

**AN ASSESSMENT OF THE NATURE AND IMPLEMENTATION OF  
MARKETING STRATEGIES OF SELECTED EASTERN CAPE NON-  
GOVERNMENT ORGANISATIONS**

**By**

**Ncumisa Madinda**

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Business Administration in the Faculty of Business and Economic Sciences at the Nelson  
Mandela Metropolitan University

Research supervisor: Dr. John M. Burger

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Port Elizabeth

## **DECLARATION BY CANDIDATE**

**NAME:** NCUMISA MADINDA

**STUDENT NUMBER:** 200335243

**QUALIFICATION:** MASTERS IN BUSINESS ADMINISTRATION

**TITLE OF PROJECT:** AN ASSESSMENT OF THE NATURE AND  
IMPLEMENTATION OF MARKETING STRATEGIES  
OF SELECTED EASTERN CAPE NONGOVERNMENT  
ORGANISATIONS

### **DECLARATION:**

In accordance with Rule G4.6.3, I hereby declare that the above-mentioned treatise is my own work and that it has not previously been submitted for assessment to another university or for another qualification.

**SIGNATURE:** .....

**DATE:** .....

## **ABSTRACT**

This dissertation is an assessment of the nature and implementation of marketing strategies of selected Eastern Cape non-government organisations.

Poverty alleviation and service delivery remain the major focus of the South African government, after nineteen years of democracy (post-apartheid era). One of the civil societies that is key in working with the government in alleviating poverty and looking after the interests of the poor and marginalised individuals within the society is non-government organisations (NGOs). NGOs are organisations that are voluntary, independent, not-for-profit, and not self-serving in aims and related values.

In August 1995, NGOs moved very quickly to establish the South African NGO Coalition (Sangoco). This was as a result of the Non-Profit Organisations Act 1997. Government reorganised the political environment for NGOs. They were provided with access to the fourth chamber of the National Economic Labour and Development Council, - the country's premier corporatist-style consensus-building agency, - on condition that such representation occurs through a single body. Sangoco now serves as a representative umbrella body for approximately 6,000 affiliated NGOs. Sangoco's primary role is that of advancing the interests of the poor. It is also concerned with developing an enabling environment for the NGO sector and providing an arena for mutual monitoring.

Even though the Non-Profit Organisations Act opened the doors for NGOs to raise funds freely and also obtain allowances from the government, the bureaucratisation and commercialisation of NGOs made it almost impossible to access these funds, hence, most NGOs today are closing down.

A literature review was conducted to determine what theory reveals about strategic marketing for profit organisations. Furthermore, how the marketing principles that are used in businesses can be implemented to ensure sustainability of non-profit organisations.

The empirical study was conducted through questionnaires and interviews with the management of the NGOs. In Chapter 4 of this study findings are presented and in Chapter 5 recommendations are made. Further studies can be conducted to determine some of the

areas that the NGOs can improve on, in order to run an effective and efficient non-profit organization.

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## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 BACKGROUND**

Poverty alleviation and service delivery remain the major focus of the South African government, after nineteen years of democracy (post-apartheid era). One of the civil societies that is key in working with the government in alleviating poverty and looking after the interests of the poor and marginalised individuals within the society is non-government organisations (NGOs). Non-government organisations, by virtue of the name given to them, and their agendas are not controlled by the state. NGOs are organisations that are voluntary, independent, not-for-profit, and not self-serving in aims and related values (Spooner, 2004:19).

In a broadest sense, NGOs variously educate, research, publish, manufacture, lobby, mobilise, protest and agitate on as broad a range of issues as there are in society. They are the backbone of civil society and an essential pillar of plural democracy. Moreover, NGOs can and do play a unique role in public policy conceptualisation, formulation and implementation (Hughes, 2005:1).

Habib and Taylor (1999) indicate that at all levels the relations between the South African state and the NGO sector have changed dramatically in the past three decades. Prior to the 1980s, the political and legal system was only supportive of NGOs directed to serving the white community and the racial order. By contrast, NGOs critical of apartheid, of which there were only a handful, were subjected to continuous harassment and "banning". This political environment was transformed with the liberalisation of the South African polity and economy in the early 1980s. Although not supportive of anti-apartheid NGOs, the P. W. Botha regime allowed many to emerge, organise, and serve the disenfranchised and marginalised majority of the black population. This newly liberalised political environment and the influx of funds, especially from Scandinavian countries, the European Union and U.S. foundations encouraged a proliferation of anti-apartheid NGOs during the 1980s. The uniqueness of the South African situation under apartheid was that foreign funding was channelled directly to NGOs rather than being channelled through government. Generally, the result was a massive growth in the NGO sector to the point where, by 1990, it was

estimated that there were some 5,000 NGOs pursuing developmental work in the country (Bernstein, 1994, cited in Habib & Taylor, 1994). It was in this context that most NGOs emerged, being created and run by professional people aligned to the anti-apartheid cause and concerned about giving assistance and support to the struggle.

After the democratisation of South Africa, both NGOs and the state changed their focus to that of development. This is evident through programmes that were implemented by government such as the Reconstruction and Development Programme (RDP). In a state like South Africa that had suffered many hardships under apartheid or any African state that experienced colonialism at its core, development becomes crucial in moving forward as a nation. According to Yap (1990:77), development is about change, about how people think things should be. Not surprisingly, it has been defined in many different ways: industrialisation, economic growth, empowerment, freedom of choice, and the meeting of basic needs. The non-governmental movement has responded to these different models of development. Some NGOs implement economic development projects; others mobilise and organise opposition to them. Some monitor the social impact of resource development initiatives; others monitor their environmental impact. There are NGOs which define their mandate as helping to remove the stumbling blocks to development. Some pursue this objective through the delivery of relief and social welfare services. Others do it by helping to organise communities or sectors.

Therefore, according to Yap (1990:77), there are four general categories of NGOs. These are: developmental NGOs; environmental NGOs; appropriate technology NGOs and indigenous peoples' organisations.

## **1.2 CHALLENGES**

### **1.2.1 Political landscape, bureaucratisation, commercialisation and financial crisis**

Habib and Taylor (1999) indicate that the Non-Profit Organisation Bill was submitted to the Cabinet in August 1997 and enacted in December 1997. One of the more significant features of the new Act was its repeal of the 1978 Fundraising Act, which had limited NGO abilities to raise funds. The Act provided for a system of voluntary registration and provided benefits and allowances for NGOs and community-based organisations (CBOs). It

also established a Directorate for Non-Profit Organisations, which was to be responsible for the coordination of development and implementation of policies in the non-profit sector.

Finally, the Act required NGOs to keep a proper book of accounts and to submit audited statements to the government. The Act thus goes some way toward creating a positive legal environment for NGOs in South Africa. Government also reorganised the political environment for NGOs. They were provided with access to the fourth chamber of the National Economic Labour and Development Council, - the country's premier corporatist-style consensus-building agency, - on condition that such representation occur through a single body. Given that this would provide access to the official policy-making process, NGOs moved very quickly to establish the South African NGO Coalition (Sangoco) in August 1995 (Naidoo, 1997, cited in Habib & Taylor, 1999:77). Sangoco now serves as a representative umbrella body for approximately 6,000 affiliated NGOs. Sangoco's primary role is that of advancing the interests of the poor. It is also concerned with developing an enabling environment for the NGO sector and providing an arena for mutual monitoring (NGO Matters, 1997, cited in Habib & Taylor, 1999:77).

Even though this Act opened the doors for NGOs to raise funds freely and also obtain allowances from the government, the bureaucratisation and commercialisation of NGOs made it almost impossible to access these funds, hence, most NGO today are closing down.

### **1.2.2 Loss of professionals**

Despite the fact that there are still a number of NGOs with professional employees, there is evidence that most of these professionals migrated to working for the government and for donors. In his speech in 1996, Nelson Mandela stated: "Non-governmental organisations played an outstanding role during the dark days of apartheid. Today, many people who received their training within the NGO sector play important roles in government." In fact, to some, the acronym NGO is taken to sarcastically stand for Now Government Official (Habib & Taylor, 1999:76).

## **1.3 MAIN PROBLEM**

NGOs are under increasing pressure to become accountable against corporate performance measurement criteria. Theoretically such measures should involve the volume of the

NGO's operations, its capacity to attract funds, the quality of its human resources, its ability to execute projects under consideration, its administrative structure, and its management models (Chalhoub, 2009: 51). Prompted by the capacity to attract funds for the NGOs:

***This research is an assessment of the nature and implementation of marketing strategies of selected Eastern Cape non-government organisations.***

The main problem can be further defined by the following sub-problems:

- What, according to literature, is a marketing strategy?
- Do local NGOs use any formal marketing strategies?
- If so, what activities are involved in such strategies?

## **1.4 DEFINITION OF KEY CONCEPTS**

### **1.4.1 Marketing**

Although many people think marketing is advertising or selling, marketing actually encompasses many more activities. Marketing is the process of creating, distributing, promoting and pricing goods, services and ideas to facilitate satisfying exchange relationships with customers and develop and maintain favourable relationships with stakeholders in a dynamic environment (Hult, Pride & Ferrell, 2012: 4)

### **1.4.2 Strategy**

According to Anderson and Vincze (2000), strategy is an explicit statement that provides direction for coordinated business decisions, a longer term vision for the future. Strategy embodies a firm's objectives and reasons for being in business. It includes corporate policies, resource allocations, customer markets and the competitive environment in which it chooses to operate.



#### 1.4.3 Marketing strategy

Marketing strategy involves: identifying a target market, tailoring marketing mixes that meet the needs and wants of each specific target market, and developing marketing mixes that reinforce the product's positioning strategy in the market place (Hult, Pride & Ferrell, 2012: 31).

#### 1.4.4 Non-profit organisations

Non-profit organisations (NPOs) are organisations that do not exist to make a profit from the work of the organisation for the owners or members of the organisation. They exist to serve some public purpose rather than just serving the personal interests of the owners or members of the organisation (Constitutions for non-profit organisations 2012:4).

#### 1.4.5 Non-governmental organisations

Non-governmental organisations (NGOs) are organisations that are not part of government. This includes a wide group of organisations from large charitable NGOs like Child Welfare to small community organisations like sport clubs. In South Africa NGOs mean those non-government organisations that are non-profit as well (Constitution for Non-Profit Organisations, 2012: 4). For the purposes of this research, this is the definition that will be used.

### **1.5 DELIMITATION OF THE RESEARCH**

Delimitation of the research makes the research topic manageable. The delimitation of the research points the reader to the specific dimension of the marketing strategies. It allows the reader to judge the usefulness of marketing strategies, within the specific area researched, as well as in other non-governmental organisations.

#### **1.5.1 The organisations**

The research will be conducted in the following NGOs:

- The President's Award for Youth Empowerment. This organisation's mission is to empower young people between the ages of 14 and 25 with the assistance of adult

volunteer leaders. These young people are provided with a balanced, non-competitive framework for self-development that will increase their self-esteem and enhance their capacity to achieve in whatever context they find themselves, enabling them to become responsible, active citizens within their communities.

- Masinyusane is the second NGO which will be researched. Its area of focus is development. Masinyusane provides people with advice, counselling, training, education and financial assistance to empower them to realise their full potential in life.
- The Vezokuhle Youth Development Project (VYDP) is a non-profit-organisation and also registered as a Section 21 company that is accredited with Services SETA. The VYDP has been in existence for the past nine years. Its focus is on sustainable training for the youth of the Nelson Mandela Metro (NMMM) and the broader community of the Eastern Cape Province.

### **1.5.2 Geographic delimitation**

The research will be limited to the management of the above three NGOs, the President's Award, Masinyusane and the Vezokuhle Youth Development Project. All these NGOs are located in the Eastern Cape, South Africa.

### **1.5.3 Abbreviations**

NP - Non-profit

NPO - Non-profit organisation

NPS - Non-profit sector

NGO - Non-governmental organisation

CBO - Community based organisation

NSO - National Sport Organisation

VYDP – Vezokuhle Youth Development

## **1.6 SIGNIFICANCE OF PRIOR RESEARCH**

Most of the literature that was reviewed during this study, does not precisely address the investigated question of whether there is a holistic and a well-planned approach to marketing activities, by means of a marketing strategy, within the NGOs. Information found looks at a particular marketing activity and how it is used or not used to its maximum in the said NGO.

For instance, Voeth and Herbst (2008) argue that whereas branding has long been an essential marketing tool of for-profit firms, driven primarily by the need to remain distinct and successful in an increasingly competitive environment, non-profits only began to discuss the strategic use of brands in their sector in the mid-1990s. This development resulted from the severe competition non-profit organisations began to face during the last decade, one area of such competition being a reduction in government funding. This exerted pressure on them to finance their operations from private donations (Voeth & Herbst, 2008:72).

Surprisingly, most non-profit organisations are still under-using their potentials for branding and the use of brand-inherent profiling opportunities is often only a product of coincidence, as the charitable organisations do not consciously control this valuable asset (Tapp, 1996, cited in Voeth & Herbst, 2008). In this sense, they fail, for example, to explore the specific traits and characteristics of their brands, the so-called brand personality, as key determinants as to why stakeholders choose to enter into a relationship with them and support their organisations.

Knox and Gruar (2007) contribute to both stakeholder theory and relationship marketing practices through the application of an integrated model, which enables market strategy development in the non-profit (NP) sector. These authors are also of the opinion that there are a growing number of factors that contribute to why the more market-savvy non-profit organisations are now choosing to embrace both closer stakeholder relationships and contemporary marketing practices.

Non-profit organisations are increasingly eager to control their own financial destiny in which self-funding is the new mantra. This is partly owing to the fact that they face new competition from private sector challengers in areas like education and health care and

partly because there is intensifying competition from other NP organisations for a ‘share of purse’ both among donors and government departments (Knox & Gruar, 2007: 117).

Non-profit organisations have also learned significantly more about the value and techniques of marketing through ‘cause-related’ marketing partnerships between businesses and NP organisations (Knox & Gruar, 2007:117).

Knox and Gruar’s conclusion was that stakeholder marketing is currently essentially an espoused theory more than a theory-in-action. Furthermore, they proposed that for non-profit organisations to develop an effective relationship marketing strategy which reflects such environmental shifts, there are two fundamental tasks which the senior management team needs to address prior to articulating any new marketing strategy. These tasks are:

- to develop a rigorous approach to determining and agreeing stakeholder salencies across the organisation and
- to audit their current marketing practices across each of these stakeholders and assess their efficacy.

Doherty and Murray (2007) focused on the strategic sponsorship process in a non-profit organisation as a key marketing tool to secure funding. Based on the notion that non-profit sport organisations need to approach corporate sponsorship as a strategic alliance (Thibault & Harvey, 1997, cited by Doherty & Murray, 2007), the following five-step process is proposed:

#### Step 1: Sponsorship preparation

The sport organisation must reflect on its objectives for corporate sponsorship, and what it has to offer a prospective sponsor. The sport organisation must also clearly identify its property assets, and what it has to offer a prospective sponsor (Moler, 2000, cited by Doherty & Murray, 2007).

#### Step 2: Identification of potential sponsors

Initial steps would include identifying which companies align with the sport's image and target market, and whether prospective sponsors have the necessary resources available to the sport organisation.

### Step 3: Sponsorship proposal

The next step in the strategic sponsorship process is for the sport organisation to develop a detailed sponsorship proposal and present it to potential corporate sponsor. The proposal should focus on the benefits to the sponsor rather than the needs of the organisation.

### Step 4: Sponsorship plan

Once there is a general agreement to pursue a sponsorship arrangement, the sport organisation and corporation should work together to develop a specific plan that details how their respective objectives may be achieved (Brooks, 1994, cited by Doherty & Murray, 2007).

### Step 5: Sponsorship evaluation

Evaluating the effectiveness of a sponsorship agreement is the final recommendation for developing a strategic partnership with a corporate sponsor (Thibault & Harvey, 1997 cited by Doherty & Murray, 2007).

In their research studies, Voeth and Herst (2008), Knox and Gruar (2007), and Doherty and Murray (2007) do not precisely address the investigated question of whether or not there is a holistic and well planned approach in marketing activities, by means of a marketing strategy in non-profit organisations

## 1.6 OUTLINE OF THE STUDY

**Chapter 1:** This chapter presents an introduction to the study and background of the non-government organisations (NGOs) sector in South Africa and in other parts of the world. The main problem and sub-problems are stated. The terminology, delimitation of the study, significance of prior learning and the study outline also form part of Chapter 1.

**Chapter 2:** This chapter will review the literature relating to marketing strategy and non-profit organisations. During the preparation stages for this study, it was discovered that there is not much literature specifically relating to non-governmental organisations. Because of the difficulty in finding literature regarding the subject of non-governmental organisations, most of the literature that was used related to was on non-profit

organisations. To eliminate confusion to the reader, non-governmental organisations and community-based organisations fall under the non-profit sector.

**Chapter 3:** This chapter will outline the research design and research methodology.

**Chapter 4:** This chapter will present the findings of the empirical investigation.

**Chapter 5:** This chapter offers the conclusion and the recommendations.

## **SUMMARY**

This chapter was an introduction to the study. It also gave the background to the non-government organisations (NGOs) sector in South Africa and in other parts of the world. The main problem and sub-problems were stated. Terminology used in this study; the delimitation of the study; the significance of prior learning and the study outline has also formed part of this chapter.

Chapter 2 will review the literature relating to marketing strategy and non-profit organisations.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 INTRODUCTION

##### 2.1.1 Marketing

Kotler and Armstrong (1996) defined marketing as the social and managerial process by which individuals and groups obtain what they need and want, through creating and exchanging products and value with others. The definition of marketing has not changed much since then but has been modified to suit the constantly changing environment of business. Marketing is now defined as the process of creating, distributing, promoting and pricing goods, services and ideas to facilitate satisfying exchange relationships with customers and develop and maintain favourable relationships with stakeholders in a dynamic environment (Hult, Pride & Ferrell, 2012 : 4)

Peter and Donnelly (1995) confirm that although this broad definition allows the inclusion of non-business exchange processes as part of marketing, the primary emphasis in this text is on the business environment. However, this emphasis is not meant to imply that marketing services that are offered by businesses or organisations and techniques cannot be fruitfully employed in other areas of exchange.

Some attention must be given to what the authors refer to when using the term *service*. Services possess several unique characteristics that often have a significant impact on marketing programme development. Five relevant characteristics which will be utilised in this study are explained below:

- Intangibility

The obvious difference between goods and services is the intangibility of services, and many of the problems encountered in the marketing of services are due to the intangibility. The fact that many services cannot appeal to a buyer's sense of touch, taste, smell, sight, or hearing before purchase places a burden on the marketing organisation (Peter & Donnelly, 1995:28).

- Inseparability

In many cases, a service cannot be separated from the person of the seller. In other words, the service must be created and marketed simultaneously. The main concern of the marketer is usually the creation of time and utility (Peter & Donnelly, 1995: 28).

- Perishability

Services cannot be stored. The perishability of the service is not a problem when demand is steady, because it is easy to staff the services in advance. When demand fluctuates heavily, however, service firms have difficult problems (Kotler & Andreasen, 1996:378).

- Client-based relationships

The success of many services depends on creating and maintaining client-based relationship: interactions that result in satisfied customers who use a service repeatedly over time (Hult *et al.*, 2012:342).

- Variability

Services provided by people are susceptible to heterogeneity, or variation in quality. This variation in quality can occur from one organisation to another, one service person to another within the same service facility, and one service facility to another within the same organisation (Hult *et al.*, 2012:342).

In Chapter 1, it was indicated that non-governmental organisations are voluntary, independent, not-for-profit, and not self-serving in aims and related values (Spooner, 2004:19). Furthermore, their duties, among others, are to educate research, publish, manufacture, lobby, mobilise, protest and agitate on as broad a range of issues as there are in society (Hughes, 2005:1).

This therefore confirms that the nature of the non-government organisations are service orientated. It is imperative that an exploration is done into how marketing is used in a for-profit organisation, thereby allowing a comparison of the same approach in a non-profit and non-governmental organisation.



### 2.1.2 Strategy

According to Anderson and Vincze (2000), strategy is an explicit statement that provides direction for coordinated business decisions, a longer term vision for the future. Strategy embodies a firm's objectives and reasons for being in business. It includes corporate policies, resource allocations, customer markets and the competitive environment in which it chooses to operate.

The word strategy means the art of the general (from the Greek *strategos*). The term was first used at the end of the 18<sup>th</sup> century, when warfare was still relatively simple. The term described the strategies by which a general tried to deceive the enemy and planned a campaign, and how he moved and deployed his troops in war (Ungerer, Pretorius & Herholdt, 2007:2).

Since the military days, the development of the theory and practice of strategy as it is known today has its roots in the work of a number of academics, industrialists and consultants. In the 1960s Chandler's definition represented a view of strategy as planning (Segal-Horn, 2009:2). Chandler's definition of strategy was the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and allocations of resources necessary for those goals (Segal-Horn, 2009: 2).

In the 1980s the concepts of competition and competitiveness, both between firms and within industries, and between nations, grew in importance. Corporate planning was out; strategic thinking and strategic management, with their emphasis on the competitive environment and sources of competitive advantage, were in favour. Strategy focused on performance and the search of profitability (Segal-Horn, 2009:2).

In his overview of the field of strategy, Whittington (2001, cited in Segal-Horn, 2009) has chosen to summarised the development of strategic management thought into four perspectives: the classical which is the rationale planning approach to strategy, the evolutionary, the processual and the systematic perspectives.

In the past decade there has been a profusion of further development within the field of strategic management. Probably the most significant element within all areas of the subject is the predominance of the concept of strategy *dynamics* (Segal-Horn, 2009:7). Most

managers feel they are coping with accelerating rates of evolutionary change in their industry and are searching for guidance within the context of 'hypercompetition'. Whether it is about competition dynamics, dynamic capabilities, system dynamics or change management, the common thread is the search for theory and practice which are able to cope with balancing the conflicting requirements of strategy formulation for the long term, combined with immediate short term pressures (Segal-Horn, 2009:7).

In most cases the non-profit sector is left out of the strategic management literature. The strategic management process is being effectively used in some non-profit organisations such as Boy Scouts, the Red Cross, the Salvation Army, chambers of commerce and churches (Katsioloudes, 2006:59). If this information was widely available in literature, it would be easier for non-profit organisations that are of a smaller scale compared to those mentioned above, to copy or replicate to make them more successful.

### **2.1.3 Marketing strategy**

Marketing strategy involves: identifying a target market, tailoring marketing mixes that meet the needs and wants of each specific target market, and developing marketing mixes that reinforce the product's positioning strategy in the market place (Hult, Pride & Ferrell, 2012: 31).

Katsioloudes (2006) is in agreement with this statement saying that in reality, marketing strategy is built by focusing attention on the organisation's customers, defining them and their interactions with the organisation, and assessing their satisfaction with current products and services. Much of this work requires little more than common sense. Non-profit organisations that do not pay attention to their end-users usually discover that any image they create, any research they conduct, and any new programmes they develop have little or no value. Good marketing strategies begin by paying attention to end-users, their problems, and obstacles they encounter in using an organisation's products, services and programmes.

