AN INVESTIGATION INTO THE PROMOTIONAL ACTIVITIES EMPLOYED BY THE MOTORCYCLE BUSINESSES IN THE NELSON MANDELA METROPOLITAN MUNICIPALITY AREA

BY

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JANUARY 2004
DECLARATION

This work has not been previously accepted in substance for any degree and is not being concurrently submitted in candidature for any degree.

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STATEMENT 1

This dissertation is being submitted in partial fulfillment of the requirements for the degree of Master’s in Business Administration.

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The dissertation is the result of my own independent work/investigation, except where otherwise stated. Other sources are acknowledged and a reference list is appended.

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ABSTRACT

The motorcycle industry is well established in South Africa, but has not nearly reached its full potential. This study investigates how this situation can be improved by enhancing the promotions of motorcycles in the Nelson Mandela Metropolitan Municipality (NMMM) area under investigation.

Motorcycle businesses in this area currently compete with a disadvantage in the transportation market. Motor vehicles are assembled in this area whereas motorcycles are not, and this creates various work opportunities and brand loyalty for the motor industry. The Government also offers import rebates to motor vehicle exports.

The cost, prejudicial attitudes and road safety of motorcycles contribute toward the difficulties faced by the motorcycle industry, which prevent the growth of this market. This market usually requires potential customers to have a passion for motorcycles to turn them into actual customers. To overcome these difficulties an investigation was conducted to determine which promotional activities the motorcycle businesses in the NMMM area employ. This study identifies the motorcycle businesses’ promotional shortcomings and makes suggestions for improvement.

Promotional activities are vital since motorcycles are at a disadvantage when compared to motor vehicles in the NMMM area. One of the best ways the motorcycle businesses can successfully compete in the transportation market is to make use of promotions to make potential customers aware and enhance their support of the motorcycle businesses. For this reason the promotional variables (advertising, direct marketing, personal selling, sales promotions and public relations) should be exploited to its fullest to enhance potential customers’ support of motorcycles. This process can also create brand loyalty and equity, which will retain customers over the long term. Communication with a market is essential to achieve this and to inform and remind potential customers about the products available.
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“We must plan for the future, because people who stay in the present will remain in the past.” Abraham Lincoln

1.1 INTRODUCTION

South African businesses have never successfully ventured into the manufacturing or assembly of motorcycles within South Africa. The official South African motorcycle importers, Association of Motorcycle Importers and Distributors (AMID), Honda SA, Kawasaki Motorcycles SA, Suzuki SA, Yamaha SA, Veloce (Aprillia), Harley-Davidson SA, BMW Motorcycles SA and Ducati SA import all motorcycles available at motorcycle dealers in South Africa. Over the years a few motorcycle manufacturers, namely Honda (Japan), Kawasaki (Japan), Suzuki (Japan), Yamaha (Japan), Aprillia (Italy), Ducati (Italy), BMW Motorcycles (Germany) and Harley-Davidson (USA) have formed a differentiated oligopoly (Taylor, 1996: 92).

Although entry into an oligopolistic industry is possible, it is not easy. Capital investments of a large nature and specialised inputs are required to enter an oligopolistic industry, and this acts as a major natural barrier to entry. Economies of scale operate over a sufficiently large range of outputs as to leave only a few firms supplying the entire market. The established firms have a loyal following of customers based on product quality and service that new firms would find very difficult to match. Since price competition can lead to ruinous price wars, firms in an oligopoly prefer to compete on the basis of non-price competition in terms of product differentiation, advertising and service (Salvatore, 2001: 97).

Since all motorcycles are imported from Japan, America, Germany and Italy, the sales price of motorcycles is directly affected by the Rand (South Africa), Yen (Japan), Dollar (USA), Euro (Germany) and Lire (Italy) foreign exchange markets. With the deterioration of the Rand during the year 2001, the prices of
motorcycles available in South Africa, increased dramatically due to the lower Rand exchange rates. The price elasticity of demand for motorcycles depends primarily on the availability of substitutes for motorcycles. Since the primary function of a motorcycle is transport, it can be substituted by a motor vehicle.

During the past three decades a number of factors have caused a negative stigma to be attached to motorcycle riding and riders. During the 1970s and 1980s the Rand was strong when compared to other foreign currencies of countries from which South Africa imported, and motorcycles were known as the inexpensive means of transport. This caused a prejudicial attitude towards motorcycle riders and they were seen as the lower class population. It was also common for financially struggling households to have a motorcycle as a second vehicle due to the lower purchase price and maintenance costs. This enabled the husband to ride the motorcycle to work, leaving the motor vehicle for his wife to commute and transport the children. The poor behaviour of some motorcycle riders and the forming of vandalistic and criminal gangs also largely contributed towards the negative stigma that was attached to motorcycle riding (Sillars, 1996: 24).

Despite this stigma, many road commuters preferred motorcycle riding for the love of speed, the outdoors and other advantages involved. Various motorcycle clubs were formed over the years to co-ordinate social events between members. Due to the passion for motorcycle riding and brotherhood between the members, any event was transformed into an opportunity to get together and ride their motorcycles. This passion soon involved motorcycle riders in various fundraising and charity projects. The rallies that are held every year at various small towns are also known to boost the town’s economy and they always welcome motorcycle riders (Sillars, 1996: 24).

Road safety is also a big concern among many potential motorcycle customers. Accidents are usually of a serious nature because of the high speed involved and the vulnerability of the rider. The production of motorcycles with a top speed in excess of 300 km/h was one way in which motorcycle manufacturers competed amongst each other. Many motorcycle riders were killed or were left paralysed due to the lack of skill and training in riding these powerful machines.
After the report of a growing number of high-speed deaths around the world, various motorcycle manufacturers took action to combat this problem. These motorcycle manufacturers undertook an agreement to restrict the top speed of their motorcycles to under 300 km/h to prevent people from driving at these hazardous speeds. This arrangement unfortunately did not end motorcycle road deaths (Bellaby, 2001: 368).

All these negative factors are contributing towards the difficulties faced by the motorcycle industry in South Africa and, for this study, the Nelson Mandela Metropolitan Municipality (NMMM) area. These negative factors require motorcycle businesses to promote the motorcycle market extensively to attract new customers despite the high prices and stigma attached to motorcycle riding and riders. This study investigates how this can be done in the NMMM area.

1.2 PROBLEM STATEMENT AND SUB-PROBLEMS

Based on the foregoing discussion, the main problem of this research can be summarised as: “Which promotional activities can be used to make potential customers aware and enhance their support of the motorcycle businesses in the Nelson Mandela Metropolitan Municipality area?”

A number of sub-problems can be formulated from the main problem, namely:

- Which promotional activities are described in literature that can possibly be used to enhance the awareness and growth of the motorcycle businesses in the Nelson Mandela Metropolitan Municipality area?

- Which promotional activities are currently employed by the motorcycle businesses to enhance the awareness and growth in the Nelson Mandela Metropolitan Municipality area?

- How can the results obtained from the resolution of the two sub-problems above be integrated into addressing the main problem?
1.3 DEFINITION OF KEY CONCEPTS

This section provides operative definitions and explanations of the key concepts as they are employed in relation to the research project:

- Fraternity means: of brothers, brotherly, guild, set of men of same class or with same interests (Thompson, 1995: 537). In the context of this study the term fraternity refers to a special culture that evolved over the years between motorcycle riders. This culture represents freedom, excitement, adrenalin, coherence and a communal sense. It also refers to the social and club events in the motorcycle communities.

- The Nelson Mandela Metropolitan Municipality area includes the geographic areas of Port Elizabeth, Despatch and Uitenhage.

- Activity is the exertion of energy; state or quality of being active; diligence, nimbleness, actions or occupations (Thompson, 1995: 14). Activities link up with the strategies employed by the motorcycle businesses, which are used to promote the awareness of motorcycles in the NMMM area. Strategy is the direction and scope of an organisation over the long term, which achieves advantages for the organisation through its configuration of resources within a changing environment and to fulfil stakeholder expectations (Johnson & Scholes, 2002:10).

- Marketing management is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organisational goals (Kotler, 2000: 8).

- The marketing concept holds that the main task of the company is to determine the needs, wants and preferences of a target group of customers and to deliver the desired satisfaction. To need is to be in a state of felt deprivation of some basic satisfaction. Wants are desires for specific satisfiers of needs. Demands are wants for specific products that are
backed by an ability and willingness to buy them. Products are anything offered for sale that satisfies a need or want (Kotler, 2000: 19-20).

- Events are occurrences designed to communicate particular messages to target audiences (Kotler, 2000: 561). Event marketers are people who promote time-based events, such as major promotion events, company anniversaries, major trade shows, sport events and artistic performances. There is a whole profession of meeting planners who work out the details of an event and stage it to come off perfectly (Kotler, 2000: 4).

- Marketing promotions (communications) is one of the four major elements (product, price, place and promotions) of a company’s marketing mix. The promotional mix consists of advertising, direct marketing, personal selling, sales promotions and public relations (Kotler, 2000: 551).

- Advertising is the use of paid media by a seller to communicate persuasive information about its products, services or organisation (Kotler, 2000: 564).

- Direct marketing is an interactive system that allows two-way communication. Direct marketing provides a mechanism for the prospect to respond, it can occur at any location, it provides a measurable response and it requires a database of consumer information (Wells, Burnett & Moriarty, 1995: 105).

- Personal selling is face-to-face contact between the marketer and a prospective customer. The intention is to create both immediate sales and repeat sales (Wells et al, 1995: 105).

- Sales promotions cover a wide variety of short-term incentives and tools designed to stimulate consumer markets, the trade and the organisation’s own sales force (Kotler, 2000: 565).

- Public relations consists of communication/promotional tools such as news, speeches, events, public services activities, written material, audio-visual
material, corporate identity and telephone information services (Wells et al, 1995: 107).

1.4 DELIMITATION OF THE RESEARCH

The delimitation of a study serves the purpose of making the research topic manageable from a research point of view. The fact that certain topics are omitted does not imply that they are not important, relevant or that there is no need to research them.

1.4.1 Conceptual delimitation

The promotional mix variables (advertising, direct marketing, personal selling, sales promotions and public relations) are the only aspects from the marketing mix (product, price, place and promotion) that were investigated.

The promotional budgets of the motorcycle businesses were not compared to the sales figures to determine results, correlations or the effect of promotions on sales figures. Distribution channels and the sales management teams were also not investigated, as all these fall beyond the scope of this study.

1.4.2 Geographical delimitation

The empirical component of this study was limited to the businesses situated within the NMMM area.

1.4.3 Industry delimitation

This study only investigated the motorcycle industry in the NMMM area.
1.5 IMPORTANCE OF THE RESEARCH

Motor vehicles are known as the main means of private transport in the NMMM area. Motorcycles are a substitute to motor vehicles, but are not the first choice for many customers acquiring a mode of transport.

Motorcycles are at a disadvantage when compared to motor vehicles for a number of reasons. Firstly, the NMMM area is known as the motor vehicle manufacturer cluster and residents of this area are exposed to various employment opportunities from manufacturing, assembling, subcontracting and promotional activities. Employment at these businesses brings about a feeling of belonging and creates brand loyalty. Motor vehicles are provided cheaper than normal market value to these employees and leasing options are also available. Since motorcycles are not manufactured in South Africa, these factors cannot make a positive contribution towards the motorcycle industry.

With the introduction of the Motor Industry Development Plan (MIDP) at the end of 1995, manufacturers were allowed to offset the import duties involved in bringing in built-up vehicles into South Africa. The MIDP allows manufacturers to claim import duty rebates through exports. This means that for every Rand earned from exports, motor vehicle manufacturers can import vehicles duty-free to the same value. These incentives enable motor vehicle manufacturers to make certain models available cheaper, depending on their target markets.

This plan makes it even more difficult for the motorcycle businesses to compete against its primary substitute on price alone, since all motorcycles are imported and no incentives are available due to a lack of exports. The fact that motorcycles are imported fully built up also result in higher import duty rates since there is no value added (job creation) in South Africa on the imports. Ad valorem tariffs are levied as a proportion of the value of the imported goods. This tariff raises the cost of imported products (Hill, 2003:173). This fact portrays why certain motorcycles are more expensive than an average 1600cc family sedan.
All these factors make it even more difficult for the motorcycle businesses to compete in the transportation market. It is clear that the motorcycle businesses in the NMMM area are competing with a disadvantage.

The only way the motorcycle businesses can successfully compete in the transportation market is to make consumers aware of, and stimulate an interest in, the benefits (apart from transportation) offered by a motorcycle. These include:

- rallies, mass rides and breakfast runs;
- social and charity events;
- leisure and enjoyment of the outdoors;
- lifestyle and brotherhood of motorcycle riders;
- clubs and club events; and
- traffic-ease and low fuel consumption.

This research should enable motorcycle businesses in the NMMM area to recognise their promotional activity shortcomings and improve on these according to the recommendations made. It should also help the motorcycle businesses to expose more customers to the culture and lifestyle of motorcycle riders. Improved promotional efforts should enable the motorcycle businesses to increase sales, resulting in better financial performance.

1.6 PRIOR RESEARCH ON TOPIC

No previous studies have been conducted on promotional activities employed by the motorcycle businesses in the NMMM area. However, Dwyer and Tanner (2000:282) and Kotler (2000:550) describe the marketing promotional mix variables (advertising, direct marketing, personal selling, sales promotions and public relations) that can be used as a basis to design promotional activities in any field.
These promotional mix variables served as a basis for the investigation into the promotional activities employed by the motorcycle businesses in the NMMM area.

As far as could be ascertained through database searches, very little research dealing specifically with the promotional activities of motorcycles in South Africa, has been done over the past two decades. Content analysts have given particular attention to the depiction of promotional activities of motor vehicles (Eisenstein, 2001: 4; Kuchinskas, 2000: 45; Muller, 2002: 42; and Tagliabue, 2002: 120). This research has provided detailed information about promotional activities on motor vehicles and has documented how online promotions are used to provide integrated online campaigns and promotions that include banner advertising, sponsorships, e-mail marketing and online research. It is also described how hybrid vehicles are promoted to appeal to environmentally oriented consumers to act on their beliefs. Promotions targeting the young with high disposable cash and the upcoming black market are also addressed and how motor vehicle manufacturers are benefiting from these promotional efforts. Special attention is paid to the various advantages from different models of vehicles to differentiate between them. These advantages that are used during promotional activities include:

- fuel economy;
- safety features;
- dual purpose vehicles;
- low purchase and maintenance costs;
- luxury, elegance and reputation;
- low gas emissions; and
- country and brand loyalty.

Another body of content analysis has examined the promotional activities of motor vehicles and motorcycles together (Gelsi, 1996:8). In a unique coupling, Pontiac and Harley-Davidson dealers in Southern California have launched a huge cross-promotion integrated with television advertising, vehicle giveaways and events drawing hundreds of thousands of consumers. The program has received corporate backing via co-op advertising money, and Pontiac marketers
are studying the possibility of expanding it to other parts of the country due to the current success. The Pontiac dealers linked up with their Harley-Davidson counterparts so that both were exposed to the others’ potential customers. Instead of competing for the same customer, the dealers concluded that the two brands could pool efforts to promote weekend Harley-Davidson riding and workweek Pontiac driving.

In this study the promotional activities were used as a combination of motor vehicles and motorcycle promotional activities. Since the motor vehicle manufacturer (Pontiac) initiated the promotional activities, most of these activities concentrated on motor vehicle promotions. Consequently, this study provides only a limited perspective on motorcycle promotional activities.

Another body of content analysis has examined the promotional activities of golf bags and motorcycles together (Stogel, 2001:19). A promotional partnership between a company that makes golf bags and a motorcycle manufacturer was investigated. Ogio Sport, a 14-year-old company whose origins are in marketing ultra-rugged, functional and brightly colourful bags and backpacks, has engaged in successful cross-promotional activities with Ducati and Yamaha. With Ogio Sport, the promotional clamour has led to a dramatic increase in sales. At the same time, the motorcycle manufacturers have been able to step across traditional boundaries, communicate with an unlikely consumer target and create an increase in sales. After the first year of the company’s foray into golf equipment, Ogio Sport was looking for a promotional vehicle that would really make them stand out. The promotional effort entailed golf shops displaying various Ogio Sport products with the chance to win a Ducati Super sport 900cc motorcycle. Ogio Sport offered to display an actual motorcycle in the golf shops stocking a specific quantity of golf bags for emphasis and consumer attention.

In this study the promotional activities were directed at a combination of golf bags and motorcycles. Since the promotional activities were to promote golf bags, most of the activities concentrated on golf bag promotions. During these promotional activities the motorcycle industry was exposed to a different group of potential consumers but motorcycles were only used to promote another
product. Consequently, this study provides only a limited perspective on motorcycle promotional activities.

Various studies were found that focused exclusively on promotional activities of motorcycles. Since these studies were based on international markets, they cannot be applied directly to the NMMM area due to geographic, demographic, market concentration and promotional budget differences.

Guilford (1999:38) for example, focused on motorcycle advertising in the United States and how sales in the motorcycle market are accelerating especially with the effect of the baby boom generation on the market and with motorcycle manufacturers targeting the female market segment.

Halliday (1998:14) reports on the promotional effects of the BMW motorcycles of North America who launched a retail oriented ‘bridge’ campaign. The slight increase seen in the advertising budget of BMW and increase in sales are also discussed.

Richard (1999:84) evaluated the promotional activities targeted at various markets and the manufacturer’s branded products to create awareness and an image lifestyle. She further describes the brand image motorcycle manufacturers are trying to create. Manufacturers feel that it is important for people to be able to tell the difference between the sound of a Ducati, a Harley-Davidson and a 500cc Japanese motorcycle.

Crane (2002:171) portrays the popularity of motorcycle riding and Harley-Davidson motorcycles with corporate executives and reasons why they enjoy riding motorcycles. She also explains that the single fastest growing sector of two-wheeled tourists is the “rich urban bikers” who use their bikes for respite from high-pressure jobs. The campaign that was launched, “ride America” which was depicted as a more raw and refreshing experience than seeing the world from a car, is also described.

Greenberg (2002:12) reports on how the Italian motorcycle company Ducati has launched a global corporate campaign to appeal to middle-aged men with high
disposable cash who can afford to acquire expensive toys. Weber (2001:47) debates that three-cylinder engine motorcycles are perfect for middle-aged men who are getting back into bikes. Many of these born-again bikers have not touched a motorcycle since their teens, and find Japanese offerings just a bit too fast and flashy for their taste. It is described how Britain uses their three-cylindered motorcycles (Triumph) to target this market niche in Britain.

