons for its present status and why there are problems and opportunities that should be dealt with. It is the 'story' of the product, service or idea, and as time goes by the events of succeeding communication campaigns and events that affect the

product, service or idea are added to it. Communication strategy and tactics up to the present should be reviewed.

The central idea of the communication campaign

A full description of the product, service or idea of the campaign must be given.

The role that the central product, service or idea plays in the lives of the target audience must be described, as well as how and why it is used. Its constituent parts, its makeup and what it does must be noted and described. Its costs must be specified in terms of finance, time, effort and manpower. The means by which the product, service or idea is dispersed, accessed and made available are noted. Its prevalence, variations, combinations, presentation and limitations should be detailed. If it is an idea, a detailed explanation must be given of its formulation and its relation to other ideas and the lives of those who accept or reject it.

The predominant perceptions and the value of the product, service or idea by the audience must be identified. This value can be both intrinsic and extrinsic. Intrinsic values are those which are revealed and directly evident – a brand of toothpaste has a specific size, volume, chemical composition, and strengths and weaknesses, and a particular visual presentation. Extrinsic value is the less-evident, intangible quality that is ascribed to products, services or ideas. Certain products gain more value than their physical attributes offer on their own. Two makes of toothpaste that are physically (intrinsically) identical may be perceived completely differently. It is this property that brands acquire – the physical value plus the intangible emotional component that make them more or less appealing to an audience. Both values exist not only in physical products but also in companies, organisations, ideas, ideologies, policies, sports and professions. These values are not normally commonly held by all audiences, and may be more prevalent among certain audience segments than others.

Social, political and economic environment

Full information is given on the social, political and economic environment of the product, service or idea. Information on the dissemination of information, conditions of distribution, environmental trends in the relationships of general society and the target audiences towards it as well as relationships with important stakeholders are specified.

Competitors

Details of competitors or competitive products, services or ideas must be identified. If the competition consists of individuals or organisations, these should be described in as much detail as possible. Demographic and psychographic descriptions can be used, the development of the competition described, and its nature and extent defined.

If the competition is in the form of concepts or ideas, these must be fully described and explained. Their strengths and weaknesses and levels of adherence (dispersion and intensity) must be identified.

Organisation

A situation analysis of the organisation that initiates the campaign, and the relationship of the communication aims within it must be given. It is possible that there are varying levels of support for or knowledge of the campaign. The organisation's ability to implement the communication campaign must be analysed. The use of outside agencies (market research institutions, public relations practitioners, advertising agencies, etc.) to assist in the planning and implementation of the campaign must also be noted.

Relationship infrastructure

A review of the infrastructure that supports the relationship between audience and communicator must be made. This infrastructure will include customer or audience databases, ongoing processes for the interpretation and use of database information, digital and social media platforms, client acquisition, retention and growth programmes, customer service, and the points of contact between audience and communicator. These should include product, service and communication points of contact.

Critical information

To conclude the assessment phase, all critical information regarding the communication campaign should be given. This information will include the campaign's timing, budget, constraints, obligations, conditions and directives for integration. Generally the integration directives will relate to conditions that must be adhered to in relation to external integration – aspects such as standardised identity, the inclusion of common themes, symbols, tone and manner, expected contributions to brand development, etc.

If the assessment is not itself used as the communication brief, the brief is now formulated, drawing relevant elements from the assessment document.

Checklist for Phase 1: assess

- Has the provisional topic of the campaign been determined?
- Who is the communicator?
- Who is the communication planner?
- Who will the target audience be?
- Has a situation analysis been completed?
- Has all related communication, existing and planned, been considered?
- Has the target audience been considered in the above matters?

13.5.2 Phase 2 – the creation phase

This is the phase in which the communication campaign is created. In many ways it is the most important phase, because this is when everything that is later to be implemented is conceived and formulated.

The communication planner was identified during the assessment and takes control of the campaign at the beginning of this phase. If the campaign is new, the communication planner will be brought into the campaign at the start of Phase 2. If the communication planner and the communicator are the same, if the campaign is

the extension of an existing campaign or part of a greater communication project, then it is possible that the communication planner has been involved from its earliest stages.

The conditions and general objectives of the communication campaign are identified in the assessment document, which is used as the communication brief by the communication planner. The information gathered during the assessment is used to form the concrete campaign plan. This information is reviewed and everything with direct bearing on the creation of a successful campaign is used. If the information of the assessment document is inadequate and new information is required, the communication planner could engage in further research to acquire it.

Stipulate the communication problem or opportunity

At the outset it is important to state the communication problem or opportunity as given in the assessment document. If the communicator is certain of the communication objective, it will be stipulated at this point and remain unchanged throughout the campaign. The statement is given from the communicator's point of view. In other words, the communication planner addresses the questions: 'Why is the action necessary?' and 'What will it eventually achieve?'

This first step exists to set the direction for the campaign. If the communication objective has not yet been specified, the statement will be revised when the communication topic and the strategic communication objectives are formulated. This will be done after the status of the product, service or idea as well as the activities and perceptions of the target audience and other important stakeholders have been analysed.

The communication problem or opportunity will normally be stated in a way that expresses the intention of creating awareness, providing information, persuading or changing behaviour or perception towards a specific product, service or idea. It is always formulated as an extension of the overarching strategy.

Define problems, strengths, weaknesses and opportunities

The problems, strengths, weaknesses and opportunities of the product, service or idea; of its relationship with the communicator; and of its relationship with the target audience and important stakeholders are given. The information supplied in the assessment is used as the raw material in this process, although the campaign planner may acquire more information if necessary.

To identify the needs that will be addressed in the campaign, the communication planner isolates the *relevant* components of the relationship between the audiences and the product, service or idea around which the communication campaign is centred. The communication planner will specifically describe the audience, the position and the needs of the target audience in relation to the product, service or idea, and describe the competition and environmental conditions. Very often, but not in all cases, the assessment of problems, strengths, weaknesses and opportunities is done in the form of a SWOT analysis – a structured analysis of internal conditions (strengths and weaknesses) and external conditions (opportunities and threats) that relate to the product, service or idea.

Describe the audience

The campaign planner draws from all the audience characteristics that are identified in the assessment phase those that are the most important. The final definition and description of the target audience and other important stakeholders are given. The exact characteristics of the audience and its important subsections are noted. The audience segments are prioritised for the purposes of target segmentation for the specific campaign. Attention is given to audience databases that exist and the process of utilising them.

Describe the product, service or idea

The product, service or idea that forms the focus of the campaign is described. This description is drawn from the assessment, but revised to highlight those factors relevant to the communication campaign.

Describe the position of the product, service or idea among audiences

The acceptability, awareness, perceptions, existing position of the product, service or idea among the target and secondary audiences (including internal groups and individuals) are specified, as are the specific dimensions of the relationship and methods of interaction that exist between them. Current points of contact and the efforts that are made to generate interaction through these are discussed.

Define the need

The needs, problems and motivations of the target audience are detailed. Particular attention is paid to the needs that exist among the audience in relation to the product, service or idea of the campaign. Reasons are given for the exclusion of identified needs that will not be addressed in the campaign. The needs of the campaign's secondary audiences are also identified and explained.

Describe the competition

Competing ideas, services or products are described. This description includes their nature and characteristics, their relationship to the target audiences, and the means and extent to which they are communicated to the target audiences. Direct and indirect competition are specified.

Describe the environment

Reigning environmental conditions are described. These are again drawn from the assessment but rephrased in a way that is pertinent to the campaign.

Problems, strengths, weaknesses and opportunities are all specified as they exist in the present. A current assessment is made – it is not based on historical data.

At the conclusion of the process, a summary is made of the threats, problems, strengths, weaknesses and opportunities. The specific aspects that will be addressed in the campaign are identified. Although the information is largely drawn from the assessment document, it is rewritten in a form that leads directly to the next steps.

Up to this point the work largely involves the processing of existing information, but after this the work is original.

Establish the campaign topic

The focus of the communication campaign (the *core communication reason* for it) is now described and expressed unambiguously as the *campaign topic*. This is the particular concept that is to be communicated about a product, service or idea, and not the product, service or idea itself.

The campaign topic may be the same as that formulated by the communicator in the assessment document or it may be revised and adapted. If the communicator is certain of the objectives of the campaign from the outset and specifies these unambiguously, they then form the campaign topic. Generally, however, the campaign topic should be reviewed in the light of the audience's needs, criteria of integration, problems, opportunities, strengths and weaknesses.

The target audiences' perceptions of the product, service or idea are an accumulation of all experiences (imagined, real or vicarious) which they have had with it. Such perceptions contain a rational and an emotional component. The rational element is associated with the quantifiable, manifest properties of the product, service or idea, and it relates to what it is and what it does. The emotional element is associated with the implicit properties and connotations that the individual associates with the product, service or idea. The campaign topic is the statement of the perception that the campaign is to establish, and both rational and emotional elements should be considered in its formulation.

The campaign topic should be stated in one sentence, and it should indicate the perception that is to be embraced by the audience at the conclusion of the campaign. The campaign topic will generally involve persuasion, awareness, information dissemination, education, image management or a change in behavioural predisposition.

Strategic communication objectives

The specific objectives for the communication campaign are quantified at this stage. It is important that they are attainable by the elements of the communication mix and the communication campaign as a whole. Objectives that lie in the realm of other organisational or business processes should not be considered for communication campaigns except where they are integrated with communication and planned in conjunction with the relevant organisational units. The strategic objectives should include measurable specifications of:

- what the communication campaign is to achieve
- the audiences among whom the objectives are to be attained
- the degree to which it is to be achieved among the target audiences
- the physical actions or behaviour which are to result
- the time by which these objectives are to be achieved.