Marketing in general is essentially a proactive function; planning for a future environment that will quite certainly be different from today's; working to make sure that things go

right; anticipating those things that might go wrong and either finessing them or making contingency plans for how to deal with potential problems (Katsiolouides, 2006: 270).

Strategic marketing is a comprehensive approach to the management of internal and external environmental variables that often seem to control the behaviour of the organisation. Sometimes marketing is regarded as unsavoury in non-profit circles. It can conjure up images of medicine men making extravagant claims about the value of their product to humanity, while their intrinsic motivation was to make a profit. Marketing can take a new meaning when applied to non-profits (Katsiolouides, 2006: 70).

## **2.2 DEVELOPING MARKETING STRATEGIES FOR PROFIT ORGANISATIONS AND RELATING THESE MARKETING STRATEGIES TO NON-PROFIT ORGANISATIONS**

In order to develop and implement marketing strategies in a profit organisation, strategic marketing planning needs to be in place. Strategic planning is the process of establishing an organisational mission and formulating goals, corporate strategy, marketing, objectives, marketing strategy and a marketing plan (Hult *et al.* 2012: 30).

The following table illustrates the levels of strategic planning and how they relate to each other:

**Figure 2.1: Levels of strategic planning.**



*Source: Hult, Ferrell & Pride, 2012:37*

### **2.2.1 Mission, goal and objectives**

It is important that organisations have a clear vision and mission statements. A mission statement is a declaration of the reason for the existence of an organisation. A vision statement defines what the organisation aims to become. Both types of statements are commonly referred to as mission statements and are used to define values and motivate those within an organisation (Butler 2002, cited by Locke & Latham: 2006). Other authors, however, explicitly separate the terms vision and mission, and state that it is the vision which comes first in order to subsequently drive the development of the mission and strategy (Brien & Meadows, 2000:37). Regardless of which comes first, the bottom line is that these must be in place, before a marketing strategy can be formulated.

In their review of strategic marketing for non-profit organisations, Kotler and Andreasen (1996) agree that every organisation must start with a mission. In fact, an organisation can be defined as a human collectivity that is structured to perform a specific mission through the use of largely rational means. Therefore, any non-profit organisation has to decide what its mission is so as not to lose sight and confuse it with a lot of intermediate goals and services that it might provide.

Setting of goals and objectives is not a new concept in organisational behaviour. Goal setting theory has arguably been the most influential motivational theory (Locke & Latham, 2002 cited by Li & Butler: 2004). The notion that difficult and specific goals lead to higher performance than easy and vague goals has been robustly established in the research literature and is widely applied in organisational settings (Donovan & Radosevich, 1998; Locke & Latham, 2002). One construct that is central to goal setting theory is goal commitment. Goal commitment is characterised by determination to expend effort towards a goal over time (Li & Butler: 2004). Goal commitment is to ensure that individuals do not abandon the goals in the face of difficulty.

Therefore, given the already stated discussion of what an organisation, mission, goals and objectives are, all organisations must have a clear mission, clear objectives and clear goals to which they will remain committed.

### **2.2.2 Corporate and Business Unit Strategy**

According to Hult, Pride and Ferrell (2012), corporate strategy determines the means of utilising resources in the functional areas of marketing, production, finance, research and development and human resources to reach organisational goals. Corporate strategy addresses two questions posed in the organisational mission statement: Who are our customers? What is our core competency?

They further explain that the term corporate in this context does not solely apply to corporations. Corporate strategy is used by all organisations, from the smallest sole proprietorship to multinational corporations.

Hult, Pride and Ferrell (2012) concluded that corporate strategy is used by all organisations, from the smallest sole proprietorship to multinational corporations. Kotler and Andreasen (1995) already defined an organisation as a human collectivity that is structured to perform a specific mission through the use of largely rational means. It can therefore be concluded that non-profit organisations are not exempted from having a corporate strategy. The corporate strategy will point out issues such as corporate culture, competition, differentiation, diversification, interrelationships among business units and environmental and social issues (Hult *et al.*, 2012:37).

Ferrell and Hartline (2011) confirm two notions. Firstly, in small businesses, corporate strategy and business unit strategy are essentially the same. Secondly, although both terms are used, corporate and business unit strategies apply to all organisations, from large corporations to small businesses and non-profit organisations.

### **2.2.3 Marketing strategy**

#### **2.2.3.1 Segmentation and target market**

Market segmentation is the process of dividing a total market into groups with relatively similar product needs to design a marketing mix that matches those needs (Hult *et al.*, 2012:129). Market segment are individuals, groups, and organisations sharing similar characteristics that cause them to have similar product needs (Hult *et al.*, 2012:129).

Understanding and differentiating customers by their needs and responses to marketing mix plays a vital role in business management. Rather than offering the same marketing mix to vastly heterogeneous customers, firms should divide customers into segments and tailor the marketing mix for targeted segments to improve customer satisfaction and achieve maximum efficiency. (Liu, Kiang & Brusco, 2012:10292). It is suggested that segmentation can enhance marketing effectiveness and develop or maintain an organisation's ability to benefit from identifiable marketing opportunities (Weinstein, 1987, cited in Quinn, Hines & Bennis, 2005: 440).

A marketer that is using segmentation to reach a consumer market can choose one or several variables from an assortment of possibilities. As the following figure indicates, segmentation variables can be grouped into four categories: demographics, geographic, psychographics and behaviouristic (Hult *et al.*, 2012: 131).

**Figure 2.2: Segmentation variables**

<b>Demographic variables</b>		<b>Geographic variables</b>	
Age	Family life Cycle	Region	Climate
Gender	Family size	Urban, suburban, rural	Terrain
Race	Social class	City size	State size
Ethnicity	Religion	Country size	
Income	Education	Market density	
<b>Psychographic variables</b>		<b>Behavioural variables</b>	
Personality attributes		Volume usage	
Motives		End use	
Lifestyles		Benefit expectations	
		Brand loyalty	
		Price sensitivity	

*Source: Hult, Ferrell & Pride, 2012:131*

Kotler and Andreasen (1996) state that non-profit organisations have gone through the following four stages in their thinking about how to segment markets:

- Mass marketing. Mass marketing is a style of marketing in which the organisation mass produces and mass distributes one market offer and attempts to attract every eligible person to its use. It is compatible with a selling orientation to marketing. The argument for mass marketing is that it will result in lower costs and prices and therefore create the largest potential market. The mass marketer pays little or no attention to differences in consumer preferences.
- Differentiated marketing. Differentiated marketing is a style of marketing compatible with a product orientation to marketing. With this approach, the organisation prepares two or more market offers for the market as a whole. The market offers may exhibit different features, such as styles and quality. The offer is designed, not so much for different groups, but to offer alternatives to everyone in the market.
- Target marketing. Target marketing is a style of marketing appropriate to a customer-orientated organisation. In it the organisation distinguishes between the different segments making up the market, chooses several of these segments to focus on and develops marketing mixes tailored to meet the needs of each segment.
- Niche marketing. Niche marketing is also customer-orientated. This approach is particularly appropriate for the organisation with limited resources. Rather than spreading these resources across a wide array of segments, the organisation chooses one or two segments on which it will totally concentrate. Its choice may be based on its strengths, a perceived unmet market need, or a sense of competitor weakness, or both.

### **2.2.3.2 Marketing mix**

#### **a) Product and/or Service**

According to Wilson and Gilligan (2005), the most important single element of the marketing mix is the product. The product or service offering of a company or organisation ultimately determines the nature of the business and the market place perception of the business. The term product in some marketing literature refers to both physical goods and

intangibles which are services and ideas. This definition is in line with the definition of a non-profit organisation used in this study.

Knowing what the customer expects is the first and possibly most critical step in delivering quality service. Being wrong can mean not surviving in a fiercely competitive market (Zeithaml & Bitner, 2003:61).

In non-profit organisations, it is critical to know what the organisation offers, which in turn defines its product. A marketing offer is a proposal by a marketer to make available to a target customer a desirable set of positive consequences if, and only if, the customer undertakes a desired action (Kotler & Andreasen, 1996:396). Defining the product of a non-profit organisation is usually difficult but not impossible. As indicated earlier in this chapter services are intangible and therefore need special marketing efforts. Likewise marketing ideas and concepts are more abstract than marketing tangibles, and much effort is required to present benefits (Hult *et al.*, 2012:356).

## **b) Pricing**

Wilson and Gilligan (2005) are of the view that price as a second principal element of the marketing mix, is in many ways one of the most visible. For many organisations, price is also potentially the most controllable and flexible element of the mix. It is in many cases one of the most important elements and, together with the product, a key component of the organisation's marketing strategy. It is generally acknowledged that pricing decisions are among the possibly most difficult that marketing managers are required to make.

Hult, Ferrell and Pride (2012) concur with the latter statement. They believe that pricing is generally quite different and decision making is more complex for non-profit organisations. The different pricing concepts the non-profit organisation faces include pricing in the user and donor markets. The broadest definition of price (valuation) must be used to develop non-profit marketing strategies. Financial price, an exact dollar (Rand) value, may or may not be charged for a non-profit product. Economists recognise the giving up of alternatives as a cost. Opportunity cost is the value of the benefit given up by selecting one alternative over the other,



Given the above, the first thing an organisation must decide in developing a price or pricing policy is the objectives that it wants to achieve. Kotler and Andreasen (1996: 446) outline the five different pricing objectives that apply to non-profit organisations as being surplus maximisation, cost recovery, market size maximisation, social equity and market disincentivisation.

- Surplus maximisation

One would think that non-profit organisations never use the principle of profit. This is not so. There are many situations in which a non-profit organisation will want to set its price to yield the largest possible surplus. Thus, a charity organisation will set the price for attending a major dinner with the objectives of maximising its receipts over its costs.

- Cost recovery

Many non-profit organisations seek a price that would help them to recover a reasonable part of their costs. How much should the organisation try to recover through pricing? Some organisations - such as universities - aim at recovery of their operating costs. This will not provide money for expansion.

- Market size maximisation

Some non-profit organisations, public libraries and museums, for example, want to maximise the total number of users of their service. These organisations feel that the users and society profit from their services. In this case zero prices will attract the greatest number of users.

- Social equity

Organisations may wish to price their services in a way that contributes to social equity. The concept of social equity holds that, wherever possible, public (and by extension, non-profit) services should not operate to transfer wealth from the poor to the rich. In the example for library services, perhaps charging even more for services (such as videocassette rentals) that the upper classes use relatively more often.

- Market disincentivisation

Pricing might be undertaken for the objective of discouraging as many people as possible from purchasing a particular product or service. There are many reasons an organisation might want to do this. It might consider the product to be bad for people, it might want to discourage people from overtaxing a facility; it might be trying to ration demand to solve temporary shortage problem or it might discourage certain classes of buyers

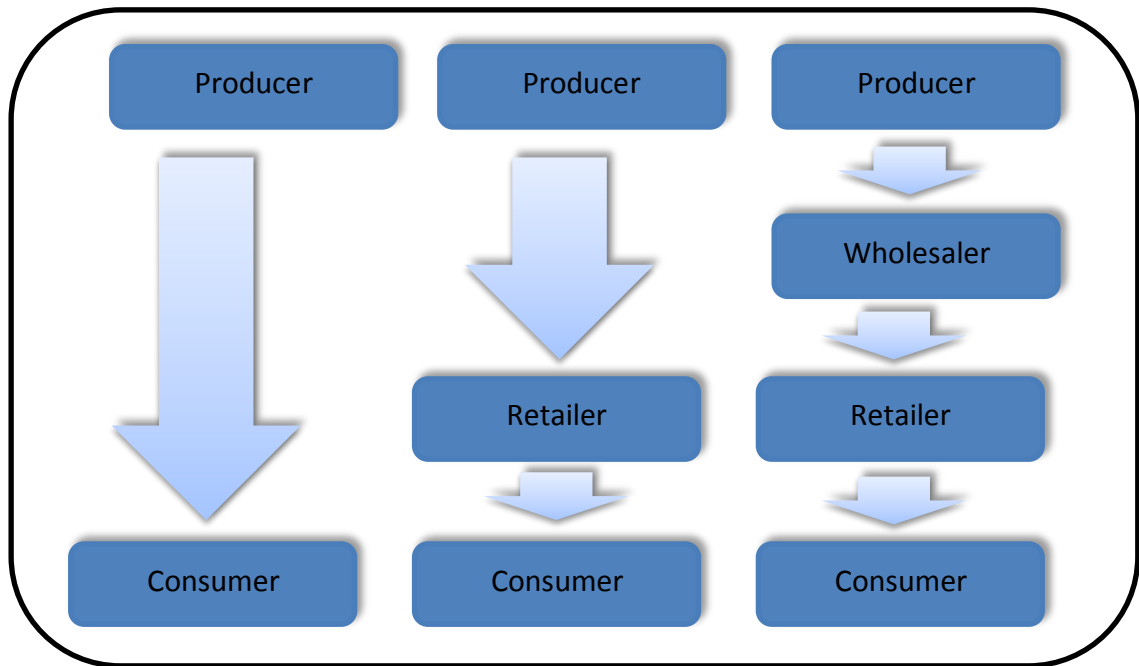
### **c) Distribution**

As the service element of customer experiences becomes more important, location and convenience have emerged as major factors in consumer decisions for products and services (Shang, Yildirim, Tadikamalla, Mittal & Brown, 2009:146).

Distribution and supply chain management are important for many reasons. Ultimately, however, these reasons all come down to providing time, place and possession utility for consumer and business buyers. Without distribution, buyers would not be able to acquire goods and services when and where they need those (Ferrell & Hartline, 2011:263).

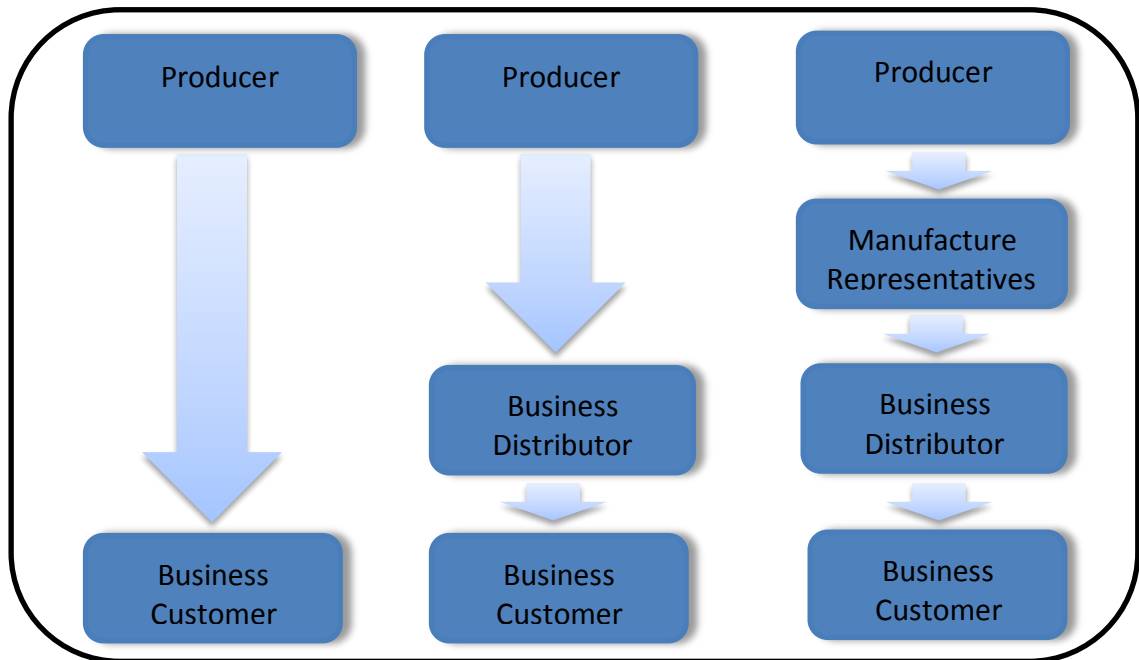
The marketing channel (or distribution channel) is a set of interdependent organisations involved in the process of making a product or service available for the use or consumption by the consumer or business user. Kotler and Armstrong (2006) indicate that few producers sell directly to the final users. Instead most use intermediaries to bring their products to the market. Below is figure 2.3 showing customer and business marketing channels:

**Figure 2.3: Customer marketing channels**



*Source: Kotler & Armstrong, 1996:364*

**Figure 2.4 Business marketing channels**



*Source: Kotler & Armstrong, 1996:364*

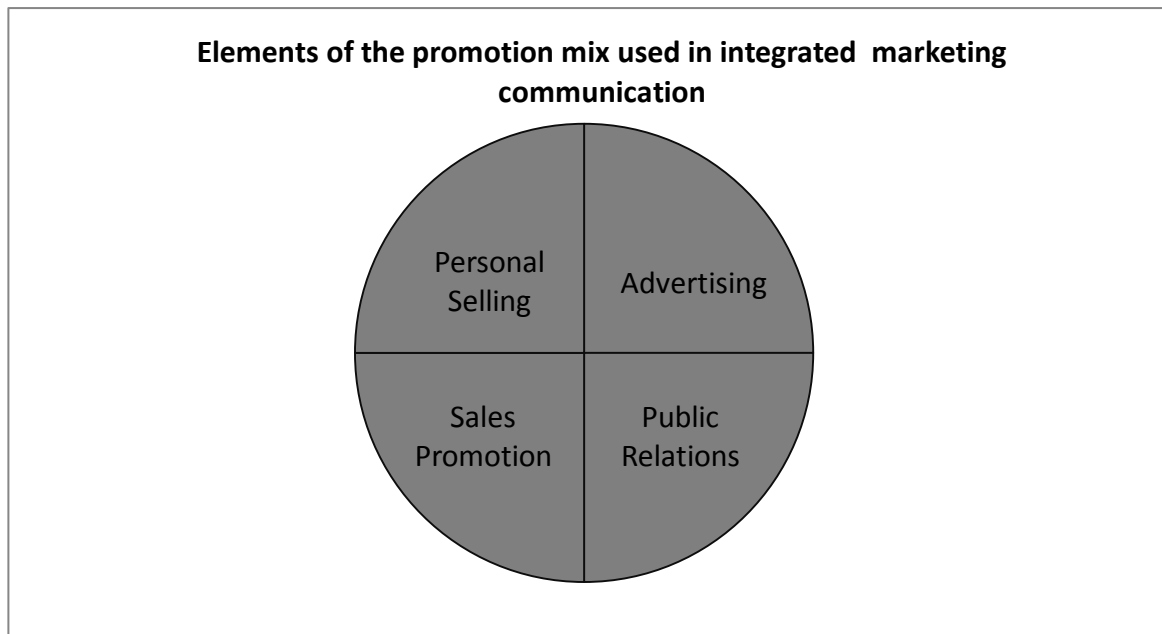
According to Hult, Ferrell and Pride (2012), developing a channel of distribution to coordinate and facilitate the flow of non-profit products to clients is a necessary task. In a non-profit setting, the traditional concept of the marketing channel may need to be revised. The independent wholesalers available to business enterprise do not exist in most non-profit situations. Instead, a very short channel – non-profit organisation to client - is the norm because production and consumption of ideas and services are often simultaneous. In essence, channel one of the consumer marketing channels in figure 2.3 above, is applicable to most non-profit organisations.

Furthermore, non-profit organisations are typically deficient in resources, both financially and regarding personnel. They usually need the help of other individuals and organisations to bring their offering to the public. The careful use of independent channels can make marketing programmes more efficient by sharing costs, achieving economies of scale, and so on, and can make them more effective by leveraging meagre resources, small staffs number and cramped facilities (Kotler & Andreasen, 1996: 460).

#### **d) Marketing communication (Promotion)**

Ferrell, Hartline and Lucas (2002) state that marketing communication includes conveying and sharing meaning between individuals or between organisations and individuals within a marketing context. Integrated marketing communications is a long term view of influencing customers through a co-ordinated strategic use of the promotion elements available to marketing. Promotional activities are necessary to communicate the features and benefits of a product to its intended target market(s). A diagram follows which shows the elements of the promotional mix used in integrated marketing communication.

**Figure 2.5: Elements of promotion mix.**



*Source: Ferrell, Hartline & Lucas, 2002:160*

Advertising is non-personal communication that is paid for by an identified sponsor. It involves either mass communication via newspapers, magazines, radio, television and other media (e.g. billboards, bus stop signage) or direct-to-consumer communication via postal or electronic mail (Hoffman *et al.*, 2005:431). Its purpose is to inform the consumer about the advertiser's products and brand benefits and ultimately to influence brand choice.

Personal selling is person-to-person communication in which a seller informs and educates prospective customers and attempts to influence their purchase choices (Hoffman *et al.*, 2005:431).

Public relations is an intricate part of integrated marketing communications. It is used to create and maintain positive relationships between an organisation and its stakeholders. Public relations can be used to promote the organisations, people, ideas, and images and even to create an internal shared understanding of the values involved in daily decision making (Ferrell, Hartline & Lucas, 2002: 166).

Sales promotion is an activity or object that acts as an incentive or inducement providing added value for a buyer. Sales promotion includes all promotional and communication

activities other than personal selling, advertising, and public relations (Ferrell *et al.*, 2002: 166).

According to Hult, Ferrell and Pride (2012), making promotional decisions may be the first sign that a non-profit organisation is performing marketing activities. Non-profit organisations use advertising and publicity to communicate with clients and the public. Increasingly, non-profit organisations are using the Internet to reach fundraising and promotional goals through email, websites and software that permits accepting online gifts. These increases come as many organisations start to limit the use of print advertisements and direct mail. Many non-profit organisations also use personal selling, although they may call it by another name. Churches and charities rely on personal selling when they send volunteers to recruit new member or request donations.

