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Establishing the role of branding in Social Enterprises

by

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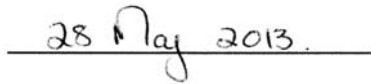
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DECLARATION

I hereby declare that the dissertation submitted for the degree PhD: Development Communication, at University of Pretoria is my own original work and has not previously been submitted to any other institution. Sources quoted are indicated and acknowledgement by means of a comprehensive list of references.



A.S. Le Roux



Date

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ABSTRACT

“What role did branding play in the social marketing processes of the three Schwab Foundation award winning social enterprises (SEs)?” The research problem, as well as the research questions, revolve around the issue of establishing how branding may be employed as part of the social marketing process in such a way as to increase the competitiveness of those organisations known as social enterprises (SEs).

This study investigates three SEs whose Chief Executive Officers (CEOs) have won The Schwab Foundation Social Entrepreneur (SFSE) of the Year Awards, to determine how branding was used as a communication tool to position their organisations as leaders and differentiators in the development sector. The three SEs that were chosen as case study organisations are: Soul City, Heartbeat and the Johannesburg Housing Company (JHC).

The theoretical context focuses firstly on the non-profit sector in South Africa as the context and environment of this study, more specifically, the evolution of non-profit organisations (NPOs) into Social Enterprises (SEs). This is followed by defining communication principles and applications as they appear in both profit-driven and non-profit organisations/social enterprises (NPOs/SEs). This is applied in two different communication contexts: communication within corporate organisations and communication within development organisations.

The last theoretical focus is placed on understanding what branding means, a description of the different branding categories, and a view of the evolution of branding to brand building and brand leadership. This is followed by a discussion on the importance of brand identity and equity in the process of brand development, brand management and measurement, including a presentation of the main role players in this brand-building process. Branding is then discussed as it is applied in SEs, outlining what a strong brand could do for the development sector.

A combination of qualitative and quantitative research approaches are utilised; more specifically a qualitative research approach, supported by a quantitative one, referred to as the “dominant less-dominant model”. This study is based on the grounded theory model supported by a collective case study approach, also referred to as “building theories from case study research”.

The study further indicates the theory that was generated by this study, namely “*The Social Enterprise (SE) branding layered grounded theory model*”. Whereas the 1st layer displays the important role that the NPO/SE sector is fulfilling in modern society; the 2nd layer the specific space and linkages of SEs with the different other society sectors are explained; the 3rd layer positions/similar to Maslow’s hierarchy of needs with the growth path of NPOs towards SEs and their own sustainability on the NPO/SE pyramid model; the 4th layer indicates the fact that the same corporate communication principles applies to the development sector; and the 5th layer stresses the important role that branding plays as the core element of a corporate communication strategy.

In summary, the study found that a lack of implementation of corporate communication in NPOs and SEs, more specifically the absence of a corporate identity, image and a strategic brand management process, has a direct impact on the effectiveness of SEs' communication and limits the achievement of their developmental objectives.

Key terms

social entrepreneur, social enterprise, non-profit organisations, development sector, development communication, corporate communication, corporate identity, corporate image, corporate branding, brand, social marketing.

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Acronyms

ASEN	African Social Entrepreneur Network
CBO(s)	Community-Based Organisation(s)
CEO(s)	Chief Executive Officer(s)
CSI	Corporate Social Investment
CSO(s)	Civil Society Organisation(s)
DSD	Department of Social Development
DTI	Department of Trade and Industry
ECD	Early Childhood Development
IEC	Information, Education and Communication
GCIS	Government Communication Information Services
GGASA	Girl Guides Association of South Africa
ILO	International Labour Organization
JHC	The Johannesburg Housing Company
MDG(s)	Millennium Development Goal(s)
M & E	Monitoring and Evaluation
NGO(s)	Non-Governmental Organisation(s)
NPO(s)	Non-Profit Organisation(s)
OVC(s)	Orphaned and Vulnerable Children
SE(s)	Social Enterprise(s)
SFSE (Awards)	Schwab Foundation Social Entrepreneur (of the Year Awards)
WEF	World Economic Forum

CHAPTER ONE

BACKGROUND TO AND MOTIVATION FOR THE STUDY

1.1 Introduction

In Chapter One, both the research topic and the motivation for this study are identified and described. The research problem, as well as the research questions, revolve around the issue of establishing how branding may be employed as part of the social marketing process in such a way as to increase the competitiveness of those organisations known as social enterprises (SEs). The study makes use of case studies as research methodology. The three social enterprises (SEs) that were chosen as case study organisations are: Soul City, Heartbeat and the Johannesburg Housing Company (JHC). These three organisations were chosen because they represent the first three winners of the Schwab Foundation's Social Entrepreneur (SFSE) of the Year Awards in South Africa. Accordingly, these organisations will be investigated with the aim of establishing the role that branding plays as a communication tool in their social entrepreneurship efforts. Branding is an attempt to help them realise their developmental goals and to differentiate themselves as brand leaders in their respective fields of expertise.

This chapter also presents a brief description of the research design utilised in the study as well as providing an outline of the remaining chapters of the thesis.

1.2 Background and problem statement

In theory it would appear that it is possible to integrate the theoretical views on corporate communication, branding and brand management, and social marketing in the planning of the corporate communication strategies of organisations in the non-profit organisation's (NPO) sector (Argenti, 2007:194). As a theoretical construct in the corporate communication strategy of the NPOs, the "service brand" of these NPOs constitutes both the identity and the image of the organisation with the brand as the departure point. Without a strong brand it would not be possible to implement an effective social marketing campaign and/or a corporate communication strategy.

This theoretical viewpoint was used in the researcher's master's dissertation (Le Roux, 2005:41). The dissertation explored the way in which the Girl Guides Association of South Africa (GGASA) could develop and manage its corporate communication strategy more successfully.

A theoretical construct was developed for this study and is represented diagrammatically in Figure 1.1 below.