Create the communication message

The message is created by establishing the *big idea* (*what* the message will communicate) and the *creative concept* (*how* it will be communicated).

The big idea

The first step in the creation of the communication message is to determine *what* the message will communicate. The communication planner has to create the central idea or theme through which the communication topic will best be established in the minds of the target audience. The big idea is the strongest single aspect of the communication topic.

The big idea can be generated in a number of ways. It can be derived by *positioning* the product, service or idea in the minds of the audience in a way that differentiates it strongly from competing concepts. ‘Positioning’ is the ranking of a product or idea in the consumer’s mind in relation to that of the competition. It can be generated by *identifying a benefit* that only the product, service or idea offers the audience. The big idea can also be created by associating the product, service or idea with some form of excitement or image that *appeals* to the audience. There may be requirements, conditions or restraints that govern the scope of the big idea that are specified to ensure integration.

The creative concept

After the communication planner has decided what the message will communicate, it is necessary to determine *how* this will be done by devising the *message approach* and *execution*. As with the big idea, there may be requirements, conditions or restraints that govern the scope of the creative concept as a whole or, more specifically, the message approach or the execution.

The message approach

The communication planner must select the message approach that will most effectively attract the attention of the audience. Most commonly, the approach would be emotional or rational, or a combination of the two.

If the audience’s needs are functional, practical or informational, a rational approach is generally more effective. It should address the audience’s need logically and make use of facts in doing so.

If the audience’s needs are social or psychological, an emotional approach and the inducement of feelings such as satisfaction, pleasure, esteem or recognition may be more effective.

Message approaches are not all emotional or rational, however. They could simply be informational, act as reminders, build up some expectation, etc.

The execution

The execution is the way that the approach is presented to the audience, and is the final formulation of the message to the audience. It can be humorous, factual, a demonstration, a dramatisation, based on identity or image (as in sponsorship), a testimonial, a fantasy, based on a personality or authority, a personal recommendation, presented as evidence, or an offer.

In preparing the most appropriate execution, the communication planner must consider the audience and the media that could be used. The execution must be appropriate to both, and the media selected must reach the audience both effectively and efficiently.

Allocation of resources and tasks

The individuals, groups, organisations or companies involved in the creation and execution of the communication campaign are identified, their tasks specified and the resources for the campaign's implementation allocated.

Budget

During the assessment, the budget parameters of the campaign were specified. The budget will again be noted at this stage. If for any reason this differs from the amount indicated in the assessment, approval for the revised budget must be obtained.

It is not only necessary to specify the total budget, but also its allocation to specific aspects of the campaign (manpower, production, media time and space, etc.).

Task allocation

The people involved in the campaign are identified. These individuals may be communication specialists or 'part-time communicators' who are in non-communication functions but who ensure the success of the campaign. Organisations, groups or companies that will provide services are also identified.

Relationship infrastructure

The infrastructure that is to maintain and grow the desired relationship with target audiences is specified. This could include databases, digital platforms and the procedures and resources to use them, contact points with the audience, the creation of new contact points, etc. If the infrastructure does not exist, resources to create it are allocated.

Communication mix

The communication mix is specified (not the media, which are selected in the next step). The mix may comprise advertising, interpersonal communication, public relations, direct mail, internal communication, online social media, group presentations, sales promotion, sponsorship, etc.

When planning a communication campaign, the aim is not to choose *between* the components of the communication mix, but rather to select the best *combination* that should be used. Coordination and integration of the total communication mix is necessary, as the elements may work less effectively or even against each other if approached in isolation.

Review mechanisms

Review mechanisms for integration and effectiveness will be specified. A plan of alternative action should be devised in the event that the campaign does not attain its objectives during and after implementation.

Select the media

Most communication campaigns require media for their successful implementation. Media are channels of communication through which the campaign's message will be transmitted.

Media are very often the greatest expense in communication campaigns. All media, and particularly mass media, must be selected with the target audience and communication objectives in mind. Media vary in their suitability for particular communication campaigns. The primary criteria for the selection of media are access to the target audience, their ability to convey the campaign's message effectively, their capacity to enable interaction with the company, and cost. The communication planner must identify the media that offer the greatest *reach*, *frequency* and *impact*, and their cost in reaching the audience. Additional considerations are the ability of the media to deliver the message within the time frame of the campaign, their contribution to the relationship with the audience, and media selection criteria that are specified for purposes of integration.

Reach refers to the total, unduplicated number of people exposed to the message. The greater the reach of a particular medium, the greater the number of people who will receive the messages sent through it.

Frequency refers to the number of times that the average member of the audience is exposed to the message. The greater the frequency, the more times that person will be exposed to the message.

Impact is the 'strength' of a medium's ability to convey a message, or its strength of effect. The greater the impact of a medium, the greater the effect a message delivered through it will have. Impact is a property of media, but it is also a property of the message itself. An excellent message will have a far greater impact than a mediocre one in exactly the same medium. Impact is also a product of the degree to which interaction with the audience, and amongst members of the audience, is made possible through the medium.

The media selection criteria of reach, frequency and impact can be illustrated in the form of a triangle. The size of the area within the triangle is a factor of the amount spent on the media, although careful media planning can stretch the reach, frequency and impact obtainable for a fixed media budget. The communication planner must attempt to obtain the greatest reach, frequency and impact for the given budget.

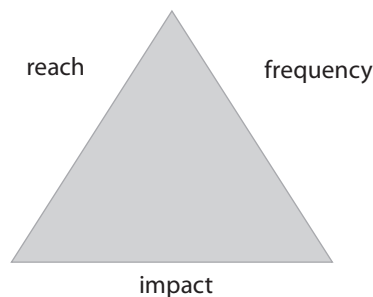


Figure 13.1 A media triangle demonstrating equal expenditure on reach, frequency and impact

Particular campaigns may call for varying proportions of reach, frequency or impact. For a given budget, the amount spent on achieving one component may therefore be increased, with a corresponding decrease in the other components.

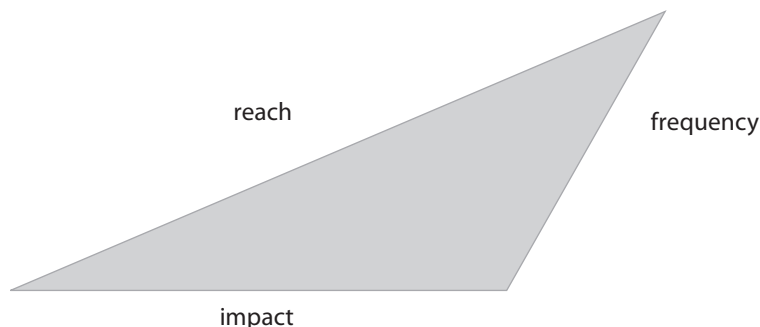


Figure 13.2 A media triangle demonstrating greater expenditure on reach

Certain media are more effective in delivering reach, frequency or impact than others. Mass media, although expensive in terms of total amounts spent, tend to cost very little per person reached, but as audiences fragment, their effectiveness in reaching mass audiences is diminished. Digital media offer opportunities for ‘mass customisation’ and affordability through personalised mass communication, but can rarely be relied upon to attain the aims of most large-scale campaigns. Media and their properties vary widely. For example broadcast media deliver messages to large audiences, but the messages are transient, while print media deliver messages that are more enduring. With the advent of digital communication and media convergence, however, the boundaries between media and their distinct properties are becoming blurred – telephones offer image-based communication, television sets have Internet capabilities, and computers are telephones.

The media spectrum includes not only interpersonal media such as telephones or the Internet, and mass communication media such as radio or magazines, but also *unconventional media* such as *traditional*, *folk* or *oramedia*. Any signifying form can act as a vehicle for messages. Buildings, sports, coins, rituals, songs, emblems and banners all express meaning and under certain circumstances may be defined as communication media.

Media planning must ensure the integration of the media selected for the campaign. Each medium must be selected because of its value in contributing to the achievement of the campaign’s objectives and not for other reasons such as its individual strengths or previous utilisation.

A campaign’s media may be divided into *primary media* (the media that are allocated the main task of delivering the message to the audience), *secondary media* (the media that support the primary media), and *interactive media*. Media must not be limited to those that enable a one-way monologue, but should include those that enable interaction and feedback.

Apart from the communication planner’s task of selecting the media to be used, it is necessary to administer the media function efficiently. The communication planner

will take into account all requirements related to booking and booking deadlines, and the timeous production and submission of material.

Produce the communication material

The communication planner will finally produce the material that is to be used during the implementation of the campaign. This could include visual material like outdoor posters, video advertisements, radio commercials or web pages. Specialised companies generally produce this material, particularly where mass media are used.

It is important that the communicator agrees with the communication planner on all aspects of the campaign, and approval for every aspect of the campaign must be obtained. The best means of achieving this is by regular review as the campaign progresses, signing off each stage as it is approved.

Checklist for Phase 2: create

- Have the strategic communication objectives been determined?
- Has the focus of the communication campaign been established?
- Has the budget been allocated?
- Have the resources and tasks been allocated?
- Has the relationship infrastructure been established?
- Has the message been created and produced?
- Has the communication planner seen to the media selection?
- Has the campaign been created in conjunction with all related communications?
- Has the target audience been considered in the creation phase?