### **2.3 MARKETING PLAN**

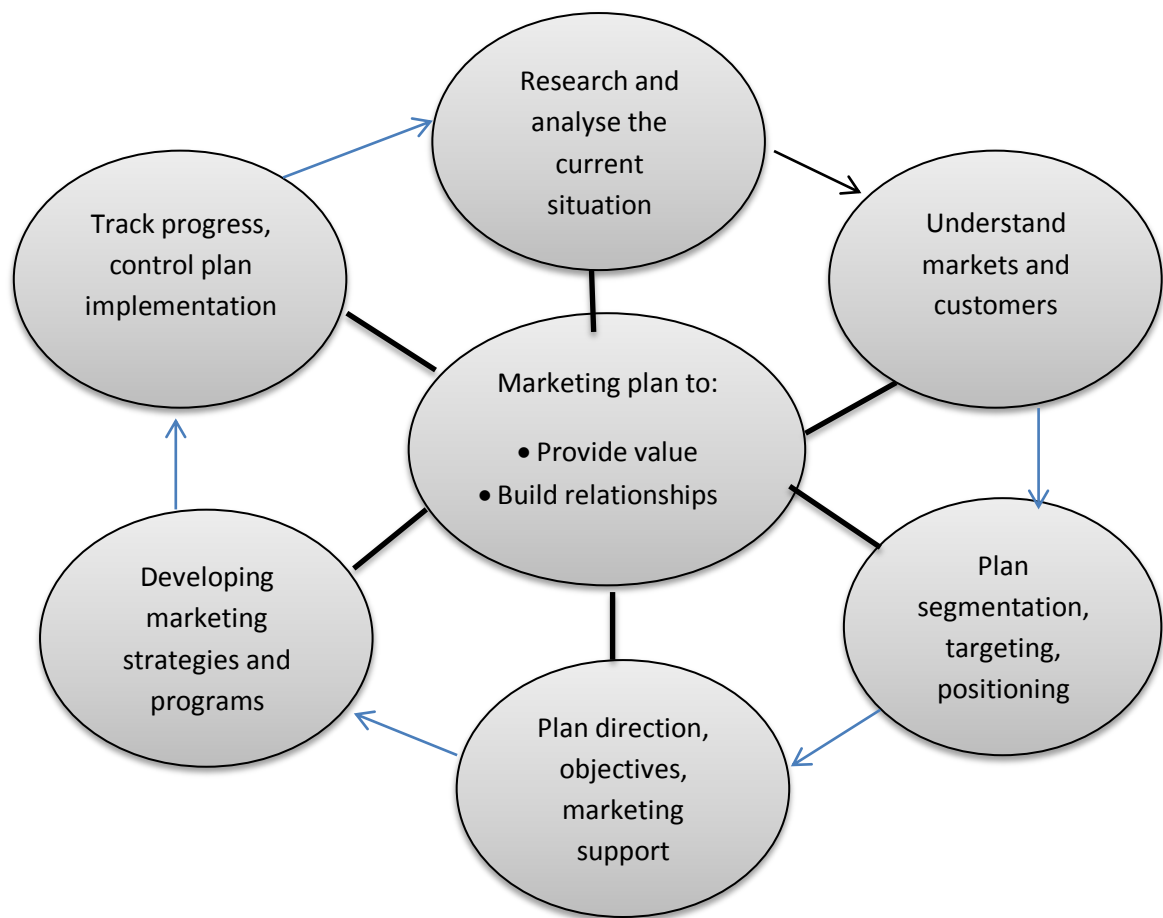
A major concern in the strategic planning process is marketing planning. Marketing planning is the systematic process of assessing marketing opportunities and resources, determining marketing objectives, defining marketing strategies and establishing guidelines for implementation and control of the marketing programme (Hult *et al.*, 2012:42). A key component of marketing planning is the development of a marketing plan. Ferrell, Hartline and Lucas (2002) define a marketing plan as a written document that provides the blueprint or outline of the organisation's marketing activities, including the implementation, evaluation, and control of marketing activities. The marketing plan serves a number of purposes, including its role as a roadmap for implementing the marketing strategy and achieving its objectives. It instructs employees as to their role and function in fulfilling the plan. It specifies how resources are to be allocated and includes the specific marketing tasks, the responsibilities of individuals, and the timing of all marketing activities.

Wood (2008) supports this notion and further indicates that all marketing plans should explain intended strategies for building relationships by creating, communicating, and delivering value to customers. The marketing plan must outline the activities that employees will undertake to reach objectives, including gaining value for the organisation. The plan must show the mechanisms for measuring progress toward objectives and allow for adjustments if actual results are off course or if the environment shifts. The best way for

businesses, non-profit organisations, or government agencies to move towards their goals is one marketing plan at a time, over and over (Wood, 2008:2).

A diagram follows which depicts the process involved in creating a marketing plan suggested by Wood (2008).

**Figure 2.6: Marketing planning**



*Source: Wood, 2008:4*

### **2.3.1 Marketing plan structure**

According to Ferrell and Hartline (2011), all marketing plans should be well organised to ensure that all relevant information is considered and included. Table 2.1 that follows shows and explains the component of a marketing plan. Although the actual outline may

differ from organisation to organisation, most plans will share common elements. A good marketing plan outline is the following:

- **Comprehensive.** Having a comprehensive outline is essential to ensure that there are no omissions of important information. Every element may not be pertinent to the situation at hand, but at least each element receives consideration.
- **Flexible.** Although having a comprehensive outline is essential, flexibility should not be sacrificed. Any outline that is chosen must be flexible enough to be modified to fit the unique needs of the situation. Because all situations and organisations are different, using an overly rigid outline is detrimental to the planning process.
- **Consistent.** Consistency between the marketing plan outline and the outline of the functional area plans is an important consideration. Consistency may also include the connection of the marketing plan outline to the planning process used at corporate-or business-unit levels. Maintaining consistency ensures that the executives and employees outside of marketing will understand the marketing plan and the planning process.
- **Logical.** Because a marketing plan must ultimately sell itself to top managers, the plan's outline must flow in a logical manner. An illogical outline could force top managers to reject or underfund the marketing plan.

**Table 2.1: Components of the marketing plan**

Plan component	Component summary	Highlights
Executive Summary	One to two-page synopsis of the entire marketing plan	<ol style="list-style-type: none"> <li>1. Stress key point</li> <li>2. Include one-three points that make the company unique</li> </ol>
Environmental Analysis	Information about the company's current situation with respect to the marketing environment	<ol style="list-style-type: none"> <li>1. Assessment of marketing environmental factors</li> <li>2. Assessment of target market(s)</li> <li>3. Assessment of current</li> </ol>



		marketing objectives and performance
SWOT Analysis	Assessment of the organisation's strengths, weaknesses, opportunities, and threats	<ol style="list-style-type: none"> <li>1. Strengths of the company</li> <li>2. Weaknesses of the company</li> <li>3. Opportunities in the environment and industry</li> <li>4. Threats in the environment and industry</li> </ol>
Marketing objectives	Specification of the company's marketing objectives	Qualitative measures of what is to be accomplished
Marketing strategies	Outline of how the company will achieve its objectives	<ol style="list-style-type: none"> <li>1. Target market(s)</li> <li>2. Marketing mix</li> </ol>
Marketing Implementation	Outline of how the company will implement its marketing strategies	<ol style="list-style-type: none"> <li>1. Marketing organisation</li> <li>2. Activities and responsibilities</li> <li>3. Implementation timetable</li> </ol>
Evaluation and control	Explanation of how the company will measure and evaluate the results of the implemented plan	<ol style="list-style-type: none"> <li>1. Performance standards</li> <li>2. Financial controls</li> <li>3. Monitoring procedures</li> </ol>

*Source: Hult, Pride & Ferrell, 2012:44*

### 2.3.2 Components of the marketing plan

Ferrell and Hartline (2011) explain the components of the marketing plan as follows:

***Executive summary:*** The purpose of the executive summary is to provide an overview of the plan so the reader can quickly identify key issues or concerns related to his or her role in implementing the marketing strategy. It is a synopsis of the overall marketing plan, with an outline that conveys the main thrust of the marketing strategy and its execution. Therefore, the executive summary does not provide detailed information that supports the final plan.

***Environmental or situation analysis:*** A clear and comprehensive situation analysis is one of the most difficult parts in developing a marketing plan. This difficulty arises because the analysis must be both comprehensive and focused on the key issues in order to prevent information overload – a task actually made more complicated by advances in information technology. This analysis summarises all pertinent information obtained about three key environments: the internal environment, the customer environment, and the organisation's external environment.

***SWOT analysis:*** A SWOT analysis focuses on the internal factors (*strengths and weaknesses*) and external factors (*opportunities and threats*) derived from the situational analysis in the preceding section. These strengths and weakness, opportunities, and threats should be analysed relative to market needs and competition. This analysis helps the company determine what it does well and where it needs to make improvements. The challenge of any organisation at this stage is to create a compelling reason for clients to purchase its products over those offered by competitors. At the conclusion of the SWOT analysis, the focus of the marketing plan shifts to address the strategic focus and competitive advantage to be leveraged in the strategy. The key to developing strategic focus is to match the firm's strengths with its opportunities to create capabilities in delivering value to customers.

***Marketing objectives*** are formal statements of the desired and expected outcomes resulting from the marketing plan. Marketing objectives are more specific and are essential to planning. They should be stated in quantitative terms to permit reasonably precise measurement. The quantitative nature of marketing objectives makes them easier to

implement after development of the strategy. This section of the marketing plan has two important purposes. First, it sets the performance targets the firm seeks to achieve by giving life to its strategic focus through its marketing strategy (i.e. what the firms hopes to achieve). Second, it defines parameters by which the firm will measure actual performance in the evaluations and control phase of the marketing plan (i.e. how performance will actually be measured). At this point, it is important to remember that neither goals nor objectives can be developed without a clearly defined mission statement. Marketing goals and objectives must be consistent with the firm's mission.

***Marketing strategy:*** This section of the marketing plan outlines how the organisation will achieve its marketing objectives. In this study, section 2.2 of Chapter 2 has already explained in detail what is entailed in the construction of a marketing strategy. It has been indicated that in developing a marketing strategy or strategies, the focus must be on the target markets and creation of an appropriate marketing mix.

***Marketing implementation:*** The implementation section of the marketing plan describes how the marketing programme will be executed. Without a good plan for implementation, the success of the marketing strategy is seriously jeopardised. For this reason, the implementation phase of the marketing plan is just as important as the marketing strategy phase. Therefore in this study it will also be discussed in detailed later in section 2.4 of Chapter 2.

***Evaluation and control:*** The final section of the marketing plan details how the results of the marketing program will be evaluated and controlled. Marketing control involves establishing performance standards, assessing actual performance by comparing it with these standards, and taking corrective action if necessary to reduce discrepancies between desired and actual performance. The financial assessment of the marketing plan is also an important component of evaluation and control. Estimates of costs, sales, and revenues determine financial projections. The financial realities must be monitored at all times. Finally, should it be determined that the marketing plan has not lived to expectations, the firm can use a number of tools to pinpoint potential causes for the discrepancies. One such tool is the marketing audit. Because of the importance of this section, it will be discussed in detail later in this chapter.

## **2.4 MARKETING IMPLEMENTATION**

Most discussions of strategic planning focus on how to formulate strategy. Several tools and techniques are used widely. By contrast, scant attention has been given to how to implement those strategies. Yet many people have recognised that problems with implementation in many organisations have resulted in failed strategies and abandoned planning efforts (Bourgeois III, 1996: 705). Morgan, Katsikeas and Vorhies (2012) support this notion and say that the general marketing literature posits that the effective implementation of planned marketing strategy is key to linking marketing efforts with firm performance.

In their study Morgan, Katsikeas and Vorhies (2012) suggested that the literature on implementation in marketing has adopted a number of different perspectives. One stream adopts an individual-level perspective and focuses on factors affecting managers' commitment to strategic marketing decisions. A second stream adopts a marketing programme-level perspective and focuses on factors affecting the link between marketing programme planning and execution and performance outcomes. A third perspective adopts a "strategic fit" approach and examines the extent to which alignment between planned strategy content and supporting organisational structures and cultures explains variance in firm performance. A fourth stream adopts a combined formulation-implementation perspective and examines how planning process design and capabilities affect planning performance outcomes. However, not all these perspectives will be discussed for the purposes of this research. It is of great importance to examine the key issues that lead to a strategy not being implemented properly, if implemented at all.

### **2.4.1 Key issues in marketing implementation**

Ferrell, Hartline and Lucas (2002) state that one of the most interesting aspects of marketing implementation is its relationship to the strategic planning process. Many managers assume that planning and implementation are interdependent but separate issues. In reality, the planning, and implementation are intertwined with the marketing planning process. Many of the problems in marketing implementation occur because of this relationship to strategic planning. Below are three of the most common issues suggested by these authors:

## Planning and implementation are interdependent processes

Many marketing managers assume that the planning and implementation process is a one-way street. That is, strategic planning comes first, followed by marketing implementation. Although it is true that the content of the marketing plan determines how it will be implemented, it is also true that how marketing strategy is implemented determines the content of the marketing plan. This two-way relationship between marketing strategy and marketing implementation is depicted in figure 2.7 that follows:

**Figure 2.7 : Two-way relationship between strategy and implementation**



*Sources: Ferrell, Hartline & Lucas, 2002: 180*

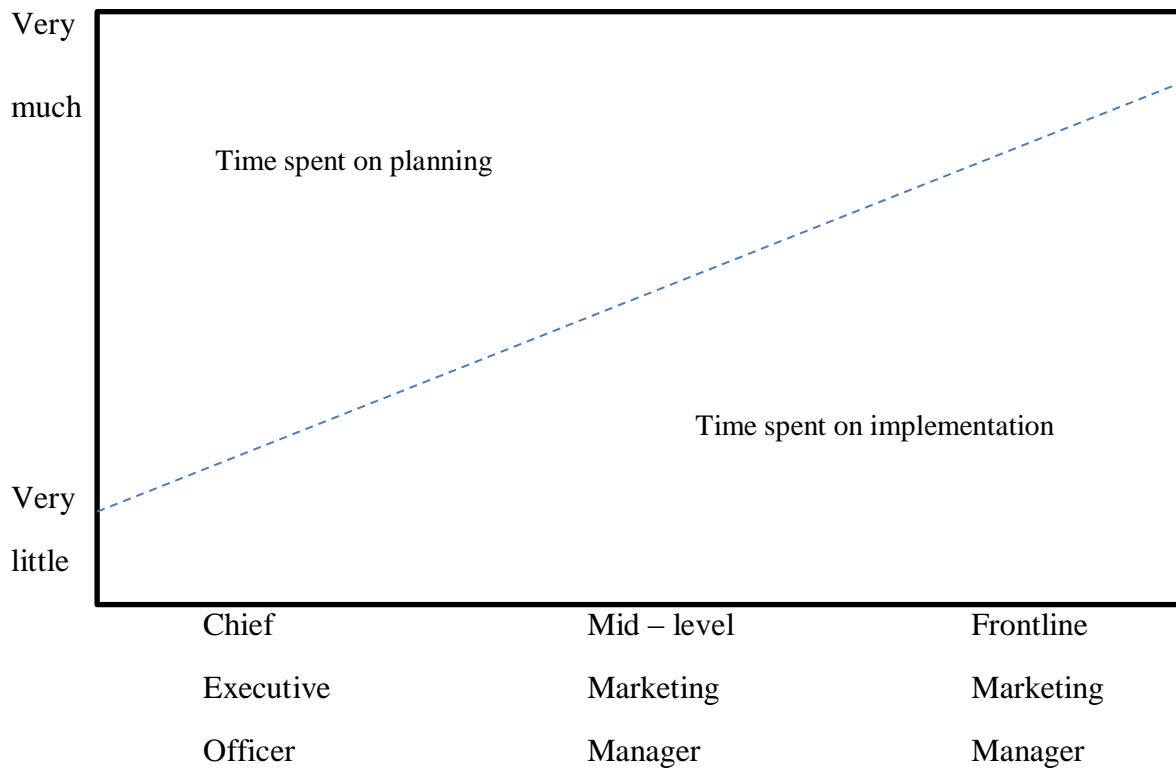
## Planning and implementation are constantly evolving

Important environmental factors constantly change. As customers change their needs and wants, as competitors devise new marketing strategies, and as an organisation's own internal environment changes, the firm must constantly adapt. In some cases these changes occur so fast that once the organisation decides on a marketing strategy, it is already out of date. Because of the interrelationship between marketing strategy and marketing implementation, both must constantly adapt to fit the other. The process is never static because environmental changes require changes in strategy, which require changes in implementation.

A related issue is that managers often assume there is only one correct way to implement a given strategy. This is not true. Just as strategy results from trial and error, so does marketing implementation. The fact that marketing is customer driven requires that the organisation be flexible enough to alter its implementation to counter changes in its customers' preferences or the competitive environment.

## Planning and implementation are separated

**Figure 2.8: Separation of planning and implementation**



*Sources: Ferrell, Hartline & Lucas, 2002: 181*

The ineffective implementation of marketing strategy is often a self-generated problem stemming from the planning process itself. Although top managers carry out strategic planning, the responsibility for implementing marketing strategy falls on lower-level managers and frontline employees. This separation is depicted in figure 2.8 above. Top managers often fall into the trap of believing that a good marketing strategy will implement itself. Because these managers are separated from the frontline of the organisation, they often do not understand the unique problems associated with implementing marketing strategies. Conversely, employees who understand the problems of marketing implementation usually have no voice in developing the marketing strategy.

Another trap that top managers often fall into is believing that lower-level managers and frontline employees will be excited and motivated about the marketing strategy. However, because they are separated from the planning process, these managers and employees often

fail to identify with the organisation's goals and objectives or to understand the marketing strategy.

#### **2.4.2 Approaches to marketing implementation**

There are different approaches that organisations or businesses use to implement their strategies. In this research, the emphasis will be on four approaches as suggested by Bourgeois (1996) as well as Ferrell and Hartline (2011). These are the commander approach, the organisational control approach, the collaborative approach and organisational culture approach. First, the first two traditional methods are gradually being supplanted by the others. Second, companies are focusing increasingly on the organisational issues involved in getting a company to adapt to its environmental changes and to pursue new opportunities or respond to outside threats (Bourgeois, 1996: 706).

##### **The commander approach**

Under this marketing approach, the firm's top executives develop and select the marketing strategies, which are transmitted to lower levels where frontline managers and employees implement them. Implementation by command has two advantages. One, it makes decision making much easier. Two, it reduces uncertainty as to what is to be done to implement the marketing strategy. However, this approach suffers from several disadvantages. The approach places less emphasis on the feasibility of implementing the marketing strategy. It also divides the organisation into strategists and implementers. Executives who develop the marketing strategy are often far removed from the targeted customers it is intended to attract. For these reasons, implementation by command often creates employee motivation to implement strategies in which they have little confidence.

##### **The organisational control approach**

Implementation through this approach is similar to the command approach except that it focuses explicitly on implementation. The basic goal in this implementation approach is to modify the firm in ways that will ensure the successful implementation of the chosen marketing strategy. The top executives basically use two sets of tools: First, changing the structure and staffing to focus attention on the firm's new priorities and secondly, revising

systems for planning, performance measurement, and incentive compensation to help achieve the firm's strategy goals.

Unlike the first approach,, in this method the CEO (top executive) does not merely command subordinates to put the plan into action. The CEO supervises the implementation and may reveal the strategy gradually, rather than in one bold proclamation. However, it is usually inadequate for the CEO simply to tack implementation onto strategy. This approach does not deal with the problem of obtaining accurate information nor does it buffer the planner from political pressures. Also as in the first approach, imposing the strategy downward from the top still causes motivational problems among the doers or implementers at lower levels.

### **The collaborative approach**

Top and lower level managers work together to evaluate and develop marketing strategies in the consensus approach to implementation. The underlying premise of this approach is that managers from different areas and levels in the firm come together as a team to brainstorm and develop the strategy. Each participant has different opinions as well as different perceptions of the marketing environment. The role of the top manager is that of coordination, pulling different opinions together to ensure the development of the best overall marketing strategy. Through this collective decision-making process, the firm agrees upon marketing strategy and reaches a consensus as to the overall direction of the firm.

Implementation through consensus is more advantageous than the first two approaches in that it moves some of the decision-making authority closer to the frontline of the firm. Lower-level managers who participate in the strategy-formulation process have a unique perspective on the marketing activities necessary to implement the strategy. These managers are also more sensitive to the needs and wants of the firm's customers. In addition, because they have more involvement in developing the marketing strategy, lower level managers often have a stronger motivation and commitment to the strategy to see that it is properly implemented. The inclusion of managers from other functional areas within the firm also ensures the coordination of strategy across the entire firm.



Implementation through consensus tends to work best in complex, uncertain, and highly unstable environments.

### **The cultural approach**

Under this approach, marketing strategy and its implementation become extensions of the firm's mission, vision, and organisational culture. In some ways, this approach is similar to implementation through consensus, except that the barrier between the strategists and implementers completely dissolves. When employees see implementation as an extension of the firm's culture, employees at all levels have permission to participate in making decisions that help the firm reach its mission, goals and objectives.

With strong organisational culture and overriding corporate vision, the task of implementation marketing strategy is about 90 percent complete. This occurs because all employees adopt the firm's culture so completely that they instinctively know what their role is in implementing the marketing strategy. The employees can design their own work procedures, as long as they are consistent with the organisational mission, goals and objectives. This extreme form of decentralisation is often called empowerment. Empowering employees mean allowing them to make decisions on how to best perform their jobs.

Despite the enormous amount of time involved in developing and using this approach to implementation, its rewards of increased effectiveness, efficiency and increased employee commitment and morale are often well worth the investment.

Each approach has its advantages and disadvantages. The table below summarises the four already discussed approaches. It examines the basis of each approach, its advantages and its disadvantages.

**Table 2.2: Advantages and disadvantages of implementation approaches**

<b><u>Implementation by Command</u></b>	
Basic Premise	- Marketing strategies are developed at the top of the organisational hierarchy and then passed to lower levels where frontline managers and employees are expected to implement them.

Advantages	<ul style="list-style-type: none"> <li>- Reduces uncertainty and makes decision making easier</li> <li>- Good when a powerful leader heads the firm</li> <li>- Good when the strategy is simple to implement</li> </ul>
Disadvantages	<ul style="list-style-type: none"> <li>- Does not consider the feasibility of implementing the strategy</li> <li>- Divides the firm into strategists and implementers</li> <li>- Can create employee motivation problems</li> </ul>
<b><u>Implementation through Change</u></b>	
Basic Premise	<ul style="list-style-type: none"> <li>- The firm is modified in ways that will ensure the successful implementation of the chosen marketing strategy</li> </ul>
Advantages	<ul style="list-style-type: none"> <li>- Specifically considers how the strategy will be implemented</li> <li>- Considers how strategy and implementation affect each other</li> <li>- Used successfully by a large number of firms</li> </ul>
Disadvantages	<ul style="list-style-type: none"> <li>- Clings to a power-at-the-top mentality</li> <li>- Requires a skilled, persuasive leader</li> <li>- Changes can take time to design and implement, leaving the firm vulnerable to changes in the marketing environment</li> </ul>
<b><u>Implementation through Consensus</u></b>	
Basic Premise	<ul style="list-style-type: none"> <li>- Different areas of the firm come together to brainstorm and develop the marketing strategy</li> <li>- Through the collective agreement, a consensus is reached as to the overall direction of the firm</li> </ul>
Advantages	<ul style="list-style-type: none"> <li>- Considers multiple opinions and viewpoints</li> <li>- Increases firm-wide commitment to the strategy</li> <li>- Moves some decision making closer to the</li> </ul>

	<p>front line of the firm</p> <ul style="list-style-type: none"> <li>- Useful in complex, and unstable environments</li> </ul>
Disadvantages	<ul style="list-style-type: none"> <li>- Some managers will not give up their authority</li> <li>- Can lead to groupthink</li> <li>- Slows down the strategy development and implementation process</li> <li>- Requires open horizontal and vertical communication</li> </ul>
<p><b><u>Implementation through Organisational Cultural</u></b></p>	
Basic Premise	<ul style="list-style-type: none"> <li>- Marketing strategy is a part of the overall mission and vision of the firm; therefore, the strategy is embedded in the firm's culture. Top executives manage the firm's culture to ensure that all employees are well versed in the firm's strategy</li> </ul>
Advantages	<ul style="list-style-type: none"> <li>- Eliminates the barrier between strategies and implementers</li> <li>- Increase employee commitment to organisational goals</li> <li>- Allows for the empowerment of employees</li> <li>- Can make marketing implementation much easier to accomplish</li> </ul>
Disadvantages	<ul style="list-style-type: none"> <li>- Must spend more money on employee selection and training</li> <li>- Creating the necessary culture can be painful and time-consuming</li> </ul>

	- Quickly shifting to this approach can cause many internal problems
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*Source: Ferrell & Hartline, 2011: 337*

### **2.4.3 Internal marketing**

Most previous discussions of internal marketing have focused on one or more of the following applications: internal marketing in support of the corporate strategy, which includes internal marketing in support of external marketing (Varey, 1995; Lings, 1999, cited in Davis, 2001); internal marketing of the company to employees, primarily through human resource management programs (Berry, 1981; Collins & Payne, 1991 cited in Davis, 2001); and internal marketing of services between departments or organisational units (Trumbly & Arnold, 1989 cited in Davis, 2001).