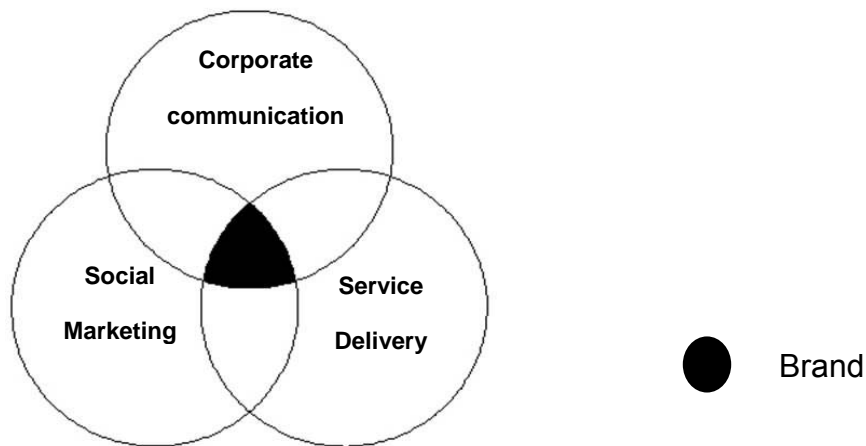


Figure 1.1: Branding as the core element in a corporate communication strategy (Le Roux, 2005)

As depicted in Figure 1.1, the brand is the core element in the corporate communication strategy of a NPO, with the corporate communication, social marketing and service delivery converging in order to create a framework for a successful strategy.

In this follow-up study, the researcher wishes to test the theoretical viewpoint, as illustrated in Figure 1.1, by applying it to the practices implemented by SEs. This constitutes an extension of the development sector as the context of the study, as well as emphasising the increasingly important role played by branding.

Both modern society (Jacobs *et.al.*, 2009:3) and community structures (Netshipale, 2011) are increasingly being conceptualised as generally comprising of the following three interrelated arenas or realms of action: the public sector/state or government, the private or business sector, and the civil society/voluntary/independent or NPO

sector. It is possible to compare these three arenas visually using the image of a three-legged pot:

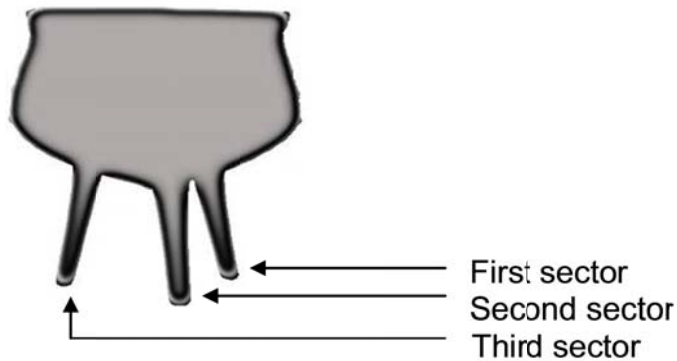


Figure 1.2: The three-legged pot of modern society

The development sector (NPOs/SEs), also known as the “third sector”, consists mainly of NPOs, which generally depend on subsidies and fundraising activities to ensure their own survival. SEs, on the other hand, depend on entrepreneurial and social economical activities to ensure their own sustainability and, ultimately, their own self-sufficiency.

A social enterprise (SE) may be defined as follows:

A social enterprise’s primary objective is to ameliorate social problems through a financially sustainable business model, where surpluses (if any) are principally reinvested for that purpose (Steinman, 2010:40).

The view of this study is that the link between NPOs and SEs, as the main players in the development sector, is a “growth process”. This link/growth process shows similarities with Maslow’s hierarchy of needs and is visually depicted in Figure 1.3 below:

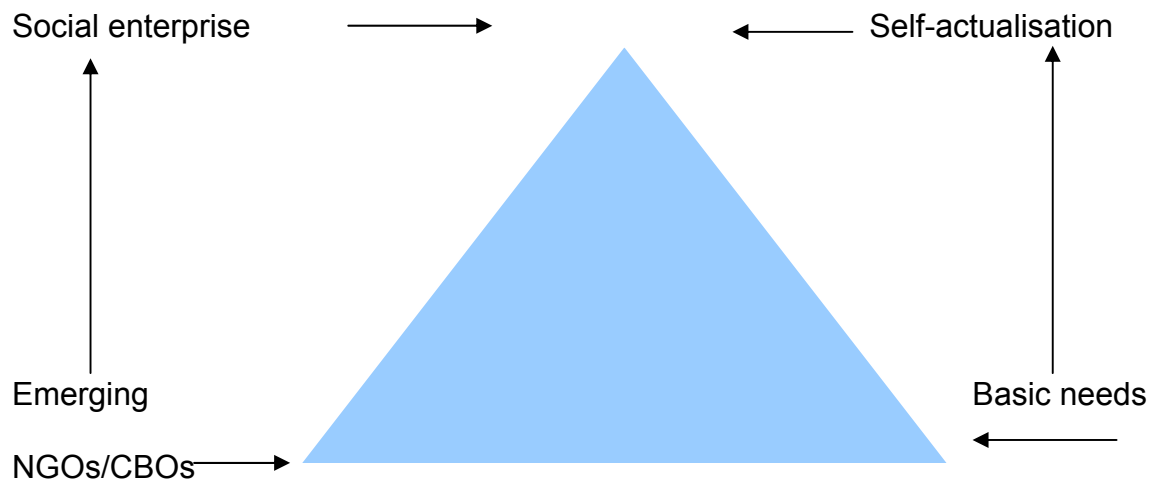


Figure 1.3: Link/place between NPO sector/basic needs and SE/self-actualisation depicted on the NPO pyramid model

The SE is located at the top of the NPO pyramid model. The efforts of the SE are directed at generating earned income that will enable it to become both sustainable and self-sufficient. Therefore, the SE is able to sustain its efforts without depending on charitable contributions and public sector subsidies (Boschee & McClurg, 2003:1) and this, in the opinion of the researcher, is the ultimate goal for any NPO; hence the referral to the similarities of Maslow's needs hierarchy of self-actualisation.