Eisenberg (2001:47) explains how Harley-Davidson, despite its powerful brand, has failed to attract enough young riders, who prefer the speedy, more technically advanced machines from Japanese powers like Honda and Yamaha. While Harley-Davison still leads the pack when it comes to the heavyweight cruisers favoured by the middle aged market, they are no longer the number one seller in the United States, having been overtaken by Honda. This was due to the lack of promotional efforts towards the youth market, which is a growing market segment.

All of the content analyses made a valuable contribution to the literature; however, the non-existence of any appraisals of promotional activities in the NMMM area suggests a need for further evaluation of those presentations. In addition to the relative scarcity of studies addressing promotional activities associated with motorcycles, there is a distinct lack of detail and depth of the content analysis of such promotional activities in South Africa. This research is an attempt to add to the detail by focusing on the promotional activities of motorcycle businesses in the NMMM area.

1.7 RESEARCH METHODOLOGY

Data and methodology are inextricably interdependent. For this reason, the methodology used for this research problem has taken into account the nature of the data that had to be collected in the resolution of the problem.

A literature study was undertaken to formulate a basis in the field of promotional activities with all the possible approaches that could be exploited. This literature study examined the theoretical perspectives and previous research
findings related to the problem. A questionnaire (See Annexure A) was developed from the literature study to establish whether the full range of promotional activities is used to make potential customers aware of the motorcycle businesses in the NMMM area.

Personal interviews were conducted with the five motorcycle businesses in the NMMM area, using a structured questionnaire. The researcher completed all the structured questionnaires during the interviews with the motorcycle businesses. The completed questionnaires were analysed to establish in which promotional activities they participate.

Comparisons were made between the literature study and the motorcycle businesses’ actual scenario. These comparisons were used to draw conclusions and make recommendations where shortfalls arose.

The various promotional activities that are participated in by the motorcycle businesses to improve the awareness and result in the growth of the motorcycle market in the NMMM area were measured. This established, to some extent, whether the current situation could be improved to make the motorcycle businesses more competitive and make motorcycles a substitute for motor vehicles in the NMMM area.

1.8 KEY ASSUMPTIONS

This section sets out the key assumptions that the researcher followed during his investigation. The first assumption is that the market segment can be enlarged with proper promotional activities within the NMMM area.

The second assumption is that promotional activities will bring about awareness and growth among potential customers in the NMMM area. The third assumption is that there are potential customers who are not aware of the motorcycle businesses in the NMMM area.
This dissertation consists of five chapters. Chapter 1 serves as the introduction describing the general problem area, the specific problem, background and importance of the topic. The research approach, delimitations and key assumptions are also discussed.

Chapter 2, the first literature chapter, provides a theoretical overview of the communication process, communication mix decisions and the selection of an optimal communication mix. This chapter hence provided a background and also supplied information for synthesising a basis for promotional activity possibilities.

Chapter 3 puts strategy into action. A discussion on strategy linked to specific promotional tools and the role of market research in setting promotional strategy was investigated, and reported in this chapter.

Chapter 4 reports on the research methodology process itself and how the information was gathered from the respondents. The measuring instrument used during interviews and the data analysis process are also addressed.

The last chapter firstly gives an overview of the study. The findings from the empirical study are described and recommendations are based on an analysis of the findings. These recommendations are an attempt to improve the promotional activities of the motorcycle businesses and to make motorcycles more competitive in the transport industry in the NMMM area.
CHAPTER 2
PROMOTIONS IN PRACTICE

“Advertisements contain the only truths to be relied on in a newspaper.” Thomas Jefferson

2.1 INTRODUCTION

In Chapter 1 the problem statement, importance of the research and prior research on the topic have been discussed. This chapter evaluates the communication process and the communication mix variables, which can be used in any chosen way to best fit the selected business strategy. The advantages and disadvantages of each promotional mix variable and the implementation thereof are also described.

2.2 THE COMMUNICATION PROCESS

To communicate effectively, marketers need to understand the fundamental elements underlying effective communication. According to Kotler (2000: 550) senders must know what audiences they want to reach and what responses they want to get; encode their messages in a way that the target audience usually decodes messages; transmit the message through efficient media that reach the target audience; and develop feedback channels to monitor the responses.

Johnson (2002: 54) expands on Kotler’s view by emphasising that if successful communication is the goal, marketers should spend more effort making sure that the words they use actually relate to the people who hear or read them. This implies that both parties have the same understanding of the meaning of the words used.

Figure 2.1 illustrates the communication process as consisting of nine elements. Two elements represent the two major parties involved, namely the
sender and the receiver. A further two elements represent the major communication tools: the message and media. Four elements represent the major communication functions: encoding, decoding, response and feedback, and the last element in the system represents noise (Kotler, 2000: 550).

2.3 DEVELOPING EFFECTIVE COMMUNICATIONS

Unless communication is effective, it is a waste of time and money. Dwyer and Tanner (2000: 283) focus on the communication planning process and the strategy behind communication to make it effective. However, Kotler (2000: 552) believes that by following eight steps effective communication can be achieved. These steps are subsequently described in more detail.

2.3.1 Identify the target audience

The communication process should start with a clear target audience in mind. These audiences could include potential buyers, current users, groups and the general public. A major part of audience analysis is assessing the business’ competitors, their products and the current image of the business.
Since there are so few motorcycle businesses that are competitors in the Nelson Mandela Metropolitan Municipality area, competition will not be an important factor for this study. However, product emphasis and target audience identification are vital during promotional efforts for the motorcycle businesses in the NMMM area. It is important to exploit the product to the utmost during promotions and to bear in mind that the product does not appeal to the entire market. For this reason the product considerations during target audience identification is important to ensure effective promotions and prevent fruitless money expenditure.

According to Kotler (2000: 554), management should define a desired image if it differs from the current one. An organisation seeking to improve its image must have great patience. Image persistence is explained by the fact that once people have a certain image, they perceive what is consistent with that image.

2.3.2 Determine the communication objectives

Once the target market and its perceptions are identified, the marketing communicator must decide on the desired audience response. The marketer might be seeking a cognitive, affective, or behavioural response. That is, the marketer might want to put something into the consumer’s mind, change an attitude, or get the consumer to act (Kotler, 2000: 554).

2.3.3 Design the message

Having defined the response, the communicator moves to developing an effective message. Ideally, the message should gain attention, hold interest, arouse desire, and elicit action. Formulating the message will require solving four problems. These four problems are: what to say (message), how to say it logically (message structure), how to say it symbolically (message format) and who should say it (message source) (Kotler, 2000: 556).
2.3.4 Select the communication channels

Once the message is designed, the communicator must select efficient communication channels to carry the message. These can be grouped into personal and non-personal communication channels.

(a) Personal communication channels

Personal communication channels involve two or more persons communicating directly with each other face to face, person to audience, over the telephone or through e-mail. Businesses can take several steps to stimulate personal influence channels to work on their behalf. These include:

- identification of influential individuals and companies and devoting extra effort to them;
- creating opinion leaders by supplying certain people with the product on attractive terms;
- working through communication influentials;
- using influential or believable people in testimonial advertising;
- developing advertising that has high “conversation value”;  
- developing word-of-mouth referral channels to build business; and
- establishing an electronic forum (Kotler, 2000: 561).

(b) Non-personal communication channels

Although personal communication is often more effective than non-personal communication, non-personal media might be the major means of stimulating personal communication. Non-personal channels include media, trade shows and conventions and events (Kotler, 2000: 561).

2.3.5 Establish the communication budget

After the communication channel has been established the budget must be compiled. One of the most difficult marketing decisions is how much to spend on promotions. A number of breakdown methods suggested by Dwyer and
Tanner (2000: 298) and Kotler (2000: 562) that can be helpful in determining promotional expenditures, are described below.

(a) Percentage-of-sales method

Under the percentage-of-sales approach, promotion expenditure is set at a specified percentage of the previous year’s or predicted future sales.

(b) Affordable method

Another approach for allocating promotion expenditure is to spend as much as can be afforded. In this approach, the availability of funds or liquid resources is the main consideration in making a decision about promotion expenditure.

(c) Return-on-investment method

Under the return-on-investment approach, promotion expenditure is considered as an investment, the benefits of which are derived over the years. Thus, as in the case of any other investment, the appropriate level of promotion expenditure is determined by comparing the expected return with the desired return.

(d) Competitive-parity method

The competitive-parity approach assumes that promotion expenditure is directly related to market share. The promotion expenditure of a firm should, therefore, be in proportion to that of competitors in order to maintain its position in the market.

(e) Objective-and-task method

The objective-and-task method calls upon marketers to develop promotion budgets by defining specific objectives, determining the tasks that must be performed to achieve these objectives and estimating the cost of performing these tasks. This method forces a manager to scientifically analyse the role
they expect promotions to play and the contribution it can make toward achieving marketing objectives. It also helps maintain control over promotion expenditure and avoids the frustrations often faced by promotion managers as a result of cuts in promotion appropriations due to economic slowdown.

The objective-and-task method has the advantage of requiring management to spell out its assumptions about the relationship among money spent, exposure levels, trial rates, and regular usage. It also forces management to plan communication campaigns accurately and into more detail to substantiate budget requirements.

2.4 COMMUNICATION MIX DECISIONS

Once an effective communication process has been developed, decisions have to be made on the communication mix. Businesses must allocate the promotional budget over the five promotional tools of advertising, direct marketing, personal selling, sales promotions and public relations. As each promotional tool has its own unique characteristics and costs, efficiency can be gained by substituting one promotional tool for another. This substitutability explains why marketing functions need to be coordinated (Kotler, 2000: 563). Each promotional tool is subsequently described in more detail.

2.4.1 Advertising

Advertising is one of the most popular variables of the promotional mix. Advertising, which can take on many forms and is designed to achieve a variety of objectives, is the use of paid media by a seller to communicate persuasive information about its products, services or organisation to the desired audience (Kotler, 2000: 564).

Wells et al, (1995: 106) argue that advertising differs from the other promotional elements in several ways. Although advertising has a greater ability to reach a larger number of people simultaneously than do the other elements, it has less ability to prompt an immediate behavioural change. Furthermore, the contact
between the advertiser and the audience is indirect, and it takes a longer period of time to deliver information, change attitudes, and create trust between the two parties.

When making use of advertising, management has to decide on advertising objectives, cost and which media to use.

(a) Advertising objectives

Advertising objectives focus on performance objectives (what the advertising should do) and the audience (with whom the firm wishes to communicate). Setting objectives is important in order to evaluate the success of the advertising endeavour and to learn what works and what does not, particularly since one cannot always observe an immediate change in sales due to an advertising campaign (Dwyer & Tanner, 2000: 310).

Kotler (2000: 578) argues that the advertising objectives must flow from prior decisions on target markets, market positioning and the marketing mix. Advertising objectives can be classified according to whether their aim is to inform, persuade, or remind. Informative advertising is heavily used in the introduction stage of a product category, where the objective is to build primary demand. Persuasive advertising becomes important in the growth stage, where a company’s objective is to build selective demand for a particular brand. Reminder advertising is important with mature products. The advantage of advertising objectives is that properly planned objectives can stimulate an increase in the sales of the advertised products.

(b) Advertising media cost

The cost of advertising media should be considered in relation to available funds in the allocated budget of the organisation and the circulation of the media and the intended audience (Stanton, Etzel, Walker, Abratt, Pitt and Staude, 1996: 481).
Kotler (2000: 579) agrees with Stanton et al (1996: 481), but argue that advertising has a carryover effect that lasts beyond the current period and intended audience. Although advertising is treated as a current expense, part of it is really an investment that builds up an intangible asset called brand equity.

(c) Forms of advertising media

Different media types have various benefits and drawbacks as will be pointed out in the subsequent discussion.

(i) Television

Television's most important characteristics are the combination of motion and sound. Products can be demonstrated as well as explained which make it ideally suited for the advertising of motorcycles. Television provides wide geographic coverage and great flexibility in terms of timing the presentation of the message, but is an expensive medium (Stanton et al, 1996: 481).

However, Penhallrick (2002: 6) stresses that despite the cost of television advertising, the rapid deregulation of television has resulted in an increased number of stations and better programme choices, and hence an increase in the use of television advertising over the past few years. Improved electrification, satellite technology and the advent of battery operated sets have also led to increased television media use and penetration across South Africa.

(ii) Outdoor and banner advertising

Outdoor advertising is a low cost per exposure medium. Because of the mobile nature of many members of South Africa's society, outdoor advertising reaches a large percentage of the population (Stanton et al, 1996: 483).

Farquhar (2002: 50) adds that motor vehicles and motorcycles should be the ideal product to promote via outdoor advertising since such advertising will be exposed to hundreds of motorists daily. However, because people see outdoor
and banner advertising on the go, it is only appropriate for brief selling messages. It is excellent for reminder advertising as the large size of displays and their use of colour usually create impact.

Outdoor and banner advertising furthermore allow flexibility in geographical coverage and intensity of market coverage within an area (Stanton et al, 1996: 483).

In Donnell’s (2002: 29) opinion, outdoor and banner advertising’s good performance so far is due to a general decline in spending on more traditional mediums like television, radio and print. Advertisers are keen to invest in the most cost-effective medium that can deliver high frequencies and good reach. Donnell (2002: 29) maintains that this explains the natural switch to outdoor and banner advertising by more and more advertisers who find these solutions in this medium. It has become far more flexible and now offers shorter, more tactical campaigns that suit advertisers with relatively low budgets.

(iii) Electronic media

Electronic media includes the World Wide Web and any electronic medium used to advertise a product. Since this form of advertising is part of direct marketing, it will be discussed in more detail under the relevant topic.

(iv) Radio

Radio continues to be the most important communication medium in Africa. It offers the most effective reach in both rural and urban markets, and can reach the target audience in its home language (Penhallrick, 2002: 6). Stanton et al (1996: 482) maintain that radio in South Africa has always been a much-used advertising and cultural medium.

The cost of radio is relatively low compared to print and television advertising. The downside is that, because radio is a powerful and low-cost medium, highly
cluttered advertising breaks are common on some private and government owned stations (Penhallrick, 2002: 6).

Radio is also a low-cost medium because of its broad reach (Stanton et al, 1996: 482). Nearly 80 percent of South Africans listen to the radio daily. On the other hand, radio makes only an auditory impression, relying entirely on the listener's ability to retain information based solely on hearing it. Also, audience attention is often at a low level, since the radio is frequently used as background music for working, studying, driving or some other activity.

Contrary to the views of Stanton et al (1996: 482), Hayne (2002: 30) reasons that while radio does seem to keep audiences listening for around four hours a day, its unit cost can be prohibitively high since audience attention is often at a low level and frequency levels often need to be raised to attract attention, inevitably raising costs.

Despite its advantages, Allemann (2002a: 22) holds the view that radio advertising is a difficult medium to plan and buy, primarily because it is a “frequency” medium. Radio has traditionally been used as a medium to get the message across to the market via spaced repetition. Allemann (2002a: 22) is of opinion that this has changed and that the days of the “spray and pray” approach to investing in media are gone, as it leads to unnecessary wastage.

In contrast to Allemann (2002a: 22), Stephan (2002: 33) takes the standpoint that when in doubt as to whether frequency levels are high enough, rather increase the average frequency levels, cut down on reach and focus the target market more narrowly. Rather reach 10 percent of the audience 100 percent of the time, than 100 percent of the audience 10 percent of the time.

Katz (2002: 46) believes that radio in South Africa, due to the South African culture, enjoys a relatively higher market share compared with the United Kingdom and the United States. Radio should, by rights, enjoy a far bigger market share given the power of the medium in South African society.
(v) Magazines

Magazines are an excellent medium when high-quality printing and colour are desired in an advertisement. Magazines can reach a national market at a relatively low cost per reader. Through special interest magazines or regional editions of general interest magazines, an advertiser can reach a selected audience with a minimum of wasted circulation. However, magazines are less flexible than newspapers. They require advertisements to be submitted several weeks before publication. In addition, because they are published weekly or monthly, it is more difficult to use topical messages. Magazines are often read at times or places far removed from where a buying impulse can be acted upon (Stanton et al, 1996: 482).

Allemann (2002a: 23) adds that the threat of the Internet to magazines' circulations and revenues was over-hyped. A significant 75 percent of visitors to consumer magazine Web sites already subscribe to or buy the print titles at a news-stand, and 20 percent proceed to subscribe online.

(vi) Newspapers

Low literacy levels, inconsistent quality of print reproduction, “fly-by night” publications and questionable validation of circulation figures have for a long time, discouraged South African advertisers from using print media. However, newspapers are now becoming a powerful medium, as they are read every morning before the start of the day by most sectors of the market. In addition, many local publishers are liaising with South African and international counterparts to assist in better quality equipment to ensure superior print reproduction (Penhallrick, 2002: 6).

As an advertising medium, newspapers are flexible and timely. Advertisements can vary in size from classifieds to multiple pages. In addition, since pages can be added or dropped, the same type of time constraints, which apply to radio, magazines and television, does not limit newspapers. Newspapers can also be used to cover one city or several urban areas. Advertisements can be inserted or cancelled at very short notice. Newspapers also provide very intense
coverage of a local market because almost everyone reads them. Cost per person reached is therefore relatively low. On the other hand, the lifespan of newspapers is very short as they are often discarded shortly after being read (Stanton et al, 1996: 481).

(vii) Other print media

_Newsletters, yellow pages and brochures are also excellent advertising media depending on the advertising strategy of the business._

2.4.2 Direct marketing

Direct marketing is a rapidly changing field and is the fastest growing element in marketing. It provides the consumer with convenience, efficiency, and compression of decision-making time (Wells et al, 1995: 107). Some basic characteristics of direct marketing include the following:

- It is an interactive system that allows two-way communication;
- It provides a mechanism for the prospect to respond;
- It can occur at any location;
- It provides a measurable response; and

The most popular forms of direct marketing include direct mail, telemarketing and Internet marketing (Kotler, 2000: 565).

(a) Direct mail

Direct mail is the most personal and selective of all media as it reaches only the people the advertiser wishes to contact. There is therefore almost no wasted circulation. However, the cost of direct mail per person reached is fairly high compared with other media (Stanton et al, 1996: 482).
(b) Telemarketing

Telemarketing is the systematic and continuous programme of personally communicating with (potential) customers via telephone, cellphone and/or other electronic media. Telemarketing can include e-mail communication, but the important element is that it should be person-to-person. Telemarketing via e-mail does not mean sending a message to a million e-mail addresses, but means responding to a prospect’s query via e-mail. Inbound telemarketing is electronic communication initiated by the customer while the marketer initiates outbound telemarketing. Inbound telemarketing can be used to take orders and provide customer service, while outbound telemarketing can be used to set appointments for field salespeople, invite prospects to visit a trade show booth, and for other similar actions (Dwyer & Tanner, 2000: 292).

