

**MARKETING OF THE NORTH WEST DEVELOPMENT CORPORATION TO
SMALL, MEDIUM AND MICRO ENTERPRISES**

by

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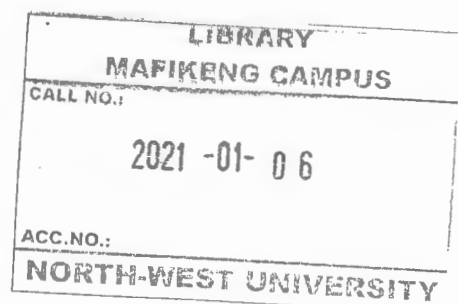
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Inonge .T. Lisita

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DEDICATION

I dedicate this study to my father Michael Lubasi Lisita, who was my mentor and passed on the 26th of October 2013. May his soul rest in eternal peace.

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ABSTRACT

The North West Development Corporation (NWDC) in the North West Province of South Africa has its head office situated in Mafikeng and is primarily there to foster the business development of Small, Medium and Micro Enterprises (SMMEs). The empirical focus of the study was in the Ngaka Modiri Molema region (Mafikeng and Zeerust) since it encapsulates the capital city of the Province and had the highest population of registered SMMEs.

The research problem was the perceived lack of effective marketing communication from the NWDC regarding its support services and the lack of (researched) feedback from the registered SMMEs regarding their satisfaction with NWDC services rendered.

The research objectives formulated to address the problem were to identify the marketing communication challenges of the NWDC, determine the effectiveness of NWDC's marketing communication, establish the level of awareness by the SMMEs and to make suggestions that addressed the identified marketing communication challenges of the NWDC to SMMEs.

The empirical research methods employed were exploratory, qualitative and quantitative. The population for the study comprised of all the SMMEs in the Mafikeng and Zeerust area that were registered (at the time) with the NWDC and were located in one of the NWDC Industrial Sites. A total of 82 completed questionnaires were collected by the researcher. The sample size comprised 58.6% of the total population.

The study revealed that the SMMEs showed uncertainty with regards to their awareness of NWDC's support services and communication levels. This was an indication that NWDC's marketing communication message was not effectively communicated to the SMMEs. Practical recommendations were made to the NWDC for implementation.

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CHAPTER 1

NATURE AND SCOPE OF THE STUDY

1 INTRODUCTION

This study was aimed at determining whether effective dualistic marketing communication exists between the North West Development Corporation (NWDC) and all their registered Small, Medium and Micro Enterprises (SMMEs) in the North West Province. The North West Development Corporation is a business to business (B2B), non-profit organisation.

According to Roschmann and Ziyadullaeva (2011:16) business to business describes business relations between two companies. The NWDC has business relations with its SMMEs in that it provides services to the SMMEs to assist them with establishing and expanding their businesses.

The NWDC in the North West Province of South Africa has its head office situated in Mafikeng and is primarily there to foster SMME business development. The Corporation operates within all four regions of the North West Province namely Ngaka Modiri Molema region, Dr Ruth Mompati region, Bojanala region and Dr Kenneth Kaunda region (NWDC, 2010). The empirical focus was in the Ngaka Modiri Molema region since it encapsulates the capital city of the Province and has the highest population of registered SMMEs.

Figure 1.1 visually reflects all the regions in the North West Province, although, as already indicated, this study focused only on the Ngaka Modiri Molema region. Following Figure 1.1 is a more detailed layout (Table 1.1) of the different regions with reference to the areas and numbered SMMEs.



Key

Ngaka Modiri Molema Region



Bojanala Region



Dr. Ruth Mompati Region



Dr. Kenneth Kaunda Region



Figure 1.1: Regions of the North West Province

Source: Adopted from nwdc.co.za/properties/
Table 1.1 Areas and registered SMMEs.

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Ngaka Modiri Molema Region	Dr Ruth Mompati Region	Bojanala Region	Dr Kenneth Kaunda Region
Mmabatho(77)	Ganyesa(22)	Mogwase(42)	Garankuwa(41)
Lehurutse(63)	Mothibistad(42)	Rustenburg(14)	Babelegi(40)
	Taung(37)		
Registered SMMEs	Registered SMMEs	Registered SMMEs	Registered SMMEs
140	101	56	81

Source: Adopted from nwdc.co.za/SMME/

The aims and objectives of the NWDC are to plan, finance, co-ordinate, promote and carry out the economic development of the province and its people in the commercial fields of industry, commerce, finance, mining and other business, resulting in wealth and job creation (NWDC,2010).

Effective communication of the NWDC's support services to Small Medium and Micro Enterprises (SMMEs) remains a challenge. As indicated by Nedlac (2005:3) "there is lack of awareness of available support, in terms of information". Gounden, (2000:70) also states that there are core difficulties seen in SMMEs accessing information and a lack of market exposure.

According to Fohtung et al. (2012:22-23), SMMEs are being perceived as clients rather than beneficiaries of support services, hence there is a very low level of awareness by SMMEs regarding the various support services that are available for them. "Creating the channels for effective collaboration between stakeholders is essential as many Development Agencies and related partners can often become overwhelmed by their workloads, leaving little time for communication" (Mountford, 2009:21).

1.1 Research problem

The following problem statement is supported by statements made by Nedlac (2005:3), Gounden (2000:70), Fohtung et al. (2012:22-23) and Mountford (2009:21) in the previous section. Hence, the problem is as follows.

Business development in the North West Province seems to be hampered by the lack of effective marketing communication from the NWDC regarding its support services and the lack of (researched) feedback from the registered SMMEs regarding their satisfaction with services rendered.

1.2 Background and motivation

The NWDC, previously known as the Bophuthatswana National Development Corporation (BNDC), was established and owned by the former Republic of Bophuthatswana as its economic development agency. The mission of the BNDC was to contribute towards the improvement of the quality of life in Bophuthatswana by developing Industry, Commerce, Small Businesses and Human Resources (NWDC, 2010). After the reincorporation of the former Republic of Bophuthatswana into the Republic of South Africa, the North West Provincial Government recognised the need for the continuance of the former BNDC as a development corporation for the North West Province (North West Business, 2007).

The NWDC came into existence when the North West Development Corporation Limited Act (Act No 6 of 1995), was approved by the Provincial Legislature and published in the North West Provincial Gazette during 1995. According to the NWDC (2010:1) the North West Development Corporation Act provides the following:

"The Bophuthatswana National Development Corporation Limited, initially established under Promotion of the Economic Development of Bantu Homelands Act, 1968 (Act 46 of 1968) and thereafter dealt with under the Bophuthatswana National Development Corporation Limited Act, 1993 (Act 37 of 1993) shall, notwithstanding the repeal of the last mentioned Act by this Act, continue to exist and operate as a body corporate under the name of North West Development Corporation Limited and shall be deemed to have been established under this Act.

From and after the commencement of this Act and subject to the provisions thereof, the Corporation was controlled and represented by the North West Development Corporation Board of Directors as hereinafter provided, and all the actions of that Board shall be deemed to be acts of the corporation"(NWDC, 2010).

Due to various constraints the NWDC was placed under judicial management and as part of the business rescue plan, the NWDC was later converted into a private company by the judicial managers on 3 February 1999, named the North West Development Corporation (Pty) Ltd.

The vision of NWDC is for the NWDC brand to be recognised as that of an efficient and effective economic development agency within the North West Province (NWDC, 2010).

According to the NWDC's marketing, communication and social responsibility policy (2012:3) the marketing and communication department of the NWDC takes responsibility for the marketing function of the NWDC. The department's functions include the marketing of the NWDC brand, by corporate image management with respect to NWDC stakeholders, and by marketing the NWDC through communication. This should create brand loyalty and support in the form of corporate social responsibility initiatives which are informed by the NWDC value system.

The objective of the marketing of the NWDC brand is to expand the NWDC corporate brand within the North West Province, which includes businesses, industry and the public, as well as to create an awareness of the NWDC amongst potential investors outside of the North West Province (Marketing, Communication and Social Responsibility Policy, 2012:3).

As indicated by North West Business (2007), the NWDC is aligned with the following high-value projects within the North West Province:

- SMME support.
- NWDC light industrial park (second phase).
- Platinum beneficiation (production and design of platinum jewellery).
- Skills development (automotive industry and platinum beneficiation).
- Madikwe Sisal Project.
- Wild Silk Project.
- Youth co-operatives (car wash centres).
- North West Province Business Directory.
- Taung marble.

General marketing and more specifically marketing communication is imperative for implementation of the projects mentioned. In the following section, marketing will be discussed.

1.3 Marketing defined

Marketing plays a significant role in any organisation. According to Kotler and Keller (2006:5) marketing is everywhere and good marketing is no accident, but a consequence of cautious planning and execution that deals with identifying and meeting individual and social needs.

Marketing is defined as an exchange between a firm and its customers. The customer wants something from the firm and the firm wants something from the customer hence marketers try to figure out what customers want and how to provide it profitably (Iacobucci, 2012:3). Kotler and Keller (2006:5) state one of the shortest definitions of marketing as “meeting needs profitably”.

According to Cant and Van Heerden (2010:2) marketing contributes to the achievement of the fundamental objectives of most businesses, which include survival, profitability and growth. The marketing process includes:

- understanding the organisation’s mission and the role that marketing plays in fulfilling that mission,
- setting marketing objectives,
- scanning the environment,

- developing a marketing strategy for a selected target market,
- implementing the strategy,
- designing performance measures,
- evaluating marketing efforts and making changes if needed, and
- developing and implementing a marketing mix.

The marketing mix combines product, distribution (place), marketing communication and pricing strategies in a way that creates exchanges satisfying to both the individual's and company objectives (Cant & Van Heerden, 2010:3).

1.3.1 Corporate marketing

Corporate marketing activities are publicly visible programmes and actions that companies undertake to communicate corporate activities that reflect the social responsibility, values and goals of the company (Wilson, 2001:353).

According to the NWDC (2010) the vision of the North West Development Corporation (Pty) Ltd is for the NWDC brand to be recognised as an efficient and effective economic development agency within the North West Province.

The strategic objectives of the NWDC with regard to SMMEs are to:

- Establish strategic partnerships with both public and private sector institutions in order to draw on their relevant expertise and resources for the benefit of the manufacturing, trade and SMME sectors throughout the Province.
- Facilitate access to business opportunities, financing and other resources by SMMEs in order to prepare them for the future.
- Provide affordable infrastructure for SMMEs desiring to operate as small industries.
- Identify markets and strategic partners for SMMEs.

1.3.2 Marketing communication

According to Belch and Belch (2007:9) the marketing communication purpose in most companies was dominated by mass media advertising for many years. The majority of marketers used additional marketing communication tools. Sales

promotion and direct marketing agencies as well as package design firms, were generally viewed as supporting services and often used on an impromptu or a per project basis. These companies fail to recognise that the wide range of marketing communication tools available must be coordinated to communicate effectively and present a consistent image to target markets.

Customers should be made aware of what the organisation has to offer, hence almost all firms selling a product or a service use some form of advertising. Advertising is any form of paid communication in which the sponsor or firm is identified. Traditional media such as television, radio, newspapers, magazines, books, direct mail, billboards and transit cards (advertisements on buses and taxis and at bus stops) are commonly used to transmit advertisements to customers (Lamb et al., 2004:296).

One of the most important reasons for the growing importance of marketing communication is that it plays a key role in the process of developing and sustaining a consistent image in the market. With more products and services competing for consideration by customers who have less time to make choices, well known brands have a major competitive advantage in the marketplace (Kitchen, et al., 2004:19).

A brand should represent what an organisation is about (company personality) or has to offer, and is outlined in the following section.

1.4 Brand defined

A brand should represent what an organisation is about or has to offer. Gregory (2004:3) states that a brand is a sign of identification, the label which differentiates the product from the competitors. A strong brand is a business asset and delivers outstanding benefits. It commands a premium price and makes marketing more efficient.

Wood (2000:664) continues to define a brand as a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.

Thus, the NWDC brand has to be communicated to all SMMEs (registered and non-registered) for them to be aware of how they can benefit from it.

1.4.1 Brand identity

Capon and Hulbert (2007:294) define brand identity as the associations a firm wants people to hold about its brand. Iacobucci (2012:77) states that regardless of the quantity of information inherent in the brand name when it is introduced to the market place, brand name meaning is built over time through the firm's communications to customers. The marketer educates customers about the meaning of the brand as well as its logos and symbols. Just as the brand name engages the customers verbally, the logos and packaging colours engage the customers visually and sensually. This brief discussion on branding should be the cornerstone of the NWDC's marketing efforts toward SMMEs in the relevant region or regions. In the following section SMMEs were characterised.

1.5 Small, Medium and Micro Enterprises (SMMEs)

SMMEs exist in many economies. SMMEs are universally acknowledged as the driving force of economies in both developed and developing nations (Wattanaputtipaisan, 2003:66).

Nieman et al. (2004:10) state that a small business is one that is independently owned and operated, but is not dominant in its field and does not engage in any new marketing or innovative practices.

The label 'small business' is attributed to businesses that meet the following criteria:

Financing of the business is supplied by one individual or a small group of individuals; apart from its marketing function, the business operations are geographically restricted; compared to the bigger firms in the industry, the business is small and the number of employees in the business is usually less than 100 (Longenecker, et al., 2005:14).

According to South Africa's National Small Business Act 102 of 1996, Small, Medium and Micro Enterprises are defined as follows:

Survivalist Enterprises - which operate in the informal sector of the economy, mainly undertaken by unemployed persons whose income is generated below the poverty line, providing minimum means to keep the unemployed and their families alive. Little

capital is invested with not much assets, neither is there much training. Opportunities for growing these businesses are very small.

Micro Enterprises- there are between one to five employees, usually the owner and family. They are informal with no license, formal business premises, or labour legislation. Turnover is below the VAT registration level of R300 000 per year. The owner has basic business skills and training and the business has the potential to make the transition to a viable formal small business.

Very Small Enterprise - It is part of the formal economy with the use of technology and has less than 10 paid employees. Includes self-employed artisans (electricians, plumbers) and professionals.

Small Enterprise - Has less than 100 employees. It is more established than very small enterprises. It is formal and registered, with fixed business premises. Owner manages, but has a more complex management structure.

Medium Enterprise- Has up to 200 employees and still mainly owner managed, but has a decentralised management structure with division of labour. It operates from fixed premises with all formal requirements.

According to Biekpe (2011:3) the role of SMMEs in the economy is to increase productivity, create employment especially for unskilled labour, and help reduce poverty.

1.6 Research objectives

The research objectives are as follows:

- To identify the marketing communication challenges of the NWDC.
- To determine the effectiveness of the marketing communication of the NWDC's support services to SMMEs.
- To establish the level of awareness of NWDC's support services amongst the SMMEs.

- To make suggestions that address the identified marketing communication challenges of the NWDC to SMMEs.

1.7 Research questions

The research questions are as follows:

- Is the NWDC's marketing communication effective?
- To what extent are the SMMEs aware of the NWDC's marketing support services?
- How can the NWDC effectively use marketing communication?

1.8 Research Methods

The study adopted qualitative and quantitative research approaches (mixed method) and was explorative in nature. "Qualitative research is a situated activity that locates the observer in the world, consisting of a set of interpretive, material practices that makes the world visible by using interviews, conversations, photographs and recordings" (Denzin & Lincoln, 2005:3). "Quantitative research is a formal, objective, systematic process in which numerical data are used to obtain information about the world and is used to describe variables, to examine relationships among variables and to determine cause and effect interactions between variables" (Burns & Grove 2005:23).

A mixed method approach was advantageous in the sense that it enabled the researcher to simultaneously answer confirmatory and exploratory questions therefore verifying and generating theory in the same study (Tashakkori & Teddlie, 2003:15), hence qualitative and quantitative data was collected, and the research was explorative in nature. Exploratory research is designed to explore ideas and gain insights in order to obtain a proper definition of problems at hand and is therefore appropriate to any problem about which very little is known (Creswell 2009:18).

1.8.1 Population and sampling

The population is a body of people or any other collection of items under consideration for the purpose of the research (Collins & Hussey, 2003:155-160).

The population of the study was as follows:

- All the marketing personnel at the NWDC.
- 140 SMMEs situated in the Ngaka Modiri Molema Region of the North West Province that were registered with the NWDC.

1.8.2 Sampling

According to Collins and Hussey (2003:155-160) a sample is made up of some members of a target population.

The study used non-probability, convenience sampling to select participants within the sampling population. According to Wegner (2003:171), convenience sampling represents a sample that is drawn to suit the convenience of the researcher. Convenience sampling was used by the researcher based on the availability of the registered SMMEs contracted with the NWDC.

A sample of SMMEs was selected as follows:



A database with registered SMMEs with the NWDC was retrieved from NWDC records and constituted the population to be sampled.

The population (N=140) consisted of all registered SMMEs on the current database. 108 SMMEs (convenience sampling) constituted the sample (n) for the study using a 0.05 margin of error (see Annexure A).

1.8.3 Data collection method

Firstly, semi structured interviews were conducted with the NWDC employees and were used to determine the level of awareness of NWDC's support services amongst the SMMEs. A semi structured interview is an "interview where the researcher has a list of themes and questions to be covered" (Welman et al. 2012:166).

Following the personal interviews, self-administered close ended questionnaires were developed (partly based on the personal interview results) and distributed to selected SMMEs based on their availability. A self-administered close ended questionnaire is a questionnaire where the respondents are asked to complete the questionnaire themselves by selecting answers from a list that is provided by the

researcher (Babbie & Mouton 2001:233-258). Their responses were collected and analysed.

1.9 Pilot Study

According to Polit et al. (2001: 467) the term pilot study is used in two different ways in social science research and can refer to so called feasibility studies which are small scale versions, or trial runs, done in preparation for the major study. Pilot studies try to identify potential practical problems in following the research procedure hence increasing the likelihood of success (Van Teijlingen & Hundley, 2001:1).

Pilot studies and pre-tests were conducted in the Ngaka Modiri Molema Region for the specific pre-testing of the research instrument which was a questionnaire.

The statistics department of the North West University was consulted to conduct further analysis with regard to validity and reliability of the information gathered.

1.10 Data analysis

Microsoft Office Excel was used as a tool for data capturing and the Statistical Programme for Social Sciences (SPSS) was used to analyse the gathered data. The analysis was performed by the North West University's Statistics Department however interpretations and final presentation preparation were done by the researcher. The presentation of the interpreted data was in the format of frequency tables, cross tabulations and statistical analysis.

1.10.1 Validity and reliability

Collins and Hussey (2003:186) describe validity as the extent to which the research findings accurately represent what is happening.

Reliability refers to the absence of random error, enabling subsequent researchers to arrive at the same insights if they conduct the study along the same steps again (Denzin & Lincoln, 1994).

1.11 Limitation of the study

The geographical scope of the study was limited to the Ngaka Modiri Molema Region of the North West Province that has SMMEs currently registered with NWDC.

The content of the study comprised information about the participants' awareness of the NWDC's support services and their views on the desirability of the NWDC implementing marketing communication.

1.12 Ethics

It is good research practice to offer confidentiality or anonymity to participants in a research project, as this will encourage open and honest responses (Collins & Hussey 2003:38-39).

The following ethical considerations were adhered to:

Guarantee of confidentiality, principle of voluntary participation, the requirement of informed consent, and duly acknowledging the information from other sources.

1.13 Conclusion

Chapter one focused on the scope of the research and defined the business to business (B2B) relationship that exists between the NWDC, a non-profit organisation, and its SMMEs.

1.14 Outline of chapters

- Chapter 1 - Nature and scope of the research
- Chapter 2 - Marketing, branding and marketing communication.
The term marketing is defined and branding and marketing communication are discussed. Corporate social responsibility is also explained and Small, Medium and Micro Enterprises (SMMEs) are highlighted in the chapter.
- Chapter 3 - Research methodology.
The research was explorative in nature and the process of collecting data was done with a questionnaire compiled with both open ended and closed questions intended for the SMMEs to answer.

- Chapter 4 - Analysis and interpretation of research findings.

The data collected from the SMMEs was analysed statistically and the results were interpreted.

- Chapter 5 - Conclusion and Recommendations.

Each of the research questions in chapter one were considered individually in the light of the research findings. Appropriate recommendations were made to enable the NWDC to address the identified challenges.

CHAPTER 2

MARKETING, BRANDING AND MARKETING COMMUNICATION

2 INTRODUCTION

This chapter reviews literature on how Development Corporations market their services, their marketing communication, the extent to which SMMEs are aware of the support services offered by Development Corporations and the challenges that SMMEs face with regard to their development and growth.

The purpose of this chapter is to explain the theory of marketing in depth. Application with regards to the NWDC's support services to SMMEs is addressed.

2.1 Marketing

Belz and Peattie (2012:13) state that marketing can be traced back at least four hundred years, therefore it plays a significant role in any organisation and can be conceived of in many ways: "(1) as a commercial activity (2) as a management function or department (3) as a business process (4) as a philosophy or (5) as a discipline".

Until the twentieth century it had a very literal meaning relating to activities that brought buyers and sellers together, usually in the context of a physical market place, thus such marketing activities are as old as commerce itself (Belz & Peattie, 2012:13).

2.1.1 Marketing defined

According to Armstrong and Kotler (2013:33) marketing is defined as managing profitable customer relationships by attracting new customers, by promising superior value with an aim to keep and grow current customers by delivering satisfaction.

Thach (2012:20) clarifies that marketing is a process where organizations create value for customers and build relationships with them. Esclana et al. (2011:4) add that organisations create value for customers in the form of ideas, goods and services to facilitate satisfying exchange relationships and capture value from customers.

Marketing consists of a set of institutions, processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and the society at large (Varadarajan, 2010:120).

Marketing can therefore be highlighted as a value creation process and interacting with customers through service offerings, thereby building relationships with them. Good communication is essential for an efficient and effective value creating organisation.

The section that follows addresses strategic marketing because it takes a long term view towards achieving organisational goals, integrating marketing goals and objectives with the overall goals and objectives of the organisation and feedback from customers (Cant, 2010:171).

2.1.2 Strategic marketing

The process of strategic marketing involves three steps which are (1) planning, (2) implementation and (3) evaluation (Cant, 2010:171).

Figure 2.1 illustrates the stages that organisations have to consider towards achieving set objectives and operating effectively, with feedback from stakeholders being an important aspect so as to maintain a healthy dualistic communication relationship.

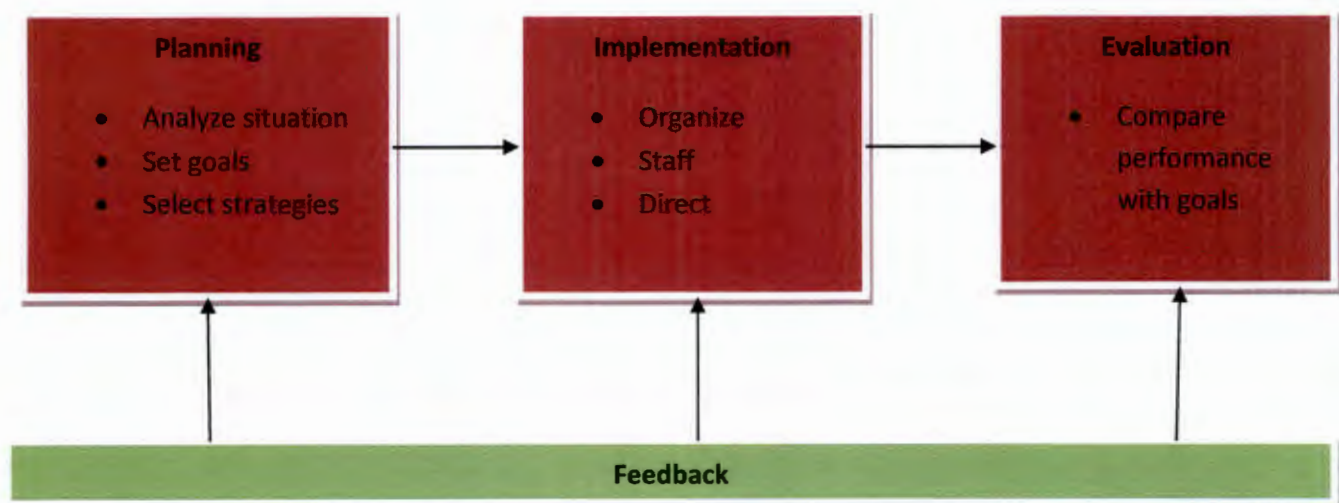


Figure 2.1: The strategic marketing process

Source: Cant (2010:171)

The marketing department should support the organisation's strategic planning with more detailed plans for identified marketing opportunities so as to address the developmental needs of the community and encourage growth. (Esclana et al., 2011:12).

Therefore, the goal of marketing for any organisation should be to connect the organisation to its customers by stressing value as well as customer relationships for the organisation's survival and growth. (Ferrell & Hartline, 2011:27).

Esclana et al. (2011:12) state that in order for an organisation to sustainably survive and grow in the long term, managers and other officers of the marketing function must make decisions and take actions that are aimed at aligning the marketing objectives and strategies.

Furthermore, there should be congruence between the goals and objectives of the marketing function and the objectives of the other functional areas of the organisation as Figure 2.2 shows.

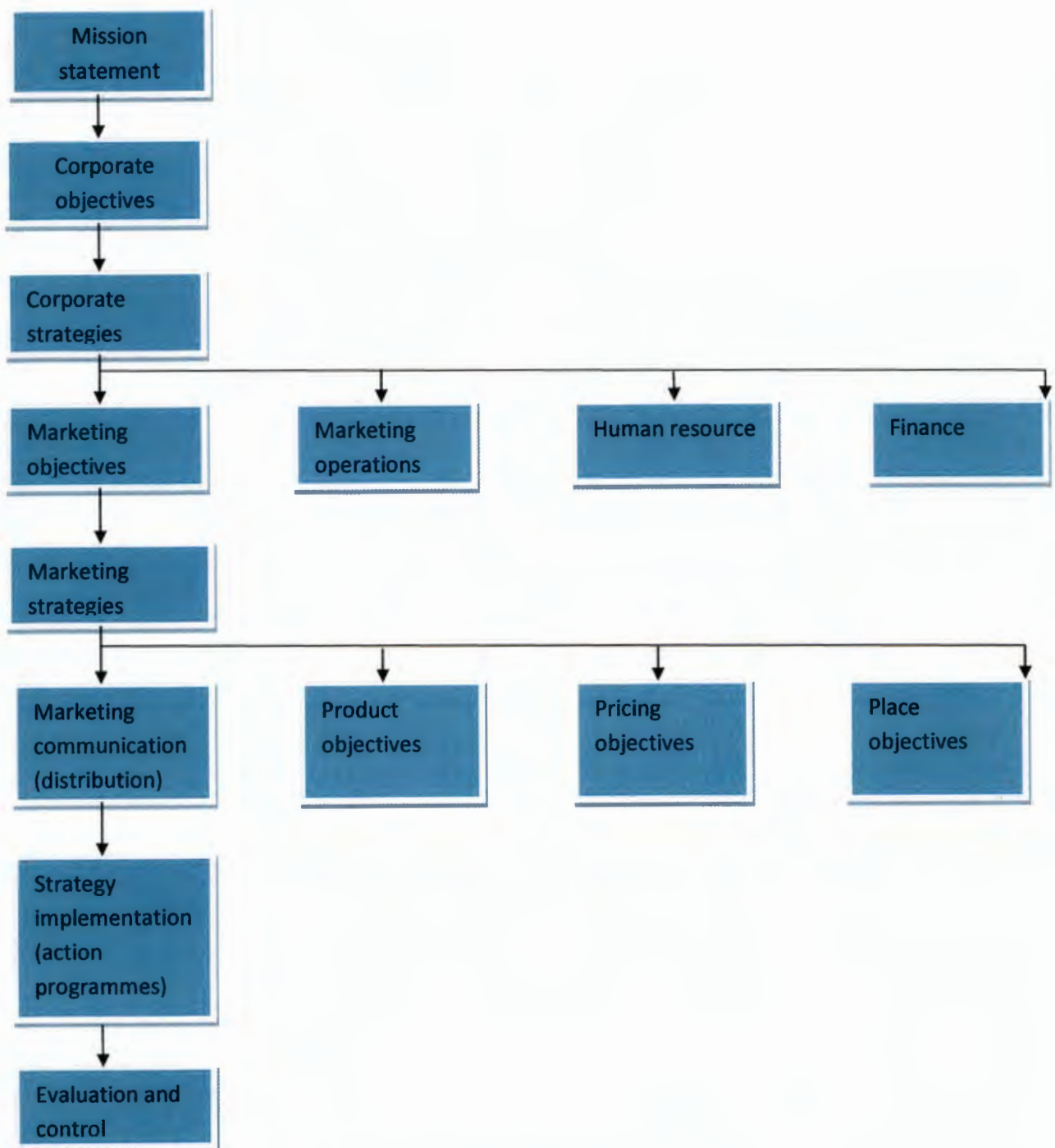


Figure 2.2: Hierarchy of planning objectives and strategies

Source: Esclana et al. (2011: 13)

The marketing department cannot work independently hence there should be interdependencies amongst the organisation's different departments creating an integrated system towards a common goal. The marketing function will be explained in the next section.

2.1.3 Marketing functional areas

Figure 2.3 illustrates that marketing consists of eight functional areas which are each interlinked with stakeholder requirements. Baines et al. (2011:12) state that marketers within the organisation undertake different components of these functions at different levels. The senior marketer will guide and direct these functions. The marketing manager will manage them. The marketing executive will undertake the actions necessary to fulfil these functions, creating the smooth functioning of the organisation with effective and efficient communication from the marketing department to stakeholders. Finally, a marketing assistant will support the marketing executive (Baines et al., 2011:12).



Figure 2.3: Functional map for marketing

Source: Baines et al. (2011:12)

A holistic marketing approach must therefore be adopted for efficiency and effectiveness so that an organisational system operates at its optimum.

2.1.4 Holistic marketing

Figure 2.4 is a visual representation of the holistic marketing dimensions. The holistic approach is based on the development, design and implementation of marketing programs, processes and activities that recognise their breadth and interdependencies (Kotler & Keller 2012:36).