A social entrepreneur may be defined as follows:

A social entrepreneur has created and leads an organisation whether for-profit or not, that is aimed at catalysing systemic social change through new ideas, products, services, methodologies and changes in attitude. Social entrepreneurs create hybrid organisations that employ businesses methods – but their bottom line is social value creation. The ability to turn new ideas into concrete transformational solutions is the hallmark of an entrepreneur (SFSE, 2005:2).

Various social entrepreneur awards exist, for example those bestowed by the Schwab Foundation, Ashoka, and Skoll Foundation, etc. These awards play a role in

recognising social entrepreneurs, as well as building an awareness system with regard to their specific SEs. The researcher decided to focus on the Schwab Foundation and The SFSE of the Year Awards – the best known of the three awards. The fact that this award is the best known probably stems from its association with the World Economic Forum (WEF). The debates and sessions of the WEF receive considerable media attention, especially on television.

This study takes the viewpoint that NPOs and SEs should adopt the communication techniques and practices of the commercial sector in order to create a strong brand (Saxton, 2008:2). In addition, it is recommended that the technique and practices of corporate communication, defined as communication within organisations, and the focus of this study, be adopted by both NPOs and SEs. Corporate communication can be derived from an integrated corporate communication perspective (Pickton, 2004:23), also referred to as the corporate strategy, identity and image triangle (Van Riel, 1992:19) which reflects a holistic approach. Corporate identity and corporate image represent the two concepts, which are central to corporate communication. They are also the most critical aspects of any corporate communication function, as they are linked to organisational reputation. Managing reputation and building trust are vitally important, and a strong corporate communication function makes it possible to realise these goals (Argenti, 2007:57). In addition, the effective alignment of the corporate identity, image and reputation of an organisation could create a competitive advantage (Balmer, 1999:175).

It is recommended that brand management be incorporated into identity and image management (Pickton & Broderick, 2001:25). This inclusion of brand management is

referred to as “corporate branding” (Mottram cited by Pickton & Broderick, 1998:24). The organisational communication context can further be extended by bringing the “new” area of corporate marketing into the corporate domain. Balmer (2008:51) referred to this as an “epiphany of three”. This, in turn, represents an attempt to reveal the ideal nature of corporate identity, corporate branding and corporate marketing.

The similarities between this “epiphany of three” in both the corporate and the development sectors will be further explained. Firstly, it is necessary to redefine communication with regards to the development sector. Communication in the development sector is also known as development communication. Development communication refers to the practice of systematically applying the processes, strategies and principles of communication in order to bring about positive social change. A participatory communication process is favoured during this practice and enhances sustainability, empowerment and the building of trust.

According to Colle (2002:1), it was during the last five decades that development communication evolved into a development communication fabric that comprises of seven main threads. In terms of this study, social marketing is the most relevant thread:

Social marketing is a process that assumes that what has made McDonalds and Coca-Cola world class successes can also have a dramatic impact on the problems of high blood pressure, AIDS, child mortality in developing nations, and other circumstances related to patterns of behaviour (Colle, 2002:51).

Branding can be integrated into social marketing campaigns with such campaigns being referred to as brand-driven social marketing campaigns. One of the campaigns

in which this integrated approach was applied to with notable success, was “The Heart Truth® Campaign”, a health communication campaign (Wayman, *et.al.*, 2008:40). In this campaign, a “Women and Heart Disease Brand” was developed: “The Heart Truth® Campaign’s Red Dress”. This campaign was prompted by a growing recognition that branding principles can contribute to the success of public health campaigns” (Wayman, *et.al.*, 2008:41).

When communication principles from both the corporate sector and the development sector are applied, certain similarities become evident. The similarities with regards to the way in which branding and marketing are presented in both corporate and development communication can be visually depicted as follows:

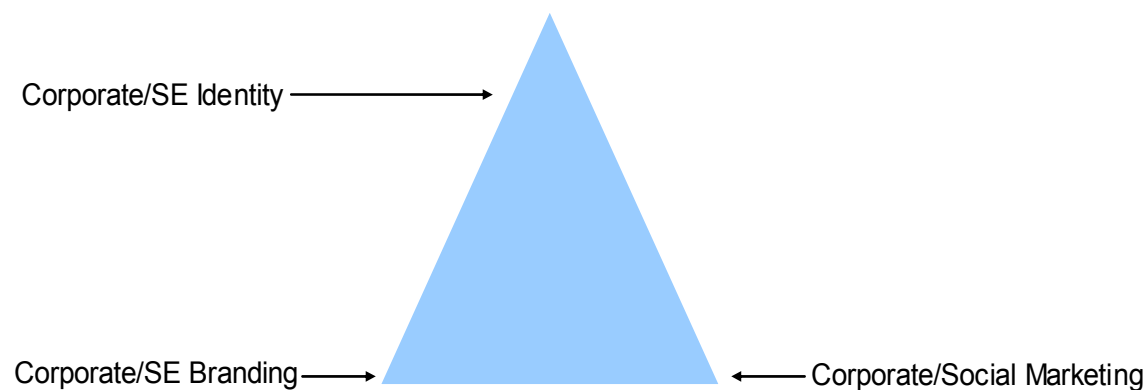


Figure 1.4: Similarities between corporate and development communication regarding branding and marketing

It is evident that corporate branding is the core and foundation of all corporate communication activities as illustrated by the base of the pyramid above. This illustration corresponds with the social marketing thread in development communication, but more specifically with *brand-driven social marketing*, as demonstrated in The Heart Truth® Red Dress brand campaign.

In The Heart Truth® campaign, the red dress (Figure 1.5 below) represented the driving force behind the campaign's integrated three-part strategy: partnership development, media relations and community action.



Figure 1.5: The Red Dress Pin. The USA's national symbol for women and heart disease awareness serves as a red alert for women reminding them of The Heart Truth® message: "Heart Disease Doesn't Care What You Wear—It's the #1 Killer of Women".