(c) Internet marketing

Electronic media includes the World Wide Web (WWW) and Internet. Home pages serve as a form of advertising that the audience seeks. The effectiveness of home pages is often measured in "hits" (the number of times someone looked at the page), yet many service providers, who provide advertisers with space for home pages, also audit the readership of those home pages so that advertisers know who hit the page. Creative home pages are often hit by other people who have made their own home pages, by competitors, by the curious, and by accident. This means that some hits are not worth counting. Another limitation is that anyone can put just about anything on the Web and hence credibility of messages is suspect to many potential buyers (Dwyer & Tanner, 2000: 314).

However, Dwyer and Tanner (2000: 314) still believe that many advantages exist for Web advertising. First, it can be interactive. The person has to choose to enter a company’s home page so there is more active participation than when reading a magazine, and the advertisement is next to the text of an article. Readers then select the additional information they want, continuing to participate in the communication. In addition, Web advertising is responsive. Readers can choose from a wide array of information and get information
targeted to their needs immediately. Since Web advertising can offer readers the opportunity to provide feedback in a more conversational mode through e-mail, it can also result in two-way communication. If a reader wants to comment on anything that was seen, he or she can do so by sending a message to the advertising company. The feedback could take the form of questions about the product, requests for salesperson visits, or general queries. This two-way communication advantage is why many companies turn to home pages to support their customer service efforts.

Despite the advantages of Internet marketing and promotion, Halberstadt (2002: 13) emphasises the importance of keeping in mind that marketing principles also apply to Web sites. The WWW usage in today’s world is very different from when “surfing” the Web was high on everyone’s agenda. Today people are busy and are overloaded with information. Generally, when accessing the Internet, users view this as a utility and have a set destination in mind. People go online to perform certain functions (banking, shopping, and research) and then go offline. Marketers must therefore know how people use the Internet and refrain from placing advertisements on the Internet in a non-contextual part of a site.

Halberstadt (2002: 13) continues by highlighting that context is extremely important with online marketing. Online media owners are under pressure to make targets and budgets, and these new types of advertisements are heralded as creative ways to get the user’s attention. The reality is that, unless any type of advertisement is contextual, the required response will not be reached.

Halberstadt (2002: 13) also explains that the strongest correlation with Internet access is personal income. The lifestyle that is associated with high personal income includes lack of time, a great need for information, a high value of information and a tendency to use less conventional media. This is because people in the top income bracket do not apply communications, particularly brand communications, in the same way as everybody else. They search for specific information because they want to find something worthwhile. The Internet is ideal for this market segment since it provides a better time/value ratio compared to conventional media.
Allemann (2002b: 9) maintains that reach, frequency, impact and relevance with Internet marketing are still very important. The only difference is that marketers have to think hard about why they are using the Internet. The reason has to be something more than just being noticed. It has to be about pulling the user into the marketer’s site and, preferably, gathering information about them for later use. Digital marketing also has a powerful role to play in lowering post-purchase dissonance, using mechanisms such as loyalty clubs and special offers. Another aspect is the synergy of the digital component with the other media types used in an advertising campaign.

Banner advertising on the WWW can also attract attention. Banners are small advertisements that can be seen when potential customers use a search engine on the Internet. According to Dwyer and Tanner (2000: 314) these advertisements are proving to be very successful.

In summary then Penstone (2002: 49) portrays the Internet as effective, especially for people who are short on time and need information fast. For brands that are targeted at specific people, the Internet can play an important role. Shippey (2002: 12) continues this argument by highlighting that the measurability of the Internet is a distinct competitive advantage over older offline media.

Table 2.1 provides a comparative summary of the various forms of electronic media taking cognisance of variables such as acquisition, retention, cross-selling and branding based on online advertising.
Table 2.1

Electronic direct marketing elements

<table>
<thead>
<tr>
<th>Elements</th>
<th>Acquisition</th>
<th>Retention</th>
<th>Cross-selling</th>
<th>Branding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short Message Service (SMS): provides a means to build and control a brand</td>
<td>Good</td>
<td>Good</td>
<td>Good</td>
<td>Medium</td>
</tr>
<tr>
<td>Kiosk: lets one interact with one's customers in an entertaining and informative way</td>
<td>Medium</td>
<td>Good</td>
<td>Good</td>
<td>Excellent</td>
</tr>
<tr>
<td>Compact Disk (CD): is enriched with animation, graphics, video and sound, and enables users to access the information they need without effort</td>
<td>Medium</td>
<td>Medium</td>
<td>Medium</td>
<td>Excellent</td>
</tr>
<tr>
<td>Digital Video Disk (DVD): presents surround sound and good graphics with broadcast quality output, making it a perfect marketing tool</td>
<td>Good but in Niche</td>
<td>Low</td>
<td>Good</td>
<td>Excellent</td>
</tr>
<tr>
<td>Electronic mail (E-mail): offers an interactive marketing tool that provides powerful database-driven tracking and personalisation opportunities</td>
<td>Excellent</td>
<td>Excellent</td>
<td>Excellent</td>
<td>Excellent</td>
</tr>
<tr>
<td>Web site: offers the ideal opportunity to establish a brand, increase awareness, and showcases a company's offerings</td>
<td>Excellent</td>
<td>Excellent</td>
<td>Excellent</td>
<td>Excellent</td>
</tr>
<tr>
<td>Micro site: creates awareness of a specific issue</td>
<td>Excellent</td>
<td>Excellent</td>
<td>Excellent</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

Source: Shippey (2002: 12)

2.4.3 Personal selling

In addition to advertising (section 2.4.1) and direct marketing (section 2.4.2), marketers can also use personal selling as a promotional tool. Personal selling is interpersonal communication in which one person attempts to secure a purchase from another person (Dwyer & Tanner, 2000: 292). Wells et al, (1995: 106) expand this point by stating that personal selling is face-to-face contact between the marketer and a prospective customer. The intention is to create both immediate and repeat sales.
There are several types of personal selling such as sales calls at the place of business by a field representative (field sales), assistance at an outlet by a sales clerk (retail selling), and calls by a representative who goes to customers’ homes (door-to-door selling). Personal selling is most important for companies that sell products requiring explanation, demonstration, and service. Such products tend to be higher priced. Personal selling is also the most effective tool at later stages of the buying process.

Personal selling has three distinctive qualities. These include:

- Personal confrontation, where an immediate and interactive relationship between two or more persons is formed. Each party is able to observe the other’s reactions at close hand.

- Cultivation, where all kinds of relationships are formed, ranging from a matter-of-fact relationship to a deep personal friendship. In this case sales representatives will normally have the customers’ best interests at heart.

- Response, where the buyer feels under some obligation for having listened to the sales talk (Kotler, 2000: 568).

2.4.4 Sales promotions

Sales promotions, a fourth promotional tool, covers a wide variety of short-term incentives and tools designed to stimulate consumer markets, the trade and the organisation’s own sales force. Consumer promotion tools include samples, coupons, cash refund offers, price packs, premiums, prizes, patronage rewards, free trials, product warranties, tie-in promotions, point-of-purchase displays and demonstrations (Kotler, 2000: 565).

An important part of sales promotions is trade show marketing. The major reasons for trade shows’ growth in importance are that more buyers depend on trade shows, which provide an opportunity for dialogue, and can reach buyers that salespeople have not. Attendees interested in the company’s offerings will
engage in dialogue, sharing their reactions to the offerings as well as information about their needs, decision process and budget. This useful information can be passed along to the right salesperson to initiate a sale with the potential customer. Relationships with the trade press can also be developed at shows, resulting in sales (Dwyer & Tanner, 2000: 319).

Trade shows are also useful for entering new markets and reaching new prospects. Many business marketers use trade shows to test a new market’s reaction to their product, to find distributors in new markets, and to enter markets. Having the trade press present during new product introductions and other key announcements will expand the effect of a trade show (Dwyer & Tanner, 2000: 321).

Business marketers may spend as much as 35 percent of their annual promotion budget on trade shows. They face a number of decisions, namely which trade shows to participate in, how much to spend on each trade show, how to build dramatic exhibits that attract attention, and how to follow up effectively on sales leads (Kotler, 2000: 602).

Wells et al, (1995: 106) acknowledge that advertising is used to promote sales promotion activities such as sweepstakes and contests. Sales promotions can also be used in support of advertising campaigns as advertising and sales promotion can work together to create a synergy in which each makes the other more effective.

Whereas advertising offers a reason to buy, sales promotion offers an incentive to buy. According to Kotler (2000: 601) sales promotion includes the following tools for promotional activities:

- Coupons: This comprise of certificates entitling the bearer to a stated saving on the purchase of a specific product. These coupons can be mailed, enclosed in other products or attached to products, or inserted in magazines or newspaper advertisements. Coupons can be effective in stimulating sales of a mature brand and in inducing an early trial of a new brand.
- **Cash refund offers (rebates):** Rebates provide a price reduction after purchase rather than at the retail shop. The consumer sends a specified "proof of purchase" to the manufacturer who "refunds" part of the purchase price by mail.

- **Price pack (cents-off deals):** These include offers to consumers of savings off a regular price of a product, flagged on the label or package. A reduced price pack is a single package sold at a reduced price (such as two for the price of one). A banded pack is two related products banded together (such as a motorcycle and helmet).

- **Premiums (gifts):** Premiums take the form of merchandise offered at a relatively low cost or free as an incentive to purchase a particular product. A with-pack premium accompanies the product inside or on the package. The package itself can serve as a premium.

- **Prizes (contests, sweepstakes, games):** Prizes are offers of the chance to win cash, trips or merchandise as a result of purchasing something. A contest calls for consumers to submit an entry to be examined by a panel of judges who will select the best entries. A sweepstake asks consumers to submit their names in a drawing. A game presents consumers with something such as bingo numbers or missing letters every time they buy, which might help them win a prize.

- **Patronage awards:** Patronage awards include values in cash or in other forms that are proportional to patronage of a certain vendor or group of vendors, such as point awards for frequent customers which entitle a customer to some privileges upon a certain level of point accumulation.

- **Free trials:** Free trials involve inviting prospective purchasers to try the product without cost in the hope that they will buy the product.
According to Kotler (2000: 602) sales promotions can also be used to stimulate retailers and their sales clerks to push the products. The tools used for this effort include:

- **Product warranties**: Product warranties are explicit or implicit promises by sellers that the product will perform as specified and if not, that the seller will fix it or refund the customer’s money during a specified period.

- **Tie-in promotions**: These promotions occur when two or more brands or companies team up on coupons, refunds, and contests to increase pulling power.

- **Cross-promotions**: Cross-promotions take place when one brand is used to advertise another non-competing brand.

- **Price-off (off-invoice or off-list)**: A straight discount off the list price on each case purchased during a stated time can also serve as a promotional tool. The offer encourages dealers to buy a specific quantity or carry a new item that they might not ordinarily buy. The dealers can use the buying allowance for immediate profit, advertising, or price reductions.

- **Allowance**: An allowance is an amount offered in return for the retailer’s agreeing to feature the manufacturer’s products in some way. An advertising allowance compensates retailers for advertising the manufacturer’s product. A display allowance compensates them for carrying a special product display.

- **Free goods**: These include offers of extra cases of merchandise to intermediaries who buy a certain quantity or who feature a certain brand. Manufacturers might offer push money or free specialty-advertising items to retailers that carry the company’s name.

- **Speciality advertising**: Speciality advertising consists of useful, low-cost items bearing the company’s name and address, and sometimes an
advertising message that salespeople give to prospects and customers. Common items are ballpoint pens, calendars and memo pads.

2.4.5 Public relations

Public relations is another important promotional tool. Some of the major marketing public relations tools are news, speeches, events, public services activities, written material, audio-visual material, corporate identity and telephone information services (Wells et al, 1995: 107).

Rather than attempting to sell the product, public relations seek to influence people’s attitudes about the company or product. In most cases the lag effect associated with public relations is quite long, making any relationship between promotion and sales difficult to determine (Wells et al, 1995: 106).

Dwyer and Tanner (2000: 291) explain public relations as the management function that focuses on the relationship and communication with individuals and groups in order to create mutual goodwill. Public relations is also creating sound relationships with the media so that it is easier to get good news presented, as well as creating good relationships with other important constituencies. Public relations plays a supportive role in most cases, and is used to inform audiences about the company and its products. Public relations, in the form of news stories, can have great impact because the stories are written or appear to be written by someone other than a company employee or agent.

Kotler (2000: 605) concurs with Dwyer and Tanner (2000: 291), but expand by stating that public relations must be used not only to relate constructively to customers, suppliers, and dealers, but it must also relate to a large number of interested publics. The public is any group that has an actual or potential interest in, or impact on, a company’s ability to achieve its objectives. Public relations involve a variety of programmes designed to promote or protect the company’s image or its individual products.
It is Kotler’s (2000: 606) opinion that many companies are turning to public relations to directly support corporate or product promotion and image making. The old name for public relations is publicity, which was seen as the task of securing editorial space as opposed to paid space. Public relations is the use of print and broadcast media to promote or “hype” a product, service, idea, place, person, or organisation. It, however, goes beyond simple publicity and plays an important role in the following tasks:

- assisting in the launch of new products;
- assisting in repositioning a mature product;
- building interest in a product category;
- influencing specific target groups;
- defending products that have encountered public problems; and
- building the corporate image in a way that reflects favourably on its products (Kotler, 2000: 606).

2.5 SELECTING THE OPTIMUM COMMUNICATION MIX

After the promotional tools have been evaluated, various factors, which affect the optimum communications mix, should be considered (Kotler, 2000: 566; Stanton et al, 1996: 440). These factors include the intended effect of the promotion, required customer contact, timing, reach, frequency and impact of the communication. These factors also include geographical allocation, media tools and vehicles, the type of product market, whether to use a push or pull strategy and the stage in the product’s life cycle.

2.5.1 Type of product market

Promotional allocations vary between consumer and business markets. Consumer marketers tend to spend on sales promotion, advertising, personal selling, direct marketing and public relations, while business marketers spend on personal selling, sales promotion, advertising, and public relations. In general, personal selling is more heavily used with complex, expensive, and risky goods and in markets with fewer and larger sellers (Kotler, 2000: 566).
2.5.2 Push and pull strategy

In selecting the optimum communications mix, management furthermore has to choose between promotion aimed at middlemen (called “push” strategy), and promotion aimed at end users (called a “pull” strategy). Figure 2.2 demonstrates that when a pull strategy is used, a producer directs the promotional effort at end users. The promotion to consumers is designed to “pull” the product through the distribution channel. This strategy typically involves extensive use of advertising and various forms of sales promotion such as premiums, samples or in-store demonstrations (Stanton et al, 1996: 441). A pull strategy therefore involves the manufacturer using advertising and customer promotion to induce consumers to ask intermediaries for the product, thus inducing the intermediaries to order it.

Figure 2.2
Push and pull promotional strategies

Push Strategy

Pull strategy

Source: Stanton et al (1996: 441)
The promotional mix is heavily influenced by whether the company chooses a push or pull strategy to create sales. Pull strategy is especially appropriate when there is high brand loyalty and high involvement in the category, people perceive differences between brands, and people choose the brand before they go to the store (Kotler, 2000: 567).

2.5.3 The product life cycle

The promotional mix for a product is also influenced by the stage in the product’s life cycle that the product has reached at any given time. When a product is introduced, prospects must be informed about its existence and shown how it will benefit them. Also, since there is no initial awareness of the product, middlemen must be convinced to carry it. Thus, both advertising (to customers) and personal selling (to middlemen) are critical. In addition, a new product may be somewhat of a novelty and, at this stage, excellent opportunities for publicity exist. Later in a successful product’s life, when competition intensifies, more promotional emphasis is placed on persuasive advertising (Stanton et al, 1996: 439).

2.5.4 Intended effect, customer contact and timing

Each promotional tool has a different effect on the target audience and can be used to achieve the specific goal and strategy of the marketer, whether it is to initiate sales or change attitudes and behaviour towards a specific product. The various communication tools also require direct, semi-direct or indirect contact with the customer and marketers must select the most appropriate promotional tool to suit the intended strategy. Another consideration for the marketer is to decide whether they want the customer to be exposed to the message that is being communicated for a short, moderate or long period.

2.5.5 Reach, frequency and impact

The effect of exposure on audience awareness depends on the exposures’ reach, frequency and impact. According to Kotler (2000: 586) the following
guidelines can be used to determine the reach, frequency, impact, total number of exposures and weighted number of exposure to develop the desired media effectiveness:

- **Reach (R):** The number of different persons or households exposed to a particular media schedule at least once during a specified time period.
- **Frequency (F):** The number of times within the specified time period that an average person or household is exposed to the message.
- **Impact (I):** The qualitative value of an exposure through a given medium.
- **Total number of exposures (E):** This is the reach multiplied by the average frequency; that is, \( E = R \times F \).
- **Weighted number of exposures (WE):** This is the reach multiplied by the average frequency multiplied by the average impact; that is, \( WE = R \times F \times I \).

### 2.5.6 Choosing among major media types

After a decision was made on reach, frequency, impact, total number of exposures and weighted number of exposures, the major media types must be considered and the best media type must be selected to arrive at the optimum communication mix. Kotler (2000: 588) believes that media planners must make their choice among media categories by considering the target-audience media habits, type of product, nature of the message and the cost.

However, Jain (1993: 511) maintains that the following criteria is important for major media selection:

- product factors;
- market factors;
- customer factors;
- budget factors; and
- marketing mix factors.
Although Jain (1993: 511) and Kotler (2000: 588) agrees on most aspects, the criteria can be adapted according to a marketer's desired results.