13.5.3 Phase 3 – the implementation phase

Implementation follows the creation phase. This is when the campaign is delivered to the target audiences at the planned time through the media selected. Implementation may take on many forms. A celebrity might be asked to support the campaign with a testimonial, it might be launched by staging a special event, it may comprise the flighting of television advertisements, the campaign may be supported on the company's website, these could all be offered simultaneously, etc.

The campaign should ideally run according to the plan decided upon in the creation phase, but the communication planner should be prepared to adapt it during implementation if necessary. During implementation the communication planner must pay particular attention to timing, media, budget control, supporting communication, behaviour and measurement.

Timing

Timing is of the utmost importance, and good planning will come to nought if it is not implemented at the correct time and for the necessary duration. The communication planner must deliver the communication campaign on time and maintain it for the period required to ensure that the campaign's message effectively reaches the target audience.

The timing of the campaign may need to be adapted if the communication planner identifies problems in reaching the target audience. Subject to the available resources,

the communication planner could repeat or extend parts of the campaign to the audience or sections within it. Sometimes a campaign takes on a life of its own in a way that is unexpected by the communication planner. This is especially possible with digital media, where the audience may duplicate, comment on, modify or retransmit the campaign or aspects of it. The communication planner should be prepared for such eventualities.

If the campaign is sufficiently flexible and cost is a primary factor, levels of exposure can be kept to the minimum required to attain the campaign's goals, and then stopped. For example, if the campaign plan requires five exposures of the communication message to the target audience, but the communication goals are achieved after three, the remaining exposures may be cancelled.

Media

The media that have been selected in the creation phase must be monitored. Although major deviations from the communication plan should be avoided, it is possible that the media selection could be adapted during implementation. If a particular medium is not delivering the required results, resources could be shifted to one that is more effective, contractual obligations allowing. Digital media opportunities and threats could also arise during the implementation phase, contractual obligations allowing.

Although changes in the use of media could be made during implementation, they should be kept to a minimum. Media alternatives should be thoroughly considered during the creation phase of the campaign so that major changes to the campaign are unnecessary. These may affect the campaign budget, the synergy and integration of the campaign, and could have contractual implications with the media that carry the message. The one exception is digital media, which may have swift and unexpected effects that should be monitored as they occur, with enough resources to respond appropriately.

Budget control

The communication planner must review costs throughout the implementation of the campaign, as one of the primary functions of the communication planner is to ensure that the cost of the campaign remains within its set parameters. Budget control is easier where formal media are used because the costs are contractually stipulated. Where flexible and informal media are used, the control of costs is more difficult because the pricing of services can be extremely variable, and contingent on the situation at a particular moment.

Supporting communication

Depending on the extent and nature of the campaign, interest may be generated about the campaign itself and about the organisation or group that has launched and implemented it. The interest of the communicator's stakeholders may be generated, particularly among the members of the communicator's organisation, its supporters, competitors and detractors. The communication planner should be prepared to

respond to this interest. A promotional or publicity project could be run prior to or concurrently with it to deal specifically with this aspect.

The communication planner should attempt to anticipate all positive and negative responses to the campaign and prepare responses to them. Despite good planning, however, the unexpected may occur, and the communication planner should allocate contingency resources for this.

Behaviour

In cases where the campaign is intended to result in specific responses, behaviours or interactions with the communicator, the infrastructure for this interaction must be implemented and monitored. In many cases the campaign results in ongoing interaction with the communicator through the generation of business leads, requests for information, added audience data, sales or the supply of services. It is generally the task of organisational units other than communication to supply most of these added services.

Measurement

Effectiveness criteria (such as believability and comprehensibility) and *objective attainment* (achievement of the communication objectives that have been set for the campaign, including integration specifications) are monitored in the implementation phase. The campaign may be adjusted to deal with problems and opportunities that become evident during such monitoring.

The various stages of the campaign are monitored and reviewed, and where necessary the stages that follow can be adjusted accordingly.

Checklist for Phase 3: implement

- Is the campaign's timing being maintained?
- Has the communication planner checked the completed campaign against criteria of effectiveness?
- Does the campaign attain the objectives and criteria of integration set during the creation phase?
- If the answers to the previous questions are negative, is it still possible to make adjustments?
- How is the campaign being received? Are further actions required?
- Is the behavioural response to the campaign being properly managed?
- Has the target audience been considered in the implementation phase?

13.5.4 Phase 4 – the evaluation phase

The evaluation phase occurs at the end of the campaign. It differs from the evaluation that occurs during the original assessment phase and the ongoing evaluation that takes place during implementation in that it evaluates the *specific* and *measurable* criteria that were set for the campaign during Phase 2. During the evaluation phase, the communication planner establishes whether the objectives have been attained

and whether any corrective action is necessary, and the actions that need to be taken following the completion of the campaign.

Objective attainment

Attainment of the campaign's objectives must be assessed during this phase. Assessment criteria could include target audience reach, information transfer, behavioural change or altered interaction with the audience. Objective attainment for each of the elements of the communication mix (public relations, business-to-business, advertising, Internet activity, publicity, etc.) must also be assessed. The communication planner must further decide whether the campaign has reached the set budget, media and creative objectives, and criteria of integration.

The most suitable research methods for the evaluation of overall effectiveness of the campaign must be implemented during this phase. If the campaign is of long and ongoing duration, the above results can only be measured over time.

Corrective action and follow-up

If the communication campaign achieves its objectives, the next step should be decided. For example, the salience of the campaign message may be retained by reminding the target audience of the message through a low-frequency follow-up campaign, or new product, service or idea developments may lead to separate campaign topics as these arise.

If the campaign has failed either partially or completely, the actions that resulted in the failure should be identified and rectified if possible, and corrective action planned.

Checklist for Phase 4: evaluate

- Were the campaign objectives (total campaign, supporting campaign, budget, media, creative, integration, behavioural) attained?
- How was the campaign evaluated? Were the research methods appropriate?
- Has the communication planner taken corrective and follow-up action?
- Has the communication planner involved the target audience in the evaluation?

13.6 Summary

This chapter looks at a practical step-by-step approach to the implementation of communication campaigns that can be used as a framework or template for their planning and implementation. The framework is applicable to communication campaigns of all kinds: public relations, advertising, web based, internal, political, informative, educational, and others. The framework is fairly extensive, and may be used to its full extent or in an abridged form, depending upon each contingency.

Case study

The De Beers Pension Fund

De Beers is a world leader in the exploration, mining and marketing of diamonds. The De Beers Pension Fund was established in 1952 for its employees as a separate legal entity to De Beers itself. Originally there was very little member communication, but in 1997 this changed.

A communication team consisting of fund representatives and contracted communication consultants was set up. Their first task was to undertake thorough research amongst members to determine perceptions, knowledge levels, communication needs and preferences. The research identified problems in reaching the geographically dispersed membership and persuading members to take ownership for their own retirement, because of the widespread misconception that 'the company will look after me when I retire'.

A fund logo was designed to entrench the fund as a separate legal entity to that of the company, and a range of basic communication vehicles (elements of the communication mix *and* media) was developed and produced. Communication was defined as actual communication material *plus* members' and pensioners' total experience of interaction with the fund.



Figure 13.3 De Beers Pension Fund logo

The fund's audiences were 'external' (members) and 'internal' (administrators), and measurable, outcome-based objectives were set for each. The main objective was to entrench a fund culture of service excellence and customer care, and to dovetail this drive with the existing performance management system.

Prior to the 2003/2004 communication campaign that is considered here, there were two other campaign periods. The objectives of these were:

- 1997 to 2001 – to make the fund more visible and understandable to members, and to educate members regarding their own pension responsibilities
- 2001 to 2003 – to obtain greater accessibility to members, and to entrench an internal culture of service excellence and customer care.

The development and production of all communications had been governed by a number of principles. The fund had a distinct visual *identity*, *tone* and *manner*; used clear and simple *language*, layout and design style; communication was *multilingual*, *technically correct* and *reciprocal*; there was *high-level involvement* with De Beers management; printed, electronic and personal communication methods were *integrated*; *cost effectiveness* was practised; and *economic empowerment* was utilised in subcontracted services.

The 2003/2004 Communication Campaign

Objectives

The campaign objectives were:

- the objectives of the 2001/2003 campaign
- to diversify communications for different literacy levels and languages
- to increase pensioner focus
- to ensure 'holistic' communication for greater membership empowerment.



Audiences

'External' audiences were:

- working members
- members approaching retirement
- pensioners.

'Internal' audiences were:

- human resource (HR) officers
- pension fund staff
- De Beers management
- regional liaison groups.

Communication vehicles for 'external' audiences

Many audiences were targeted with the same communication vehicles, but specific ones were also employed for each audience.

Working members

- Member Information Statement (required by law)
The annual member information statement used illustrations to make financial information as 'user friendly' as possible to all members, including those who were semi-literate.
- Member Guide (the explanatory pamphlet required by law)
Information was 'layered' in the Member Guide so that members would not be overwhelmed with technical calculations. The basic information was situated at the top of each page with more detailed information below. Colour-coded bars, illustrations and the general layout made information easy to find, and gave the guide a warm, human feel.