It was this integration strategy that transformed the red dress from an engaging icon to a true brand. The Heart Truth® Red Dress Brand has given the campaign momentum through corporate, the media and NPO partners, and community action. The results were not only a high Red Dress brand awareness, but surveys showed that the brand had made an impact on the behaviour of women regarding heart disease (Wayman, *et.al.*, 2008:53).

This example of a public health education campaign demonstrates the successful integration of branding into the promotion/communication strategy of a social marketing campaign, and also showcases the fact that basic branding principles also apply to the development sector (Evans & Hasting, 2008:iii). This is further confirmed in the following statement made by Feder:

While branding and image-building once was thought to be foreign to NPOs, they are moving to create stronger brand images and recognisable logos, as marketing initiatives they believe are critical to their survival (Feder, 1998:1).

This viewpoint may be further illustrated by the key elements of corporate branding: image-building, visibility and a persistent presence, branding and the importance of a strategic communication plan. The two main reasons why it is important to apply corporate communication principles in the development sector include enhanced competition and the impact of environmental trends, i.e. technology such as the internet and social media platforms.

Owing to the impact of new communications and developments in technology, it is essential that all strive to realise the goal of occupying a space in the minds of their target audiences. In other words, they need to strive towards attracting the attention of their target audience by creating awareness, engaging the audience, moving the audience to act and, most importantly, ensuring that they maintain their relationships with these target audiences.

In order to guarantee that NPOs and SEs succeed in owning a piece of the “consumer headspace” (see Figure 1.6), it is essential that these NPOs and SEs learn from the corporate sector with regards to their branding techniques and practices (Saxton, 2008:2).



Figure 1.6: “The brand is in the mind of the buyer” (Kartte, 2009)

Dictionary definitions (*The Oxford American Dictionary*. 1980 and *The Pocket Oxford Dictionary of current English*. 1934 cited by Interbrand, 2004:2-4) suggest two basic elements of a brand, namely, that a brand is “intrinsically striking” and that the role of a brand is “to create an indelible impression”.

In a brand building literature review conducted by Guzman (2005:1), referral is made to the following traditional definition of a brand namely: “the name, associated with one or more items in the product line, that is used to identify the source of character of the item(s)” (Kotler cited by Guzman, 2005:1). The American Marketing Association (AMA) further defines it as “a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or

group of sellers and to differentiate them from those of competitors” (Guzman, 2005:1).

Today, a brand is much more than this. A brand can be described as both a promise and an emotional, individual experience by members of the target audience on which the reputation and relationships of an organisation are built. This experience then leads to customer loyalty once the brand promise has been fulfilled (Fraser, 2009).

In terms of the evolution of branding, the main shifts have been from product branding to corporate branding, as well as from the classic brand management model to a brand leadership model (Aaker, 2000:8 & Guzman, 2005:1). This evolution was mainly focussed around three areas namely:

- i. From tactical to strategic management;
- ii. From a limited to a broader focus;
- iii. From sales to brand identity as the driver of the strategy.

The focus in this model thus changed to the importance of both brand identity and equity resulting in the development of “strong brands” (Aaker, 2000:17) and “charismatic brands” (Neumeier, 2006:20–29).

The essence of both branding and brand management is to align the organisation’s brand promise with the organisation’s reputation and service delivery by “living the brand” and by ensuring the fulfilment of the brand promise. This should in turn result in the brand being highly positioned compared to its competitors. However, this is possible only if the brand management is overseen by a strong chief brand officer

(brand steward or brand ambassador) who applies an integrated brand ownership approach within the organisation. In other words, “[t]he brand is the people and the people are the brand” (Fraser, 2009).

A study on branding business practices in SEs revealed that image and branding an identity are accorded a low priority (Bull & Crompton, 2006:1). However, the time has lapsed for the development sector to feel that its good work is able to speak for itself. The public has to know the organisation and be able to recognise them as a charity/social sector service brand. This, in turn, could be accomplished by NPOs and SEs if they formulate and implement an effective marketing and brand management plan.

A strong brand constitutes the best chance of being noticed and it is for this reason that it is crucial that SEs succeed in their branding efforts. Within the competitive South African social sector climate, consisting of an estimated 120 000 NPOs (Bown, 2011), a strong brand identity will play a significant role in helping NPOs and SEs to achieve their aim of proceeding to the next level on the pyramid of the NPO/social sector giving them a competitive edge.

By applying both the branding process and the guidelines, as will be discussed and outlined in this study, it is postulated that a SE can aim to become a well-known brand within the social sector and a brand of choice.

1.3 Research aim

In this study the researcher aims to test the hypothesis that branding plays a significant role in successful SEs, i.e. the SEs of the winners of The SFSE of the Year Awards. Further, that branding increases the competitiveness of a SE, specifically with regards to the NPO sector. Accordingly, this study investigated the first three organisations whose CEOs won The SFSE of the Year Awards. These three organisations are:

i) Soul City (2003)



ii) Heartbeat (2006)



iii) The Johannesburg Housing Company (JHC) (2007)



1.4 Research question

The research question formulated for this study is as follows: “What role did branding play in the social marketing processes of the three Schwab Foundation Award winning social enterprises (SE)?”

In other words, this study investigates the three organisations whose CEOs have won The Schwab Foundation Social Entrepreneur (SFSE) of the Year Awards in order to determine the way in which these organisations used branding as a

communication tool to help position themselves as leaders and differentiators within the development sector.

The four consequent sub-questions are the following:

- i. What do the brand identities of these three organisations consist of?
- ii. How were the brands of these three organisations chosen?
- iii. How did branding help these three organisations to become winners?
- iv. What guidelines for the more effective use of branding by Social Enterprises (SEs) and Non-Profit Organisations (NPOs) may be deduced from this investigation?

1.5 The value of this study

This study will inform not only the NPO sector, but more specifically SEs themselves with regards to the significant role that branding may play in their organisations in helping them to maintain their competitiveness within the social sector. In addition, the study will also provide guidelines that can be used by similar organisations. It is hoped that this research will enable SEs to position themselves better as leaders in their fields, as well as increase the possibility of SEs forming partnerships with corporate organisations which may contribute to their sustainability and self-sufficiency.