Table 2.2 lists all the major media types with their advantages and limitations as proposed by Kotler (2000: 588). Marketers can also use this table during the process of major media type selection.
<table>
<thead>
<tr>
<th>Medium</th>
<th>Advantages</th>
<th>Limitations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newspapers</td>
<td>Flexibility; timeliness; good local market coverage; broad acceptance; high believability</td>
<td>Short life; poor reproduction quality; small “pass-along” audience</td>
</tr>
<tr>
<td>Television</td>
<td>Combines sight, sound and motion; appealing to the senses; high attention; high reach</td>
<td>High absolute cost; high clutter; fleeting exposure; less audience selectivity</td>
</tr>
<tr>
<td>Direct Mail</td>
<td>Audience selectivity; flexibility; no ad competition within the same medium; personalization</td>
<td>Relatively high cost; “junk mail” image</td>
</tr>
<tr>
<td>Radio</td>
<td>Mass use; high geographic and demographic selectivity; low cost</td>
<td>Audio presentation only; lower attention than television; non-standardized rate structures; fleeting exposure</td>
</tr>
<tr>
<td>Magazines</td>
<td>High geographic and demographic selectivity; credibility and prestige; high-quality reproduction; long life; good pass-along readership</td>
<td>Long ad purchase lead time; some waste circulation; no guarantee of position</td>
</tr>
<tr>
<td>Outdoor</td>
<td>Flexibility; high repeat exposure; low cost; low competition</td>
<td>Limited audience selectivity; creative limitations</td>
</tr>
<tr>
<td>Newsletters</td>
<td>Very high selectivity; full control; interactive opportunities; relative low costs</td>
<td>Costs could run away</td>
</tr>
<tr>
<td>Brochures</td>
<td>Flexibility; full control; can dramatize messages</td>
<td>Overproduction could lead to runaway costs</td>
</tr>
<tr>
<td>Telephone</td>
<td>Many users; opportunity to give a personal touch</td>
<td>Relative high cost unless volunteers are used</td>
</tr>
<tr>
<td>Internet</td>
<td>High selectivity; interactive possibilities; relatively low cost</td>
<td>Relatively new media with a low number of users in some countries</td>
</tr>
</tbody>
</table>

Source: Kotler (2000: 588)
2.5.7 Selecting specific media vehicles

Another factor influencing the optimum communication mix is the optimum selection of media vehicles. Kotler (2000: 590) emphasises that it is important for the media planner to search for the most cost-effective media vehicle within each chosen major media type to keep the cost down or reach the maximum audience size within a limited budget.

Audience size has several possible measures. These include:

- Circulation: The number of physical units carrying the advertising.
- Audience: The number of people exposed to the vehicle. (If the vehicle has pass-on readership, then the audience is larger than circulation.)
- Effective audience: The number of people with target audience characteristics exposed to the vehicle.
- Effective ad-exposed audience: The number of people with target audience characteristics who actually saw the advertisement (Kotler, 2000: 590).

2.5.8 Deciding on media timing

A further factor to consider is the optimum timing for the optimum communication mix. In choosing media, the organisation faces a macro-scheduling problem and a micro-scheduling problem. The macro-scheduling problem involves scheduling the advertising in relation to seasons and the business cycle. The micro-scheduling problem calls for allocating advertising expenditures within a short period to obtain maximum impact. The most effective pattern depends upon the communication objectives in relation to the nature of the product, target customers, distribution channels, and other marketing factors (Kotler, 2000: 591).

2.5.9 Geographical allocation

The last factor with an influence on the optimum communication mix is the geographical area that will be targeted by the selected media effort. Kotler (2000: 593) concludes that a company has to decide how to allocate its
advertising budget over time as well as over space. The company makes “national buys” when it places advertisements on national television networks or in nationally circulated magazines or newspapers. It makes “spot buys” when it buys television time in just a few markets or in regional editions of magazines. These markets are called areas of dominant influence (ADIs) or designated marketing areas (DMAs). For the purpose of this study, the geographical allocation will be concentrated on the Nelson Mandela Metropolitan Municipality area.

When all the above factors that influence the optimum communication mix are analysed, table 2.3 can be constructed showing the characteristics of each factor as it relates to the different communication tools.
<table>
<thead>
<tr>
<th>Communication Tools</th>
<th>Personal Selling</th>
<th>Advertising</th>
<th>Sales Promotions</th>
<th>Direct Marketing</th>
<th>Public Relations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intended Effect</td>
<td>Sales</td>
<td>Attitude and Behaviour Change</td>
<td>Sales</td>
<td>Behaviour Change</td>
<td>Attitude Change</td>
</tr>
<tr>
<td>Customer Contact</td>
<td>Direct</td>
<td>Indirect</td>
<td>Semi-direct</td>
<td>Semi-direct</td>
<td>Semi-direct</td>
</tr>
<tr>
<td>Timing</td>
<td>Short</td>
<td>Short to medium</td>
<td>Short</td>
<td>Short</td>
<td>Long</td>
</tr>
<tr>
<td>Product Market Type</td>
<td>Consumer and Business Market</td>
<td>Consumer and Business Market</td>
<td>Consumer and Business Market</td>
<td>Consumer Market Business Market</td>
<td></td>
</tr>
<tr>
<td>Push/Pull Strategy</td>
<td>Push</td>
<td>Pull</td>
<td>Pull and Push</td>
<td>Pull</td>
<td>Pull and Push</td>
</tr>
<tr>
<td>Product Life Cycle</td>
<td>Introduction, Growth and Maturity</td>
<td>Introduction and Maturity</td>
<td>Growth and Maturity</td>
<td>Growth Introduction and Maturity</td>
<td></td>
</tr>
<tr>
<td>Reach</td>
<td>Low</td>
<td>High</td>
<td>Medium</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Frequency</td>
<td>Low</td>
<td>High</td>
<td>Medium</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Impact</td>
<td>High Value</td>
<td>Medium Value</td>
<td>High Value</td>
<td>High Value</td>
<td>Medium Value</td>
</tr>
<tr>
<td>Major Media Type Tools</td>
<td>Complex Product Moderate Cost</td>
<td>Target-audience Media Habits Low-high Cost Target-audience Media Habits Low-medium Cost Complex Product Target-audience Media Habits Low-high Cost</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Medium Cost</td>
<td>Low-high Cost High Exposure Medium Cost Low Exposure Complex Product Low-medium Cost Target-audience Media Habits Low-high Cost</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Media Vehicles</td>
<td>Medium Cost</td>
<td>Low-high Cost High Exposure Medium Cost Low Exposure Complex Product Low-medium Cost Target-audience Media Habits Low-high Cost</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Geographical Allocation</td>
<td>Local</td>
<td>Local-National-International</td>
<td>Local-National</td>
<td>Local-National-International</td>
<td>Local-National-International</td>
</tr>
</tbody>
</table>

Source: Author’s own construction
2.6 SUMMARY

This chapter described the communication process and how to develop effective communications by identifying the target audience, determining the communication objectives, designing the message, selecting the communication channels and establishing the total marketing communication budget. The five promotional tools, namely advertising, direct marketing, personal selling, sales promotions and public relations that affect the marketing communication mix were also described.

The selection of the optimum communication mix, reviewed in this chapter, included the intended effect of the promotion, required customer contact, timing, reach, frequency and impact of the communication mix. Geographical allocation, media tools and vehicles, the type of product market, whether to use a push or pull strategy and the stage in the product’s life cycle, which affect the optimum communication mix, were also reviewed.

Chapter 2 hence reviewed the promotional mix possibilities as such a review help to ensure that the chosen promotional strategy will be supported by the promotional mix variables. Chapter 3 consequently describes the various promotional strategies that can be applied by a motorcycle business in the NM MMM area.
CHAPTER 3

STRATEGY INTO ACTION

“All men can see the tactics whereby I conquer, but what none can see is the strategy out of which victory is achieved.” Sun-Tzu

3.1 INTRODUCTION

In chapter 2 the communication process was described and the development of effective communication was evaluated. The decisions on the marketing communications mix and media selection were also reviewed. This chapter contains a theoretical formulation of strategic direction and scope for a business. Following this, the goal, creating the overall message and types of integrated marketing communication strategies are reviewed. Strategies linked to specific promotional tools and the role of market research in setting promotional strategy is also investigated. These various strategies can be applied to a motorcycle business in the NMMM area to achieve a greater awareness and to improve the image of motorcycles among potential customers. Ultimately, these strategies can be used to inform the audience about motorcycles so that the product can compete more successfully against substitutes.

3.2 STRATEGY: A CONCEPTUALISATION

Strategy is the direction and scope of an organisation over the long term through configuring its resources, which achieves advantage for the organisation within a changing environment and to fulfil stakeholder expectations (Johnson & Scholes, 2001: 10).

According to David (2001: 5), strategy is the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organisation to achieve its objectives.
However, Rowe, Manson, Dickel, Mann and Mockle (1994: 29) add that strategy is to match the organisation’s internal capabilities with the external opportunities and threats in order to achieve basic goals to maintain organisational values.

Strategy can also be seen as building on or ‘stretching’ an organisation’s resources and competence to create opportunities or to capitalise on them. Strategy development by ‘stretch’ is the leverage of the resources and competencies of an organisation to provide a competitive advantage and/or yield new opportunities (Johnson & Scholes, 2001: 4).

A strategic decision involves the creation, change, or retention of a strategy. In contrast to a tactical decision, a strategic decision is usually costly in terms of the resources and time required to reverse or change a strategy (Aaker, 1998: 18).

Similarly, strategic decisions on communication and promotion could entail:

- focussing on the long-term direction of the organisation;
- attempting to achieve some advantage for the organisation over competition;
- concern with the scope of an organisation’s activities;
- matching resources and activities of an organisation to the environment in which it operates; and
- change (Johnson & Scholes, 2001: 21).

Once the strategic decision is decided upon, it should be translated into action. This is in order to ensure that strategies are working in practice. A strategy is not just a good idea, a statement or a plan. It is only meaningful when it is actually being carried out (Johnson & Scholes, 2001: 21).
3.3 INTEGRATED MARKETING COMMUNICATION STRATEGY

Johnson and Scholes (2001: 22) mention that communications with a market are considered to be part of the long-term direction of an organisation. Businesses pay for promotion expenses in the financial year in which these expenses occur, but the promotional effect (increase in sales and brand equity) can last much longer than the current financial year. Communications with a market are therefore regularly viewed as an investment rather than an expense and are ultimately part of the business’ long-term direction and strategy.

Integrated marketing communication (IMC) is strategic in the sense that the content and delivery of all messages are the result of an overall plan. Delivery of messages to a market is synchronised so that a synergy can be reached. The result is that messages across all communication channels work together to create the appropriate product position in the market, which can lead to the required customer action (Dwyer & Tanner, 2000: 282).

The IMC strategy process begins with setting goals, creating the overall message, and then determining which types of communication strategies will be used. In the following sections the IMC strategy process are discussed.

3.3.1 The goal of integrated marketing communication

The first step in the IMC strategy process is to set communication goals based on the strategic marketing goals. Strategic communication goals are what a business wants the overall communication strategy to accomplish. The strategic marketing goal is to position products clearly and distinctively in the marketplace. Tactical goals are desired outcomes for a specific communication attempt with a market. Action goals are set for those communications that are intended to cause the receiver to do something about the message that was received (Dwyer & Tanner, 2000: 283).

In the case of IMC, each market communication attempt is designed to support the same overall goal. This can only be achieved when the business goals are integrated. Integrating goals requires understanding the impact of product
positioning on the receiver’s action. A product’s position, or place in the mind of the buyer, is determined by the buyer’s evaluation of the product along every dimension relative to all other product offerings. Successfully positioning a product or business in the buyer’s mind can also predispose a buyer to react appropriately to communications designed to create action (Dwyer & Tanner, 2000: 288).

Dwyer and Tanner (2000: 288) are of the opinion that another goal of IMC is to change from the traditional approach to promotions to the new integrated approach of IMC. IMC strategies are therefore replacing fragmented advertising, direct marketing, personal selling, sales promotions and public relations programmes, particularly for retailers.

Jain (1993: 507) states that IMC strategies can be designed around advertising, direct marketing, personal selling, sales promotion and public relations or any combination of these and determines the role that each type of promotional tool plays in a particular strategy. Clear-cut objectives and sharp focus on target customers are necessary for an effective promotional program. An IMC strategy consisting of various promotion methods should be designed to ensure that customers in a product or market cluster get the right message and maintain a long-term cordial relationship with the business.

Stanton et al (1996: 431) agree with Dwyer and Tanner (2000: 288) and Jain (1993: 507) but add that the ultimate goal of IMC is to change the pattern of demand for a product. Figure 3.1 demonstrates that through IMC activities a business attempt to (a) shift a product’s demand curve to the right and (b) change the shape of the product’s demand curve.
3.3.2 Creating the overall integrated marketing communication message

Once the IMC strategy is formulated the overall IMC message should be created. The idea of an IMC strategy is that each message delivered through each communication medium will achieve tactical positioning and action goals that support the business’ strategic positioning. In order to create specific messages, it is important to recall what message the communications strategy is aiming to convey (Dwyer & Tanner, 2000: 293).

At the same time, however, the marketer must also bear in mind what buyers already think and how they act towards the business’ products. The marketer must also know what information buyers require that will convince them to buy the product, and what competitive actions are currently (or could be) undertaken by direct and indirect competitors (Dwyer & Tanner, 2000: 293).
Dwyer and Tanner (2000: 293) stress that the IMC strategy requires that all messages delivered by all the media should display the same or supportive unified theme. The message should also have a co-ordinated execution of all the communication components of the organisation. Co-ordination of the IMC message emphasises communication productivity in reaching the designated market targets when selecting communication channels and allocating resources to the IMC media.

3.3.3 Types of integrated marketing communication strategies

After the goals of the IMC strategy are set and the overall message of IMC strategy has been created, the types of strategies must be established. The types of IMC strategies can be classified on the basis of what the business is attempting to achieve. Strauss, El-Ansary and Frost (2003: 364) describe IMC strategies as designed to profitably acquire and retain customers, which is a cross-functional process for planning, executing, and monitoring brand communications.

Strauss et al (2003: 364) also emphasise that customer acquisition communication strategy must follow the principles of making communications easy for the customer and making it simple for the business to respond to the customer. In a customer retention situation, proactive communication can be used by the business via the communication link that is already established with the customers.

(a) Customer acquisition communication strategy

Dwyer and Tanner (2000: 296) feel that it is important to make communication easy for the customer to support the customer acquisition communication strategy. Inbound telemarketing is one method of making communication easy. This entails providing customers with an 0800 telephone number (free service) to call the business or a World Wide Web page of the business to visit and list queries, and then empowering the customer service representative so that complaints can be resolved immediately, making it easy for customers to offer their concerns. Businesses can also use catalogues to make it easy for
customers to order products. The easier it is for the customer to communicate with the business, the more likely it will be that the customer may utilise the services available to enquire, order or purchase products from a business.

Dwyer and Tanner (2000: 296) add that it is also important for a business to make it easy for themselves to respond to customer queries by creating internal communication channels. Open and regularly used channels of communication between internal areas of the business must exist for the business to respond effectively and timeously to the potential customer in order to support the customer acquisition strategy.

Brown (2002: 18) stresses that direct marketing should be utilised to acquire additional customers by means of technology. Technology that should be considered during customer acquisition communications includes the Internet web sites, electronic mail, cellular phone short message service, kiosk, compact disk and digital videodisk.

Perdue (2001: 51) agrees with Brown (2002: 18), but also feels that it is vital that customer acquisition expenses should be controlled, regardless of what kind of technologies are being used. Due to this approach the customer acquisition strategy has shifted away from expensive traditional media to more affordable on-line methods. This approach resulted in lower customer acquisition costs that will go straight to profits or can be used for additional customer acquisition strategies.

Hamblen (2000: 48) portrays customer acquisition costs as the marketing expenses needed to turn a prospective customer into an actual customer. He also explains that online and advanced technology customer acquisition costs may be initially high, but those costs should eventually decline as online businesses become more recognised by customers. Online customer acquisition also enables the marketer to keep a record of customer acquisition costs with greater ease. Hamblen (2000: 48) concludes by stating that the most profitable customers are the ones that return and this can be achieved by utilising digital direct marketing.
(b) Customer retention communication strategy

The second type of IMC strategy is customer retention communication strategy. Several communication mechanisms can be used to achieve customer retention objectives. These mechanisms take advantage of the customer’s need to minimise costs associated with product purchasing and providing the necessary information and product availability to the customer before competition can be approached. Various principles apply in designing communication elements to achieve a customer retention strategy. These principles include communicating proactively with current customers, making it easy for customers to reply to proactive communication, and making it easy for the business to respond to a customer’s response. This kind of proactive communication can ensure that the current customers are retained (Dwyer & Tanner, 2000: 295).

According to Royal (2000: 13), communicating with buyers after they purchase a product is another important customer retention activity. Follow-up by salespeople, advertisements stressing a business’ service capabilities, and toll-free numbers placed on packages to encourage users to seek information or report problems are illustrations of post-purchase communication, which will retain customers to become loyal customers.

Peppers (1995: 76) expresses customised marketing as the real secret to a customer retention strategy. Customised marketing implies getting customers to teach the business what they want, so that the business can fulfil the customer’s exact needs. To get an identical relationship somewhere else, the customer then has to reinvent the relationship. This process takes time, therefore, if such a relationship is built between a customer and business, it will support the customer retention strategy.

Barrier (1996: 45) also argues that it is important to retain customers. The reason for this is that customer retention costs are relatively low when compared to customer acquisition costs. Large amounts were spent to acquire the current customers, which will all be lost if the customer is not retained. For every customer that is lost by the business, acquisition costs have to be utilised
to acquire another customer, which is more expensive than to retain the current customers for future sales.

Lewis (1997: 93) states that the use of direct marketing can provide an exceptional service offering to a customer and adds to a business’ customer retention strategy. He also highlights that since a business’ most likely next sale is from the customer who just initiated a sale, customer retention efforts are vital to ensure that this scenario materialises.

To materialise customer retention strategies, McCloskey (1996: 42) focuses on the compilation of data warehouses during direct marketing efforts. These data warehouses can be used during a customer retention strategy. Once data warehouses are established with the information of all the customers, whom initiated into a sale with the business, it will be easy for the business to contact customers in the future. Customers can be contacted to follow up on customer satisfaction, reminders of service and maintenance dates, updates of new product ranges and any business developments and correspondence. This service will ensure that customers are retained to secure new sales.

Freker (1999: 36) agrees with McCloskey (1996: 42) that it is critical to retain customers and let them grow into the habit of doing business with only one business. He adds that a business should take steps to build customer loyalty and make customers feel valued, thus decreasing customer defection. The business should ensure that the customer has no reason to consider the competition, which can be done through churn management and loyalty programmes.

3.4 STRATEGIES LINKED TO SPECIFIC PROMOTIONAL TOOLS

A detailed discussion of the various promotional tools, their characteristics and advantages and disadvantages were provided in chapter 2. The subsequent sections now consider strategic decisions linked to advertising, direct marketing, personal selling, sales promotion and public relations.
3.4.1 Advertising strategy

The first promotional tool strategy to be reviewed is advertising strategy. Dwyer and Tanner (2000: 309) explain that an advertising strategy consists of the creative plan and the media plan. Essentially, the creative plan is determining what the content of the message will be, while the media plan entails choosing the channel of communication. Both plans should result from objectives set for the advertising communication strategy.

(a) The creative plan

The creative plan is guided by the market position selected for the product or brand and enhances the effectiveness of advertising by providing a unifying concept that binds together the various parts of an advertising campaign.

