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RESEARCH REPORT

An exploratory study into the marketing competencies needed for a South African Organization

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ABSTRACT

The objective of this exploratory research is to develop an understanding of those areas of specialisation or competencies required by the marketing divisions of South African corporations. The study further seeks to explore the types of marketing activities organisations prefer to outsource to other specialised firms such as advertising agencies. The study draws from the need to develop an understanding of how organisations remain competent in the highly competitive market driven by globalisation and technological advancement where consumers are disposed to a myriad of products.

The research methodology was two-pronged: (1) literature review drawn from both domestic and international literature which provided an insight of how marketing divisions operate and skills required for the marketing profession, albeit lack of consensus. (2) The case study focused on a single pharmaceutical company (referred to as The Group in this study) which provided an insight on how companies diversified their marketing strategies. Twenty five respondents participated in the study, all of whom are employees of The Group. About ten (10) respondents are current brand managers and 15, are former brand managers (employed by The Group). The respondents answered to a questionnaire which sought to understand key competencies in the three areas of focus: marketing strategy, marketing initiative, and marketing implementation.

This research established that marketing implementation was key area which organisations were most likely to outsource. Lessons from this case study which is limited to understanding the outsourcing aspect will provide an insight to South African companies and organisations about areas that are best suited for outsourcing. The limitation of the study leaves room for future research by recommending that research should be directed towards understanding reasons for outsourcing those specific services.

Key concepts: marketing, competencies, outsourcing

DECLARATION

I LUCKY KGATLE declare that this research proposal is my own work unaided except as indicated in the references and acknowledgments. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in this or any other university. I further declare that I have obtained necessary authorization and consent to carry out this research.

LUCKY KGATLE

Signed at _____

On the _____ day of _____ 2009

DEDICATION

To my wife Nthabiseng Kgatle and my daughter Tumi Kgatle who have sacrificed a lot for me to fulfil this goal, thank you for your love and support.

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Chapter 1

1.1 Introduction

The Chartered Institute of Marketing (2001) describes marketers as the guardians that will determine any company or organisation's future. Marketers are seen as essential in providing continuous growth in earnings from their effective marketing. However, it is unclear who is responsible for ensuring that the marketing activities actually occur. Most boards of companies have started realising that marketing is the most significant facet in business growth and development. The key questions companies are most likely to ask themselves are: (1) whether their customers prefer their brand or those of their competitor/s; and (2) how marketing effectiveness can be measured? Currently, consumers are equipped by digitisation and networking technologies that connect them with experts, lead-users and other savvy consumers which in turn enable them to understand the attributes of a myriad of products available in the market and then choose what they perceive to be suitable for their needs.

Consequently, marketing has come under scrutiny in many organisations to justify the return on investment and demonstrate to the board the effectiveness of brand equity on the bottom line. *Marketing waste* [market investments by organisations which do not bear profitable outcomes] has raised significant concerns particularly where there has been poor

resources allocation. Where resources are limited, it is important to identify the marketing competencies required within organizations.

As part of this study, the importance of marketing will be highlighted to establish the complex environment that exposes consumers to many choices of products or services exacerbated by improved technologies. The study will also focus on the actions that organisation are forced to take to harness the power of consumer insight in order to compete for their attention. The study will also assess challenges faced by marketing divisions within organisations with regard to resource allocation and how that contributes towards the profit outcomes. Most importantly, the study seeks to establish how organisations can apply marketing principles to their own advantage so that they remain competitive ahead of their competitors.

1.2 Problem Discussion

Organisations are forced to remain competitive and ahead of their competition in the constantly changing environment and ever increasing market demands which are influenced by globalisation and technological advancements. With the emergence of operational and management efficiencies, increased consumer choice, access to information and convenience; organisations are faced with more competition at domestic and international market levels as market barriers are increasingly eroded

(Australian Chamber of Commerce and Industry, 2002). This has led to many organisations to consider reinventing themselves to respond to the market demand. Johnson, Christensen, and Kagermann (2008) argue that the secret to maintaining a thriving business is recognising when it requires fundamental change and then implementing the changes to be ahead in the constantly changing market environment.

Recognising the vast extent of available choices of products and services to consumers, coupled with the technology which continuously bombards consumers with information; organisations are now forced to harness the power of consumer insight as a way of competing for their attention (Florin, Callen, Pratzel and Kropp, 2007). Moller (2006) supports this argument by stating that to effectively manage the relationship between suppliers (sellers) and buyers, it is essential for the suppliers to understand how customers' perception of value and their role in value creation thereof. Considerable attention in literature is focused on value and perceived value, relating to issues such as consumer behaviour, pricing, business marketing, as well as business strategy (Ulaga and Eggert, 2005). These studies have emphasised the importance or role of marketing in business process and operations. Marketing has also been referred to as demand creation by Golfetto & Gibbert (2006). For companies to achieve this competitiveness, they would need a highly competent and experienced human resource whose competencies are relevant in all the functional areas of the organisation. The complexity of

consumer markets where there is a myriad of choice is creating a demand for companies or organisations to elevate the role and importance of their marketing divisions, hence the need for highly skilled personnel.

Research conducted by Florin, Callen, Pratzel and Kropp, (2007) has established the important role that marketing plays in this competitive environment. Although many organisations have marketing divisions, companies still utilise services of marketing consultants to achieve their marketing business objectives. The Chartered Institute of Marketing (<http://connect.cim/co/uk>) has noted that chief executive officers (CEO's) in some organisations are increasingly looking to marketing and its leaders to provide tangible impact on organisational performance by driving brand differentiation, instilling a customer focus and advising on opportunity development and strategy formulation. Despite this, marketing is still perceived as a tactical function involved with execution at the end of planning cycles and decision making.

At a sectoral or industry level, marketing remains unregulated like other professions as accountants, lawyers and so on. There is no official body registering marketing and advertising agencies, and it is therefore unclear how many advertising agencies exist in South Africa. According to a *Bizcommunity* web-directory of business services, there are over two

hundred advertising and marketing agencies listed. Additionally, there are over one hundred members registered with the Association for Communication and Advertising (ACA), the official representative body for the Communications and Advertising profession in South Africa (ACA, 2009). ACA represents various organisations including private sector companies working in this profession, as well as the government, the media and individuals. It is a voluntary body formed by professionals in the industry to protect the interest of the industry. It focuses on and is committed to self regulation, to ensure that the highest standards of ethical practice are achieved. Internationally, the Retail Advertising Marketing Association; RAMA (2009), a division of the National Retail Federation; NRF (2009) exist that provide a unique networking opportunity, industry research and educational programmes for retail advertising and marketing professionals. NRF members are able to take advantage of the added value of participating in RAMA as a benefit of membership with NRF. Without regulation of marketing by these bodies, it becomes unclear what qualifies agencies to perform marketing activities, and what competencies they possess.

Despite this, there are issues that remain unclear and this begs for two questions:

- What activities are the marketing departments exactly responsible for?; and

- What competencies are required to undertake these functions>.

These questions form the basis for this research study.

1.3 Research Questions

The following primary and secondary questions have been identified which will frame the objective of this research to understand the requirements for understanding marketing competencies required by South African organisations.

1.3.1 Primary Objective:

- To identify those marketing competencies required by South African organisation to remain competitive

1.3.2 Secondary Objective

- To identify marketing functions that are outsourced to other companies
- To understand the correlation between the competencies and the activities outsourced

1.4 Research Strategy

The research strategy will consist of the following:

- Secondary research

- A literature review to establish current marketing practices, particularly roles and responsibilities to respond to both the primary and secondary research questions.
- Primary research
 - Design of appropriate questions for the questionnaire to ensure that the objectives of exploring the marketing competencies required and the activities outsourced to marketing agencies are clearly defined in the questionnaires
 - Design and testing of appropriate questionnaire to ensure that the questions in the questionnaire are clear to the participants
 - Setting up telephonic appointments to conduct telephonic interviews, following up and collection of survey.
- Data analysis
 - Classification, storage and correlation of data.
 - Summarizing and concluding of final result.
- Final research report.

1.5 Consistency Matrix

The consistency matrix aims to align the theoretical input, the research proposal, the data collection and the analysis method employed in the research.

Table 1: - 1.1: Summary of research method

Propositions/ Questions/ Hypothesis	Supporting literature	Data collection	Analysis method
Primary a) What are the competencies required in marketing?	Kotler & Keller, 2003 Chen & Naquin, 2006 Carlisle, 2005 Petel, 2006	Questions	Content analysis on open ended questions to determine the range of competencies and a questionnaire to establish a list of the different competencies
b) How are they ranked	Golfetto & Gibbert, 2006	Questions	Frequency analysis to determine options and rank them
Secondary Marketing functions outsourced to other companies and the relationship to the competencies	Arnold, 2000	Questions	Frequency analysis to determine options

1.6 Outline of the Study

The layout of the research report will follow the framework of chapters outlined below.

Chapter 1 introduces the research topic and provides a background to the research. It also presents the main research problem which identifies marketing competencies required for a South African organisation.

Chapter 2 presents literature review of secondary research conducted. The literature review establishes current practices within the marketing industry from theoretical and pragmatic points of view. This chapter provide theoretical grounding for this research. The section will focus on the key definitions of marketing competencies, competitive advantage, and outsourcing of marketing activities.

Chapter 3 will define the purpose of the study and also outline the research questions.

Chapter 4 focuses on the research methodology. This chapter will discuss the methodology used; define the unit of analysis, the population, the sample size and the sampling method. It will also describe the research instrument used, the details of how the data was collected and the process of data analysis.

Chapter 5 will present the findings of the research illustrated by tables and figures.

Chapter 6 will discuss the research findings.

Chapter 7 is the conclusion highlighting the main findings of the research and providing recommendations for future research.

1.7 Summary

This chapter introduced the research topic of marketing competencies required in a South African organization. The chapter also provided an overview of the research and topics to be discussed. . The importance of marketing was highlighted due to the complex environment that exposes consumers to many choices of products or services and the technological advances and globalisation that fuels this behaviour. The discussion also included actions that organisations are forced to take to harness the power of consumer insight to compete for the consumer's attention. The chapter also looked at the challenges that marketing division's face in the allocation of resources within their own organisations and how that contributes towards the bottom line. The chapter concluded by discussing marketing competencies and their importance in ensuring that organisations remained competent.

Chapter 2 - Literature Review

2.1 Introduction

Marketing is in a state of constant evolution. Company Connect (2009); argue that organisations continue to focus their attention on marketing design and effectiveness of marketing within organizations. They further argued that the skill sets that served marketing functions a decade ago are seemingly vulnerable currently. The operating models are changing and yesterday's structures and approaches are fast becoming redundant.

The key questions that these organisations need to answers are:

- What will a high performing marketing organisation look like in five years and how do we get there?
- What expectations will business leaders be placing on marketing and its constituents, and how can we prepare for this?
- What skills and competencies do we need and what are the implications for people, talent and learning strategies to enable this?

This chapter will attempt to address these and other research questions intrinsically related to this study. Thus, the objective of this chapter is to present theoretical findings of conducted through secondary research. The

theoretical background provides a framework for this research by evaluating current marketing practices. Various marketing concepts will also be presented such as competency; competitive advantage and outsourcing.

2.2 Business Environment

Globalisation and technological advancement have created highly sophisticated consumers who are networked, informed, and progressive and this is forcing organisations to operate in highly competitive sectors. This notion is supported by Johnson (2008) who presented the organisation's customer value proposition as an act of perfectly fitting the needs of the customer. This is further supported by Hall (2006) in reference to Doyle's work on the information revolution that the three drivers affecting the changing business environment. The first is the rapidly changing markets due to globalization, new competition and rising customer expectations. The second driver identified is the marketing skills as the key to creating competitive advantage and the final driver, is the performance of marketing as the root source of shareholder value.

2.2.1 Environment of Business

A study conducted by PriceWaterCooper (2009) established that 100% of the CEOs considered introducing technology and communication to increase their competitiveness to facilitate a sustained growth in their businesses over the long period. Accordingly, considerable numbers of business organisations are working towards accelerating and incorporating technological innovations made possible by broadband. The PriceWaterhouseCoopers (PWC) analysis further reveals a dramatic rise in total spending across the converging sectors i.e. communications, entertainment, and technology, thus creating a burst of innovation. Consumers are also becoming more technology driven and it is expected that companies that can harness the opportunities around technology and communications and translate them into value creation with a clear vision of the future will highly likely be the winners in this environment. Central to all these changes is marketing. There is therefore the need to identify the competencies that would be required within marketing to help companies create this value to the customers.

2.3 Defining Marketing

Kotler & Keller (2003) defined marketing as the design and implementation of marketing activities and programs in order to build, measure, and manage brands to maximise their value. Kotler & Keller

(2003) further stated that marketing deals with identifying and meeting human and social needs. Their shortest definition of marketing is “meeting needs profitably” (Kotler & Keller 2003). The American Marketing Association (2004) defined marketing as an organisational function with a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefited the organisation and its stakeholders. Further, marketing management is seen as the art and science of choosing target markets and getting, keeping and growing customers through creating, delivering and communicating superior customer value. Peter Drucker (1973) explained the objectives of marketing as knowing and understanding the customer so well that the products and services fitted him and sold itself.

This angle is further supported by the American Marketing Association which asserts that marketing as an activity involves a complex set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large (AMA, October, 2007). Kottler & Keller (2003) have however noted shifts in marketing management over the past decade which have impacted on organisational marketing strategies and consumer behaviour.

2.3.1 Shifts in Marketing

Over the last decade changes in the way in which marketing management has been conducted and its impact on company strategies and how this has trickled down to the consumers (has changed Kotler & Keller (2003)). The following table (2.1) presents the shifts in marketing management developed by Kotler & Keller (2003). Of importance to this research is the shift from developing the entire marketing value chain internally to retaining core activities while outsourcing activities that others can perform more efficiently, effectively and innovatively. There has also been a shift in the emphasis of tangible assets to recognising the value of brands, the intangible assets which also leads to a shift from building brands through advertising to building brands through performance and integrated capital.