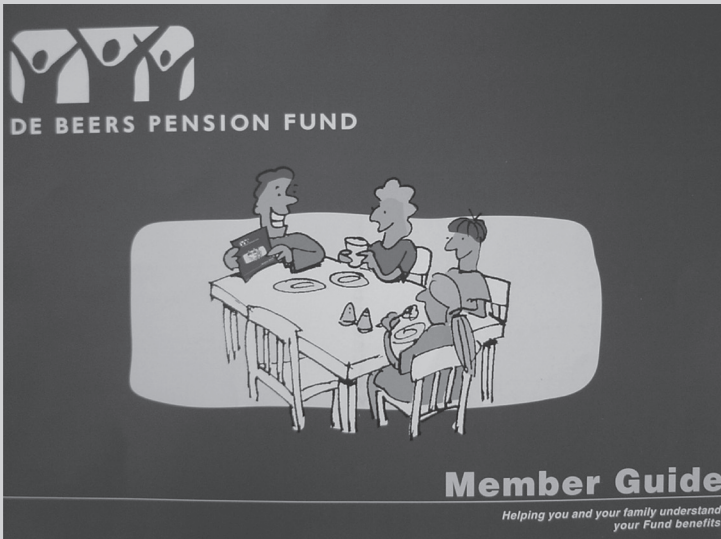


Figure 13.4 The Member Guide



- Mine and company communication
To complement its own communications the fund published information in the De Beers group publication and in various mine bulletins. These publications were widely read and offered powerful, cost-free communication vehicles.
- *Fund Focus* newsletter
This quarterly full-colour newsletter was distributed to pensioners and active members. It had illustrations and photos, and all copy was pre-tested to ensure that semi-literate readers would understand it. It provided the platform for *Pension Post*, one of the fund's official feedback mechanisms.

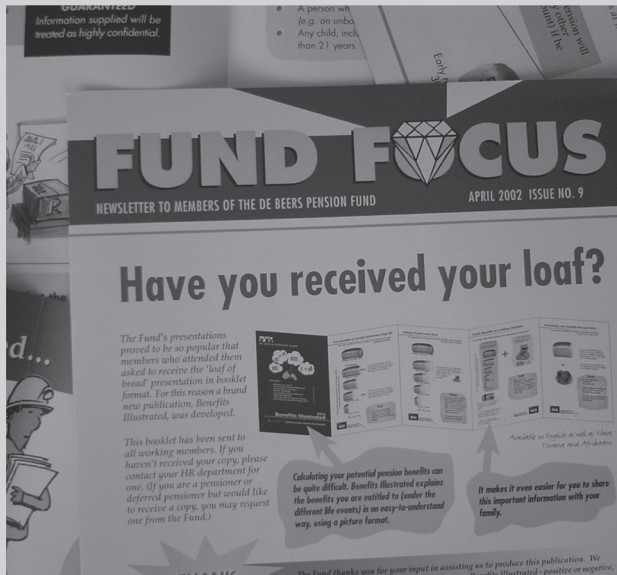


Figure 13.5 The *Fund Focus* newsletter

- Pension calculator wheel
A pension calculator wheel was distributed to allow members to calculate their pensions based on years of service and age at retirement.
- Annual report
The fund's annual report was intended to give members a sense of financial security and pride, so the look and feel of the annual report was still warm and friendly, but slightly more sophisticated and 'corporate' than the other communications.
- Intranet site
The fund's intranet site offered updates, contact information, comments from the fund's investment managers, an archive of previous fund newsletters and articles, and other relevant information. An immediate feedback loop had been built in to enable member queries and comments on the site itself. There was an interactive capability that allowed members to do scenario planning, with different calculators for normal and early retirement, and retrenchment and death benefits.



2002
Izibonelelo Zicakaciwe
Ingqwalasela eca cislweyo yezibonelelo zakho zeNgxowa-mali yoMhlalaphantsi

DE BEERS PENSION FUND

- Oko ukuqhelileyo
- Izibonelelo zakho xa uthathe uMhlalaphantsi ngexesha lesiqhelo (Iminyaka engama-60)
- Ukuthabatha iSixa EsiKhulu seMali
- Intlawulo yoMhlalaphantsi
- Izibonelelo zakho kuMhlalaphantsi othatyathwe phambi kwexesha
- Izibonelelo ezithe zakhutshwa/zatsalwa
- Izibonelelo zexesha lokusweleka ezilungiselelwe amalungu asebenzayo
- Ukwandisa izibonelelo zakho ngee AVC

ENGLISH XHOSA TSWANA AFRIKAANS

Qhagamshelana

Figure 13.6 Pension Fund website – Xhosa homepage

Normal Retirement Early Retirement Death Benefits
Withdrawal Benefit

Early Retirement

In order to retire early you must:

- Be a minimum of 50 years old
- Have the Company's written permission

If you retire early between age 50 - 55:

Your base pension is reduced (discounted) by:

0,5% per month up to age 55
0,25% per month from age 55 to 60

Examples

This discounted pension will attract the annual increases awarded to pensioners from your early retirement date.

If you retire early between 55 - 60:

Your base pension is reduced (discounted) by:

0,25% per month from age 55 to 60

This discounted pension will attract the annual increases awarded to pensioners from your early retirement date.

OR

Your pension is not reduced, but you only start receiving increases in your pension when you turn 60.

Figure 13.7 Web page with early retirement information

- Group presentations

A highly graphic educational presentation was offered at the head offices and mines in Kimberley and a number of the mining operations. The presentation equated a member's normal pensionable monthly salary (at retirement) to a full loaf of bread, and then showed how this loaf could diminish with fewer years' service, when taking cash lump sums, and/or incurring early retirement penalties. This creative concept was carried over to many other communication vehicles.

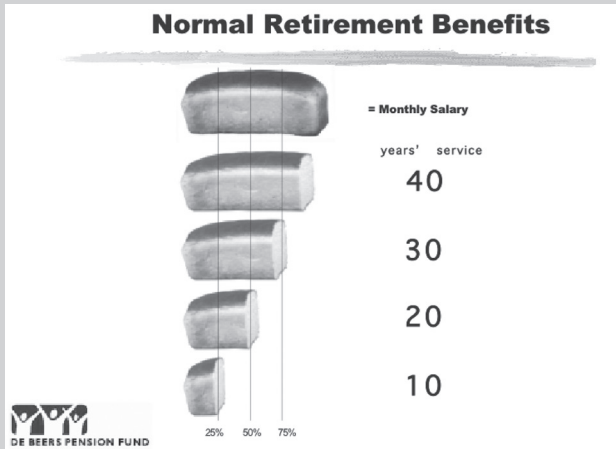


Figure 13.8 One of the slides used in the group presentation illustrating pensioners' income compared to salary at retirement, using the visual theme of a loaf of bread

- *Benefits Illustrated* pamphlet

Following feedback on the group presentation, a need was identified to recreate the presentation's core message in a pamphlet. This was distributed to active members, and all new members received a copy in the language of their choice.

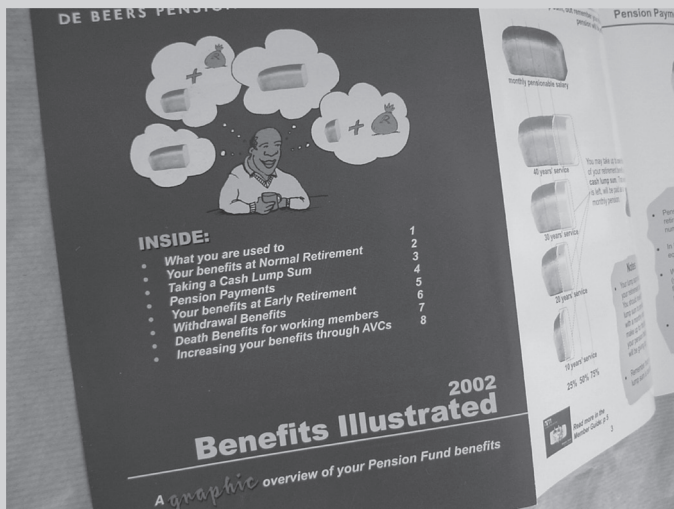


Figure 13.9 *Benefits Illustrated* pamphlet



- **Contact with fund staff**
The delivery and turnaround times on services had become part of individuals' and departments' performance contracts at De Beers. This policy extended to the fund's administration. Contact incidents were tracked, and 'problem cases' or client dissatisfaction issues were immediately referred to senior management.
- **Letters and e-mails**
Both members and pensioners received administration-related letters from the fund on a regular basis. In addition, any written queries were answered personally and returned in the manner received, i.e. by post, fax or e-mail.
- **Telephone helpline**
Members could query fund-related issues by phoning the fund helpline.
- **Personal consultations**
Members and pensioners could arrange for personal consultations with fund staff at the fund offices in Kimberley.
- **Life-event documents**
These were prepared documents that gave pension and benefits-related information to members and dependants for a range of situations, including fund withdrawal, retirement, death and ill health.
- **Focus groups**
Focus groups had been used to test a range of topics related to the fund and its communications. They were used extensively to generate feedback, which in turn was used to guide future communications.

Members approaching retirement

- **Pre-retirement workshops**
The Fund had developed pre-retirement workshops for members aged 50 to 60, but these were open to all members and their spouses. They dealt with fund-related and financial issues such as wills and estate planning, in addition to the psychological, health and practical aspects of retirement.
- **Retiree kit**
A 'retiree kit' was given to members before their 60th birthday to help them make the choices required at retirement. This included the workshop information, a checklist of processes and choices, calculation of tax-free portions and tax, reference to website calculators, annuity options, contact numbers, and forms to be completed.
- **Intranet**
A copy of the retiree kit was available on the intranet.