A key premise underlying Ahmed and Rafiq's (2003) "employees as customers" concept in internal marketing is that just like external customers, internal customers desire to have their needs satisfied. The logic of this is that by satisfying the needs of internal customers, an organisation should be in a better position to deliver the quality desired to satisfy external customers. Implicit to this is the assumption that fulfilling employee needs enhances employee motivation and retention. As a consequence, the higher the degree of employee satisfaction, the higher the possibility of generating the external satisfaction and loyalty.

Davis (2001) asks fundamental questions such as "Do strategic plans sell themselves? Do lower level employees view the company in the same way as senior management? Do different departments collaborate and work closely together?" He also gives a direct answer and says "The answer in most companies is no!" Conflicts between organisation levels and across functions are commonplace.

Davis (2001) further suggests that a great deal of management time is spent dealing with employee resistance and resolving interdepartmental problems. Internal marketing has been proposed as an approach to closing the gap between the different constituencies in organisations and developing more cooperative relations. The basic premise of internal marketing is that marketing methods that have been used externally to market products and

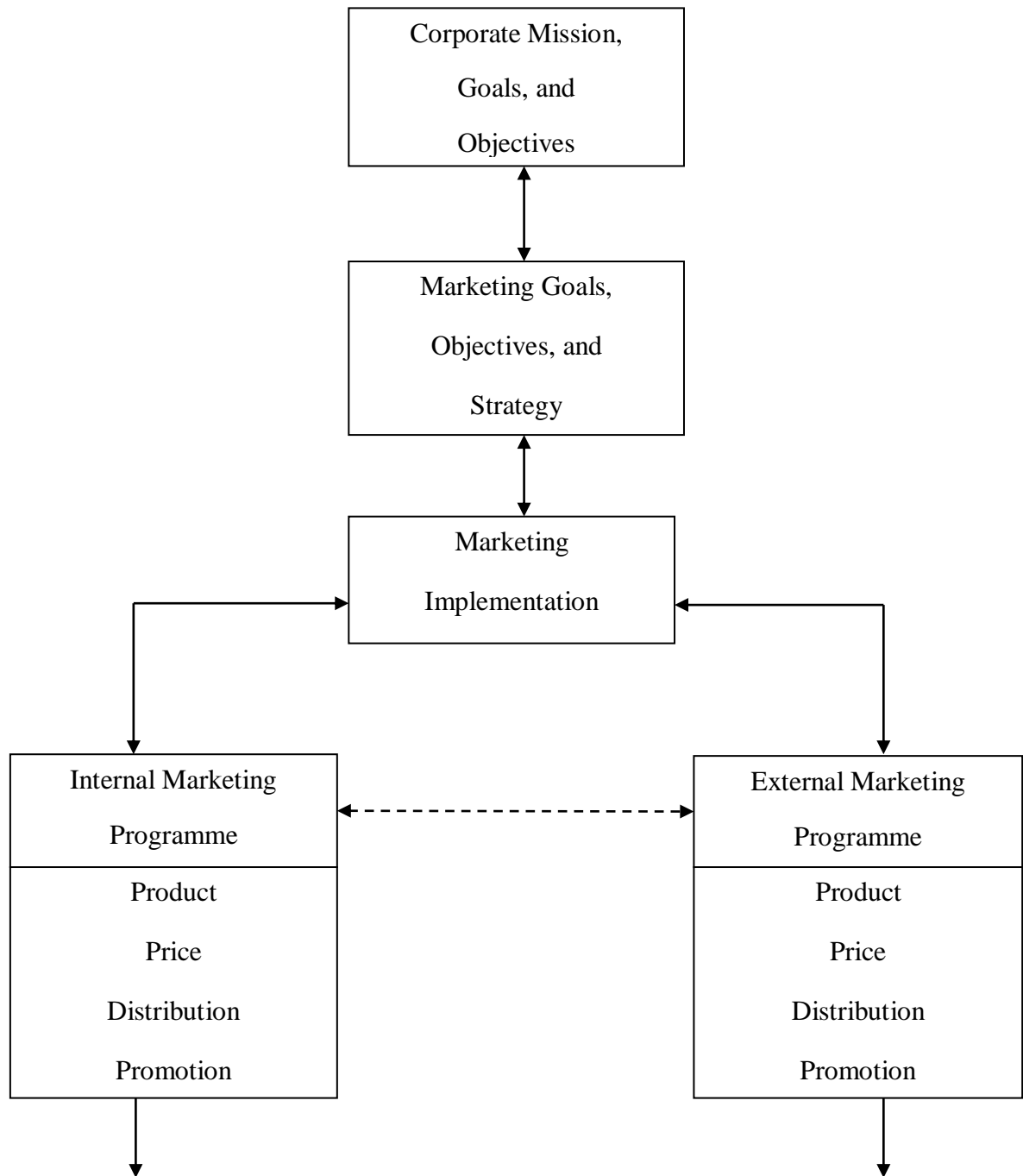
services to customers can be used to market programs and services to organisation members.

In their study Varey and Lewis (1999) stated that internal marketing is identified when marketing organisations are conceived as dynamic, adapting, internally differentiated social systems. They support Davis (2001) and identify the following three major tasks for internal marketing:

- The dissemination of information to and from all internal groups involved in or affected by the marketing activities, for the efficient implementation of marketing decisions;
- The development of competence, especially important where "the organisation is the product" (i.e. in service businesses); and
- The development and maintenance of incentive and motivation systems which reward marketing performance.

The process of internal marketing is straightforward and rests on many of the same principles used in external marketing. As shown in figure 2.9, internal marketing is seen as an output of and input to both marketing implementation and the external marketing programme. That is, neither the marketing strategy nor its implementation can be designed without some consideration for the internal marketing programme. (Ferrell, Hartline & Lucas, 2002: 191).

**Figure 2.9: The internal marketing process**



*Source: Ferrell & Hartline, 2011:339*

In their summary of figure 2.9, Ferrell, Hartline and Lucas (2008) state that the product, price, distribution, and promotion elements of the internal marketing programme are similar

to the elements of the external marketing programme. *Internal products* refer generally to the marketing strategies that must be sold internally. More specifically, however, internal products refer to any employee tasks, behaviours, attitudes, and values necessary to ensure implementation of the marketing strategy. The implementation of a marketing strategy typically requires changes on the part of employees. They may have to work harder, change job assignments, or even change their attitudes and expand their abilities. The increased effort and changes that employees must exhibit in implementing the strategy are called *internal prices*. Employees pay these prices through what they must do, change, or give up when implementing a new marketing strategy.

*Internal distribution* refers to how the marketing strategy is communicated internally. Planning sessions, workshops, formal reports, and personal conversations are all examples of internal distribution. Internal distribution also includes employee education and training, and socialisation programmes designed to assist in the transition to a new marketing strategy.

Finally, all communication aimed at informing and persuading employees about the merits of the marketing strategy comprise *internal promotion*. Internal promotion can take the form of speeches, video presentations, audiotapes, and/or internal company newsletter.

## **2.5 EVALUATION AND CONTROL OF MARKETING ACTIVITIES**

A brilliant strategic marketing counts for little if not implemented properly. Strategy addresses the *what* and *why* of the marketing activities. Implementation addresses the *who*, *where*, *when*, and *how*. They are closely related. One layer of strategy implies certain tactical implementation assignments at a lower level (Kotler & Keller, 2009:688).

Ferrell and Hartline (2011) support this notion and state that a marketing strategy can achieve its desired results only if implemented properly. They say it is important to remember that a firm's intended marketing strategy often differs from the realised strategy. This also means that actual performance is often different from expectations. Typically there are four possible causes for this difference:

- The marketing strategy was inappropriate or unrealistic;
- The implementation was inappropriate for the strategy;

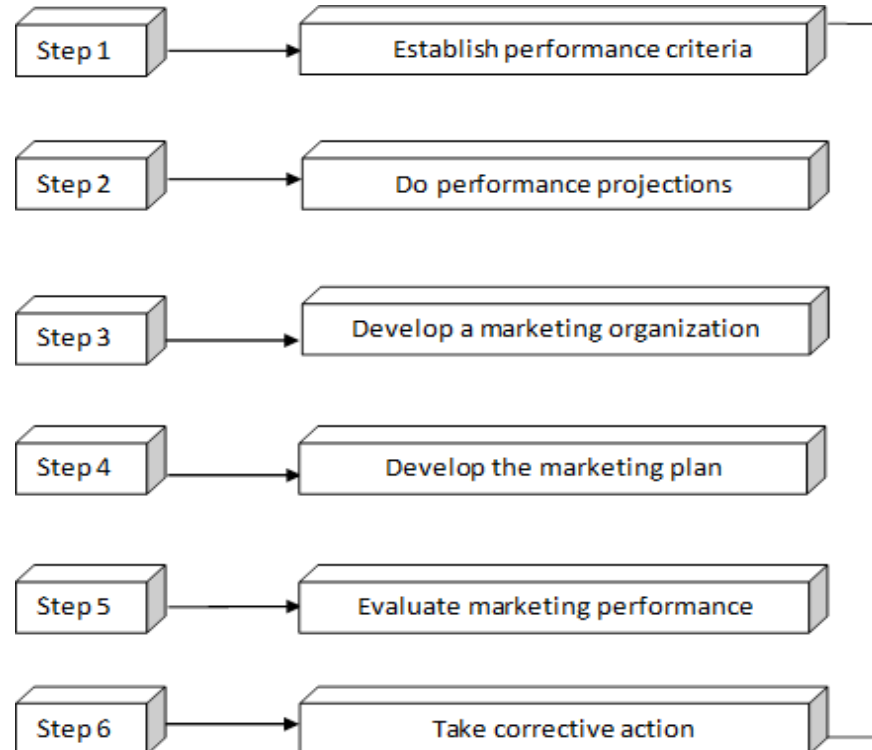
- The implementation process was mismanaged; and
- The internal and/or external environments changed substantially between the development of the marketing strategy and its implementation.

To reduce the difference between what actually happened and what the company expected, and to correct any of these problems, marketing activities must be evaluated and controlled on an on-going basis (Ferrell & Hartline, 2011:341).

A well-functioning control system is therefore critical to the success of the business. To be successful, the control system should be well integrated with the other steps in the marketing management process – setting objectives, formulating strategies, and implementing a plan of action (Boyd, Walker, Mullins & Larreche, 2002: 527).

According to Strydom, Jooste and Cant (2000), strategic control attempts to evaluate and control the basic components of the strategic marketing plan. Figure 2.10 that follows illustrates the process of evaluation and control of marketing activities.

**Figure 2.10 Process of evaluation and control of marketing activities**





*Source: Strydom, Jooste & Cant, 2000:503*

**Step 1:** Establish performance criteria

During the planning process certain performance standards are determined against which achievements may be measured. The business and marketing objectives are examples of such performance standards. Performance standards must, *inter alia*, be measurable, placed in order of priority, and be achievable. Performance standards meeting these requirements facilitate the evaluation process considerably. Vague, generalised and unrealistic performance standards make evaluation impossible.

Furthermore, performance standards can be set in quantitative and qualitative terms for the different marketing activities. Quantitative standards consist of input, output and efficiency standards.

*Input standards.* Input standards are specified norms and are usually quantified in money value or manpower application, or both. Input standards quantified in money value usually appear in the budget.

*Output standards.* Output standards are norms used in the evaluation of the marketing results. Sales, measured in income or physical unit, are probably the most important marketing outputs. Other marketing results, such as the size of the market share, contribution to the gross profit and net profit, and contribution to the organisation's growth and profitability, are directly derived from the sales volumes of the enterprise.

Marketing outputs not directly related to sales are naturally also possible. These outputs may include brand recognition, brand preference and brand insistence. Others include the speed at which orders are dealt and delivered, the number of advertisements placed in a specific time, the utilised shelf space at retailers, and the number of visits paid. The demonstrations held by sales representatives can serve as important output standards to evaluate specific marketing activities.

*Efficiency standards.* Efficiency standards are determined by expressing closely and rationally associated inputs and outputs as a relationship. These relationships or ratios indicate the relative efficiency with which certain tasks are performed. Efficiency standards especially useful in evaluation are, *inter alia*, the turnover of the stock, the turn over per

square metre of sales space, the turnover per rand rent paid, and the turnover per rand reimbursement of the sales staff. The average cost per visit of sales representatives, and the number of visits per day by sales representatives are other ratios that indicate relative efficiency with which certain tasks are performed.

***Step 2:*** Develop performance projection

Once the company has established the criteria it will use to evaluate marketing performance, it develops performance projections for the product and business units in the form of profit-and-loss statement.

To develop a profit-and-loss statement, management must establish a budget for a product or SBU that will provide cost and revenue estimates. Most businesses make use of the zero-based budgeting in which the budget is determined at the beginning of each year. Zero budgeting simplifies evaluating product or SBU performance because expenditures are evaluates from a zero starting point. Many companies assess marketing expenditures by comparing them to expenditures in previous years. The fallacy is that last year's budget might have been too high or too low to begin with. Zero-based budgeting overcomes this problem by assessing costs from a base of zero.

***Step 3:*** Develop a marketing organisation

This step requires establishing a marketing organisation capable of implementing and evaluating marketing strategies.

***Step 4:*** Develop the marketing plan

The development and implementation of a marketing plan has already been widely discussed, and therefore it will not be mentioned in this section of the study. It is important to realise that people are involved in the implementation of plans and that conflict and resistance can arise. A corporate culture conducive to harmony in the company is therefore required.

***Step 5:*** Evaluate marketing performance

It has already been mentioned that evaluation is appropriate before the actual activity takes place, while it takes place, and after it has been completed. The ideal is to evaluate before

or at least while things are happening, so that deviations from the standard can be spotted in time and changes made before money or time is wasted. However, this is not always possible, and marketing control is often required after the event has occurred. Then it is a matter of recovery management. The purpose of recovery management is to establish a basis for future planning and to prevent a repetition of the deviation in future – this points to preventative management.

One of the best methods of evaluating whether performance standards have been achieved is to use a marketing audit to examine systematically the firm's marketing objectives, strategy and performance (Ferrell, Hartline & Lucas, 2002: 195). The primary purpose of a marketing audit is to identify problems in ongoing marketing activities and to plan the necessary steps to correct those problems (Ferrell, Hartline & Lucas, 2002:195). A sample marketing audit is shown in the following table 2.3. In practice, the elements of the audit should match the elements of the marketing strategy.

**Table 2.3: A sample of marketing audit**

Identification of Marketing Activities	<ol style="list-style-type: none"> <li>1. In what specific marketing activities is the company currently engaged? <ul style="list-style-type: none"> <li>- <b><u>Product activities:</u></b> research, concept testing, test marketing, quality control, etc.</li> <li>- <b><u>Consumer service activities:</u></b> installation, training, maintenance, technical support, complaint handling, etc.</li> <li>- <b><u>Pricing activities:</u></b> financing, billing, cost control, discounting, etc.</li> <li>- <b><u>Distribution activities:</u></b> availability, channels used, customer convenience, etc.</li> <li>- <b><u>Promotion activities:</u></b> media, sales promotion, personal selling, public relations, etc.</li> </ul> </li> <li>2. Are these activities conducted or provided solely by the company, or are some conducted or provided by outside contractors? If outside contractors are used, how are they performing? Should any of these outside activities be brought in-house?</li> <li>3. What additional marketing activities do customers want, need, or expect?</li> </ol>
	<ol style="list-style-type: none"> <li>1. Do written procedures (manuals) exist for each marketing activity? If so, are these procedures</li> </ol>

Review of Standard Procedures for Each Marketing Activity	<p>(manuals) up to date? Are these procedures (manuals) being followed by employees?</p> <ol style="list-style-type: none"> <li>2. What oral or unwritten procedures exist for each marketing activity? Should these procedures be formally included in the written procedures, or should they be eliminated?</li> <li>3. Do marketing personnel regularly interact with other functional areas to establish standard procedures for each activity?</li> </ol>
Identification of Performance Standards for Each Marketing Activity	<ol style="list-style-type: none"> <li>1. What specific, quantitative standards exist for each activity?</li> <li>2. What qualitative standards exist for each activity?</li> <li>3. How does each activity contribute to customer satisfaction within each marketing mix element (i.e. product, pricing, distribution, promotion)?</li> <li>4. How does each activity contribute to making goals and objectives?</li> <li>5. How does each activity contribute to the goals and objectives of the company?</li> </ol>
Identification of Performance Measures for Each Marketing Activity	<ol style="list-style-type: none"> <li>1. What are the internal, profit-based measures for each marketing activity?</li> <li>2. What are the internal, time-based measures for each marketing activity?</li> <li>3. How is performance monitored and evaluated internally by management?</li> <li>4. How is performance monitored and evaluated externally by customers?</li> </ol>
Review and Evaluation of Marketing Personnel	<ol style="list-style-type: none"> <li>1. Are the company's current recruiting, selection, and retention efforts consistent (matched) with the requirements of the marketing activities?</li> <li>2. What is the nature and content of employee training activities? Are these activities consistent with the requirements of the marketing activities?</li> <li>3. How is customer-contact personnel supervised, evaluated, and rewarded? Are these procedures consistent with customer requirements?</li> <li>4. What effect do employee evaluation and reward policies have on employee attitudes, satisfaction, and motivation?</li> <li>5. Are current levels of employee attitudes, satisfaction, and motivation adequate?</li> </ol>

Identification and Evaluation of Customer Support Systems	<ol style="list-style-type: none"> <li>1. Are the quality and accuracy of customer service materials (e.g. instruction manuals, brochures, and form letters) consistent with the image of the company and its products?</li> <li>2. Are the quality and appearance of physical facilities (e.g. offices, furnishings, layout, and store décor) consistent with the image of the company and its products?</li> <li>3. Are the quality and appearance of customer service equipment (e.g. repair tools, telephones, computers, delivery vehicles) consistent with the image of the company and its products?</li> <li>4. Is the record-keeping system accurate? Is the information always readily available when it is needed? What technology could be acquired to enhance record-keeping abilities (e.g. bar code scanners, portable computers, cellular telephones)?</li> </ol>
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*Source: Ferrell, Hartline & Lucas, 2002:196*

In large organisations it is often difficult for management to exercise effective controls. Strategic control points are thus delegated to the lower levels, while only exceptional differences and deviations from standards are reported to top management. This is referred to as control by exception. Where deviations occur, the nature and extent thereof and the reasons therefore have to be determined before corrective steps can be taken.

***Step 6:*** Take corrective action

Where actual performance is below the standards set, steps can be taken to improve performance. If sales in the first quarter are lower than the norm set in the sales budget, then corrective measures can possibly entail an intensive marketing campaign.

Where the deviation can be attributed to uncontrollable environmental factors (such as economic depression), standards have to be lowered if they were initially set too high. In favourable circumstances it is also possible that actual performance can exceed the standards laid down. Once again the standards will have to be adjusted. If sales in the first quarter are much higher than the norm set in the sales budget, an adjustment will have to be made to avoid stock problems in the second quarter.

Information on deviations, the reasons for deviations and the nature of corrective actions is used in the forecasting process in order to set more accurate standards for future periods.

In support of the above discussion of evaluation and control, in their summary Ferrell, Hartline and Lucas (2002) highlight that the best way to prevent implementation problems is to have a system of marketing controls in place that allows the manager to spot potential problems before they cause real trouble.

The following table 2.4 outlines the framework for marketing control that includes two major control types: Formal controls and informal controls.

**Table 2.4: Framework for marketing control**

<i>Formal Control Mechanisms – initiated by the marketing manager</i>	
Input control mechanisms – actions taken prior to implementation	<ul style="list-style-type: none"> <li>- Employee recruitment and selection procedures</li> <li>- Employee training programs</li> <li>- Employee manpower allocations</li> <li>- Financial resources</li> <li>- Capital outlays</li> <li>- Research and development expenditures</li> </ul>
Process control mechanisms – actions taken during implementation	<ul style="list-style-type: none"> <li>- Employee evaluation and compensation systems</li> <li>- Employee authority and empowerment</li> <li>- Internal communication programmes</li> <li>- Lines of authority/structure (organisational chart)</li> <li>- Management commitment to the marketing plan</li> <li>- Management commitment to employees</li> </ul>
Output control mechanisms –	<ul style="list-style-type: none"> <li>- Performance standards (e.g. sales, market</li> </ul>

evaluated after implementation	share, promotion) - Marketing audits
<b><i>Formal Control Mechanisms – unwritten controls initiated by employees</i></b>	
Employee self-control – individualised control	- Job satisfaction - Organisational commitment - Commitment to the marketing plan
Employee social control – small-group control	- Shared organisational values - Social and behavioural norms
Employee cultural control – culture of the entire organisation	- Organisational culture - Organisational stories, rituals, and legends - Cultural change

*Source: Ferrell, Hartline and Lucas, 2002:194*

## **2.6 NATURE OF NON-GOVERNMENT ORGANISATIONS IN SOUTH AFRICA**

### **2.6.1 Social marketing**

The non-government organisations in South Africa are founded and based on the concept of social marketing. Vazifehdust, Taghipourian and Gharib (2011) say that social marketing is not a theory in itself. Rather, it is a framework or structure that draws from many other bodies of knowledge such as psychology, sociology, and anthropology and communications theory to understand how to influence people's behaviour. Several definitions of social marketing exist, but one of the most useful describes social marketing as follows: Social marketing is the application of commercial marketing technologies to the analysis, planning, execution and evaluation of programmes designed to influence the voluntary behaviour of target audiences in order to improve their personal welfare and that

of society. The unique feature of social marketing is that it takes learning from the commercial sector and applies it to the resolution of social and health problems.

Four key features are illustrated in this definition. The first is a focus on voluntary behaviour change: social marketing is not about coercion or enforcement. The second is that social marketers try to induce change by applying the principle of exchange the recognition that there must be a clear benefit for the customer if change is to occur. Thirdly, marketing techniques such as consumer oriented market research, segmentation and targeting, and the marketing mix should be used. Finally, the end goal of social marketing is to improve individual welfare and society, not to benefit the organisation doing the social marketing: this is what distinguishes social marketing from other forms of marketing.