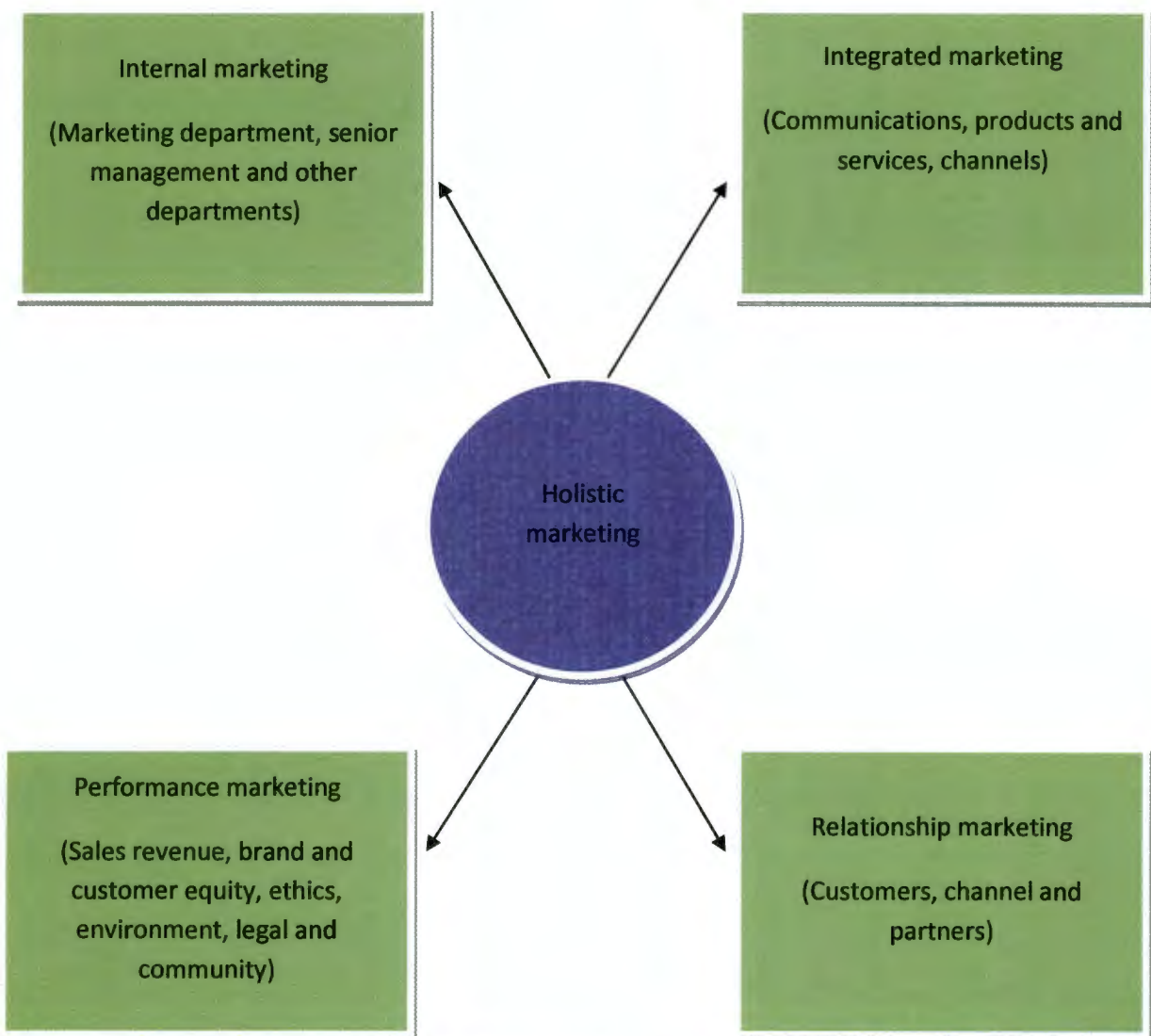


Figure 2.4: Holistic marketing dimensions

Source: Kotler & Keller (2012:36)

The holistic marketing approach takes into consideration all relevant elements of marketing in order to work towards achieving optimum marketing objectives for organisations. Holism should be adopted by organisations if their goal is to work for success, sustainability and growth.

An organisation can offer goods, services and communications by use of ads and direct mail to the customers and in return they receive money and information from the customer that can reflect through customer attitudes or even sales data. (Kotler & Keller, 2012:30). The marketing plan is developed from the marketing approach and will be viewed in detail in the section that follows.

2.1.5 Marketing plan

Every organisation needs a marketing plan because it involves choosing marketing strategies that will help the organisation attain its overall strategic objectives.

According to Armstrong and Kotler (2013:83) the marketing plan layout is as follows:

- Executive summary that reviews major assessments, goals and recommendations.
- A detailed strengths, weaknesses, opportunities and threats (SWOT) analysis of the current marketing situation that might show potential threats and opportunities.
- Major objectives for the brand that outlines the specifics of a marketing strategy for achieving them, which consists of specific strategies for target markets, positioning, the marketing mix and marketing expenditure levels outlining how the organisation intends to create value for target customers in order to capture value in return.
- An action program for implementing the marketing strategy along with the details of a supporting marketing budget.
- The controls that will be used to monitor progress, measure return on marketing investment and take corrective action that might even improve the status of an organisation in the long run.

Table 2.1 Contents of a marketing plan

SECTION	PURPOSE
Executive summary	It presents a brief summary of the main organisational goals and recommendations of the plan for management review.
Current marketing situation	It describes the current market and the organisation's position in it, information about the market, product/service performance, competition and distribution of products/services.
Threats and opportunities analysis	Assesses major threats and opportunities that the product/service might face thus helping management to anticipate positive or negative developments that might have an impact on the organisation and its strategies that have been put in place.
Objectives and issues	States the marketing objectives that the organisation would like to attain during the plan's term
Marketing strategy	Outlines the broad marketing logic by which the business unit hopes to create customer value and long term relationships with the customers, the specifics of target markets, positioning as well as marketing expenditure levels.
Action programmes	This is how marketing strategies will be turned into specific action programs that answer questions such as (1) What will be done? (2) When will it be done? (3) Who will do it? (4) How much will it cost?
Budgets	A budget shows expected revenues and expected costs of production, distribution and marketing, and the budget also becomes the basis for materials buying, production scheduling, personnel planning and marketing operations.
Controls	These are the controls used to monitor the organisation's progress that allows management to review implementation results and spot products/services that are not meeting their goals and it includes measures of return on marketing investment.

Source: Armstrong & Kotler (2013:84)

Armstrong and Kotler (2013:33) demonstrate that organisations should work to understand customers, create customer value and build strong customer relationships so that in the final step of the marketing plan (controls), organisations reap the rewards of creating superior customer value. By creating value for customers they in turn capture value from customers in the form of sales, profits and long term customer equity (Armstrong & Kotler, 2013:33).

According to Hanssens et al. (2013:1) customer equity is the present value of the anticipated lifetime revenue the company's customers will generate, minus their acquisition and retention costs.

Marketing is a process and as such the marketing plan and its contents (Table 2.1) should be reviewed regularly and kept relevant to the organisation.

2.1.6 The marketing process

Figure 2.5 explains that organisations should understand the environment they are in, understand their customers and work for value and mutual benefit so as to satisfy customers and to reap the benefits.

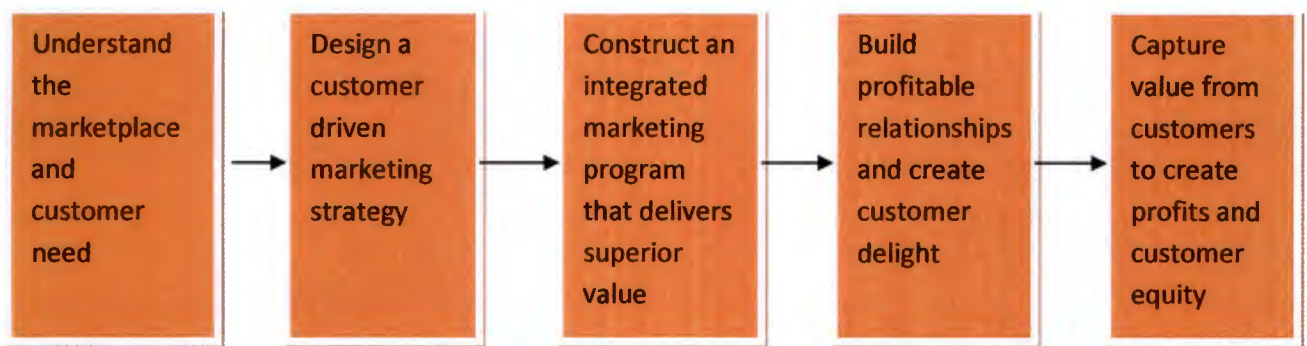


Figure 2.5: The marketing process

Source: Armstrong & Kotler (2013:34)

Cant et al. (2010:2-4) state that marketing contributes to the achievement of the fundamental objectives of most organisations and these include survival, profitability and growth.

Cant et al. (2010:2-4) continues to state that the marketing process includes:

- Understanding the organisation's mission and the role that marketing plays in fulfilling that mission.
- Setting marketing objectives.
- Scanning the environment.
- Developing a marketing strategy by selecting a target market strategy, implementing the strategy, designing performance measures, evaluating marketing efforts, making changes if needed and
- The development and implementation of a marketing mix that combines product, distribution, marketing communication and pricing strategies in a way that creates exchanges satisfying to both individual and company objectives.

The following section will explore the marketing mix, what it means, its elements and how it can be related to the services industry.

2.1.7 Marketing mix

According to Cant et al. (2010:36), the marketing mix (also known as the 4Ps of marketing) consists of product, price, place and promotion. When an organisation is marketing tangible goods marketers use the 4Ps to make up their marketing mix while on the other hand if they offer an intangible product or service it is called the extended marketing mix (also known as the 7Ps) and comprises of the product, price, place, promotion, physical evidence, process as well as the people (Esclana et al., 2011:67).

Baines et al. (2011:19) refer to an additional 3Ps consisting of physical evidence, process and people and state that the 3Ps have been incorporated into the marketing mix and are an addition to the 4Ps resulting in the 7Ps. Behera (2013:1) discusses that the concept of the 4Ps has been long used for the product industry while the 7Ps are a successful proposition for the services industry.

This section will however focus on the 7Ps because of the fact that the services industry is taken into consideration.

2.1.7.1 Product

According to Hu (2012:21) products refer to tangible, physical entities as well as services to satisfy customers' needs and wants. Nguyen (2011:30) adds to the definition of products as being tangible and intangible goods and consists of physical objects, services, events, persons, places, organizations, ideas or mixes of these components.

Chikweche and Fletcher (2012:512) state that it is necessary to enhance both accessibility and affordability of products and services through assessing the degree of essentiality and potential for value addition as far as product and service offerings are concerned. Premkanth (2012:8) includes that a product or service must be both profitable and compatible with an organisation's image and long term strategy. If a product is on target, the rest of the P's are accomplished more easily (Wirth, 2012:1).

A product within the services industry will however be the service offerings by organisations to customers.

2.1.7.2 Price

Price refers to the amount of money customers pay to be able to use or have the product or service that is being offered by an organisation (Berndtros & Berggren, 2012:17). Price has an essential influence on how well the product or service sells and in the marketing mix it is the only element which represents revenue (Yan, 2010:23).

However, pricing in modern market economies is much more than a means to cover production costs. It also represents a standard of quality, novelty and benefits of the product or service (Ghita, 2012:12). According to Chummun (2012:83) price has a direct influence on the market share, product positioning, customer loyalty and competitiveness of a firm and can lead to business success, therefore it is considered a very important instrument in the marketing mix.

Pricing of services is different from that of products because services are intangible and products are tangible and organisations also need to look at the fact that customers have to be dealt with in the service offering process.

2.1.7.3 Place

Mustafi et al. (2011:10) define place as the location where a product can be purchased. According to Baines et al. (2011:440) place/distribution concerns how to place the optimum amount of goods and services before the maximum potential customers of a selected target market.

Singh et al. (2011:52) state that place is an important element of the marketing mix that refers to the location where the product or service is available to the customer and includes distribution channels. Tomozei (2012:42) adds that it is synonymous with distribution and makes use of various strategies such as intensive distribution, selective distribution and exclusive distribution. Distribution channels are therefore primarily set up to perform a set of essential economic functions in the society, hence bridging the gap between production and consumption (Jain & Han 2012:11).

For the service sector, organisations have to be located in an area that is convenient for their selected target market.

2.1.7.4 Promotion

According to Ferrel and Hartline (2011:22) “modern marketing has replaced the term ‘promotion’ with the concept of integrated marketing communication (IMC) which is also the coordination of all promotional activities that include media advertising, direct mail, personal selling, sales promotion, public relations, packaging, store displays, website design and personnel to produce a unified, customer focused message”.

Promotion is a way to inform customers about the products and services to be offered and therefore for an organisation to be successful, a marketing project should have a feasible communication procedure (Xiwen, 2013:24). It consists of a blend of advertising, personal selling, sales promotion and public relations and these methods include some form of oral presentations and short-term incentives to encourage the purchase of products or services, hence building good relations through favourable publicity (Yeung & Yee 2012:43).

Promotion ensures that customers are aware of the product or service offered by an organization and the main goals of a promotional strategy may include increase of

sales, maintain or improve market share, create or improve brand recognition, create a favourable market climate for future sales, create a competitive advantage relative to competitor's products or market position, inform and educate the market and improve promotional efficiency (Forti, 2012:35). Promotion is an element that provides marketing company recognition to the various stakeholders (Ghita, 2012:15).

Organisations should come up with strategies of how best to promote the services they have to offer by taking advantage of different channels of communication and being effective communicators so as to get the message across to different stakeholders.

2.1.7.5 People

All people involved with consumption of a product or service are important and they can include workers, management, and consumers and it also includes the market segmentation, mainly the demographic segmentation (Natu, 2011:83). In the service industry, people are an extremely important factor as they can represent the service provider and thus have a direct impact on the perceived quality of the service itself, therefore the staff of the organisation should represent the service and should also deliver the service consistently to a level that matches the desired positioning and service blueprint (Baines et al., 2011:494).

The staff of an organisation should function as an integrated system whilst striving for optimum customer satisfaction and good lasting relationships.

2.1.7.6 Process

Service process is defined as "the extent to which a service organisation has set customer oriented and systematic procedures for a successful service delivery process" (Akroush, 2011:125). It refers to the methods and process of providing a service and it is essential to have a thorough knowledge on whether the services are of benefit to the customers, if they are provided in time and if the customers are informed about the services (Lin, 2011:2).

It relates to the actual procedures, mechanisms, and flow of activities by which the service is delivered and how the customer interacts with the organisation in the activity of obtaining the product or the service (Business Advisor, 2010:2).

Good dualistic communication between organisation and customer will result in a successful process that even encourages feedback from customers with regards to how they feel about an organisation's services and support services.

2.1.7.7 Physical evidence

The physical evidence is defined as "the environment in which the service is delivered and where the service provider and the customers interact, and any tangible commodities that facilitate performance or communicate the service" (Singh et al., 2011:52). The physical evidence includes all tangible cues that facilitate performance or communication of the service being offered by an organisation such as the logos, letterheads, business cards and brochures (Chummun, 2012:85). Physical evidence is the output of the organisation which is the final stage of the service, presented and visible to the customer (Popenko, 2010:14).

Good presentation is very important and first impressions last. Organisations should consider quality and detail with regards to how they want customers to think about their brand or services offered, for example when they design logos (it should clearly state what the organisation has to offer).

The following section will address services marketing, define a service and the components within it.

2.1.8 Services marketing



According to Solnet (2011:4) a service is an act or a process that facilitates the basis of economic exchange whereas services are intangible units of output, which in a commercial sense are offered for sale or as part of a sale.

Services marketing is a managerial process concerned with the facilitation and consummation of relational exchanges and these relational exchanges are transactions between two parties in which each party gives up something of value in return for something of greater value (Boksberger & Melsen, 2011:1). Therefore, an

organisation should be in a position to give good services to clients and also benefit from the client, thus the existence of a relationship.

Although services are products in a general sense they have special characteristics and marketing needs, though the biggest differences come from the fact that services are essentially intangible and that they are created through direct interactions with customers (Armstrong & Kotler 2013:236).

According to Baines et al. (2011:483) services are characterized by five distinct characteristics that shape the way in which marketers design, deliver and evaluate the marketing of their services that include intangibility, perishability, variability, inseparability with an extra element which is a lack of ownership.

A lack of ownership is referred to in the sense that services can't be owned, as nothing is transferred during the interaction or the delivery experience. There is no physical transfer of ownership as there is when a product is purchased (Baines et al., 2011:490).

According to Sonmez and Moorhouse (2010:3) there are four assumptions about the differences between goods and services that include intangibility, heterogeneity (variability), inseparability, and perishability. They are defined below:

- Service intangibility refers to the fact that services cannot be seen, felt, tasted, inspected, or touched in the same manner as goods.
- Heterogeneity of services refers to the fact that services are performances and the quality of performance may vary from day to day.
- Inseparability means that services cannot be stored for future sales.
- Service perishability refers to the fact that a service not performed is a lost opportunity for an organisation (Sonmez & Moorhouse, 2010:3).

Figure 2.6 demonstrates the nature and characteristics of a service with the four assumptions about the differences between goods and services that include intangibility, heterogeneity (variability), inseparability, and perishability.

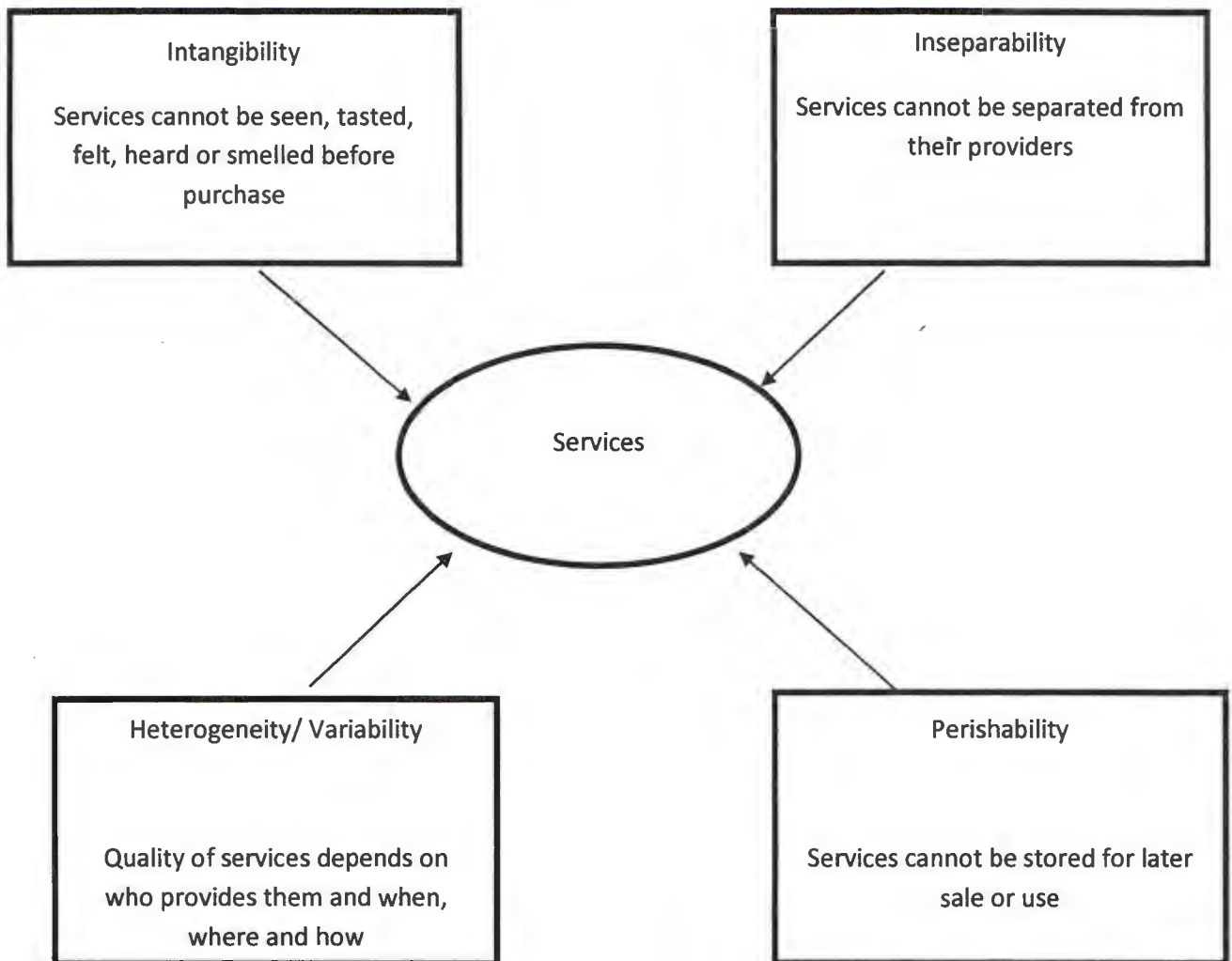


Figure 2.6: The nature and characteristics of a service

Source: Armstrong & Kotler (2013:236)

Organisations are there to provide recurring services to customers and for this to happen, relationships have to be created in the long run and encouraged so as to remain sustainable.

2.1.9 Relationship marketing

According to Cant (2010:11) relationship marketing places its main focus on the maintenance of long term relationships between the organisation, government, public, suppliers of raw materials, employees, the current and potential customers and all the efforts of the organisation should be geared towards building these relationships because it is crucial for survival and growth. Relationship marketing

acknowledges that different marketing strategies must be used for customer's acquisition and retention (Cant, 2010:11).

Petrof (2011:1) state that relationship marketing refers to all activities directed toward establishing, developing, and maintaining successful relational exchanges between an organisation and customers.

Customer satisfaction should become the responsibility of everyone in the organization and can be done by people in other departments sharing the responsibility of dealing with customers. The relationship marketing concept becomes instrumental in coordinating the activities of all departments, with the marketing function playing a pivotal role in the success of the firm and is vital for the long term business of an organisation (Petrof, 2011:1).

The organisation and its marketing function need an infrastructure to get information from customers in order to understand their needs, to design customer driven marketing strategies and programmes so as to build relationships with customers and to capture value for the organisation as well (Esclana et al., 2011:2).

Organisations must be in a position to target stakeholders so as to make a connection with them over time in order to build a relationship with them. Making a connection with diverse customers and utilizing relationship marketing, interactive marketing, and value creation generates the energy that holds these institutions together, because their very existence depends on it and so does the growth of the organisation (Ismail & Alsadi, 2010:10).

Value is co-created by this mutually beneficial relationship that exists between an organisation and customer, therefore from a service dominant logic view, value is co-created through the combined efforts of the suppliers, employees, customers, stockholders, government agencies, and other entities related to any given exchange, but always determined by the beneficiary who is the customer (Gronroos & Ravald, 2011:5).

Taleghani et al. (2011:3) state that a key goal of relationship marketing theory is the identification of key drivers that influence important outcomes for the organisation and a better understanding of the causal relations between these drivers and outcomes. Building and maintaining relationships with customers has become a

typical business activity and the maintenance of excellent relationship marketing between the enterprise and customers would be beneficial in increasing customer satisfaction (Taleghani et al., 2011:3).

Good relationships created between an organisation and its customers result in a sustainable organisation that can stay in existence in the long term and serve future generations as well.

2.1.10 Sustainable marketing

Marketing is a process and therefore it should be sustainable so as to exist not only for today's customers but for future generations as well. Belz and Peattie (2012:29) explain that sustainable marketing is a kind of marketing that builds long lasting customer relationships effectively. A sustainable marketing mission also presents the organisation's values and vision, its markets, customers and products or services (Belz & Peattie, 2012:29).

The manner in which the staff of organisations conduct themselves can have long lasting impressions for its customers and as such it is important that seminars are attended, workshops held to train employees on how to relate to customers and offer excellent service.

2.1.11 Marketing ethics

According to Nwankwo and Richards (2011:374) the concept of ethics refers to the moral principles and values that generally inform the conduct of individuals or accepted principles of right and wrong that govern the conduct of a person, the members of a profession or the actions of an organisation. Ethical behaviour consists of the exhibition of that moral or ethical conduct that is considered appropriate within a society or an organisation.

The employees within the organisation should have integrity, good conduct and should reflect transparency when dealing with customers. Every organisation should have good ethics to encourage sustainable marketing because unethical marketing can damage an organisation's reputation and effectiveness and in the long run harm the customers and the society. Managers need a set of principles that will help them figure out the moral importance of situations that the organisation may face and

decide how far they can go in good conscience. Dealing with issues of ethics and social responsibility in an open and forthright way helps to build strong customer relationships based on honesty and trust (Armstrong & Kotler, 2013:528-529).

2.1.12 Internet marketing

Internet marketing, also known as online marketing, refers to using internet powered applications to reach both existing and potential customers and it can be defined as identifying, anticipating and satisfying customers' needs using an online platform to foster exchange relationships between the organisation and its customers (Nwankwo & Richards, 2011:173).

Online marketing is the fastest growing form of direct marketing and widespread use of the internet is having a dramatic impact on both the organisation and the customers that it serves. By implication, customers can connect with the internet at almost any time and from almost anywhere by use of computers, smart phones, tablets or even TV's. The internet has fundamentally changed customers' notions of convenience, product/service information and services that organisations have to offer. Thus, organisations should take advantage of this platform when it comes to getting messages across to customers (Armstrong & Kotler, 2013:460-461).

2.1.13 Place marketing

The world has become so technological that organisations should keep abreast of change and make use of technology in order to encourage innovation and growth and also become a unique fit in this global village.

When a place has been marketed well, it can attract investors from within and outside the country that might encourage growth and benefit the community in which that organisation is situated such as creating jobs and encouraging entrepreneurship.

Place marketing is necessary especially because it could be understood as the coordinated use of marketing tools supported by a shared customer-oriented philosophy for creating, communicating, delivering, and exchanging urban offerings that have value for the province's stakeholders and community at large (Zenker, 2011:2).

The following section will have an overview of branding definitions and how it can lead to awareness amongst customers with regard to organisations.

2.2 Branding

Over time the understanding of brands has evolved from a simplistic view of a logo, tagline or advertising image to a set of expectations and associations evoked from experience with an organisation or product. This is all about how customers think and feel about what the organisation can deliver across the board (Haque, 2012:25).

2.2.1 Branding defined

A brand is a set of mental associations, held by the customer which add to the perceived value of a product or service, and any organisation wishes that the associations are unique, strong and positive for the customers (Kapferer, 2012:7). From the perspective of a marketer, a brand can be seen as a legal instrument (trademark) but also as a more holistic identity construct that communicates aspired values to customers, therefore a brand is rather a set of associations linked to a name, an organisation or a product or service and these associations can either be positive or negative, meaning that positive associations will add value while negative associations will decrease it (Berende & Kredig, 2012:4-5).

However authors Wang and Tzeng (2012:2) explain that the definition of a brand from a corporate perspective, allows for intangibles such as image, hence a brand can be termed as a name, term, design, symbol or any other feature that identifies one seller's goods or services as distinct from those of other sellers.

According to Bibby (2011:628) brand meaning can be defined as an overall assessment of what a brand represents in the mind of a customer about what an organisation has to offer. Sulkunen (2012:14) states that branding not only refers to products but also to services, distributors, people and organisations, entertainment, geographical places and ideas.

Therefore as a modern concept, branding can be applied to anything from products to services, to companies, countries, and even individuals (Kapareliotis, 2012:1).

Brand alignment is important if the whole organisation is to live the brand because it is the process by which organisations think of themselves as brands. In the service sector the brand experience is totally driven by what happens at points of contact, where customers meet the organisation's staff and salespeople (Kapferer, 2012:72).

Maral (2011:5-13) states that a successful brand is an identifiable product, service, person or place, augmented in such a way that users perceive them to be relevant, unique with added values which match their needs most closely. A successful brand can be achieved by organisations communicating clearly to the relevant stakeholders and plays a vital role in helping to improve the customers' understanding and perceptions of what the organization has to offer by use of different communication channels to reach out to the target audience.

Bresciani and Eppler (2010:1) indicate that branding is a crucial activity for the successful establishment and continuity of an organisation because it helps with building a favourable identity and reputation. Organisations recognise that a clear brand vision is a sound investment for them, because the costs of subsequent changes to their corporate identity can be very high hence it is important to think about the communication to stakeholders from the beginning, otherwise it has to be done several times later.

When an organisation thinks branding it should take into consideration that it requires a corporate long term involvement considering all the stakeholders, as well as a high level of resources and skills to become the referent (Kapferer, 2012:31).

2.2.2 Brand identity

Brand identity can be defined as a unique set of brand associations that the brand strategist aspires to create or maintain for an organisation as well as being a tool that represents what the organization can and will do over time (Silveira et al., 2013:2).

Ingenhoff and Fuhrer (2010:2) state that when an organisation communicates its identity, which is the character of the organisation to all stakeholders, it can try to positively influence its reputation and thus position itself within its marketplace. One of the main concepts of the corporate identity management process is corporate personality, which consists of corporate philosophy and values, mission and vision

statements that have to be discussed as an important medium for conveying these values and emphasizing uniqueness and difference. These statements should be included on the corporate web site, be accessible to all stakeholders at any time and form their online brand personality (Ingenhoff & Fuhrer, 2010:2).

According to Blomback and Pasillas, (2012:8) the term 'corporate identity' includes a mix of personal, organizational and behavioural traits and is materialized through the corporate name, market offer, logotypes, slogans, employee behaviour, and different forms of planned communications. Through these sources of information, the corporate brand identity is translated by the market, resulting in a corporate brand image and reputation while combining associations and expectations into an informal contract between the organisation and its various stakeholders (Blomback & Pasillas, 2012:8).

An organisation that brands itself well provides a unique identity, therefore it is important to build a corporate brand that is not only limited to a symbol and name but includes activities that establish corporate credibility, reputation and distinctiveness. Effective communication should be applied because there is a need for organisations to move a step further in creating strong awareness for their corporate brand which is fundamental to achieving all the other elements of brand equity (Bankas, 2010:3).