Kotler (2000: 588) holds the view that a properly planned and executed creative plan can perform the following functions for a business advertising strategy:

- **Awareness building**: Advertising can provide an introduction to the business and its products.
- **Comprehension building**: If the product embodies new features, advertising can effectively perform some explaining.
- **Efficient reminding**: If prospects know about the product but are not ready to buy, reminder advertising is more economical than sales calls.
- **Lead generation**: Advertisements offering brochures and carrying the business’ telephone number are an effective way to generate leads for sales representatives.
- **Reassurance**: Advertising can remind customers how to use the product and reassure them about their purchase.

The creative plan guides the advertising campaign. Two considerations affect the advertising strategy selection. These considerations are:

- whether the campaign is intended to maintain or to change market conditions; and
• whether the campaign will communicate information or imagery and symbolism (Kotler, 2000: 589).

(b) The media plan

Watermeyer (2002: 67) perceives that the media plan should be selected based on the budget allocation, level of competitive activity and consumer history with the product or service. He also feels that it is important not to handle media strategy in isolation from the brand strategy and creative thinking.

(c) Possible advertising strategies

Alreck and Settle (1999: 130-144) analysed advertising strategies that can be adopted to build a durable relationship with a specific brand and a particular customer group. This durable relationship can be achieved with the use of one or more of six distinctive advertising strategies to build consumer tastes and preferences for a product or brand. These six distinctive advertising strategies include the following:

• Need association, where the product or brand is linked to one need through repeated association. Advertising should consist of short messages, saturation and be highly repetitive.
• Mood association, when a mood is attached to the product or brand through repeated association. Advertising should be affect-laden, use vivid media and be highly consistent and repetitive.
• Subconscious motivation, when suggestive symbols are used to excite consumers’ subconscious motives. Advertising should consist of visual and pictorial media with suggestive symbols.
• Behaviour modification, when consumers are conditioned to buy the brand by manipulating cues and rewards. Advertising should be short, highly repetitive and have cue-laden messages.
• Cognitive processing, where perceptual and cognitive barriers are penetrated to create favourable attitudes. Advertising should consist of selective media and substantial message content.
Model emulation, when idealised social lifestyle models are presented for consumers to emulate. Advertising should be demonstrational with celebrity or audience-similar models. 

Alreck and Settle (1999: 130-144) emphasise that the strategy selection guidelines contained above provide an outline of the requirements for selecting a given advertising strategy based on the product’s characteristics. The characteristics of the target market, the business’ experience and expertise, and executive preference should also influence the selection of an advertising strategy for building consumer brand preference.

Kotler (2000: 568) maintains that before the advertising strategy is implemented, it is important to establish criteria for measuring its effectiveness. Advertising expenditures are wasted if businesses spend too much or allocate expenditures improperly. Measuring effectiveness provides useful feedback for future advertising decisions.

Kotler (2000: 588) also argues that estimating advertising’s impact on buyers helps management to determine advertising’s role and scope in the marketing program and to choose specific objectives. Management’s perception of what advertising can contribute to promotion objectives has an important influence in deciding advertising’s role.

3.4.2 Direct marketing strategy

The second promotional tool strategy to be investigated is direct marketing strategy. Robinson (2000: 25) investigated the effect of digital marketing in the field of direct marketing. According to him the employment of digital marketing is probably the best direct marketing strategy because of the availability and high utilisation of modern technology by various target markets. Digital direct marketing offers a better opportunity for customisation, better response rates and can be used as a supportive tool for other promotional tools.

digital direct marketing overcomes the delay in customer response to business communications. Although digital direct marketing is regarded as the better solution for direct marketing strategies it is still essential to work out a properly planned process to ensure the success of such an endeavour. Another consideration for the business is the return on investment (ROI) of digital direct marketing. The business should assess whether the expected return will justify the expenses incurred to establish digital direct marketing strategies. One of the easiest ways to determine this is to test the target market on whether this medium will appeal to them.

Bishop (1996: 26) debates that the use of digital marketing during direct marketing efforts is much more than a business simply establishing a home page on the World Wide Web. Digital marketing is in fact a lot more complicated and Bishop (1996: 26) recommends that businesses follow a process of six steps during digital direct marketing strategy development that can save a business considerable time and money. This six step process consists of the following:

(a) Step 1: Clarification of business objectives

   The business objectives should drive the digital direct marketing strategy. The business goals should be defined before businesses assess which digital tools they wish to utilise. The business goals, not the technology, should be the first priority. Bishop (1996: 26) feels that it will be pointless to develop a strategic digital marketing plan if it does not support a business to achieve its objectives. Generally these goals should be to increase sales and revenue, lowering costs and improve customer service.

(b) Step 2: Assess the capabilities of the market

   A business should also assess the digital capabilities of their target market to establish the computer equipment availability and level of computer literacy of their current and potential customers. If the target market’s computer equipment availability and level of computer literacy is high it would be worthwhile for a business to undertake this endeavour.
(c) Step 3: Capture the customer’s attention

Once their goals and target market have been identified, businesses should determine what kind of information they want to provide in a digital format. Since digital marketing is generally non-intrusive and can easily be avoided by the customer, it should try to capture the customer’s attention and interest. Digital marketing should also provide a lot of useful information and be visually appealing to the customer.

(d) Step 4: Implementation of the strategic plan

Businesses can choose among a number of digital marketing tools and they can be utilised in various combinations. When using a new digital tool, businesses should ensure that the target market can easily use it, and that the technology will not quickly become obsolete. The most popular digital tools are listed below in order of increasing complexity. These digital tools include:

- Electronic mail: The most basic digital marketing tool is electronic mail (E-mail). Businesses can compile a list of customers’ E-mail addresses and use this list to send out bulletins and newsletters electronically to thousands of customers in a very short time.

- World Wide Web Home Page: Businesses can create their own Home Page on the Internet’s World Wide Web (WWW) by utilising employees with the necessary skills or have it done professionally. It is one of the fastest growing areas in digital marketing and a Web site can be anything from a simple page that explains business services to a catalogue with a built-in online ordering service. A good strategy is for a Home Page to give the viewers a reason and a way to provide the business with their E-mail address.
• Bulletin Board Service: Managing a computer Bulletin Board Service (BBS) allows a business to combine internal E-mail networks with a BBS that can be accessed by customers, suppliers and prospects.

• Electronic promotional materials: Any marketing piece formerly destined for print such as a brochure, flyer, newsletter or annual report can be converted into a digital format. A digital version that can be displayed on a computer can be distributed on disk, sent out by E-mail or posted to the BBS or World Wide Web site.

• Databases: A database is like a large filing cabinet that contains information that is easy to find and sort. A powerful marketing tool can be created if a business creates a database that is up-to-date and complete to be utilised by sales people. This database can also be placed on a Home Page or on Compact Disk – Read Only Memory.

• Compact Disk – Read Only Memory (CD-ROM): Businesses can distribute promotional material on CD-ROM, which can contain pictures, videos and specification sheets about its line of products.

• Smart Cards: Smart Cards can be used by businesses to gather information on customers in a retail environment. They can even consider developing a Best Customer Club, which allows customers to accumulate points using a Smart Card, or swipe card, at the checkout location. Digital information about the customer's buying habits and preferences can then be gathered. This database of information can be used to project future sales, manage inventory levels and develop promotional offerings custom-designed for each customer.

• Digital Kiosks: Another digital tool is the use of a kiosk, either in a retail location or on the Internet, which gathers market information from customers. The kiosk asks the consumer to answer questions about his or her likes and dislikes, and provides some kind of reward (coupons or points) for completing the survey.
(e) Step 5: Integrating digital tools

Digital tools should be used as part of an integrated process. Bishop (1996: 26) highlights that the best results can be achieved for a business if a number of digital tools are combined. Customers have different technology preferences and the integration of a number of digital tools will result in a broader number of customers who are reached.

(f) Step 6: Combining traditional and digital marketing

Bishop (1996: 26) emphasises that digital marketing is not the answer to all business promotional needs. In order to generate interest and awareness in a business’ Web site, BBS service or CD-ROM, a business should use traditional promotions, which also indicate the availability of digital media, to create awareness among customers.

Bishop (1996: 26) concludes by stating that given the rapid changing nature of digital technology and its expanding progression, a business should constantly review and update its digital marketing strategy. The business that provides its customers with useful information in the fastest and most convenient manner will triumph.

3.4.3 Personal selling strategy

The next promotional tool strategy to be reviewed is personal selling strategy. Jaffe (1994: 18) explains that personal selling can be a more effective promotional tool than advertising when used to obtain a purchase commitment from buyers of consumer durable goods and industrial products. One of the advantages of personal selling over advertising is its flexibility in responding to the buyer’s objectives and questions, providing the support that finally result in a sale. Bearing this in mind, the personal selling strategy should be to properly train sales personnel to respond to any product-related questions and to render the best customer support possible.
It is important that a sales force strategy be designed out of the personal selling strategy. This will enable the sales representatives to comply with what is expected of them so that the business can achieve its personal selling strategy. Dwyer and Tanner (2000: 374) advocate that the design of the sales force strategy include six major considerations namely:

- The role of the sales force must be defined. This requires management to decide what the sales personnel are expected to contribute towards the marketing program.
- The sales targets must be projected, indicating how projected product sales will be achieved among target customers.
- Sales channels should be defined, and indicate how it will be utilised during the personal selling process.
- The design or adequacy of the sales force must be determined and evaluated on a continuous basis.
- The sales force should be recruited, trained, and managed.
- The results of the personal selling strategy should be evaluated, and adjustments made to narrow the gap between actual and desired results.

Fine and Schumann (1992: 285) believe that during the personal selling strategy compilation, the objectives assigned to salespeople should also include management’s expected sales result. Sales quotas are used to state these expectations. Businesses may give incentives to salespeople who achieve their quotas. Team selling incentives can also be used. Objectives other than sales are also important in many businesses. These include increasing the number of new accounts, providing services to customers, selecting and evaluating middlemen, and attaining marketing strategy and promotion objectives.

Duvall (2000: 42) addresses the effectiveness of personal selling, especially when businesses encounter problems to get the customers inside the store. Ultimately, the customer must be inside the business for personal selling to be applied by the sales personnel. To overcome this problem Duvall (2000: 42) recommends a strategy whereby personal selling and direct marketing is combined. Digital marketing can be used to inform potential customers about new products and business developments. Customers that would not have entered a business normally due to ignorance can be made aware in their
offices or in the comfort of their homes. By getting the customer’s attention this way, he or she can be told to visit the business to inspect the products for themselves. When the customer visits the business in person, personal selling can be applied, making personal selling effective by means of digital marketing.

3.4.4 Sales promotion strategy

The fourth promotional tool strategy to be investigated is sales promotion strategy. Stanton et al (1996: 488) state that it is important to include sales promotion in a business’ strategic marketing planning. This means establishing sales promotion goals, selecting appropriate strategies and establishing a separate sales promotion budget. Management should also evaluate the performance of sales promotion activities. One problem that management often faces is that many sales promotion tools are used as tactical strategies, which are only effective in the short run.

To overcome this problem Dwyer and Tanner (2000: 326) recommend that the sales promotion strategy be evaluated on a continuous basis to make sales promotion strategies more effective in the long run by adjusting any shortcomings that were discovered during the strategy evaluation. Evaluation measures the extent to which set strategic objectives are achieved. It is also important to evaluate the relative cost effectiveness of feasible sales promotion strategies and to select those that offer the best results and cost combinations.

Lee (2002: 103-114) explains that sales promotion strategies, which are followed by many businesses, are to cut product prices. Cutting product prices is the best way to get a response from a buyer. The sales will reach the set targets through manipulating price. The problem is that this addiction to price promotion damages the brand and undermines long-term objectives. The strategy should rather be to use sales promotions at a higher level in the overall promotional mix. With this approach the sales promotion becomes more integrated with the main brand strategy. Sales promotion strategy should not be seen as a panic measure, but as a support to brand objectives. Instead of offering a discount, offer a prize, some other incentive or added value to the customer.
In chapter 2 various tools for sales promotions were discussed, which can be utilised to fit the desired business strategy. These tools included coupons, cash refund offers, price packs, premiums, prizes, patronage awards, free trials, product warranties, tie-in promotions, cross-promotions, price-off, allowance, free goods and speciality advertising. All these tools can be applied to achieve the business sales promotion strategy. Herbig and Palumbo (1998: 425-435) also describe some of the tools reviewed in chapter 2 and which are mentioned above, but holds the view that a trade show sales promotion strategy is more effective in the long run and leaves a longer lasting impression with a customer.

Herbig and Palumbo (1998: 425-435) continue by mentioning that most trade shows draw exclusive audiences that are usually not reached by the other sales promotional tools. The single most important factor affecting the ability to make contact with potential customers is the number of personnel on duty at the trade show. What attracts people to a trade show is their curiosity to see new products, services, and business developments. The primary objectives behind trade shows are long-term selling and relationship-enhancing activities followed by developing a new product or market. Herbig and Palumbo (1998: 425-435) also state that a direct relationship appears to exist between market share and trade shows participation.

The authors further add that it is vital to set objectives for the trade show to facilitate planning for the personnel involved and co-ordination with the sales promotion strategy. Objectives for entering a trade show can include the following:

- identifying new customers;
- servicing current customers;
- introducing new or modified products;
- enhancing corporate image with customers, the industry and press;
- testing new products;
- improving or maintaining corporate morale;
- gathering competitor information;
• selling at the trade show itself;
• gaining access to key decision makers;
• disseminating facts about products or services; and
• servicing current account problems.

Herbig and Palumbo (1998: 425-435) state that it is also important to include and negotiate with the trade show organisers on various aspects. These aspects include the booth position and location on floor, booth size, aisle traffic density, easy registration and pre-registration, security, easily available moving in and moving out assistance, and moving in or out facilities.

Herbig and Palumbo (1998: 425-435) hold the view that some pre-show promotion can also increase the success of the trade show by means of advertisements being placed in newspapers and magazines.

The trade show’s success can also be increased by post trade show follow-ups. The number of sales leads alone is an inadequate measure of trade show success. Potential customers, who did not want to commit themselves to a sale, can be persuaded after the trade show. During this process direct mail and direct sales are the most successful. For this reason, having a well-planned post-show lead measurement and response system is mandatory to increase the success of a trade show.

Herbig and Palumbo (1998: 425-435) underline that another consideration is to measure the trade show efficiency. This will indicate to the business whether the trade show was a success or failure. These measures include:

• Personnel performance. The quality and number of trade show personnel on duty at the booth.
• Product interest. The percentage of booth visitors who said they were interested in seeing the business' type of products/services.
• Buying influence. The percentage of an average trade show's visitors who claimed a buying influence for its products/services.
• Buying plans. The percentage of a trade show's visitors who said they were planning to buy the business' products or services as a result of what they saw at the trade show.

In the motorcycle industry, motorcycle rallies can be utilised as a trade show. During rallies various main role players, interested customers and current customers in the motorcycle fraternity are present. These main role players include the press, magazine reporters, sponsors and suppliers.

3.4.5 Public relations strategy

The fifth and last promotional tool strategy to be reviewed is public relations strategy. Walker (2000: 99-107) explains that over the past decade public relations has become recognised as one of the most valued strategic tools and has a crucial role to play in the business’ strategy formulation. However, it is misunderstood in many organisations. Public relations is the strategic management process by which a business communicates with its various audiences about a product or service and its improved competitive advantage.

Walker (2000: 99-107) adds that public relations has the responsibility for the formation and implementation of the chosen strategies. In forming a bridge between key audiences and the business, public relations helps either to create or to sustain an image that the business wishes to portray to the customers. Oliver (2003: 68) explains that the public relations strategy should encompass organisational survival, reputation assurance and integration with marketing.

Bissell (1999: 24) holds the view that too few companies navigate their public relations strategy as skilfully as they should. The overall strategy shortcomings of a business become apparent when a business treats public relations as anything less than an integral element of the business’ overall marketing strategy.
3.5 THE ROLE OF MARKET RESEARCH IN SETTING PROMOTIONAL STRATEGY

The next consideration during the promotional strategy formulation is market research. Market research will provide the necessary information to a business about the current market situation in which it operates. Based on this information a business can determine if their current strategy is performing according to plan. If this is not the case, the information can be used to adjust the current strategy to fulfil the desired results, which the business wishes to achieve.

Stanton et al (1996: 433) state that the South African marketplace operates under conditions of imperfect competition. This means that there is product differentiation, emotional buying behaviour and less than complete market information. Under these conditions, promotional activities are essential, that is, a business needs promotion to aid in differentiating its products, to persuade potential buyers and to bring more information to the buying decision process. The role of market research can be to take advantage of the imperfect competition situation. By determining promotional shortcomings that relate to the market, imperfect competition can be turned into a strategic advantage for the business.

Romano and Ratnatunga (1995: 9-30) emphasise that marketing issues and the implementation of promotional strategies are not exclusive to larger firms. Small and emerging firms face marketing issues critical for their survival and growth. Market research should become part of the culture in small enterprises. This approach can help a business to discover market opportunities, which can be used to a business’ advantage and strategy formulation.

Romano and Ratnatunga (1995: 9-30) place great emphasis on market research which enables a business to customise its products, advertising and sell more to individual customers based on the shortcomings that were discovered during market research.
The marketing manager’s essential task is to combine price, product, place (distribution) and promotion (marketing mix) so effectively that all the elements complement each other and strengthen the product’s chances of competing successfully in the marketplace. Market research is the business’s formal evaluation of the communication link with the environment. It is also the means by which the business generates, transmits and interprets information from the environment relating to the shortcomings or success of the business’ promotional strategy (Martins, Loubser & van Wyk, 1996: 5).

3.6 SUMMARY

This chapter outlined the concept of strategy formulation and a theoretical formulation of an IMC strategy. The goal of IMC, creating the overall IMC message and the types of IMC strategies, were also described. Strategies that are linked to specific promotional tools included advertising strategy, direct marketing strategy, personal selling strategy, sales promotion strategy and public relations strategy. The role of market research in setting promotional strategies was also reviewed.

Chapter 4 describes the research methodology followed by the researcher. The data collected from the motorcycle businesses in the NMMM area was evaluated against the promotional mix possibilities that have been set out in chapter 2 and the supported strategies described in chapter 3.
CHAPTER 4

RESEARCH METHODOLOGY

“What matters is whether you can test your idea against data in the real world.” Isaac Newton

4.1 INTRODUCTION

Chapters 2 and 3 provided an overview of the promotional variables and strategies that could possibly be used in the promotion of motorcycles by these businesses in the NMMM area. This chapter describes the research design and the methodology followed in the empirical study. The data collection instrument (questionnaire) used during the interviews is described. The measurement of the key variables of the study, sample design and sampling method techniques employed during this study, are also addressed. Subsequent to this the data collection process and fieldwork practice, data capturing and analysis are outlined. The final part of this chapter recapitulates the shortcomings and problems experienced during the research process.