The added value of this study is that it attempts to generate theory regarding the role that branding plays in SEs. The hypothesis pertaining to this study is based on the initial exploratory study that the researcher conducted in her master's dissertation,

Exploring branding as part of the corporate communication strategy of the Girl Guides Association of South Africa (GGASA).

1.6 Research design

Based on the findings of the exploratory study conducted by the researcher in the above mentioned dissertation, this study uses a grounded theory approach to generate theory on the role that branding plays in SEs. The research design is discussed in detail in section 5.3.

The following ontological and epistemological viewpoints were applied in this study. The assumption was made that branding plays a significant role in successful SEs which will assist them to become leaders and role models in the development sector. The belief is that the same corporate communication techniques which are utilised by corporate companies can be applied by NPOs/SEs which will enable them to achieve their developmental objectives and goals successfully and to become sustainable and self-sufficient organisations/enterprises.

In order to test this assumption triangulation was used in the research design. Triangulation represents an attempt to include multiple sources of data collection in a single research project in order to increase the reliability of the results and to compensate for the limitations of individual methods used (Mouton & Marais, 1992:91; Lemon, 1995:33). In view of the fact that several data sources were used in this study, as well as more than one research method for examining the research questions, the study applies the principles of both data triangulation and methodological triangulation.

The following data collection methods were used in this study:

1.6.1 Method 1: Document (content) analysis

Official documents, i.e. training manuals, evaluation and impact reports, newsletters, annual reports, brochures, campaign materials, branded clothing, basic stationary and websites were analysed in accordance with the main aim of the study. The senior management of the three different SEs made these documents available while the electronic media, i.e. websites and e-mails was accessed manually.

1.6.2 Method 2: Semi-structured interviews

Semi-structured interviews which were based on a specific interview schedule were used to establish the perceptions of both the internal and the external audiences of the organisations, which is outlined in section 1.7.9 and 1.7.10. The interviews were flexible and the questions posed did not necessarily follow the sequence set out in the interview schedule (Naudé, 2001:105). Specific questions were asked both for triangulation purposes and also to address all the research questions posed in this study (listed in section 1.4). The questions were formulated on the basis of the review of the appropriate and existing theories. The participants were asked to provide examples to illustrate their answers in order to ensure that they had understood the questions and also to ensure that the interviewer had understood their answers correctly. The interviews were tape-recorded according to the guidelines set out by Rubin and Rubin (1995:125–127).

1.6.3 Method 3: Focus group discussions

In conjunction with the semi-structured interviews, three focus group discussions were held with the members of the organisation's internal audiences. These focus groups allowed the researcher the opportunity to group people, i.e. staff members together in order to create a common understanding among them regarding the corporate branding, identity and image of their specific SEs rather than allowing them to formalise their own views individually. In addition, these focus groups provided additional information that the researcher would not otherwise have been able to access, as the members of the focus groups were able to shape and reshape their opinions (Babbie & Mouton, 2002:292).

1.6.4 Method 4: In-depth interviews

Additional to the three social entrepreneur winners, seven respondents were indentified for the in-depth interviews by the researcher on the basis of the knowledge and contacts obtained from working in the NPO sector for the past 31 years. The research question was used as the main question for these in-depth interviews, while the probe and follow-up questions were selected from the semi-structured interview schedule as a guide.

1.6.5 Method 5: Questionnaires

A quantitative study was used both to validate and to compare the qualitative findings. A questionnaire was designed based on the questions included in the schedules used in the qualitative research (methods 2 and 3). This questionnaire was designed in accordance with the guidelines of Neuman (1997:223–237). The

questionnaire was targeted at and presented to young recipients of the core services of the SEs.

With regard to the qualitative methods, a convenience sample of the key internal and external audiences, as well as a timetable were drawn up in consultation with the management of the different organisations. For the questionnaire a sample of the beneficiaries of each organisation was drawn in consultation with the participating group's coordinators.

The data was analysed using open coding in the case of the qualitative methodologies, and statistical analysis in the case of the quantitative questionnaires.

1.7 Key words and concepts

The following definitions of the key words and concepts used in the study apply:

1.7.1 Brand

A brand is a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors (The American Marketing Association (AMA) cited by Guzman, 2005:1).

1.7.2 Corporate branding

Brand management that incorporates both identity and image management may be referred to as "corporate branding". Accordingly, this implies that a brand represents

an organisation and reflects its heritage, values, culture, people and strategy (Aaker, 2002).

1.7.3 Corporate communication

Corporate identity and image are the two concepts central to corporate communication and they constitute the most critical aspect of any corporate communication function (Van Riel, 1992:25).

1.7.4 Corporate identity

Corporate identity is the self-presentation of an organisation. As such, it consists of the cues which an organisation offers about itself via the behaviour, communication and symbolism which are its forms of expression (Van Riel, 1992:36).

1.7.5 Corporate image

Corporate image is the reflection of an organisation's reality and, thus, refers to the way in which an organisation is perceived through the eyes of its target audiences (Van Riel, 1992:26).

1.7.6 Corporate social investment (CSI)

The general guideline in defining corporate social investment is that it encompasses those activities that are external to the business, or outward looking. This includes projects that are undertaken for the good of communities in general and also those projects with a strong developmental approach (Trialogue, 2010).

1.7.7 Development communication

Development communication activities embody models of social change that are implemented across political and cultural boundaries (Servaes, 1995:39).

1.7.8 Development sector/civil society

The development sector is also known as the third sector/social economy/civil society. “Civil society actors work positively to reduce social harms and increase societal benefits. They aim to improve social cohesion; increase levels of economic and social development; reduce the burdens of poverty, ill-health and inequality; promote the interests of marginalized groups; extend the protection of social, civil and political rights; protect the environment, and provide services such as health, education and other forms of community development (WEF, 2013:8).