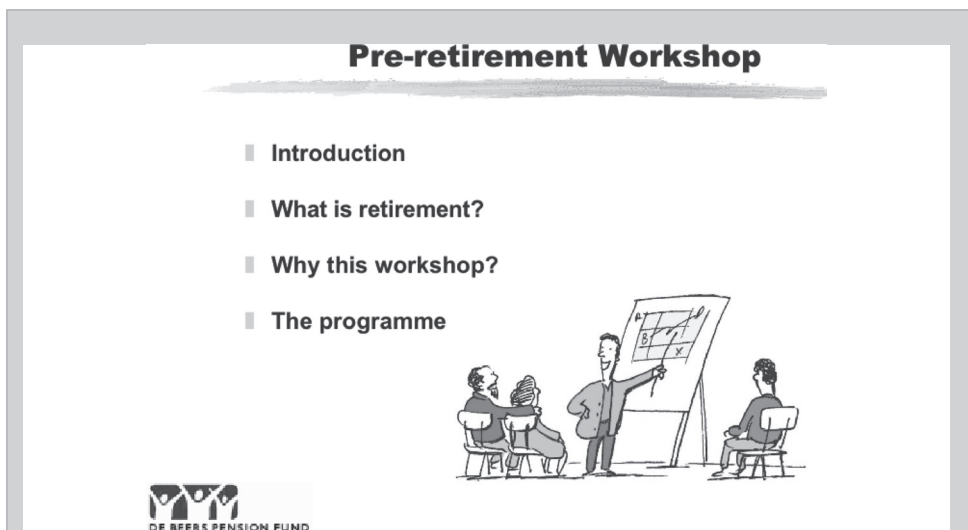


Figure 13.10 The first slide of the pre-retirement workshop presentation illustrating the Fund's visual identity, characteristic tone and manner, clear and simple language, layout and design style

Pensioners

Pensioners constituted about half of the De Beers Pension Fund's 'external' audience. They included retirees and the spouses or children of deceased members. Except for the annual member information statement, they received the same information as members. There were, in addition, quite a number of communication vehicles that were aimed exclusively at pensioners:

- Certificates of existence, bonus and increase letters
All pensioner documents had been redesigned to make them more user friendly. The certificate of existence, for instance, now featured step-by-step instructions in five languages.
- *Pensioner Focus*
This low-cost A4-format publication was printed in five languages. It conveyed one very simple, empowering message with each issue and usually also called the pensioner to specific action with regard to the information conveyed.



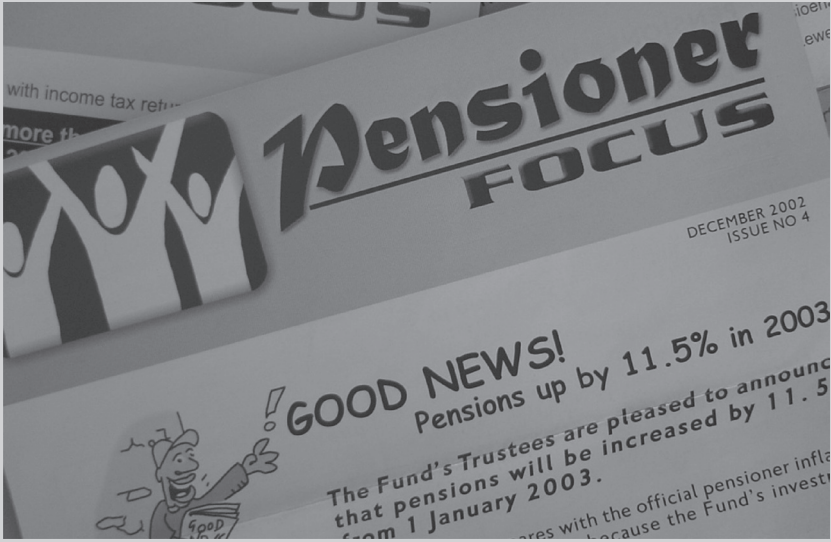


Figure 13.11 Pensioner Focus pamphlet

- Pensioners' Corner
One page in the Fund Focus newsletter was dedicated to pensioner issues.

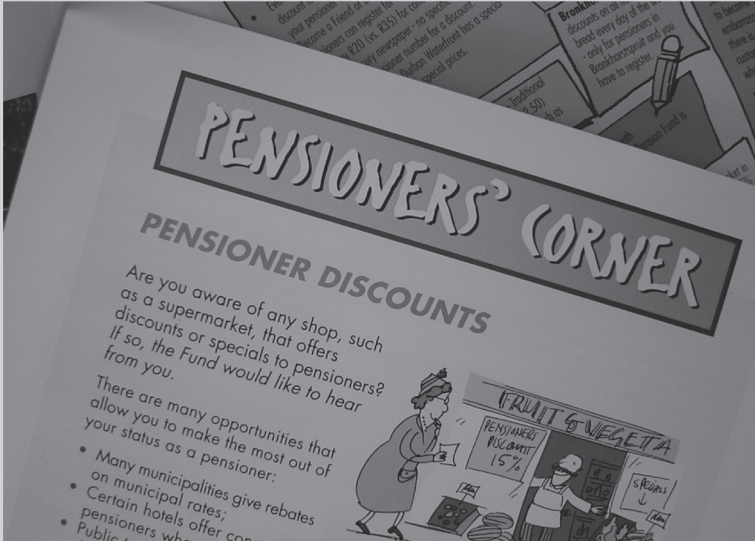


Figure 13.12 Pensioners' Corner



- Pensioner cards
All pensioners were issued with laminated pensioner cards, which allowed them to request pensioner discounts and gave them a specific helpline number on the back.
- Student pensioner document
This document was issued to 'student pensioners' and guardians to explain who qualified for a pension. It was sent three to six months before dependants' 18th birthday, advising that child pensions would cease on that date, and explained how student pensions worked.
- Pensioner roadshows
Roadshows attempted to overcome the problem of reaching pensioners who lived far from fund offices. They visited areas with a high concentration of pensioners, often in remote areas. The roadshows addressed pensioners' concerns and clarified issues that seemed to cause confusion.
- Facilitation of get-togethers
The fund did not arrange social pensioner get-togethers, but supplied independent pensioner organisations with pensioners' address details. From time to time fund managers and a communications person attended these meetings.

Communication vehicles for 'internal' audiences

The objectives of communication with these groups differed somewhat from 'external' audience communication. Communication with 'internal' communication was intended to:

- ensure that the fund's needs and objectives were communicated to all members
- provide a feedback structure
- provide a structure for the discussion of issues of concern
- review and address inadequate administrative processes
- identify and recommend improvements to the service level of the fund.

Human resource (HR) officers

HR officers were the fund's 'face' for members. The communication team worked on formalising its co-operation with HR officers to ensure their support. Special meetings, training workshops, support material, recognition awards and service level agreements were all used to enhance HR officers' levels of pension-related customer care and service excellence.

Pension fund staff

The desired culture of service excellence started with pension fund staff. For this reason they were actively involved in its strategic communication planning, assessment forums, and training by external consultants to entrench a caring, service-oriented approach to communication and member interaction.



Management – employers

De Beers' management was essential in reaching members more effectively. In addition to visiting managers one-on-one, the fund was discussed at company executive committee meetings. Managers were also encouraged to attend a customised fund workshop for their own retirement planning and for them to encourage their employees' attendance of fund presentations.

Regional liaison groups

In 2003, regional liaison groups were established in the various mining areas. The groups consisted of all role players on the mines who had dealings with the fund, for example staff from admin, HR, payrolls and communication, together with trustees.

Special communications

Besides the regular communications described above, special communication projects were necessary from time to time. One example was the communication around the Pension Fund 2nd Amendment Act that informed members of the distribution of pension funds' surplus funds. Another was the communication of information relevant to voluntary retrenchment packages that De Beers offered employees in 2003.

(Permission to use this case study was obtained from Anette van der Spuy of Nyani Communication.)

Application

Develop a communication campaign of your choice, using the interactive model that is discussed in this chapter. The campaign can be of any kind – promotional, internal, public relations, political, educational or health.

Activities

1. Describe the communication campaign that is discussed in the case study in terms of the five primary elements that make up the definition of communication campaigns.
2. Describe the internal and external contexts of integration that are evident in the De Beers Pension Fund communication campaign.
3. Give a critical assessment of the communication campaign objectives as they are described in the assessment, and identify the strengths and weaknesses of the objectives' formulation.
4. Using the example in the case study, use the available information to structure the campaign anew, using the interactive model of communication campaigns as a framework to guide you.
5. Identify the big idea and the creative concept (the message approach and execution) in the De Beers Pension Fund's campaign.