Table 2: - 2.1: Shifts in Marketing Management

From	To
<ul style="list-style-type: none"> • The marketing department is responsible for marketing • Making everything internally • Using many suppliers • Emphasizing tangible assets • Building brands through advertising • Focusing on financial scorecard 	<ul style="list-style-type: none"> • Every employee has an impact on the customer and sees customers as the source of the organization's prosperity • Retaining core activities while outsourcing activities that others can do cheaply and better • Partnering with fewer suppliers to deliver value • Recognizing the value of brands, the customer base, employees, distributor and supplier relations and intellectual capital • Building brands through performance and integrated capital • Focusing on marketing scorecard

Source: A framework for marketing management (Kotler & Keller, 2003, p17)

As discussed earlier, companies are faced with a growing need to employ skilled workforce with appropriate competencies in all their functional areas to remain competitive. Within the marketing divisions, core competencies are demonstrated through the performance of business activities that bring buyers and sellers together, ultimately moving products, services and/or solutions from the producer to the end user.

2.4 Competency

Competency was defined by Meyer and Semark (1996) as a demonstration of integrated knowledge, skills, personal attributes and values required to meet specific learning outcomes. According to Carson; Cromie, McGowan, and Hill, (1995) a skill in the context of management, implies an ability that can be developed, not inborn and is shown by performance and not just potential. This is further asserted by the North 51 consultancy group (2005) definition which sees competencies as behaviours that individuals demonstrate within an organisation when they undertake job-related tasks effectively.

Torraco & Swanson (1995) noted that core competencies are often based on intangible and tacit capabilities found in shared and coordinated employee attitudes, actions, knowledge and skills. This therefore requires human resources development function to play a major role in this process. Thus, core competencies give companies the much desired competitive advantage.

Nonetheless, it is clear from the vast literature that scholars have been unable to reach a consensus on the definition of competency (Chen and Naquin, 2006). However, classifications of competencies are also different. This is demonstrated by the grading of product managers at The Group who were classified according to:

- **No competence:**

In this class of grade, the product manager is seen as lacking specific skills required to carry out the job and lacks confidence and/or motivation.

- **Low Competence:**

Here, the product manager demonstrates some skills, but is unable to do the job without assistance.

- **Average Competence:**

In this category, the product manager has experienced and demonstrates some skills.

- **High Competence:**

In this grade, the product manager is experienced and demonstrates capability to carry out the work. However, there is still a lack of confidence to take initiative and make major decisions. It is unclear whether lack of motivation is the reason why capacity is not achieved by the product manager at this level.

- **Outstanding Competence:**

This is the highest grading level where product managers are deemed to be highly experienced and confident in their own ability. At this level, the product manager may even be more skilled than the leader.

2.5 Competitive Advantage

In his research in causal ambiguity, barriers to imitation and sustainable competitive advantage, Reed (1990) cited the origins of competencies in the early 1960's as a desired end result of business policies, from Ansoff (1965), Learned, Christensen, Andrews and Guth (1969), which became an empirical study conducted by Hitt and Ireland (1985; 1986) and others. Reed (1990) argues that although the works on competency by many authors and researchers differ in their description on competency, they remained consistent on two important themes:

- a) The source of competency is always internal to the company
- b) Competency is produced by the way a company utilises its internal skills and resources

Ozmen (2001) highlighted that business operation has completely changed because of globalisation, connected computers, internet and internet technologies. Business tasks and processes are now performed as close to real time as possible, and this continues to improve as technology continues to advance. Companies will be obliged to respond speedily and implement prompt business processes to survive and compete in this era. Ozmen (2001) further states that speedy business processes and real

time responses have become an obligatory option for survival and competence purpose. Where businesses are unable to increase their speed in all their business related activities, strategy formulation and implementation decisions, they risk facing tough competition from competitors who opted to adapt to new information technologies and thus gaining a competitive advantage.

Mizik & Jacobson (2003) identify two fundamental processes that are required to achieve a sustained competitive advantage (1) value creation: innovation, production of and delivery of products to the market; and (2) appropriating value in terms of extracting profits in the marketplace. A firm is required to make strategic decisions on the most appropriate processes that would create an efficient and sustainable competitive advantage with limited resources.

The attention now turns to changes within the marketing sector where there have been drastic changes in the management of marketing processes. This change entailed moving for the traditional way of marketing wherein all marketing processes were conducted internally. Contemporary marketing management practices have moved towards outsourcing specialised functions which are mostly completed at a more efficient and innovative manner than before. Organisations thus prefer to retain core activities which cannot be done externally (Kotler & Keller, 2003). For the purpose of this research, the terms core activities and core

competencies will be used interchangeably. Prahalad and Hamel (1990) introduced the concept of *core competencies* in management in the 1990s. They defined core competencies as the collective learning in an organisation, with regard to integrating diverse skills and multiple technological streams, as the specific factor that a business perceives to be central to the way it, or its employees work. Webster dictionary defines competencies as the quality of being adequately or well qualified physically and intellectually. Meyer and Semark (1996) defined competency as a demonstration of integrated knowledge, skills; personal attributes and values required to meet a specific learning outcome.

In the context of management, a skill is also attributed to ability that could be developed, that is not inborn and is shown by performance and not just potential (Carson, Cromie, McGowan and Hill, 1995). The way in which competency is defined varies. Some studies however, have demonstrated that the role of competencies is to demonstrate, and perhaps enhance, the performance of individuals, teams and organizations (Clardy, 2008). Core competencies are also built over time as a by-product of the production process itself; they are therefore a function of the firm's learning curve (Clardy, 2008). According to The ABC of competency models (2009) the best competency models incorporate the values and culture of the organisation and are in turn business sector specific.

Considering the extent of the marketing scope and limited resources available to organisations, it is essential for organisations to identify relevant competencies within their marketing divisions that will increase their competitiveness and ability to reach the increasingly informed consumer. Organisations need to be clear which marketing activities should be outsourced to other organisations that provide specialised services such as advertising agencies.

Three institutions were randomly identified which offer marketing courses and listed the marketing subjects covered in these courses in table 2.2 below. The objective was to highlight similar courses suitable for training marketing professionals.

However, the findings presented on table 2.2 demonstrate that it is challenging to identify similar courses from three institutions and which consequently indicate competencies required for training marketing professionals within organisations.

Table 3: - 2.2: Marketing courses offered by 3 institutions

Wharton University of Pennsylvania MBA in Marketing	Monash Institute of South Africa MBA in Marketing	Wits Business School
<ul style="list-style-type: none"> • Monetizing Emerging Interactive Media • Contagious: How Products, Ideas, and Behaviours Catch On • Law of Marketing and Antitrust • Models for Marketing Strategy • Customer Behaviour • Applied Probability Models in Marketing • Marketing Strategy • Creativity • Entertainment and Sports Marketing • Media and Entertainment Field Projects • Forecasting Methods for Marketing • Integrating Marketing and Operations • Sales Force Management • New Product Management • Pricing Policy • Advertising Management • Channel Management • Entrepreneurial Marketing • Multinational Marketing • Retailing • Marketing Metrics • Retail Merchandising 	<ul style="list-style-type: none"> • Marketing Theory and Practice • Consumer Behaviour • Marketing Research Methods • Integrated Marketing Communication • Marketing Planning and Implementation • Marketing Strategy • International Marketing <p>Additional Selection</p> <ul style="list-style-type: none"> • Business Marketing • Electronic Marketing 	<ul style="list-style-type: none"> • Building and managing corporate identity and reputation • Customer Marketing Metrics • Designing & Building a Strategic Marketing Plan • Marketing Management Programme • Product Strategy and Brand Management • Sales Management • Service Leadership and Performance • Strategic Marketing Management

Petel (2005) conducted a study which focused on competence in order to establish a model suitable for the certification of qualifications appropriate for developing capacities of sales and marketing professionals. These activities are presented in the following table 2.3 which were identified as fitting the activities to be carried out in marketing. While these were referred to as activities carried out by marketing personnel, these activities are increasingly being carried out by marketing and advertising agencies.

Table 4: - 2.3: Activities within marketing

<ul style="list-style-type: none"> • Establishes market segments, • Defines the features and budget of the marketing mix; • Defines targets and market volume, • Establishes market opportunities, • Implements new product concepts and launches new products, • Initiates market surveys, • Defines the sales and marketing policy for a product or range of products, • Defines the strategy and budget for operational and direct marketing, • Implements mass mailing and telephone campaigns, • Implements e-mailing and e-marketing campaigns, • Defines communication strategy 	<ul style="list-style-type: none"> • Implements events related to direct marketing, • Implements client databases, • Defines and implements global communication strategy, • Defines advertising strategy and implements advertising campaigns, • Defines and implements public relations strategy, • Defines and implements sales strategy, • Is responsible for sales to small customers, • Is responsible for sales to key accounts, • Manages the sales force, • Manages sales activities, • Implements sales fulfilment (logistics), • Manages direct sales, • Defines and implements distribution strategy, • Manages the distribution network, • Defines promotion campaigns, • Manages purchasing activities (retail);
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Source: Petel (2005) *Focus on Competence*

The term outsourcing is an abbreviation for 'outside resource using' with the objective of creating value outside the company, enabling the company to focus on its core functions (Buhner and Tuschke, 1997; Koppelman, 1996; Quinn and Hilmer, 1994; Zahn et al., 1998).

How does one identify and measure competence to enable marketing divisions to perform optimally or make the decision to outsource? Marketing consulting companies have resources that consist largely of experts in their field. In resource-based view, (Haanes, 2000), a firm needs to understand how it deploys scarce resources to create superior value. Marketing divisions are continuously required to justify their spent or existence or how they contribute to the bottom line. An illustration is made using a marketing consulting company to understand the resources that agencies utilise in carrying out their marketing consultancy work (Copernicus Marketing Consulting and Research, 2005).

2.6 Staff Complement - Experts in the Field

The structure of the marketing consulting organisation comprises of different skills set which are listed below:

- Marketing Consultants
- Statisticians
- Sociologists
- Psychologists

- Technicians

The skills diversity are further enhanced by the composition of board of directors which in some consulting companies they ensure that they have experts in marketing and hold academic post at various institution with a record of published articles and books.

Many marketing consultants are thought leaders in the sectors and have developed new marketing tools which are widely used by companies. These industry experts are credited with writing academic articles and books on marketing. Some of the tools include:

1. Applications of mathematical models for simulated test marketing; target group, media, and positioning optimization;
2. Computer-assisted design of new products and services;
3. Technology for discovering what people really think and how they behave;
4. Methodologies for measuring the magnitude of customer problems and underlying motivations;
5. Technology for isolating the contribution of specific media vehicles and the return on the investment in corporate communications and
6. Methodologies for developing superior advertising

Source: Copernicus Marketing Consulting and Research (2005)

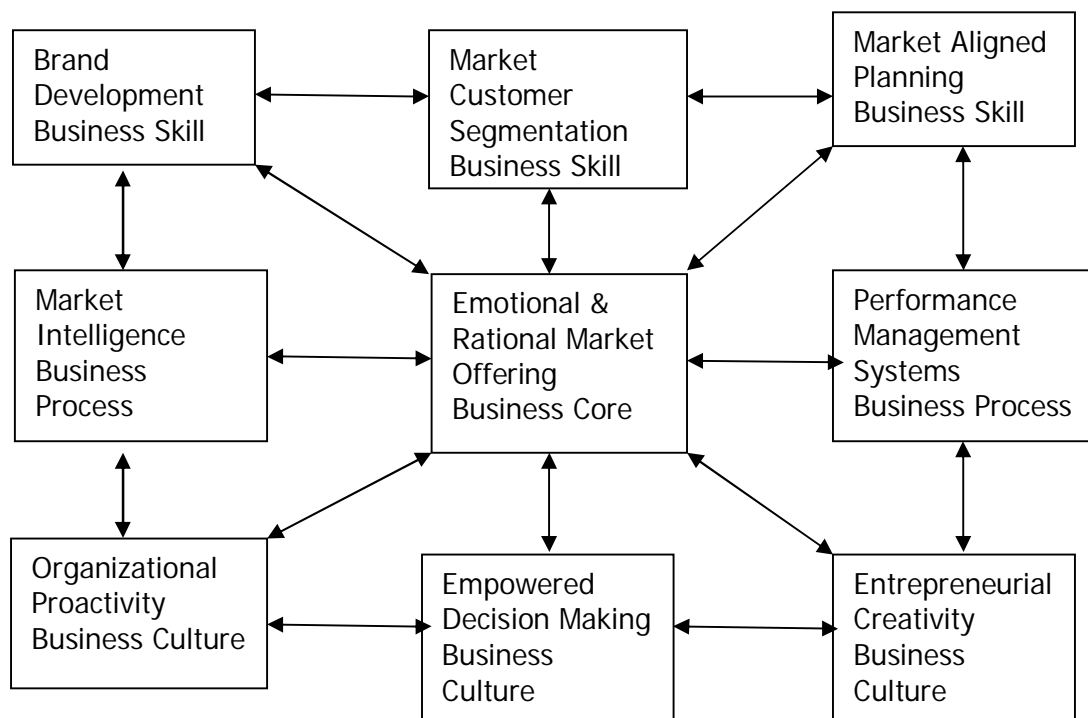
With such resources at the disposal of in consulting companies; organisations are unable to increase their overheads in order to have these kinds of specialised functions. Companies are thus compelled to identify and choose the suitable for them and the ones suitable for outsourcing. This in turn determines the kind and skills their human resource should possess.

The structures of organisations are influenced by the external environment in which they operate. For example, issues that need to be considered include the environment dynamics (high rate of environmental change and uncertainty); complexity of the environment (many environmental elements to monitor); diversity (great variety of products or services); and hostility (resource scarcity and competition). Other things that need to be considered are the stability of the environment (regular cycles of activity, steady changes in supply of inputs, predictable); its simplicity (few environmental elements to monitor and consider) or magnanimity (plentiful resources and limited competition) (McShane and Travaglione, 2003). These external influences directly influence the operations of marketing, and would also dictate the marketing competencies necessary to achieve an effective marketing role.

At the core of a business, is a rational and emotional product offering to the end user (Carlisle, 2005). Marketing is a process which conducts activities which ensures that buyer and the seller are brought together.

This correlation is demonstrated in the following figure 1 below. The marketing competencies and processes are directed by the company culture, internal systems, policies and procedures as well as external environment and established competencies. These internal systems are crucial.