4.2 THE ROLE OF METHODOLOGY

Frankfort-Nachmias and Nachmias (1992: 14) interpret science as not being united by its subject matter but rather by its methodology. What set the scientific approach apart from other modes of acquiring knowledge are the assumptions on which it is based and its methodology. The scientific methodology is a system of explicit rules and procedures on which research is based and against which claims for knowledge are evaluated.

Although empirical observations are fundamental to the scientific approach, they must be ordered and related into systematic logical structures. Empirical observations or facts do not “speak for themselves”. The scientific methodology explains the logical foundations of reasoned knowledge and is the essential tool
of the scientific approach along with factual observations. The scientific methodology is also a system of valid reasoning about factual observations that permits reliable inferences to be drawn from the factual observations (Frankfort-Nachmias & Nachmias, 1992: 16).

The scientific approach of acquiring knowledge and accumulating specific data enabled the researcher to generalise regarding the promotional efforts of the motorcycle businesses in the NMNNM area. During this study explicit rules and procedures on which the research is based, were applied. The empirical observations that were made, were also ordered into systematic logical structures. The researcher used the factual observations gathered during this study for valid reasoning that permits reliable inferences to be drawn.

4.3 DATA COLLECTION

Once the researcher is familiar with the role of methodology, attention can be paid to the instruments available to collect information, against which claims for knowledge can be evaluated. Mouton (2001: 105) and Wegner (2000: 14) describe direct observation, interviews and experimentation as the three main approaches to data collection.

Cant, Gerber-Nel, Nel and Kotzé (2003: 76) portray interviews as an effective means to collect primary data verbally or in a written form from respondents. Qualitative interviews measure four related concepts; the what, where, when and how often respondents did or did not do something. Interviews offer quick, inexpensive, efficient and accurate ways of gathering information about the population or research objects.

Mouton (2001: 105) and Wegner (2000: 14) explain that a questionnaire can be used as a data collection instrument to gather data during interview situations. Cant et al (2003: 81) further explain that interview questionnaires can be completed by means of personal interviews, telephone interviews or sent by mail. The researcher employed the interview method as his approach to data gathering and therefore utilised a questionnaire as the data collection instrument.
Personal interviews are furthermore categorised as door-to-door, executive and mall intercept interviews. Executive interviews are used when research needs to be conducted on larger products or services with technical specifications. Structured questionnaires are usually the most effective means to collect data during executive interviews Cant et al (2003: 82).

Sekaran (2003: 227) describes structured interviews, as those conducted when it is known at the outset what information are needed. The interviewer has a list of predetermined questions to be asked from the respondents. These predetermined questions are used to give the interviews with the five respondents the same structure and flow of subjects to be discussed.

Gofton and Ness (1997: 87) agree with Sekaran (2003: 227) that structured interviews are used when the researcher has a basic idea of which questions can be included in the questionnaire. Structured questionnaires are also structured in such a way that the questionnaires are the same for all the respondents. This makes it practical to record the answers, which must be chosen from among a fixed and limited group of five respondents. By using structured questionnaires during interviews the researcher can control the flow of the responses. Analysing structured questionnaires means to classify and count the responses, which involves simplifying what the respondents actually said, so that it can be counted alongside other responses as ‘the same type of thing’.

For the purpose of this study the researcher regarded motorcycles as larger products with technical specifications. The researcher thus employed executive interviews for the completion of the questionnaires whereby the researcher interviewed five managers of various motorcycle businesses in the NMMM area. The researcher located and identified respondents, and made appointments to see the managers of the various motorcycle businesses so that the questionnaires could be discussed with them. A copy of the questionnaire (shown in Appendix A) was given to each respondent on Thursday the 12th of June 2003 and appointments were made to interview the respondents. The exact dates and times when the respondents were interviewed are described under the section quality assurance.
Martins et al (1996: 215) debate that questionnaires come in many shapes and sizes depending on the information required, the target audience and the survey method. The questionnaire also determines the type of information the research will generate. The researcher should therefore establish three parameters before a questionnaire can be developed. The first is to state the problem, which initiated the research, and so determine the information needed to solve it. The second is to define the population to be surveyed; that is, determine who can supply the information required and the third is to choose the best means of collecting the required information.

Martins et al (1996: 215) continue by stating that all questionnaires are designed to achieve three related goals. These goals are:

- to maximise the relevance and accuracy of the data collected;
- to maximise the participation and co-operation of target respondents; and
- to facilitate the collection and analysis of the data.

Mouton (2001: 103) agrees with Martins et al (1996: 215) that the design of a questionnaire is critical to ensure that the correct research questions are addressed and that accurate and appropriate data for analysis is collected.

Furthermore, Frankfort-Nachmias and Nachmias (1992: 239) recommend that the major considerations involved in formulating questions are their sequence, content and structure.

4.4.1 Question sequence

Once the researcher is familiar with the goal and design of a questionnaire the question sequence can be investigated. Matima (2001: 69) explains that by arranging the questions’ sequence logically, the researcher can enhance the standard of the interview. The logical sequence also helps the interviewer to induce a logical and harmonious flow of thought in the questionnaire.
The guidelines listed below should receive thorough consideration in the sequence outlay of the questionnaire (Martins et al, 1996: 220):

- start off with a simple and interesting question to put the respondent at ease and motivate him/her to react to the succeeding questions without suspicion;
- indicate which respondents have to answer which questions;
- ensure a logical sequence of questions according to the literature study;
- position sensitive questions or questions on embarrassing subjects as near to the end of the questionnaire as possible;
- questions requiring classified information may also be sensitive and should also be as near as possible to the end of the questionnaire; and
- ensure that the structured answers to a question do not provide respondents with answers to questions lower down in the questionnaire.

In the current study, the researcher first asked the respondents if the business or its employees is/are associated with a motorcycle club. This question aimed to put the respondents at ease and also to determine their involvement with the motorcycle fraternity. All the remaining questions were asked in the same sequence as the literature study, which made data analysis easier. No sensitive or embarrassing questions were asked.

4.4.2 Question content

The next consideration is the question content. Cant et al (2003: 119) provide a list of considerations with regard to the question content and phrasing that have to be considered during the construction of questionnaires. This list includes the following considerations:

- questions must be kept as concise as possible; the fewer the words, the more evident the core of the question;
- if the answer required has to be definite, the question must be definitive;
- questions must be simple;
- leading questions should be avoided;
- only relevant questions should be asked;
- the questionnaire should be as short as possible;
• questions which necessitate reference to files, numerical processing and other forms of additional work for the respondent are to be avoided;
• provision has to be made for all possible answers;
• the respondent should be assisted without suggesting answers;
• the respondent should be assisted in expressing himself by including probe questions in the questionnaire; and
• prestige-loaded questions have to be avoided.

During the construction of the questionnaire the researcher applied the considerations listed above so that the questionnaire could conform to the standard as described by Cant et al (2003: 119).

4.4.3 Question structure

Apart from considerations on the question content, the researcher should also consider the question structure format. Chakrapani (2000: 405) explains that question structure formats and responses in a questionnaire can be either completely structured, partly structured or completely unstructured. Structured questions with structured or unstructured responses are most commonly used in marketing research, as was also the case in the current study. Structured questions with structured or unstructured responses could take the form of close-ended and open-ended questions.

(a) Structured questions with structured responses

Gofton and Ness (1997: 87) elucidate that using structured questions in an interview has the advantage that the interviewer will read the questions aloud in their exact wording and sequence in the questionnaire. Thus, all the respondents are asked the same questions in exactly the same order. In a structured question with structured responses the respondent is given various possible answers and has to choose one or more answer.

Close-ended questions are used to compile structured questions with structured responses. Kotler (2000: 110) spells out that close-ended questions pre-specify all the possible answers.
Since this study was only concerned with qualitative research, no structured responses (close-ended) questions were included in the questionnaire. The researcher believed that these questions would restrict the discussions with the respondents during the interviews.

(b) Structured questions with unstructured responses

Structured questions with unstructured responses can also be read by an interviewer in their exact wording and sequence from the questionnaire, but the responses to these questions are unstructured and would take the respondent more time to respond to than close-ended questions (Martins et al, 1996: 221). All the respondents are asked the same questions in exactly the same order as in the case of structured response questions, but open-ended questions are used to compile structured questions with unstructured responses.

Kotler (2000: 110) clarifies that open-ended questions allow respondents to answer in their own words and often reveal more in their responses, as they are not constrained by pre-set alternatives. Open-ended questions are especially useful in exploratory research where the researcher is looking for insight into how people think rather than in measuring how many people think in a specific way. These questions are also ideal for qualitative research.

Open-ended questions have several advantages and disadvantages and it is up to the researcher to determine a balance between the two. The advantages of open-ended questions are that (Cant et al, 2003: 119):

- they are ideal in situations where all possible answers to a given question are not known;
- the researcher can usually deduce the reason for a particular response;
- they compel the respondent to think; and
- they can be used when there are a number of possible responses to a question.
The disadvantages of open-ended questions are that (Sekaran, 2003: 239):

- they might produce irrelevant information;
- they lengthen the interview; and
- they make processing and interpretation more difficult.

The researcher only used open-ended questions in his questionnaire. There were a total of 34 questions of which the respondents had to indicate whether they agreed or disagreed with particular statements. The respondents were then asked to give their input once they indicated if they agreed or disagreed with each question.

4.4.4 Measurement errors

Another consideration in questionnaire construction is the control and prevention of measurement errors. Measurement errors originate in poorly designed questionnaires, the reluctance or inability of the interviewer to elicit the required information from the respondent, and in the reluctance and inability of the respondent to provide the required information (Cant et al, 2003: 119).

The researcher used the guidelines described in this chapter to ensure that the questionnaire was not poorly designed. As mentioned earlier, the researcher used structured questionnaires during the executive interviews and he completed the questionnaires himself during the interviews. This provided him the opportunity to ensure that there was no reluctance or inability on the part of the respondents to provide the required information.

4.5 SAMPLING

Following the completion of the questionnaire the researcher must select the appropriate sampling method and sample unit. Sampling ensures that a survey does not last too long so that survey costs are kept low. Sampling also prevents data from becoming outdated; however accurate, it may become valueless over a short time in a rapidly changing market situation.
Chakrapani (2000: 161) emphasises that due to cost and time constraints a census, where all the respondents are included for data analysis, is not advisable. Besides the high cost of a census and the relatively long time it takes, a census survey has two further drawbacks. Firstly, its results may possibly be less accurate than those of a sample survey, even allowing for the sample error, as the smaller number of interviewers required in sample surveys can be thoroughly trained and supervised. Samples that represent the population can therefore be used. Also, a census cannot be used when the researcher applies pre- and post-testing.

Due to the small number of motorcycle businesses in the NMMM area, the sample also represents the whole population (census). The sample is discussed in more detail under sample size and sample elements.

Since there were only five respondents the drawbacks of cost, time and accuracy associated with surveying a census were irrelevant due to the small number of respondents. The only drawback was that the researcher was not able to execute pre- and post-testing.

Martins et al (1996: 252) describe five steps that can be employed during sampling. These five steps include the following:

- Step one – Defining the population.
- Step two – Identifying the sample frame.
- Step three – Selecting the sampling method.
- Step four – Determining the sample size.
- Step five – Selecting the sample elements.

These steps are subsequently described.

4.5.1 Defining the population

Wegner (2000: 4) regards a population as the collection of all the observations of a random variable under study and about which one is trying to draw conclusions in practice. A population must be defined in very specific terms to
include only those sampling units with characteristics that are relevant to the problem.

4.5.2 Identify the sample frame

A sample frame is a record of all the sample units available for selection at a given stage in the sampling process. Gofton and Ness (1997: 95) explain that a reliable sample frame should meet several requirements. A sample should:

- represent all the elements of the population;
- contain no duplication of elements; and
- be free from foreign elements.

In this study, the sample also represents the whole population (census). Thus, the sample represents all the elements of the population. Due to the small number of respondents, it was easy for the researcher to prevent duplication and keep the study free from foreign elements.

4.5.3 Selecting the sampling method

The third phase in the sampling process is the selection of the sampling method. Sampling methods may be divided into two broad categories, namely probability and non-probability sampling. A probability sample is one in which every element has a known non-zero probability of being selected. Non-probability samples rely on the judgement of the researcher and are only as representative as the researcher’s luck and skill permit (Martins et al, 1996: 253).

For the purpose of this study the researcher has used only non-probability sampling since there are a few motorcycle businesses in the NMMM area that only sell second-hand motorcycles and seldom stock more than three to five motorcycles on display. These motorcycle businesses do not have a promotional budget and do not engage in any kind of promotional activities.
For this reason the researcher purposefully selected only the larger, more successful motorcycle dealers, which participate in promotional activities. Convenience sampling was thus used to select five respondents who, in the judgement of the researcher, are representative of the typical motorcycle dealer in the NMMM area.

4.5.4 Determining the sample size

According to Leedy and Ormrod (2001: 221) the basic rule for sample size is, the larger the sample, the better. But such a generalised rule is not too helpful to a researcher who has a practical decision to make about a specific research situation. The authors however recommend to survey the entire population if the population is smaller that a 100 respondents.

The researcher therefore surveyed all the possible respondents, since only five motorcycle businesses are located in the NMMM area that fit the criteria. Determining the sample size was thus not applicable to this study.

4.5.5 Selecting the sample elements

Matima (2001: 69) summarises a sample element as the object about which or from which the information is desired. In a research survey, the element is usually the respondent.

Since there were only five possible respondents in the NMMM area, the researcher concluded that the sample size of five (which is the entire population) and the sample elements were similar. The sample elements therefore consisted of five respondents.

4.6 DATA

Leedy and Ormrod (2001: 195) explain that research is a viable approach to a problem only when there is data to support it. Wegner (2000: 12) classifies data in two categories namely, primary and secondary data. Primary data is
captured at the point where it is generated and is captured for the first time with a specific purpose in mind. Secondary data is data that was captured and processed by others for a purpose other than the problem at hand.

Since no previous study was conducted on the promotional activities of motorcycle businesses in the NMMM area, no secondary data was available. For this reason the researcher collected primary data and hence only primary data characteristics, and its advantages and disadvantages, are reviewed below.

4.6.1 Primary data characteristics

Mouton (2001: 100) states that the collection of primary data involves issues concerning technical access (whether the information is in an easily accessible format) and ethical issues (information that is confidential to competitors). If the researcher experiences difficulty to access the data because of any of these issues, it may not be viable to proceed with the primary data collection.

4.6.2 Advantages associated with primary data

Leedy and Ormrod (2001: 95) explain that the researcher’s only perception of truth is various layers of truth-revealing facts. The layer closest to the truth is that of primary data, as this data is often the most valid and most truth manifesting. Besides primary data’s validity and truth manifesting advantages, primary data also has the following advantages (Wegner, 2000: 13):

- being directly relevant to the problem at hand; and
- generally offering the researcher greater control over data accuracy.

4.6.3 Disadvantages associated with primary data

Besides the advantages associated with primary data, there are however some disadvantages to primary data collection. These disadvantages include (Wegner, 2000: 14):
• primary data being time consuming to collect; and
• primary data being generally more expensive to collect compared to secondary data.

Based on the number of motorcycle dealers in the NMMM area and proximity to each, the disadvantages (time and money) associated with primary data collection were of no concern.

4.7 APPROACHES TO DATA ANALYSIS

Irrespective of whether a study generates qualitative or quantitative data, the major task is to find answers to the research questions. To come up with trustworthy answers, the researcher has to treat the data fairly and without bias (Robson, 1997: 372).

Cant et al (2003: 76) describe qualitative research as unstructured, exploratory research, based on small samples that provide insight and understanding of the research problem. Quantitative research seeks to quantify data by applying some form of statistical analysis.

Leedy and Ormrod (2001: 101) agree with Cant et al (2003: 76) that qualitative research is typically used to answer questions about the complex nature of phenomena from the participants' point of view. The qualitative approach is also referred to as the interpretative, constructivist, or postpositivist approach. Qualitative researchers often start with general research questions rather than specific hypotheses, collect an extensive amount of data from a small number of participants, organise such data into some form that gives them coherence, and use descriptions to portray the situation they have studied. A qualitative study is more likely to end with tentative answers about what was observed; in this case the promotional activities of motorcycle businesses.

Quantitative research is used to answer questions about relationships among measured variables with the purpose of explaining, predicting and controlling
phenomena. A quantitative study usually ends with confirmation or disconfirmation of the hypotheses that were tested.

According to Robson (1997: 373), researchers who want to analyse qualitative data in a rigorous and disciplined way should follow the following guidelines.

4.7.1 Analysis of raw data

In the past, qualitative data has been looked down on because it is not concerned with gathering numbers, proportions or percentages. However, qualitative research is becoming more popular due its flexible and adaptable methodology. A qualitative research problem dictates the research methods and permits a high degree of novelty and innovation.

Robson (1997: 384) explains that raw data has to be ordered and interpreted. This process involves the following basic steps:

- preparing research notes from the interview transcripts or structured questionnaire;
- searching for categories and patterns (themes); and
- making conclusions from patterns discovered.

The researcher used a structured questionnaire as a guide for the interviews with the respondents. This enabled him to order the data in a chronological order from the start. It also helped the researcher to search for categories and patterns and ultimately to make conclusions.

4.7.2 Analysis during data collection

Robson (1997: 384) also describes the importance of continued data analysis during data collection as a general approach to qualitative data analysis. The raw data will be primarily in the form of words uttered during observation or interviews (questionnaires) and can reduce the workload during the final process of analysis, if these sources of raw data are being analysed as they are being collected.
The researcher did not interview all the respondents on the same day. This gave him the opportunity to analyse the data gathered continuously. As the interviews were finalised the researcher started to seek for tendencies and promotional shortcomings resulting from the data collected during the interviews.

4.7.3 Analysis on completion of data collection

Finally Robson (1997: 390) elucidates that the drawing of conclusions and verification at the completion of the data collection process is part of the analytical task. Analysis at the completion of the data collection process is essential and will be the most accurate and reliable analysis. The researcher will be able to analyse and formulate conclusions on all the data available (the full picture) and not just pieces of the data as it was gathered and analysed during the data collection process. The researcher applied these analytical techniques and guidelines recommended by Robson (1997: 390) to the data analysis process.

4.7.4 Qualitative data rules

Since this study will be concerned with qualitative data, the suggestions by Chakrapani (2000: 278) on qualitative data rules that can be applied during data analysis, are important:

- analysis of some form should start as soon as the data is collected;
- ensure that tabs are kept on what has been collected (index data);
- generate themes and categories;
- dealing with the data should not be a routine or mechanical task;
- use some form of filing system to sort data; and
- be systematic, organised and persevering.