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Index

A

- academic fields 14
 - academic organisational communication
 - goals 25, 28
 - means 24, 27
 - scope 23, 26
 - action advertising 270
 - action research 413
 - Ad Edge 385-386
 - advertising 149, 258-259
 - body image and self-image in 282-283
 - to children 281
 - classification of 268-274, 274
 - communication role 275
 - communication strategy 276-278
 - comparative 283-284
 - content, evolution of 263-264
 - creative role of 263-264, 313-314
 - creativity in, definition 205
 - culture 267, 283, 315-316
 - definitions 205, 266-267, 268
 - demand-creation 279
 - demonstrations 284
 - development in SA 264-266
 - economic role 275-276
 - endorsements 284
 - ethics 285, 296, 297
 - history of 259-266
 - informational role of 263
 - IMC 205-206, 277-278
 - Kulula and FIFA 297-299
 - management 302
 - marketing mix 276-278
 - marketing role 274-275
 - media 261-263, 305-308
 - misleading or false 283-284
 - newspapers in 261-262
 - offensiveness and poor taste 282
 - outdoor 261
 - over-commercialisation debate 280
 - process 204, 205-206
 - radio in 262, 308
 - role in society 276, 278-284
 - roles of 274-276
 - sex in 282
 - shape-vs-mirror debate 279-280
 - societal role 276, 278-284
 - stereotypes in 282-283
 - television 261, 262, 270, 308
 - untruthful or deceptive 281
 - see also* consumer response theory;
online advertising
 - advertising agencies 303-305
 - definition 303
 - types of 304-305
 - advertising campaign 320
 - assessing 321-322
 - creating 322-325
 - evaluating 325-326
 - implementing 325
 - AIDA model in advertising 285-286
 - American Marketing Association 148
 - analytical model of decision-making 100-102
 - arbitration 86
 - artefacts and organisational culture 91-92
 - assumptions, basic 94
 - attitudes 93
 - avoiding behaviour 84, 85
- ## B
- Bankseta SA 108-109
 - Barker and Angelopulo's model 444
 - Barloworld 57-70
 - behaviour, accommodating 84, 85
 - behavioural style of decision-making 102
 - behaviour
 - organisational culture 92-93
 - in a communication campaign 471
 - beliefs 93
 - black economic empowerment (BEE) 69-70

- boundary spanners in networks 78
 - bounded rationality model of decision-making 101
 - brand
 - consistency 217
 - contacts 188
 - development 339
 - equity 209
 - positioning 191
 - relationship drivers 426-428
 - similarities 198
 - value analysis 322
 - brand equity model, Duncan & Moriarty's 426-428
 - brand image strategy 205
 - bridges in networks 78
 - budget and financial control, marketing 164, 164
 - budget control, communication
 - campaign 470
 - business communication 15
 - definition 15
 - goals 25, 28
 - means 24, 27
 - scope 23, 26
 - business environment 94
 - business strategy 33-34
 - business-to-business (B2B) advertising 271-272
- C**
- campaign topic, communication 464, 465
 - case studies
 - Ad Edge 385-386
 - Bankseta SA 108-109
 - Barker and Angelopulo's model 444
 - Barloworld 57-70
 - Cell C 218-219
 - City Press 326-329
 - De Beers Pension Fund 473-482
 - Gautrain 381-384
 - Kulula and FIFA 297-299
 - PEP (SA) 165-180
 - Pick n Pay 254-255
 - SANDF 421-422
 - Virgin Atlantic 386-387
 - X-PLOR Telecoms 142-143
 - case studies in research 411-412
 - cause-related marketing (CRM) 153, 209
 - principles 153-154
 - Cell C 218-219
 - centralisation in networks 82
 - chain networks 79, 79
 - change *see* organisational change
 - circle networks 81, 81, 81-82
 - City Press 326-329
 - classical management approach 126-130
 - advantages and disadvantages 127-128
 - communication in 128-130
 - closed-loop technology 338
 - collaborative behaviour 84, 85
 - collectivity 21-25
 - commercial and non-commercial advertising 270
 - commitment and marketing 215
 - communication 3-7
 - classical management approach 128, 128-130, 130
 - components of 8, 8-9
 - decision-making 124
 - definition 4-6, 121-122, 123
 - fragmentation of 40
 - functionalist and interpretive perspectives 16-17
 - interactional view of 9-12
 - internal and external 21-25
 - meaning 10-12
 - measurability and efficiency 9
 - mechanistic model of 7-9, 8, 12
 - one-way 18
 - as organisers of action 123
 - participative 18
 - roles of 123-125
 - skills and leadership 124
 - strategy 34-36
 - as transfer of signals 7-8

- see also* communication integration;
 online communication, integrated;
 organisational communication;
 strategic role of communication
- communication audit 415-418
 instruments of 416, 417, 417-418
- communication content auditing 399-400
- communication fields, assessing 21-22, 23-25
- communication integration 40
 Barloworld 61-70
 corporate identity 56-57
 definition 40-41
 evolution of 41-43, 41-44
 trends within organisations 43-44
- communication integration, management of 53
 group problem solving 55-56
 routines 55
 rules or directives 53-54
 sequencing 54-55
- communication integration, principles of 44
 aligning messages 45-46
 implementation 46
 delivery of service 47-48
 external communication 47
 external stakeholder expectations 48
 mission and strategy 46
 strategy implementation 46-47
- market orientation 44-45
 organisational integrity 44
 recognising limitations and pitfalls 50
 absence of communication 52
 illusions of control 51
 integration and the receiver 51-52
 time 52
 unplanned communication 52-53
- strategic imperative 49-50
 corporate focus 49
 operational processes 49-50
- communication management 236-237
- communication material, producing 469
- communication message, creating 465-466
- communication networks 76-78
 characteristics of 82
 computer 212
 cultural 94
 definition 78
 direction of communication 76-78
 electronic media 242, 332
 roles in 78
 types of 77-82
see also Internet
- communication outcomes and communication technology 106
- communication patterns and communication technology 106
- communication planner, identifying 458
- communication problem or opportunity 457-458, 462
- communication strategy and advertising 276-278
- communication technology 103
 effects of 105-106
 theories of use 103-105, 104-105
see also media
- communicator, identifying 458
- competitive behaviour 84, 85
- competitors 460, 463
- compromising behaviour 84, 85
- conceptual style of decision-making 102
- conflict in organisations 82
 definitions 82-83
 levels of 83
 strategies for managing 84, 84-86
 types of 83-84
- constructive conflict 83-84
- consumer advertising 271
- consumer audience and behaviour 314
 market segmentation 314-315
 psychological influences 317-319
- consumer decision process 319-320
- consumer promotions 198
- consumer response theory 284-289, 290-294, 295
 affective strategy 287
 AIDA model 285-286

- association model 288
 - dissonance-attribution hierarchy 287
 - facets model of effects 287, 288
 - factorial variability paradigm 287-288
 - Foote, Cone, Belding (FCB) planning model 287
 - habit formation strategy 287
 - hierarchy of effects model 286
 - inclusive facets paradigm 288
 - information processing model 286
 - informative planning strategy 287
 - innovation adoption model 286
 - integrated information response model 287
 - integrated marketing communication
 - internal response model 288-289, 290-294, 295
 - learning hierarchy 287
 - low-involvement hierarchy 287
 - self-satisfaction strategy 287
 - three-order hierarchy model of information processing 287
 - three-order paradigmatic consumer response model categorisation 285, 285-288
 - traditional sequential paradigm 285-286
 - content analysis in research 415
 - content and communication technology 106
 - contingency perspective of decision-making 102
 - continuity in advertising 309
 - control function of networks 77-78
 - convergence and globalisation 107
 - core competencies 50
 - corporate communication 18
 - auditing 399
 - definition 18
 - goals 25, 28
 - means 24, 27
 - public relations 19
 - scope 23, 26
 - corporate culturalism 91
 - corporate culture 316 *see also* culture and organisational culture
 - corporate identity 56-57
 - definition 56
 - corporate image advertising 269
 - corporate philanthropy 241
 - corporate public relations 203, 240-241
 - corporate social responsibility 32, 152
 - public relations 240-241
 - cosmopolites in networks 78
 - creative role of advertising 263-264, 313-314
 - creative selling 192
 - creativity in advertising, definition 205
 - crisis communication
 - online 374-377
 - public relations 251-254
 - critical social theory and communication technology 103
 - cultural model of communication 96
 - cultural networks 94
 - culture
 - advertising 267, 283, 315-316
 - cellular 142-143
 - consumer behaviour 315-316
 - networks 94
 - newsworthiness 245
 - of service excellence 473, 481
 - see also* corporate culture and organisational culture
 - customers
 - retaining 50
 - service and support, online 345-346
 - see also* under consumer
 - cybermalls 344
 - cybernetics theory 132, 133
- D**
- databases 50, 429
 - marketing 208
 - data mining 208
 - De Beers Pension Fund 473-482
 - decision-making
 - communication 124
 - definition 99
 - in groups and teams 99-103
 - models of 100-102

styles of 102
 types of decision 100
 demand-creation and advertising 279
 demand, primary and selective 269
 demographics and advertising 316-317
 destructive conflict 84
 deviance in news 245
 dictation 86
 digital communication 331
 digital divide 335
 directive style of decision-making 102
 direct marketing
 definitions 206
 in IMC 206-208
 media 207
 direct-response advertising 270
 disciplines of communication 14
 distribution channels and marketing 157
 divergence and globalisation 107
 diversity in organisations 125
 dominance in networks 82
 downward networks 77
 dual-capacity model of media 104-105
 Duncan & Moriarty's model 426-428
 dyad in communication 21-25
 dysfunctional conflict 84

E

e-commerce 212, 344
 buy-side and sell-side 212
 economic environment 193
 economic responsibility 31-32
 Ehler's model, communication 429, 430
 electronic news 333
 electronic word of mouth (eWOM) 348-349
 e-mail 332, 343
 marketing 346
 emergent strategy 31
 endorsement model of corporate identity 57
 environmental analysis and IMC 189-191
 stages of 190
 environmental auditing 398

environmental effects on personal selling 193-194
 environmental responsibility 31-32
 environmental scanning 190
 equivalent form approach, research testing 405-406, 406
 ethical environment 193
 ethics
 advertising 285, 296, 297
 definition 217-218
 IMC 217-218
 organisational 94
 ethnography in research 410
 eWOM (electronic word of mouth) 348-349
 experimental research 409
 external communication 22-25
 external environment variables 193
 external market trends and communication integration 43
 external networks 77
 extranet 332