2.2.3 Brand image

"A brand image is defined as perceptions about a brand reflected by the brand's associations held in the customers' memory and it refers to a set of brand associations" (Shin, 2011:10). It is the mental picture that an organisation wants potential consumers to hold of it. This mental visualisation is constructed through traditional and virtual, formal and informal, communications and the images conveyed to all its stakeholders in order to carve a unique position of the organisation in the recipient's mind (Campbell et al., 2010:3).

Brand image is the information linked to a brand in a customer's memory. Persson (2010:1) elaborates that any information that exists in the minds of customers with respect to a brand is relevant as an image element, regardless of whether it is related to tangible or intangible elements, or whether it is based on an actual experience or expectations. Sokolowski and Sandström (2012:6) include the fact that

brand image is the visual or verbal expression that evokes the psychological or emotional associations that a brand aims to maintain in the minds of the customer. In order to fix the brand image aimed for in the minds of the customers it is important that the marketer communicates brand identity through every available marketing mix (Sokolowski & Sandstrom, 2012:6).

Bravo et al. (2010:3) state that the corporate image refers to the image associated with an organisation's name, and it is based on the stakeholders' perceptions as well as being the sum total of impressions and expectations acquired by customers and non-customers alike over a period of time. Therefore, building a strong corporate image may lead to customer preference and loyalty to the organisation, generating credibility and eventually enabling the organisation to obtain a sustainable competitive advantage. A strong corporate brand not only favours positive customer attitudes, but also the attitudes of investors, current workers, and future applicants which in the long run can result in a successful organisation (Bravo et al., 2010:3).

According to Rindell and Strandvik (2010:5) the corporate brand image process is controlled by the organisation and therefore measured as a mirror reflection of the corporate brand strategy. It is important for the organisation to implement and make use of effective communication through internal communication and external communication campaigns.

The marketing officers in organisations should implement effective communication in order to build a strong corporate brand. Organisations must ensure that customers have the right type of experiences with the products and services and their accompanying marketing programs so that the customers desired thoughts, feelings, images, beliefs, perceptions and opinions become linked to the brand (Odhiambo & Adhiambo, 2012:39).

2.2.4 Brand personality



Brand personality can be defined as: (1) the association customers have with a brand, (2) the corporate image an organisation tries hard to create and (3) the product or service attributes that can relate to product or service categories and distribution channels (Lin, 2010:5).

Cock (2012:9) describes brand personality as the set of human characteristics associated with a brand and Bibby (2011:629) expands on it by explaining that “brand personality is the set of human characteristics that are associated with a brand. Therefore, virtually any non-physical attribute that relates to a human being may be applied to the brand personality concept.

2.2.5 Brand association

Brand association relates to how customers think about the brand image and value which could in turn be good or bad for the organisation depending on the strategies the organisation has in place for its image and continued growth (Lei, 2012:14). Brand association can create value to both organisations and customers as they help to process and retrieve information, a set of facts and specifications that would otherwise be difficult for the customer to process and access and at times expensive for the organisation to communicate (Sulkunen, 2012:20).

Stakeholders that have strong and positive associations towards a brand are more likely to favour this brand and the entity that it represents. Brand management theory suggests that companies should plan their communications in order to encourage growth and sustainability (Blomback, 2011:4-5). In the process of branding, brand owners should make use of brand elements or identities and these include things that surround or connect to the branded entity, like brand name, logotype, product design, website, web-address, characters and spokespersons and slogans (Blomback, 2011:4-5).

Figure 2.7 illustrates brands as living systems made up of three poles consisting of the entities that are product or service, name and the concept. It shows that an organisation acquires the power of a brand by providing a product or service together with the people at points of contact with the market, the price, the place and communication to the stakeholders.

Brand management should be thought of as a whole system relating a concept of inherent value to products and services that are identified by a name and a set of proprietary signs such as the logo (Kapferer, 2012:9).

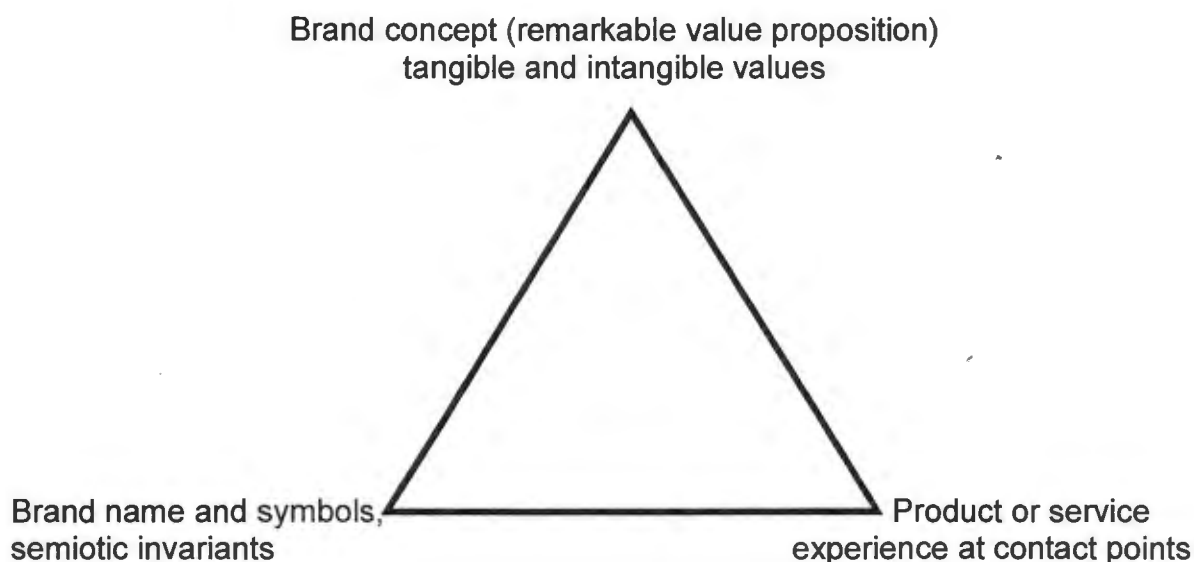


Figure 2.7: The brand system

Source: Kapferer (2012:9)

2.2.6 Brand awareness

According to Li et al. (2010:7) brand awareness relates to the strength of the brand node or trace in memory, as reflected by the customer's ability to identify the brand under different conditions, consisting of brand recognition and brand recall. Brand recall requires that customers correctly generate the brand from memory so that he/she is able to recognize the symbols and recall the characteristics of the brand, such as unique product position and service, and understand the meaning of the organisation's building and facilities (Li et al., 2010:7).

Warren (2011:11) states that brand awareness involves the management decisions and customer reactions that help to identify the specific goods, services, or ideas and hence build awareness of the brand which in turn creates meaning. Therefore, brands can be unique intangible assets for many organisations (Warren, 2011:11).

Homburg et al. (2010:201) indicate that brand awareness plays a special role in driving brand equity in business markets and many business to business (B2B) firms focus their branding activities merely on the dissemination of the brand name and logo without developing a more comprehensive brand identity of the organisation. The creation of brand awareness which is the ability to recognize or recall a brand should be a key element of the branding strategy.

When an organisation is creating brand awareness some major components should be taken into consideration like identifying and understanding the target customers, creating a company name, logo and symbols, selecting packaging, location, service and preparing marketing programmes which can encourage organisational success (Zhang, 2012:26). Branding is vital as it allows stakeholders to notice an organisation's existence and how it examines how well the brand identity serves the reason for that very existence (Jokela, 2013:35). Consequently, brand awareness links the brand to the customer's mind.

2.2.7 Brand equity

According to Gold & Moler (2011:4) a brand is not just a logo on a product, but rather the sum total of all that is known, thought, felt and perceived about a particular organisation, service or product. Brand equity can be defined as a way to describe a brand and measure its total value, being the value that a customer attaches to a certain brand. Johansson (2010:12) adds that brand equity is a set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service offered by an organisation to its customers.

Brand equity can also be defined as the total value added by the brand to the core product or service and it is composed of five components namely brand name awareness, brand loyalty, brand associations, perceived quality, and other proprietary brand assets such as patents and channel relationships (Lai et al., 2010:459). An approach to measuring brand equity is to use customer ratings of satisfaction which can be divided into four specific categories namely satisfaction with product or service, brand preference, price-value relationship, and return intent of the customer (Oak & Dalbor, 2010:26).

The value of a brand is thought to reside in its equity which is a key concept in the evaluation of an organization's marketing performance. Brand equity is an expression of the relationship between the organization's offerings and its customers (Hakala et al., 2012:440). A strong brand can lead to several marketing advantages and increase an organisation's competitive strength and it generally refers to a brand having positive equity to the extent that customers respond more favourably to marketing activities when the brand is identified, compared to when it is not (Spence

& Essoussi, 2010:2). It is the role of the marketing department to establish effective and efficient communication strategies to all stakeholders

2.2.8 Corporate brand

A corporate brand relates to the visual, verbal and behavioural expression of an organisation's unique business model, which takes place through the organisation's mission, core values, beliefs, communication to the stakeholders, the culture and overall design (Braun & Zenker, 2010:5).

According to Thesleff et al. (2011:197) corporate brand is conceptualized as the visual, verbal, and behavioural expression of an organization's identity and its unique business model and hence its corporate brand strategy should articulate the way in which the organization sets out to provide value to all its stakeholders.

A corporate brand should give a clear picture and should personify the values of the organisation by enforcing organisational characteristics such as values, culture, people as well as skills. A corporate brand should be used as a tool to create and defend the organisation's reputation so as to advocate a socially responsible position and to target the labour market, especially in financial markets or business to business markets so as to build recognition and credibility, which in turn, can encourage relationship building with all stakeholders (Halliburton & Bach, 2012:2).

Building a corporate brand from the inside can be compared to sowing grass in the sense that it is important to maintain and nourish the brand internally otherwise its true meaning could be lost. The organisation should recruit people with the right attitude and values matching those of the organisation which can be achieved by differentiating the job adverts in order to create a selection of suitably qualified applicants (Foogel & Stuart, 2012:14).

2.2.9 Corporate brand reputation

Corporate brand reputation refers to and considers how well known an organisation is, whether good or bad, reliable, trustworthy, believable and reputable and it results from the reception of direct and indirect experiences and information that the

customers receive as well as from an organisation's past actions (Caruana & Ewing, 2010:2).

Taking into consideration that we live in a global village, global reputation is based on six factors these being (1) emotional appeal (trust, admiration and respect) (2) products and services (quality, innovativeness, value for money) (3) vision and leadership, (4) workplace quality (well managed, appealing workplace, employee talent) (5) financial performance and (6) social responsibility (Kapferer, 2012:27). Organisations should be able to adapt and practice these factors so as to be innovative and keep abreast of change.

Branding is vital for all organisations so as to create awareness amongst customers about an organisation's services and this can be done by adoption of relevant and efficient communication channels for the target customers so as to get messages across that will keep them informed and up to date with the status quo.

2.3 Marketing communications

Marketing communications help the organisation establish a dialogue and build relationships with customers. Kotler and Keller, (2012:254) continue to state that marketing communications show customers how and why a product/service is used, by whom, where, and when, and let customers know what the organisation and brand stand for.

2.3.1 Marketing communications defined

According to Kotler and Keller (2012:254) marketing communications are the means by which organisations attempt to inform, persuade and remind customers directly or indirectly about their products/services and by doing so they represent the voice of the organisation and its brand.

Baines et al. (2011:381) state that marketing communications comprise elements that are a set of tools, being the media and messages with the five common tools (advertising, sales promotion, personal selling, direct marketing and public relations). In addition there is a range of media, such as TV, radio, press and the internet which are used to convey messages to target audiences (Baines et al., 2011:381).

In order for organisations to develop the optimal marketing communication message to its customers, the organisation must optimise the various communication instruments at its disposal which can be done by utilising integrated marketing communication (IMC). IMC can be described as a process of planning marketing communications which acknowledges the importance of a comprehensive plan that evaluates the strategic use of the variety of communication disciplines (advertising, direct marketing, personal selling, sales promotion, public relation and publicity) (Esclana et al., 2011:178). These disciplines are combined to obtain clarity, consistency and maximum communications impact (Esclana et al., 2011:178).

Figure 2.8 illustrates the Integrated Marketing Communication (IMC) process. Integrated Marketing Communications (IMC) takes a 360-degree view of the customer that considers each and every contact that he/she may have in his/her relationship with the organisation.

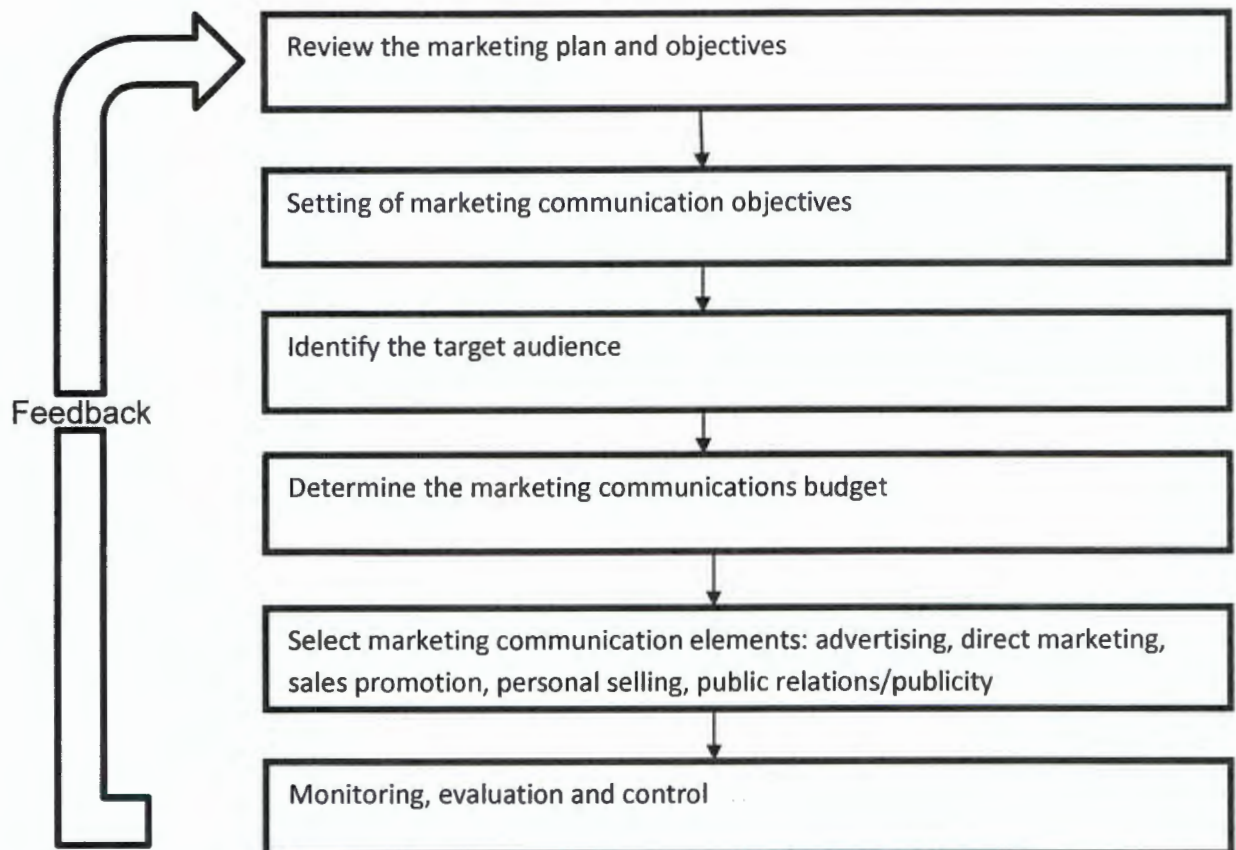


Figure 2.8: The Integrated Marketing Communication (IMC) process

Source: Esclana et al. (2011:179)

The key to IMC is consistency and uniformity of messages across all elements of promotion. Another advantage of IMC is that it reduces costs and increases efficiency because it can reduce or eliminate redundancies and waste in the overall promotional program (Ferrell & Hartline, 2011:291).

2.3.2 Marketing control process

According to Kotler and Keller (2012:315) marketing control is the process by which organisations assess the effects of their marketing activities and programmes and make necessary changes and adjustments.

Figure 2.9 illustrates the control process and shows that it is necessary because it ensures that the organisation achieves the sales, profits and other goals established in its annual plan. Management should set monthly or quarterly goals, monitor performance in the marketplace, determine the causes of serious performance deviations and take corrective action to close gaps between goals and performance (Kotler & Keller, 2012:315).

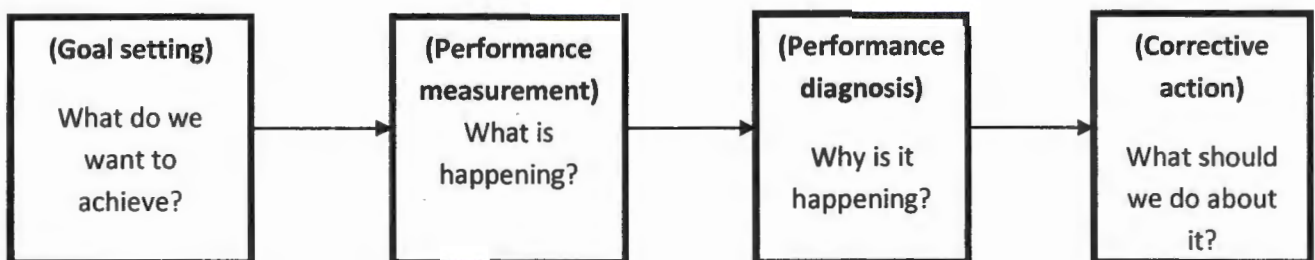


Figure 2.9: The control process

Source: Kotler & Keller (2012:316)



2.3.3 Corporate communication

Corporate communication is an essential aspect of communication that contains organizational relations, employee communication, government relations, corporate advertising, corporate humanity, business policy, corporate social responsibility (CSR), public relations and media relations that should relate to all the various stakeholders (Aslam et al., 2010:26).

The next section addresses corporate social responsibility and how an organisation should align itself with it.

2.4 Corporate social responsibility (CSR)

Organisations should embrace CSR so as to strengthen the brand. Organisations that have made corporate social responsibility a central part of their business 'are reaping the benefits from improved brand image. It works' best for those organisations in which responsibility is a core organisational value and informs all aspects of the business (Kaur & Agrawal, 2011:2).

2.4.1 Corporate social responsibility defined

According to Grigorescu and Saseanu (2010:2) CSR refers to the way in which organisations balance their values and behaviour with the expectations and needs of the interested parties that can include clients, shareholders, employees, suppliers, communities, authorities and the organisation as a whole and balancing all of these interests.

The company's ability to meet all of these expectations and to bring solutions has to be realized in an organized manner by totally integrating the concept of social responsibility within the management systems and, consequently, in all the organisation's activities, the organizational culture and in the essence of the business as a whole. International norms and standards are imposed in order to ensure measuring and comparing the performances attained by the companies with regard to CSR (Grigorescu & Saseanu, 2010:2).

The European Commission's definition of CSR is that it is a concept whereby organisations integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis (Dilling, 2010:20-21). The idea behind this concept is that the managers implement CSR into the strategic objectives in order to achieve sustainable growth for the organisation.

CSR has become a primary concern for present day business activities with a growing number of organizations supporting and conducting social and environmental programmes, developing ethical codes of conduct and charters,

working in partnerships with non-governmental organizations (NGOs) and international federations, collaborating within CSR networks and attempting to position values and ethical considerations at the heart of their business model and organizational culture (Maon et al., 2010:1).

It is through such CSR related initiatives that organizations must undertake to fulfil their accountability to the community or society.

The following sections will look at a definition of development and how an organisation can implement sustainable development.

2.4.2 Development and sustainable development

Development is a process that engenders social freedom, economic freedom, political freedom and environmental sustainability (Edigheji, 2010:20). The developmental state in South Africa must widen human capabilities and be a vehicle for making social choices and defining developmental goals as it entails promotion of human centred development and growth.

Therefore, sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs and it contains within it two key concepts:

- The concept of 'needs', in particular the essential needs of the world's poor, to which overriding priority should be given by, for instance, giving them opportunities to start-up businesses thereby encouraging entrepreneurship.
- The idea of limitations imposed by the state of technology and social organization on the environment's ability to meet present and future needs (Barkemeyer, 2011:2).

The following section focuses on examples of how development corporations in the United States of America (USA) operate and what factors have led to their success.

2.4.3 Development corporations

Wright (2010:4-12) discusses that in the USA, development corporations can be defined as organizations created and controlled by the people living in impoverished areas for the purpose of planning, stimulating, financing, owning and operating

businesses. The businesses so created encourage entrepreneurship, provide employment income and invest significant amounts of resources in the communities by working with local governments to foster economic growth. Below are some of the features that have led to achievement of success:

- Implementing development programmes that go beyond traditional property development and job creation.
- Developing economic development programmes in communities such as creating employment opportunities for citizens.
- Well defined budget and staff size, leadership ability, programming and implementation experience.
- Clear and well defined community development plans.
- A development corporation's ability to work and network with other institutions in gathering support for the community's small businesses (Wright, 2010:4-12).

Jarmon et al. (2012:2-9) indicate that more than 30 years ago, the Texas legislature authorized the establishment of economic development corporations (EDC's) for use by Texas cities and so far there are in excess of 600 EDCs that operate within the state of Texas to carry out a broad range of local economic development efforts. The development efforts include job training, infrastructure projects, money for start-up businesses, and improvements in facilities such as parks and other recreational facilities.

A higher percentage of EDC cities experienced a decrease in unemployment compared with non-EDC cities (46.5% vs. 28%), therefore EDCs improve local economies and those that focus most directly on industrial development are the most successful in providing jobs and fostering development. (Jarmon et al., 2012:2-9).

Fisher (2010:29) demonstrates a typology of five capacities that determine development corporations' success and they include:

- Programmatic capacity that refers to the services provided by the development corporation, such as housing rehabilitation and construction and community engagement.

- Organizational capacity refers to personnel and includes management approaches and staff technical skills.
- Networking capacity refers to the organization's ability to cooperate and build relationships with outside institutions and persons.
- Resource capacity, is described as a development corporation's ability to secure diverse funding sources, such as grants and loans from the private and public sectors.
- Political capacity is the development corporation's ability to gather support from outside of the immediate region.

Rogerson (2010:5-6) indicates that many of the problems that limit the success of local economic development planning in South Africa could be solved either by re-scaling local economic development or by forging more integrated and spatially relevant relationships between local, district and provincial authorities in development planning.

Unfortunately, this logical solution is often undermined by the lack of communication on local economic development issues between adjoining towns, between towns and districts and between districts and provinces.

Rogerson (2010:5-6) continues to explain that to overcome this weakness, it would be more effective for economic development consultants to understand and assess value chains relevant for their own local areas, and on that basis identify potential planning opportunities with an important contribution being made by the provinces in aligning and integrating policies.

Provincial governments are expected to play a leading role in ensuring that economic planning, infrastructure investment and development spending takes place in accordance with the set principles (Rogerson, 2010:5-6).

Every economy and country has Small, Medium and Micro Enterprises and they need to be encouraged especially amongst the youth. This can lead to entrepreneurship and innovation therefore reducing unemployment levels.

In the next section SMMEs will be defined and their role explained.

2.5 Small, medium and micro enterprises (SMMEs)

Gordhan (2013:12) explains that SMMEs play a key role in the development of the economy and are a significant generator of employment. Biekpe (2011:3) includes that the role of SMMEs in the economy is to increase productivity, create employment especially for unskilled labour, and help reduce poverty.

2.5.1 Small, medium and micro enterprises (SMMEs) defined

According to South Africa's National Small Business Act 102 of 1996, Small, Medium and Micro Enterprises are defined as follows:

Survivalist Enterprises - which operate in the informal sector of the economy, mainly undertaken by unemployed persons whose income is generated below the poverty line, providing minimum means to keep the unemployed and their families alive. Little capital is invested with not much assets, neither is there much training. Opportunities for growing these businesses are very small.

Micro Enterprises- there are between one to five employees, usually the owner and family. They are informal with no license, formal business premises, or labour legislation. Turnover is below the VAT registration level of R300 000 per year. The owner has basic business skills and training and the business has the potential to make the transition to a viable formal small business.

Very Small Enterprise - It is part of the formal economy with the use of technology and has less than 10 paid employees. that Include self-employed artisans (electricians, plumbers) and professionals.

Small Enterprise - Has less than 100 employees. It is more established than very small enterprises. It is formal and registered with fixed business premises. The owner manages the business but it has a more complex management structure.

Medium Enterprise- Has up to 200 employees and is still mainly owner managed, but has a decentralised management structure with division of labour. It operates from fixed premises with all formal requirements.

According to the Small Business Development Policy (2012:6) published by the North West Development Corporation (NWDC) an SMME is any informal, semi-

formal or formal sector business that is independently owned, has an owner or at least one shareholder who is actively involved in the management of the business, employs less than 100 employees, has an annual turnover that is usually less than R20million and has total assets (current and long term assets) before financing of usually less than R5million.

SMMEs are an important part of all economies, accounting for 99% of business in the United Kingdom (UK) and are by far the largest contributor to employment and the gross domestic product of nations. SMMEs are a source of job creation and contribute both innovation and competition to the market. (Nwankwo & Richards, 2011:2).

One of the significant characteristics of a flourishing and growing economy is a booming and blooming SMME sector. The SMME sector plays an important role in the development of a country by contributing to economic development in various ways that include creating employment for rural and urban growing labour forces, providing desirable sustainability and innovation in the economy as a whole (Kongolo, 2010:1).

The development of SMMEs is seen as the way to accelerate the achievement of wider socio-economic goals, including poverty alleviation. A well supported and enhanced small business sector is likely to continue contributing to the economic development process in the same way as large business. Thus policies and strategies to support and enhance the development of small business should be an important part of the development corporation's plan (Kongolo, 2010:1).

The performance of SMMEs is important for both the economic and social development of any country and from an economic perspective, SMMEs provide a number of benefits which enable them to grow to form big businesses, hence they are seen as the seeds of big businesses and sources of growth of the national economy (Nwankwo & Richards, 2011:356).

Mahadea and Pillay (2011:1) explain that the promotion of SMMEs is the focus of considerable interest in South Africa and many other countries. They contribute significantly to the economic growth of any country and to advancing national and individual prosperity, transitioning from poverty to wealth. The aforementioned

transition has mainly happened through private actors, farmers, investors or small and larger businesses in most nations.

If countries, particularly in Africa, are to emerge from poverty and unemployment, and create a more prosperous future, they will need more SMMEs and if this is to be achieved, entrepreneurs need an environment that is more conducive to starting up, operating and expanding their businesses. Mahadea and Pillay (2011:1) continue to state that because they are committed to promoting SMMEs, the government in South Africa has put various measures and strategies in place, such as:

- The Small Enterprise Development Agency (SEDA).
- Khula.
- Ntsika.
- The National Empowerment Fund.
- Umsombovu Youth Fund.
- Accelerated and Shared Growth Initiative for South Africa (ASGISA).

These measures have been put in place to fast track the empowerment of formerly disadvantaged individuals into business entrepreneurship, but despite all these commendable efforts, total early stage entrepreneurial activity, as reflected by recent global entrepreneurship monitor reports, is rather low in South Africa in relation to that of other countries at a similar level of development (Mahadea & Pillay, 2011:1). Therefore it seems that managerial and entrepreneurial skills necessary for SMME development are lacking in South Africa.

2.5.2 Challenges met by SMMEs

According to Olawale et al. (2010:2) SMMEs are being viewed as the engine of economic growth and are thought to play a crucial role in industrial innovation and employment creation. They are better placed to react to the challenges of increased competition and globalization of the markets as they are more innovative, flexible and entrepreneurial. This also enables them to react speedily to opportunities and threats.

All over the world it has been recognized that SMMEs play an important role in the economic and social development of a country. Olawale et al. (2010:2) indicate that

there is however, a growing recognition that a reduction in poverty depends on the quality of growth, composition, distribution and sustainability of SMMEs as they account for approximately 60% of all employment in the South African economy and more than 35% of the gross domestic product.

Challenges faced by the owners or operators of SMMEs include difficulty in accessing business finance because they have limited knowledge of promotional programmes offered by development corporations (Olawale et al., 2010:2).

According to Luiz (2011:2-3) demand for goods and services from SMMEs is often inadequate for profitability arising from inadequate access to markets, disadvantages of scale, and lack of skill and initiative in marketing but assistance programmes can try to fill these gaps. In the public sector the establishment of Ntsika Enterprise Promotion Agency by government, seeks to address access to markets, training, technology, information, counselling and infrastructure.

On the other hand the private sector has a more important role to play in addressing SMMEs' problems caused by inadequate demand, through the promotion of cooperation between small and large firms. Some of the other challenges faced by SMMEs are as follows:

- Cost of capital for infrastructure.
- Crime.
- Lack of access to capital that can result in failed expansion of the business.
- Making extensive use of temporary workers.
- Difficulty in finding skilled or semi-skilled labour.
- Limited impact by government with regard to awarding of government contracts.
- SMMEs have very limited knowledge of promotional programmes offered by support structures (Luiz, 2011:2-3).

2.5.3 Sustainability, growth and support to SMMEs

Luiz (2011:2-3) states that policy stability, lower interest rates, education and training, promotion of SMMEs in public services, flexible wages, and business information can be the main ways in which the central authorities can help SMME

growth. In the case of local government, the main methods of assistance can be with safety and security, infrastructure, ethical local officials, public transport, the improved attitude of local officials, and investment support (Luiz, 2011:2-3).

In the North West Province, the NWDC is there to foster development and offer support services to SMMEs. The section below gives some details on support services that NWDC offers to its SMMEs.

2.5.4 North West Development Corporation's support services to SMMEs

The Small Business Development Policy (2012:5) published by the North West Development Corporation (NWDC) lists the provision of business support services as follows:

- To provide suitable training to staff and clients.
- To assist clients to find suitable markets for products and services.
- To provide a professional after-care service.
- To provide professional advice, information, counselling and consultation to clients.
- To provide relevant and useful publications.
- To assist viable businesses which are experiencing problems.
- To develop businesses with growth potential.
- To enhance the image of small business and the NWDC.
- To create a useable data bank of relevant commercial and industrial information.
- To proactively identify franchising opportunities and provide franchising advice.
- To proactively attempt to link small business with big business, parastatals and other major institutions either in the public or private sector.