According to Andreasen (2012), the tables below highlight the following fundamental differences in the nature of the “transactions” involved in non-profit and social marketing (compared with commercial marketing) that have important implications for effective marketing management:

- Performance signals in terms of financial returns come from multiple sources—sales (sometimes), individual and corporate donations, grants from foundations, fees from contracts with government agencies, and proceeds from corporate cause-marketing programs.
- Important performance signals also come in nonfinancial forms in volunteered labour (e.g. workers, board members), the provision of free physical resources (e.g. computers, software, space, vehicles, and furniture), and free advice (e.g., pro bono consulting, legal aid, and accounting).
- Competition between organisations is not just about behavioural outcomes, as in the private sector, but over the resources needed to achieve such outcomes (e.g. grants, contracts, partnerships, volunteer support).



**Table 2.5: Three zones of the value chain: commercial and social/non-profit marketing**

<b>Level</b>	<b>Commercial Marketing</b>	<b>Social/Non-profit Marketing</b>
<b>Internal</b>		
<b>1. Inputs</b>	Organisational budgets Staffing Internal support	Organisational budgets Volunteers Donations Corporate support
<b>2. Activities</b>	Strategy creation and execution	Strategy creation and execution
<b>3. Internal outputs</b>	Sales campaigns	Behaviour change campaigns Fundraising campaigns Volunteering events Corporate development
<b>External</b>		
<b>4. Results management</b>	Sales	Behaviour changes Volunteer retention Donation levels/ loyalty Corporate collaboration
<b>5. Impacts</b>	Profits/ return on investment	Social change Non-profit/social programme growth

**Table 2.6: Differences between commercial/non-profit marketing**

<b>Feature</b>	<b>Commercial Marketing</b>	<b>Social/Non-profit Marketing</b>
<b>Primary target audiences</b>	Customers	Downstream people with problem behaviours
<b>Secondary target audiences</b>	Supply chain members	Upstream enablers Media Volunteers Donors Corporate partners
<b>Expectations</b>	Modest	Substantial
<b>Budgets</b>	Substantial	Minimal
<b>Tactical freedom</b>	Few limits	Close public scrutiny
<b>Characteristics of key behaviours</b>	Often low involvement Audience indifferent or positive	Often high involvement Audience indifferent or opposed
<b>Limits on offering</b>	Few	Often considerable
<b>Target audience benefits</b>	Obvious Immediate or near term	Not obvious Far in the future

*Source: Andreassen, 2012:39*

### **2.6.2 Developmental Social Welfare (DSW)**

Developmental social welfare is the approach that shapes and drives welfare services in South Africa (Patel, Schmid & Hochfeld, 2012:212). As it was indicated in Chapter 1 of this study, Yap (1990:77) says that development is about change, about how people think things

should be. Not surprisingly, it has been defined in many different ways: industrialisation, economic growth, empowerment, freedom of choice, and the meeting of basic needs. The non-governmental movement has responded to these different models of development. Some NGOs implement economic development projects; others mobilise and organise opposition to them. Some monitor the social impact of resource development initiatives; others monitor their environmental impact.

In her study, Huntoon (2001) concluded that policy objectives not obtainable as a result of direct action by government may be reached by the creation of social capital by associations. Voluntary and charitable associations can provide a channel for government in fostering social capital. Social capital is conceptualised as a web of association which helps individuals succeed and decreases the need for state social welfare support or likelihood of state intervention in social conflicts.

Patel (2005, cited in Patel *et al.*, 2012) defined developmental social welfare as a “pro-poor strategy promoting participation of the socially excluded in development activities to achieve social and economic justice, a partnership approach to social development, social solidarity, and active social citizenship”. Rights-based principles and equity stand at the heart of this policy and constitute the first key feature. The policy requires that resources be equitably distributed, favouring the most disadvantaged groups. The intent is to ensure that all population groups have equal access to needed services, and those communities that were historically neglected, such as rural areas, are appropriately serviced. Vulnerable groupings such as the aged, youth, persons with disabilities, people affected by chronic illnesses and HIV/AIDS, and women require special attention.

Second, a central premise is that economic development by itself is insufficient to help people break out of mass poverty. Substantial social investments in human development such as poverty reduction, local economic development, employment creation, urban and rural development, and the provision of health care, housing, education, social protection, and developmental welfare services need to work synergistically to have maximum benefit for South Africa’s poor, thus challenging earlier remedial strategies.

Third, in keeping with the evolving democratic ethos of a post-apartheid society, the new approach places great emphasis on citizen participation in service development and in

service delivery in order to break with past paternalism in social welfare provision. A collaborative partnership model that provides for collaboration between different levels of government, social sectors (e.g. health, welfare and education), and between government and civil society is identified as the fourth core feature of the approach. A leading role for government is envisaged through funding of civil society organisations engaged in social development while acknowledging their autonomy and potential to meet people's needs more effectively at a community level. Finally, an integrated approach to the delivery of developmental welfare and social work services was envisioned that would promote individual, family, and community empowerment and development.

In the post-election period, NGOs have been deprived of the relative luxury of protectionism and favouritism which they previously enjoyed in their relations with foreign donors. But almost as soon as the GNU was established and the Reconstruction and Development Programme (RDP) was announced, donors' interest shifted to this emerging partner to pursue bilateral relations. Most NGOs were inadequately prepared for these changes (even though they had been predicted well before the elections), and donors indicated as much. Part of the problem was the insufficient resources and time to plan and establish alternative financing in the heat of the transition process. The dramatic shrinking of the funding pool was compounded by loss of staff to government and industry, continued bureaucratic and cumbersome restrictions on their activities, and the shortfalls of organisational and management capacity (Kraak 1995: 18, cited in Pieterse, 1997). Exposed to these external threats and consequently to internal conflicts, it became clear that the NGO sector was consumed with anxiety about its future.

In support of the above statement, Sanders, Phillips and Vanreusel (2012) stated in their study that preliminary investigations reveal that integration with government is a double-edged sword for many NGOs, both an opportunity and a challenge (Kaufman, 2009; cited in Sanders *et al*, 2012 ). While partnerships with the state can help these organisations widen the scope of their work, access funding and become more sustainable, they can also lead to dependency on government, an inordinate amount of bureaucracy and may even hamper the development work itself (Cooper, 2009; cited in Sander *et al*, 2012). While the state offers more stability than alternative sources of funding, it does compromise private initiative and creativity,

## **SUMMARY**

Marketing is about the process of creating, distributing, promoting and pricing goods, services and ideas to facilitate satisfying exchange relationships with customers and develop and maintain favourable relationships with stakeholders in a dynamic environment. In order to develop and implement marketing strategies in a profit organisation, strategic marketing planning needs to be in place. Mission, goals and objectives must be very clear.

While non-profit organisations are not there to make profits, they still have something to achieve, and therefore that necessitates their having a clear mission, clear goals and clear objectives. The development and implementation of marketing strategies, while globally understood by businesses, if the same principles were to be applied in a non-profit organisation, will make a significant impact on the success of a non-profit and non-governmental organisations.

Chapter 3 will outline the research design and research methodology.

## CHAPTER 3

### RESEARCH DESIGN AND METHODOLOGY

#### 3.1 INTRODUCTION

Chapter 1 has addressed the historical background of the NGOs in South Africa in the past three decades. NGOs form part of the large and diverse groups of organisations that can only, with great conceptual difficulty be categorised as the non-profit sector. Chapter 2 reviewed existing literature relating to marketing and marketing strategies in profit organisations and related it to non-profit organisations.

This chapter explains the research methodology used in the empirical part of the study. It explains the research methodology, research design and the collection of data. As stipulated in Chapter 1, *this research is an assessment of the nature and implementation of marketing strategies of selected Eastern Cape non-government organisations.*

The main problem can be further defined by the following sub-problems:

- What, according to literature, is a marketing strategy?
- Do local NGOs use any formal marketing strategies?
- If so, what activities are involved in such strategies?

#### 3.2 QUANTITATIVE VERSUS QUALITATIVE RESEARCH

Research is a process for collecting, analysing and interpreting information to answer questions. To qualify as research, the process must have certain characteristics. It must, as far as possible, be controlled, rigorous, systematic, valid and verifiable, empirical and critical (Kumar, 2005:7).

The purpose of a quantitative study is to quantify the variation in a phenomenon, situation, problem or issue. In a quantitative study, the information is gathered using predominantly quantitative variables. It is also geared to ascertain the magnitude of the variation (Kumar, 2005:12). Quantitative research uses numbers and statistical methods. It seeks explanations and predictions that will generalise the other persons and places (Thomas, 2003:2).

However, the intention of this research is not to quantify the variation in a phenomenon, situation, problem or issue. The purpose of a qualitative study on the other hand, is primarily to describe a situation, phenomenon, problem or event. The information is gathered through the use of variables measured on nominal or ordinal scales (Kumar, 2005:12). Hence a qualitative approach was followed for this study.

Corbin and Strauss (2008:1) further define qualitative analysis as a process of examining and interpreting data in order to elicit meaning, gain understanding, and develop empirical knowledge. In this study data was collected and interpreted to gain understanding on how the selected NGOs operate with regards to marketing and marketing strategies.

Qualitative research is multi-method in focus, involving an interpretative, naturalistic approach to its subject matter. This means that qualitative researchers study things in their natural settings, attempting to make sense of, or interpret phenomena in terms of the meanings people bring to them (Thomas, 2003:1). In support of this statement, the following table gives the characteristics of a qualitative research and researcher. The second table shows the summary of the fundamental differences in the qualitative and quantitative research study.

**Table 3.1: Characteristics of qualitative research and researchers**

<b>Qualitative research</b>	<b>The qualitative researcher</b>
Takes place in a natural world	Views social phenomena holistically
Uses multiple methods that are interactive and humanistic	Systematically reflects on who he/she is in the inquiry
Focuses on context	Is sensitive to his/her personal biography and how it shapes the study
Is emergent rather than tightly prefigured	Uses complex reasoning that is multifaceted and iterative
Is fundamentally interpretive	

*Source: Marshall & Rossman, 2006:3*

**Table 3.2: Qualitative vs Quantitative Research**

	<b>Qualitative Research</b>	<b>Quantitative Research</b>
<b>Objective / purpose:</b>	To gain an understanding of underlying reasons and motivations. To provide insights into the setting of a problem, generating ideas and/or hypotheses for later quantitative research to uncover prevalent trends in thought and opinion	To quantify data and generalise results from a sample to the population of interest. To measure the incidence of various views and opinions in a chosen sample. Sometimes followed by qualitative research which is used to explore some findings further
<b>Sample</b>	Usually a small number of non-representative cases. Respondents selected to fulfil a given quota	Usually a large number of cases representing the population of interest. Randomly selected respondents
<b>Data collection</b>	Unstructured or semi-structured techniques e.g. individual depth interviews or group discussions	Structured techniques such as on-street or telephone interviews
<b>Data analysis</b>	Non-statistical	Statistical; data is usually in the form of tabulations. Findings are conclusive and usually descriptive in nature
<b>Outcome</b>	Exploratory and/or investigative. Findings are not conclusive and cannot be used to make generalizations about the population of interest. Develop an initial understanding and sound base for further decision-making	Used to recommend a final course of action

Source: <http://www.snapsurveys.com/techadvqualquant.shtm>

### 3.3 QUALITATIVE RESEARCH DESIGNS

Research design is a plan, structure and strategy of investigation so conceived as to obtain answers to research questions or problems. The plan is the complete scheme or program of the research. It includes an outline of what the investigator will do from writing the hypotheses and their operational implications to the final analysis of data (Kumar, 2005:84).



The following table illustrates the distinguishing characteristics of different qualitative designs.

**Table 3.3 Distinguishing characteristics of different qualitative designs.**

<b>Design</b>	<b>Purpose</b>	<b>Focus</b>	<b>Methods of Data Collection</b>	<b>Methods of Data Analysis</b>
Case study	To understand one person or situation (or perhaps a very small number) in depth	One case or a few cases within its/their natural setting	Observations; interviews; appropriate written documents and/or audio-visual material	Categorisation and interpretation of data in terms of common themes Synthesis into an overall portrayal
Ethnography	To understand how behaviours reflect the culture of a group	A specific field site in which a group of people share a common culture	Participant observations; structured or unstructured interviews with “informants”; Artifact/document collection	Identification of significant phenomena and underlying structures and beliefs; Organisation of Data into a logical whole (e.g. chronology, typical day)
Phenomenological study	To understand the experience from participants’ point of view	A particular phenomenon as it is typically lived and perceived by human beings	In-depth unstructured interviews Purposeful sampling of 5-25 individuals	Search for “meaning units” that reflects various aspects of the experience Integration of the meaning units into a “typical” experience
Grounded theory study	To drive a theory from data collected in a natural setting	A process, including human actions and how they result from	Interviews; Any other relevant data source	Prescribed and systematic method of coding the data into categories and identifying

		and influence one another		interrelationships; Continual interweaving of data collection and data analysis
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<b>Design</b>	<b>Purpose</b>	<b>Focus</b>	<b>Methods of Data Collection</b>	<b>Methods of Data Analysis</b>
Content analysis	To identify a specific of a body of material	Any verbal, visual, or behavioural form of communication	Identification and possible sampling of the specific material to be analysed; Coding of the material in terms of predetermined and precisely defined characteristics	Tabulation of the frequency of each characteristic; Descriptive or inferential statistical analysis as needed to answer the research question

*Source: Leedy & Ormrod, 2010:146*

### **3.3.1 Method**

In this research a case study design was followed. The purpose of this study is to assess the nature and implementation of marketing strategies of selected Eastern Cape non-government organisations. In a case study, researchers focus on a single case, perhaps because its unique or exceptional qualities can promote understanding or inform practice for similar situations (Leedy & Ormrod, 2010:137). In other studies two or three cases are used to make comparisons and build theory, such studies are called multiple or collective case study (Leedy & Ormrod, 2010:137). In this research three cases were studied for the reasons already stipulated for the single and multiple case studies as well as to propose generalisations.

As it is already illustrated in table 3.3, in a case study the researcher collects extensive data on the individual(s), programme(s), or event(s), on which the investigation is focused (Leedy & Ormrod, 2010:137). In this particular study, the investigation covers three different organisations from which the data has been collected. Miller and Salkind (2002)

believe that in-depth understanding requires few cases. For each additional case examined, the researcher has less time to devote to exploring the depth of any one case. Hence only three organisations were chosen.

### **3.3.2 Data analysis**

Data analysis in a case study typically involves the following steps (Creswell, 1998; Stake, 1995, cited in Leedy & Ormrod, 2010:138)

- *Organisation of details about the case:* The specific facts about a case are arranged in a logical order (e.g. chronological).
- *Categorisation of data:* Categories are identified that can help cluster the data into meaningful groups. (e.g. a researcher thinking of studying the course of a political campaign might think in terms of campaign strategies, fundraising activities etc.).
- *Interpretation of single instances:* Specific documents, occurrences, and other bits of data are examined for specific meanings that they might have in relation to the case.
- *Identification of patterns:* The data and their interpretations are scrutinised for underlying themes and other patterns that characterise the case more broadly than a single piece of information can reveal.
- *Synthesis and generalisation:* An overall portrait of a case is constructed. Conclusions are drawn that may have implications beyond the specific case that has been studied.

### **3.3.3 The research report**

Leedy and Ormrod (2010) suggest the following in a case study report:

- *A rationale for studying the case(s):* Explain why the case was worthy of in-depth study. In other words, how it will contribute to human beings' knowledge about the world.
- *A detailed description of the facts related to the case:* Describe the specific individual(s), programme(s), organisation(s), or event(s) studied, as well as the setting and any other uncontested facts about the case. At this point the researcher should be thorough and as objective as possible.

- *A description of the data that the researcher collected:* The researcher must tell the readers what observations were made, who were interviewed, and what documents were examined.
- *A discussion of the patterns found:* Describe any trends, themes, personality characteristics, that the data suggest.
- *A connection to the larger scheme of things:* In some way the researcher needs to answer the question, So what? In what way does the case study contribute to collective knowledge some aspects of the human experience? The connection(s) made here might take one or more several forms. The researcher might compare the case with the other, previously reported cases and more similarities and dissimilarities. The researcher might argue that the case either supports or disconfirms an existing hypothesis or theory.

### 3.4 DATA COLLECTION

According to Kumar (2005: 118), there are two major approaches in gathering information about a situation, person, problem or phenomenon. Each category has different techniques. Sometimes information required is already available and needs only to be extracted. However, there are times when the information must be collected.

Therefore, data are categorised as:

- Secondary data; and
- Primary data

The following table shows the advantages and disadvantages of various data collection techniques.

**Table 3.4: Advantages and disadvantages of various data collection techniques**

Technique	Advantage	Possible constraints
Using available information	Is inexpensive because data is already there; Permits examination of trends over the past.	Data is not always easily accessible; Ethical issues concerning confidentiality may arise; Information may be imprecise or incomplete.

Observing	Gives more detailed and context-related information; Permits collection of information on facts not mentioned in an interview; Permits tests of reliability of responses to the questionnaires.	Ethical issues concerning confidentiality and privacy may arise; Observer bias may occur (observer may only notice what interests him or her); The presence of the data collector may influence the situation observed; Thorough training of research assistants is required.
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<b>Technique</b>	<b>Advantage</b>	<b>Possible constraints</b>
Interviewing	Is suitable for use for both literates and illiterates; Permits clarification of questions; Has higher response rate than questionnaires.	The presence of the interviewer can influence the responses; Reports of events may be less complete than information gained through observations.
Small scale flexible interviews	Permits collection of in-depth information and exploration of spontaneous remarks by respondents.	The interviewer may inadvertently influence the respondent; Analysis of open-ended data is more difficult and time consuming.
Larger scale fixed interviews	Is easy to analyse.	Important information may be missed because spontaneous remarks by respondents are usually not recorded or explored.
Administering written questionnaires	Is less expensive; Permits anonymity and may result in more honest responses; Does not require research assistance; Eliminates bias due to phrasing questions differently with different respondents.	Cannot be used with illiterate respondents; There is often a low rate of response; Questions may be misunderstood.
Participatory and projective methods	Provides rich data and may have positive spin offs for knowledge and skills by researcher and informants.	Requires some extra training of researchers.

Source: [http://www.idrc.ca/en/ev-56606-201-1-DO\\_TOPIC.html](http://www.idrc.ca/en/ev-56606-201-1-DO_TOPIC.html)

### **3.4.1 Questionnaires**

A questionnaire is a written list of questions, the answers to which are recorded by the respondents. In a questionnaire, respondents read the questions, interpret what is expected and then write down the answers (Kumar, 2005:126). The only difference between an interview schedule and a questionnaire is that in the former it is the interviewer who asks the questions (and if necessary explains them) and records the respondent's replies on an interview schedule. The latter replies are recorded by the respondents themselves (Kumar, 2005:126).

The word 'questionnaire' is typically used in a very general sense to mean any printed set of questions that participants in a survey are asked to answer, either (a) by checking one choice from among several possible answers or (b) by writing out an answer (Thomas, 2003:63).

In using questionnaires, researchers rely totally on the honesty and accuracy of participants' responses (Marshall & Rossman, 2006:125). In this study questionnaires were used as the main source of gathering information. Marshall and Rossman (2006) believe that in using questionnaires and surveys the researcher makes one critical assumption. That assumption is that a characteristic or belief can be described or measured accurately through self-reporting. This was the assumption made in this particular study. Hence questionnaires were distributed and limited to the management of the studied NGOs.

However, there are two possible constraints that the researcher anticipated in this study regarding administering written questionnaires, which are also highlighted in table 3.4. The first one is the fact that the questionnaires cannot be used with illiterate respondents. This issue was not easy to gauge fully before questionnaires could be distributed. Secondly, the possibility that some of the questions might be misunderstood was another constraint. Therefore, to try and eliminate these possible constraints, interviews were also conducted.

### **3.4.2 Interviews**

Silverman (2004) states that interviewing is more popular than ever as a means of generating information. In postmodern "interview society", the mass media, human services providers, and researchers increasingly generate data by interviewing. Denzin and

Lincoln (2000) support the above statement by saying both qualitative and quantitative researchers tend to rely on the interview as the basic method of data gathering. There is inherent faith that the results are trustworthy and accurate. There is also faith that the relation of the interviewer to the respondent that evolves in the interview process has not unduly biased the account.

Interviews are special forms of conversation. While these conversations may vary from highly structured, standardised, quantitative-oriented survey interviews, to semiformal guided conversations, to free-flowing informational exchanges, all interviews are interactional (Silverman, 2004:141).

Interviews can yield a great deal of information. The researcher can ask questions related to any of the following (Leedy & Ormrod, 2010):

- Facts (e.g. biographical information)
- People's beliefs and perspectives about the facts
- Feelings
- Motives
- Present and past behaviours
- Standards for behaviours (i.e. what people think *should* be done in certain situations)
- Conscious reasons for actions or feelings (why people think that engaging in a particular behaviour is desirable or undesirable).

In this study the interviews were used in order to eliminate two possible constraints that were highlighted earlier relating to questionnaires, the first one being that the questionnaires cannot be used with illiterate respondents. The levels of literacy among respondents could not be gauged fully before questionnaires were distributed. Secondly, was the possibility that some of the questions may not have been fully understood by the respondent. In the latter case, the interview was therefore used as a medium to get clarity on the respondents' answers.

Interviews in a qualitative study are rarely as structured as the interviews conducted in a quantitative study (Leedy & Ormrod, 2010:148). In this study a semi-structured interview approach was used. In the semi-structured interview, the interviewer uses an interview

guide with specific questions that are organised by topics but are not necessarily asked in a specified order. The flow of the interview, rather than the order in the guide, determines when and how the question is asked (Bailey, 2007:100).

Therefore, the questionnaires that were distributed for gathering information were also utilised in the interview process for this study. There was a level of flexibility in recording important and relevant information relating to the subject investigated that falls outside the scope of questions asked. While researchers acknowledge the interactional character of the interview, the technical literature on interviewing stresses the need to keep that interaction in check (Silverman, 2004).

### 3.4.3 Sampling

Qualitative researchers draw their data from many sources. It may be from people, objects, textual materials, and audio-visual and electronic records. The particular entities they select comprise their **sample**, and the process of selecting them is called **sampling** (Leedy & Ormrod, 2005:144). More often, qualitative researchers are intentionally non-random in their selection of data sources. Instead their sampling is purposeful (Leedy & Ormrod, 2005:144).

Bailey (2007) concurs and states that field researchers use purposeful sampling and theoretical sampling. The number of cases selected with purposeful sampling is often small. The key to purposeful sampling is to select cases for systematic study that are information rich. As with probability sampling, there are different types of purposeful sampling. The table that follows highlights only the types that were applicable to this study. However, these types are not limited to the ones shown here.

**Table 3.5: Purposeful sampling strategies**

Strategy	Definition
Critical case	Selecting cases that have potential for logical generalisations and maximum application of information to other cases
Homogenous	Selecting cases that are similar to each other
Typical cases	Selecting cases that are typical, normal, average

*Source: Bailey, 2007:65*



Bailey (2007) further indicates that the number of cases selected by the researcher depends upon a host of factors – the purpose of the research, the research questions, the number of participants available, and the time and resources of the researcher. In this study, three NGOs were studied. All three NGOs are based in the Eastern Cape, South Africa. The respondents were limited to the management of the NGO, in particular, the Chief Executive Officer (CEO) or the Managing Director (MD) of the NGO or anyone who is in charge of the NGO but does not necessarily have the already mentioned designation titles.