Figure 2.1: PharmaImpactMarketing Conceptual Marketing Process (2005)



Source: Carlisle, R (2005) *Marketing Consultancy PharmaSolutions*
<http://www.pharmasolutionsltd.co.uk/>

It is for these reasons that this study seeks to explore marketing competencies that would be required by South Africa organisations while at the same time identifying those marketing functions that are outsourced to other companies.

2.7 Summary

The objective of this chapter was to present the secondary literature framing the core of this study which seeks to understand marketing competencies. Various concepts were introduced and defined such as marketing, competitive advantage, competencies and outsourcing, which form core of the marketing sector and will be referred to throughout this study. The chapter also covered background of the business environment where marketing plays a major role, how marketing is applied and its impact thereof. The chapter also presented the marketing approaches changes that have occurred within organisations with regard to marketing management. Also, training institutions play a huge role in marketing. Three institutions were analysed wherein courses offered were compared to determine whether there is a standard form of training marketing professionals and how this links to the shifts in marketing.

Chapter 3 – Research Questions

3.1. Introduction

The previous chapter discussed the theoretical framework on which this research is based. It formed the foundation on which the research questions will be based. The objective of this chapter is to outline the key questions that the research seeks to establish and the tools that were used to conduct the research.

3.2. Nature of the Research

This is an exploratory study which seeks to identify marketing competencies required by South African organisations to increase their competitiveness nationally and globally. Two research questions were formulated which will assist in establishing potential solutions to the research objectives.

The research questions are:

1. What are the marketing competencies
2. Which marketing activities are outsourced
3. What is the relationship between the two, if any?

3.3. Tools

Two questionnaires were developed. The first questionnaire seeks to identify the activities that the incumbent in their marketing position as a Product Managers; the activities that are outsourced and how often these activities are outsourced. The second questionnaire seeks to establish the competencies of the marketing executive from the point of view of the incumbent, in terms of qualifications and experience. Both the questionnaires are form part of Appendix A.

3.4. Source of the Activities

The source of the activities tested in the questionnaires is similar to a study that was conducted out in Europe to build a competency model for the marketing profession, and applying it as certification of marketing qualifications (Carlisle, 2005).

3.5 Summary

Chapter 3 identified two research questionnaires that outline the marketing competencies required for South African organisations. The exploratory qualitative research approach adopted will be explained in more detail in Chapter 4.

Chapter 4 - Research Methodology

4.1. Introduction

According to Zikmund (2003) the purpose of a study and not the technique, determines whether a study is exploratory, descriptive or causal. Exploratory studies are carried out to obtain a better understanding of a phenomenon. There are three interrelated purposes for carrying out an exploratory research:

- Diagnosing a situation
- Discovering new ideas, and
- Screening alternatives – concept testing

In the exploratory study, data is then collected using secondary data from literature, interviews or observations. This exploratory research applied both qualitative and quantitative research methods which include literature review on the one hand; as well as telephonic survey and face-to-face interviews on the other. An invitation to participate in the research was sent to the participants. Telephonic interviews were carried out with the participants in the October 2009. Utilising the face-to-face mechanism was not always possible due to time factor and where possible, respondents were interviewed.

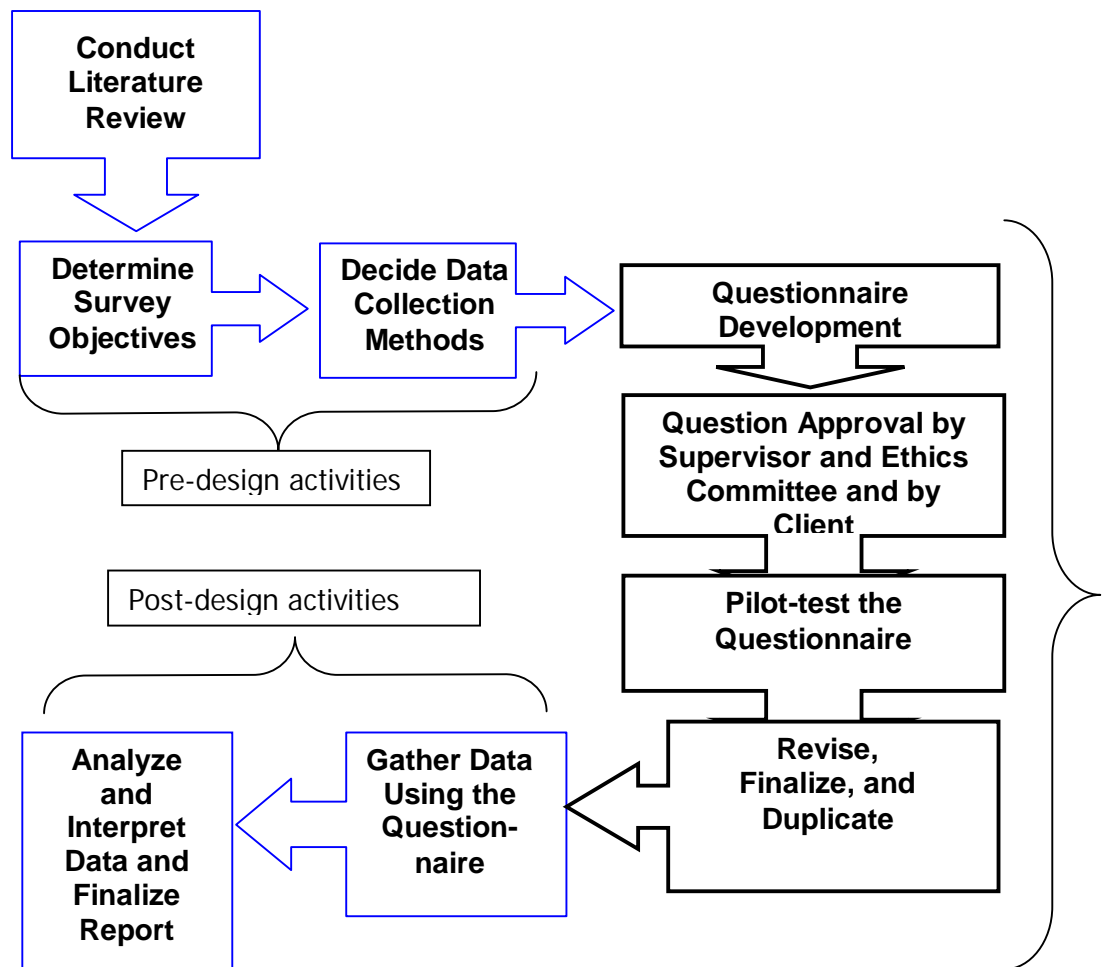
4.2. Type of Research

This exploratory case study is conducted to increase an understanding and knowledge of the marketing competencies needed for South African Organisations. The research will focus a pharmaceutical company; and for confidentiality, the company will be referred to as The Group. We will analyse the organisational marketing structure, and identify and understand the different roles within the Group's marketing division.

4.3 Research Methodology

In this exploratory research, the methodology will take a two-phased approach. The first phase will provide input in the form of preliminary investigation into the marketing competencies required by organisations. This is obtained from literature review. The second phase will be mainly quantitative. Figure 1 below provides an illustration of the research process that was followed.

Figure 3.1: Research process



4.4. Research Tools

A questionnaire was used to gather information regarding marketing competencies. While questionnaires have advantages over some other types of surveys, there are some inherent disadvantages to using questionnaires. Below are the strengths and weakness of this instrument in the research.

Table 5: - 4.1: Strength & Weaknesses of Questionnaires

Strengths	Weaknesses
<ul style="list-style-type: none"> • Good for measuring attitudes and eliciting other content from research participants. • Inexpensive (especially mail questionnaires and group administered questionnaires). • Can provide information about participants' internal meanings and ways of thinking. • Can administer to probability samples. • Quick turnaround. • Can be administered to groups. • Perceived anonymity by respondent may be high. • Moderately high measurement validity (i.e., high reliability and validity) for well constructed and validated questionnaires. • Closed-ended items can provide exact information needed by researcher. • Open-ended items can provide detailed information in respondents' own words. • Ease of data analysis for closed-ended items. • Useful for exploration as well as confirmation. 	<ul style="list-style-type: none"> • Usually must be kept short. • Reactive effects may occur (e.g., interviewees may try to show only what is socially desirable). • Non-response to selective items. • People filling out questionnaires may not recall important information and may lack self-awareness. • Response rate may be low for mail and email questionnaires. • Open-ended items may reflect differences in verbal ability, obscuring the issues of interest. • Data analysis can be time consuming for open-ended items. • Measures need validation.

Source: Johnsen, Christensen (2007) Educational Research, Quantitative, Qualitative & Mixed Approaches, chapter 7

The research process for the purposes of this study is divided into two phases:

- Phase 1:
 - a) Qualitative exploratory research: This is subjective in nature, and involves examining and reflecting on perceptions on

marketing in order to gain an understanding of marketing within organizations

- b) Problem re-conceptualization and questionnaire development
- Phase 2:
 - a) Quantitative research: This involves collecting and analyzing numerical data and applying statistical tests to gain understanding and relationships between marketing competencies and activities outsourced by Product Managers.

These processes are presented in detail below by focusing on how the different phases were carried out.

4.4.1 Phase 1

- **Qualitative Exploratory Research**

The purpose of this phase is to collect qualitative inputs to determine which elements constitute marketing competencies within an organization. Two exploratory methods were applied:

- Secondary data analysis – through preliminary review of data to identify any published reports that provide opinions and inputs on marketing competencies.

All the information that is collected in this phase will be subjected to content analysis and used as input to the next phase, the questionnaire development phase, where applicable. The questionnaire will consist of

questions and competencies which were identified in the exploratory phase as being important for marketing competencies for South African organisations.

- **Problem Re-conceptualization and Questionnaire Development**

All the information from Phase 1 were collected and analyzed, and then conceptualised into research questions in order to compile a quantitative questionnaire.

The questionnaire will be piloted to test its applicability and to identify problems that might have been overlooked. Personnel in similar positions will be invited to participate in the test phase of the process. After pilot testing, the questionnaire was tested again and was then deemed ready for application.

4.4.2 Phase 2

In phase two, a quantitative research was conducted at The Group. Respondents were approached telephonically and invited to participate in the survey. The questionnaire was distributed to them via email and fax for telephonic interviews. Where possible, some responded were interviewed face-to-face. Those who were sent faxes or emails were

followed by a short email expressing appreciation for their participation in the study.

4.5 Sampling Framework

Sampling method for the quantitative section will be on a convenience basis where all the Product Managers at The Group 30 were identified. Initially, it was desirable to include all the Product Managers as response rate was unclear. However, 25 former and current product managers participated in the study. Telephonic interviews were conducted with them, going through the list of questions identified as relevant to give input on the marketing competencies required.

4.5.1 Brand Managers or Product Managers

Product Managers or Brand Managers are individuals within the marketing division that apply marketing techniques to a specific product, product line, or brand with the objective of increasing the product's perceived value to the customer and thereby increase brand franchise and brand equity.

4.5.2 Instrument Used

The identified candidates were called; appointments set with them to conduct face-to-face interviews were possible or telephonic interviews and filling in of questionnaires.

A closed question is a question to which respondents are required to answer from a set of alternative responses provided by the researcher. Scaling questions are special types of closed-ended questions.

- They include, among others, the following categories of questions.
 - Behavioural/ Attitudinal questions
 - Buying-intent questions
 - **Agree-Disagree questions**
 - Preference questions
 - Ranking questions
 - Semantic differential questions
 - Constant-sum questions

The following numerical rating scale was used for rating the activities that the participants outsource, where the endpoints are anchored.

0	1	2	3	4	5	6	7
N/A	Never						Always

Unlabelled scaled responses were used. These allowed a respondent to express the degree of his/her intensity of feelings. These are easy to administer and code.

For section B questionnaire, the following rating scales (where the end points on the scale are anchored with different meaning to the rating) were used for the questions that sought to understand the competencies the incumbents believe marketing professionals should possess.

0	1	2	3	4	5	6	7
N/A	Strongly Agree			Strongly Disagree			

- **Methods of analysis**

Data collected in phase one was be tabulated and ranked according to the frequency of mentions, in order to establish a sense of priority, emphasis or imperative competency required. This will be analysed to establish a link, if any, between the marketing personnel's competency list. Cronbach's Coefficient Alpha, which is a measure of overall correlation of the involved variables, will be used to ascertain the relationship between marketing competencies and the activities outsourced.

- **Reliability**

The survey questionnaire was constructed using input from literature review. By constructing the survey questionnaire using input from a preliminary investigation, will enhance internal consistency through the use of Likert-like scales rather than content analysis resulting from open-ended questions only. Responses to questions will be selected from a limited range of clearly defined competencies, which would reduce errors of equivalence as we will clarify the relationship between the preliminary investigation and the quantitative section.

- **Limitations**

While every step is taken to guard against research processing errors, errors can still be identified in the findings. It is stated upfront that the limitations that are imposed externally or the delimitations that we place on the research.

- a) The research methodology has been limited to one company, The Group to develop an understanding of their marketing competencies required in their organisation. This limitation poses a restraint in the applicability of marketing competencies in different industries, and will therefore not be possible to generalise the results of the report.
- b) Another limitation is the industry that the research is conducted in. There are industry differences in marketing structures and/or the

competencies required, for example, it will be challenging to compare pharmaceutical and fast moving consumer goods marketing environment.

- c) No attempt was be made to select a random sample of respondents for the quantitative analysis. Sample will be chosen from a known list of marketing personnel from The Group.

4.6 Summary

In this section the research methodology was outlined in detail which detailed how the research was conducted. The case study was presented where the research was conducted, the participants and discussed their general role within that organisation. The strengths and weaknesses of the instrument of analysis used were discussed, and the rating method used in the questionnaire clarified. In conclusion, the section discussed the reliability and the limitations of this research. In the next section the research results present.

Chapter 5 - Research Results

5.1 Introduction

This section will present the results from the research questionnaires, which were set out to investigate the marketing competencies that are required by personnel in marketing divisions for a South African organisation. As described in the previous chapters, the research method utilised was exploratory. The findings of this research are analysed separately from each respondent and compared against the norm and was also combined.

The structure of the results consists of the current practices that the product or brand managers apply in carrying out their marketing duties. This chapter also presents the observations made by the researcher on the participants' responses and nature of responses.