2.6 Conclusion

Organisations (NWDC) that have been put in place to work with stakeholders including SMMEs who should benefit from support services that the mentioned organisations offer, should set out strategies that are not only beneficial to the area in which they are situated but to the community as a whole.

Development Corporations should encourage entrepreneurship and optimally use all marketing strategies available for efficient and effective communication. With regard to this study, the NWDC should be in a position to implement a dualistic communication process with the relevant SMMEs. Good communication will encourage organisational sustainability which will also be beneficial to future SMME entrepreneurs.

CHAPTER 3

RESEARCH METHODOLOGY

3 INTRODUCTION

This chapter describes the research process in detail. It highlights the meaning of the research design, population, sampling, data collection, ethical considerations as well as giving an overview of the detailed process followed in conducting the study and its analysis.

3.1 Research design

According to Bryman (2012:45) research design represents a structure that guides the execution of a research method and the analysis of the subsequent data.

Bellamy and 6 (2012:20) add that a research design is the specification of the way in which data will be created, collected, constructed, coded, analysed and interpreted to enable the researcher to draw acceptable descriptive or explanatory interpretations.

This study focuses on the dualistic marketing communication of the North West Development Corporation (NWDC) to its Small, Medium and Micro Enterprises (SMMEs) with regards to the support services that it offers. The research approach is exploratory, qualitative and quantitative and is explained in the sections below.

3.2 Research methods

The research methods employed were exploratory, qualitative and quantitative (mixed method approach).

The section below explains exploratory research, which is appropriate when the researcher knows little about the problem or opportunity, therefore it is meant to discover new relationships, patterns, themes and ideas (Hair et al., 2011:147).

3.2.1 Exploratory research

An exploratory research design was adopted for the study. According to Zikmund et al. (2013:52) exploratory research is a first step, conducted with the expectation that

additional research will be needed to provide more conclusive evidence and is often used to guide and refine these subsequent research efforts.

In order to live up to its potential, exploratory research needs to be conducted in a transparent, honest, and self-reflexive way and follow a set of guidelines that ensure its reliability. Exploratory research, if conducted in such a way, can achieve great validity and it can provide new and innovative ways to analyse reality (Reiter, 2013:1).

Researchers using exploratory research must adopt a flexible attitude toward collecting information and constantly ask themselves what lies beneath the surface of what they are learning or seeing (Wrenn et al., 2010:114).

Exploratory research was used to determine the level of awareness of SMMEs with regards to the support services and communication levels offered by NWDC's marketing communication, in order to understand the association between NWDC and its SMMEs.

3.2.2 Mixed method approach (qualitative and quantitative)

The qualitative and quantitative research approaches (mixed method) were used. A mixed method research is a type of research in which a researcher combines elements of qualitative and quantitative research approaches for the purposes of breadth and depth of understanding and validation (Creswell & Clark, 2011:4).

The researcher used the mixed method approach because one data source would have been insufficient as the results had to be explained, and a second method was needed to enhance a primary method. It was the appropriate method to address the research objective.

3.2.2.1 Qualitative method



According to Hennink et al. (2011:8-9) qualitative research is an approach that allows the researcher to examine people's experiences in detail, by using a specific set of research methods such as in-depth interviews, focus group discussions, observation, content analysis, visual methods and life histories or biographies.

Qualitative data can be systematically gathered, organised, interpreted, analysed and communicated so as to address real world concerns and therefore helps people to understand the world, their society and its institutions (Tracy, 2013:4).

Tracy (2013:5) continues to state that qualitative research:

- Is rich and holistic.
- Provides understanding of a sustained process.
- Focuses on lived experience.
- Honours participants' local meanings.
- Can help explain, illuminate or reinterpret quantitative data.
- Interprets participants' viewpoints and stories.
- Preserves the chronological flow, documenting what events lead to what consequences and explaining why this chronology may have occurred.
- Celebrates how research representations such as articles constitute reality and affect the questions asked and what is to be known.
- Illustrates how a multitude of interpretations are possible but how some are more theoretically compelling, morally significant or practically important than others (Tracy, 2013:5).

The qualitative approach allows the researcher to identify issues from the perspective of the study participants (SMMEs) and understand the meaning and interpretations that they give to behaviour, events or objects (Hennink et al., 2011:8-9).

The purpose of the qualitative approach in this research was to explore the support services and the levels of communication that are offered by NWDC.

A qualitative method is appropriate and helpful for achieving a variety of research goals either on their own or in a complementary relationship with other research methods. In this study the qualitative method was complemented with the quantitative research method.

The use of the qualitative interviews will be explained further in section 3.8.1 with regards to how it was used for this study.

3.2.2.2 Quantitative research method

According to Bryman (2012:161) quantitative research is defined as entailing the collection of numerical data, as exhibiting a view of the relationship between theory and research.

McNabb (2013:11) states that quantitative research involves the use of numbers by involving statistical analysis of collected data and can be as simple as counts and measures of central tendency such as averages or as complex as multivariate analysis of data and their relationships.

Quantitative research is explaining phenomena by collecting numerical data that are analysed using mathematically based methods or, in particular, statistics (Muijs, 2011:1).

The researcher chose to add the quantitative method because it is specific, well-structured and has been tested for validity and reliability and can be explicitly defined and recognised (Kumar, 2011:103).

3.3 Research population

According to Collins and Hussey (2003:155-160) the population is a body of people or any other collection of items under consideration for the purpose of the research. Freund et al. (2010:43) refer to a population as a set of values of one or more variables for the entire collection of units relevant to a particular study.

The population for this study comprised all the SMMEs in the Mafikeng and Zæerust areas (77 and 63 respectively) that are registered with NWDC and have their business in the current NWDC Industrial Sites. The participants (SMMEs) also had to show an interest or willingness to participate in the study.

3.3.1 Sampling and sample procedure

According to Wilson (2010:189) there are two broad types of sampling namely probability and non-probability sampling (Figure 3.1). The non-probability sampling type was appropriate for this study as the convenience sampling method was adopted, based on the availability of SMMEs.

3.3.2 Sampling frame

According to Wilson (2010:191), a sampling frame is a list of the actual cases from which the sample will be drawn and is representative of the population. For this study a list of all SMMEs registered with NWDC in Mafikeng and Zeerust (Lehurutse and Motswedi village) was retrieved from the NWDC database and this constituted the population.

3.3.3 Sampling technique

According to Roulston (2010:81) sampling is a process by which a sub-set of the population (the sample) is identified and selected for the purpose of a particular study. Researchers who include participants in studies on the basis of ease of access or ready availability use convenience sampling (Roulston, 2010:81).

3.3.3.1 *Non probability sampling technique*

The non-probability sampling technique is used when the probability that a specific unit of the population will be selected is unknown and cannot be determined. Therefore non-probability sampling is based on the judgement of the researcher (Wiid & Diggines, 2010:199).

3.3.3.2 *Convenience sampling method*

According to Wiid and Diggines (2010:200) the convenience sampling method draws a sample from a section of the population that is readily accessible or available for the researcher's purposes. Only those people who are going to be at the designated place on a date and time chosen by the researcher stand a chance of being selected.

This sampling method is particularly useful for exploratory and mixed method research. The researcher used the convenience sampling method for the purpose of this study due to the availability of SMMEs situated in the selected industrial areas. The 82 SMMEs mentioned in Section 3.7 constituted the sample.

Figure 3.1 reveals the sampling methods that can be applied when the probability or non-probability sampling technique is used.

Fig 3.1 Sampling Technique

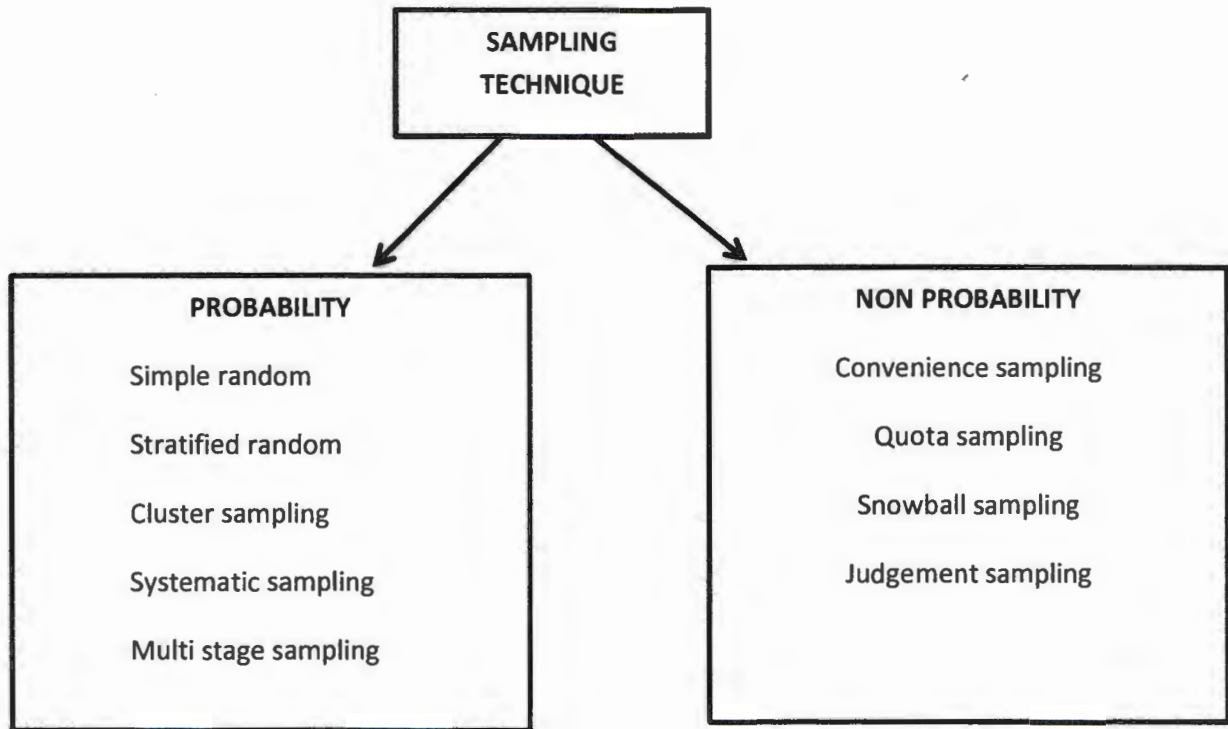


Figure 3.1: Sampling technique

Source: Wilson, (2010:194).

3.4 Ethical considerations

According to Hammerssley and Traianou (2012:16) ethics can have two meanings that can refer to (1) a field of study concerned with exploring what is good or right and how it should be determined and (2) a set of principles that represent what is good or right or allow us to identify what is bad or wrong. Social research ethics have to be adopted and are defined as a set of ethical principles that should be taken into account when doing social research (Hammerssley & Traianou, 2012:16).

The following ethical considerations were adhered to:

- Guarantee of confidentiality.
- The principle of voluntary participation.

- The requirement of informed consent.
- The information from other sources will be duly acknowledged.

3.4.1 Guarantee of confidentiality

Confidentiality is a principle that is held to govern the behaviour of a number of professions and is itself a form of secrecy in the sense that it involves controlling rather than publicising information. It is the duty of a social researcher to commit him or herself to maintaining the confidentiality of data collected (Hammerssley & Traianou, 2012:121-122).

The researcher undertook to adhere to confidentiality. The information provided by participants was kept confidential and private.

3.4.2 The principle of voluntary participation

According to Ray (2011:89) the voluntary participation principle suggests that a person should participate in an experiment only by free choice.

Participants must be fully informed about the procedures and risks involved in research and must give their consent to participate. The informed consent needs to provide the participants with knowledge of:

- The research purpose and processes.
- Any potential risks or harm.
- The benefits of the research.
- How the participants were chosen.
- The ability to ask questions concerning the research.
- The voluntary nature of their participation.
- The identity of the researcher and sponsor and
- How the findings will be used (Ochola et al., 2010:482).

All participants (SMMEs) participated out of their free will and the researcher made it clear to them that they were not obliged to participate in the study.

3.4.3 The requirement of informed consent

Gaining consent amounts to passing the responsibility for making ethical judgments about privacy from researchers to other people and obtaining consent may sometimes be essential or desirable usually on grounds of respecting autonomy (Hammerssley & Traianou, 2012:114).

The consent form is attached with the questionnaire for the empirical study (See Annexure B)

3.4.3.1 *Permission to conduct the study*

Permission to conduct the study was sought and granted by the North West Development Corporation (see Annexure C)

3.4.3.2 *The information from other sources will be duly acknowledged*

According to Basit (2010:216) the sources of literature cited in the writing need to be duly acknowledged in the text. Therefore all authors used in this study were recognised.

3.5 Ethical approval

Ethical approval for the study was obtained from the ethics committee of the North West University, Mafikeng Campus (refer to Annexure D).

3.6 Pilot study

According to Fitzpatrick and Kazer (2012:407), a pilot study is a smaller version of a proposed or planned study that is conducted to refine the methodology for a larger study that will follow. Offredy and Vickers (2010:85) state that a pilot study is usually preliminary to a main study and as such should follow the design of the main study as closely as possible.

Pilot testing is necessary as it identifies potential problems with the questionnaire. During the first stage of piloting participants should be asked to extensively comment on all items in the questionnaire so as to identify ambiguities, raise concerns about vocabulary and to correct bias (Miller et al., 2010:104).

A pilot study was done because it served as a testing ground for data collection instruments, sample selection and the method of analysis. If mistakes were made in any part of the research design these problems would have been sorted out before moving on to the main study in order to avoid undue cost (Offredy & Vickers, 2010:85).

The pilot study was done in the month of August 2013. Questionnaires were distributed to 10 SMMEs and their feedback revealed that they did not experience any difficulties in providing answers to the questions.

3.7 Data collection

Empirical data was collected during September and October 2013, through questionnaires addressed to 42 SMMEs in Mafikeng town and to 40 SMMEs in Zeerust (Lehurutse and Motswedi village that are 20km and 50km away from Zeerust town respectively). The purpose of the questionnaires was to collect data associated with the support services and communication levels of NWDC to SMMEs. All these SMMEs were tenants in NWDC Industrial sites.

Due to the fact that convenience sampling was used, the sample to be tested was based on the availability of the SMME owners. The researcher made contact with the SMME owners and distributed the self-administered questionnaires to them on site.

The questionnaires completed by the respondents were personally collected by the researcher. They totalled 82 in number and the sample size thus comprised 58.6% of the total population.

3.8 Data collection instruments

Qualitative interviews were used at the outset to collect data from selected NWDC officials that would contribute partially towards developing the questionnaire that was distributed to the SMME's.

3.8.1 Qualitative interviews

According to Berger (2011:135) an interview is a conversation between a researcher and an informant. The researcher is someone who wishes to gain information about

a subject and the informant presumably has information of interest on the subject (Berger, 2011:135).

The reason for conducting interviews is that they give the researcher accounts about the issues being studied (Denzin & Lincoln 2011, 418).

Data was collected during interviews held in June and July 2013 at the NWDC offices in Mafikeng. Two officials from the NWDC head office in Mafikeng and one official from the NWDC Regional Office in Mafikeng were interviewed.

Questions for the interviews were divided into three themes. The themes addressed were:

- The extent of awareness by SMMEs of NWDC's marketing support services.
- The effectiveness of the NWDC's marketing communication.
- How marketing communication is effectively used by the NWDC.

3.8.2 Kinds of interviews

According to Berger (2011:136-137) there are four kinds of interviews, these being informal interviews, unstructured interviews, semi-structured interviews and structured interviews, as follows:

- Informal interviews - have few controls, they just take place, are not organised or focused and are generally used to introduce the researcher to those being studied.
- Unstructured interviews - the researcher is focused and is trying to gain information but he or she exercises relatively little control over the responses of the informant.
- Semi-structured interviews- the interviewer usually has a written list of questions to ask the informant but he or she exercises little control over the responses of the informant.
- Structured interviews- the researcher uses an interview schedule which is a specific set of instructions that guide those who ask respondents for answers to questions.

However, for this study semi-structured interviews were appropriate and were used. The researcher had prepared a written list of questions to ask the NWDC employees.

The semi-structured interview is described further in section 3.8.3.

3.8.3 Semi structured interviews

According to Wholey et al. (2010:366) the semi-structured interview is conducted conversationally with one respondent at a time and employs a blend of closed and open ended questions, often accompanied by follow up "why" or "how" questions.

Sandy and Dumay (2011:9) state that the semi-structured interview is flexible, accessible, understandable, capable of disclosing important and often hidden facets of human and organizational behaviour and it is the most effective and convenient means of gathering information. It has its basis in human conversation, therefore allowing the skilful interviewer to modify the style, pace and ordering of questions to evoke the fullest responses from the interviewee.

Semi structured interviews were conducted by the researcher in order to gather information about the support services that the North West Development Corporation offers. The interviews were conducted during the months of June and July 2013 by the researcher and were recorded by note taking.

3.8.4 Personal interviews

According to Bock (2010:35) personal interviews allow researchers to obtain a great deal of actual data and they give the researcher the chance to assist with ambiguous questions and clarify where necessary.

3.8.5 Interviewees

Three interviewees were selected from the North West Development Corporation; one each from the Marketing Department, the Finance Department and from Public Relations. Interviewees were encouraged to select a date and time with which they were comfortable.

Table 3.1: Schedule for interviews

Company	Department	SMME relevance
NWDC	Marketing	Support staff
NWDC	Finance	
NWDC	Public relations	

The employees in Table 3.1 were chosen because each of them had a significant role to play with regards to the SMME promotion and development.

The interviewing technique used was a qualitative, semi structured personal interview. The interviewees were interviewed with regard to SMME promotion and development in respect of support services offered by NWDC.

The interviews were conducted as follows:

- The researcher introduced herself and gave a brief explanation of the aims of the research. The researcher thanked interviewees for taking time out of their busy schedule in order to participate in the research.
- The procedure of the interview was explained to the interviewees. The researcher would ask questions from an interview guide and would also ask follow up questions from the answers given. The answers to the questions were recorded by note taking as the interviews progressed (Annexure G).
- Each interview took 30 to 45 minutes to be completed.
- The interviewees were thanked for their time and support.



3.8.6 Method of recording interview data

During the interview notes were taken by the researcher. According to Gilmore (2012:101) note taking is a good way to record data. The researcher jotted down key words and immediately after the interviews the notes were expanded into a more detailed summary of the interview.

3.9 Questionnaire development

According to Browne (2011:59) a questionnaire is a printed list of questions to be filled in either personally by the respondent (the person answering the questions) or by an interviewer. All respondents were required to answer the same questions.

There are two main types of questionnaires:

- Closed questionnaires - they involve an individual being asked a number of pre-set closed questions with a limited number of multiple choice answers.
- Open ended questionnaires - they usually have a number of pre-set questions but there is no pre-set choice of answers and they allow respondents to write down their own answers or dictate it to an interviewer (Browne, 2011:59).

In support of Browne, Berger (2011:230) confirms two kinds of survey questions which consist of open ended and closed ended questions. An open ended question asks for an answer that the respondent should construct by himself or herself, writing the answer down in the space provided for this. Closed ended questions ask respondents to select answers from lists of answers provided by the survey designer lists such as multiple choice questions or Likert scales.

In this study both closed and open ended questions were used and they were put in different sections in the questionnaire.

The questionnaire which was developed was divided into three sections that comprised:

- Section A (demographics).
- Section B (business data information).
- Section C (awareness of support services and communication levels) which was divided into Part A (5-point Likert scale) and Part B (2 closed questions).

The questionnaires are presented as Annexure E and F (semi structured interviews and quantitative questionnaire respectively).

3.9.1 Composition of the quantitative questionnaire to SMMEs

As stated previously a questionnaire was developed to gather information about personal data and business data.

A list of perceptual attributes of the NWDC was identified from the interviews held with the employees of NWDC. The questionnaire was thereafter developed in a way that SMMEs had to indicate their level of awareness with regards to the support services offered by NWDC.

The questionnaire comprised Section A that had demographics and personal data. Section B required business data information. Section C consisted of questions that focused on the awareness of support services and communication levels and was divided into Parts A and B. Participants were asked to answer Part A according to a 5 point Likert scale. Part B had two closed questions.

According to Liu (2010:146), Likert scale questions are attributable to Rensis Likert who first invented this question type to construct an attitude scale that contains a statement followed by a list of five category choices ranging from strongly disagree to disagree, unsure, agree and strongly agree. In this study the participants (SMME owners) had to select one of the five categories depending on their level of agreement to the statement. See item 3.13.1 below for further information in this regards.

The questions on the Likert scale were developed to determine the general NWDC support services awareness amongst SMMEs in selected areas of Mafikeng and Zeerust (Lehurutse and Motswedi village).

Questions that were posed were intended to address the following objectives:

- To identify the marketing communication challenges of the NWDC.
- To determine the effectiveness of the marketing communication of the NWDC's support services to SMMEs.
- To establish the level of awareness of NWDC's support services amongst the SMMEs.
- To enable the researcher to make suggestions that will address the identified marketing communication challenges of the NWDC to SMMEs.

3.9.2 NWDC employees directed questionnaires

The study intended to compare the analysis of SMME data with the analysis of NWDC employee data. The very same questionnaire was distributed to a sample of

NWDC employees working with SMMEs in order to rate the services they offer SMMEs. The questionnaire to NWDC employees had Section A that highlighted Demographics and Section B that addressed the awareness of support services. Communication levels consisted of Part A (5 point Likert scale) and Part B (2 closed questions).

Twelve questionnaires were taken to the NWDC by the researcher for the NWDC employees to complete but unfortunately each time the researcher went to the NWDC offices the questionnaires had not been completed. Only one questionnaire was eventually collected.

The intention was that a comparison be made between the analyses of SMME data and of NWDC employee data, but due to the lack of response from the NWDC employees with regards to questionnaire feedback, analysis was made on only one data set being the questionnaires that were collected from the SMMEs.

3.10 Validity

Validity is an important key to effective research. Research is considered to be valid when the conclusions are true and reliable and when the findings are repeatable (Connaway, 2010:60).

Validity is concerned with the integrity of the conclusions that are generated from a piece of research (Bryman, 2012:47). Validity refers to the precision and accuracy of measurement while reliability refers to the consistency of the measurement (Keele, 2011:28).

In this study the validity of the questionnaire was tested by carrying out a pilot study that employed factors analysis to confirm that the questions were formulated to measure the support services offered by NWDC (Du Plessis, 2009:23).

3.11 Reliability

Reliability is a matter of whether a particular technique applied repeatedly to the same object yields the same result each time (Babbie, 2010:150).

According to Field (2007:640) the Cronbach Alpha correlation coefficient is used to test for reliability with the minimum reliability coefficient set at 0.70 (Boshoff & Hoole,

1998: 77). However Field (2007:668) reasons that with attitudinal or behavioural constructs, an alpha coefficient above 0.70 is sufficient and that such data is suitable to use for subsequent analytical scrutiny. All the participants (SMMEs) responses were used to determine the reliability of the extracted factor.

Cronbach alpha coefficients were calculated and are highlighted in Table 3.2.

Table 3.2 Reliability of measuring instrument

Factor	Cronbach alpha	Test result
Support service and communication level	0.70	0.959

The greater the Cronbach alpha coefficient, the more reliable the scale, therefore an acceptable Cronbach alpha should be greater than 0.70 (Nunnally & Bernstein 1994:265). The test result of 0.959 complies with this requirement.

The research place or setting will be described in the following section.

3.12 Research place or setting

According to Kruger et al. (2010:37-38) place is defined as a physical setting imbued with meaning as a result of human action and interaction. The research place or setting is the place where the data was collected. In this study the data was collected from the Industrial Parks of NWDC in Mafikeng and Zeerust (Lehurutse and Motswedi villages) that have SMME tenants.

In Mafikeng the researcher went to the NWDC's Industrial Sites situated in James Watt Crescent, 1st Street Mafikeng Industrial Sites, 2nd Street Mafikeng Industrial Sites and DP Kotleng Street. In Zeerust the researcher went to the Shopping Complex in Lehurutse and the Small Industries in Motswedi village.

3.13 Statistical methods of data analysis

The following SPSS statistical methods of data analysis were used:

- Frequency tables, bar and pie charts.

- Spearman rank correlation was used to measure the strength of association between variables.
- Factor analysis (Cronbach alpha, Principal components, Scree plot and Correlation matrix).

3.13.1 Measurement of variables

Nominal, interval and ordinal scales were used for the measurement of variables. Variables with possible values of yes and no were measured based on nominal scales in which order did not matter. However, variables with possible values of strongly disagree, disagree, unsure, agree and strongly agree were measured based on ordinal scales from 1 to 5 in which 1 denoted strongly disagree and 5 denoted strongly agree respectively.

3.13.2 Data capturing

Microsoft Office Excel was used as a tool for capturing the data from the completed questionnaires. The captured data was transferred to the Statistical Package for Social Sciences Incorporated (SPSS version 21.0 Inc) that was used to statistically analyse the data collected during the empirical phase of the study.

3.13.3 Data analysis

According to Alexander (2012:1) data analysis is the process of systematically collecting, transforming and analysing data in order to present meaningful conclusions.

Descriptive statistics (means and standard deviation) were used to analyse the data as well as multivariate statistical techniques (factor analysis).

3.13.4 Descriptive statistics

In descriptive statistics, analysis may involve determining consistent patterns and summarising the appropriate details revealed in the investigation (Zikmund, 2003:73).

SPSS version 21.0 Inc was chosen for its superior analysis capabilities made possible by the use of other detailed statistical techniques such as the Spearman rank correlations and Factor analysis.

SPSS was therefore used to calculate all frequencies, descriptive statistics and factor analysis as well as the graphical presentations in the findings (Chapter 4).

3.13.5 Spearman's Rank Correlations

According to Salkind (2010:1404) the Spearman's Rank Correlation is a statistical method used to measure the direction and strength of the association between two variables. It measures the degree of association of ordinal level data by examining the ratio of the sum of the squared differences in the ranks of the paired data values to the number of variable pairs (Salkind, 2010:1404).

The Spearman's Rank Correlation was used to analyse perceptions between age category and views of SMMEs on awareness of support services and communication levels.

3.13.6 Factor analysis

According to Tigert and Sheth (2011:135-136) factor analysis is a multivariate method that enables a researcher to simplify and summarise a large data matrix into a much smaller one without appreciable loss of information. It is primarily concerned with the resolution of a set of manifest variables (indicators) linearly in terms of new factors and hence its principal aim is to attain scientific parsimony or economy of description (Tigert & Sheth, 2011:135-136).

The following detailed statistical methods (Cronbach alpha, Principal components analysis and Scree plot) were used to analyse the empirical data and are defined as follows:

3.13.6.1 Cronbach alpha

According to Andrew et al. (2011:203) the Cronbach alpha is a method used for measuring the internal consistency reliability of a group of items and has values that

range from 0 to 1. In the social sciences, values at or above 0.7 are desirable (Andrew et al., 2011:203).

3.13.6.2 *Principal components analysis*

According to Joliffe (2002:1) the central idea of principal components analysis (PCA) is to reduce the dimensionality of a data set consisting of a large number of interrelated variables, while retaining as much as possible of the variation present in the data set. This is achieved by transforming to a new set of variables, the principal components (PC's) of which are uncorrelated and which are ordered so that the first few retain most of the variation present in all of the original variables (Joliffe, 2002:1).

3.13.6.3 *Scree plot*

According to Lehman et al. (2013:495) a Scree test plots the eigenvalues associated with each component and looks for a definitive break in the plot between the components with relatively large eigenvalues and those with small eigenvalues. The components that appear before the break are assumed to be meaningful and are retained for rotation whereas those appearing after the break are assumed to be unimportant and are not retained.

An eigenvalue indicates the amount of variance that is explained by each factor or component (Andrew et al., 2011:204).

3.14 Limitation of the study

- A significant limitation experienced by the researcher was with regards to receiving the completed questionnaires back from the NWDC employees. Twelve questionnaires were taken to the NWDC by the researcher for the NWDC employees to complete. Only one completed questionnaire was eventually collected.
- Time limitations due to non-adherence to scheduled appointments with NWDC employees

3.15 Conclusion

In this chapter the methodology and statistical techniques used in this study were defined. The use of interviews and questionnaires for this exploratory research study was explained. It detailed the research process that was undertaken, the meaning of research design, population, sampling, data collection, ethical considerations as well as giving an overview of the detailed process followed in conducting the study and its analysis. The next chapter will provide an analysis and interpretation of the research findings of the study.

CHAPTER 4

ANALYSIS AND INTERPRETATION OF RESEARCH FINDINGS

4 INTRODUCTION

In the previous chapter, the research design and method were discussed. In this chapter an overview of the data analysis and the research findings are presented and discussed.

The focus of the study was to determine whether effective dualistic marketing communication exists between the North West Development Corporation (NWDC) and all their registered Small, Medium and Micro Enterprises (SMMEs) located in the Ngaka Modiri Molema District of the North West Province. The focus of the study was based on the following questions:

- Is the NWDC's marketing communication effective?
- To what extent are the SMMEs aware of the NWDC's marketing support services?
- How can the NWDC effectively use marketing communication?

4.1 Statistical analysis

According to Alexander (2012:1) data analysis is the process of systematically collecting, transforming and analysing data in order to present meaningful conclusions.

Myers et al. (2010:15) state that the analysis of data broadly consists of two phases, these being (1) an exploratory phase in which measures of central tendency (e.g. means, medians), variability and shape of distributions should be calculated and graphed and (2) an inferential phase in which population parameters are estimated and hypotheses about them are tested.

A preliminary data analysis by means of coding and tabulation has to be performed before analysing the data set. Coding is the use of numbers associated with question response options to facilitate data analysis after the survey has been done by grouping data into meaningful categories and

numerical codes assigned to these categories (Burns & Bush, 2010:352). This enables a data set to be created that is suitable for analysis.

4.2 Research findings

According to Majumdar (2007:248) the research findings are the outcome of the study. Researchers usually try to display data through summary tables and graphs along with some textual commentary on the interpretation of the data (Majumdar, 2007:248). This study shows a display of data through tables, bar graphs, pie charts and a scree plot.