F

factorial variability paradigm 287-288
 field observation in research 410
 financial control in marketing 164, 164
 focus groups in research 411
 formality in networks 82
 formal networks 77
 four Cs of marketing 159-160, 213
 four Ps in marketing 148, 155-160, 213
 frequency of message 309, 467-468
 functional conflict 83-84
 functionalist approach to organisational culture 90
 functional strategy 34

G

garbage-can model of decision-making 101-102
 gatekeepers in networks 78
 Gautrain 381-384
Generations soapie and PEP (SA) 165-180
 geographic area in advertising 273

- globalisation 187
 - organisational communication 106-107
- global marketing 215-217
 - business and societal perspectives 216, 216
- gophers 332
- government public relations 238-239
- Grand Strategy Matrix 190
- group problem solving 55-56
- groups
 - advantages and disadvantages of 98-99, 103
 - communication 98-99
 - definition 98
- groups and teams
 - communicating with 97-98
 - decision-making in 99-103
 - see also* groups; teams
- Grunig and Hunt models of PR 229-230

- H**
- heroes and organisational culture 93
- heuristics 101
- hierarchy of effects model 286
- house style 53
- humanistic management approach 130-131
 - advantages and disadvantages 134
 - communication in 134-137
 - knowledge management approach 137-138
 - systems theory 132-133

- I**
- image and identity in research 414
- images and words in public relations 242
- IMC *see* integrated marketing communication
- impact of message 309, 467-468
- individualisation 357
- industrial advertising 272
- Industrial Revolution 185
 - and advertising 260
 - and communication integration 41
 - and marketing 150
 - and public communications 224
- informal networks 77
- informational role of advertising 263
- information function of networks 77
- information load/overload 336
- information processing model in advertising 286
- information richness theory (IRT) 104
- information role in personal selling 192
- information theory 132
- innovation adoption model 286
- inside-out approach to strategic management 31
- integrated communication campaigns 449
 - contexts 450-451
 - definitions 449-450
 - interactive model of 453-457
 - assessment phase 457-461
 - creation phase 461-469
 - evaluation phase 471-472
 - implementation phase 469-471
 - objectives 451-452
- integrated communication measurement 425
 - measuring integration 437-438, 438-443
- integrated communication models 425-426
 - Duncan & Moriarty's brand equity model 426-428
 - Ehler's model 429, 430
 - Van Riel's model 428-429
- integrated communication research methods 430-431
 - dimensions of evaluation and measurement 431-432
- integrated marketing (IM) audit 432-434
 - stakeholder relationship audit 435-436
 - traditional and online 436-437
- integrated marketing communication (IMC) 20, 158, 183
 - advertising 205-206, 277-278

- benefits and barriers 189
 - components of 188-189
 - definitions 184-185, 277
 - driving forces for growth of 186-187
 - environmental analysis 189-191
 - ethical issues 217-218
 - evolution of 185-188
 - features of contemporary IMC 188
 - four stages of 187
 - global perspective 215-217
 - promotional mix 191, 191
 - advertising 204, 205-206
 - direct marketing 206-208
 - the Internet 211-212
 - personal selling 192-195
 - publicity and media 200-201
 - public relations 201-204
 - sales management 195-196
 - sales promotion 196-200
 - sponsorship 208-211
 - relationship marketing perspective 212-215
 - integrated marketing (IM) audit 432-434
 - integrative function of networks 78
 - intended strategy 31
 - intentionality 5
 - interactive marketing 208
 - interactive media 308
 - interactivity 49, 357
 - intergroup conflict 83
 - internal communication 21-25
 - internal networks 77
 - international advertising 273
 - International Communication Association (ICA) 13
 - Internet 242, 332
 - advertising 262-263
 - in IMC 211-212
 - marketing mix 160
 - newsgroups 333
 - phone 332
 - inter-organisational conflict 83
 - interpersonal conflict 83, 84
 - interpretive function of public relations 235-236
 - interpretivist approach to organisational culture 90-91
 - intervention 22
 - interviewing in research 411
 - intragroup conflict 83
 - intranet 242, 332
 - intrapersonal conflict 83
 - intuition 101
 - IRT (information richness theory) 104
 - isolates in networks 78
- K**
- knowledge management approach 31, 87, 88
 - advantages and disadvantages 139-140
 - communication in 140-142
 - humanistic management approach 137-138
 - Kulula and FIFA 297-299
- L**
- language and organisational culture 91, 92
 - language studies 15, 21
 - lateral networks 77
 - leadership
 - communication skills 124
 - definition 121
 - learning approach to strategic management 31
 - legal-political environment 193
 - liasons in networks 78
 - LISTSERVs 333
 - local advertising 273
 - local area networks (LANs) 212
 - Luther, Martin 223
- M**
- macro- and micro-marketing 218
 - magazines
 - advertising 262, 306
 - public relations 244
 - mailing lists 333
 - management

- classical management approach 126-130
 - advantages and disadvantages 127-128
 - communication in 128-130
- definition 121
- humanistic management approach 130-131
 - advantages and disadvantages 134
 - communication in 134-137
- knowledge management approach 137-138
- systems theory 132-133
- knowledge management approach
 - advantages and disadvantages 139-140
 - communication in 140-142
 - humanistic management approach 137-138
- see also* strategic management 30-32
- management communication 15-16
 - definition 15-16
 - goals 25, 28
 - means 24, 27
 - scope 23, 26
- managerialism 234
- mapping 10-11
- marketing
 - databases 208
 - four Cs of 159-160, 213
 - four Ps of 148, 155-160, 213
 - history and definitions 147-150
 - interactive 208
 - perspectives in 150-155
 - seven Ps framework 158-159
 - SIVA 160
 - stages of development 149
 - traditional marketing mix 155-156
 - place 157
 - price 156-157
 - product 156
 - promotion 157-158
 - see also* online marketing
- marketing communication 19-21, 157-158
 - definition 20
 - goals 25, 28
 - means 24, 27
 - scope 23, 26
- marketing concept 151-153, 153
 - definition 152
 - principles 153
- marketing management 160
 - definitions 160-161
 - steps in marketing plan 161-164
- marketing mix 159-160
 - advertising 276-278
 - online marketing 339-340
 - the internet 160
- marketing objectives 163, 163-163
- marketing opportunities 162
- marketing-orientated perspective stage in marketing 151
- marketing plan, steps in 161-164
 - financial control and budget 164, 164
 - marketing objectives 163, 163-163
 - marketing opportunities 162
 - situation analysis 161, 162
 - strategies and action plans 163-164, 164
- marketing public relations (MPR) 19, 201-204
 - and advertising and communications 202
- marketing role of advertising 274-275
- marketing strategies and action plans 163-164, 164
- market orientation and communication integration 44-45
- market research 133
 - online 345
- market segmentation 314-315
- meaning 10-12
- measurement in communications
 - campaign 471
- media 343
 - advertising 305-308
 - buying 311-313
 - evolution of 261-263
 - planning 309-311
 - selection 308
 - square 309, 310

- audits 210
 direct marketing 207
 electronic 242, 332
 IMC 200-201
 interactive 308
 plan 200
 public relations 241-247
 secondary 468
 selection, communication 467-469, 470
 theoretical models for use of 104-105
 triangle 467-468, 467-468
see also communication technology;
 public relations, media and
 media richness model of media 104-105
 mediation 86
 medium and advertising 273-274
 members of networks 78
 mobile marketing 352-353
 MPR *see* marketing public relations
 multimedia 343
 multiplexity in networks 82
- N**
- narration 92
 national advertising 273
 natural environment 193
 negotiation 85
 net news 333
 networks *see* communication networks
 news agencies and public relations 243-244
 newspapers
 advertising 261-262, 305-306
 public relations 243
 non-profit organisations, public relations 239-240
 normative judgements 5
- O**
- objective attainment 471, 472
 objects of communication 10-11
 OD model of change 119-120
 one-way communication 18
 online advertising 335, 346, 353-354
 Ad Edge 385-386
 advantages and disadvantages of 362-364
 development of 354-355
 functions of 361-362
 nature of 355-358
 types and forms of 358-361
 online communication, integrated 331
 context of 333-335
 terminology 332-333
 online crisis communication 374-377
 online customer service and support 345-346
 online marketing 160, 212, 262-263, 335
 advantages and disadvantages 347, 348
 applications 333, 344-346
 development and nature of 337-339
 Gautrain 381-384
 internet resources for 343-344
 marketing mix 339-340
 market research 345
 mobile marketing 352-353
 as push or pull mechanism 341-342, 342, 347
 social media marketing 348-352
 ten Cs of 340-341
 traditional marketing 341-342, 342, 347
 online market research 345
 online promotion 340
 online public relations 336, 364
 advantages and disadvantages 365-366
 definitions 364
 theoretical perspective 366-368
 tools of 368-373
 traditional paradigms 364-365, 365
 traditional public relations 373-374
 Virgin Atlantic 386-387
 operational guidelines 54
 operational strategy 34
 opinion leaders in networks 78
 order taking in personal selling 192
 organisational activism 234
 organisational change 113-114