1.7.9 External target audience/stakeholders

The term “external target audience/stakeholders” refers to the audience outside the immediate sphere of the NPO/SE, that is, donors/funders, government, media, suppliers, etc. (Morgan, 2013:2).

1.7.10 Internal target audience/stakeholders

The term “internal target audience/stakeholders” usually refers to the audience inside the sphere of the NPO/SE, i.e. the employees, managers and staff and can also involve volunteers and students (Morgan, 2013:2).

1.7.11 Non-profit organisations (NPOs)

The term “NPO” refers to non-profit organisations that are independent of government and which, within the South African context, often serve as

intermediaries. These organisations are formed when individuals agree to act together for a common social purpose with regards to the development and capacity building of their community. Their financial support comes mainly from appeals for voluntary responses from donors. Other resources of financial support include government subsidies or contracts and self-generated income. The term “voluntary” refers to the fact that volunteers administer many NPOs and their activities. This independence means that NPOs are independent of both the private and the public sectors (Rockey, 2001; Cuthbert, 2001; Swilling & Russell, 2002) and are self-governing organisations.

1.7.12 Social enterprise (SE)

The primary objective of a social enterprise is to ameliorate social problems through a financially sustainable business model with surpluses, if any, being reinvested principally for that purpose (Steinman, 2010:40).

1.7.13 Social entrepreneur

A social entrepreneur has created and leads an organisation, whether for-profit or not, that is aimed at catalysing systemic social change through new ideas, products, services, methodologies and changes in attitude. Social entrepreneurs create hybrid organisations that employ business methods but their main objective is social value creation. The ability to turn new ideas into concrete transformational solutions is the hallmark of an entrepreneur (SFSE, 2005:2).

1.7.14 Social marketing

Social marketing seeks to influence social behaviours, not to benefit the marketer, but to benefit the target audience and society in general (Andreasen, 1995:xiii).

1.8 Outline of chapters

The outline of the chapters is presented diagrammatically in the flowchart presented in Figure 1.7:



Figure 1.7: Flowchart depicting outline of chapters

The focus of each chapter is described below:

Chapter One: Background to and motivation for the study

This chapter provides the background to the study and includes a discussion of the motivation for the study, the research problem, the key concepts used in the study, and a summary of the research methodology.

Chapter Two: The NPO sector: the context of the study

In this chapter the NPO sector is described as the context in which the study is positioned. There is specific focus on Social Enterprises (SEs) as the organisational identity of the three case study organisations.

Chapter Three: Communication in organisations with specific reference to social marketing

The focus of this chapter is the interpretation of communication from a corporate sector as well as a development perspective. Specific reference is made to social marketing as one of the seven Threads of Development Communication.

Chapter Four: Branding and brand management

This chapter interprets branding and brand management in the corporate sector and applies it to the NPO sector. These concepts are demonstrated by using an example of their application in the SE sector.

Chapter Five: Research design and methodologies

The research design and methodologies used to collect the data for the study are presented in this chapter. The outline also includes a description of the way in which the data was collected and analysed.

Chapter Six: Results: presentation and discussion

This chapter presents the research results which were collected using the research methodologies discussed in Chapter Five. A summary of the main findings is also presented.

Chapter Seven: Conclusions and recommendations

The conclusions and recommendations pertaining to the research questions of the study are presented in this chapter.

CHAPTER TWO

THE NPO SECTOR: THE CONTEXT OF THE STUDY

This chapter focuses on the NPO sector in South Africa as the context and environment of this study. More specifically, the chapter focuses on the evolution of non-profit organisations (NPOs) into social enterprises (SEs). It is through this evolution process that NPOs will be able to ensure their own sustainability and self-sufficiency. Firstly, it is important to understand the role and function of the NPO sector in general. Thereafter, the evolution process of NPOs into SEs will be explained, with particular focus on the description of SEs. The final section of this chapter will focus on The Schwab Foundation Social Entrepreneur (SFSE) of the Year Awards which have been introduced as recognition and awareness building system of the social entrepreneur movement. This chapter aims at establishing the framework from which the study's three case study organisations were chosen.

2.1 The NPO sector's space in society

In this section, the NPO sector, also known as the third sector/third space, independent sector, civil society and the non-governmental sector, is examined closely in order to gain a better understanding of the sector. Most of the resources indicate clearly that the NPO sector is a growing, worldwide phenomenon (Rockey, 2001; Cuthbert, 2001; Swilling & Russell, 2002; Lewis, 2005; Powell & Steinberg, 2006), with the sheer number of NPOs across the globe accounting for growing and impressive figures in employment, revenue and services provided.

Modern society (Jacobs, *et.al.*, 2005:3) and community structures (Netshipale, 2011) are increasingly conceptualised as generally consisting of the following three interrelated realms of action: the state/government or public sector, the private or business sector, and the civil society/NPO/voluntary (independent) sector. Visually, these three sectors can be compared to a three-legged pot:

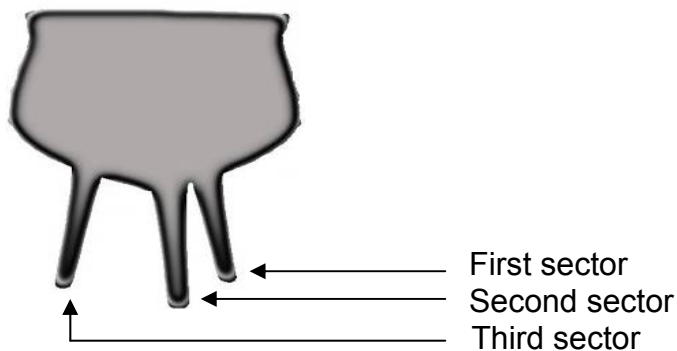


Figure 2.1: The three-legged pot of modern society

These three distinct groups of individuals and organisations have been identified as having an important impact on community life in most democratic societies. They may be described as follows:

2.1.1 First sector: state or government

Society as a whole expresses its political life and centralises its supervision of community life through this group. The state performs services in society and these activities are funded by the taxes collected from both individuals and institutions (Cuthbert, 2001:5).