During qualitative data analysis the researcher adhered to these basic rules to ensure that he could manage the volume of information generated.
4.8 DRAWING CONCLUSIONS FROM QUALITATIVE DATA

Once all the data is analysed and the researcher is familiar with all the qualitative data rules that have to be kept in mind during the analysis process, the researcher can proceed to draw conclusions from the analysed qualitative data. The following list of techniques is recommended by Gofton and Ness (1997: 128), which can be used as a guide to draw conclusions from qualitative data:

- counting, where the data is categorised and measuring the frequency of occurrence of the categories;
- patterning, where noting of recurring patterns or themes are indicated; and
- relating variables, when discovery of the type of relationship (if any) between two or more variables is done.

The researcher used all three of these techniques to make deductions from the generated qualitative data to determine in which promotional activities the motorcycle businesses in the NMNN area participate.

4.9 QUALITY ASSURANCE

When the researcher has decided how to analyse the data and is familiar with the guidelines and tools that were recommended by Robson (1997: 372) the researcher should proceed to review the quality assurance aspects. As a form of quality assurance Mouton (2001: 107) recommends that keeping track of fieldwork is a form of quality control. By keeping a record of the main decisions and events during the fieldwork process, the researcher should construct a historical record of the whole process to which he/she can return later if necessary.

Mouton (2001: 107) also suggests that the researcher includes key decisions and actions during the quality assurance process. These key decisions and actions include the following:
- dates when access was gained to the field;
- dates when interviews were conducted;
- keeping track of the length of interviews;
- information on interviewers;
- keeping track of factors that influence the fieldwork adversely; and
- keeping track of refusal rates, response rates and reasons for refusals to participate.

As a form of quality assurance the researcher kept a record of the main decisions and events during the fieldwork process as recommended by Mouton (2001: 107). Once the appointments were made with the respondents, the dates and names of the motorcycle managers were written on the five questionnaires that were used during the interviews. After the interviews were concluded the researcher indicated the duration of the interviews on the questionnaires.

As mentioned earlier, a copy of the questionnaire (shown in Appendix A) was given to each respondent on Thursday the 12th of June 2003 and appointments were made to interview the respondents.

The first respondent was Trevor Powell from Honda Wing Walmer. This interview was completed on the 25th of June 2003 and was from 09:30 to 10:45. The second respondent was Butch Faifer from Xtreme Yamaha Walmer and was from 11:00 to 11:45. For the convenience of the researcher these two interviews were finalised on the same morning since they are located in the same street.

The third respondent was Sash Pillay from Auto Motorcycles and this interview was completed on the second of July 2003 and was from 08:10 to 09:25. The last two respondents are also located in the same street. The fourth respondent was Ross Guscott from Guscott’s spares and accessories and this interview was completed on the third of July 2003 and was from 10:00 to 10:40. The fifth and last respondent was Brett Chapple from Cyclewerx Motorcycles and this interview was also completed on the third of July 2003 and was from 11:25 to 12:10.
The third respondent, Sash Pillay from Auto Motorcycles rescheduled his appointment twice due to other business obligations. There were no refusals from any of the respondents to participate in the research.

Each question was read out loud by the researcher and the respondents were given the opportunity to respond to the questions and give their own input and perceptions on how they experienced the relevant issue. The researcher also clarified any uncertainties expressed by the respondents and attempted to uncover as much detailed information as possible.

4.9.1 Human analyst deficiencies

Once quality assurance issues as recommended by Mouton (2001: 107) and Robson (1997: 372) are reviewed, the researcher also needs to be aware of the human analyst's deficiencies.

Robson (1997: 375) lists some human analyst's deficiencies that should be taken note of to prevent the researcher from making mistakes. The following are some of the deficiencies of the human analyst:

- data overload;
- giving first impressions priority so that subsequent revision is resisted;
- low information availability gets less attention than that which is easier to obtain;
- internal consistency where there is a tendency to discount the novel and unusual;
- uneven reliability when some sources are more reliable than others tends to be ignored;
- missing information tends to be devalued;
- co-occurrence that tends to be interpreted as strong evidence for correlation; and
- inconsistency when repeated evaluations of the same data tend to differ.

Researchers collecting and analysing qualitative data have to take serious note of the potential for bias in these processes. The problem, which is a central
strength at the same time, is the reliance on the ‘human instruments’. Each qualitative data researcher is a one-person research machine defining the problem, doing the sampling, designing the instruments, collecting the information, reducing the information, analysing it, interpreting it and writing it up. The goal is to demonstrate that the enquiry was carried out in a way that ensures the subject of the enquiry was accurately identified and described.

The researcher took note of and prevented these human analyst deficiencies concerning his study. This enabled the researcher to enhance the quality assurance aspects as discussed above.

4.10 SUMMARY

This chapter explicated the role of methodology, the use of a questionnaire and all the important aspects that should be kept in mind while using this measuring instrument during interviews. The importance of sampling and the types of data were also covered. The final part of this chapter reviewed the analysis of qualitative information, which is important for information quality assurance.

The next chapter describes the findings resulting from the structured in-depth interviews with the motorcycle businesses in the NMMM area. Chapter 5 also describes how the information obtained from the motorcycle businesses was compared to the literature study detailed in chapters 2 and 3.
CHAPTER 5
SYNOPSIS, FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

“To measure is the first step to improve.” Sir William Petty

5.1 INTRODUCTION

Chapter 4 provided an overview of the research design and the methodology followed in the empirical study. The data collection process, data capturing and analysis were also outlined. This chapter begins with a synopsis of the research reported in chapters 1 to 4. Following this the researcher highlights the findings observed from the interviews with the motorcycle businesses in the NMMM area. Recommendations on the promotional shortcomings that were discovered during a comparison between the findings observed and the literature study in chapters 2 and 3 concludes the chapter.

5.2 SYNOPSIS OF THE STUDY

The aim of the research was to investigate the promotional activities employed by the motorcycle businesses in the Nelson Mandela Metropolitan Municipality area.

In Chapter 1 the current situation within the motorcycle industry was described. The problem statement and some of the key concepts were explained. The importance of the research and the reason for the need to investigate the promotional activities of the motorcycle businesses were also described. The prior research concerning promotional activities on motor vehicles, cross promotions and motorcycle promotions were discussed, followed by a summary of the research methodology, key assumptions and outline of the study.

Chapter 2 evaluated the communication process and the development of effective communications. The communication mix variables (advertising, direct
marketing, personal selling, sales promotions and public relations) were described, together with their advantages and disadvantages, implementation and influencing factors.

Chapter 3 contained a theoretical formulation of strategic direction and scope for a business. Following this, the goal, creating the overall message and types of integrated marketing communication strategies were reviewed. Strategies linked to specific promotional tools and the role of market research in setting promotional strategy was also investigated. The above strategies were reviewed with the aim of applying them to motorcycle businesses in the NMMM area.

Chapter 4 described the research design and the methodology followed in the empirical study. The data collection instrument and its application were also addressed. The final part of chapter 4 recapitulated the shortcomings and problems experienced during the research process.

Chapter 5 now focuses on the findings, conclusions and recommendations resulted from the study. Nine broad topics are addressed, namely: communications, advertising, direct marketing, personal selling, sales promotions, public relations, optimum communication mix, integrated marketing communication strategy and market research.

5.3 COMMUNICATIONS

As mentioned in chapter 4, the first question of the questionnaire was used to put the respondents at ease and to motivate them to react to the succeeding questions without suspicion. However, this question had a dual purpose for the researcher. The researcher used this question to determine which motorcycle businesses utilise the motorcycle fraternity as part of their communication process as described in chapter 2. Further questions dealing with communications sought to determine whether the businesses communicate with their target audiences, which communication channels they use, and if they have a promotional budget.
Four of the five respondents are members of the Club Leaders Association (CLA). This association consists of six bodies that meet regularly to discuss matters, such as upcoming events, banning of hooligans from rallies to protect the image of motorcycle riders and any matter of mutual interest.

All five of the respondents verified that they consciously communicate with their target audiences. They use advertising, electronic media, trade shows, magazines, sponsors and word of mouth as means of communication. Two of the respondents use both personal (word of mouth and electronic media) and non-personal communication channels (media, trade shows and events), while the other three only use personal communications. These respondents use only personal communication channels due to financial constraints. Personal communication channels can however, be improved by using influential individuals. South African National Superbikes riders such as Russell Wood (Yamaha), Trevor Crookes (Ducati), Shaun Whyte (Kawasaki) and Arushen Moodley (Honda) can vouch for these various motorcycles. These influential individuals can describe the benefits and reliability of the motorcycles they ride remorselessly on a daily basis. In this way potential customers could be influenced to purchase these motorcycles.

Four of the five respondents do not have a promotional budget, but would make funds available for this purpose when necessary. The fifth respondent, from Honda Wing Walmer, pointed out that all advertising campaigns are handled by Honda head office. Each Honda dealer pays a portion of the advertising expenses. The head office does consult with the Honda dealers nationally regarding how much they can afford. Beside these fixed promotion expenses, Honda Wing Walmer only promotes when economically viable.

Communication by the dealers can be improved by applying a model (such as that discussed in chapter 2) during the CLA meetings. Feedback can be obtained from the same association to determine whether motorcycle businesses should proceed with promotional activities (events and rallies) based on the responses from the motorcycle fraternity. This will be a good indication to the motorcycle businesses of the likely success of such activities, and will thus help to prevent fruitless capital outlay. To successfully utilise this
opportunity, motorcycle businesses should encode their messages in a way that the target audience usually decodes messages. This implies that the motorcycle businesses and fraternity should have the same understanding of what is planned.

It was clear from the interviews with the five respondents that none of them utilise Kotler’s proposed eight steps to develop effective communications. As was stressed in chapter 2, motorcycle businesses should have a clear target audience in mind and concentrate on product emphasis and image during promotional activities.

Product emphasis can be achieved by highlighting the latest technology used in motorcycles, which is developed from Grand Prix racing. Since motor vehicles are the primary competitor to motorcycles, product emphasis can be used in various ways.

Value for money when having to choose between a motor vehicle and motorcycle can be explained to potential customers. An example of this is the fact that a 1000cc Suzuki, Yamaha, Kawasaki and Honda motorcycle cost between R 107 000,00 and R 126 000,00, but are capable of speeds in excess of 280 km/h and can reach 100km/h in less than three seconds. Motor vehicles in this price range are only capable of 180 km/h and can only reach 100km/h in over 11 seconds. These product factors could be used during promotional activities directed at the niche market interested in high performance vehicles.

Product emphasis should also include other market segments. For the less adventurous market segment, the product features associated with the sport touring motorcycles could be stressed. These features allow riders to conquer vast distances with the greatest of ease and comfort. A cruiser motorcycle offers a more relaxed approach to motorcycle riding without sacrificing distinctive character, while a trail bike is perfect for the market segment that wishes to ride on gravel roads and farms.

The image of motorcycles should also be addressed during target audience identification. As mentioned in chapter 1, the poor behaviour of some
motorcycle riders and the forming of vandalistic and criminal gangs and high speed road deaths impacted negatively on the image of motorcycles.

Providing proper training for motorcycle riders and involving the motorcycle fraternity in charity events like the “Toy run” could combat this image. Hooligans and reckless riders should be banned from all rallies to prevent negative stigmas still attached to motorcycle riding by some people.

During promotional activities it is also important for the motorcycle businesses to determine the communication objective and to design an effective message. The communication objective can be to inform, remind, persuade or educate the current and potential customers.

All the respondents felt that promotions could improve sales and the image of motorcycles. However, when allocating their budgets and cash flows, promotion expenditures are very low on their list of priorities. It was mentioned in chapter 2 that decisions on how much to spend on promotions is extremely difficult. It is the opinion of the researcher that due to the small number of staff running these businesses, the main problem is not a shortage of funds but the lack of planning. For this reason it is recommended that these businesses implement the objective-and-task budgeting method. This method has the advantage of requiring management to spell out its assumptions about the relationship among money spent, exposure levels, trial rates, and regular usage. It also forces management to plan communication campaigns accurately and in more detail to substantiate budget requirements.

5.4 ADVERTISING

Respondents were asked if they consider funds available before selecting an advertising media type and whether they consider the relationship between the cost of the advertising medium and the size of the audience. They also had to indicate which advertising media types they use during promotional activities as well as what their advertising strategy is.
Three of the respondents do consider funds available and the relationship between the cost of advertising and the size of the audience, before they advertise. Two respondents do not advertise.

It is important that motorcycle businesses consider the cost of advertising in relation to available funds. Advertising might be a current expense, but can become an intangible asset, particularly where dealers have small budgets and cash flow problems, and wish to get the best return for the advertising expenditure.

Various advertising media types are used during promotional activities, such as those shown in table 5.1.

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Advertising media types</th>
</tr>
</thead>
<tbody>
<tr>
<td>Honda Wing Walmer</td>
<td>Electronic media, magazines and newspapers</td>
</tr>
<tr>
<td>Auto Motorcycles</td>
<td>Electronic media, outdoor and banner, radio, magazines and newspapers</td>
</tr>
<tr>
<td>Xtreme Yamaha</td>
<td>Magazines and newspapers</td>
</tr>
<tr>
<td>Guscott’s</td>
<td>Sponsorships and newspapers</td>
</tr>
<tr>
<td>Cyclewerx</td>
<td>None</td>
</tr>
</tbody>
</table>

Only three of the five respondents indicated that they do have an advertising strategy. The following comments by these three respondents are noteworthy:

- *To bring about awareness*

- *To remind customers*
To get new leads for sales

To create awareness through sponsorships

It can be seen from table 5.1 that none of the respondents utilises television as an advertising media type. It is also not recommended since television advertising can be costly and also reaches a majority of potential customers who are geographically located outside the NMMM area.

Only one respondent uses outdoor and banner advertising. Outdoor advertising reaches a large percentage of the population and also allows flexibility in geographical coverage and intensity of market coverage within an area. For this reason, it is recommended that more motorcycle businesses should explore this option since it is ideal for the advertising of motorcycles. The cost of this advertising medium is also lower than that of television and radio.

Two respondents use electronic media as an advertising medium. In chapter 2, electronic media was discussed as part of direct marketing. For this reason, electronic media recommendations will be made under direct marketing.

Only one of the five respondents utilises radio as an advertising medium. It is the researcher’s opinion that more motorcycle businesses could utilise this medium, especially on local radio stations. The literature study indicates that radio continues to be the most important communication medium in Africa. The cost of radio is also lower than television and print advertising due to its broader reach. Motorcycle businesses should do market research to determine the level of utilisation of this medium by their potential customers. Since radio advertisements should catch the listeners’ attention and audience attention is often at a low level, frequency levels should be raised to attract attention.

Magazine advertisements are used as an advertising medium by three of the five respondents. This is a perfect medium if a premium quality printing with colour is desired when targeting a specific niche market. Magazine advertisements should be placed in special interest magazines such as
Superbike, Topbike and Bike SA. The problem with this advertising medium for motorcycle businesses in the NMMM area is that all these magazines are nationally distributed within South Africa. Although the cost per reader is said to be relatively low, this medium will also reach readers who cannot act on the advertisement, and not only those within the NMMM area.

Using magazine advertisements on a large scale is therefore not generally recommended for the businesses under review. However, the cost per reader can be kept relatively low during corporate advertising campaigns, which are carried out by national headquarters and where only a fraction of the expenses need to be paid by individual businesses. The advantage of corporate advertising campaigns is that motorcycle businesses in the NMNNM area can possibly attract national customers if they can provide more competitive prices.

Four of the five respondents make use of newspapers as an advertising medium. The researcher recommends that these motorcycle businesses continue utilising this advertising medium as newspapers are flexible and timely and can vary in size from classifieds to multiple pages. Pages can also be added or dropped, which means that there are no time constraints to newspapers. As newspapers can also be used to cover a particular geographic area, the cost per customer reached is relatively low. The only disadvantage of newspapers is that their life span is very short and they are often discarded shortly after being read. However, the advantages of newspapers still outweigh its disadvantages and motorcycle businesses should consider using this medium on a regular basis.

None of the respondents have considered other print media as an advertising option. The researcher recommends that the motorcycle businesses should consider making use of monthly newsletters that are distributed to current customers who are listed on their database. Brochures can also be distributed to the motorcycle fraternity as well as motorcycle riders who are currently in possession of older model motorcycles. These brochures could contain information about various motorcycle- and motorcycle accessories promotions. The latest motorcycle models available can also be displayed on these brochures to persuade current motorcycle riders to upgrade to newer models.
This way potential customers could be made aware of various promotions without having to visit the motorcycle businesses.

5.5 DIRECT MARKETING

The respondents were asked if they make use of direct marketing and what it includes, whether they keep a database of customer information and if they have a direct marketing strategy. Only two of the five respondents indicated that they make use of direct marketing. They do so by means of Internet marketing, SMS (telemarketing), and telephone (telemarketing).

The other businesses could easily make use of direct marketing by phoning or contacting customers via SMS to share with them any information the motorcycle businesses wishes to share. This is a personal and direct means of low cost communication with potential customers, which motorcycle businesses could use to keep the cost of promotional activities low.

The motorcycle businesses could also make more use of the Internet. Many advantages exist for Web advertising. These advantages include the facts that Web advertising can be interactive and that it can be used to build up the motorcycle business’ customer database. Potential customers also have the opportunity to provide feedback, which results in two-way communication. The feedback can take the form of queries concerning motorcycles, requests for salesperson visits, or any general queries. This advertising medium can also be used to target a more executive niche market due to the strong correlation between Internet access and personal income.

Digital marketing can also be used for customer retention strategies by means of loyalty clubs and special offers. This promotion variable is very effective, especially for people who are short on time and need quick information. Motorcycle brands are usually targeted at specific people and direct marketing can play an important role for the motorcycle businesses in the NMMM area.
Direct marketing is an excellent promotional variable to be utilised for customer acquisition, retention, cross-selling and branding. It is recommended that these motorcycle businesses explore the option of designing an Internet Web page to improve promotional activities.

Three of the five respondents keep a database of customer information as indicated in Table 5.2 while the other two respondents do not.

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Database</th>
</tr>
</thead>
<tbody>
<tr>
<td>Honda Wing Walmer</td>
<td>On computer file; Use questionnaires at functions to update database</td>
</tr>
<tr>
<td>Xtreme Yamaha</td>
<td>On file; Invoices of motorcycles and accessories sold</td>
</tr>
<tr>
<td>Auto Motorcycles</td>
<td>On file; Invoices of motorcycles and accessories sold</td>
</tr>
</tbody>
</table>

The motorcycle business’ database can be used to send direct mail to current customers. This should limit wasted circulation. The only disadvantage is that the cost per person reached is fairly high compared to other media.