The research findings are presented and discussed for each of the following sections:

- Section A – demographics.
- Section B - business data information.
- Section C - awareness of support services and communication levels divided into Part A (5 - point Likert scale) and Part B (2 closed questions).

4.2.1 Demographic characteristics of respondents

Section A contains data pertaining to personal characteristics of the research respondents.

According to Folsom & Boulware (2009:120) demographics are population measures such as age, race, gender, occupation and income. In this study the researcher used age, race, gender, level of education, nationality, dependents and marital status.

Table 4.1 has summarised the demographic profile of respondents.

Table 4.1: Demographic profile of respondents

AGE	Figure 4.2
≤25	4.88%
26-35	21.95%
36-45	42.68%
46 or more	30.49%
RACE	Figure 4.3
Black	79.27%
White	1.22%
Coloured	4.88%
Indian/Asian	14.63%
GENDER	Figure 4.4
Male	58.54%
Female	41.46%
LEVEL OF EDUCATION	Figure 4.5
Primary school	0%
Secondary school (grade 8-11)	12.20%
Matric (grade 12)	35.37%
Tertiary education(without certificate)	14.63%
Completed a technical trade program	12.20%
Tertiary qualification, BA, B Com	17.07%
Post grad qualification	8.54%
NATIONALITY	Figure 4.6
South African	98.78%
Zimbabwean	1.22%
Zambian	0%
Mozambican	0%
Malawian	0%
DEPENDENTS	Figure 4.7
Zero	7.32%
One	19.51%
Two	28.05%
Three or more	45.12%
MARITAL STATUS	Figure 4.8
Single	28.05%
Married	63.41%
Divorced	3.66%
Widowed	0%
Living with partner	4.88%

The population measures from Table 4.1 will be explained as separate entities in the figures that follow.

4.2.1.1 Age profile of respondents

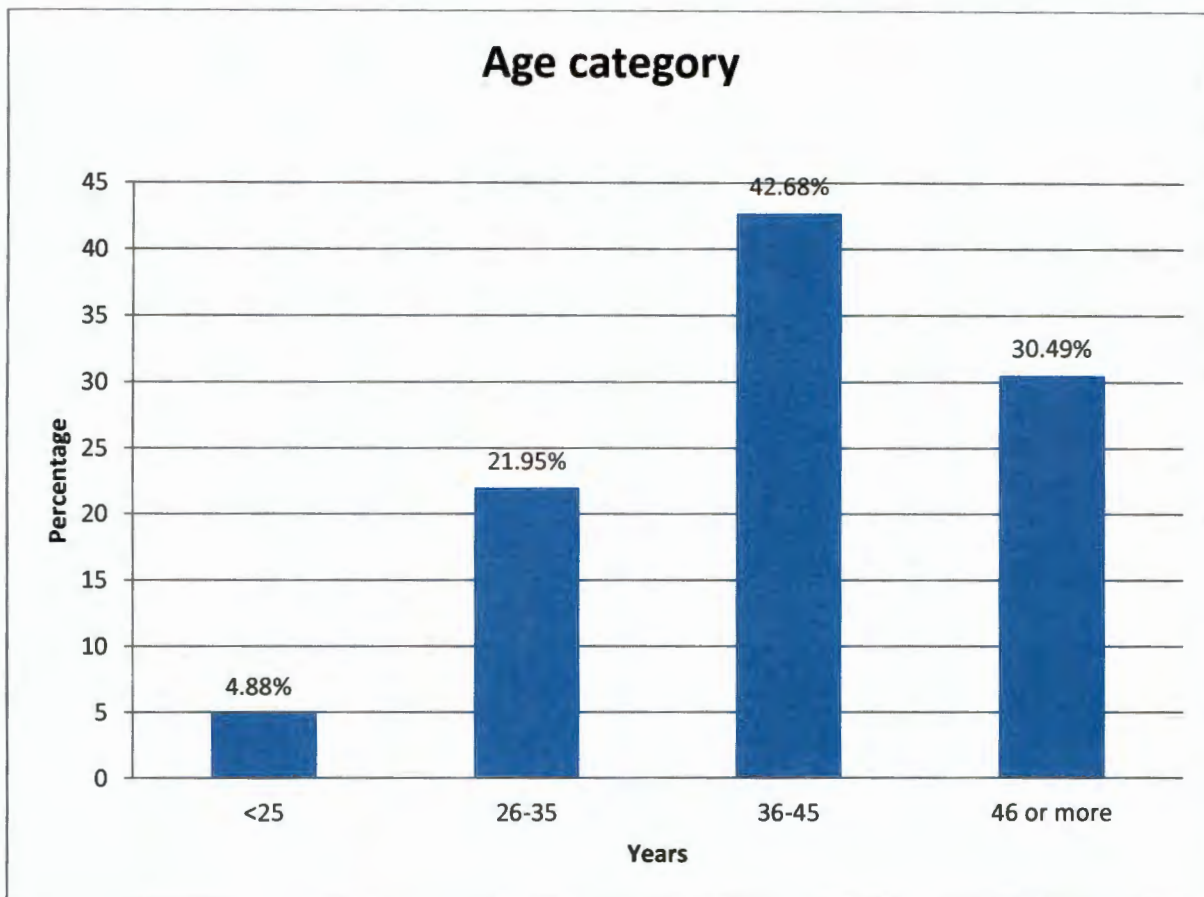


Figure 4.1: Age category (n=82)

NWU
LIBRARY

The largest grouping of SMME owners indicates 42.68% are between the ages 36-45 years whilst the smallest group represents 4.88% of SMME owners that are <25 years. There is an indication that the majority of the SMME owners are older than the maximum youth age level of 35. In terms of size there is a 26.83% - 73.17% split between the youth and adults.

4.2.1.2 Race profile of respondents

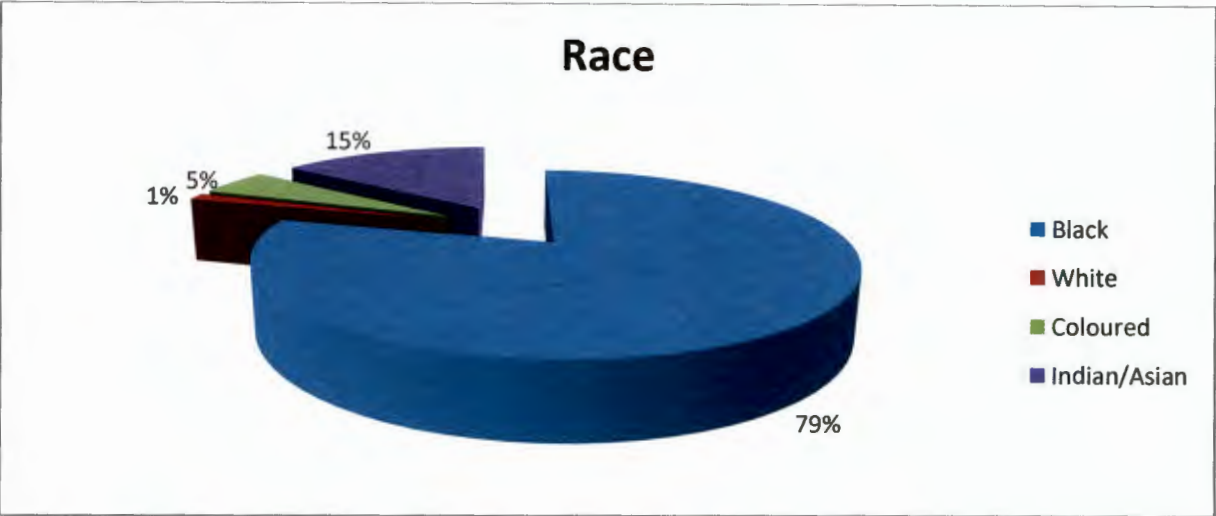


Figure 4.2: Race (n=82)

79% of the SMME owners are Blacks while the White, Coloured and Indian grouping represents 21% of the SMME owners.

4.2.1.3 Gender profile of respondents

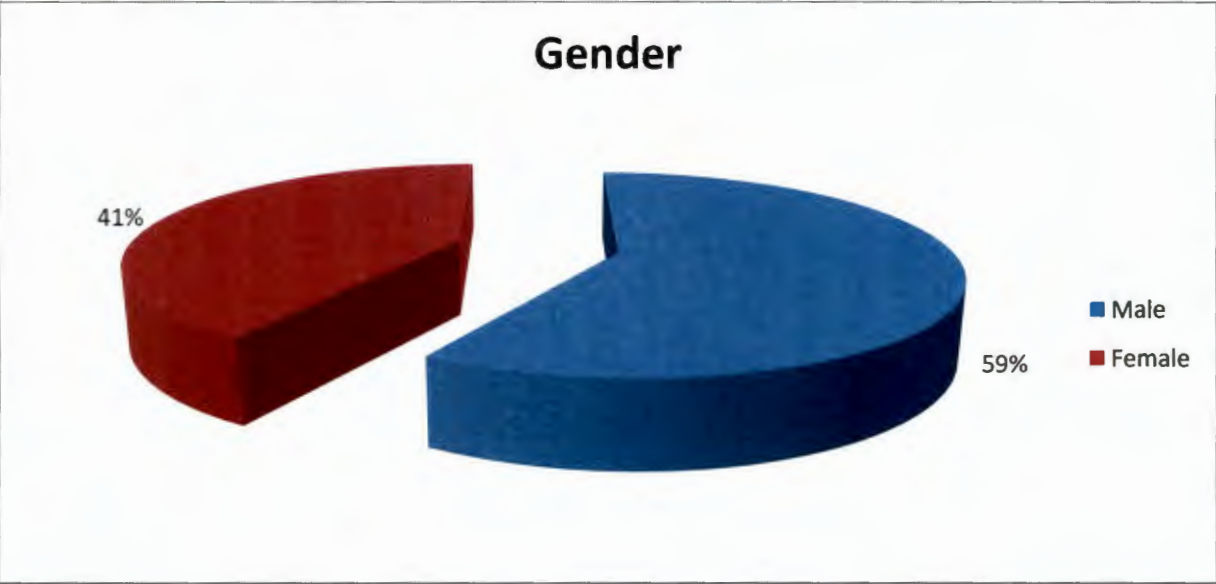


Figure 4.3: Gender (n=82)

With regards to gender, 59% of SMME owners are males and 41% are female. This is an indication that there are considerably more male owned SMMEs than female owned SMMEs that are registered with the NWDC.

4.2.1.4 Level of education profile of respondents

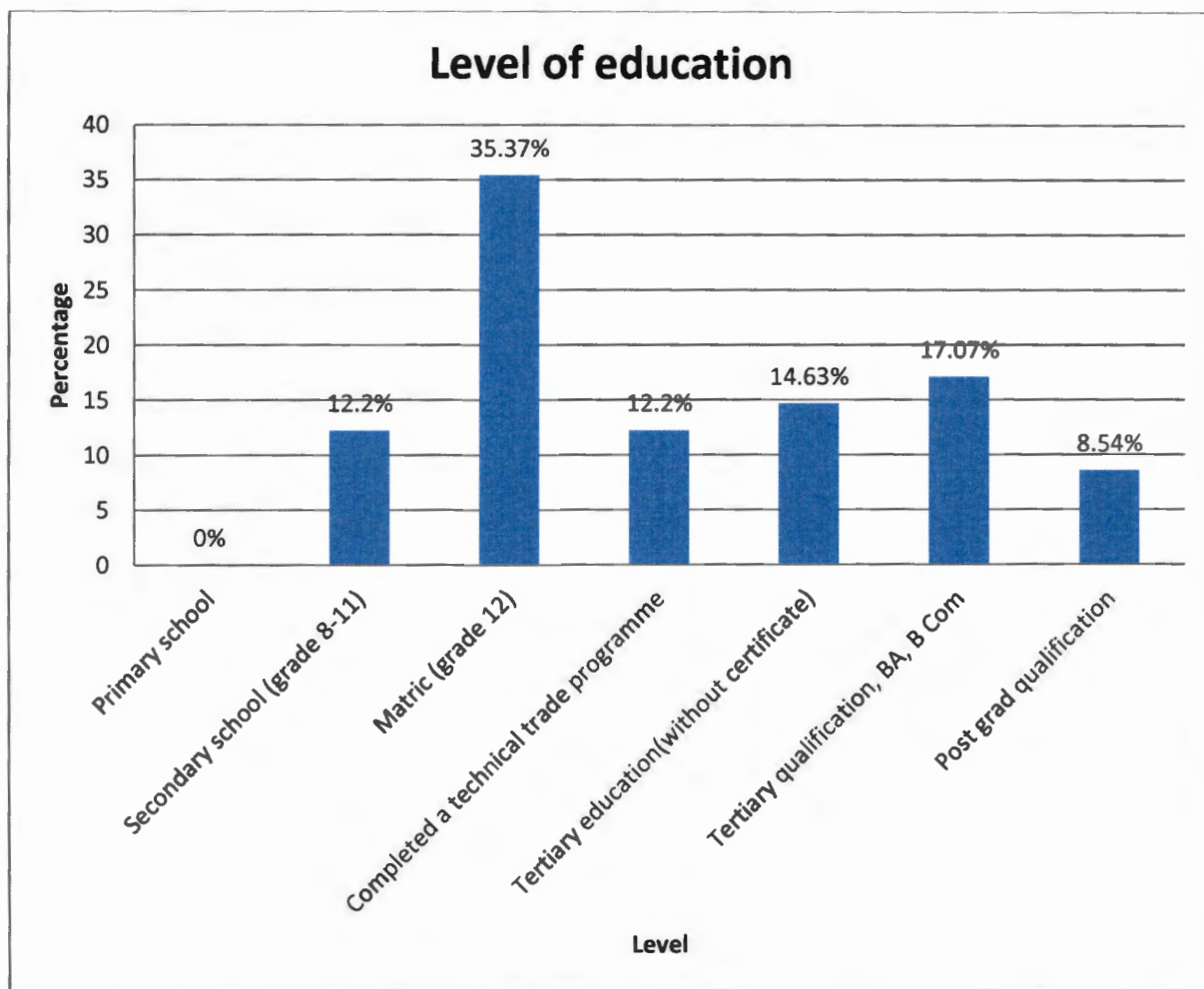


Figure 4.4: Level of education (n=82)

35.37% of the SMME owners have a matric or grade twelve. There are 25.61% of SMME owners that have completed a tertiary qualification. There is a 12.2% - 87.81% split between SMME owners that don't have matric and SMME owners that have matric and higher qualifications. This indicates that a significant majority of SMME owners have completed their secondary education.

4.2.1.5 Nationality profile of respondents

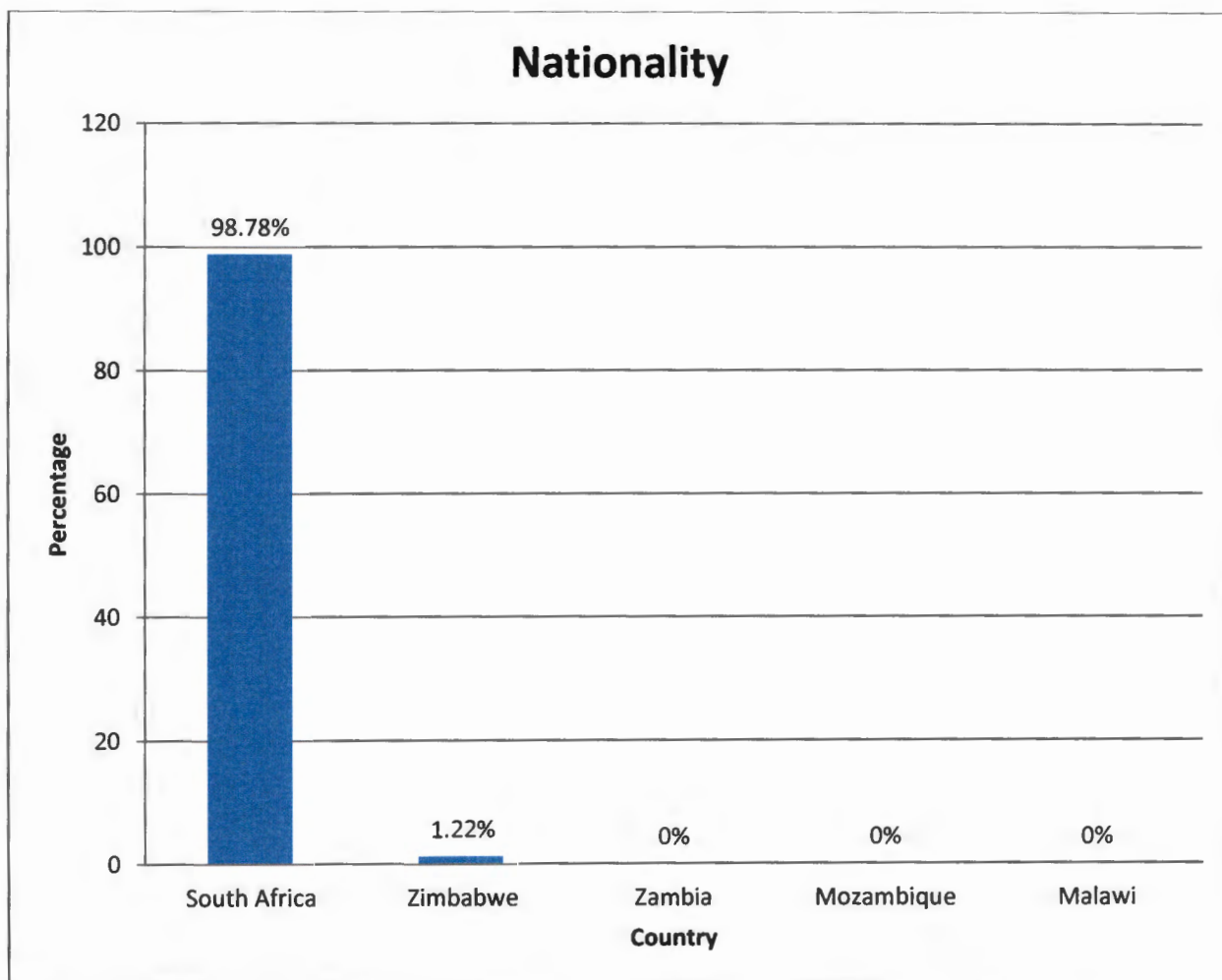


Figure 4.5: Nationality (n=82)

98.78% of the SMME owners are South African citizens and only 1.22% of the SMME owners are not South African citizens (Zimbabwean).

4.2.1.6 Dependents profile of respondents

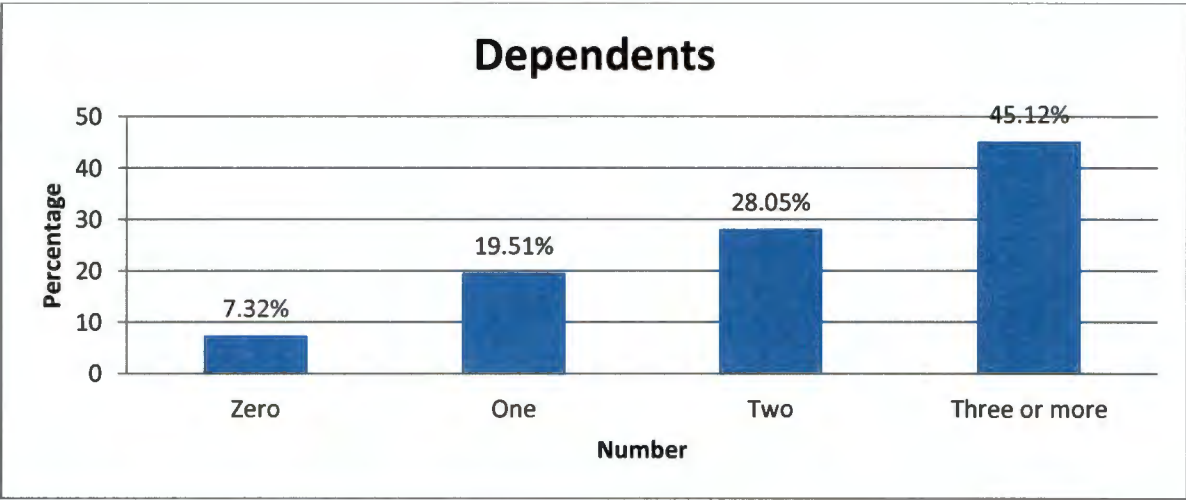


Figure 4.6: Dependents (n=82)

45.12% of the SMME owners have three or more dependants. 7.32% of the SMME owners have no dependants. There is a 7.32% - 92.68% split between SMME owners that don't have dependents and SMME owners that have dependents. This is an indication that family members are dependent on SMMEs for their livelihood.

4.2.1.7 Marital status profile of respondents

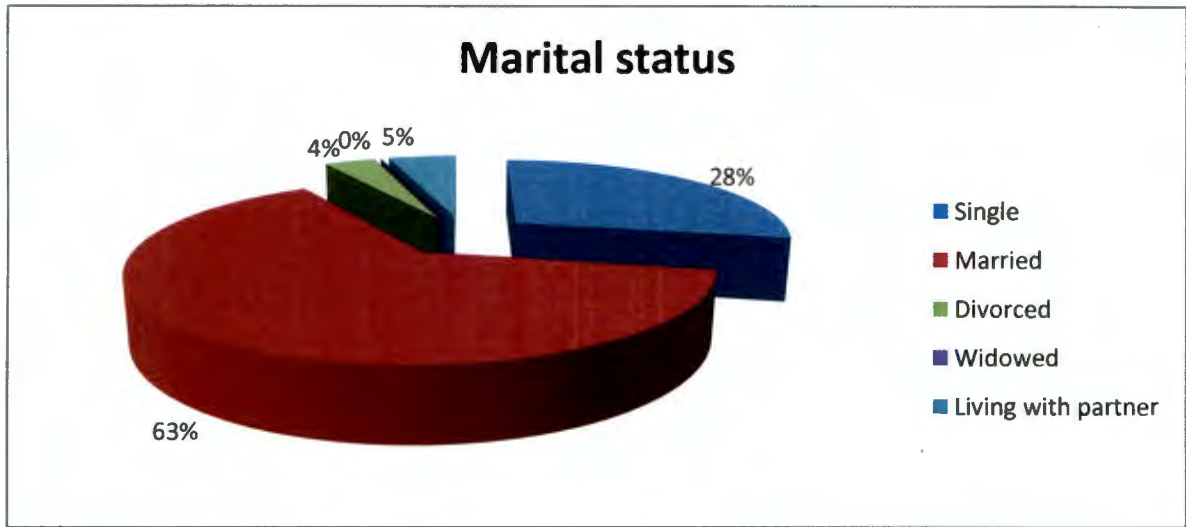


Figure 4.7: Marital Status (n=82)

63% of the SMME owners are married and 4% of the SMME owners are divorced. None are widowed.

4.2.2 Business data characteristics of respondents

The business data was intended to gather information with regards to SMME business operations.

4.2.2.1 Business establishment profile

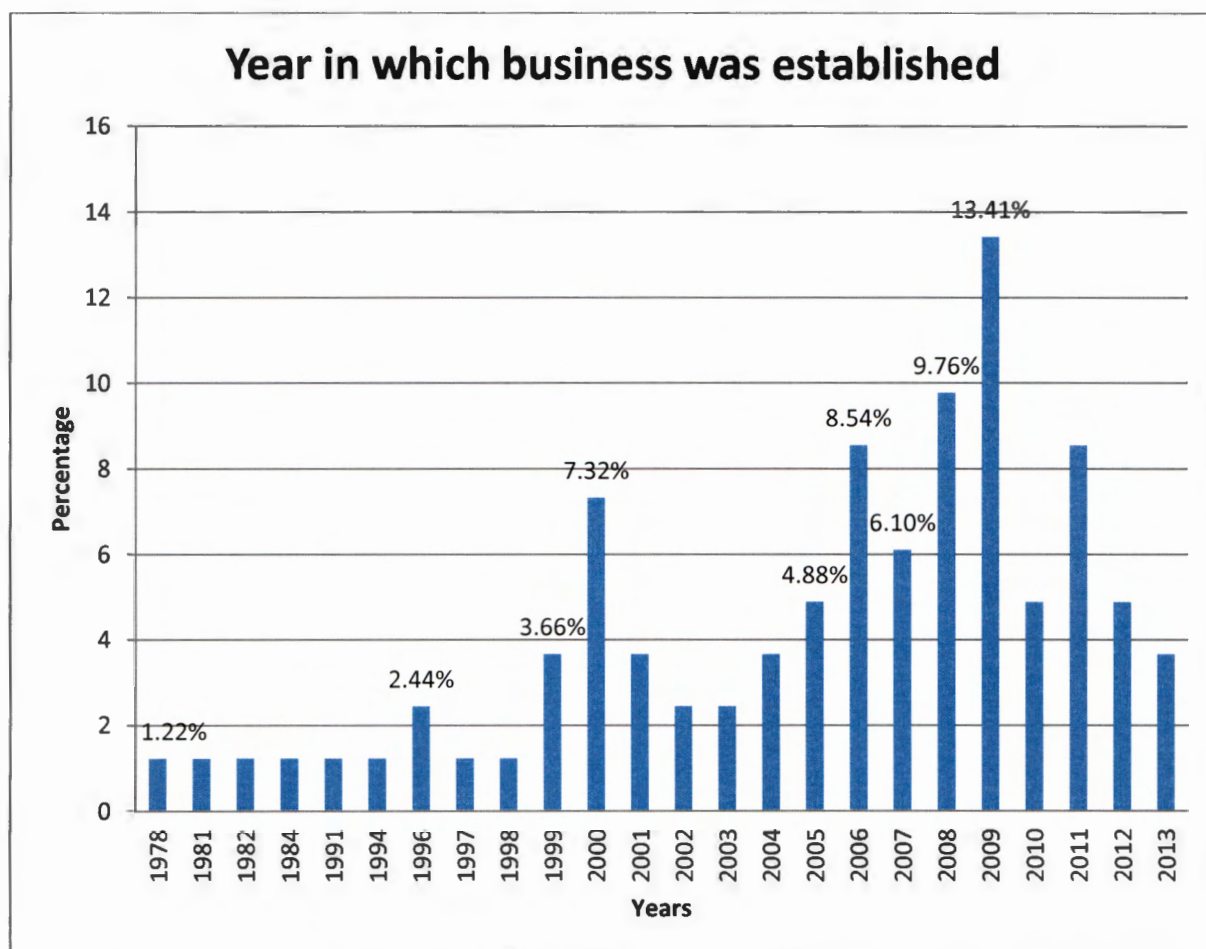


Figure 4.8: Year in which business was established (n=82)

The aggregate of the SMMEs established from 1978 to 2000 is 23.17% and indicates that the SMME owners have established successful and lasting businesses. Those established from 2001 to 2013 aggregated 76.83%.

4.2.2.2 Business type profile

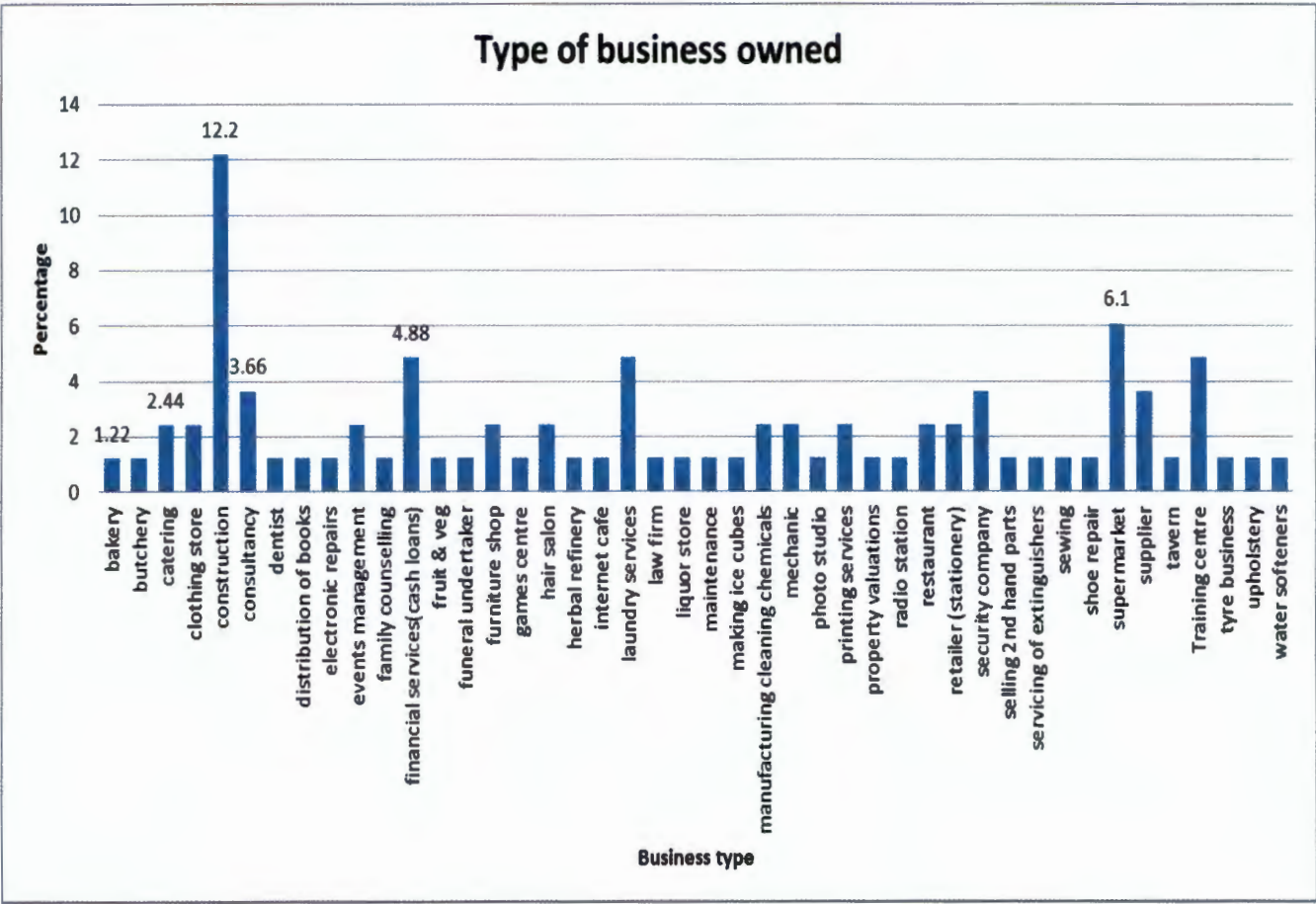


Figure 4.9: Type of business owned (n=82)

12.2% of the SMMEs are in the construction business. The aggregate of SMMEs that provide services are 18.3% and the aggregate of SMMEs that provide products are 81.74%. This indicates that the business of selling goods is a focus area for SMME owners..