5.2 Content Analysis

Not much has been published in the area of marketing competencies required within any organisation. The organisation studied operates in the pharmaceutical sector. There were 25 participants who were surveyed. Of these, some are responsible for brand management while others are

former brand managers within the same organisation within the last seven years. Figure 5.1 provides the general marketing structure within the organisation were the product managers were surveyed.

Figure 5.1: Marketing Division Organogram

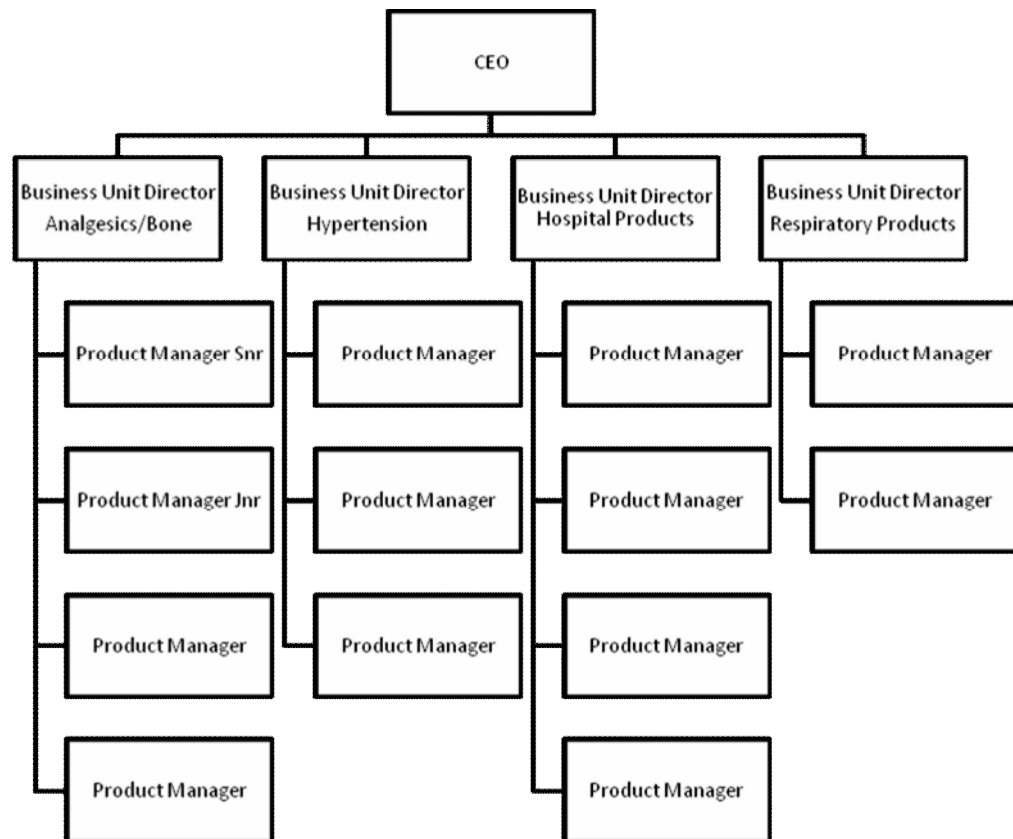


Figure 5.1 only depicts the organisational structure for the marketing role. The broader structure has the Sales Managers reporting into the Business Unit Directors, and the sales representatives reporting to the Sales Managers. The focus of this research is the marketing division personnel.

5.3 Competencies and Key Areas

There were similarities between activities identified by the company as key areas and competencies and those identified by Carlisle (2005) the competence study. A comparison of the activities is found in Table 5.1. The questionnaire was developed using the activities that were identified as important for marketing personnel, (Carlisle, 2005).

Table 6: - 5.1: Marketing activities and competencies

Technical requirements (Carlisle, 2005)	The Group – Product Manager’s competencies and key areas
<ol style="list-style-type: none"> 1. Technical knowledge of products sold, 2. Knowledge of market sectors, 3. Negotiating skills, Customer centric attitude, 4. Skills relating to customer needs, 5. Skills to improve levels of customer satisfaction, 6. Skills in market research techniques, 7. Knowledge of the software packages used in marketing, 8. Sales and market research, 9. Databases and techniques for saving data, 10.E-marketing knowledge and skills, 11.The ability to analyse strategy and market share, 12.The ability to organise marketing activities, 13.The ability to define and evaluate a brand policy,; 	<ol style="list-style-type: none"> 1. Demonstrate basic understanding and application of : <ol style="list-style-type: none"> a. Business cycles b. Promotional approaches and tools c. Sales Force training d. Research planning e. Professional relationships f. External & Internal business environment g. Managing the Ad Agency 2. Obtain and maintain <ol style="list-style-type: none"> a. Product and b. Disease Knowledge 3. Develop computer literacy 4. Develop presentation Skills <ul style="list-style-type: none"> • Prepare and submit submissions for all promotional material adhering to medico-legal approval procedure • Analysis of market and competitor

<p>14.The ability to define and evaluate a customer complaints policy,</p> <p>15.Knowledge of how to determine prices and individual mathematical ability ,</p> <p>16.People management skills,</p> <p>17.Skills in developing strategy and projects to improve performance,</p> <p>18.The ability to structure an organisation,</p> <p>19.Decision-making skills regarding manufacturing techniques,</p> <p>20.Techniques and skills for control and evaluation,</p> <p>21.Budgetary techniques,</p> <p>22.Knowledge of the legal aspects of marketing,</p> <p>23.Marketing ethics/public liability;</p>	<p>data utilizing pharmaceutical monitoring system</p> <ul style="list-style-type: none"> • Organize and participate in local and internal congresses with clear objectives and execution • Manage budget expenditure – negotiate and agree promotional budget and manage expenditure against it • Integrate clinical data with product strategy • Coaching – fellow Product Managers, Sales Managers, Representatives • Commission market research <ol style="list-style-type: none"> 1. Analyse and 2. Action the market research results • Prepare integrated Product Strategy • Prepare and present to Senior Management • Execute a successful PR campaign • Prepare and conduct training • Establish and develop suitable advocates <ol style="list-style-type: none"> 1. Organize relevant Advisory Board meetings 2. Manage advocate relationships • Launch products successfully , including line extensions • Implement e-marketing campaigns
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While, The Group and Carlisle (2005) identified different competencies for marketing individuals, Kotler (2003) and IBM (2004) identified the following Main Marketing Activities/ Tasks as shown in Table 5.3. This

further shows the wide scope of marketing activities and how the emphasis differs depending on the industry or focus of the marketing division.

Table 7: - 5.2: Comparison of IBM and Kotler Models

Organisational view IBM (2004)	Theoretical view Kotler & Keller(2003)
<ul style="list-style-type: none"> • Planning • Pricing • Advertising • Selling • Distribution of products/performance of services • Servicing products after the sale 	<ul style="list-style-type: none"> • Develop marketing strategies and plans • Capture marketing insights • Connect with customers • Build strong brands • Shape market offerings • Delivering value • Communicating value • Creating long-term growth

5.4 Roles and Responsibilities of Product Managers

According to The Group's internal structure, product managers are responsible for development and implementation of strategy of particular products within their scope of responsibility. They are also responsible for identifying possible new markets for their products and assist with the development of particular product line extensions by co-coordinating market research, sales projections, budgets, promotional campaigns and launch.

The number of Product Managers surveyed is presented in table 5.3. The company employs the services of Product Managers who take care of different pharmaceutical products in different therapeutic areas within the organization. Due to the limited number of Product Managers at any given time, Product Managers who held positions at this particular company within a 7 year period were interviewed in how they carried out their duties as Product Managers. Table 5.1 presents the number of Product Managers surveyed who currently holding positions as product managers and former product managers. Fax and email responses were low, so participants were called and all the questionnaires were filled in telephonically.

Table 8: - 5.3: Past and current product managers surveyed

Position of Office	Nº of Respondents
Current Product Managers	10
Previous Product Managers	15
Total	25

Each questionnaire contained 19 questions which the participants were asked to respond to. These questionnaires were divided into three sections which explored three key performance/competency areas:

- Strategy
- Initiative
- Implementation

The ratings of the different competencies are presented in the subsequent graphs. Given the exploratory nature of the research, the small numbers of the respondents and the two groups included in the study, all the ratings may be important and have been included in the results provided.

There are two sections to the research:

Section A – explores the activities that the Product Managers outsourced to agencies; and

Section B – explores the kinds of activities Product Managers believe they should be competent in, in carrying out their marketing duties.

5.5 Responses to the Questionnaire

The following findings were extracted from the quantitative section of the research. The analysis of the responses is presented by first listing the actual questions and then presenting the group responses for each response, comparing these with the responses of the entire group. This will be done for every question in the questionnaire.

The three key competencies, strategy, initiative and implementation will be analysed for The Group in comparison with the norm within The Group of respondents. There were 11 questions that fell under the strategy section, three that fell under the initiative section, and five that fell under implementation.

Responses by participants

The questions in this section sought to establish whether participant outsourced a particular activity to an agency or performed the activity in-house. The questions aim to address three key areas: strategy, initiative and implementation.

Questions 1 – 11 were related to strategy. For each question, participants were asked to rate the questions on whether they outsource those activities or whether they believe they need to be competent in those activities.

Questions 12 – 14 were related to initiating activities for the organization, and participants were asked to rate the questions on whether they outsource those activities or whether they believe they need to be competent in those activities; and

Question 15 – 19 were related to implementation of activities for the organization, and participants were asked to rate the questions on whether they outsource those activities or whether they believe they need to be competent in those activities.

The ratings for Section A were 1-7, with 1 being never outsource this activity and 7 being always outsourced this activity and ratings for Section

B were 1–7 1 being strongly agree that I should be competent in this activity and 7 being strongly disagree that I should be competent in this activity. Below are answers to both Section A and Section B.

SECTION A

Strategy Section A

Question 1 - Determines sales and marketing strategy

Approximately 44% of the respondents rated this question 1, 40% of the respondents rated this question 2, 8% rated this question 3 and another 8% rated the question 5.

Question 2 - Defines the sales and marketing policy for a product or range of products

About 40% of the respondents rated this question 1, 48% of the respondents rated this question 2, 12% rated this question 3

Question 3 - Defines the features and budget of the marketing mix

Forty percent of the respondents rated this question 1, 48% of the respondents rated this question 2, 12% rated this question 3 and 8% rated it 5.

Question 4 - Determines targets market

At least 32% of the respondents rated this question 1, 52% of the respondents rated this question 2, 12% rated this question 3 and 4% rated it 4

Question 5 - Defines market volume

Only 24% of the respondents rated this question 1, 44% of the respondents rated this question 2, 32% rated this question 3.

Question 6 - Defines the strategy and budget for operational and direct marketing

Approximately 40% of the respondents rated this question 1, 48% of the respondents rated this question 2, 4% rated this question 3 and 8% rated this question 5.

Question 7 - Determines communication strategy

Only 16% of the respondents rated this question 1, 4% of the respondents rated this question 2, 16% rated this question 3, 12% rated this question 4, 48% rated this question 5 and 4% rated the question 7.

Question 8 - Defines and comes up with concepts of promotion campaigns

Eight percent of the respondents rated this question 3, 4% of the respondents rated this question 4, 80% rated this question 5, 4% rated this question 6 and c.

Question 9 - Defines advertising strategy

A marginal 4% of the respondents rated this question 1, 4% of the respondents rated this question 2, 4% rated this question 3, 60% rated this question 5 and 24% rated the question 6 and 4% rated the question 7.

Question 10 - Analyses and propose public relations strategy

Only 4% of the respondents rated this question 3, 4% of the respondents rated this question 4, 40% rated this question 5, 48% rated this question 6 and 4% rated the question 7.

Question 11 - Determines and draws a media plan

Four percent of the respondents rated this question 1, 4% of the respondents rated this question 2, 8% rated this question 3, 4% rated this question 4 and 24% rated the question 6 and 44% rated the question 6 and 12% rated the question 7.

Initiative Section A

Question 12 - Initiate market research to identify market segments

At least 20% of the respondents rated this question 1, 76% of the respondents rated this question 2, 4% rated this question 3.

Question 13 - Establishes market opportunities

Only 12% of the respondents rated this question 1, 64% of the respondents rated this question 2, 24% rated this question 3.

Question 14 - Investigates new product concepts

About 20% of the respondents rated this question 1, 72% of the respondents rated this question 2, 8% rated this question 3.

Implementation Section A

Question 15 - Implements global communication strategy

Approximately 12% of the respondents rated this question 4, 52% of the respondents rated this question 5, 32% rated this question 6, 4% rated this question 7.

Question 16 - Implements advertising campaigns

Eight percent of the respondents rated this question 4, 56% of the respondents rated this question 5, 28% rated this question 6, 8% rated this question 7.

Question 17 - Implements events related to direct marketing

More than half, i.e. 56% of the respondents rated this question 5, 36% of the respondents rated this question 6 and 8% rated this question 7.

Question 18 - Implements e-mailing and e-marketing campaigns

Over 56% of the respondents rated this question 5, 36% of the respondents rated this question 6 and 8% rated this question 7.

Question 19 - Implements mass mailing and telephone campaigns

About 56% of the respondents rated this question 5, 36% of the respondents rated this question 6 and 8% rated this question 7.

Table 5.2 summarises the ratings provided by Product Managers on activities that they outsource in carrying out their marketing activities, and Table 5.3 provides a summary of ratings given by the Product Managers on the competencies they believe marketing personnel should possess

SECTION B

Strategy Section B

Question 1 - Determines sales and marketing strategy

At least 44% of the respondents rated this question 1, 44% of the respondents rated this question 2, and 12% rated this question 3.

Question 2 - Defines the sales and marketing policy for a product or range of products

Approximately 40% of the respondents rated this question 1, 44% of the respondents rated this question 2 and 16% rated this question 3

Question 3 - Defines the features and budget of the marketing mix

Exactly 40% of the respondents rated this question 1, 44% of the respondents rated this question 2 and 16% rated this question 3.

Question 4 - Determines targets market

Only 40% of the respondents rated this question 1, 40% of the respondents rated this question 2 and 20% rated this question 3.

Question 5 - Defines market volume

At least 36% of the respondents rated this question 1, 40% of the respondents rated this question 2 and 24% rated this question 3.