It is recommended that all the motorcycle businesses keep a database of customer information and update it regularly. The database can contain the names and detail of all the customers in the NMMM area who have purchased a motorcycle or accessories from the motorcycle businesses. People visiting the motorcycle businesses without purchasing any goods can be asked to complete a standard questionnaire. These people usually have a passion for motorcycles even if they do not possess one. Their personal information can also be entered into the database so that the businesses can attempt to turn them into customers during future promotions.

Database information can be invaluable during direct marketing. Direct marketing can have a greater effect if previous customers and interested people listed on the database are targeted first. Other potential customers, who have
never been inside the motorcycle business, can be considered second priority
during direct marketing promotions. By doing this, old customers can be
retained and new customers can be acquired.

Only three of the five respondents have a direct marketing strategy. They made
the following comments with regard to direct marketing strategies:

- To maintain a data warehouse to e-mail and SMS potential customers.

- Customers are asked which motorcycles they are looking for. When such a
  motorcycle is located, the customer is telephoned to come and view the
  motorcycle.

Digital direct marketing is an important part of any motorcycle business’ direct
marketing strategy. The motorcycle businesses can apply a six-step process
(such as that discussed in chapter 3) to develop and improve their direct
marketing strategy. This includes clarification of business objectives, assessing
the capability of the market, capturing the customer’s attention, implementing
the strategic plan, integrating digital tools, and combining traditional and digital
marketing. It is also important for the motorcycle businesses to constantly
review and update their digital marketing strategy.

5.6 PERSONAL SELLING

The five respondents were asked if they make use of personal selling during
promotional activities and whether they have a personal selling strategy.

All five respondents make use of personal selling during promotional activities.
Three of the five respondents make use of personal confrontation only, while
the other two use personal confrontation and response.

Personal selling is vital for the motorcycle businesses in the NMMM area in
order to promote motorcycles. A motorcycle is an expensive item to purchase
and the customer thinks carefully before entering into a purchase agreement.
Sales staff must be properly trained to provide all the required information and finance options available immediately to the potential customer regarding the motorcycles on display.

All the motorcycles should be visible from the street. This should tempt potential customers to enter the business premises so that the sales personnel can approach them. This way personal selling can be applied more regularly. Sales personnel can then apply personal confrontation, cultivation and response. The motorcycles can also be displayed on the showroom floor according to utility purpose (off road, racing, supersport, touring or exotic). This should enable the sales personnel to determine which motorcycle the potential customers are interested in before they are approached.

The sales personnel can also explain the speed, price and power-to-weight comparisons between motor vehicles and motorcycles. Only a motor vehicle in excess of R 2 000 000,00 will be able to produce the same kind of performance as a R 100 000,00 motorcycle.

Other advantages can also be explained to potential customers. These advantages include low petrol usage compared to a motor vehicle, traffic ease during civic usage, all the social events and the motorcycle fraternity. Sales personnel can also explain that some people, who are already in possession of a family motor vehicle, prefer motorcycles as a second vehicle to commute to work. The advantage of this is that a motorcycle can fit into a single garage with a motor vehicle.

With the assistance of the sales personnel, the potential customer can be helped to sit on the motorcycle that suits his/her requirements. This way the customer can feel the comfort, height and rider position of the motorcycle. If the customer is comfortable with the motorcycle, a test ride can be arranged. By doing this the customer will be more motivated and enthusiastic to purchase the motorcycle.

Some potential customers do not know how to ride motorcycles and are not in possession of a valid driver’s licence. To overcome this problem motorcycle
businesses can provide assistance to customers entering into a purchase agreement to obtain a learner’s license and pay for the customer to attend a motorcyclist course. The sales personnel can use this customer assistance programme to persuade potential customers to purchase a motorcycle.

Only three of the five respondents have a personal selling strategy. The following comments with regard to personal selling strategies are noteworthy:

- **Targets:** to sell 8+ motorcycles per month.
- **Training:** sales personnel must know all the details of every motorcycle.
- **Recruitment:** recruit new salespeople when required.
- **Incentive:** sales personnel receive 2% commission on sales and basic salary.

The other two respondents without a personal selling strategy should establish one. The motorcycle businesses can combine personal selling with direct marketing whereby potential customers are asked by mail, telephone, SMS or E-mail to come and view new motorcycle models. This way personal selling can be applied when the potential customers are on the premises.

### 5.7 SALES PROMOTIONS

The respondents were asked if they make use of sales promotions, participate in trade shows and if they have a sales promotion strategy. All the respondents specified that they make use of sales promotions. It was clear from the interviews that the utilisation of sales promotions is more comprehensive than the other four promotion variables. Table 5.3 displays the various sales promotions tools that the motorcycle businesses utilise.
Table 5.3
Respondents’ sales promotion utilisation

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Sales promotions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Honda Wing Walmer</td>
<td>Cash refund offers, price pack, prizes, free trials, tie-in promotions and cross-promotions</td>
</tr>
<tr>
<td>Auto Motorcycles</td>
<td>Vouchers, discounts, free trials, product warranties and cross-promotions</td>
</tr>
<tr>
<td>Xtreme Yamaha</td>
<td>Free trials and tie-in promotions</td>
</tr>
<tr>
<td>Guscott’s</td>
<td>Prizes, free trials, product warranties and cross-promotions</td>
</tr>
<tr>
<td>Cyclewerx</td>
<td>Product warranties and cross-promotions</td>
</tr>
</tbody>
</table>

It is recommended that the respondents also include patronage awards and speciality advertising during sales promotion efforts as recommended by the literature. Patronage awards can be awarded to regular customers by means of electronic swipe cards. By doing this, customers will be encouraged to purchase from the motorcycle businesses. This might also encourage them to purchase non-specific maintenance consumables (oil, spark plugs, tyres, batteries and cleaning material) at the motorcycle businesses. In return, customers can be awarded with free goods according to their patronage points accumulated.

Speciality advertising can be achieved by printing the name of the motorcycle business on T-shirts, or even the motorcycle brand logo in which the motorcycle business specialises. The name of the business can be placed on helmets and motorcycles by means of small stickers. Key rings can also be manufactured with the name and telephone number of the motorcycle business.

Only two of the respondents (Auto Motorcycles and Honda Walmer Wing) participate in trade shows. These two respondents participate in the Dolphin, Lions, Coastal, South Riot, Buffalo and Rats Rallies. They also change tyres for the motorcycle riders free of charge during these rallies.
The literature in chapter 2 describes trade shows as an important part of sales promotions. It is recommended that all the motorcycle businesses participate in trade shows. Most of the sales promotion tools described in chapter 2 can be used at trade shows to gather information on current and potential customers and to build a relationship with the trade press. Trade shows can also be used in support of an advertising campaign to create a synergy.

The following comments regarding their objectives during trade shows are noteworthy:

- To expand our customer base and increase sales.
- To attract new and more customers.
- To make potential customers aware of, and interested in, the motorcycle industry.
- To make potential customers aware of, and interested in, our business.

Only two of the five respondents have a sales promotion strategy. The motorcycle businesses currently under-utilise the sales promotion opportunities at trade shows. Trade shows should be used to identify new customers, introduce new motorcycle models, and enhance the image of motorcycles with customers, the transport industry and press. Thus, trade shows can become a major part of the motorcycle businesses’ sales promotion strategy.

5.8 PUBLIC RELATIONS

The respondents were asked if they make use of public relations and whether they have a public relations strategy.

Only one respondent (Honda Walmer Wing) indicated that they make use of public relations. This includes writing various newspaper articles about motorcycle events in the NMMM area and supporting and sponsoring some
charity events. These charity events include the “Toy run”, where motorcycle riders donate toys to homeless children as Christmas presents.

It is recommended that the motorcycle businesses use public relations more frequently to their advantage. They can publish articles to inform the public about the latest safety gear available for motorcyclists, how to handle emergency situations and how to safely ride a motorcycle with a pillion. The articles can be aimed at combating the negative image concerning the safety issues of motorcycle riding. The public can also be informed about rallies, mass riders and breakfast runs to make them aware of the motorcycle fraternity and motorcycle lifestyle. Local racing in Port Elizabeth at Aldo Scribante raceway can also be announced and a certain number of free tickets could be given away by the motorcycle businesses.

Public relations can also be used to assist in the launch of new products, build interest in motorcycles, influence niche markets and in building a better image for motorcycles. Honda Walmer Wing’s public relations objective is to improve sales and the image of motorcycles. This is also the only respondent with a public relations strategy.

It is recommended that the four other respondents also start to develop a public relations strategy to reap the benefits from this important promotion variable. Public relations can be used to create or sustain a desirable image that the motorcycle businesses wish to portray to the public. Public relations can be an integral element of the motorcycle business’ overall marketing strategy.

5.9 OPTIMUM COMMUNICATION MIX

The respondents were asked if they distinguish between consumer and business markets, use pull strategies, consider the life cycle of motorcycles and if they only advertise in the NMMM area.

Only one respondent (Honda Walmer Wing) currently distinguishes between consumer and business markets. With consumer markets, Honda Walmer
Wing concentrates on advertisement, direct marketing, sales promotions and personal selling. The consumer market is more interested in large capacity engine superbikes. Business markets demand smaller capacity engine motorcycles for civic transport and deliveries. In this market personal selling, advertising and sales promotions are used.

According to chapter 2, personal selling can be used more heavily with complex, expensive goods such as motorcycles. It is recommended that personal selling be used in combination with direct marketing by the motorcycle businesses’ sales personnel to improve their consumer and business markets.

Four of the five respondents make use of pull strategies. All promotions are aimed at the consumer. Since all motorcycles are manufactured overseas and imported to South Africa it will be better to “pull” the product through the distribution channel. For this reason the motorcycle businesses should concentrate on promotions. A pull strategy is appropriate for motorcycles since there is a high brand loyalty and potential customers choose the brand of motorcycle before they go to the motorcycle business. It is recommended that a pull strategy be retained by the motorcycle businesses.

Only two of the five respondents consider the life cycle of motorcycles. With new models they use informative advertising and reminder advertising is used for mature models. It is recommended that the other three respondents also consider the product life cycle of the motorcycles they sell to achieve the desired effect.

The four respondents that advertise, only advertise in the NMMM area. One of the four respondents gets national exposure. With corporate advertising campaigns, Honda Wing Walmer get national exposure, but that is not the main objective of the advertisements. This study is concerned with promotional activities in the NMMM area and the researcher regards promotions outside this area as fruitless expenditure. It is therefore recommended that the motorcycle businesses under study continue to promote motorcycles only in the NMMM area.
The respondents were asked what their vision and mission is, if promotional messages are planned and delivered in isolation of each other and if they make use of customer acquisition and retention strategies. All the respondents have a vision and mission. They also believe that promotions can improve the image and sales of motorcycles in the NMMM area. The vision and mission of the motorcycle businesses are presented in table 5.4.

### Table 5.4
Respondents’ vision and mission

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Vision</th>
<th>Mission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Honda Wing Walmer</td>
<td>To be the best Honda dealer in SA.</td>
<td>To render excellent service and improve customer satisfaction.</td>
</tr>
<tr>
<td>Auto Motorcycles</td>
<td>To be in the motorcycle business over the long term.</td>
<td>To improve sales and the use of motorcycles.</td>
</tr>
<tr>
<td>Xtreme Yamaha</td>
<td>To be the best motorcycle dealer in Port Elizabeth.</td>
<td>To sell as many motorcycles as possible.</td>
</tr>
<tr>
<td>Guscott’s</td>
<td>To be the best off-road motorcycle sales business.</td>
<td>To deliver customer excellence.</td>
</tr>
<tr>
<td>Cyclewerx</td>
<td>To be the best second-hand motorcycle business in Port Elizabeth.</td>
<td>To sell good quality second-hand motorcycles.</td>
</tr>
</tbody>
</table>

Only two of five respondents indicated that they have a specific strategy to improve the image of motorcycles and motorcycling. However, all five of the respondents indicated that they believe that promotions will improve the image and sales of motorcycles. Still, three of the five motorcycle businesses have no strategy to improve the image of motorcycles and motorcycle riding. The following comments with regard to the two respondents’ specific strategy to improve the image of motorcycles and motorcycling are noteworthy:
To portray an upmarket image and try to appeal to the upmarket customer.

To create awareness so that motorcycles are used every day. This will also create more sales.

All five of the respondents deliver and plan promotional messages in isolation of each other. The motorcycle businesses will benefit from integrated marketing communications (IMC). As suggested by the literature in chapter 3, with IMC each market communication attempt is designed to support the same overall goal. If promotional messages are planned and delivered in isolation of each other as in the case with all five the respondents, it might be possible that they support different goals.

It is recommended that the motorcycle businesses change from the way they currently plan and deliver promotional messages through an integrated approach. The motorcycle businesses should therefore replace their current fragmented advertising, direct marketing, personal selling, sales promotions and public relations with IMC strategies. Whereas fragmented communication messages have various objectives, IMC will assist the motorcycle businesses to formulate clear-cut objectives and sharp focus on their target customers. To achieve this it will be vital that all messages delivered by all the media should display the same or supportive theme. Co-ordination of the IMC message will result in communication productivity in reaching the designated target markets, helping the motorcycle businesses to make the most of their limited funds.

None of the respondents make use of customer acquisition strategies. The researcher views the absence of customer acquisition strategies by the five respondents as a lack in the motorcycle businesses’ integrated marketing communication strategy. The motorcycle businesses should try to make communication easy for the customer to support the customer acquisition communication strategy. Providing customers with a 0800-telephone number or a World Wide Web page to contact the particular motorcycle business can support this aim. The easier it is for the customer to communicate with the motorcycle business, the more likely the possibility that the customer will utilise
the service available to enquire, order or purchase motorcycles from the motorcycle businesses.

An ideal way to achieve this is to make use of available technology such as the Internet, Web pages, electronic mail, cellular phone short message service and digital videodisks. These costs might initially be high, but costs should eventually decline as online businesses become more recognised by customers. Online customer acquisition can also enable the motorcycle businesses to keep record of customer acquisition costs with greater ease.

Only two of the five respondents make use of customer retention strategies. The researcher also feels that customer retention strategies are a shortcoming in the motorcycle businesses’ integrated marketing communication strategy. The motorcycle businesses can try to communicate proactively with their current customers, making it easy for them to reply to proactive communication, and make it easy for the motorcycle business to react to a customer’s response. The motorcycle businesses can follow-up with customers to determine whether they are satisfied with their motorcycle. The motorcycle businesses can also inform the customers about the motorcycle businesses’ service capabilities.

The motorcycle businesses can try to convince their customers to indicate their preferences to the business. This way the motorcycle businesses will be able to customise their marketing to fulfil the customer’s exact needs. In order to retain customers, it will also be vital for the motorcycle businesses to compile a data warehouse during direct marketing efforts. As mentioned earlier, only three of the five respondents keep a customer data warehouse. This area needs to be improved if all the motorcycle businesses wish to maintain an effective customer retention strategy.
5.11 MARKET RESEARCH

The respondents were asked if they do market research. All five the respondents indicated that they do not undertake any market research in the NMMM area.

Market research can provide the necessary information to the motorcycle businesses about the current market situation in which they operate. Market research should become part of the culture of motorcycle businesses in the NMMM area. This approach can help the motorcycle businesses to discover market opportunities, which can be used to their advantage and strategy formulation. Market research will also enable the motorcycle businesses to customise their product offering, advertising and sell more motorcycles based on the market shortcomings discovered during their market research.

5.12 FURTHER RESEARCH

Further research is recommended to determine the results of the recommendations made in this chapter, once they are implemented. This research can be used to determine to what extent the proposals made, can make potential customers aware of the motorcycle businesses in the NMMM area and enhance their support.

The promotional budgets of the motorcycle businesses can also be compared to their sales figures to determine the advantages gained from improved promotional activities. The distribution channels can be investigated to enable motorcycle businesses to acquire motorcycles at a lower cost. The sales management teams of the motorcycle businesses can be looked into to determine the effect of these teams on the sales of motorcycles. The three other variables from the marketing mix (product, price and place) can also be investigated to determine the effect on motorcycles in the NMMM area.
REFERENCE LIST


Lewis, B. 1997. Quality and service are vital to your company, but they are no longer enough. *InfoWorld*, Vol. 19 (31), 93.


ANNEXURE A

QUESTIONNAIRE TO BE USED AS AN INTERVIEW GUIDE

1. Is your business or its employees associated with a motorcycle club? If yes, which one?

2. Does your business have a vision? If yes, what is the vision?

3. Does your business have a mission? If yes, what is the mission?

4. What do you believe can promotions do for your business?

5. Does your business communicate with its target audience? If so, how?

6. Which personal and non-personal communication channels does your business use?

7. Does your business have a promotional budget? If yes, how is it determined?

Advertising

8. Does your business consider funds available before selecting an advertising media type? How?
9. Does your business consider the relationship between the cost of the advertising medium and the size of the audience?

10. Does your business use advertising media types during promotional activities? If yes, which ones?

Direct Marketing

11. Does your business make use of direct marketing? If yes, what does it include?

12. Does your business keep a database of customer information? If yes, how?

Personal Selling

13. Does your business make use of personal selling? If yes, what does it include?

Sales Promotions

14. Does your business make use of sales promotions? If yes, what does it include?
15. Does your business participate in trade shows (Rallies)? If yes, which ones?

YES NO

16. Does your business strive to achieve various objectives during trade shows (Rallies)? If yes, what are these objectives?

YES NO

17. Does your business display new motorcycles models at trade shows (Rallies)? If yes, how?

YES NO

Public Relations (PR)

18. Does your business make use of public relations? If yes, how?

YES NO

19. Does your business strive to achieve various objectives during public relations efforts? If yes, what are these objectives?

YES NO

Optimum communication mix

20. Does your business distinguish between consumer and business markets during promotions? If yes, how?

YES NO
21. Does your business make use of pull strategies? If yes, how?

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
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</table>

22. Does your business consider the motorcycle life cycle during promotional efforts? If yes, how?

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

23. Our business advertises only in the NMMM area. If yes, why?

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

**Strategy**

24. Does your business have a specific strategy to improve the image of motorcycles and motorcycling? If yes, what is this strategy?

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

25. Does your business’ strategy support the overall business goal? If yes, what is it?

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

26. Does your business deliver and plan promotional messages in isolation of each other? If yes, how?

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

27. Does your business employ customer acquisition strategies? If yes, how is this done?

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

28. Does your business make use of customer retention strategies? If yes, how is this done?

| YES | NO |
29. Does your business have an advertising strategy? If yes, what is this strategy?

30. Does your business have a direct marketing strategy? If yes, what is this strategy?

31. Does your business have a personal selling strategy? If yes, what is this strategy?

32. Does your business have a sales promotion strategy? If yes, what is this strategy?

33. Does your business have a public relations strategy? If yes, what is this strategy?

34. Does your business do market research? If yes, what does this include?