4.2.2.3 Employee profile

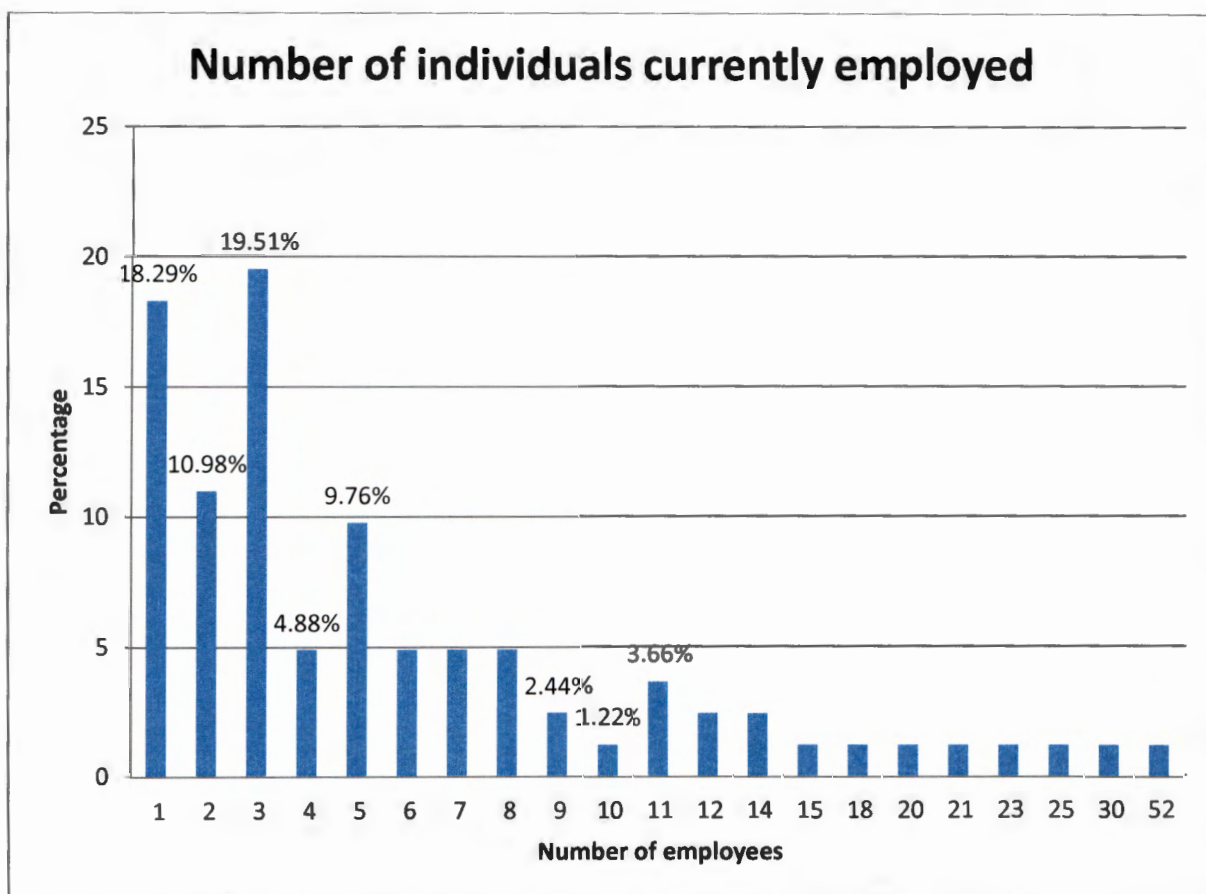


Figure 4.10: Number of individuals currently employed

A total of 19.52% of the SMMs have each hired 10 or more employees. On the other hand, 80.48% of the SMMs have hired less than 10 employees. This is an indication that a clear majority of the SMMs have less than 11 employees each.

4.2.2.4 Investment profile

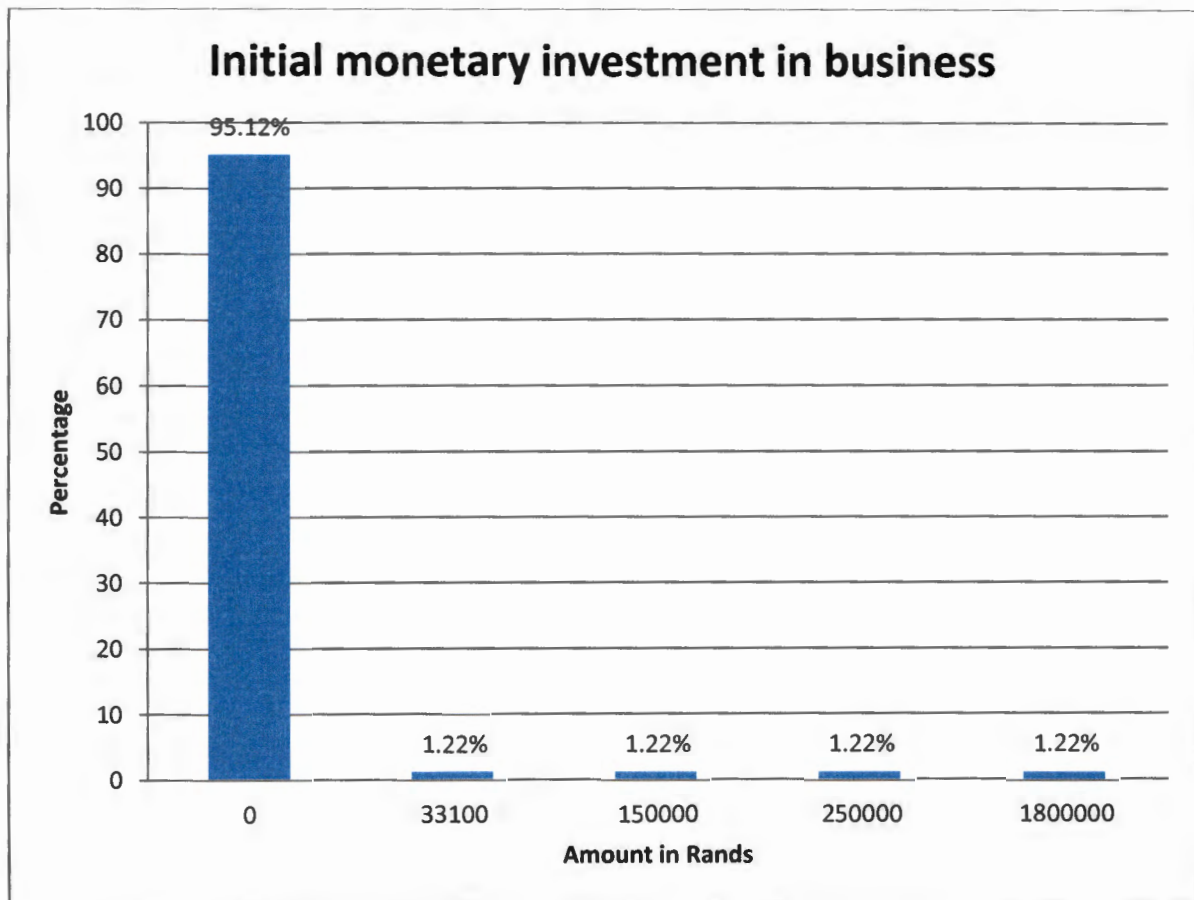


Figure 4.11: Initial monetary investment in business (n=82)



95.12% of the SMMEs did not get any monetary investment from NWDC. 4.88% of the SMMEs got monetary investment. This indicates that the majority of the SMMEs are purely tenants and there were only four instances where start-up funding was provided by the NWDC.

4.2.2.5 Non-monetary investment profile

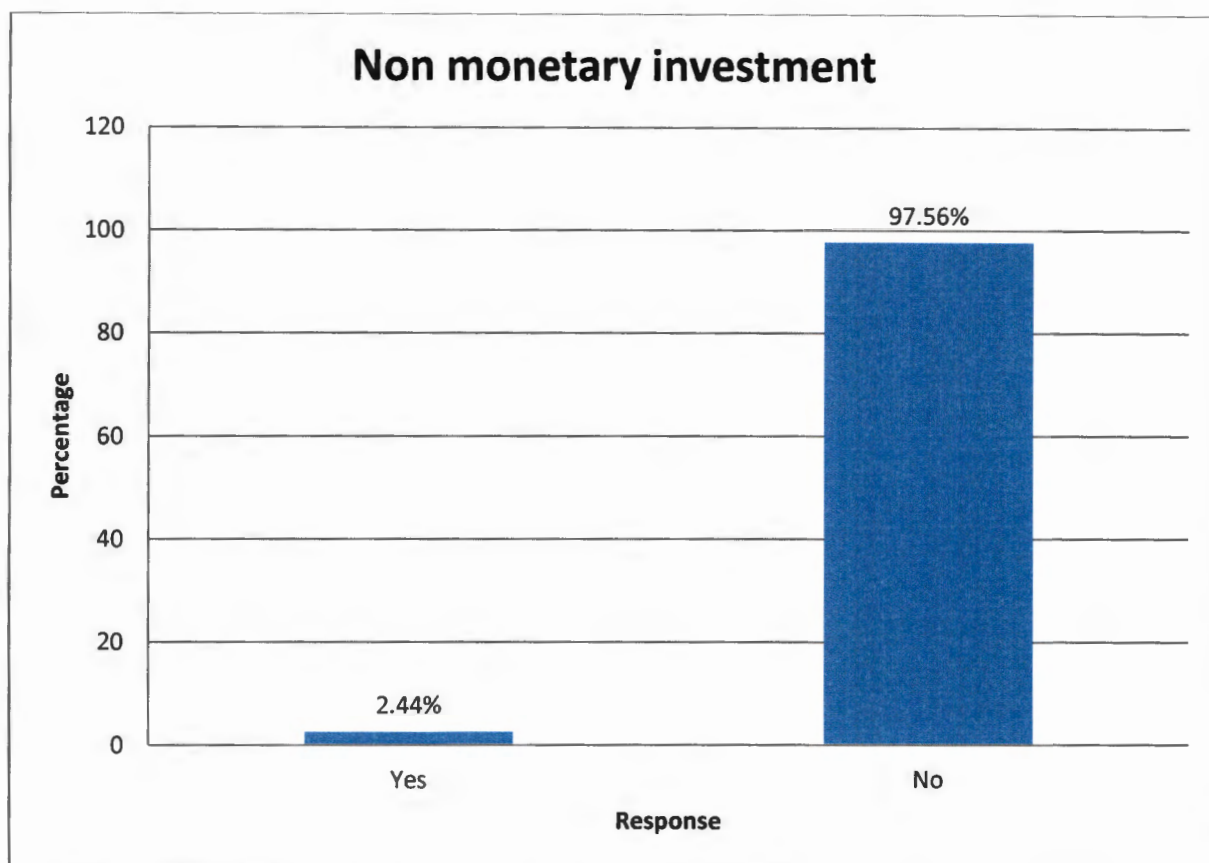


Figure 4.12: Non-monetary investment (n=82)

2.44% of the SMMEs indicated agreement with regards to other investment by NWDC while 97.56% of the SMMEs indicated with a "no". This is an indication that the majority of the SMMEs did not get any non-monetary investment from the NWDC.

4.2.2.6 Product category profile

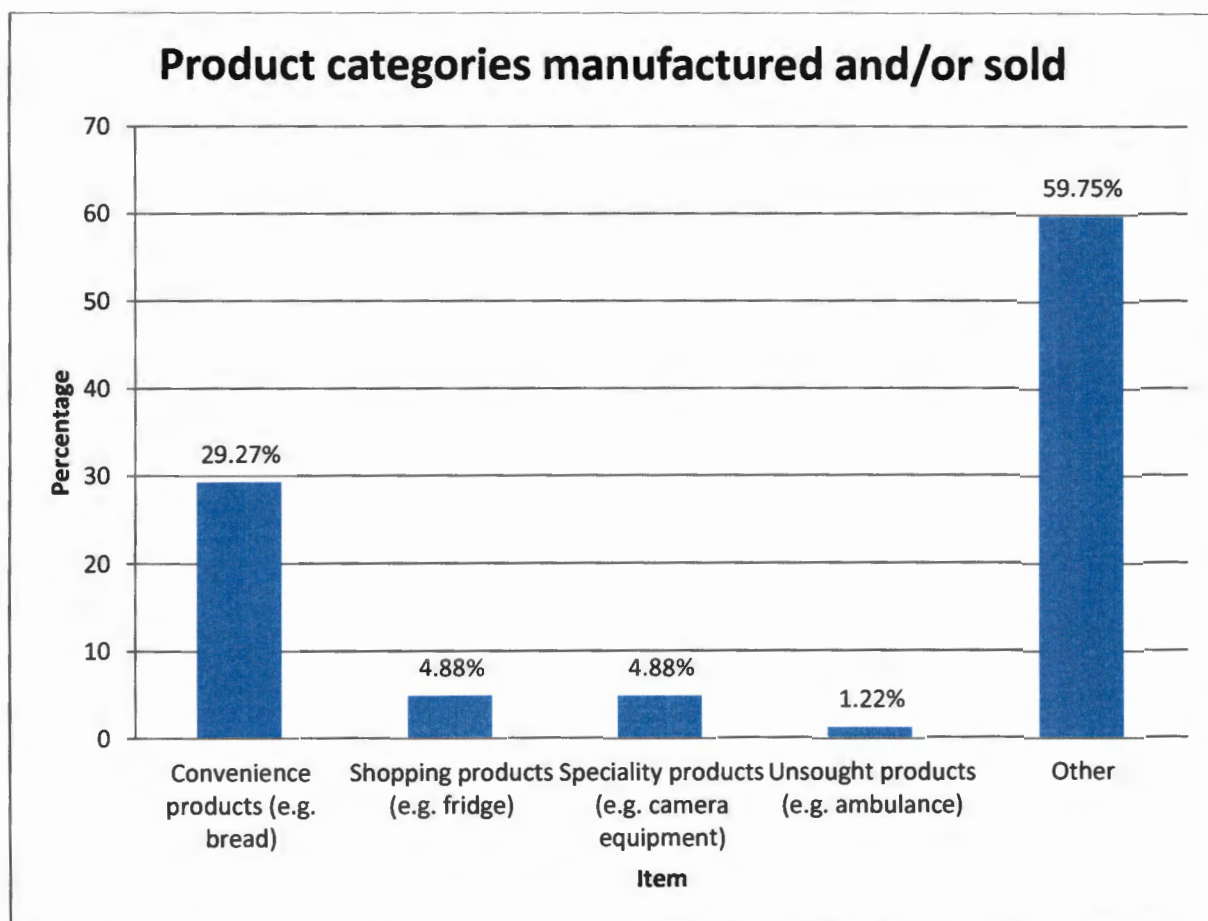


Figure 4.13: Product categories manufactured and/or sold (n=82)

59.75% of the SMMs are selling other products which refer to miscellaneous items while 1.22% of the SMMs indicated as selling products under the category of unsought products. This result reflects that SMMs are selling a fairly wide variety of goods.

4.2.2.7 Financial assistance profile

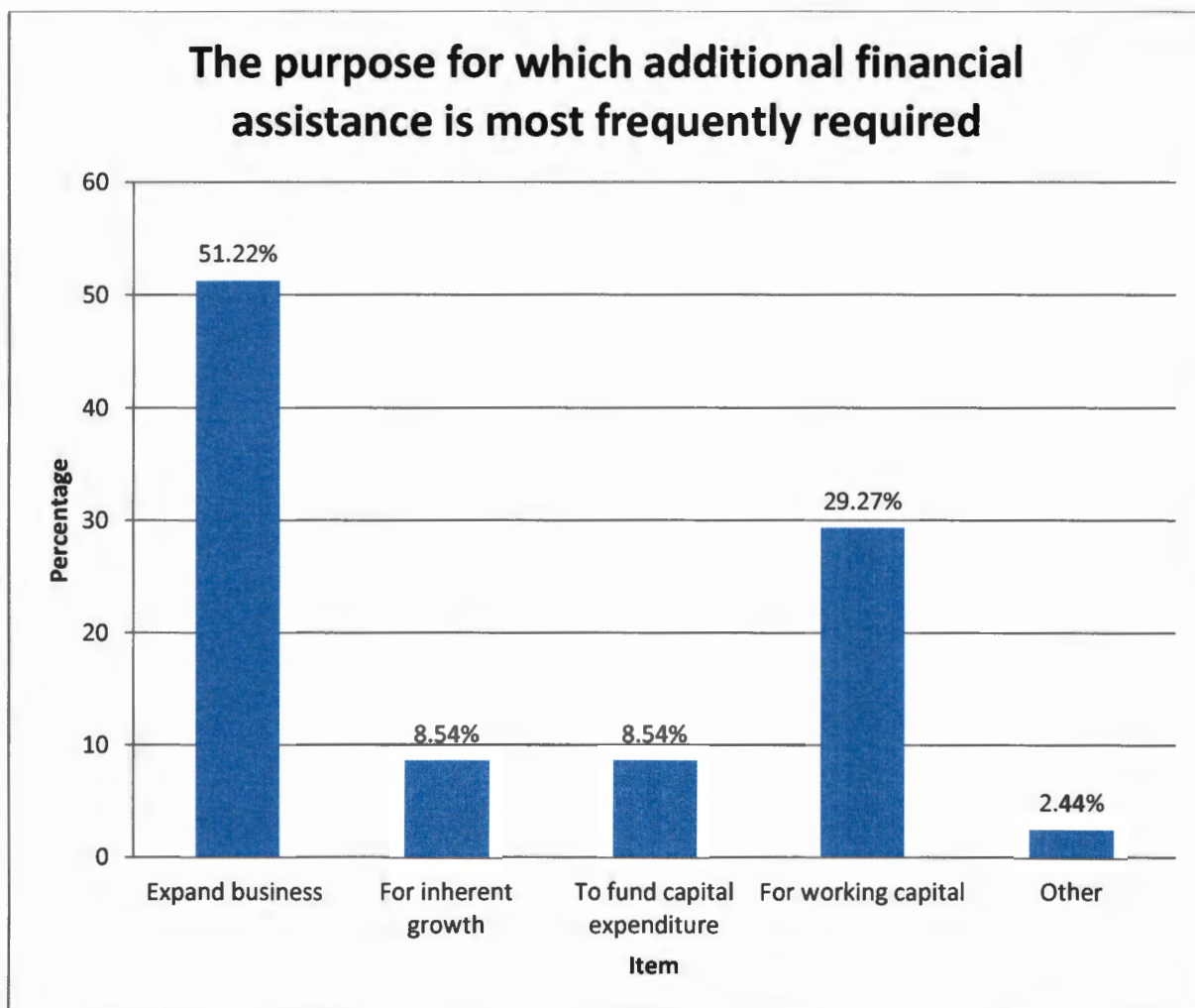


Figure 4.14: The purpose for which additional financial assistance is most frequently required (n=82)

51.22% of the SMMes indicated that they require additional financial assistance to expand their businesses and 2.44% of the SMMes indicated they require additional financial assistance for other business purposes. This result indicates that SMMes are in need of financial assistance to grow and develop their businesses.

4.2.2.8 Use of World Wide Web (www) profile

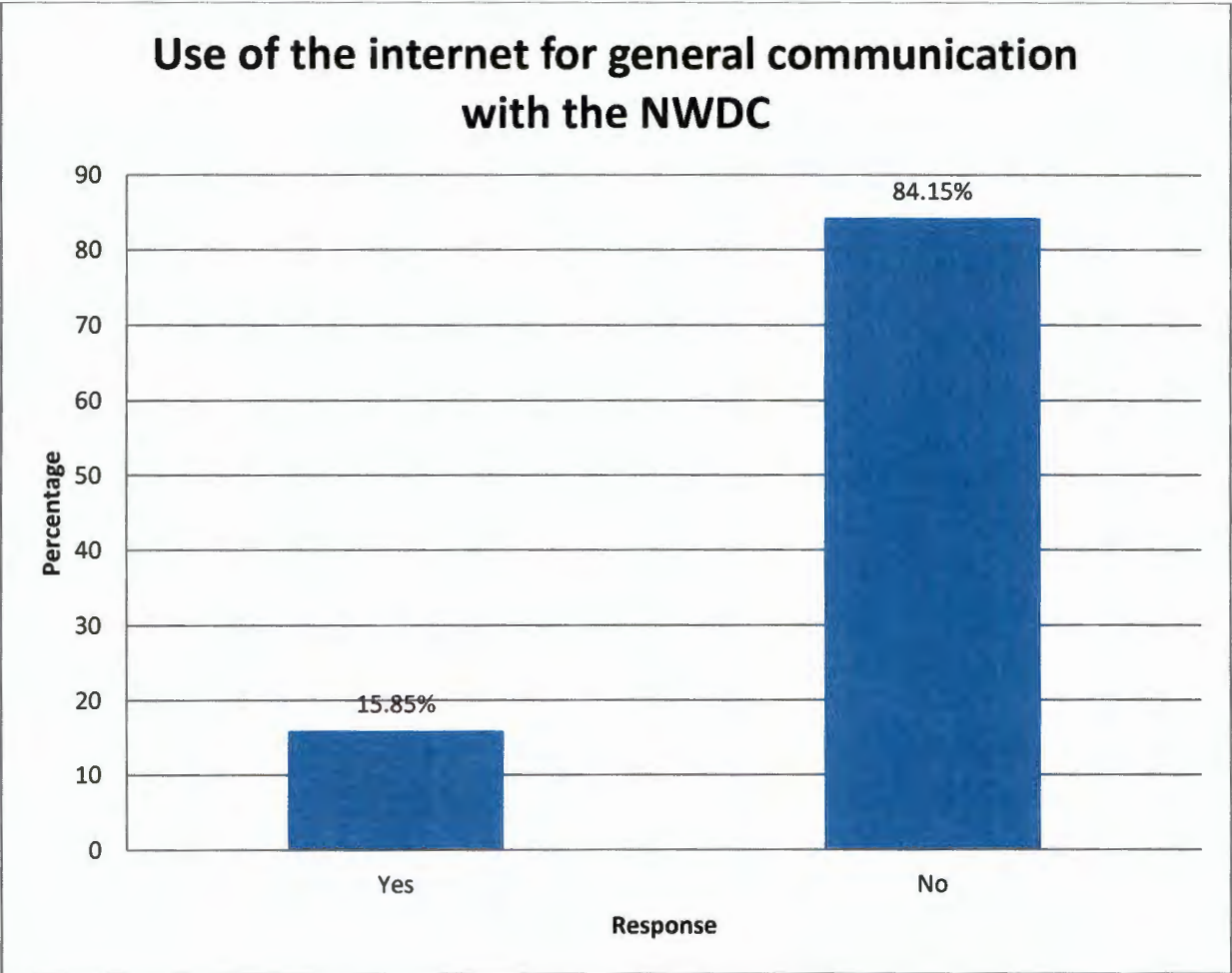


Figure 4.15: Use of the internet for general communication with the NWDC (n=82)

84.15% of the SMMEs indicated that they do not make use of the World Wide Web, also known as the internet for general communication with the NWDC. 15.85% of the SMMEs on the other hand make use of the internet. This is an indication that the majority of the SMMEs have not implemented technology for communication purposes with the NWDC.

4.2.3 Awareness of support services and communication level characteristics of respondents.

Table 4.2 shows the items of the Likert scale showing mean values and the standard deviation. The Likert scale items were coded as follows:

1= strongly disagree, 2= Disagree, 3=Unsure, 4=Agree and 5=strongly agree.

Table 4.2: Awareness of support services and communication levels

	Item	Likert Scale	
		Mean	Standard Deviation
1	A vibrant SMME sector is crucial for South Africa's economic growth, industrial development and job creation.	3.90	0.94
2	SMMEs in the North West Province have easy access to affordable and appropriate finance.	2.63	0.95
3	SMMEs that receive business development services are better positioned to access finance easily.	3.02	0.99
4	You have a comprehensive awareness of all the support services that NWDC has to offer such as:		
	a) Loan service.	2.60	1.05
	b) Mentorship.	2.30	0.90
	c) Registration of companies	2.85	1.02
	d) Pre care and after care service.	2.46	0.98
	e) Development opportunity by allocating business space.	3.32	1.09
	f) Mentorship from stage 1.	2.24	0.84
	g) Moratorium on loans.	2.37	0.91
	h) Negotiations on rental.	2.89	1.11
5	You have a comprehensive awareness of NWDC's training to SMME's by presenting programmes such as:		
	a) Workshops on loan taking.	2.24	0.90
	b) Exhibitions.	2.21	0.87
	c) Business plan drafting.	2.24	0.87
	d) Report writing	2.24	0.87
6	Assistance with finding a suitable market for your products or services.	2.33	0.93
7	NWDC plays an active role in promoting your business and contributing to its growth.	2.35	0.99

8	Good communication relationship with the NWDC is in existence.	3.15	1.13
9	You have a comprehensive awareness of communication methods used by NWDC such as:		
	a) Phone calls.	2.89	1.07
	b) Brochures.	2.55	1.03
	c) Email.	2.62	1.00
	d) Workshops.	2.48	0.91
	e) Newspaper article.	2.48	0.92
	f) Meetings.	2.55	0.98
	g) Site visits.	2.71	1.09
	h) Exhibitions.	2.37	0.87
	i) Noticeboards.	2.46	0.93
	j) Newsletters.	2.49	0.91
	k) Memos.	2.46	0.89
10	The NWDC engages with you online/ internet by sending you emails to keep you updated.	2.49	0.98
	Average	2.60	0.96

4.2.3.1 Interpretation of means



The mean is a measure of central tendency also known as the average. It is the sum of scores divided by the number of scores (Howell, 2013:33).

Statement 1 in Table 4.2, “a vibrant SMME sector is crucial for South Africa’s economic growth, industrial development and job creation” indicated the largest mean of 3.90 (rounded up to 4) which shows that the SMMEs are in agreement with this statement because 4 in the Likert scale coding indicates “agree”.

Statement 5 (b) in Table 4.2, “exhibitions” indicated the lowest mean of 2.21 (rounded down to 2) which shows that SMMEs disagree that they have a comprehensive awareness of NWDC’s training to SMME’s by presenting

programmes such as exhibitions and 2, according to the Likert scale coding, indicates "disagree".

In aggregate the items in the Likert scale obtained an average of 2.60. Therefore with regards to awareness of support services and communication levels the SMMEs indicated that they are unsure. This is arrived at after rounding 2.60 up to 3 and according to the Likert scale coding 3 indicates an "unsure" response.

4.2.3.2 Interpretation of standard deviation

According to Gravetter and Wallnau (2012:92) the standard deviation provides the measure of the standard or average distance from the mean and describes whether the scores are clustered closely around the mean or are widely scattered.

The Likert scale standard deviation 0.96 was obtained (Table 4.2). Therefore with regards to awareness of support services and communication levels the SMME responses are almost the same or identical concerning their awareness of NWDCs support services. It indicates that the scores are closely clustered around the mean.

4.2.3.3 Average response by use of percentages

Table 4.3 reflects the items of the Likert scale showing percentages. The Likert scale items were coded as follows:

1= strongly disagree, 2= Disagree, 3= Unsure, 4= Agree and 5= strongly agree.

Table 4.3: Awareness of support services and communication levels

	Item	SD(%)	D(%)	U(%)	A(%)	SA(%)
		1	2	3	4	5
1	A vibrant SMME sector is crucial for South Africa's economic growth, industrial development and job creation.	4.88	3.66	8.54	62.20	20.73
2	SMMEs in the North West Province have easy access to affordable and appropriate finance.	15.85	21.95	45.12	17.07	0
3	SMMEs that receive business development services are better positioned to access finance easily.	8.54	15.85	46.34	23.17	6.10
4	You have a comprehensive awareness of all the support services that NWDC has to offer such as:					
	a) Loan service.	13.41	39.02	25.61	18.29	3.66
	b) Mentorship.	15.85	48.78	26.83	6.10	2.44
	c) Registration of companies	8.54	31.71	28.05	29.27	2.44
	d) Pre care and after care service.	15.85	40.24	26.83	15.85	1.22
	e) Development opportunity by allocating business space.	6.10	19.51	20.73	43.90	9.76
	f) Mentorship from stage 1	19.51	42.68	30.49	6.10	1.22
	g) Moratorium on loans.	17.07	40.24	32.93	8.54	1.22
	h) Negotiations on rental.	10.98	29.27	24.39	30.49	4.88
5	You have a comprehensive awareness of NWDC's training to SMME's by presenting programmes such as:					
	a) Workshops on loan taking.	20.73	43.90	25.61	9.76	0
	b) Exhibitions.	21.95	42.68	28.05	7.32	0
	c) Business plan drafting.	19.51	45.12	26.83	8.54	0
	d) Report writing	19.51	43.90	30.49	4.88	1.22
6	Assistance with finding a suitable market for your products or services.	19.51	39.02	31.71	8.54	1.22
7	NWDC plays an active role in promoting your business and contributing to its growth.	21.95	34.15	31.71	10.98	1.22
8	Good communication relationship with the NWDC is in existence.	10.98	17.07	25.61	39.02	7.32
9	You have a comprehensive awareness of communication methods used by NWDC such as:					
	a) Phone calls.	8.54	30.49	30.49	24.39	6.10
	b) Brochures.	13.41	39.02	32.93	8.54	6.10
	c) Email.	12.20	35.37	34.15	14.63	3.66
	d) Workshops.	12.20	42.68	31.71	12.20	1.22
	e) Newspaper article.	12.20	42.68	32.93	9.76	2.44
	f) Meetings.	13.41	37.80	31.71	14.63	2.44
	g) Site visits.	13.41	34.15	24.39	24.39	3.66
	h) Exhibitions.	14.63	43.90	32.93	7.32	1.22
	i) Noticeboards.	13.41	42.68	29.27	13.41	1.22
	j) Newsletters.	12.20	41.46	32.93	12.20	1.22
	k) Memos.	12.20	42.68	32.93	10.98	1.22
10	The NWDC engages with you online/ internet by sending you emails to keep you updated.	15.85	36.59	32.93	12.20	2.44
	Average Response	14.15	35.61	29.84	17.16	3.25

Figure 4.16 that follows illustrates the information in table 4.3 in graphical presentation.