Question 6 - Defines the strategy and budget for operational and direct marketing

About 40% of the respondents rated this question 1, 44% of the respondents rated this question 2 and 16% rated this question 3.

Question 7 - Determines communication strategy

Only twenty percent of the respondents rated this question 1, 12% of the respondents rated this question 2, 28% rated this question 3, 20% rated this question 4 and 20% rated the question 5.

Question 8 - Defines and comes up with concepts of promotion campaigns

About 16% of the respondents rated this question 1, 8% of the respondents rated this question 2, 12% rated this question 3, 8% rated this question 4, 44% rated the question 5 and 12% rated the question 5

Question 9 - Defines advertising strategy

Only 16% of the respondents rated this question 1, 8% of the respondents rated this question 2, 16% rated this question 3, 8% rated this question 4, 44% rated the question 5 and 8% rated the question 5

Question 10 - Analyses and propose public relations strategy

At least 16% of the respondents rated this question 1, 4% of the respondents rated this question 2, 12% rated this question 3, 56% rated this question 5 and 12% rated the question 6.

Question 11 - Determines and draws a media plan

Approximately 44% of the respondents rated this question 1, 8% of the respondents rated this question 2, 12% rated this question 3, 44% rated this question 5 and 20% rated the question 6.

Initiative Section B

Question 12 - Initiate market research to identify market segments

About 40% of the respondents rated this question 1 and 60% of the respondents rated this question 2.

Question 13 - Establishes market opportunities

Only 28% of the respondents rated this question 1, 52% of the respondents rated this question 2 and 20% rated this question 3.

Question 14 - Investigates new product concepts

At least 32% of the respondents rated this question 1 and 68% of the respondents rated this question 2.

Implementation Section B

Question 15 - Implements global communication strategy

Only 12% of the respondents rated this question 2 and 88% of the respondents rated this question 3.

Question 16 - Implements advertising campaigns

A marginal 8% of the respondents rated this question 2, 24% of the respondents rated this question 3, 12% rated this question 4, 36% rated this question 5, 16% of the respondents rated this question 6 and 4% rated this question 7.

Question 17 - Implements events related to direct marketing

A low 8% of the respondents rated this question 2, 24% of the respondents rated this question 3, 8% rated this question 4, 36% rated this question 5, 20% of the respondents rated this question 6 and 4% rated this question 7.

Question 18 - Implements e-mailing and e-marketing campaigns

Eight percent of the respondents rated this question 2, 24% of the respondents rated this question 3, 8% rated this question 4, 36% rated this question 5, 20% of the respondents rated this question 6 and 4% rated this question 7.

Question 19 - Implements mass mailing and telephone campaigns

At least 8% of the respondents rated this question 2, 24% of the respondents rated this question 3, 8% rated this question 4, 36% rated this question 5, 20% of the respondents rated this question 6 and 4% rated this question 7.

This table summarizes the ratings given by Product Managers on activities that they outsource in carrying out their marketing activities.

Table 9: - 5.4: Summary of the ratings for outsourcing activities

OUTSOURCING							
Questions	Rating						
	R 1	R 2	R 3	R 4	R 5	R 6	R 7
Strategy							
Q1	11	10	2	0	2	0	0
Q2	10	12	3	0	0	0	0
Q3	10	12	1	0	2	0	0
Q4	8	13	3	1	0	0	0
Q5	6	11	8	0	0	0	0
Q6	10	12	1	0	2	0	0
Q7	4	1	4	3	12	0	1
Q8	0	0	2	1	20	1	1
Q9	1	1	1	0	15	6	1
Q10	0	0	1	1	10	12	1
Q11	0	1	2	1	6	11	3
Initiative							
Q12	5	19	1	0	0	0	0
Q13	3	16	6	0	0	0	0
Q14	5	18	2	0	0	0	0
Implementation							
Q15	0	0	0	3	13	8	1
Q16	0	0	0	2	12	7	2
Q17	0	0	0	0	14	9	2
Q18	0	0	0	0	14	9	2
Q19	0	0	0	0	14	9	2

The table below shows a summary of the statistical analysis for the questions relating to activities that the Product Managers outsource to agencies.

Table 10: - 5.5: Summary Statistics – outsourcing

Variable	Mean	Std Dev	Min	Max	Median	Skewness	Kurtosis	t-Value	Pr > abs(t)
O1	1.88	1.1299	1	5	2	1.7605	3.1287	9.381	<.0001
O2	1.72	0.67823	1	3	2	0.4097	-0.68	16.81	<.0001
O3	1.88	1.0924	1	5	2	1.9231	3.9928	9.703	<.0001
O4	1.88	0.78103	1	4	2	0.7903	0.8601	13.57	<.0001
O5	2.08	0.75939	1	3	2	-0.138	-1.179	12.64	<.0001
O6	1.88	1.0924	1	5	2	1.9231	3.9928	9.703	<.0001
O7	3.88	1.64114	1	7	5	-0.591	-0.436	0.366	0.7179
O8	4.92	0.75939	3	7	5	-0.483	4.3067	6.058	<.0001
O9	4.96	1.2741	1	7	5	-1.759	3.9331	3.767	0.0009
O10	5.44	0.82057	3	7	6	-1.021	2.1599	8.774	<.0001
O11	5.2	1.52753	1	7	6	-1.357	1.5099	3.928	0.0006
O12	1.84	0.47258	1	3	2	-0.568	1.2127	22.85	<.0001
O13	2.12	0.6	1	3	2	-0.032	0.022	15.67	<.0001
O14	1.88	0.52599	1	3	2	-0.176	0.8849	20.15	<.0001
O15	5.28	0.73711	4	7	5	0.1694	0.0362	8.683	<.0001
O16	5.36	0.75719	4	7	5	0.5188	0.2844	8.981	<.0001
O17	5.52	0.6532	5	7	5	0.8955	-0.152	11.635	<.0001
O18	5.52	0.6532	5	7	5	0.8955	-0.152	11.635	<.0001
O19	5.52	0.6532	5	7	5	0.8955	-0.152	11.635	<.0001

SECTION B

The table below summarizes the ratings given by the Product Managers on the competencies they believe marketing personnel should possess.

Table 11: - 5.6: Summary of ratings for marketing competencies

COMPETENCIES							
Questions	Rating						
	1	2	3	4	5	6	7
Strategy							
R 1	11	11	3	0	0	0	0
R 2	10	11	4	0	0	0	0
R 3	10	11	4	0	0	0	0
R 4	10	10	5	0	0	0	0
R 5	9	10	6	0	0	0	0
R 6	10	11	4	0	0	0	0
R 7	5	3	7	5	5	0	0
R 8	4	2	3	2	11	3	0
R 9	4	2	4	2	11	2	0
R 10	4	1	3	0	14	3	0
R 11	11	2	3	0	11	5	0
Initiative							
R 12	10	15	0	0	0	0	0
R 13	7	13	5	0	0	0	0
R 14	8	17	0	0	0	0	0
Implementation							
R 15	0	3	22	0	0	0	0
R 16	0	2	6	3	9	4	1
R 17	0	2	6	2	9	5	1
R 18	0	2	6	2	9	5	1
R 19	0	2	6	2	9	5	1

The table below shows a summary of the statistical analysis for the questions relating to competencies that the Product Managers believe they should have in carrying out their duties.

Table 12: - 5.7: Summary Statistics – competencies

Variable	Mean	Std Dev	Min	Max	Median	Skewness	Kurtosis	t-Value	Pr > abs(t)
C1	1.68	0.69041	1	3	2	0.5232	-0.688	-16.8	<.0001
C2	1.76	0.72342	1	3	2	0.4054	-0.908	-15.48	<.0001
C3	1.76	0.72342	1	3	2	0.4054	-0.908	-15.48	<.0001
C4	1.8	0.76376	1	3	2	0.366	-1.137	-14.4	<.0001
C5	1.88	0.78103	1	3	2	0.2199	-1.28	-13.57	<.0001
C6	1.76	0.72342	1	3	2	0.4054	-0.908	-15.48	<.0001
C7	3.08	1.41185	1	5	3	-0.153	-1.136	-3.258	0.0033
C8	3.92	1.70587	1	6	5	-0.686	-0.942	-0.234	0.8166
C9	3.8	1.65831	1	6	5	-0.608	-1.022	-0.603	0.5522
C10	4.12	1.69115	1	6	5	-0.99	-0.472	0.355	0.7258
C11	4.08	1.80093	1	6	5	-0.734	-0.986	0.222	0.8261
C12	1.6	0.5	1	2	2	-0.435	-1.976	-24	<.0001
C13	1.92	0.70238	1	3	2	0.1117	-0.816	-14.81	<.0001
C14	1.68	0.4761	1	2	2	-0.822	-1.447	-24.37	<.0001
C15	4.4	1.35401	2	7	5	-0.153	-0.826	1.477	0.1527
C16	4.4	1.35401	2	7	5	-0.153	-0.826	1.477	0.1527
C17	4.48	1.38804	2	7	5	-0.26	-0.932	1.729	0.0966
C18	4.48	1.38804	2	7	5	-0.26	-0.932	1.729	0.0966
C19	4.48	1.38804	2	7	5	-0.26	-0.932	1.729	0.0966

5.6 Summary

In this chapter, a presentation of the organisational structure of The Group and the briefly presented the role that the Product Managers play within the organization The number of responses received were tabulated and presented the rating.

Chapter 6 - Discussion of Results and Conclusion

6.1. Introduction

The aim of this chapter is to present the research analysis and to discuss the results presented in the previous chapter. The chapter will focus on responding to the research objectives which sought to explore marketing competencies that are required for South African Organisations. Additionally, the research seeks to understand activities that are outsourced and the relationship between the competencies and the activities that are outsourced as defined in Chapter 1 Section 1.4. For full summary statistics see Appendix 2 or summary tables in chapter 5.

6.2. Discussion of results

Considering a seven point Likert scale, the mean of all values is 4. It then becomes important to consider each question relative to this value, as two sided t-tests were conducted in each instance to determine if the mean of responses for each question was significantly different (above or below) from 4.

6.3. Results on Outsourcing

This section presents the summary of all Questions.

In the questionnaire dedicated to assessing the outsourcing questions, it was found that questions 1, 2, 3, 4, 5, 6, 12, 13 and 14 all recorded means that were significantly below 4. (These should then be understood as those factors that are least likely to require outsourcing, or least often outsourced) with means of 1.88, 1.72, 1.88, 1.88, 2.08, 1.88, 1.84, 2.12 and 1.88 respectively.

Questions 1 to 6 are all associated with strategy outsourcing, while 12 to 14 sought to address those questions associated with initiative.

Conversely, questions 8, 9, 10, 11, 15, 16, 17, 18 and 19 all yielded means of response significantly above 4 (and should be understood as those factors most in need of outsourcing or most frequently outsourced) with means of 4.92, 4.96, 5.44, 5.42, 5.28, 5.36, 5.52, 5.52, 5.52 (in fact questions 17, 18 and 19 recorded exactly the same responses from every respondent).

Questions 8 to 11 sought to address those issues that are associated with organisational strategies while 15 to 19 dealt with all those factors associated with implementation.

Only question 7 showed a mean of response close to the average value of 4.

6.4. Results on Competence

With regards competence, questions 1, 2, 3, 4, 5, 6, 7, 12, 13 and 14 all recording means of response significantly lower than 4 (and can thus be understood as those factors identified as being particularly important areas for managers to be competent in) with means of 1.68, 1.76, 1.76, 1.8, 1.88, 1.76, 3.08, 1.6, 1.92 and 1.68 respectively.

No questions showed means significantly (at the 5% level) above 4, though questions 17, 18 and 19 were significant at the 10% level. Again it should be noted that responses for these three questions were exactly the same for each respondent.

Essentially, all questions devised in this questionnaire covered imperative factors that assessed important issues related to addressing the competence of marketing managers.

Thus far, factors have essentially been divided into two: (1) those with means above 4 and (2) those with means below. Table two of appendix two shows the data reduced to show frequencies of high (5-7) responses, neutral (4) responses and (1-3) responses.

The tests for proportions i.e. omitting neutral responses to establish binary data. In the cases where all values were the same the test could not be run, however it is obvious that a proportion of 1 or 0 with so many respondents is significantly different from 0.5, revealed essentially what we had already discovered above.

6.5. Relationships Between Outsourcing and Competence:

From the summary of statistics, there is a potential relationship between outsourcing and competence with regard to each of the factors (or questions).

6.5.1 Correlations:

First correlations were calculated for each of the questions between outsourcing and competence.

Table 13: - 5.8: Summary Correlation between outsourcing and competencies

Determines sales and marketing strategy	1	0.48285
Defines the sales and marketing policy for a product or range of products	2	0.62163
Defines the features and budget of the marketing mix	3	0.43657
Determines targets market	4	0.51689
Defines market volume	5	0.22762
Defines the strategy and budget for operational and direct marketing	6	0.43657
Determines communication strategy	7	0.65169
Defines and comes up with concepts of promotion campaigns	8	0.38083
Defines advertising strategy	9	0.50879
Analyses and propose public relations strategy	10	0.56088
Determines and draws a media plan	11	0.49377
Initiate market research to identify market segments	12	0.42321
Establishes market opportunities	13	0.22147
Investigates new product concepts	14	0.33943
Implements global communication strategy	15	0.46758
Implements advertising campaigns	16	0.50395
Implements events related to direct marketing	17	0.44853
Implements e-mailing and e-marketing campaigns	18	0.44853
Implements mass mailing and telephone campaigns	19	0.44853

Significant at 1%

Significant at 5%

Significant at 10%

As might be expected all correlations were positive (indicating that in general competence level is negatively correlated with the need for outsourcing) and in almost all of the correlations were significant, with the exception of questions 5 (“Defines Market Volume”) and 13 (“Establishes Market Opportunities”) which recorded a non significant at least the 10% level.

The strongest correlations were observed in:

- questions 2 (“Defines the sales and marketing policy for a product or range of products”),
- question 7 (“Determines Communication Strategy”),
- question 9 (“Defines Advertising Strategy”) and
- question 10 (“Analyses and propose public relations strategy”)

6.5.2 Regression Analyses:

What is more interesting, however, is the potential for a linear relationship between outsourcing and competence so that there is gain in some predictive power in the factors (i.e. being able to predict the need for outsourcing in a particular area based on competence levels or vice versa (in the case of a linear regression with only one predictor variable significance levels and R-squared remain the same in the inverse).