### **3.5 RESEARCH CREDIBILITY AND VALIDITY**

In research practice, enhancing objectivity is a very concrete activity. It involves efforts to assure the accuracy and inclusiveness of recordings that the research is based on as well as efforts to test the truthfulness of the analytic claims that are being made about those recordings (Silverman, 2004:283).

#### **3.5.1 Determining the validity of measuring instruments**

The validity of a measurement instrument is the extent to which the instrument measures what it is intended to measure (Leedy & Ormrod, 2010:28). On the other hand, reliability is the consistency with which a measuring instrument yields a certain result when the entity being measured has not changed (Leedy & Ormrod, 2010:29). In differentiating validity and reliability Leedy and Ormrod (2012) state that something can be measured accurately only when it can be measured consistently. Yet measuring something consistently does not necessarily mean measuring it accurately. In other words, reliability is a necessary but insufficient condition for validity. Validity and reliability take different forms, depending on the nature of the research problem, the general methodology the researcher uses to address the problem, and the nature of the data that are collected. Below are forms of validity, each of which is important in different situations:

- **Face validity** is the extent to which, on the surface, an instrument looks like it is measuring a particular characteristic. Face validity is often useful for measuring the cooperation of people who are participating in a research study. But because it relies entirely on subjective judgement, it is not, in and of itself, convincing evidence that an instrument is truly measuring what the researcher wants to measure.

- **Content validity** is the extent to which a measurement is a representative sample of the content area (domain) being measured. Content validity is often a consideration when a researcher wants to assess people's achievements in some area.
- **Criterion validity** is the extent to which the results of the assessment instrument correlate with another, presumably related, measure.
- **Construct validity** is the extent to which an instrument measures a characteristic that cannot be directly observed but is assumed to exist based on patterns of people's behaviour (such a characteristic is a construct).

### 3.5.2 Determining the reliability of measuring instruments

Leedy and Ormrod (2010) indicate that the reliability of a measurement instrument is the extent to which the instrument yields consistent results when the characteristics being measured have not changed. Like validity, reliability takes different forms in different situations. The following are several forms of reliability that are frequently of interest in research studies:

- **Interrater reliability** is the extent to which two or more individuals evaluating the same product or performance give identical judgements;
- **Internal consistency reliability** is the extent to which all of the items within a single instrument yield similar results;
- **Equivalent forms reliability** is the extent to which two different versions of the same instrument yield similar results; and
- **Test-retest reliability** is the extent to which a single instrument yields the same results for the same people on two different occasions.

### 3.5.3 Validity in qualitative research

Leedy and Ormrod (2010) state that a qualitative research involves looking at characteristics, or qualities, that cannot easily be reduced to numerical values. When considering the validity of a research study, two basic questions need to be asked. First, does the study have sufficient controls to ensure that the conclusions drawn are fully warranted by the data? And second, can what has been observed be used in the research

situation to make generalisations about the world beyond that specific situation? The answers to these two questions address the issue of internal validity and external validity respectively.

However, the concept of internal validity and external validity originated in discussions of quantitative research. Some qualitative researchers have questioned their relevance to qualitative designs (e.g. Creswell, 1998; Guba & Lincoln, 1988; Wolcott, 1994, cited in Leedy & Ormrod, 2010). Qualitative researchers frequently use triangulation – comparing multiple data sources in search of common themes - to support the validity of their findings. Following are several additional strategies they employ:

- **Extensive time in the field:** The researcher may spend several months, perhaps even a year or more, studying a particular phenomenon, forming tentative hypotheses and continually looking for evidence that either supports or disconfirms those hypotheses.
- **Negative case analysis:** The researcher actively looks for cases that contradict existing hypotheses, and then continually revises his or her explanation or theory until all cases have been accounted for.
- **Thick description:** The situation is described in sufficiently rich, thick detail that readers can draw their own conclusions from the data presented.
- **Feedback from others:** The researcher seeks the opinion of colleagues in the field to determine whether they agree that the researcher has made appropriate interpretations and drawn valid conclusions from the data.
- **Respondent validation:** The researcher takes his or her conclusions back to the participants in the study and asks quite simply, Do you agree with my conclusions? Do they make sense based on your own experiences?

## SUMMARY

Research is a process for collecting, analysing and interpreting information to answer questions. The purpose of a qualitative study is primarily to describe a situation, phenomenon, problem or event. The information is gathered through the use of variables measured on nominal or ordinal scales. Hence a qualitative approach was followed for this study.

In this research a case study design was followed. This research design was appropriate in assessing the nature and implementation of marketing strategies of selected Eastern Cape non-government organisations.

Questionnaires and interviews were used to gather relevant information for this study. There is inherent faith that the results given by both questionnaires and interviews are trustworthy and accurate. Sampling was purposeful and strategies followed in sampling for this study are highlighted in table 3.5.

**Annexure A** is the covering letter that was attached to the questionnaires. The covering letter was a brief explanation of why the study was conducted. It also served as a formal request for the respondent to participate in the research.

**Annexure B** is a questionnaire that was sent to the respondents in collecting the data.

Chapter 4 will present the findings of both the questionnaires distributed to the respondents as well as findings of the interviews conducted.

## **CHAPTER 4**

### **RESULTS: PRESENTATION AND DISCUSSIONS**

#### **4.1 INTRODUCTION**

In Chapter 3 research design and methodology were discussed. The purpose of this chapter is to present the findings of the questionnaires that were distributed as well as the results of the interviews conducted. The structure and the questions that were asked during interviews followed the same structure and questions asked in the distributed questionnaires.

The main objective of the survey through questionnaires and interviews was to assess the nature and implementation of marketing strategies of selected Eastern Cape non-government organisations. This objective was further defined by two of the three sub-objectives highlighted in Chapter 1. The questionnaires and interviews were instrumental in gathering information pertaining to the following sub-objectives:

- Do local NGOs use any formal marketing strategies?
- If so, what activities are involved in such strategies?

The findings were grouped into three parts: the biographical information, information about the organisation, and the strategic planning and marketing strategy of the organisation. The marketing strategy is divided into two parts, which are marketing strategy with specific reference to the target market and the marketing mix. The second part is made up of the marketing activities, the implementation and evaluation of those marketing activities of the organisations studied. As part of presenting the findings, a brief overview of the organisation will be highlighted extracted from the interviews conducted and from their websites. The findings will be presented in a narrative format as well as in a table format. After each table an explanation of the findings will be presented.

#### **4.2 PRESENTATION: THE NARRATIVE**

##### **4.2.1 The President's Award**

The President's Award was founded in 1983 under the banner of the Gold Shield Award. In 1994, it was re-launched as the President's Award with former president Nelson Mandela as

its Founding Patron-in-Chief. The fundamental aim of the programme is to empower young people from all walks of life to believe in themselves, develop new skills, keep physically fit, be of service to others and to challenge themselves. The President's Award offers a holistic, non-formal, non-prescriptive, non-sexist, non-competitive educational programme to young South Africans between the ages of 14 and 25.

The President's Award for Youth Empowerment has touched the lives of some 100 000 young people since being introduced to South African youth in 1983. This voluntary self-development programme has had a significant effect on the lives of youth-at-risk and has been instrumental in assisting the Department of Correctional Services to develop a more rehabilitative approach to the incarceration of young prisoners.

The Award is used by schools, colleges, universities, employers, social clubs, uniformed and non-uniformed youth organisations, young offenders' institutions, religious organisations, sports clubs, civil organisations, residential youth care centres, such as children's homes, shelters. The programme challenges young people to go where they have not been before and to achieve the unthinkable in four areas: participating in a sport, acquiring new skills, completing an expedition as well as volunteering themselves in a community service projects.

#### **4.2.2 Masinyusane**

The Masinyusane Development Organisation is a grassroots non-profit organisation dedicated to the development and empowerment of all South Africans.

The organisation was founded in late 2008 as a group of people came together and discussed the need for a development organisation. Communities face tremendous challenges and while there are numerous welfare organisations doing exceptional work, there was a need to create an organisation focused solely on development.

To that end this group of people is working to build an organisation, inspired by the social teachings of the church, that provides people with advice, counseling, training, education, and financial assistance to empower them to realize their full potential in life.

Two main initiatives are education and entrepreneurship. Within these initiatives, there are programmes designed to achieve the following objectives:

- To establish a culture of learning, a spirit of sharing, and to promote mentorship within programmes and across the community;
- To provide opportunities for education, skills training, and personal development;
- To provide support for vulnerable groups within society, such as those living with HIV/AIDS;
- To support new and existing businesses; and
- To provide employment assistance to members of the community.

#### **4.2.3 Vezokuhle Youth Development Project (VYDP)**

The Vezokuhle Youth Development Project (VYDP) is non-profit-organisation and also registered as a Section 21 company that is accredited with Services SETA. VYDP has been in existence for several years. The Vezokuhle Youth Development Project (VYDP) was conceived in October 1999 and was registered in 2003, after a workshop by the Project for Conflict Resolution and Development (PCRD) at Ithembelihle High School, in Port Elizabeth. The objective of the workshop was to empower participants with life skills such as decision-making skills, goal-setting skills and HIV AIDS awareness. Since then the members of the VYDP have continued to enhance and refine their skills with on-going and intensive training from several service providers. The Nelson Mandela Metropolitan University (NMMU) formerly known as the Port Elizabeth Technikon is one of those institutions. After thorough training and research, the VYDP designed programmes as a development strategy to be used in the delivery of viable, sustainable training for the youth of the Nelson Mandela Metro (NMMM) and the broader community of the Eastern Cape Province.

Today this dynamic youth driven organisation through its programmes is reaching numerous youth such as youth in schools, youth in prisons, out of school youth (unemployed), SMME's and those infected and affected by HIV AIDS.

The VYDP offers the following programmes:

- Rehabilitation
- Skills development

- Entrepreneurial and job creation
- Social re-integration
- HIV/AIDS awareness.

#### 4.3 ANALYSIS OF THE EMPIRICAL STUDY

Three organisations were selected in this study. The questionnaires were distributed and limited to the management of the respective organisations. The respondents at the President's Award, Masinyusane and the Vezokuhle Youth Development were the Chief Executive Officer (CEO), Executive Director and Funding Director of the organisation respectively. Therefore, the response rate was 100 per cent.

##### 4.3.1 Part A: Biographical information

Table 4.1 presents the summary of the findings of the biographical information collected through the questionnaires and the interviews.

**Table 4.1: Biographical information**

Questions/Topic/Theme	Responses		
	President's Award	Masinyusane	Vezokuhle Youth Development
<b>Age</b>	37-49	26-36	26 - 36
<b>Gender</b>	Male	Male	Male
<b>Ethnic group</b>	White	White	Black
<b>Nationality</b>	South African	American	South African
<b>Position</b>	CEO	Executive Director	Funding Director
<b>Highest qualification</b>	Master's Degree	Master's Degree	Grade 12
<b>Number of years working for the organisation</b>	7+	3-4	7+
<b>Number of years in current position</b>	7+	3-4	5-6



Two of the respondents were between the ages of 26 to 36 years. The other one was between the ages of 37 to 49 years. The age relates to assumption that the individuals driving these organisations are part of the management, and are mature individuals with a good sense of responsibility.

All three respondents were males. Two out of the three respondents were white males and one was a black male. Two of the respondents were South Africans and one was an American from New York in the United States of America. As already stated, the research was limited to the management of the NGOs.

The respondents were all part of the management. Their positions were the Chief Executive Officer, the Executive Director and Funding Director for the President's Award, Masinyusane and Vezokuhle respectively. Two of the respondents have a Master's degree while one of the respondents has Grade 12 as the highest qualification. The qualification relates to the assumption that the individuals in charge of the organisation have a good sense of academic concepts and knowledge about marketing and marketing concepts.

During the interview it was discovered that the respondent with Grade 12 is studying towards a Bachelor's degree in Business Management. The qualification gives an indication of how well they would understand the management of the organisation from a formal and academic point of view. This includes the understanding of a marketing strategy and marketing concepts.

Two of the respondents have been working in the organisation for more than seven years. The same two respondents have been in their current positions for at least five years. One respondent has been in the position for four years. His organisation has been in existence for the same number of years. He was the co-founder of the organisation in 2008 with three other co-founders. Having held their positions for this number of years they can be assumed to have relevant experience and a good sense of what works and what does not work for their respective organisations.

In Chapter 1 of this study, it was stated that "NGOs are under increasing pressures to become accountable against corporate performance measurement criteria. Theoretically, such measures should involve the volume of the NGO's operations, its capacity to attract funds, the quality of its human resources and its ability to execute projects under

consideration, its administrative structure and management models (Chalhoub, 2009: 51).” Therefore, the quality of human resource becomes an important aspect in order for the organisation to be a successful NGO; hence qualification and management experience became important points of investigation in conducting this study.

#### 4.3.2 Part B: Information about the organisation

Table 4.2 presents a summary of the information relating to the organisation. Below the table a brief discussion about the findings will be presented.

**Table 4.2: Information about the organisation**

Questions/Topic/Theme	Responses		
	President’s Award	Masinyusane	Vezokuhle
<b>Years in existence</b>	10+	4-6	7-9
<b>Number of employees</b>	11-15	21+	11-15
<b>a) Salaries/Full-time</b>	7	4	5
<b>b) Volunteers/Part-time</b>	7	18	10
<b>Affiliation to an umbrella body</b>	Yes	No	Yes
<b>Number of people assisted each year</b>	+10 500	+1000	+1500

Questions/Topic/Theme	Responses		
	President’s Award	Masinyusane	Vezokuhle
<b>Targeted age group</b>	Teenagers & youth	Teenagers	Youth & adults
<b>Targeted gender group</b>	All gender groups	All gender groups	All gender groups

The President’s Award organisation has been in existence for more than ten years. Masinyusane and the Vezokuhle Youth Development have been in existence for a period ranging from four years to nine years. The President’s Award and the Vezokuhle Youth Development have between 11 and 15 employees of which seven and five respectively are salaried employees. The rest of the employees are on part-time basis. Masinyusane has four salaried employees and the rest are part-time employees. An issue that was noticed during the interviews is that all these NGOs do not necessarily use the term ‘volunteers’. They

refer to part-time employees. The main reason for this is that in their understanding, volunteers are traditionally known as people who do not receive any payment for the services that they offer. Meanwhile part-time employees are paid, hourly rates in some cases. Their availability is dependent on demand.

The President's Award and Vezokuhle are both affiliated to an umbrella body. The President's Award belongs to the Duke of Edinburgh's International Award, while, Vezokuhle belongs to the Eastern Cape Non-Government Organisation Coalition (ECNGOC). Masinyusane does not belong to any umbrella body.

Part of the reason why Masinyusane does not belong to an umbrella body is that they see no value in being affiliates to an umbrella body. The respondent also stated that usually there is also a joining fee in some of these umbrella bodies and not much gained from it. According to the respondent, there is also bureaucracy by means of filling in application forms in order to register into these bodies. Hence, being an affiliate has not been a priority. These sentiments were also mentioned by the respondent from the Vezokuhle Youth Development, even though the VYD does belong to an umbrella body.

In support of the above mentioned sentiments as shared by the respondents, in Chapter 1 of this study, bureaucratisation and financial crisis were highlighted as some of the challenges in driving sustainable and profitable NGOs. It was further indicated in Chapter 1 that the Act under the Non-Profit Organisation Bill provided for a system of voluntary registration and provided benefits and allowances for NGOs and community-based organisations (CBOs). However, accessing those allowances is still a challenge for most NGOs. Another reason for that is that the Act also requires NGOs to keep a proper book of accounts and to submit audited statements to the government which most NGOs find difficulty in doing so. It was stated in Chapter 1 that NGOs were also provided with access to the fourth chamber of the National Economic Labour and Development Council on condition that such representation occur through a single body. This body is the country's premier corporatist-style consensus-building agency and on condition that such representation occur through a single body. The South African NGO Coalition (SANGOCO) was then established in August 1995 (Naidoo, 1997, cited in Habib & Taylor, 1999).

Even though this Act opened the doors for NGO to raise funds freely and also obtain some allowances from the government, the bureaucratisation and commercialisation of NGOs made it almost impossible to access these funds, as is the case with both Masinyusane and Vezokuhle. Secondly, during investigation into the umbrella bodies, it became apparent that the SANGOCO is no longer effective.

All these NGOs help a sizable number of people in various communities. The President's Award has in the region of 10 500 members on average joining each year. Masinyusane and Vezokuhle help between 1000 and 1500 on average each year, respectively. What became apparent during the interviews with Masinyusane and Vezokuhle is the fact that both NGOs would like to help more people than they are currently doing. The only hindrances in doing so is a lack of resources, funding and human capacity to be precise. The latter is dependent on the availability of funds.

The target age group for The President's Award are teenagers as well as youth. Masinyusane's focus is on teenagers, high school learners in particular. The Executive Director of Masinyusane did mention during the interview that in 2013 they will also focus on the age group younger than 12 years. This means they will be working more with primary schools as well. Vezokuhle, on the other hand, is focused on youth and young adults.

According to the questionnaires and the interviews conducted, all three NGOs indicated that they assist all gender groups. They also have no future intentions of only focusing on one gender group while abandoning the other.

### **4.3.3 Part C: Strategic planning and marketing strategy of the organisation**

#### **4.3.3.1 Strategic planning**

Table 4.3 presents the findings of the strategic planning of these organisations.

**Table 4.3: Strategic planning**

Question		Responses		
		The President's Award	Masinyusane	Vezokuhle
1.	Does the organisation have a mission statement?	Y	Y	Y
2.	Does the organisation have SMART goals?	Y	Y	Y
3.	Does the organisation have clear objectives?	Y	Y	Y
4.	Does the organisation have a formalised corporate strategy?	Y	Y	Y

All these three organisations have agreed that they have a mission statement, SMART (specific, measurable, achievable, realistic, timeous) goals, clear objectives and some form of corporate strategy. Below the mission statement, vision, goal and objectives are highlighted for each NGO. Thereafter, a discussion pertaining to the already mentioned themes is presented.

**a) The President's Award**

Their mission, with the assistance of adult volunteer leaders, is to empower young people between the ages of 14 and 25, by providing a balanced, non-competitive framework for self-development that will increase their self-esteem and enhance their capacity to achieve in whatever context they find themselves in, enabling them to become responsible, active citizens within their communities.

The President's Award vision is to become the self-development programme of first-choice for young people in South Africa. Even though the respondents were not asked to write down the organisation's goals and objectives, they have agreed that SMART goals and clear objectives do exist in their NGO.

**b) Masinyusane**

There is no less potential in a child from the township of Zwide than there is in a child from London, Beijing, or Beverly Hills. The goal at Masinyusane is to provide the opportunities, support and love needed to overcome challenges. The challenges referred to relate to HIV/AIDS, unemployment, education and crime.

There was no differentiation in the vision and the mission of this particular NGO. Both types of statements, vision and mission statements are commonly referred to as mission statements and are used to define values and motivate those (*individuals*) within an organisation (Butler 2002, cited by Locke & Latham: 2006).

Even though their goals and objectives were clear during the interview, they are not communicated with the general public in a manner that is clear. One has to deduce the objectives and goals of the NGO from the mission statement and other information provided verbally and on their website. The respondent, however, was able to communicate clearly their corporate strategy. This strategy is also outlined in their website. This is what the respondent communicated during the interview:

“Our strategy is comprehensive and multi-tiered addressing the (1) learners (2) teachers and administration (3) parents (4) school infrastructure and (5) local community. With daily classes, home visits, food parcels to needy families, teacher workshops, renovated classrooms, and many other programmes. We are ensuring that Lwandlekazi (High school in partnership with Masinyusane) becomes an outstanding institution of learning and success.”

**c) Vezokuhle Youth Development Project (VYDP)**

The Vezokuhle Youth Development Project (VYDP) is an organisation of excellence that works in the Eastern Cape Province. It aims to develop and empower youth in all sectors through the delivery of viable, leadership skills, conflict management, poverty alleviation interventions and relevant up-to-date life skills training, essential to personal and community development in order to build a healthy, holistic, self-sustaining, poverty-free environment.

The VYDP strives to build the competency of youth at risk, both those in conflict with the law and those who are facing academic, health and socio-economic challenges. This is the VYDP's vision.

In a similar way with Masinyusane, the VYDP does have clear goals and objectives but these are not documented as such. They are deduced from the type of programmes they offer. Having stated their programme offering earlier in this chapter, the respondent was clear in saying that their goals and objectives are to achieve the following:

- Rehabilitation. *(In particular for the youth that is in prison and those that have recently been released from prison);*
- Skills development *(For all their target groups);*
- Entrepreneurial and job creation *(For their target groups);*
- Social re-integration *(In particular for the youth and adults that have recently been released from prison); and*
- HIV/AIDS awareness *(For all target groups).*

In Chapter 1 of this study it was said that in their review of strategic marketing for non-profit organisations, Kotler and Andreasen (1995) agree that every organisation must start with a mission. In fact, an organisation can be defined as a human collectivity that is structured to perform a specific mission through the use of largely rational means. Therefore, any non-profit organisation has to decide what its mission is so as not to lose sight and confuse it with a lot of intermediate goals and services that it might provide. It was also noted that goal setting theory has arguably been the most influential motivational theory (Locke & Latham, 2002 cited by Li & Butler: 2004). Therefore, all organisations must have a clear mission, clear objectives and clear goals to which it will remain committed.

In the interview session with the interviewee from the VYDP, he admitted that their mission was not created or even written by them. There was an external agency that assisted in constructing the mission statement. As it is known from theory, the mission and the vision of the organisation ought to have meaning to those working for or associated with the organisation. This usually leads to better goal setting that will be aligned to the mission statement. Secondly, theory points out that goal commitment is there to ensure that

individuals do not abandon the goals in the face of difficulty. The fact that an external agency created the mission statement for the organisation raised a suspicion on the part of the interviewer that the organisation may not be committed to the current mission as they did not construct the mission statement themselves. However, the interviewee made mention of the fact that they were consulted during the process of the construction of the mission statement.

#### 4.3.3.2 Marketing strategy

This section will give a summary of the respondents with regards to the marketing strategy. This section is divided into the target market questions and the marketing mix components which are product or service, funding, location and communication

**Table 4.4: Marketing strategy**

Question/Topic/Theme	Responses		
	The President's Awards	Masinyusane	Vezokuhle
<b>Target market</b>			
Did you consciously decided on the group(s) of people that the organisation will assist, with reference to <i>age</i> , <i>gender</i> , and the <i>number</i> of individuals to be assisted?	Y	Y	Y
<b>Service</b>			
How would you categorise your service offerings?	Developmental	Developmental	Developmental

<b>Funding</b>			
What percentage do the following funders contribute to your total income?			
a) Donor organisations	3.7%	-	90%
b) Government	45.1%	-	-



c) Private sector (Corporates)	33.9%	32.5%	9%
d) Individual contributions	-	35%	1%
e) Other	7.3%	32.5%	-
Is there a joining fee for members and potential members?	Y	N	N
a) If Yes, how much?	R230 – R300	-	-
<b>Location</b>			
Where are the organisation's offices/centres/ workshop facilities located?	All provinces	New Brighton	New Brighton
Is public transport easily accessible?	N/A	Y	Y
<b>Communication</b>			
Do you consciously decide to let the general public know about the organisation?	Y	Y	N
What medium of communication do you use to do so?			
a) Local radio	-	-	-
b) Internet	Y	Y	Y
c) Word of month	Y	-	Y
d) Local schools	Y	Y	-
e) Churches	-	Y	-
f) Correctional centres	Y	Y	-

#### i) The President's Award

According to Wilson and Gilligan (2005), the single most important element of the marketing mix is the product. The product or service offering of a company or organisation ultimately determines the nature of the business and the market place perception of the business.