4.2.3.4 Views on awareness profile

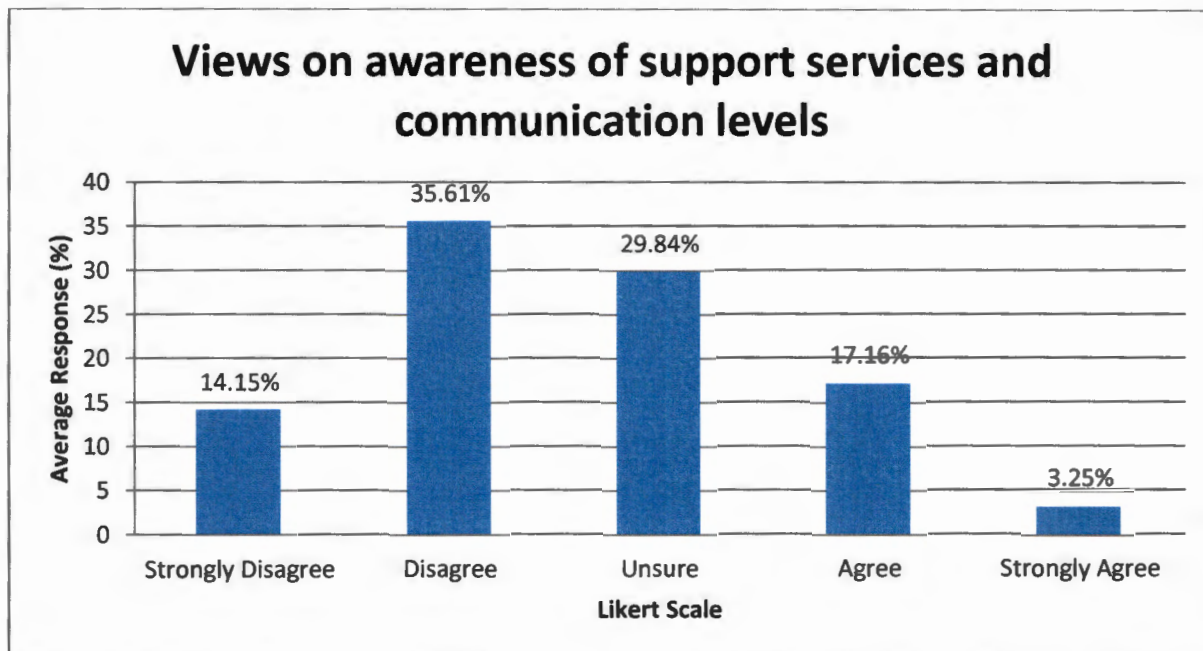


Figure 4.16: Views on awareness of support services and communication levels (n=82)

The average responses in terms of percentages on awareness of support services and communication levels indicated that 35.61% of the SMMEs disagree that they are aware of support services offered by NWDC. 3.25% of the SMMEs strongly agree that they are aware of the support services offered by NWDC. This indicates that SMMEs are uninformed about NWDCs support services.

4.2.4 Awareness of support services with regards to time frame

The next section will give an indication of time frame with regards to workshops and site visits as indicated by respondents.

4.2.4.1 Workshops profile

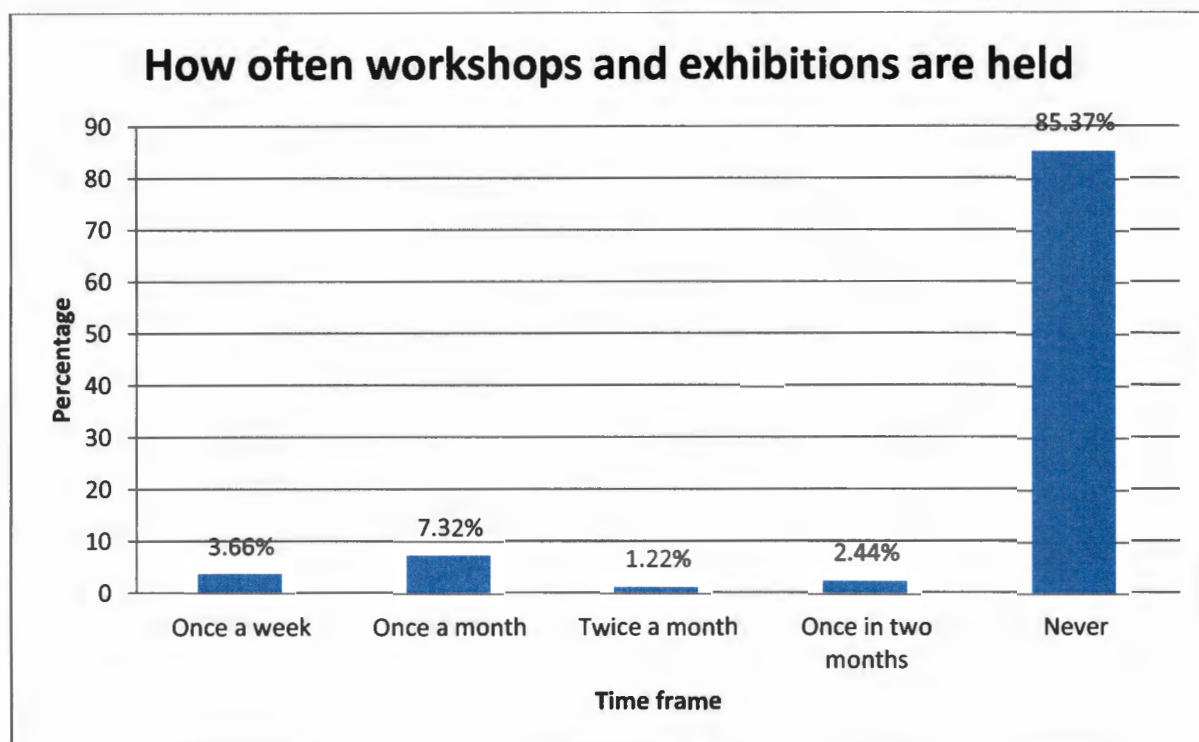


Figure 4.17: How often workshops and exhibitions are held (n=82)

85.37% of the SMMEs indicate that workshops and exhibitions are never held. 1.22% of the SMMEs indicate that workshops and exhibitions are held twice a month. It seems that the majority of the SMMEs have not attended any workshops or exhibitions held by NWDC.

4.2.4.2 Site visits profile

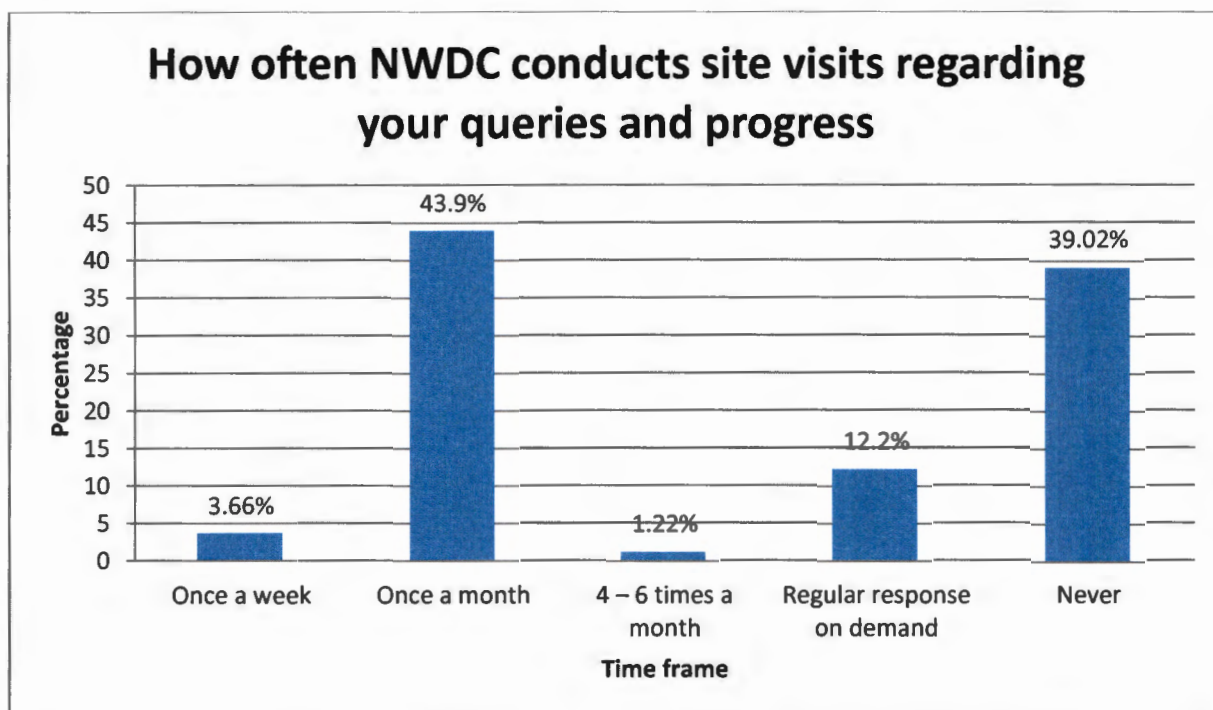


Figure 4.18: How often NWDC conducts site visits regarding your queries and progress (n=82)

43.90% of SMMEs indicate that the NWDC communicates with them once a month by site visits regarding SMME queries and progress. 1.22% of the SMMEs indicated that NWDC communicated with them 4-6 times a month by site visits. There was a 43.9% - 39.02% split between SMMEs that indicated “once a month” and SMMEs that indicated “never”.

The next section will describe the test of significance used and its significance with regard to the ages of the respondents.

4.3 Test of significance (Spearman’s rank correlation)

The Spearman’s rank correlation was used to analyse perceptions between age category and views of SMMEs on awareness of support services and communication levels. The intention was to discover if the perceptions of the over 45 age group correlated or differed from those of the under 45 age group. It should also be borne in mind that the NWDC should focus on the under 45 age group as new entrepreneurs and SMMEs are more likely to emanate from this group.

This test is concerned with the relationship between two ranked variables (X and Y). The relationship is statistically significant if the p-value is less than 0.05 (i.e. < 5%) level of significance (Salkind, 2010:1404).

The coefficient of Spearman's rank correlation is given by

$$r = 1 - \frac{6\sum D^2}{N(N^2 - 1)}$$

where

D = differences of ranks of corresponding values of X and Y

N = number of paired values in the data

$$-1 \leq r \leq 1$$

Table 4.4: Spearman's rank correlation between age category and views of SMMEs on awareness of support services and communication levels:

Perception		Age Category
You have a comprehensive awareness of all the support services that NWDC has to offer such as:		
Mentorship	Correlation coefficient (r)	0.234
	p - value	0.035
Moratorium on loans	Correlation coefficient (r)	0.285
	p - value	0.010

Since the p-values of 0.035 and 0.010 are less than a level of significance of 0.050, the correlation between age category and views of SMMEs on awareness of support services and communication levels is significant.

Positive correlation coefficients ($r = 0.234$ and 0.285) imply that older SMMEs tend to agree with the items listed in Table 4.4, whereas younger SMMEs tend to disagree.

Figures 4.19 and 4.20 justify this research finding with regards to comprehensive awareness on mentorship and moratorium on loans respectively.

4.3.1 Mentorship with regards to age profile

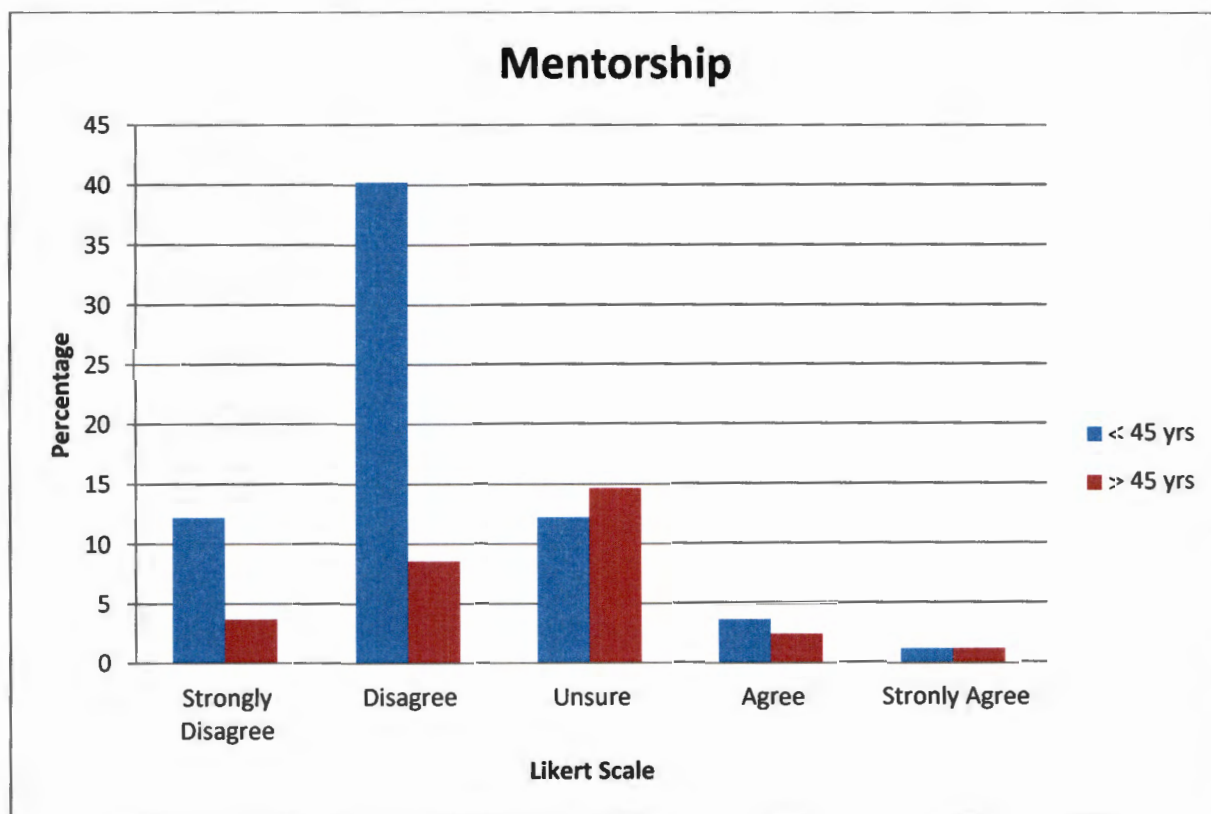


Figure 4.19: Mentorship (n=82)

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There is a trend that the SMME owners under the age of 45 disagree or show uncertainty that NWDC has mentorship programmes with them whilst the SMME owners older than 45 years agree that the NWDC has had mentorship programmes with them.

4.3.2 Moratorium on loans with regards to age profile

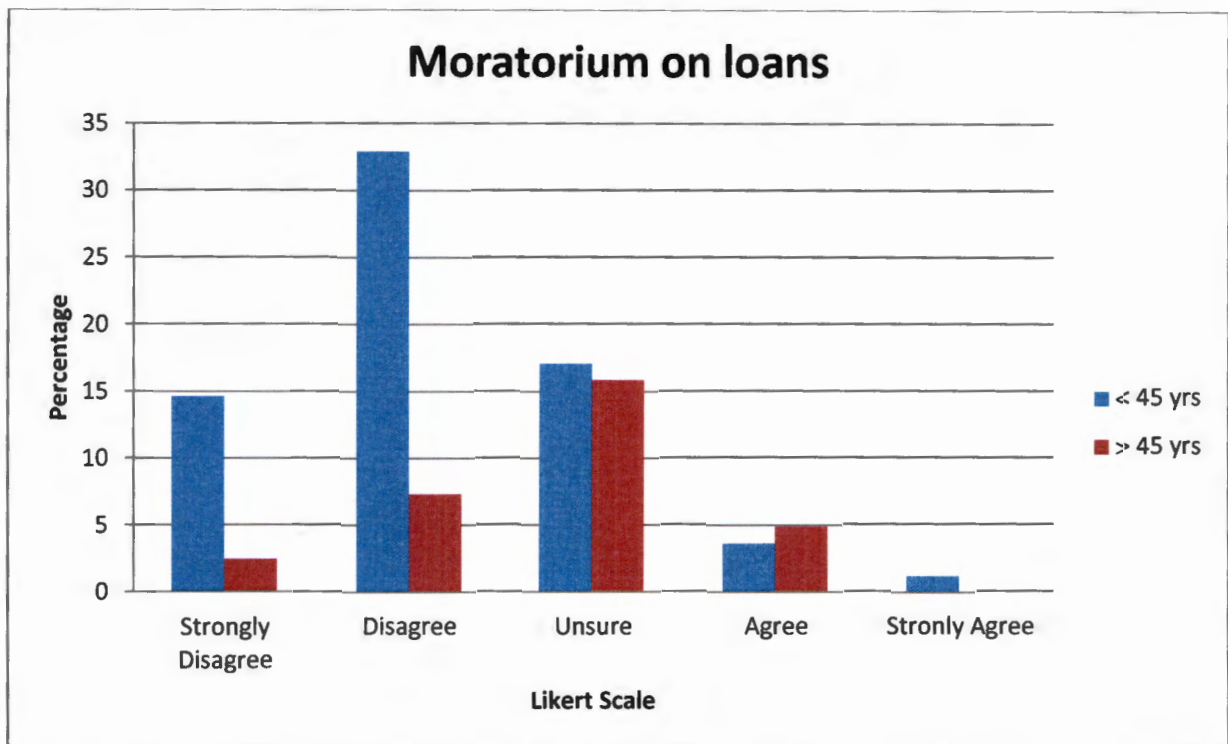


Figure 4.20: Moratorium on loans (n=82)

There is a trend that the SMME owners under the age of 45 disagree and also show uncertainty that NWDC have implemented a moratorium on loans with them whilst the SMME owners older than 45 years agree that the NWDC has implemented a moratorium on loans with them.

4.4 Factor analysis

According to Tryfos (2001:1) factor analysis is a method used to investigate whether a number of variables of interest such as Y_1 , Y_2 , Y_3 are linearly related to a smaller number of unobservable factors F_1 , F_2 , F_3 .

On the other hand factor analysis is used to determine the number of distinct constructs assessed by a set of measures. These unobservable constructs presumed to account for the structure of correlations among measures are referred to as factors (Fabrigar & Wegener, 2012:3-4).

According to Tryfos (2001:1) factor analysis proceeds in two stages:

- In the first stage one set of loadings is calculated yielding theoretical variances and covariances that fit the observed ones as closely as possible according to a certain criterion.
- In the second stage the first loadings are “rotated” so as to arrive at another set of loadings that fit equally well the observed variances and covariances and are more easily interpreted.

In this study the first set of loadings was determined or extracted by use of the “principal components extraction method”. This method seeks values of the loadings that bring the estimate of the total communality as close as possible to the total of the observed variances (Tryfos, 2001:1). Thereafter the “varimax rotation method” was used to detect factors each of which is related to few variables.

4.4.1 First Factor Solution

In this study the first factor solution was stage one where a set of loadings was calculated that yielded theoretical variances and covariances.

Table 4.5 reflects the principal components extraction method that utilizes the entire variation in the set of variables being analyzed. The procedure reduces the original set of variables to a smaller set of composite variables known as principal components (Hair et al., 2011:390).

The Principal Components extraction method was used for determining the first set of loadings.

Table 4.5: Principal components extraction method

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total(eigen values)	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	15.083	50.278	50.278	9.124	30.414	30.414
2	3.140	10.468	60.746	7.879	26.263	56.678
3	1.701	5.671	66.417	2.394	7.980	64.657
4	1.271	4.236	70.653	1.588	5.294	69.951
5	1.084	3.614	74.267	1.295	4.316	74.267
6	.997	3.324	77.591			
7	.860	2.868	80.459			
8	.784	2.612	83.071			
9	.688	2.293	85.365			
10	.540	1.800	87.165			
11	.480	1.601	88.765			
12	.471	1.570	90.335			
13	.400	1.333	91.669			
14	.353	1.176	92.845			
15	.321	1.072	93.916			
16	.274	.913	94.829			
17	.230	.767	95.596			
18	.222	.739	96.335			
19	.208	.692	97.027			
20	.176	.588	97.616			
21	.152	.506	98.122			
22	.141	.470	98.592			
23	.099	.331	98.923			
24	.084	.279	99.202			
25	.064	.214	99.416			
26	.057	.189	99.605			
27	.050	.166	99.771			
28	.032	.107	99.878			
29	.021	.069	99.948			
30	.016	.052	100.000			

In Table 4.5 an eigenvalue indicates the amount of variance explained by each component. Eigenvalues are commonly represented within scree plots, which graph the magnitude of each eigenvalue on the vertical axis against their ordinal numbers on the horizontal axis (Andrew et al., 2011:204).

The total variance helps to determine the emerging components. These components are the five whose eigenvalue is greater than 1 as indicated in Table 4.5 under the column total (eigenvalues). They have values of 15.083, 3.140, 1.701, 1.271 and 1.084. Therefore there are a total of 5 emerged components.

4.4.1.1 Scree plot

The Scree plot is a graphical representation of eigenvalues in corresponding components. Scree plots are useful in determining the maximum number of components for retention (Andrew et al., 2011:204). Five emerged components describe the dataset whose eigenvalue is greater than 1 since the scree plot is a graphical representation of emerged components from Table 4.5.

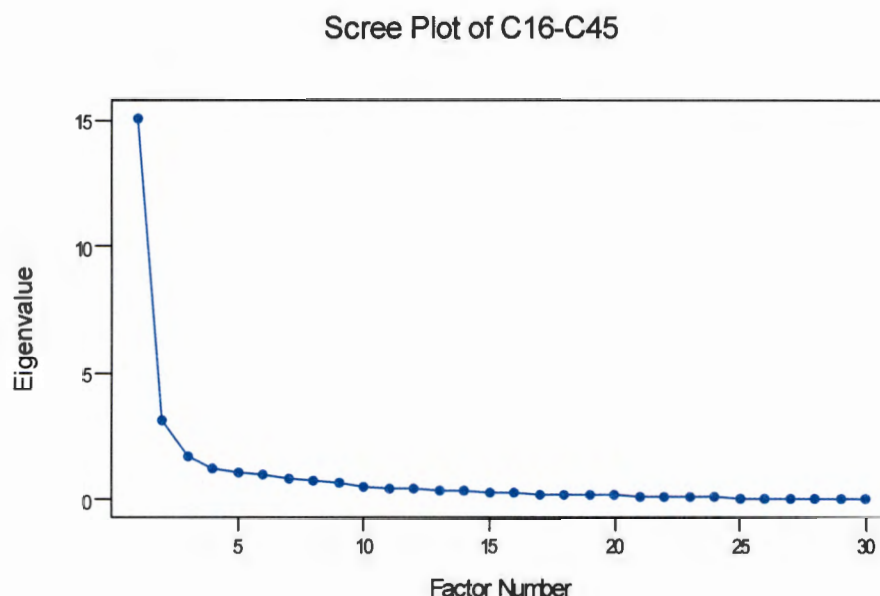


Figure 4.21: Scree plot

A measure of the degree of generalizability found between each variable and each component is calculated and referred to as a component loading. Component

loadings reflect quantitative relationships. The farther the component loading is from zero, the more one can generalize from that component to the variable (Gorsuch, 2013:3).

The cut-off point is therefore five as it is the point where the curve becomes horizontal on the Scree plot, with the first five components as core components.

4.4.2 Factor rotation

In this study the second stage will involve a situation where the first loadings are “rotated” so as to arrive at another set of loadings that fit equally well the observed variances and covariances. Once the components are rotated they are easily interpreted.

The Varimax rotation method was used to rotate components. The principal component extraction method was used before arriving at a rotation method of Varimax with Kaiser Normalisation (rotation converged in 7 iterations by SPSS version 21.0 Inc).

The initial solution in a principal component extraction method is unrotated therefore the need arises to employ a rotation matrix (Hair et al., 2011:390). For this study the “varimax rotation matrix” has been used. Rotation of components leads to identification of factors.

Table 4.6 shows variables (Y) that can be explained by the five components identified.

According to Raul and Ahmed (2005:273) the factor loading worth considering from the rotated factor matrix should be greater than 0.45. Therefore the variables with loadings of 0.45 or greater in the table will be the points to be considered for inclusion of a variable in interpretation of a factor.

Table 4.6: Rotated Component Matrix

Variables	Factor/Component				
	F1	F2	F3	F4	F5
Y1	.105	-.025	.005	-.047	.886
Y2	.118	.372	.052	.747	-.239
Y3	.238	.367	-.008	.561	.272
Y4	.143	.572	.573	.149	.141
Y5	.340	.782	.254	-.010	.034
Y6	.128	.296	.682	-.080	-.012
Y7	.390	.645	.227	.050	-.057
Y8	-.003	.095	.853	.054	.022
Y9	.296	.799	.208	.042	-.040
Y10	.173	.690	.342	.142	.251
Y11	.242	.515	.386	-.259	-.310
Y12	.335	.822	.064	.184	-.067
Y13	.251	.836	.068	.260	.009
Y14	.250	.840	.073	.107	-.038
Y15	.373	.712	.162	.052	-.033
Y16	.301	.694	.112	.357	-.036
Y17	.296	.647	.040	.303	-.029
Y18	.464	.143	.458	.129	-.264
Y19	.786	.014	.245	.137	-.092
Y20	.783	.202	.182	.114	.070
Y21	.769	.330	.136	.183	.123
Y22	.833	.451	.036	-.009	.147
Y23	.822	.468	.019	.039	.126
Y24	.832	.278	.136	-.082	.064
Y25	.778	.198	.194	.201	-.071
Y26	.839	.359	-.002	.124	.081
Y27	.841	.439	.060	.034	.123
Y28	.833	.338	-.038	-.004	-.121
Y29	.841	.348	-.061	-.098	-.056
Y30	.699	.138	.047	.314	-.002

The Table 4.7 that follows shows the order in which variables contribute to factors and lists the factors after rotation of components.

Table 4.7: Order in which variables contribute to factors

	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
	COMMUNICATION	MENTORSHIP	REGISTRATION OF COMPANIES	ACCESS TO FINANCE	DEVELOPMENT OF SMMES
1	Good communication relationship with the NWDC is in existence	Loan service	Loan service	SMMEs in the North West Province have easy access to affordable and appropriate finance	A vibrant SMME sector is crucial for South Africa's economic growth, industrial development and job creation
2	Phone calls	Mentorship	Registration of companies	SMMEs that receive business development services are better positioned to access finance easily	
3	Brochures	Pre - care and after care service	Development opportunity by allocating business space		
4	Email	Mentorship from stage 1	Good communication relationship with the NWDC is in existence		
5	Workshops	Moratorium on loans			
6	Newspaper article	Negotiations on rental			
7	Meetings	Workshops on loan taking			
8	Site visits	Exhibitions			
9	Exhibitions	Business plan drafting			
10	Noticeboards	Report writing			
11	Newsletters	Assistance with finding a suitable market for your products or services			

	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
	COMMUNICATION	MENTORSHIP	REGISTRATION OF COMPANIES	ACCESS TO FINANCE	DEVELOPMENT OF SMMEs
12	Memos	NWDC plays an active role in promoting your business and contributing to its growth			
13	The NWDC engages with you online / internet by sending you emails to keep you updated	Workshops			
14		Newspaper article			

4.4.3 Interpretation of factors

Principal factors extraction with varimax rotation was performed through SPSS (21.0 Inc) on 30 items from a sample of 82 SMMEs. Principal components extraction was used prior to principal factors extraction to estimate number of factors, presence of outliers, absence of multicollinearity and factorability of the correlation matrices.

Five factors were extracted with a cut off of 0.45 for inclusion of a variable in the interpretation of those factors. All the factors were included in the interpretation. Loading of variables on factors, communalities and percentages of variance are shown in Table 4.6 under Factors F1 to F5 respectively.

The five factors on the dataset are:

- communication F1 (e.g. phone calls, emails),
- mentorship F2 (e.g. workshops, moratorium on loans),
- registration of companies F3 (e.g. registration),
- access to finance F4 (access finance easily), and
- development of SMMEs F5.

4.5 Conclusion

In this chapter the analysis and interpretation of results was displayed by pie charts and bar graphs. Multivariate statistics were employed such as Spearman's rank correlation and Factor analysis. The next chapter will provide a conclusion and recommendations with regards to the findings of the empirical research study.

CHAPTER 5

CONCLUSION AND RECOMMENDATIONS

5 INTRODUCTION

In the previous chapter the analysis and interpretation of the research findings were presented and discussed. This chapter comprises a review of the responses received from SMMEs (results of demographic profile, results of business data profile and results of the awareness of support services and communication levels) and overall conclusions for the research objectives and questions of the study. Recommendations will be stated based on the results and overall conclusions.

5.1 Objectives of the study

The following objectives were addressed:

1. To identify the marketing communication challenges of the NWDC.
2. To determine the effectiveness of the marketing communication of the NWDC's support services to SMMEs..
3. To establish the level of awareness of NWDC's support services amongst the SMMEs.
4. To make suggestions that address the identified marketing communication challenges of the NWDC to SMMEs.

5.2 Research questions

The research questions to be answered were:

1. Is the NWDC's marketing communication effective?
2. To what extent were the SMMEs aware of the NWDC's marketing support services?
3. How can the NWDC effectively use marketing communication?

5.3 Results of the research study

The research study provided results with regard to the demographics, business data and the SMMEs' awareness of support services and marketing communication levels

5.3.1 Results of the demographic profile

The NWDC has successful communication with SMME owners who are 35 years old and older, however it needs to find a strategy to communicate better with SMME owners that are under 25 years of age (Figure 4.1).