In each case (question) a linear regression model was fitted wherein the explanatory variable is competence and the response variable is outsourcing. Full results are appended in appendix 4.

- Question 7 showed a high R-squared value as well as a significant and strong positive linear relationship in the data, indicating a high level of predictive power and good fit for the data.
- Question 2 also showed a high R-squared value for this nature of model (1 predictor variables) and a significant and moderate positive linear relationship, again suggesting a high level of predictive power.
- Question 1 had an acceptable R-squared value and a strong and significant linear relationship showing some level of predictive power.
- Questions 4, 9, 10, 11 and 16 all showed acceptable levels of R-squared as well as moderate positive linear relationships, again indicating some level of predictive power.
- In the cases of questions 15, 17, 18 and 19 the R-squared was barely acceptable, though the relationships were moderate and significant. This shows some level of predictive power, though with

R-squared values of this nature, caution should be taken as there is possibility for unreliability.

- Questions 3, 5, 6, 8, 12, 13 and 14 all showed R-squared values too low to draw reliable conclusions about the relationships therein.

6.5.3 Construct Relationships:

In case there is a need assess relationships between strategy competency as a whole and need for strategy outsourcing etc. aggregate scores can be created for these constructed variables. To achieve that, however requires an assessment of the internal reliability and external validity of these constructs.

Reliability:

Internal reliability of a constructed variable can be assessed using Cronbach's Coefficient Alpha, which is a measure of overall correlation of all variables involved.

Generally a value of 0.7 or above is considered indicative of good reliability.

Table 14: - 5.9: Summary Cronbach's Coefficient Analysis

		Alpha	
Variable		Raw	Standardised
Outsourcing	Strategy	0.904191	0.920859
	Initiative	0.785978	0.788452
	Implementation	0.966929	0.969369
Competence	Strategy	0.925115	0.94659
	Initiative	0.876429	0.899934
	Implementation	0.997541	0.997566

All values are considerably above the cut off of 0.7 and it was concluded that all constructs are internally reliable.

Validity:

Validity within a system of variables can be assessed by explanatory factor analysis. Full results have been appended in appendix 5.

In all cases, a variance maximising rotation of the factor space was performed to draw better conclusions about the underlying structure.

Outsourcing: Kaiser's Criterion (retaining factors with *eigenvalue* at least 1) suggests retaining 4 factors, as does observation of the screen plot.

The questions associated with initiative all loaded heavily on Factor 3, suggesting a valid construct in the system. Similarly, those questions are associated with implementation loaded cohesively, applied on Factor 2.

In the case of strategy, however, less cohesion was observed between the associated questions. Questions 1 to 6 (the majority of the involved questions) all loaded heavily on Factor 1, while the remaining questions were divided between Factors 3 and 4.

As expected, there are only three Factors (where the extra factor might be accounted for by the lack of cohesion in the strategy questions) in the data (those accounting for strategy, those accounting for initiative and those accounting for implementation), we can observe the case where only three factors are retained.

Essentially, the same structure is seen, but in this case, questions 7 to 11 of strategy now load together on Factor 3.

This divide in strategy was already observed in the summary statistics, where the means of questions 1 to 6 were below the average and 7 to 11 above.

In general, the constructs show validity. The divide in strategy is of lesser concern in conjunction with such a high level of internal reliability.

Competence: Kaiser's Criterion and the screen plot indicate only three substantial factors underlying the system.

Again strategy is divided while the other two show strong cohesion.

Interestingly, where outsourcing initiative's variables loaded on the same factor as the latter part of strategy; in competence they load on the same factor as the former part.

Again, because of such high internal reliability, validity does not demonstrate a significant cause for concern.

Factor analysis was performed on the questions associated with strategy in cases where outsourcing and competence were concerned. The analyses showed a strong divide between questions 1 to 6 and 7 to 11.

The underlying relationship in questions 1 to 6 appears to be Marketing Strategy, while in 7 to 11 it appears to be (Strategy Marketing 7-11).

Correlations for Constructs:

Table 15: - 5.9: Summary Correlations of Constructs

Strategy Total	0.7211
Marketing	0.51637
(Strategy Marketing 7-11)	0.61493
Initiative	0.38152
Implementation	0.47718

All constructs show strong positive correlations, with strategy as a single construct the strongest.

The Regression analyses for constructs:

Strategy: A high R-squared value (0.52) and a strong and highly significant positive relationship suggest a good fit for the data and a high level of predictive power.

Initiative: Unfortunately R-squared this low (0.1456) means it is difficult to draw any reliable conclusions about this relationship.

Implementation: The R-squared is acceptable (only just) and the relationship is not particularly strong, though it is significantly different

from zero. It is concluded that some level of predictive power is inherent in the data, but that caution should be taken.

Marketing Strategy: Acceptable R-squared value (0.2666) as well as a strong and highly significant positive linear relationship show a fair amount of predictive power in the model.

(Strategy marketing 7-11): A high value for R-squared (0.3781) as well as a strong positive linear relationship, show a good fit of the data and indicate a high level of predictive power.

6.6 Rankings

The attention now turns to peruse which variables and factors are seen as most and least commonly outsourced as well as which are seen as most and least important in terms of competence.

Outsourcing

As in the summary statistics, questions 1 to 6 and 12 to 14 seem to have very low responses in general. Question 2 showed the overall lowest level of response. This therefore “Defines the sales and marketing policy for a product or range of products”.

Questions 8 to 11 and 15 to 19 all showed generally high responses, with the highest being question 10. The associated statement is “Analyses and propose public relations strategy”.

An analysis of variance (for all *anovas* see appendix 6) shows that a significant difference between the means in all questions exists.

Aggregate scores showed that overall implementation had the highest responses and whereas initiative had the lowest.

Analysis of variance showed a significant difference in these means.

However, similar to past results, there is a clear divide in the questions associated with strategy.

Exploratory factor analysis of strategy has already revealed a divide between Marketing Strategy and (Strategy Marketing 7-11).

Factor analyses of initiative and implementation, on the other hand, indicated the existence of only one factor in each.

The results now change as Marketing Strategy is seen to be the factor with the overall lowest mean response, suggesting that it is instead the area in which outsourcing as it is least often required. Analysis of variance again showed the existence of a difference in these means.

Competence:

Summary statistics show again questions 1 to 6 and 12 to 14 having very low mean responses, suggesting they are the areas in which competence is seen to be most important. Question 12 had the lowest overall response level. The associated statement is "Initiate market research to identify market segments".

Only questions 17, 18 and 19 showed some level of significance above the average. The associated statements are "Implements events related to direct marketing", "Implements e-mailing and e-marketing campaigns" and "Implements mass mailing and telephone campaigns" respectively.

Analysis of variance showed the existence of a difference of means (i.e. not all questions have the same mean response).

Aggregate scores again showed implementation with the highest mean response and initiative with the lowest.

Analysis of variance once again indicated the existence of a difference in the means.

The same explanatory factor analyses were performed yielding precisely the same results as in outsourcing.

Marketing Strategy and initiative now show an equal lowest mean response.

Analysis of variance yet again indicates that the means are not all the same.

6.7 Summary

In general, there are strong relationships between competency levels and the need for outsourcing. In the cases of questions 7 and 2, these are represented by strong linear relationships and thus show a high level of predictive power in these instances.

For questions 1, 4, 9, 10, 11 and 16, there is a lesser degree of predictive power, though still adequate.

Strategy as a construct showed a very strong relationship between competency and outsourcing; however factor analysis indicated a potential invalidity of the structure as being one dimensional. The construct was thus divided into two sub-structures; Marketing Strategy and (Strategy Marketing 7-11), wherein Marketing showed an acceptable linear relationship and (Strategy Marketing 7-11) a strong one.

Initiative as a construct did not show as strong a relationship. There existed a moderate correlation, though no reliable linear relationship could be found.

Implementation showed a high correlative relationship between competence and outsourcing and an adequate linear relationship, indicating an acceptable level of predictive power.

Implementation was identified as the construct most often outsourced, while Marketing Strategy the least often.

Marketing Strategy and Initiative were seen as the most important areas of competence for managers, while implementation was seen as least important.

6.8 Recommendations

The research demonstrated the relationship between competencies in the marketing division of organisations and activities that they are most likely or least likely to outsource. Of the three focus areas: strategy, initiative and implementation, it was established that implementation was highly likely to be outsourced to agencies than the other two. While the results showed a low rating for implementation in terms of competency and high in terms of outsourcing, it is difficult to conclude that implementation is least important. A good strategy without implementation is worthless. The research did not investigate the reasons for outsourcing, whether it was budgetary, capability or capacity driven. It is therefore recommended that future research investigates the reasons why companies prefer to outsource some activities from the marketing divisions.

APPENDIX 1

EXPLORATORY RESEARCH ON MARKETING COMPETENCIES NEEDED FOR A SOUTH AFRICAN ORGANIZATION

Dear Participant,

We ask for your cooperation in completing this survey, which is being conducted as part of an MBA thesis to explore marketing competencies that are needed by a South African organization. The survey should take about 30 min to complete. All data gathered will be held in complete confidence. No reference to specific individuals will be made in the report and you may withdraw at any time without penalty. If you have any questions, please feel free to contact me. (Lucky Kgatle: 082 457 1258)

I thank you in advance for your time.

Of the activities listed below, please indicate using the score whether you outsource the following activities when carrying out your marketing activities:

Strategy								
1. Determines sales and marketing strategy	N/A	Never						Always
	0	1	2	3	4	5	6	7
2. Defines the sales and marketing policy for a product or range of products	N/A	Never						Always
	0	1	2	3	4	5	6	7
3. Defines the features and budget of the marketing mix	N/A	Never						Always
	0	1	2	3	4	5	6	7
4. Determines targets market	N/A	Never						Always
	0	1	2	3	4	5	6	7
5. Defines market volume	N/A	Never						Always
	0	1	2	3	4	5	6	7
6. Defines the strategy and budget for operational and direct marketing	N/A	Never						Always
	0	1	2	3	4	5	6	7
7. Determines communication strategy	N/A	Never						Always
	0	1	2	3	4	5	6	7
8. Defines and comes up with concepts of promotion campaigns	N/A	Never						Always
	0	1	2	3	4	5	6	7
9. Defines advertising strategy	N/A	Never						Always
	0	1	2	3	4	5	6	7
10. Analyses and propose public relations strategy	N/A	Never						Always
	0	1	2	3	4	5	6	7
11. Determines and draws a media plan	N/A	Never						Always
	0	1	2	3	4	5	6	7

Initiative								
12. Initiate market research to identify market segments	N/A	Never						Always
	0	1	2	3	4	5	6	7
13. Establishes market opportunities	N/A	Never						Always
	0	1	2	3	4	5	6	7
14. Investigates new product concepts	N/A	Never						Always
	0	1	2	3	4	5	6	7
Implementation								
15. Implements global communication strategy	N/A	Never						Always
	0	1	2	3	4	5	6	7
16. Implements advertising campaigns	N/A	Never						Always
	0	1	2	3	4	5	6	7
17. Implements events related to direct marketing	N/A	Never						Always
	0	1	2	3	4	5	6	7
18. Implements e-mailing and e-marketing campaigns	N/A	Never						Always
	0	1	2	3	4	5	6	7
19. Implements mass mailing and telephone campaigns	N/A	Never						Always
	0	1	2	3	4	5	6	7

Of the activities listed below, please indicate the activities using the Likert scale rating that you believe a person in your position should be competent in.

<i>Strategy</i>									
1. Determines sales and marketing strategy	N/A	Strongly Agree							Strongly Disagree
	0	1	2	3	4	5	6	7	
2. Defines the sales and marketing policy for a product or range of products	N/A	Strongly Agree							Strongly Disagree
	0	1	2	3	4	5	6	7	
3. Defines the features and budget of the marketing mix	N/A	Strongly Agree							Strongly Disagree
	0	1	2	3	4	5	6	7	
4. Determines targets market	N/A	Strongly Agree							Strongly Disagree
	0	1	2	3	4	5	6	7	
5. Defines market volume	N/A	Strongly Agree							Strongly Disagree
	0	1	2	3	4	5	6	7	
6. Defines the strategy and budget for operational and direct marketing	N/A	Strongly Agree							Strongly Disagree
	0	1	2	3	4	5	6	7	
7. Determines communication strategy	N/A	Strongly Agree							Strongly Disagree
	0	1	2	3	4	5	6	7	
8. Defines and comes up with concepts of promotion campaigns	N/A	Strongly Agree							Strongly Disagree
	0	1	2	3	4	5	6	7	
9. Defines advertising strategy	N/A	Strongly Agree							Strongly Disagree
	0	1	2	3	4	5	6	7	
10. Analyses and propose public relations strategy	N/A	Strongly Agree							Strongly Disagree
	0	1	2	3	4	5	6	7	
11. Determines and draws a media plan	N/A	Strongly Agree							Strongly Disagree
	0	1	2	3	4	5	6	7	
<i>Initiative</i>									
12. Initiate market research to identify market segments	N/A	Strongly Agree							Strongly Disagree
	0	1	2	3	4	5	6	7	
13. Establishes market opportunities	N/A	Strongly Agree							Strongly Disagree
	0	1	2	3	4	5	6	7	
14. Investigates new product concepts	N/A	Strongly Agree							Strongly Disagree
	0	1	2	3	4	5	6	7	
<i>Implementation</i>									
15. Implements global communication strategy	N/A	Strongly Agree							Strongly Disagree
	0	1	2	3	4	5	6	7	
16. Implements advertising campaigns	N/A	Strongly Agree							Strongly Disagree
	0	1	2	3	4	5	6	7	
17. Implements events related to direct marketing	N/A	Strongly Agree							Strongly Disagree
	0	1	2	3	4	5	6	7	
18. Implements e-mailing and e-marketing campaigns	N/A	Strongly Agree							Strongly Disagree
	0	1	2	3	4	5	6	7	
19. Implements mass mailing and telephone campaigns	N/A	Strongly Agree							Strongly Disagree
	0	1	2	3	4	5	6	7	

APPENDIX 2

Summary Statistics:

Variable	Mean	Std Dev	Min	Max	Median	Skewness	Kurtosis	t-Value	Pr > abs(t)
O1	1.88	1.1299	1	5	2	1.7605	3.1287	-9.381	<.0001
O2	1.72	0.67823	1	3	2	0.4097	-0.68	-16.81	<.0001
O3	1.88	1.0924	1	5	2	1.9231	3.9928	-9.703	<.0001
O4	1.88	0.78103	1	4	2	0.7903	0.8601	-13.57	<.0001
O5	2.08	0.75939	1	3	2	-0.138	-1.179	-12.64	<.0001
O6	1.88	1.0924	1	5	2	1.9231	3.9928	-9.703	<.0001
O7	3.88	1.64114	1	7	5	-0.591	-0.436	-0.366	0.7179
O8	4.92	0.75939	3	7	5	-0.483	4.3067	6.058	<.0001
O9	4.96	1.2741	1	7	5	-1.759	3.9331	3.767	0.0009
O10	5.44	0.82057	3	7	6	-1.021	2.1599	8.774	<.0001
O11	5.2	1.52753	1	7	6	-1.357	1.5099	3.928	0.0006
O12	1.84	0.47258	1	3	2	-0.568	1.2127	-22.85	<.0001
O13	2.12	0.6	1	3	2	-0.032	0.022	-15.67	<.0001
O14	1.88	0.52599	1	3	2	-0.176	0.8849	-20.15	<.0001
O15	5.28	0.73711	4	7	5	0.1694	0.0362	8.683	<.0001
O16	5.36	0.75719	4	7	5	0.5188	0.2844	8.981	<.0001
O17	5.52	0.6532	5	7	5	0.8955	-0.152	11.635	<.0001
O18	5.52	0.6532	5	7	5	0.8955	-0.152	11.635	<.0001
O19	5.52	0.6532	5	7	5	0.8955	-0.152	11.635	<.0001
C1	1.68	0.69041	1	3	2	0.5232	-0.688	-16.8	<.0001
C2	1.76	0.72342	1	3	2	0.4054	-0.908	-15.48	<.0001
C3	1.76	0.72342	1	3	2	0.4054	-0.908	-15.48	<.0001
C4	1.8	0.76376	1	3	2	0.366	-1.137	-14.4	<.0001
C5	1.88	0.78103	1	3	2	0.2199	-1.28	-13.57	<.0001
C6	1.76	0.72342	1	3	2	0.4054	-0.908	-15.48	<.0001
C7	3.08	1.41185	1	5	3	-0.153	-1.136	-3.258	0.0033
C8	3.92	1.70587	1	6	5	-0.686	-0.942	-0.234	0.8166
C9	3.8	1.65831	1	6	5	-0.608	-1.022	-0.603	0.5522
C10	4.12	1.69115	1	6	5	-0.99	-0.472	0.355	0.7258
C11	4.08	1.80093	1	6	5	-0.734	-0.986	0.222	0.8261
C12	1.6	0.5	1	2	2	-0.435	-1.976	-24	<.0001
C13	1.92	0.70238	1	3	2	0.1117	-0.816	-14.81	<.0001
C14	1.68	0.4761	1	2	2	-0.822	-1.447	-24.37	<.0001
C15	4.4	1.35401	2	7	5	-0.153	-0.826	1.477	0.1527
C16	4.4	1.35401	2	7	5	-0.153	-0.826	1.477	0.1527
C17	4.48	1.38804	2	7	5	-0.26	-0.932	1.729	0.0966
C18	4.48	1.38804	2	7	5	-0.26	-0.932	1.729	0.0966
C19	4.48	1.38804	2	7	5	-0.26	-0.932	1.729	0.0966



APPENDIX 3

Outsourcing

Questions	Rating 1 - 3 low	Rating 4 neutral	Rating 5 -7 high	Z-Value	Pr > abs(Z)
Strategy					
Q1	23	0	2	4.2	<.0001
Q2	25	0	0	n/a	
Q3	23	0	2	4.2	<.0001
Q4	24	1	0	n/a	
Q5	25	0	0	n/a	
Q6	23	0	2	4.2	<.0001
Q7	9	3	13	0.41	0.394
Q8	2	1	22	-4.08	<.0001
Q9	3	0	22	-3.8	<.0001
Q10	1	1	23	-4.49	<.0001
Q11	4	1	20	-3.27	<.0001
Initiative					
Q12	25	0	0	n/a	
Q13	25	0	0	n/a	
Q14	25	0	0	n/a	
Implementation					
Q15	0	3	22	n/a	
Q16	0	2	21	n/a	
Q17	0	0	25	n/a	
Q18	0	0	25	n/a	
Q19	0	0	25	n/a	

APPENDIX 4

Competence

Questions	Rating 1 - 3 low	Rating 4 neutral	Rating 5 -7 high	t-Value	Pr > abs(t)
Strategy					
Q1	25	0	0	n/a	
Q2	25	0	0	n/a	
Q3	25	0	0	n/a	
Q4	25	0	0	n/a	
Q5	25	0	0	n/a	
Q6	25	0	0	n/a	
Q7	15	5	5	2.24	0.253
Q8	9	2	14	-1.04	0.2971
Q9	10	2	13	-0.63	0.5316
Q10	8	0	17	-1.8	0.0719
Q11	9	0	16	-1.4	0.1615
Initiative					
Q12	25	0	0	n/a	
Q13	25	0	0	n/a	
Q14	25	0	0	n/a	
Implementation					
Q15	25	0	0	n/a	
Q16	8	3	14	-1.28	0.2008
Q17	8	2	15	-1.46	0.1444
Q18	8	2	15	-1.46	0.1444
Q19	8	2	15	-1.46	0.1444

APPENDIX 5

Correlations

1	0.48285
2	0.62163
3	0.43657
4	0.51689
5	0.22762
6	0.43657
7	0.65169
8	0.38083
9	0.50879
10	0.56088
11	0.49377
12	0.42321
13	0.22147
14	0.33943
15	0.46758
16	0.50395
17	0.44853
18	0.44853
19	0.44853
	Significant at 1%
	Significant at 5%
	Significant at 10%

Strategy Total	0.7211
Strategy Marketing	0.51637
Strategy Marketing (7-11)	0.61493
Initiative	0.38152
Implementation	0.47718

APPENDIX 6:

Regressions

Regression 1:

Root MSE 1.01074 R-Square 0.2331
 Dependent Mean 1.88000 Adj R-Sq 0.1998
 Coeff Var 53.76255

Parameter Estimates

Variable	Label	DF	Parameter Estimate	Standard Error	t Value	Pr > t
Intercept	Intercept	1	0.55245	0.54120	1.02	0.3180
C1	C1	1	0.79021	0.29883	2.64	0.0145

Regression 2:

Root MSE 0.54269 R-Square 0.3864
 Dependent Mean 1.72000 Adj R-Sq 0.3597
 Coeff Var 31.55198

Parameter Estimates

Variable	Label	DF	Parameter Estimate	Standard Error	t Value	Pr > t
Intercept	Intercept	1	0.69427	0.29054	2.39	0.0255
C2	C2	1	0.58280	0.15313	3.81	0.0009

Regression 3:

Root MSE 1.00394 R-Square 0.1906
 Dependent Mean 1.88000 Adj R-Sq 0.1554
 Coeff Var 53.40099

Parameter Estimates

Variable	Label	DF	Parameter Estimate	Standard Error	t Value	Pr > t
Intercept	Intercept	1	0.71975	0.53748	1.34	0.1936
C3	C3	1	0.65924	0.28328	2.33	0.0291

Regression 4:

Root MSE 0.68298 R-Square 0.2672
 Dependent Mean 1.88000 Adj R-Sq 0.2353
 Coeff Var 36.32864

Parameter Estimates

Variable	Label	Parameter		Standard Error	t Value	Pr > t
		DF	Estimate			
Intercept	Intercept	1	0.92857	0.35582	2.61	0.0157
C4	C4	1	0.52857	0.18253	2.90	0.0082

Regression 5:

Root MSE 0.75536 R-Square 0.0518
 Dependent Mean 2.08000 Adj R-Sq 0.0106
 Coeff Var 36.31520

Parameter Estimates

Variable	Label	Parameter		Standard Error	t Value	Pr > t
		DF	Estimate			
Intercept	Intercept	1	1.66393	0.40071	4.15	0.0004
C5	C5	1	0.22131	0.19742	1.12	0.2738

Regression 6:

Root MSE 1.00394 R-Square 0.1906
 Dependent Mean 1.88000 Adj R-Sq 0.1554
 Coeff Var 53.40099

Parameter Estimates

Variable	Label	Parameter		Standard Error	t Value	Pr > t
		DF	Estimate			
Intercept	Intercept	1	0.71975	0.53748	1.34	0.1936
C6	C6	1	0.65924	0.28328	2.33	0.0291

Regression 7:

Root MSE 1.27155 R-Square 0.4247
 Dependent Mean 3.88000 Adj R-Sq 0.3997
 Coeff Var 32.77190

Parameter Estimates

Variable	Label	Parameter		Standard Error	t Value	Pr > t
		DF	Estimate			
Intercept	Intercept	1	1.54682	0.62071	2.49	0.0203
C7	C7	1	0.75753	0.18384	4.12	0.0004

Regression 8:

Root MSE 0.71726 R-Square 0.1450
 Dependent Mean 4.92000 Adj R-Sq 0.1079
 Coeff Var 14.57854

Parameter Estimates

Variable	Label	Parameter		Standard Error	t Value	Pr > t
		DF	Estimate			
Intercept	Intercept	1	4.25544	0.36575	11.63	<.0001
C8	C8	1	0.16953	0.08583	1.98	0.0604

Regression 9:

Root MSE 1.12045 R-Square 0.2589
 Dependent Mean 4.96000 Adj R-Sq 0.2266
 Coeff Var 22.58978

Parameter Estimates

Variable	Label	Parameter		Standard Error	t Value	Pr > t
		DF	Estimate			
Intercept	Intercept	1	3.47455	0.56999	6.10	<.0001
C9	C9	1	0.39091	0.13792	2.83	0.0094

Regression 10:

Root MSE 0.69396 R-Square 0.3146
 Dependent Mean 5.44000 Adj R-Sq 0.2848
 Coeff Var 12.75661

Parameter Estimates

Variable	Label	Parameter		Standard Error	t Value	Pr > t
		DF	Estimate			
Intercept	Intercept	1	4.31876	0.37196	11.61	<.0001
C10	C10	1	0.27214	0.08376	3.25	0.0035

Regression 11:

Root MSE 1.35690 R-Square 0.2438
 Dependent Mean 5.20000 Adj R-Sq 0.2109
 Coeff Var 26.09416

Parameter Estimates

Variable	Label	Parameter		Standard Error	t Value	Pr > t
		DF	Estimate			
Intercept	Intercept	1	3.49126	0.68366	5.11	<.0001
C11	C11	1	0.41881	0.15380	2.72	0.0121

Regression 12:

Root MSE 0.43738 R-Square 0.1791
 Dependent Mean 1.84000 Adj R-Sq 0.1434
 Coeff Var 23.77084

Parameter Estimates

Variable	Label	Parameter		Standard Error	t Value	Pr > t
		DF	Estimate			
Intercept	Intercept	1	1.20000	0.29879	4.02	0.0005
C12	C12	1	0.40000	0.17856	2.24	0.0350

Regression 13:

Root MSE 0.59768 R-Square 0.0490
 Dependent Mean 2.12000 Adj R-Sq 0.0077
 Coeff Var 28.19267

Parameter Estimates

Variable	Label	Parameter		Standard Error	t Value	Pr > t
		DF	Estimate			
Intercept	Intercept	1	1.75676	0.35428	4.96	<.0001
C13	C13	1	0.18919	0.17370	1.09	0.2874

Regression 14:

Root MSE 0.50541 R-Square 0.1152
 Dependent Mean 1.88000 Adj R-Sq 0.0767
 Coeff Var 26.88327

Parameter Estimates

Variable	Label	Parameter		Standard Error	t Value	Pr > t
		DF	Estimate			
Intercept	Intercept	1	1.25000	0.37781	3.31	0.0031
C14	C14	1	0.37500	0.21669	1.73	0.0969

Regression 15:

Root MSE 0.66559 R-Square 0.2186
 Dependent Mean 5.28000 Adj R-Sq 0.1847
 Coeff Var 12.60578

Parameter Estimates

Variable	Label	Parameter		Standard Error	t Value	Pr > t
		DF	Estimate			
Intercept	Intercept	1	4.16000	0.46113	9.02	<.0001
C15	C15	1	0.25455	0.10034	2.54	0.0184

Regression 16:

Root MSE 0.66807 R-Square 0.2540
 Dependent Mean 5.36000 Adj R-Sq 0.2215
 Coeff Var 12.46408

Parameter Estimates

Variable	Label	Parameter		Standard Error	t Value	Pr > t
		DF	Estimate			
Intercept	Intercept	1	4.12000	0.46286	8.90	<.0001
C16	C16	1	0.28182	0.10072	2.80	0.0102

Regression 17:

Root MSE 0.59636 R-Square 0.2012
 Dependent Mean 5.52000 Adj R-Sq 0.1664
 Coeff Var 10.80368

Parameter Estimates

Variable	Label	Parameter		Standard Error	t Value	Pr > t
		DF	Estimate			
Intercept	Intercept	1	4.57439	0.41060	11.14	<.0001
C17	C17	1	0.21107	0.08770	2.41	0.0245

Regression 18:

Root MSE 0.59636 R-Square 0.2012
 Dependent Mean 5.52000 Adj R-Sq 0.1664
 Coeff Var 10.80368

Parameter Estimates

Variable	Label	Parameter		Standard Error	t Value	Pr > t
		DF	Estimate			
Intercept	Intercept	1	4.57439	0.41060	11.14	<.0001
C18	C18	1	0.21107	0.08770	2.41	0.0245

Regression 19:

Root MSE 0.59636 R-Square 0.2012
 Dependent Mean 5.52000 Adj R-Sq 0.1664
 Coeff Var 10.80368

Parameter Estimates

Variable	Label	Parameter DF	Standard Estimate	Standard Error	t Value	Pr > t
Intercept	Intercept	1	4.57439	0.41060	11.14	<.0001
C19	C19	1	0.21107	0.08770	2.41	0.0245