2.1.2 Second sector: private enterprise or business sector

The influence of this sector on the community is felt when the sector meets the needs and desires of individuals and these individuals respond by voluntarily paying for the products and services of this sector. This, in turn, enables the private sector to continue to meet the needs of the community and also to make a profit in the process (Cuthbert, 2001:6).

2.1.3 Third sector: NPO sector or voluntary/independent sector

The organisations in this sector are formed when individuals agree to act together for a common purpose. The organisations can be religious, cultural, social, economic, educational, environmental and political with financial support coming mainly from appeals for donations. Financial support is also generated from government subsidies or contracts, and self-generated income. The term “voluntary” refers to the fact that many NPOs and their activities are managed by volunteers. The independence of this sector means that NPOs are also independent from the first and second sectors (Cuthbert, 2001:6).

Strong and active civil society organisations are essential in the interests of both democracy and development, particularly in developing countries such as South Africa. This need for a strong and active civil society stems from the failure of state-controlled or top-down approaches to develop communities and emerging communities throughout the world (Cuthbert, 2001:5). These communities demonstrate the effectiveness of an alternative bottom-up or community-driven approach to development. The World Bank is one of those bodies which recognises

the importance and strengths of NPOs in the development field and has been working with NPOs for many years (World Bank, 2002).

NPOs are characterised by a number of features which distinguishes them from both the private sector and from government. According to Young (1999:17–19) and Oster (1995:4–19), the following are some of the key features of NPOs:

- NPOs often work in partnership with both the private sector and with government, although they may also play an important role in their challenges to, and their critique of, the responses of both the private sector and government to social issues. Accordingly, this role of NPOs is that of an important political stabiliser with the result that NPOs are, indeed, often referred to as “society watchdogs” (Douglas cited by Oster, 1995:19).
- NPOs are based on a culture of “volunteerism” and benevolence as opposed to industry and business. They do not aim to make a financial profit but, rather aim to build social capital by improving the societies in which people live through community empowerment. Accordingly, NPOs provide communities with a formal structure for identifying needs, finding solutions and monitoring and evaluating (M & E) the communities’ effectiveness.
- NPOs usually represent and provide a voice for the most marginalised groups. In addition, they also develop mechanisms to ensure that members with strong links to their communities are able to participate in the work of the NPO, i.e. as elected governing board members or as volunteers in staff positions. Volunteers are, thus, usually to be found in all positions throughout such organisations, including management, service delivery and administration. A NPO is usually overseen by a governing body which is, in

turn accountable to both the wider community as well as to the funders of the NPO.

- NPOs are less “formal” and “conservative” than the private sector or government and often less bound by red tape.
- Tax status is regarded as the most significant difference between profiting organisations and NPOs (DSD, 2011; Oster, 1995:4).
- NPOs also distinguish themselves from the other two sectors with their organisational goals and objectives, mix of goods and services, the character of their labour forces, management and community structures and their sources of revenue and profitability.

Nevertheless, all three sectors, although interdependent, play an important role in keeping society and community structures stable. Their collaboration has made it possible to achieve balance and stability in various countries and also in different communities within South Africa (Netshipale, 2011).

In order to gain a clearer understanding of the NPO sector, the origin/inception, history, size and influence of this sector will be discussed in the next section.

2.2 The history, size and influence of the NPO sector

In this section the following three main areas will be discussed: the way in which the NPO sector came into existence with specific focus on the differentiation between the different means of donations (philanthropy versus charity), the history of NPOs, and the size and influence of the NPO sector – on international level and in South Africa.

2.2.1 The inception or origin of the NPO sector: philanthropy versus charity

Over the past 6 000 years, people and communities have always found ways in which to care for those in need. These ways of giving are described as philanthropy – a word that is derived from the Greek word *philanthropia* meaning “the love of mankind” (Cuthbert, 2001:13) and “the practice of performing charitable or benevolent actions” (Kuljian, 2005:5). Philanthropy may be defined as “... voluntary action for public good; through voluntary action, voluntary association and voluntary giving” (Cuthbert, 2001:15).

In some cases philanthropy and charity are seen as broadly equivalent terms, while in others charity is viewed as handouts and services to the poor, while philanthropy is perceived to be more “strategic” (Kuljian, 2005:5). A further difference is the fact that charity is more associated with “action giving”, which is usually linked with short term goals while philanthropy is focussed on “a specific culture and mind-set of giving”. This approach is more strategic and aimed at success on the long term. In this study, the differentiation between charity and philanthropy is important as it links to the growth and maturity of a NPO in its journey towards becoming a SE.

Over the years, philanthropy in South Africa has been shaped by both political pressures and the shifting of social context (Kuljian, 2005:13–14). However, the roots of philanthropy are multilayered and vary according to cultural traditions. For example, philanthropy may vary from local, communal and giving/helping mechanisms (including stokvels and burial societies) to other forms of individual aid. As an example of the growth of philanthropy in South Africa, the findings of the *Social Giving Survey* conducted in South Africa during 2004, indicated that an

astonishing 93% of the respondents had given time, money or goods to a cause or individual in the month before being interviewed (Kuljian, 2005:17).

South Africans are the second most generous nation when it comes to donating both money and time. The country is only exceeded by the United States (Barclays Wealth, 2010). One of the other key findings of this study is that it appears as if philanthropy has a positive future in South Africa with 44% of the respondents indicating that they were more likely to make charity a spending priority upon retirement, and the amount of time allocated to charity is set to increase by 194% upon retirement (Kuljian, 2005:17).

It is evident and understandable from this growth and survey results that today reference is made to a new generation of aspirational givers or the rise of the “philanthrocapitalists” (Viviers, *et.al.*, 2011:1). Studies show that charitable giving is surging worldwide, but note that there is a shift from traditional philanthropy to more focused SE causes. This new generation of “engaged, aspirational givers, empowered (and enriched) through entrepreneurship” are applying their business skills to tackle pressing social and environmental challenges (Viviers, *et.al.*, 2011:1).