Business support is focused on black SMME owners thereby uplifting people from disadvantaged groups (Figure 4.2).

The majority of SMME owners are male therefore the NWDC needs to encourage and support female entrepreneurs to a greater extent (Figure 4.3).

The SMME owners are in a position to read and write therefore the NWDC can communicate the support services in writing with them and be understood (Figure 4.4).

As the majority of SMMEs are South African citizens, the NWDC should invest in the SMME owners and encourage their growth as the businesses are their future and that of the North West Province (Figure 4.5).

Since SMMEs also have employees who rely on the success of the businesses for their livelihoods, the NWDC should strive to find effective communication techniques that exert a positive influence on the sustainability of the businesses (Figure 4.6).

Most of the SMME owners are married and have families to feed, so the NWDC should avail their support services to the SMMEs at the optimum level (Figure 4.7).

5.3.2 Results of the business data profile

The majority of SMMEs were established from 2000 onwards, indicating that they are presently in the early stages of business (Figure 4.8). Support is essential in the early stages if the SMMEs are to flourish.

There are more SMMEs whose businesses provide goods than those who provide services (Figure 4.9). The marketing strategy could be amended to place more emphasis on suppliers of services, creating a balanced delivery environment.

The majority of SMMEs have less than ten employees working for them, indicating a need for support services to expand their businesses (Figure 4.10).

The majority of SMMEs did not get any monetary investment (Figure 4.11), nor non-monetary investment from NWDC (Figure 4.12). Increased marketing effort is required to make SMMEs aware of the funding that the NWDC can provide.

The majority of SMMEs indicated that they are selling miscellaneous products (Figure 4.13). They indicate a need for support services to help them identify and focus on a core business activity.

SMMEs indicated that they require additional financial assistance for the purpose of expanding their businesses (Figure 4.14). The NWDC has a crucial role to fulfill in this regards.

The majority of the SMMEs indicated that they do not make use of the World Wide Web for general communication with the NWDC (Figure 4.15). This indicates that the SMME owners are lagging behind in their use of communication technology.

5.3.3 Results of awareness of support services and communication levels

The SMMEs indicated that they were unsure about having awareness of the support services and communication levels offered by NWDC (Table 4.2). The SMME responses were almost the same or identical.

In terms of percentages, the SMMEs disagreed with regards to their views on receiving support services and communication levels (Figure 4.16).

The majority of the SMMEs indicated that workshops were never held by the NWDC (Figure 4.17).

There was a 43.9% - 39.02% split between the SMMEs that indicated that the NWDC never communicated by employing site visits regarding their queries and progress and those SMMEs that indicated that the NWDC did so (Figure 4.18).

5.4 Overall conclusions



The overall conclusions drawn by the researcher for each of the research question is based on the most significant responses received from the respondents.

5.4.1 Research question 1

The survey returned the following:

- In this research SMMEs indicated uncertainty about being aware of the support services offered by NWDC (Table 4.2). The researcher can conclude that the marketing of the NWDC is not reaching the targeted audience at an acceptable level.

5.4.2 Research question 2

The survey returned the following:

- In this research 35.61% of the SMMEs disagreed that they were aware of NWDC's marketing support services whilst 3.25% of the SMMEs agreed (Figure 4.16). The researcher can conclude that a significant number of the SMMEs do not have the required awareness of the NWDC's support services.

5.4.3 Research question 3

The survey returned the following:

- In this research 85.37% of the SMMEs indicated that they had never attended workshops held by NWDC while 1.22% agreed they attended workshops twice a month. The researcher can conclude that the vast majority of the SMMEs have never attended workshops held by NWDC (Figure 4.17).
- There was a 43.9% - 39.02% split between SMMEs that indicated that NWDC communicated through site visits once a month and SMMEs that indicated site visits never took place (Figure 4.18). The researcher can conclude that the number of SMMEs that have never had site visits from NWDC is significant but only slightly less than the number of SMMEs that have had site visits.

In order to achieve the four objectives set out in this research study the researcher made the recommendations that follow in section 5.5.

5.5 Recommendations

5.5.1 Recommendation with regard to objectives 1 and 4:

The uncertainty of SMMEs with regards to NWDC's support services and communication levels is an indication that NWDCs marketing communication message is not effectively communicated to the SMMEs. Therefore, the NWDC must draw up and implement a schedule of specific dates when it will carry out training programmes that it already has in place such as:

- workshops,
- exhibitions to train SMMEs and better equip them for sustainability,
- sending out memos,
- newsletters,
- use of noticeboards to paste useful information,
- exhibitions,
- having meetings,
- sending out newspaper articles and brochures,
- mentorship,
- pre care and after care service,
- moratorium on loans,
- business plan drafting,
- report writing, and
- assisting SMMEs with finding suitable markets.

The marketing communication should adopt an action oriented approach towards communicating and working with the SMMEs. For example, the NWDC should communicate relevant information about upcoming training events to the SMMEs for them to plan their time accordingly.

5.5.2 Recommendation with regard to objective 2:

The NWDC should encourage its SMMEs to make use of the World Wide Web as this is a technological era. 84.15% of the SMMEs indicated that they did not make use of the World Wide Web (Figure 4.15).

The NWDC should therefore hold information technology seminars where they train SMME owners on how to browse the internet and make use of email as well as word processing (Ms Word), spreadsheets (Ms Excel) and slide presentations (Ms PowerPoint). The NWDC could also assist with the selection of suitable hardware.

5.5.3 Recommendation with regard to objective 3:

The level of awareness amongst SMMEs with regards to NWDC's support services and communication levels was indicated by "unsure" showing that SMMEs are not confident that they are aware of the support services that are being offered to SMMEs (Figure 4.16). The marketing policy of the NWDC must therefore be amended to include a variety of ways to deliver marketing messages to SMMEs, for example by making use of fliers, pamphlets, email messages, etcetera.

5.6 Personal reflection

The researcher is of the opinion that:

- SMMEs are not well informed about the support services of NWDC and seem hesitant about most of the issues addressed with regards to support services and communication levels (Figure 4.16).
- SMMEs view the NWDC mainly as a landlord providing business space and are not provided with support services to an optimum level as should be the case.
- The North West Development Corporation's mission is to empower and develop SMMEs in the North West Province and therefore the NWDC should expand its marketing perspectives with the view to develop the SMMEs, the North West Province and the people in it.

5.7 Conclusion

This study on the effectiveness of the marketing of the North West Development Corporation to Small, Medium and Micro Enterprises found that the SMMEs showed uncertainty with regards to their awareness of the NWDC's support services and communication levels. The SMMEs were not provided with the funding (Figure 4.11) which is required for business growth and for business expansion (Figure 4.14).

There is a need for the NWDC's marketing department to communicate efficiently and effectively with regards to the support services it offers and that are available to the SMMEs. The NWDC's marketing communication should also keep abreast of issues concerning SMMEs so as to provide effective care and continuous support to the SMMEs.

It is hoped that the responses from the SMMEs will be used by the NWDC to formulate policies and procedures that will contribute towards making the process of working with SMMEs positive with regards to entrepreneurship, empowerment and development for the North West Province in South Africa.

The purpose of this chapter was to draw conclusions on the research study that was conducted. Recommendations were stated and they can serve as a basis for future research projects.

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Annexure A

Required Sample Size[†]
from: The Research Advisors

Population Size	Confidence = 95.0%				Confidence = 99.0%			
	Degree of Accuracy/Margin of Error				Degree of Accuracy/Margin of Error			
	0.05	0.035	0.025	0.01	0.05	0.035	0.025	0.01
10	10	10	10	10	10	10	10	10
20	19	20	20	20	19	20	20	20
30	28	29	29	30	29	29	30	30
50	44	47	48	50	47	48	49	50
75	63	69	72	74	67	71	73	75
100	80	89	94	99	87	93	96	99
150	108	126	137	148	122	135	142	149
200	132	160	177	196	154	174	186	198
250	152	190	215	244	182	211	229	246
300	169	217	251	291	207	246	270	295
400	196	265	318	384	250	309	348	391
500	217	306	377	475	285	365	421	485
600	234	340	432	565	315	416	490	579
700	248	370	481	653	341	462	554	672
800	260	396	526	739	363	503	615	763
900	269	419	568	823	382	541	672	854
1 000	278	440	606	906	399	575	727	943
1 200	291	474	674	1067	427	636	827	1119
1 500	306	515	759	1297	460	712	959	1376
2 000	322	563	869	1655	498	808	1141	1785
2 500	333	597	952	1984	524	879	1288	2173
3 500	346	641	1068	2565	558	977	1510	2890
5 000	357	678	1176	3288	586	1066	1734	3842
7 500	365	710	1275	4211	610	1147	1960	5165
10 000	370	727	1332	4899	622	1193	2098	6239
25 000	378	760	1448	6939	646	1285	2399	9972
50 000	381	772	1491	8056	655	1318	2520	12455
75 000	382	776	1506	8514	658	1330	2563	13583
100 000	383	778	1513	8762	659	1336	2585	14227
250 000	384	782	1527	9248	662	1347	2626	15555
500 000	384	783	1532	9423	663	1350	2640	16055
1 000 000	384	783	1534	9512	663	1352	2647	16317
2 500 000	384	784	1536	9567	663	1353	2651	16478
10 000 000	384	784	1536	9594	663	1354	2653	16560
100 000 000	384	784	1537	9603	663	1354	2654	16584
264 000 000	384	784	1537	9603	663	1354	2654	16586

† Copyright, The Research Advisors (2006). All rights reserved.

The recommended sample size for a given population size, level of confidence, and margin of error appears in the body of the table.

For example, the recommended sample size for a population of 1,000, a confidence level of 99%, and a margin of error (degree of accuracy) of 3.5% would be 575.



Change these values to select different levels of confidence.



Change these values to select different maximum margins of error.



Change these values to select different (e.g., more precise) population sizes.



The marketing of the North West Development Corporation to Small, Medium and Micro Enterprises

Dear Participant (SMME),

Thank you very much for your willingness to complete the questionnaire regarding the support services that are offered by the North West Development Corporation to Small Medium and Micro Enterprises and their owners.

The purpose of this questionnaire is to collect data that will be used to achieve the research objectives. They are:

- To identify the marketing communication challenges of the NWDC.
- To determine the effectiveness of the marketing communication of the NWDC's support services to SMMEs.
- To make suggestions that will address the identified marketing communication challenges of the NWDC to SMMEs.
- To establish the level of awareness of NWDC's support services amongst the SMMEs.

This is an anonymous and confidential survey. Your response cannot be identified and the answers you provide will be used for academic research purposes only. The completion of the questionnaire should not take more than 10 minutes. As participant, you are not obliged to complete the questionnaire, but can withdraw at any time.

Completion of the questionnaire also indicates your consent as respondent that the data may be used for the purposes of this study and any subsequent study.

Please answer all the questions. There are no right or wrong answers.



... the heartbeat of trade, investment and economic growth

Tel: (018) 381 3863
Fax: (018) 381 2041
Email: yoliswam@nwdc.co.za

North West Development Corporation
22 James Watt Crescent
2745

OFFICE OF THE CHIEF EXECUTIVE OFFICER

Dear Tenants

30 OCTOBER 2013

Ngaka Modiri Molema District

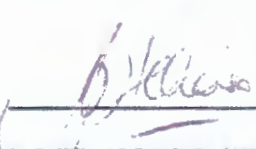
SUBJECT : RESEARCH BY INONGE THERESA LISITA

Please be advised that the North West Development Corporation (NWDC) has granted Ms Inonge T. Lisita permission to conduct a research on SMME Support Services available to the SMME community.

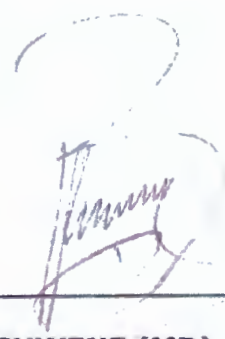
This research is in the main for her studies, but it will also assist the NWDC to identify gaps in the basket of services being offered to SMMEs.

Your co-operation in this regard will be highly appreciated.

Yours faithfully



I DITLHOISO (MR)
FUND MANAGER



B.S TSHWENE (MR)
ACTING CEO



Annexure D

HUMAN RESEARCH ETHICS COMMITTEE

APPLICATION FOR RESEARCH ETHICS CLEARANCE: 2013

Instructions and recommended path for the completion of your ethics application:

1. The completed Ethics Application Form must be submitted to the relevant School/ Faculty Representative of the Human Ethics Committee who will then submit it to the Chair of the research ethics committee.
2. All applications must be signed and submitted in Electronic Format.
3. Incomplete applications will not be reviewed.
4. Proof of Research Proposal Acceptance must be submitted with the application (Please refer to your departmental research committee for relevant documentation).

Please complete all information below:

SECTION A:		
Title, initials, surname:	Miss I T Lisita	
Student or staff no.:	18013821	
Department:	Marketing	
Telephone:	018 389 2387	
Cell phone:	0768344125	
Fax:	018 389 2022	
E-mail:	Inongewaza@Yahoo.com	
Application:	First application ☒ Resubmission ☐	
Title of research:	Marketing of the north West Development Corporation to Small, Medium and Micro Enterprises	
Supervisor:	Prof JJ Prinsloo	
Co-supervisor:		
Purpose of research:	Estimated duration of research:	
Honours	☐	
Masters (Including mini -dissertations)	☒	2 years
Doctoral	☐	
Non-degree	☐	
Funding (if applicable):		

Please answer each question by ticking the appropriate box¹:

- | | Yes | No |
|--|-------------------------------------|-------------------------------------|
| 1. Does the study involve participants who are particularly vulnerable ² or unable to give informed consent? (e.g. children, people with learning or other mental or physical disabilities, people who are incarcerated, unemployed or otherwise compromised in responding to your questions) | ☐ | ☒ |
| 2. Are you planning on making use of NWU students or direct and secondary/contracted staff members in this research? | ☐ | ☒ |
| 3. Will the study require the co-operation of a gatekeeper for initial access to the groups or individuals to be recruited? (e.g. students at school, members of self-help groups, residents of a nursing home, the Minister of Education, a tribal chief or village elder) | ☐ | ☒ |
| 4. Will it be necessary for participants to take part in the study without their knowledge and consent at the time? (e.g. covert observation of people) | ☐ | ☒ |
| 5. Will the study involve discussion of or questions about a sensitive topic? (e.g. sexual activity, drug use, crime, harassment, violence) | ☐ | ☒ |
| 6. Are drugs, placebos or other substances (e.g. food substances, vitamins) to be administered to the study participants or will the study involve invasive, intrusive or potentially harmful procedures of any kind or any physical, psychological or socio-economic intervention? | ☐ | ☒ |
| 7. Will blood or tissue samples be obtained from participants? | ☐ | ☒ |
| 8. Could the study induce physical, psychological or social stress or anxiety or cause harm or negative consequences beyond the risks ³ encountered in normal life? | ☐ | ☒ |
| 9. Will the study require the identification of individuals for follow-up evaluation? | ☐ | ☒ |
| 10. Will financial inducements (other than reasonable expenses and compensation for time) or inducements of any other kind be offered to participants? | ☐ | ☒ |
| 11. I have read the NWU's Manual for Postgraduate Studies and am familiar with the Guidelines for Research Ethics contained therein. | ☒ | ☐ |
| 12. Could the image of the NWU, the relevant academic department, your employer, or any other institution however affected by/involved in the project be negatively affected by this research or put in a bad light? | ☐ | ☒ |

¹ Adapted from Economic and Social Research Council (2005). Research Ethics Framework (REF). www.esrcsocietytoday.ac.uk

² **Vulnerable groups** raise special issues of informed consent and potential risk. "Vulnerable" participants are not clearly described, but have been noted to include "...children, prisoners, pregnant women, mentally disabled persons, economically or educationally disadvantaged persons" (Common Federal Policy, 1991). Weijer and Emanuel (2000) consider participants to be vulnerable if they are not in a position to provide informed consent, due to their position (such as being in prison), or not possessing adequate intellectual faculty (such as children or the mentally ill). "Children" here are defined as participants younger than 18 years of age.

³ **Risk:** These possible risks are described as an "...invasion of privacy, loss of confidentiality, psychological trauma, indirect physical harm, embarrassment, stigma, and group stereotyping" (Oakes, 2002: 449), and also risks posed to "...a subject's personal standing, privacy, personal values and beliefs, their links to family and the wider community, and their position within occupational settings, as well as the adverse effects of revealing information that relates to illegal, sexual or deviant behaviour" (Economic and Social Research Council (ESRC), 2005: 21). Minimal risk may be defined as where "...the probability and magnitude of harm or discomfort anticipated in the proposed research are not greater, in and of themselves, than those ordinarily encountered in daily life" (Code of Federal Regulations, 2005).

If you answered **no** to all questions, submit the completed and signed form with your title registration. Students should retain a copy of the form and submit it with their dissertation/thesis.

If you answered **yes** to any of the questions, you will need to describe more fully how you plan to deal with the ethical issues raised by your proposal. **This does not mean that you cannot do the research, only that your proposal will need to be approved by the Research Ethics Committee.** You will need to submit your plans for addressing the ethical issues raised by your proposal using the Ethics Approval Application Form. This may be obtained from: <http://www.nwu.ac.za/library/documents/manualpostgrad.pdf> Alternatively, you may attach a fuller description of the specific issue to this declaration, for discussion by the panel at the Proposal Meeting.

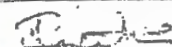
Please note that it is your responsibility to follow NWU's Guidelines for Ethical Research as set out in the Manual for Postgraduate studies and any relevant academic or professional guidelines in the conduct of your study. **This includes providing appropriate information sheets and consent forms, and ensuring the confidentiality in the storage and use of data.** Any significant change in the question, design or conduct over the course of the research should be notified to the Study Leader and may require a new application for ethics approval.

Candidate

Name and Surname:

IT Lisita

Signature:

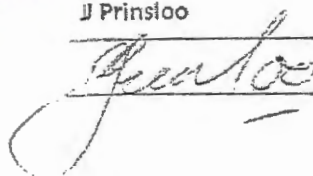


Supervisor

Name and Surname:

JJ Prinsloo

Signature:



School/ Faculty Representative

Name and Surname:

Signature:

Chair/ Vice-Chair: Research Proposal Committee:

Name and Surname:

Prof. E.N. Barkhuizen

Signature:



Date:

26/08/2013

Annexure E

Interview Form

Study title: Marketing of the North West Development Corporation (NWDC) to Small, Medium and Micro Enterprises (SMMEs).

Time.....

Date:

Place: North West Development Corporation (NWDC) Head Office, Mafikeng.

Interviewer: Inonge Theresa Lisita

Interviewee.....

Approximate length of interview: 45 minutes

Questions

1. General questions

1.1 What do you think about the NWDC logo?

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1.2 Does the NWDC provide suitable training to staff and clients?

.....

.....

.....

.....

1.3 Who are all the stakeholders of the NWDC?

.....

.....

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.....

1.4 How do you create awareness of the NWDC amongst potential investors outside of the North West Province?

.....

.....

.....

.....

1.5 Who are the beneficiaries of your corporate social responsibility?

.....

.....

.....

.....

2. To what extent are the SMMEs aware of the NWDC’s marketing support services?

2.1 What support services are available for SMME’s? Financial/non-financial?

.....

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2.2 How do you assist clients to find suitable markets for products/services?

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2.3 What opportunities for development does NWDC have to offer to SMME's?

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2.4 The NWDC designs special projects for future job creation. Which projects are these?

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2.5 What was the 2012/2013 budget allocated to SMME's and 2013/2014?

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2.6 What measures have been put in place to ensure proper utilisation of limited funds and resources?

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3. Is the NWDC's marketing communication effective?

3.1 What channels of communication are used to get messages to SMME's?

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3.2 How do you as the marketing department encourage a dualistic marketing communication with your clients?

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3.3 What kind of relationship exists between the NWDC and its clients?

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3.4 How often do you check up on SMME's?

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3.5 What is the after care service all about?



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3.6 What role does the marketing department play with regards to SMME promotion?

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.....
4. How can the NWDC effectively use marketing communication?

4.1 Do you ever find yourselves in a position where the marketing department has to implement programmes that are not marketing related? E.g. financial programmes or others

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.....
4.2 Has the NWDC implemented online marketing yet?

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5. Closure

Thank interviewee

Assure confidentiality

The following ethical considerations will be adhered to:

Guarantee of confidentiality, principle of voluntary participation, the requirement of informed consent, and the information from other sources will be duly acknowledged.

Ask permission to follow up

Research questionnaire

Section A: Demographics

Please provide the required information by marking with an (X) in the appropriate space provided.

1. Please indicate your gender:

1	Male	
2	Female	

2. Age:

1	<25	
2	26-35	
3	36-45	
4	46 or more	

3. Level of education:

1	Primary school	
2	Secondary school (grade 8-11)	
3	Matric (grade 12)	
4	Completed a technical trade program	
5	Tertiary education (without certificate)	
6	Tertiary qualification, BA, B Com	
7	Post grad qualification	

If other (specify): _____

4. Nationality:

1	South African	
2	Zimbabwe	
3	Zambia	
4	Mozambique	
5	Malawi	

If other (specify): _____

5. Race:

1	Black	
2	White	
3	Coloured	
4	Indian/Asian	

If other (specify): _____

6. Dependents:

1	zero	
2	one	
3	two	
4	Three or more	

If other (specify): _____

7. Marital status:

1	Single	
2	Married	
3	Divorced	
4	Widowed	
5	Living with partner	

If other (specify): _____

Section B: Business data

1. Please indicate the year in which your business was established: _____
2. What kind of business do you own? _____
3. Number of individuals currently employed: _____
4. Indicate the NWDC initial monetary investment (in rands) in your business:

5. Besides the mentioned monetary investment, was anything else invested in your business?

6. Indicate which of the following product categories you are manufacturing and/or selling?

1	Convenience products (e.g. bread)	
2	Shopping products (e.g. fridge)	
3	Speciality products (e.g. camera equipment)	
4	Unsought products (e.g. ambulance)	

If other (specify): _____

7. For what purpose is additional financial assistance most frequently required?

1	Expand business	
2	For inherent growth	
3	To fund capital expenditure	
4	For working capital	

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If other (specify) _____

8. Do you make use of the World Wide Web (internet) for general communication with the NWDC?

1	Yes	
2	No	

Section C: Your awareness of support services and communication levels.

Please indicate your point of view on each of the following statements by marking (X) in the appropriate column.

PART A

		Strongly disagree	Disagree	Unsure	Agree	Strongly agree
		1	2	3	4	5
1	A vibrant SMME sector is crucial for South Africa's economic growth, industrial development and job creation.					
2	SMMEs in the North West Province have easy access to affordable and appropriate finance.					
3	SMMEs that receive business development services are better positioned to access finance easily.					
4	You have a comprehensive awareness of all the support services that NWDC has to offer such as:					
	a) Loan service.					
	b) Mentorship.					
	c) Registration of companies					
	d) Pre care and after care service.					
	e) Development opportunity by allocating business space.					
	f) Mentorship from stage 1.					
	g) Moratorium on loans.					
	h) Negotiations on rental.					
5	You have a comprehensive awareness of NWDC's training to SMME's by presenting programmes such as:					
	a) Workshops on loan taking.					
	b) Exhibitions.					
	c) Business plan drafting.					
	d) Report writing					
6	Assistance with finding a suitable market for your products or services.					
7	NWDC plays an active role in promoting your business and contributing to its growth.					
8	Good communication relationship with the NWDC is in existence.					

9	You have a comprehensive awareness of communication methods used by NWDC such as:					
	a) Phone calls.					
	b) Brochures.					
	c) Email.					
	d) Workshops.					
	e) Newspaper article.					
	f) Meetings.					
	g) Site visits.					
	h) Exhibitions.					
	i) Noticeboards.					
	j) Newsletters.					
	k) Memos.					
10	The NWDC engages with you online/ internet by sending you emails to keep you updated.					

PART B

1. How often are the workshops/exhibitions (*referred to in 8d above*) held?

1	Once a week	
2	Once a month	
3	Twice a month	
4	Once in two months	

If other (specify): _____

2. How often does NWDC communicate with you i.e. site visits (*referred to in 8g above*) regarding your queries and progress?

1	Once a week	
2	Once a month	
3	4-6 times a month	
4	Regular response on demand	

If other (specify): _____

Thank you very much for your participation.

Inonge Theresa Lisita
076 834 4125

1. General questions

1.1 What do you think about the NWDC logo?

Colourful, shows teamwork, development, uniformity, perseverance, new beginning (different ideas), brand, well entrenched, well received by clients.

1.2 Does the NWDC provide suitable training to staff and clients?

Articles on website on small business development, staff courses, NWDC provides training analysis shift, recommendations from HR office, workshops on loan taking, send interns to EXPOs, CIPC training(in house or external), business administrators offer mentorship, SEDA helps draft business plans, skills audit, performance appraisals, training programmes, report writing, short courses.

1.3 Who are all the stakeholders of the NWDC?

Department of Economic Development, Environment, Conservation and Tourism, government, service providers (ESKOM, municipality), SMME community, National empowerment fund.

1.4 How do you create awareness of the NWDC amongst potential investors outside of the North West Province?

Exhibitions, hand out brochures, leaflets, outbound missions, meetings.

1.5 Who are the beneficiaries of your corporate social responsibility?

Schools, disadvantaged people such as the aged, disabled, abused women, the HIV centre, sports development.

2. To what extent are the SMMEs aware of the NWDC's marketing support services?

2.1 What support services are available for SMME's? Financial/non-financial?

Finance department, loans, mentorship, CIPC, database where SMMEs are registered, NWPBD, advice given to SMME units with regards to business plan drafting.

2.2 How do you assist clients to find suitable markets for products/services?

Low rates paid on properties, EXPO, facilitate market opportunities.

2.3 What opportunities for development does NWDC have to offer to SMME's?

Funding, space to start business, in touch with productivity SA, mentorship, bridging finance to SMMEs, low rates on property, moratorium on loans.

2.4 The NWDC designs special projects for future job creation. Which projects are these?

Industrial parks, disability projects.

2.5 What was the 2012/2013 budget allocated to SMME's and 2013/2014?

R22 million and R12 million respectively.

2.6 What measures have been put in place to ensure proper utilisation of limited funds and resources?

SMMEs should have sufficient documentation, Public Finance Management Act, guidelines.

3. Is the NWDC's marketing communication effective?

3.1 What channels of communication are used to get messages to SMME's?

Brochures, website newsletter, memos, notice boards, exhibitions, emails, newspaper articles, meetings, telephone, workshops held by stakeholders.

3.2 How do you as the marketing department encourage a dualistic marketing communication with your clients?

Tenants seen on monthly basis, constantly update website for new information, suggestion box, hotline (phone calls).

3.3 What kind of relationship exists between the NWDC and its clients?

There is still work that has to be done to improve on relationship between NWDC and its clients.

3.4 How often do you check up on SMME's?

Once a month, four to six times a month, regularly response, once in two weeks.

3.5 What is the after care service all about?

Advising services, pre care before loan taking, follow up to check implementation of projects, after care services, mentoring and coaching, one to one training.

3.6 What role does the marketing department play with regards to SMME promotion?

Give property, exhibitions, put up pictures of their services on website, establish a rapport (relationship of trust between NWDC and SMMEs).

4. How can the NWDC effectively use marketing communication?

4.1 Do you ever find yourselves in a position where the marketing department has to implement programmes that are not marketing related? E.g. financial programmes or others

Yes, image building, assist property development, assist HR by enforcing discipline/procedures.

4.2 Has the NWDC implemented online marketing yet?

Google, yellow pages, telephone directories, links in place such as departmental website.

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To whom it may concern

Re: Dissertation (Ms I.T. Lisita - 18013821)

May this serve to confirm that I have performed the statistical analysis on the data obtained from the questionnaires of the research survey conducted by the above-mentioned candidate.

Kind regards

A handwritten signature in cursive script, reading 'Naphtaly Maruma'.

Naphtaly Maruma (Mr)
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17/12/2013

CERTIFICATE OF LANGUAGE EDITING

The dissertation entitled

**MARKETING OF THE NORTH WEST DEVELOPMENT CORPORATION TO
SMALL, MEDIUM AND MICRO ENTERPRISES**

Submitted by

INONGE THERESA LISITA

For the degree of

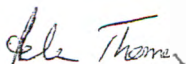
**MASTER OF COMMERCE
(MANAGEMENT)**

In the

**FACULTY OF COMMERCE AND ADMINISTRATION
MAFIKENG CAMPUS
NORTH WEST UNIVERSITY**

has been edited for language by

Mary Helen Thomas B.Sc.(Hons) P.G.C.E



Ms. Helen Thomas

Lecturer

School of Undergraduate Studies



Academic Administration (Mafikeng Campus)

SOLEMN DECLARATION (for Masters and Doctoral Candidates)

1 Solemn declaration by student

I, **Ms IT Lisita** declare herewith that the dissertation entitled

Marketing of the North West Development Corporation to Small, Medium and Micro Enterprises

which I herewith submit to the North-West University as completion of the requirements set for the **Master of Commerce** degree, is my own work and has not already been submitted to any other university.

I understand and accept that the copies that are submitted for examination are the property of the University.

Signature of candidate *Rinta* University-number 18013821

Signed at *DRONBWE* this *21* day of *FEBRUARY* 20*14*

Declared before me on this *21st* day of *FEBRUARY* 20*14*

Commissioner of Oaths: *[Signature]*

21 FEB 2014

2 Declaration by supervisor/promotor

The undersigned declares:

- 2.1 that the candidate attended an approved module of study for the relevant qualification and that the work for the course has been completed or that work approved by the Senate has been done
- 2.2 the candidate is hereby granted permission to submit his/her mini-dissertation/dissertation or thesis
- 2.3 that registration/change of the title has been approved;
- 2.4 that the appointment/change of examiners has been finalised and
- 2.5 that all the procedures have been followed according to the Manual for post graduate studies.

Signature of Supervisor: *[Signature]* Date: *24/02/2014*

Signature of School Director: *[Signature]* Date: *24/2/14*

Signature of Dean: _____ Date: _____