- communication during 96-97
 - communication styles and 120-121, 125-126
 - definitions of communication 121-122
 - driving and resisting forces of 115-116
 - incremental and radical 114
 - managerial approaches and 120-121, 125-126
 - classical management approach 126-130
 - humanistic management approach 130-137
 - knowledge management approach 137-142
 - models of 116
 - organisational culture 96-97
 - organisational development model 119-120
 - requirement for 114-115
 - organisational climate 88-89, 89
 - organisational communication 13-14, 16-17
 - academic 23-28
 - academic and professional views on 17
 - assessing 397-398
 - Barloworld 57-70
 - business communication 15, 23-28
 - corporate communication 18, 23-28
 - definitions 13, 17, 76, 122-123
 - functionalist and interpretive perspectives 16-17
 - globalisation 106-107
 - management communication 15-16, 23-28
 - marketing communication 19-21, 23-28
 - professional 23-28
 - professional and academic views on 17
 - public relations 18-19, 23-28
 - see also* communication
 - organisational communication research
 - classification of 398-400
 - planning of 400-405
 - qualitative assessment of 410-412
 - quantitative and qualitative assessment of 412-415
 - quantitative assessment of 408-410
 - reliability of 405-406, 406
 - validity of 407-408
 - organisational communication research, applied 415-421
 - communication audit 415-418
 - P-MOPS 418-421
 - organisational conflict *see* conflict in organisations
 - organisational culture
 - change in 97
 - climate 88-89, 89
 - definitions 86-87
 - dominant and subcultures 87
 - elements of 91-94
 - knowledge management 87, 88
 - managing 94-95
 - organisational change 96-97
 - in the SANDF 421-422
 - theoretical paradigms 89-91
 - see also* corporate culture *and* culture
 - organisational development (OD) model of change 119-120
 - organisational environment 193-194
 - organisational integrity and communication integration 44
 - organisational readiness assessment 95
 - organisations 12-13
 - definition 12, 123
 - diversity 125
 - trends within and communication integration 43-44
 - organisation structure 106
 - out-of home advertising 306-307
 - outside-in approach to strategic management 30
- P**
- participant observation in research 410
 - participative communication 18
 - PEP (SA) 165-180

- perception and advertising 317-319
 personal advertising 271
 personal selling 192
 advantages and disadvantages 193
 environmental effects on 193-194
 future of 194-195
 persuasive function of networks 78
 persuasive role
 in personal selling 192
 in public relations 226
 Pick n Pay 254-255
 place and marketing 157
 planned approach to strategic
 management 30
 planned messages 45
 P-MOPS 418-421
 political advertising 271
 political model of decision-making 101
 posters 307
 postmodernism 91
 press agency 229
 price and marketing 156-157
 primary and selective demand advertising
 269
 primary media 468
 print media
 advertising 305-307
 public relations 241, 305-308
 see also magazines, newspapers
 PRISA 226-227
 procedural model of problem solving
 418-421
 process approach to public relations 230
 processes, organisational 94
 product
 advertising 269, 284
 marketing 156
 messages 20, 45
 publicity 203
 production-orientated marketing 150-
 151
 professional advertising 272
 professional organisational
 communication
 goals 25, 28
 means 24, 27
 scope 23, 26
 profit and responsibility 32
 programmed vs non-programmed
 decisions 100
 promotional mix 191, 191
 advertising 204, 205-206
 direct marketing 206-208
 the Internet 211-212
 personal selling 192-195
 publicity and media 200-201
 public relations 201-204
 sales management 195-196
 sales promotion 196-200
 sponsorship 208-211
 promotion in marketing 157-158, 159 *see*
 also sales promotion
 promotion, online 340
 promotions, organisational 198
 psychographics and advertising 317-319
 psychological phenomena and
 organisational culture 93
 publicity
 definition 200
 IMC 200-201
 product 203
 public relations 18-19, 222
 auditing 399
 in business organisations 238
 as communication and interpretation
 235-236
 as communication management 236-
 237
 corporate 203
 corporate communication 19
 corporate social responsibility 240-
 241
 crisis communication 251-254
 criteria for newsworthiness 245-247
 definitions 19, 222, 225-227
 electronic media 242
 functions of 234-237
 goals 25, 28
 in government 238-239
 history of 19, 223, 224-225
 images and words 242
 magazines 244

- as a management function 234
 - marketing 201-204
 - means 24, 27
 - media and 241-247
 - for external publics 242-244
 - for internal publics 241-242
 - news agencies 243-244
 - newspapers 243
 - in non-profit organisations 239-240
 - organisational activism 234
 - Pick n Pay 254-255
 - planning a campaign 247-251
 - as a power function 234
 - print media 241
 - publics and their opinions 227-228
 - radio 244
 - scope of 23, 26
 - stakeholders 227-228
 - strategic role of 237
 - television 244
 - theory 228-229
 - Grunig and Hunt models 229-230
 - postmodern critique 233-234
 - process approach 230
 - relationship management theory 231-232
 - systems approach 231
 - values-driven approach 232-233
 - see also* marketing public relations (MPR)
 - Public Relations Institute of South Africa (PRISA) 226-227
 - puffery 283
 - purpose in advertising 269-271
 - push and pull mechanism 336
 - online marketing 341-342, 342, 347
 - push and pull strategies 197
- R**
- radio
 - advertising 262, 308
 - public relations 244
 - rational-economic model of decision-making 101
 - rational model of decision-making 100-101
 - reach of message 309, 467-468
 - realised strategy 31
 - recruitment advertising 271
 - reference groups and advertising 316
 - refreezing and change 118-119
 - regional advertising 273
 - relationship-building role in personal selling 192
 - relationship conflict 84
 - relationship management theory of PR 231-232
 - relationship marketing 154-155
 - definitions 213
 - perspective on IMC 212-215
 - relationships and transactions 49
 - reputation management 225
 - research *see* organisational communication research
 - research proposals 400-404
 - response advertising 270
 - responsibility and strategic management 31-32
 - responsiveness and strategic management 31
 - retail advertising 270-271
 - reviewing communication integration 55
 - rhetoric 16
 - rich media 104, 360
 - risk assessment, public relations 251, 252
 - RISK technique 420-421
- S**
- sales environment 194
 - sales management 195-196
 - sales-orientated marketing 151
 - sales promotion 196
 - categories of 196
 - definition 196
 - importance and growth of 198-199
 - strategy 199-200
 - types and objectives 198
 - secondary media 468

- selective and primary demand advertising 269
- service messages 20, 45
- seven Ps framework in marketing 158-159
- situation analysis
 advertising 321-322, 322
 communication campaign 459-461
 marketing 161, 162
- SIVA in marketing 160
- SMS marketing 346
- social auditing 398-399
- social class and advertising 316
- social influence and communication technology 103
- social information processing model 104-105
- social intervention 85
- social marketing 154
- social media content platforms 349-350
- social media marketing 150, 348-350
 creating strategy 350-352
- social presence 103
- social responsibility 31-32
- social sciences 6
- social significance in news 246
- social support and marketing 215
- socio-cultural environment 193, 460
- South African National Defence Force 421-422
- SPACE analysis 190
- split-half approach, research testing 406, 406
- sponsorship
 benefits 209-210
 definitions 208-209
 in IMC 208-211
 online advertising 358
- stakeholder approach to strategic management 31, 32
- stakeholder relationship audit 435-436
- state of mind and advertising 317-319
- steering committees 55
- strategic communication objectives 464
- strategic consistency 49
- strategic decision-making 32-33
- strategic management 30
 responsibility 31-32
 responsiveness 31
 value creation 30-31
- strategic planning 32
- strategic role
 of communication 28
 of public relations 237
- strategic thinking 32
- strategic vs operational decisions 100
- strategies and action plans, marketing 163-164, 164
- strategy
 business strategy 33-34
 communication 34-36
 defining 29-30
 evaluation in research 413-414
 functional strategy 34
 levels of 33-34
 Mintzberg's five Ps of 29
 operational strategy 34
- strategy communication 34-35
- supporting communication in a campaign 470-471
- supportive communication in personal selling 192
- survey research 413
- SWOT analysis 49, 190, 248-249, 322
- symbolism, organisational 91
- symbols and objects 11
- symbols and organisational culture 93
- systems approach to public relations 231
- systems theory 132-133
- T**
- target audience
 classification by 271-272
 identifying 458
- task processes 99
- teams
 communication 99
 definition 98
 see also under group
- technological environment 193
- television

advertising 261, 262, 270, 308
closed-circuit 242
markets 199
public relations 242, 244
Telnet 332-333
three-order hierarchy model of
information processing in advertising
287
three-order paradigmatic consumer
response model categorisation 285,
285-288
three-step model of change 117-119,
119
timing of communication campaign
469-470
top-down vs worker empowered decisions
100
total quality management (TQM) 94-95,
95
trade advertising 272
trade promotions 198
traditional sequential paradigm 285-286
transactional processes 99
transit advertising 307
triangulation in research 412-413
triple bottom line 32
trust and marketing 214-215

U

unfreezing and change 117
uniformity model of corporate identity
57
unplanned messages 20, 45-46
upward networks 77

Usenet 333

V

value creation 30-31
values 93
values-driven approach to PR 232-233
Van Riel's model, communication 428-
429
variety model of corporate identity 57
Virgin Atlantic 386-387

W

web-based commercial communication
377
definition 377
integrated nature of 377-378
unique features of 378-379, 379-380
websites 333
wheel networks 80, 80
wide area networks (WANs) 212
widgets 359
World Wide Web (WWW) 332

X

X-PLOR Telecoms 142-143

Y

Y-networks 79, 79-80

Z

zero-based planning 49-50

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