According to the responses given on the questionnaires, the respondent gave an indication that, the organisation did not consciously decide on the target market. His direct answer

was, “*It is the basis of the programme – all young people aged 14 to 24*”. This in other words means they adopted a programme (product/service) that already existed on the international level and brought it to South Africa and by default or by design it catered for the already specified age group. In other words, there was no prior needs analysis within the context of South Africa to come to the conclusion that there was a need for developing youth in that age group. A programme which was already in existence was brought to South Africa and happened to be suitable for this age group. As indicated on table 4.3 their services are based on developing young people. Therefore, they are a developmental NGO.

In terms of funding, the biggest part comes from the South African government. That accounts for 45.1 per cent of total income for the year in 2012. The private sector accounted for 33.9 per cent of their total income for the 2012. Donor organisations accounted for 3.7 per cent. Other sources were *international donors and in-kind support*, which accounted for 6.2 per cent and 11.1 per cent respectively. This NGO also has a joining fee for its members. The fee structure is as follows: *R230 for Bronze and Silver level; R300 for Gold level*.

In answering the question pertaining to the location of their offices and/or training facilities, the responded indicated that their offices are in the Eastern Cape, Western Cape, and Gauteng. However, there are Award units in every province. Their members do not need to have transport or to take public transport because the programme is run in their communities. In other words, no transport arrangements are needed for the members of the NGO.

With regards to communication or promoting the organisation to potential members and potential donors, the organisation consciously decides on what will be done for the year. Currently, they make use of the Internet, word of mouth and local schools. Other marketing activities that they have throughout the year are listed in table 4.4 below.

**Table 4.5: Marketing activities: The president’s Award**

	<b>MARKETING ACTIVITIES</b> (e.g.) visiting local radio station(s)	<b>FREQUENCY</b> Time / year
1.	Presentations to groups of young people	40+/year

2.	Distribution of annual magazine/news letter	All year round
3.	Presidential dinner	Once a year
4.	Regional Award ceremonies (Bronze and silver)	One/region/year
5.	Gold Award ceremonies	Three every two years
6.	Newspaper articles	Once a month
7.	Profiling young people on radio	Four/year
8.	Invite media to events	As they happen
9.	Annual report sent to decision-makers	Once/year

## ii) **Masinyusane**

During the interview the first response regarding a marketing strategy was that their marketing is not up to standard. When Masinyusane was first established in 2008, the founders did a proper analysis of the needs in the community of New Brighton, KwaZakhele and surrounding townships. The following are but a few of the residents' concerns:

- The poor Matric results;
- The quality of education that their children were receiving in the local schools;
- Social-economic conditions leading to teenage pregnancy and crime; and
- Teenagers being involved in crime because of not having extra mural activities.

This NGO is a developmental NGO with a specific focus on education. They decided on education because they felt there were many NGOs providing welfare services but few focused on education. They seem to have followed the maxim "Better teach a person how to fish than to give them the fish". However, they realised that it is a great challenge to try and teach a child with an empty stomach as most of these children come from extreme

levels of poverty. For that reason, they do offer welfare services but that is not their primary focus.

The organisation is struggling with funding to a certain extent. When they started operating in 2008 and 2009, they were assisting more teenagers than they did in 2012. The reason for that is two-fold. The respondent said, *“They felt they were spreading themselves too thin.”* meaning that, they had too many teenagers to service, and too few tutors to reach every teenager. As a result they were not effective in what they were doing. The second reason is the issue of funding. If they had enough funds they would have more tutors and be able to reach more teenagers.

Masinyusane’s response to the issue of funding was that their funding comes from two main sources, namely the USA and South African sources. The USA provides 35 per cent and 65 per cent comes from South Africa. The 35 per cent from the USA is mostly individual donors (individual contributors). Of the 65 per cent from South Africa, 50% per cent of it comes from corporate donors and another 50 per cent from the fundraising activities that they do in the organisation. The young people helped by the organisation do not have to pay any joining fees, nor do the schools that they are in partnership with have to pay any money to the organisation.

Masinyusane’s offices are based in New Brighton. Accessibility to their offices or training facilities is not a problem. Most of the time they go to the premises of the schools they are working with.

The organisation communicates with their members via the school principals. They also interact with these people on a daily basis. The organisation does have Internet, even though it had not been updated for a while at the time of the interview. According to the respondent the organisation does not do enough to communicate with the general public, both potential members and potential donors. Part of the reason is the fact that they do not have enough resources to help more teenagers in their programme. Secondly, they were focusing on building the reputation of the organisation so that it can be easy to ask for funds from donors. The third reason that the respondent highlighted was that, as the Executive Director, he was hands-on when it came to the day-to-day running of the

organisation and did not pay much attention to the marketing of the organisation. The organisation does not have a dedicated marketing person.

The table below highlights some of the marketing activities that the respondent said they implemented in 2012.

**Table 4.6: Marketing activities: Masinyusane**

	<b>MARKETING ACTIVITIES</b> (e.g.) visiting local radio station(s)	<b>FREQUENCY</b> Time / year
1.	Presentations to schools	
2.	Facebook page and website	
3.	Periodic newsletter	
4.	Fundraiser with Algoa FM	
5.	Fundraiser with Kingfisher	

There was no particular frequency in doing the presentations at schools. The respondent confessed to having not updated the Facebook page and website for some time. This Facebook page and website, are particularly useful in keeping the USA donors up to date with the organisation. The fundraiser with Algoa FM in 2012 generated about R100 000 including free publicity that they received through the radio station, courtesy of Algoa FM.

### **iii) Vezokuhle Youth Development Project (VYDP)**

In response to the question of whether the organisation has consciously decided on the group(s) of people that the organisation will assist, with reference to *age*, *gender*, and the *number* of individuals to be assisted, the respondent answered positively. He further explained that, the Vezokuhle Youth Development Project (VYDP) was conceived in October 1999 and was registered in 2003, after a workshop by the Project for Conflict Resolution and Development (PCRD) at Ithembelihle High School, in New Brighton, Port Elizabeth. The objective of the workshop was to empower participants with life skills such as decision-making skills, goal-setting skills and HIV AIDS awareness. It was after this workshop that they saw the need to assist the groups shown in table 4.3. Therefore it was

not by default that they are working with these people. As also indicated in table 4.3, they are a development NGO.

When the respondent was asked about issues relating to funding, there was a feeling of despondency in the way that the respondent answered. He stated that funding is a major problem for them. When they started the organisation, they started with great enthusiasm. However, as time went by and they were presented with funding challenges, it discouraged them somewhat as the management team. But because of their belief in what they do and in how their services are changing the lives of the youth and young adults they have worked with, it has encouraged them to continue with the organisation. 90 per cent of their funds come from the donor foundations such as the state lottery and 10 per cent from corporates such as Absa. They get no support from government.

This is the organisation that is affiliated to ECNGOC. The interviewee indicated that they are unable to keep up with the paper trail needed to get the allowances from the umbrella body. Once again this speaks to the bureaucracy already mentioned.

Their offices are located in the New Brighton Township. They also have a training facility in their offices. However, they are still faced with the challenges of young people who cannot make it to the training owing to transport costs. Where possible they give transport money or make arrangements to pay for transportation in advance. In some cases they go out to where the young people are to give the necessary training. In this way the need for transport costs for the trainees is eliminated.

With regards to communication questions, the respondent was quick to indicate that they have no form of *marketing*, as he put it. It was clear that his understanding of what marketing is may not be totally correct. What he means is they make no attempts to communicate to the general public about their services. The general public in this context includes potential participants as well as potential donors. They had limited communication when the organisation started but that slowly diminished as time went by. The organisation does have a website. Keeping it up to date is a challenge. They are more reliant on word of mouth. The respondent was asked about what marketing activities (or what could be deemed as marketing activities) they do throughout the year. The activities that he communicated are highlighted in the following table.

**Table 4.7: Marketing activities: Vezokuhle Youth Development Project**

	<b>MARKETING ACTIVITIES</b> (e.g.) visiting local radio station(s)	<b>FREQUENCY</b> Time / year
1.	Presentations to ward councillors	Once/month
2.	Involvement in community projects(e.g. Office of the Mayor)	Dependent on availability of projects
3.	Community dialogues	As and when

The respondent was vague in giving indications on how often the presentations are done to the ward councilors. Eventually through probing he indicated that it happens about once a month. One of the projects that they did with the office of the Mayor in the Nelson Mandela Bay was the project of Child Headed Homes. This project was a big success for the VYDP. The frequency of community dialogues could not be communicated, simply because these community dialogues are held as and when there is a need for them.

**Table 4.8: Marketing plan, implementation and evaluation**

<b>Question/Topic/Theme</b>	<b>Responses</b>		
	<b>The President's Awards</b>	<b>Masinyusane</b>	<b>Vezokuhle</b>
Do you have a formal written marketing plan?	No	No	No
Do you have a written description or explanation of how the marketing plan or marketing activity will be implemented?	No	No	No
Do you formally evaluate the results of a marketing programme activity?	Yes	Yes	-Yes

## **4.4 DISCUSSION SUMMARY**

### **4.4.1 Strategic planning**

The following points are a summary of the findings presented and discussed from table 4.3 on strategic planning. It can be deduced that:

- all three NGOs have a mission statement;
- all three NGOs are clear about what their goals and objectives are. However, some of these goals and objectives are not written anywhere but are rather deduced from the mission statement. Whether this is a good or a bad thing, will be discussed in the next chapter;
- all three NGOs believe that they have a corporate strategy. To them one of the reasons why they believe they have a strategy is because they have strategic sessions every year. Where changes in management (increase or decrease in staff complements), effectiveness of the programmes, and funding (allocation and fundraising) are amongst some of the issues discussed; and
- they all have some form of marketing activities, even though they may not necessarily have a formalised marketing strategy. Two out of the three NGOs admitted to not paying much attention in marketing the organisation.

### **4.4.2 Marketing mix discussion**

#### **Product (Service)**

As indicated in the literature review, in non-profit organisations it is critical to know what the organisation offers, which in turn defines its product. A marketing offer is a proposal by a marketer to make available to a target customer a desirable set of positive consequences if, and only if, the customer undertakes a desired action (Kotler & Andreasen, 1996:396). Furthermore, in Chapter 1 of this study, Yap (1990:77) was quoted saying that there are four general categories of NGOs. These were: developmental NGOs; environmental NGOs; appropriate technology NGOs and indigenous peoples' organisations. All three NGOs indicated that they fall under the developmental category with regards to their service offering.



### **Pricing (Funding)**

Wilson and Gilligan (2005) are of the view that price as a second principal element of the marketing mix is in many ways one of the most visible. For many organisations, price is also potentially the most controllable and flexible element of the mix. Hult, Ferrell and Pride (2012) believe that pricing is generally quite different and decision making is more complex for non-profit organisations. The different pricing concepts the non-profit organisation faces include pricing in the user and donor markets.

With the President's Award, they charge a joining fee which is relatively reasonable for the type of services they offer. On the other hand, during their marketing activities such as presidential dinners, they charge quite substantial amounts. The main reason is that, these fundraising dinners are directed at donor markets. They are solely there to market the organisation and to raise funds.

Wilson and Gilligan (2005) stated that price is the most controllable element of the marketing mix. Masinyusane and VYDP do not charge any joining fees to the user market. They want everyone who wishes to access their services to be able to do so. Therefore, they do not charge. In contrast, the same reason of wanting everyone to access the services without paying for them makes it impossible to take everyone on board.

Their source of funding has already been discussed. However, it is important to highlight that Masinyusane is doing a good job in partnering with private corporations in fund raising such as Algoa FM and Radio Kingfisher to name but a few. They have raised more than R100 000 in their event with Algoa FM in 2012. In contrast, the VYDP does not engage in any fundraising effort other than looking for funding from the government, the State lottery and private corporations such as Absa.

### **Location (Place)**

As the service element of customer experiences becomes more important, location and convenience have emerged as major factors in consumer decisions for products and services (Shang, Yildirim, Tadikamalla, Mittal & Brown, 2009:146).

The President's Award has offices in Eastern Cape, Western Cape, Gauteng and award units in every province. Therefore, all individuals are able to access the offices. However, the participants do not have to come to the offices for services. This programme usually uses different facilities for different programmes. For example, if young people from a local church in Grahamstown have enrolled for playing basketball as a sport, then the programme will utilise institutions such as Rhodes University basketball courts. If the group has enrolled for computer studies, in that case they utilise the Rhodes University computer laboratories. In Chapter 2 of this study, it was stated that non-profit organisations are typically deficient in resources, both financially and concerning personnel. They usually need the help of other individuals and organisations to bring their offering to the public. The careful use of independent channels can make marketing programmes more efficient by sharing costs, achieving economies of scale, and so on, and make them more effective by leveraging meagre resources, small staffs, cramped facilities, and so on (Kotler & Andreasen, 1996: 460). The President's Award is the best illustration of this statement. Therefore, accessibility of facilities is not usually a concern for the participants.

Masinyusane is located in the township of New Brighton in Port Elizabeth. Their participants do not need transportation as the programme is brought to their schools. This is done in the form of afternoon and Saturday classes in their respective schools. The children who participate are the children from New Brighton, KwaZakhele and the surrounding areas. They do not need to travel far to reach the school premises. In the event that some need to travel, public transport is easily accessible. In this case, the people who need to travel are some of the tutors. These tutors are paid hourly, therefore can afford to travel by public transport if need be. As indicated before, their work is dependent on demand. The demand is there, however, the funding to pay those hourly rates becomes a challenge most of the time. Hence, Masinyusane can only help a certain number of learners each year depending on money that they were able to raise that year

The VYDP is also based in New Brighton Port Elizabeth. Their various programmes can also be taken to the participants in various high schools around New Brighton. The VYDP also has a good relationship with Ithembelithe School which is located close to their premises. From time to time they make use of the school premises. They also make use of local churches. In their case as well there is no real need for transport for the participants.

Lastly, according to Hult, Ferrell and Pride (2012), developing a channel of distribution to coordinate and facilitate the flow of non-profit products to clients is a necessary task. In a non-profit setting, the traditional concept of the marketing channel may need to be revised. The independent wholesalers available to business enterprise do not exist in most non-profit situations. Instead, a very short channel – non-profit organisation to client - is the norm because production and consumption of ideas and services are often simultaneous. Such is the case with all these three NGOs. There is no middle person or organisation that delivers the programmes to the participants.

### **Communication (Promotion)**

According to Hult, Ferrell and Pride (2012), making promotional decisions may be the first sign that a non-profit organisation is performing marketing activities. The President's Awards consciously decide to let the general public know about the organisation. The reason for this deliberate act is for the potential participants to know about the programme and secondly for donors to be well aware of the organisation and the work they do for communities and young people in general. The President's Award mainly uses the Internet, word-of-mouth, local schools and churches as their main medium of communication.

Masinyusane communicates mostly with the school principals. It is thereafter the school principals that communicate with the learners to create interest. There is no planning done in the area of communication for this NGO. The only medium of communication has been through the schools. Masinyusane has a website. However, this website is mainly to attract the attention of donor, especially donors from abroad. One of the events that gained them much desired publicity was collaborating with the Algoa FM radio station in 2011 as well as with King Fisher radio station.

The VYDP has no communication planning. They rely on word-of-mouth. Even though this organisation has a website, this website is never updated. It was indicated earlier that the organisation has had an external agency to create their mission statement. It was at this time that the agency also developed the web\_page for them. It has not been updated since inception. The interviewee admitted to not doing much as far as communication and marketing are concerned.

It was clear with Masinyusane and the VYDP that not much communication or promotion or public relations was taking place. In Chapter 2 it was made clear that public relations is an intricate part of integrated marketing communications. It is used to create and maintain positive relationships between an organisation and its stakeholders. Public relations can be used to promote the organisations, people, ideas, and images and even to create an internal shared understanding of the values involved in daily decision making (Ferrell, Kotler & Lucas, 2002: 166).

#### **4.4.3 Marketing plan**

A major concern in the strategic planning process is marketing planning. Marketing planning is the systematic process of assessing marketing opportunities and resources, determining marketing objectives, defining marketing strategies and establishing guidelines for implementation and control of the marketing programme (Hult *et al.* 2012:42). A key component of marketing planning is the development of a marketing plan.

All three organisations indicated that they do not have a marketing plan. Yet this is a very critical document in the marketing planning. An observation that was made during the interviews was that, whenever the respondents answered to the question of marketing plan, they made mention of the programme plan. This perhaps is an indication that within the non-profit sector what is more relevant and useful is the programme plan. However, it was important for the interviewer to make the comparison between these two documents in order for all parties to be aware that these are two different documents. The programme plan, according to the interviewees, entails some of the following elements:

- Explanation/ description of what the programme is about
- Targeted participants
- Explanation about the roll-out
  - i) Who will drive the programme?
  - ii) Where will the programme take place (what facilities would be needed)?
  - iii) How many participants will be accommodated?
- Staffing needed (i.e. how many tutors will be needed)
- Budgeting analysis

On the other hand, as it was highlighted in Chapter 2, the marketing plan entails the following elements:

- The executive summary
- Environmental/situational analysis
- SWOT analysis
- Marketing objectives
- Marketing strategy
- Marketing implementation
- Evaluation and control

Therefore, according to the above highlighted elements these are two separate documents.

#### **4.4.4 Marketing implementation and evaluation**

In Chapter 2 of this study, it was pointed out that people have recognised that problems with implementation in many organisations have resulted in failed strategies and abandoned planning efforts (Bourgeois. III, 1996: 705). Morgan, Katsikeas and Vorhies (2012) supported this notion and said that the general marketing literature posits that the effective implementation of planned marketing strategy is the key to linking marketing efforts with firm performance.

It was clear with all three NGOs that there were no existing marketing plans. It was also pointed out that only programme plans existed. With the programme plans, all three NGOs have a structured approach in implementing the programme.

Ferrell and Hartline (2011) have indicated that a marketing strategy can achieve its desired results only if implemented properly. They say it is important to remember that a firm's intended marketing strategy often differs from the realised strategy. This also means that actual performance is often different from expectations.

To reduce the difference between what actually happened and what the company expected, and to correct any of these problems, marketing activities must be evaluated and controlled on an on-going basis (Ferrell & Hartline, 2011:341).

While it is clear at this stage that all organisations have no marketing strategy, it was still important to understand whether they evaluate their programmes. It was also important to understand how often they have these evaluation sessions.

The Presidents Award's indicated that the management of the organisation meets once a month to get an update of the operations or the programme implementation whereas, the operations directors meet on a more regular basis. Through these meetings they get to evaluate any issues that affect the effectiveness of the programme. Therefore, they evaluate the programmes on an on-going basis and make changes as and when necessary.

Masinyusane's staff members meet monthly, and in some cases more than once a month, to discuss challenges with the programme implementation. Then the board of directors meet every six months to evaluate the programmes and make the necessary changes. All in all, they understand the importance of evaluating their programmes regularly.

The VYDP admitted to the fact that they used to have programme reviews on a yearly basis. However, that is no longer the case. The organisation does not take time to review past performance nor current performance formally. If they have a review it is rather an informal one. In some instances it is an induced review.

#### **4.5 SUMMARY**

This chapter presented the findings of the questionnaires that were distributed as well as the interviews conducted. Two of the three NGOs were interviewed face-to-face. One NGO was interviewed telephonically. The structure of the interview was exactly the same as the structure of the questionnaires that were sent to the respondents. Two of the respondents could not complete the questionnaires owing to time constraints. The researcher took it upon herself to take these respondents through an interview session in order to gain more insight into these organisations and to fast track the process. One NGO returned the questionnaires on time. A short follow-up telephonic interview was conducted in order to gain clarity on some of the responses.

Chapter 5 will present the findings of the literature review about marketing strategies for non-profit organisations. Interpretation of the findings and conclusions on the empirical

study will be presented and final recommendations on how these organisations can improve on their marketing from a holistic point of view will be given.

## **CHAPTER 5**

### **CONCLUSION AND RECOMMENDATIONS**

#### **5.1 INTRODUCTION**

Chapter 1 of this study gave the background of the non-profit and non-government sector. It outlined the problem statement and sub-problems based on the content of both South African NGOs as well as international NGOs.

Chapter 2 was the literature review based on the concept of marketing, strategy and marketing strategies. Chapter 2 also reviewed the process of developing, implementing and evaluating marketing strategies.

Chapter dealt with the research methodology. It explained the method that was utilised in conducting the empirical study. Chapter 4 presented the findings of the empirical study.

Chapter 5 will primarily analyse the findings of the literature review and the findings of the empirical study. This chapter will make some recommendations for the three NGOs, which are the President's Award, Masinyusane and the Vezokuhle Youth Development Project.

#### **5.2 ANALYSIS OF THE THEORY AND PRACTICAL IMPLEMENTATION**

##### **5.2.1 The strategic planning**

Kotler and Armstrong (1996) defined marketing as the social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others. The definition of marketing has not changed much since then but has been modified to suit the forever-changing environment of business. Marketing is now defined as the process of creating, distributing, promoting and pricing goods, services and ideas to facilitate satisfying exchange relationships with customers and to develop and maintain favourable relationships with stakeholders in a dynamic environment (Hult, Pride & Ferrell, 2012 : 4).

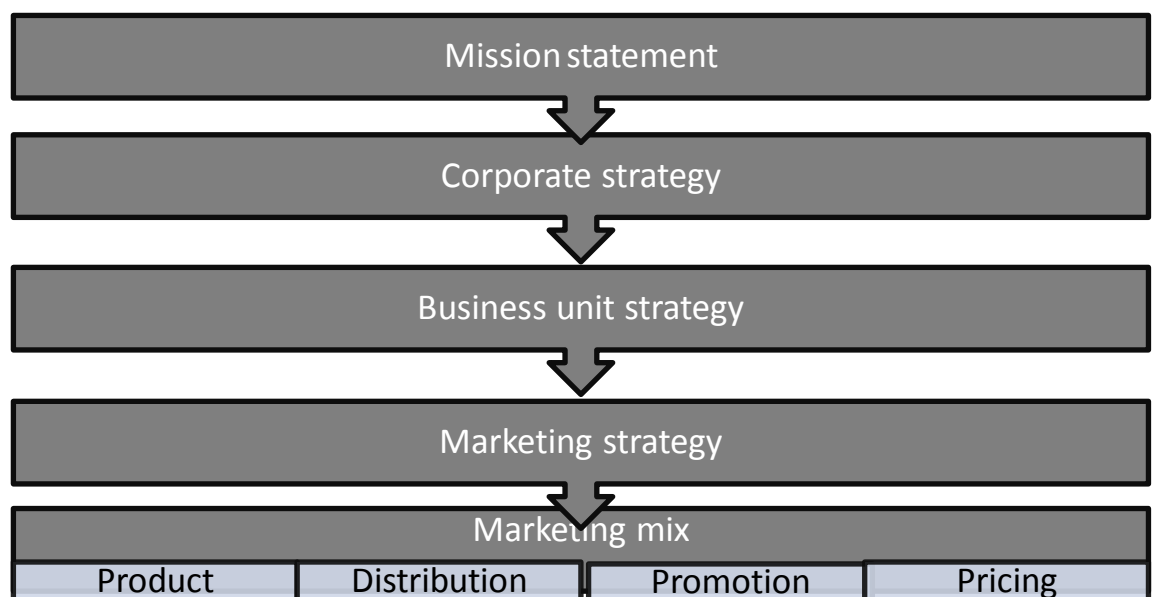
It was further established that non-profit and non-government organisations form part of those organisations that are service orientated. Therefore, they cannot be exempted from



having a strategic approach in their organisations (Peter & Donnelly, 1995; Katsioloudes, 2006; Kotler & Andreasen 1995; Ferrell & Hartline 2011).