Regression Strategy:

Root MSE 0.55426 R-Square 0.5200
 Dependent Mean 3.24727 Adj R-Sq 0.4991
 Coeff Var 17.06835

Parameter Estimates

Variable	Label	Parameter DF	Standard Estimate	Standard Error	t Value	Pr > t
Intercept	Intercept	1	1.62842	0.34275	4.75	<.0001
comp_strat	comp strat	1	0.60079	0.12036	4.99	<.0001

Regression Initiative:

Root MSE 0.42306 R-Square 0.1456
 Dependent Mean 1.94667 Adj R-Sq 0.1084
 Coeff Var 21.73246

Parameter Estimates

Variable	Label	Parameter DF	Standard Estimate	Standard Error	t Value	Pr > t
Intercept	Intercept	1	1.36476	0.30591	4.46	0.0002
comp_init	comp init	1	0.33571	0.16960	1.98	0.0599

Regression Implementation:

Root MSE 0.58409 R-Square 0.2277
 Dependent Mean 5.44000 Adj R-Sq 0.1941
 Coeff Var 10.73688

Parameter Estimates

Variable	Label	Parameter DF	Estimate	Standard Error	t Value	Pr > t
Intercept	Intercept	1	4.43039	0.40493	10.94	<.0001
comp_impl	comp impl	1	0.22698	0.08717	2.60	0.0159

Regression Marketing Strategy:

Root MSE 0.73951 R-Square 0.2666
 Dependent Mean 1.88667 Adj R-Sq 0.2348
 Coeff Var 39.19645

Parameter Estimates

Variable	Label	Parameter DF	Estimate	Standard Error	t Value	Pr > t
Intercept	Intercept	1	0.77609	0.41154	1.89	0.0720
compstrat1	compstrat1	1	0.62626	0.21657	2.89	0.0082

Regression (Strategy Marketing 7-11)

Root MSE 0.80554 R-Square 0.3781
 Dependent Mean 4.88000 Adj R-Sq 0.3511
 Coeff Var 16.50697

Parameter Estimates

Variable	Label	Parameter DF	Estimate	Standard Error	t Value	Pr > t
Intercept	Intercept	1	3.36743	0.43536	7.73	<.0001
compstrat2	compstrat2	1	0.39804	0.10644	3.74	0.0011

APPENDIX 7:

Cronbach Alpha

Variable		Alpha	
		Raw	Standardised
Outsourcing	Strategy	0.904191	0.920859
	Initiative	0.785978	0.788452
	Implementation	0.966929	0.969369
Competence	Strategy	0.925115	0.94659
	Initiative	0.876429	0.899934
	Implementation	0.997541	0.997566

APPENDIX 8:

Factor Analysis

Outsourcing:

Eigenvalues of the Correlation Matrix: Total = 19 Average = 1

	Eigenvalue	Difference	Proportion	Cumulative
1	7.63858351	2.84774481	0.4020	0.4020
2	4.79083870	2.69762087	0.2521	0.6542
3	2.09321784	1.08507926	0.1102	0.7643
4	1.00813857	0.20546458	0.0531	0.8174
5	0.80267399	0.14662823	0.0422	0.8597
6	0.65604576	0.12872926	0.0345	0.8942
7	0.52731650	0.08578592	0.0278	0.9219
8	0.44153058	0.07472400	0.0232	0.9452
9	0.36680657	0.06446072	0.0193	0.9645
10	0.30234586	0.14994667	0.0159	0.9804
11	0.15239919	0.07503225	0.0080	0.9884
12	0.07736694	0.01729889	0.0041	0.9925
13	0.06006804	0.00775839	0.0032	0.9956
14	0.05230965	0.03241301	0.0028	0.9984
15	0.01989664	0.00943498	0.0010	0.9994
16	0.01046166	0.01046166	0.0006	1.0000
17	0.00000000	0.00000000	0.0000	1.0000
18	0.00000000	0.00000000	0.0000	1.0000
19	0.00000000		0.0000	1.0000

		Rotated Factor Pattern			
		Factor1	Factor2	Factor3	Factor4
Q1	Q1	0.96583	0.00418	0.04522	0.02496
Q2	Q2	0.81354	-0.01425	0.37427	0.04194
Q3	Q3	0.94138	-0.07378	0.11084	0.14783
Q4	Q4	0.86657	-0.12401	0.29844	0.20140
Q5	Q5	0.70942	0.10285	0.06708	0.35013
Q6	Q6	0.94138	-0.07378	0.11084	0.14783
Q7	Q7	0.28563	0.31957	0.56342	0.50087
Q8	Q8	0.19781	0.15847	0.16765	0.78485
Q9	Q9	0.15931	0.13465	0.75562	0.43945
Q10	Q10	0.23207	0.07003	0.39607	0.80081
Q11	Q11	0.23048	0.13703	0.65444	0.28355
Q12	Q12	-0.08849	0.03973	0.82673	0.05817
Q13	Q13	0.49608	0.16265	0.66652	0.01728
Q14	Q14	0.47281	-0.05173	0.73152	0.14965
Q15	Q15	-0.15412	0.83893	0.02760	0.11380
Q16	Q16	-0.07682	0.93528	0.02157	0.09974
Q17	Q17	0.03476	0.96830	0.11621	0.06074
Q18	Q18	0.03476	0.96830	0.11621	0.06074
Q19	Q19	0.03476	0.96830	0.11621	0.06074

Force 3 factors

		Rotated Factor Pattern		
		Factor1	Factor2	Factor3
Q1	Q1	0.96370	-0.00110	0.05439
Q2	Q2	0.80168	-0.03364	0.35001
Q3	Q3	0.94386	-0.07436	0.17012
Q4	Q4	0.86587	-0.12988	0.35939
Q5	Q5	0.72486	0.11732	0.23116
Q6	Q6	0.94386	-0.07436	0.17012
Q7	Q7	0.29359	0.32061	0.74013
Q8	Q8	0.23473	0.19695	0.52850
Q9	Q9	0.15779	0.12380	0.87600
Q10	Q10	0.26219	0.09854	0.73514
Q11	Q11	0.22365	0.12119	0.71233
Q12	Q12	-0.11272	0.00358	0.75215
Q13	Q13	0.47373	0.12858	0.59535
Q14	Q14	0.45563	-0.08007	0.71337
Q15	Q15	-0.14867	0.84273	0.08950
Q16	Q16	-0.07211	0.93784	0.07889
Q17	Q17	0.03394	0.96326	0.14364
Q18	Q18	0.03394	0.96326	0.14364
Q19	Q19	0.03394	0.96326	0.14364

Competence:

Eigenvalues of the Correlation Matrix: Total = 19 Average = 1

	Ei genva lue	Di fference	Proporti on	Cumul ative
1	11.6889163	7.6555028	0.6152	0.6152
2	4.0334135	2.8921518	0.2123	0.8275
3	1.1412617	0.5122888	0.0601	0.8876
4	0.6289729	0.1724060	0.0331	0.9207
5	0.4565669	0.1489321	0.0240	0.9447
6	0.3076348	0.0733447	0.0162	0.9609
7	0.2342902	0.0539551	0.0123	0.9732
8	0.1803350	0.0922669	0.0095	0.9827
9	0.0880681	0.0073550	0.0046	0.9873
10	0.0807132	0.0305217	0.0042	0.9916
11	0.0501914	0.0019191	0.0026	0.9942
12	0.0482724	0.0138179	0.0025	0.9968
13	0.0344545	0.0170200	0.0018	0.9986
14	0.0174345	0.0079600	0.0009	0.9995
15	0.0094745	0.0094745	0.0005	1.0000
16	0.0000000	0.0000000	0.0000	1.0000
17	0.0000000	0.0000000	0.0000	1.0000
18	0.0000000	0.0000000	0.0000	1.0000
19	0.0000000	0.0000000	0.0000	1.0000

Rotated Factor Pattern

		Factor1	Factor2	Factor3
Q1	Q1	0.94967	0.10952	0.01969
Q2	Q2	0.94253	0.20789	0.10666
Q3	Q3	0.94325	0.10594	0.12713
Q4	Q4	0.92664	0.20378	0.13441
Q5	Q5	0.81455	0.21712	0.25432
Q6	Q6	0.94325	0.10594	0.12713
Q7	Q7	0.45086	0.48335	0.58035
Q8	Q8	0.18068	0.40681	0.82821
Q9	Q9	0.16399	0.47953	0.82768
Q10	Q10	0.19649	0.43015	0.80383
Q11	Q11	0.26132	0.45928	0.78439
Q12	Q12	0.78450	0.07377	0.33031
Q13	Q13	0.57490	0.24492	0.48472
Q14	Q14	0.74288	0.19726	0.47103
Q15	Q15	0.14434	0.92653	0.32301
Q16	Q16	0.14434	0.92653	0.32301
Q17	Q17	0.19928	0.91635	0.33719
Q18	Q18	0.19928	0.91635	0.33719
Q19	Q19	0.19928	0.91635	0.33719

Strategy Outsourcing

Eigenvalues of the Correlation Matrix: Total = 11 Average = 1

	Ei genval ue	Di fference	Proporti on	Cumul ative
1	6.26352209	4.15131503	0.5694	0.5694
2	2.11220706	1.24988109	0.1920	0.7614
3	0.86232597	0.32638494	0.0784	0.8398
4	0.53594103	0.10492211	0.0487	0.8885
5	0.43101891	0.09174435	0.0392	0.9277
6	0.33927456	0.10232873	0.0308	0.9586
7	0.23694583	0.12545156	0.0215	0.9801
8	0.11149426	0.03221920	0.0101	0.9902
9	0.07927506	0.05127982	0.0072	0.9975
10	0.02799524	0.02799524	0.0025	1.0000
11	0.00000000		0.0000	1.0000

Rotated Factor Pattern

		Factor1	Factor2
01	01	0.96244	0.08696
02	02	0.81304	0.29683
03	03	0.94692	0.18814
04	04	0.87468	0.33754
05	05	0.70705	0.29026
06	06	0.94692	0.18814
07	07	0.23463	0.84256
08	08	0.16325	0.66727
09	09	0.13792	0.87856
010	010	0.23202	0.84082
011	011	0.22382	0.72583

Initiative Outsourcing:

Eigenvalues of the Correlation Matrix: Total = 3 Average = 1

	Ei genval ue	Di fference	Proporti on	Cumul ative
1	2.11961718	1.47553624	0.7065	0.7065
2	0.64408094	0.40777906	0.2147	0.9212
3	0.23630188		0.0788	1.0000

Implementation Outsourcing:

Eigenvalues of the Correlation Matrix: Total = 5 Average = 1

	Ei genva lue	Di fference	Proporti on	Cumul ative
1	4.46608842	4.03168810	0.8932	0.8932
2	0.43440032	0.33488906	0.0869	0.9801
3	0.09951126	0.09951126	0.0199	1.0000
4	0.00000000	0.00000000	0.0000	1.0000
5	0.00000000		0.0000	1.0000

Strategy Competence:

Eigenvalues of the Correlation Matrix: Total = 11 Average = 1

	Ei genva lue	Di fference	Proporti on	Cumul ative
1	7.20589052	4.53938317	0.6551	0.6551
2	2.66650735	2.29114437	0.2424	0.8975
3	0.37536298	0.08074547	0.0341	0.9316
4	0.29461751	0.09871844	0.0268	0.9584
5	0.19589907	0.10525727	0.0178	0.9762
6	0.09064180	0.01077119	0.0082	0.9844
7	0.07987061	0.02982762	0.0073	0.9917
8	0.05004299	0.02147177	0.0045	0.9963
9	0.02857122	0.01597527	0.0026	0.9989
10	0.01259595	0.01259595	0.0011	1.0000
11	0.00000000		0.0000	1.0000

Rotated Factor Pattern

		Factor1	Factor2
C1	C1	0.96001	0.10420
C2	C2	0.94924	0.22674
C3	C3	0.94594	0.19869
C4	C4	0.93231	0.25239
C5	C5	0.80931	0.33827
C6	C6	0.94594	0.19869
C7	C7	0.43819	0.76431
C8	C8	0.16130	0.93523
C9	C9	0.14352	0.96633
C10	C10	0.18145	0.92572
C11	C11	0.23459	0.91676

Initiative Competence:

Eigenvalues of the Correlation Matrix: Total = 3 Average = 1

	Ei genva lue	Di fference	Proporti on	Cumul ative
1	2.50362647	2.11814686	0.8345	0.8345
2	0.38547961	0.27458569	0.1285	0.9630
3	0.11089392		0.0370	1.0000

Implementation Competence:

Eigenvalues of the Correlation Matrix: Total = 5 Average = 1

	Ei genva lue	Di fference	Proporti on	Cumul ative
1	4.95180824	4.90361648	0.9904	0.9904
2	0.04819176	0.04819176	0.0096	1.0000
3	0.00000000	0.00000000	0.0000	1.0000
4	0.00000000	0.00000000	0.0000	1.0000
5	0.00000000		0.0000	1.0000

APPENDIX 9:

Anova

Outsourcing Questions:

ANOVA

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	1312.829	18	72.93497	84.15574	3E-132	1.626518
Within Groups	395.2	456	0.866667			
Total	1708.029	474				

Outsourcing Main Constructs:

ANOVA

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	155.8584	2	77.92919	188.9376	2.25E-29	3.123907
Within Groups	29.69712	72	0.41246			
Total	185.5555	74				

Outsourcing Main Constructs with Strategy Divided:

ANOVA

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	266.9453	3	88.98176	152.1899	2.35E-36	2.699393
Within Groups	56.12889	96	0.584676			
Total	323.0742	99				

Competence Questions:

ANOVA

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	708.0716	18	39.33731	27.26443	5.23E-61	1.626518
Within Groups	657.92	456	1.442807			
Total	1365.992	474				

Competence Main Constructs:

ANOVA

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	94.73289	2	47.36644	47.15083	8.16E-14	3.123907
Within Groups	72.32925	72	1.004573			
Total	167.0621	74				

Competence Main Constructs with Strategy Divided:

ANOVA

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	145.7703	3	48.5901	38.85116	1.59E-16	2.699393
Within Groups	120.0646	96	1.250673			
Total	265.8349	99				

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