To develop and implement marketing strategies in a profit organisation, strategic marketing planning needs to be in place. Strategic planning is the process of establishing an organisational mission and formulating goals, corporate strategy, marketing, objectives, marketing strategy and a marketing plan (Hult *et al.*, 2012: 30). The figure below illustrates the levels of strategic planning and how they relate to each other.

**Figure 5.1: Levels of strategic planning**



*Source: Hult, Ferrell & Pride, 2012:37*

In their review of strategic marketing for non-profit organisations, Kotler and Andreasen (1995) agree that every organisation must start with a mission. In fact, an organisation can be defined as a human collectivity that is structured to perform a specific mission through the use of largely rational means. Therefore, any non-profit organisation has to decide what its mission is so as not to lose sight of and confuse it with a lot of intermediate goals and services that it might provide.

The empirical study revealed that all three NGOs had a mission statement. However, it was also noted that not all the organisations participated in the formation of the mission

statement itself. This means that these organisations may not be committed to the vision and the mission of the organisation. Or they may lose sight of their vision or confuse it with a number of intermediate goals and services that it might provide.

According to theory therefore, the organisations need to follow a strategic approach in fulfilling their reason for existence. Firstly, they need to have a vision and a mission. Furthermore, the organisations need to have a corporate and business unit strategy. Ferrell and Hartline (2011) confirm two notions: Firstly, in small businesses, corporate strategy and business unit strategy are essentially the same. Secondly, although both terms are used, corporate and business unit strategy applies to all organisations, from large corporations to small businesses and non-profit organisations.

The definition of marketing implies that these NGOs also need to have marketing strategies in place. The whole purpose of existence for these NGOs is to create, distribute, promote and price services and ideas to facilitate satisfying exchange relationships with customers and develop and maintain favourable relationships with stakeholders in a dynamic environment (Hult, Pride & Ferrell, 2012 : 4). The customers in the NGO environment are those who are direct participants or those who gain from the services rendered by these NGOs. Stakeholders may be the donor organisations and individual donors or any other party that may have an interest in the organisation in one way or another. The marketing strategy comprises the following:

- **Segmentation and target market.** This process divides the total market into groups with relatively similar product needs to design a marketing mix that matches those needs (Hult *et al.* 2012:129). It was observed that, all three NGOs were quite clear about who their target market is. They were also not intending to change nor expand their target market.

For the President's Award, the target market is young people between the ages of 14 and 25, who will be provided with a balanced, non-competitive framework for self-development that will increase their self-esteem and enhance their capacity to achieve in whatever context they find themselves, enabling them to become responsible and active citizens within their communities.

Masinyusane's target market is the (1) learners, (2) the, teachers and administration (3) parents, (4) the school infrastructure and (5) the local community. Their needs will be satisfied with daily classes for the learners, home visits for both learners and parents, food parcels to needy families, teacher workshops, renovated classrooms, and many other programmes.

The Vezokuhle Youth Development Programme's target market is the youth. The VYDP empowers youth in all sectors through the delivery of viable, leadership skills, conflict management, poverty alleviation interventions and relevant up-to-date life skills training, essential to personal and community development in order to build a healthy, holistic, self-sustaining, poverty-free environment.

- **Marketing mix.** This describes the product(s), programme(s), and how they will be distributed, promoted and priced (if the price will be incurred by the participant.). According to Wilson and Gilligan (2005), the most important single element of the marketing mix is the product. The product or service offering of a company or organisation ultimately determines the nature of the business and the market place perception of the business.

In Chapter 4 all three NGOs were able to explain what their product offering is. All three NGOs are in the developmental and youth empowerment business which, by default, is service orientated. This is the element of the marketing mix that the organisations took time to develop and keep improving. It defines who they are and what they are all about. It is interesting to realise that their mission statements are based on the product offering, or programme offering in their case.

With the location or the distribution element, all three NGOs were strategically located to be closer to the target market. Therefore accessibility is not an issue. However, in the case of two out of the three NGOs communication or promotion were still a challenge. They indicated that this is not a pre-planned process or activity. It was rather a trial and error process. Alternatively, it is an element that is forever a work-in-progress.

Last, in the marketing mix was pricing. Funding, as it is referred to in the non-profit sector, it is the biggest challenge. This is based on the findings of the empirical study. The

President's Award was the only non-profit organisation that charged its participating members a fee. Clearly that charge plays a considerable role in ensuring that the operational expenses of the organisation are met. It also means that the service offerings improve on a regular basis.

The President's Award receives the biggest portion of their funds from the South African government. That accounts for 45.1 per cent of the total income for 2012. The private sector accounted for 33.9 per cent of their total income for the same year. Donor organisations accounted for 3.7 per cent. Other sources were international donors and in-kind support, which accounted for 6.2 per cent and 11.1 per cent respectively. The fee structure is as follows: R230 for Bronze and Silver level; R300 for Gold level.

The Masinyusane organisation is struggling with funding. When they started operating in 2008 and 2009, they were assisting more teenagers than they did in 2012. The reason for that is two-fold. The respondent said, *"They felt they were spreading themselves too thin."* In other words, they had too many teenagers to service, and too few tutors to reach every teenager. As a result they were not effective in what they were doing. The second reason is the issue of funding. If they had enough funds they would have more tutors and be able to reach more teenagers.

Their funding is derived from two main sources, the USA sources and South African sources. The USA contributes 35 per cent and 65 per cent from South Africa. The 35 per cent from the USA is mostly from individual donors (individual contributors). Of the 65 per cent from South Africa, 50 per cent of it comes from corporate donors and another 50% from the fundraising activities that they do as an organisation. The young people helped by the organisation do not have to pay any joining fees. Nor do the schools with which they are in partnership have to pay any money to the organisation.

With the VYDP funding is also a challenge. The state lottery provides 90 per cent of their funding and 10 per cent from corporates such as ABSA. This organisation is affiliated to the ECNGOC. The interviewee indicated that they are unable to keep up with the paper trail needed to obtain the allowances from the umbrella body. This speaks to the bureaucracy with which the NGOs are confronted to receive funding, as mentioned in Chapter 1 of this study.

This therefore indicates that two out of three NGOs that were studied for the purposes of this research are struggling with funding.

### **5.2.2 Marketing plan**

A major concern in the strategic planning process is marketing planning. The marketing plan document provides the blueprint or outline of the organisation's marketing activities, including the implementation, evaluation, and control of marketing activities.

All three organisations indicated that they do not have a marketing plan. Yet this is a very critical document in the marketing planning. An observation that was made during the interviews was that, whenever the respondents answered the questions relating to a marketing plan, they made mention of the programme plan. The marketing plan and the programme plan are two separate entities. It was highlighted in Chapter 4 that the marketing plan must have the following elements:

- The executive summary
- Environmental/situational analysis
- SWOT analysis
- Marketing objectives
- Marketing strategy
- Marketing implementation
- Evaluation and control

In Chapter 4 it was further highlighted that the programme plans that these NGOs have do not contain these elements.

### **5.2.3 Marketing implementation**

Problems with implementation in many organisations have resulted in failed strategies and abandoned planning efforts (Bourgeois III, 1996: 705). Many assume that planning and implementation are interdependent but separate issues. In reality, the planning, and implementation are intertwined with the marketing planning process. Many of the problems in marketing implementation occur because of this relationship to strategic planning.

It is clear up to this point that all three NGOs do not necessarily follow a strategic approach to marketing. While they may have certain elements of strategic planning, not all elements were present during the empirical study. They had different marketing activities as listed in Chapter 4. However, the process with which they arrived at their marketing activities was not as systematic as the literature prescribed it. Therefore, in some of these NGOs, implementation is vaguely attached to planning. For the others, there is no planning for the implementation phase at all. There are different approaches that organisations or businesses can use to implement their strategies. These are:

- the commander approach,
- the organisational control approach,
- the collaborative approach, and
- the organisational culture approach.

#### **5.2.4 Marketing evaluation and control**

To ensure that marketing activities are implemented properly and that there is not much deviation between the intended strategy and the actual outcomes, there must be tight control measures in place. Marketing activities must be evaluated and controlled on an on-going basis (Ferrell & Hartline, 2011:341).

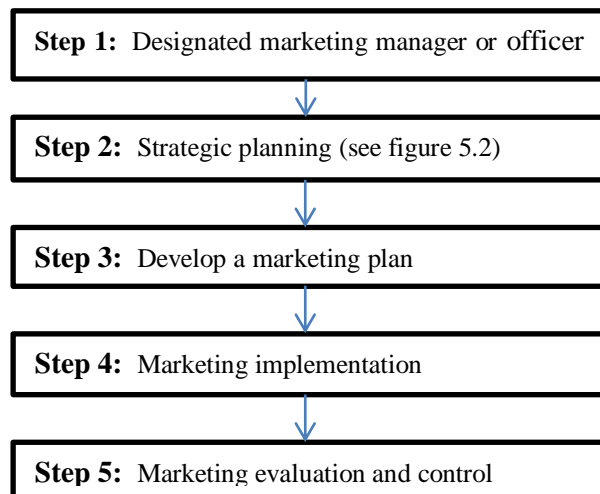
While all three NGOs studied understood the reasoning behind evaluation and control of marketing activities, two out of these three NGOs do take time to evaluate their programmes on a more regular basis. One NGO admitted to the fact that they no longer do the reviews formally. If they have a review, it is an informal one.

### **5.3 FINAL RECOMMENDATIONS**

The purpose of this research was to study the nature and implementation of marketing strategies of selected Eastern Cape non-government organisations. Through this research it has been understood that some of the challenges facing the NGOs in general include the political landscape of the democratic regime in South Africa, bureaucratisation, commercialisation, financial crisis and loss of professionals in the non-government and non-profit sector.

It was further established that NGOs are under increasing pressure to become accountable against corporate performance measurement criteria. Theoretically, such measures should involve the volume of the NGO's operations, its capacity to attract funds, the quality of its human resources, its ability to execute projects under consideration, its administrative structure and management models. The following steps and processes have been recommended:

**Figure 5.2: Five-step approach**



**Figure 5.3: Step 2: Modified Strategic Planning**



*Source: Hult, Ferrell & Pride, 2012:37*

**Step 1:** Have a designated marketing manager/officer/individual.

Having a designated marketing manager/officer/individual will assist in making sure that the organisation has a better focus on marketing. It will also ensure that the marketing strategies are aligned to the bigger vision and mission of the organisation. This will further assist in making sure that the potential participants as well as donors get to know everything that they need about the organisation. This will assist in attracting funds, finding potential volunteers or employees who are better suited for various positions in the organisation.

It is understood that not all the NGOs will have the luxury of sourcing a marketing manager or officer. However, there are other ways and means for the organisation to overcome this problem. The following can be done:

- Identify a current staff member that will be a good candidate to drive the marketing of the organisation. This person must preferably have a relevant qualification or academic background that will assist in making this new mandate a success. If the person does not have the qualification, they must be passionate about what the organisation can offer and must be willing to learn.
- The organisation must approach a person with a marketing background to assist in the formation of a marketing strategy and become a volunteer in the organisation. However, this person needs to understand the bigger picture of the organisation and must be willing to sacrifice time in ensuring that the organisation reaches its marketing objectives.

**Step 2:** Make use of the strategic planning approach.

Making use of the strategic planning approach as illustrated and explained by Hult, Ferrell and Pride (2012) will certainly help the NGOs. Strategic planning incorporates the strategic marketing planning. All the elements of this process will make sure that the organisation is clear about its vision and mission, corporate and business unit strategy, marketing strategy and its marketing mix. An added element for the NGOs is the programme development.

The findings of the empirical study gave a strong and compelling reason to incorporate the programme development. The main reason behind this addition is that NGOs are more concerned about what programmes they can venture into that will help their target market.



Some may argue that programmes are part of the product or service offering of most NGOs, and therefore do not need separate attention. It is as important as the promotion in the marketing mix or distribution or even pricing and funding in this instance. According to Wilson and Gilligan (2005), product and in this case programme(s) or programme development are the most important single elements of the marketing mix. The product or service offering of a company or organisation ultimately determines the nature of the business and the market place perception of the business. Hence programme development has been added in the strategic planning process.

### **Step 3: Develop a marketing plan**

The marketing plan serves a number of purposes, including its role as a roadmap for implementing the marketing strategy and achieving its objectives. As already stated in Chapter 2, the best way for a business, non-profit organisation, or government agency to move towards its goals is one marketing plan at a time, over and over (Wood, 2008:2).

A great marketing plan must be comprehensive, flexible, consistent and logical. It must also have the following components:

- Executive summary
- Environmental/ situation analysis
- SWOT analysis
- Marketing objectives
- Marketing implementation and
- Evaluation and control.

### **Step 4: Marketing implementation.**

This research has proved that failure in implementation can result in strategy failure. This process needs to be incorporated in the planning process. Many marketers assume that the planning and implementation process is a one-way street. That is, strategic planning comes first, followed by marketing implementation. Although it is true that the content of the marketing plan determines how it will be implemented, it is also true that how marketing strategy is implemented determines the content of the marketing plan.

Literature has also proved that important environmental factors constantly change. As customers change their needs and wants, as competitors devise new marketing strategies, and as organisations' own internal environment change, firms must constantly adapt. In some cases these changes occur so fast that once the organisation decides on a marketing strategy, it is already out of date. Because of the interrelationship between marketing strategy and marketing implementation, both must constantly adapt to fit the other. The process is never static because environmental changes require changes in strategy, which require changes in strategy, which require changes in implementation. The ineffective implementation of marketing strategy is an often self-generated problem stemming from the planning process itself. Hence, for any of these NGOs to be successful, attention must be given in the implementation of the marketing strategy.

**Step 5: Marketing evaluation and control.**

Constant feedback is key in any organisation or project. To reduce the difference between what actually happened and what the company expected, and to correct any of these problems, marketing activities must be evaluated and controlled on an on-going basis (Ferrell & Hartline, 2011:341).

A well-functioning control system is therefore critical to the success of the business. To be successful, the control system should be well integrated with the other steps in the marketing management process – setting objectives, formulating strategies, and implementing a plan of action (Boyd, Walker, Mullins & Larreche, 2002: 527).

Therefore, this step is critical for the NGOs to evaluate on an on-going basis and make necessary changes where there is a need, as well as to plan for the following year. Programmes also need to be reviewed regularly to prevent potential obstacles. Two of the NGOs studied embarked upon regular evaluation and control measures. It will greatly benefit the other NGO and it could be more successful if its marketing strategies and programmes were reviewed on a more regular basis.

In summary, NGOs are organisations that are voluntary, independent, not-for-profit, and not self-serving in aims and related values (Spooner, 2004:19). They are the backbone of civil society and an essential pillar of plural democracy (Hughes, 2005:1). While NGOs are non-profit organisations by design, they are under increasing pressure to become accountable against corporate performance measurement criteria. Such measures involve the volume of the NGO's operations, its capacity to attract funds, the quality of its human resources, its ability to execute projects under consideration, its administrative structure and management models (Chalhoub, 2009: 51).

Therefore, by giving attention to one of the business management functions, namely marketing, the organisation can achieve some, if not all, of the measures already mentioned. Marketing has been part of profit organisations for a number of years. It has helped profit organisations to achieve their vision, mission, and corporate and business unit strategies. Ultimately it has helped businesses to make high profits and be able to maintain them.

The aim of the non-government organisations is not to make a profit. Many of them have failed and some have closed down owing to a lack of funding. The competition has also become very difficult owing to the exponential growth of non-government organisations after 1994. Therefore, that also means that more organisations are looking for funding. There is a strong need for each NGO to stand out from the rest if they are going to be around for many years to come. To achieve that and to be able to expand their programmes and increase their human capital, NGOs need to have proper marketing strategies, which are implemented properly and reviewed on an on-going basis. In addition, this will only be achievable if there is a dedicated person or persons that will ensure that there is a marketing function in the organisation.

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## ANNEXURE A: COVERING LETTER: QUESTIONNAIRES

### COVERING LETTER: QUESTIONNAIRES

Research title: THIS RESEARCH IS AN ASSESSMENT OF THE NATURE AND IMPLEMENTATION OF MARKETING STRATEGIES OF SELECTED EASTERN CAPE NON-GOVERNMENT ORGANISATIONS

Researcher: Ncumisa Madinda

Development Manager: SANLAM

Dear Participant

I am currently studying towards my Master's degree in Business Administration. I am also working at Sanlam as a Development Manager. Previously I worked for Absa Group Marketing at regional level in the Eastern Cape. This is where I developed much interest in the field of marketing.

This research is an assessment of the nature and the implementation of marketing strategies in your NGO. One of the compelling reasons for this study is that many NGOs are established, only to close down within a short period of time owing to funding. Therefore, in a competitive environment, particularly for funds, are the NGOs doing enough to differentiate themselves and to secure funding? I have decided to develop questionnaires which will assist in gathering information which will form part of my research. The questionnaires will be limited to the management of the NGOs.

I therefore request that you complete the questionnaire. I will have a follow-up interview face-to-face and/or a telephonic interview where face-to-face is not possible. I request that the questionnaires be returned no later than 14 December 2012. Your contribution will be highly appreciated.

Kind regards

Ncumisa Madinda

## ANNEXURE B: QUESTIONNAIRES

### QUESTIONNAIRE

#### PART A: BIOGRAPHICAL INFORMATION

Please fill in the box that best applies to you or write the information needed:

##### What is your age?

- ☐ 15 – 25
- ☐ 26 – 36
- ☐ 37 – 49
- ☐ 50 +

##### What is your gender?

- ☐ Female
- ☐ Male

##### What is your ethnic group?

- ☐ Black
- ☐ Coloured
- ☐ Indian
- ☐ White

##### What is your nationality?

- ☐ South African

Other: please specify-----

##### What is your position in the organisation?

Answer: -----

##### How long have you worked for this organisation?

- ☐ 2 years
- ☐ 3 – 4 years
- ☐ 5 – 6 years

☐ 7+

**How long have you been in your current position?**

☐ 1 -2 years

☐ 3 – 4 years

☐ 5 – 6 years

☐ 7+

## **PART 2: INFORMATION ABOUT THE ORGANISATION**

How long has the organisation been in existence?

☐ 1 – 3 years

☐ 4 – 6 years

☐ 7 – 9 years

☐ 10+

**How many staff members does the organisation have?**

☐ 1 – 5

☐ 6 – 10

☐ 11 – 15

☐ 16 – 20

☐ 21+

**Of the number given above, how many are:**

Salaried staff: -----

Volunteers: -----

Other: please specify -----

**Is the organisation affiliated to any umbrella body?**

☐ Yes

☐ No

**If 'Yes' to the above question, please record the name of the umbrella body or mother body to which you belong to?**

Other: please specify -----

**How many people do you assist each year on average?**

Answer: -----

**What age group is your organisation focused on in terms of services that are offered?**

- ☐ Less than 12 years (Children)
- ☐ 13 – 19 years (Teenagers)
- ☐ 20 – 35 years (Youth)
- ☐ 36 – 55 years (Adults)
- ☐ 56+ (Elderly and/or pensioners)
- ☐ All age groups

**What gender is your organisation focused on in terms of services that are offered?**

- ☐ Women and/or girls
- ☐ Men and/or boys
- ☐ All gender groups

### **PART 3: STRATEGIC PLANNING AND MARKETING STRATEGY OF THE ORGANISATION**

Please tick where applicable.

<b>QUESTION</b>		<b>Yes</b>	<b>Not sure</b>	<b>No</b>
1.	Does the organisation have a mission statement?			
2.	Does the organisation have SMART goals?			
3.	Does the organisation have clear objectives?			
4.	Does the organisation have a formalised corporate strategy?			

### **PART 3a:    MARKETING STRATEGY**

**Did you consciously decided on the group(s) of people that the organisation will assist, with reference to *age*, *gender*, and the *number* of individuals to be assisted?**

- ☐    Yes
- ☐    No
- ☐    Not sure

### **PRODUCT:**

**How would you categorise your service offerings?**

- ☐    Developmental
- ☐    Environmental
- ☐    Appropriate technology
- ☐    Indigenous peoples

### **FUNDING:**

**From where do you generate funds/income to support the organisation?**

- ☐    Donor organisations
- ☐    Government
- ☐    Private sector
- ☐    Individual contributions

Other: please specify: -----

**What percentage do the following funders contribute to your total income?**

- ☐    Donor organisations
- ☐    Government
- ☐    Private sector
- ☐    Individual contribution

Other: please specify: -----

**Is there a joining fee for members and potential members?**

- ☐ Yes
- ☐ No
- ☐ Not sure

**If 'Yes' how much is the fee?**

Answer: -----

**LOCATION:**

Where are the organisation's offices/centres/ workshop facilities located?

Answer: -----

--

How do members and potential members get to your offices?

- ☐ Public transport
- ☐ Use own vehicles
- ☐ Walk

Other: please specify: -----

--

Is public transport easily accessible?

- ☐ Yes
- ☐ No
- ☐ Not sure

**COMMUNICATION:**

**Do you consciously decide to let the general public know about the organisation?**

- ☐ Yes
- ☐ No
- ☐ Not sure

**What medium of communication do you use to do so?**

- ☐ Local radio station(s)
- ☐ Internet
- ☐ Word of mouth
- ☐ Local schools
- ☐ Churches

Other: please specify: -----

### **PART 3b: MARKETING ACTIVITIES**

What activities do you do to promote your organisation and how often?

	<b>MARKETING ACTIVITIES</b> (e.g.) visiting local radio station(s)	<b>FREQUENCY</b> Time / year
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		

### **Definition of terms**

**SMART:** Specific, Measurable, Achievable, Realistic and Timeous.



**Corporate strategy:** A corporate strategy determines the means of utilising resources in the functional areas of marketing, production, finance, research and development and human resources to reach organisational goals. Corporate strategy addresses two questions. Who are our clients? What is our core competency?

**Do you have a formal written down marketing plan?**

- ☐ Yes
- ☐ No
- ☐ Not sure

**Do you have a written description or explanation of how the marketing programme or activity will be implemented?**

- ☐ Yes
- ☐ No
- ☐ Not sure

**Do you formally evaluate the results of a marketing programme or activity?**

- ☐ Yes
- ☐ No
- ☐ Not sure

Thank you for your cooperation