This change reflects the trend of NPOs moving towards SEs. On the other hand, charity is closely linked with actual service delivery. This kind of NPO constitutes the base of the NPO pyramid model and comprises of community based organisations (CBOs) functioning often in deep rural communities and focusing on their basic needs. This differentiation and growth of NPOs/SEs is depicted in the figure below.

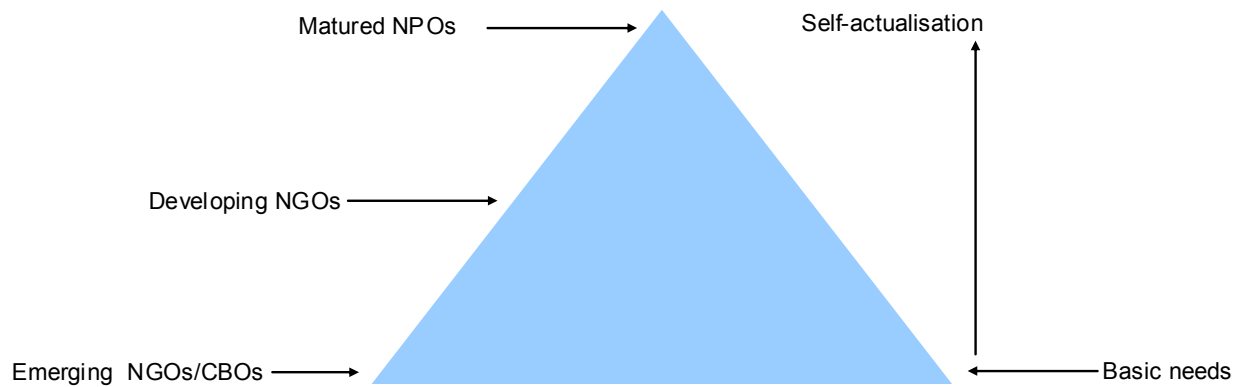


Figure 2.2: NPO pyramid model

The NPO pyramid model is based on Maslow's hierarchical needs. The view of this study is that NPOs are similar in position to Maslow's idea of basic needs and social entrepreneurship, as well as self-actualisation. In order to achieve sustainability and self-sufficiency, emerging NGOs/CBOs should aim to mature from meeting the basic, survival needs to moving upwards on the pyramid to become a more mature NPO and, ultimately, to become a self-sustainable, income generating SE.

The next section focuses on the history, size and influence of the type of NPO that sees it growing into a SE.

2.2.2 History, size and influence of the NPO sector: internationally and national

2.2.2.1 *The beginnings*

Historians have tended to ignore the NPO sector and there is very little literature dealing meaningfully with NPOs as a distinctive sphere of activity (Powell, 2006:3). However, when tracing the roots of NPOs it is possible to identify some key development areas (Paul cited by Rockey, 2001:129).

The anti-slavery movement founded in England in the late 18th century, gave rise to several “political associations” and led to the World Anti-Slavery Convention of 1840. This convention can be seen as a milestone in the movement to coordinate the work of civil organisations on an international level. It was followed by the founding of the World Alliance of YMCAs in 1855, while the International Committee for the Red Cross was formed 1863. During the 19th century, these organisations addressed many issues, including women’s rights, the conditions of the poor, alcohol abuse and community development (Paul cited by Rockey, 2001:129).

In the latter part of the 19th century, trade unions emerged as a leading force in the NPO movement. Modern trends have created specific areas of need within community structures and today NPOs address a diversity of issues which lead to the number of NPOs growing substantially on a global scale. This growth may be attributed to increasing concerns over a wide range of issues such as the environment, globalisation, unemployment, poverty, human rights violations and the HIV and AIDS pandemic (Rockey, 2001:129).

2.2.2.2 Size and influence of the NPO sector internationally

The international NPO sector can be outlined as follows (Rockey, 2001:133; Lewis, 2005:239):

- Since the mid-1970s, the NPO sector in developed as well as in developing countries has experienced rapid growth. NPOs address every conceivable issue and operate in virtually every country worldwide. The result is that they have become major role players in the field of international development. For example, 25 000 NPOs (less than 400 a century ago) now have more than a

million members with affiliates/networks in over 90 countries (Paul cited by Rockey, 2001:133).

- The United Nations Development Programme (UNDP) has estimated that there are currently approximately 30 000 NGOs operating in developing countries, reaching probably 250 million people – an estimated 20% of the 1,3 billion people living in abject poverty (Paul cited by Rockey, 2001:133).
- If the millions of Community Based Organisations (CBOs) are included, the size and influence of the NPO sector becomes highly significant. Some examples are quoted below:
 - It is estimated that there are 500 000 NPOs in Britain. Of these, less than half are registered charities and collectively they receive an estimated £17 billion per year in funding (Bornstein cited by Rockey, 2001:133).
 - In 2002, there were approximately 1,8 million NPOs in the United States, as well as several million other associations, including support groups, book clubs and neighbourhood action committees (Lewis, 2005).
 - In Australia, over half of the welfare services nationally are provided by NPOs with the NPOs mobilising an estimated 93 million volunteer hours each year (Rockey, 2001:133).
 - In the Philippines, the number of NPOs grew from 18 000 to 58 000 between 1980 and 1996 (Bornstein cited by Rockey, 2001:134).
 - Rockey (2001:133–134) quotes: “The Johns Hopkins Comparative Non-profit Sector Project is engaged in an ongoing review of the NPO sector. In 1995, its study reported that, excluding religious

congregations, the NPO sector in the 28 countries¹ studied was a \$1,1 trillion industries, which employed close to 19 million fulltime equivalent paid workers. NPO employment in these countries easily outdistances the combined employment in the largest private businesses in each country by a factor of six”.

- The above statement supports O'Neill's claims (O'Neill cited by Lewis, 2005:239): “... that the US NPO sector has more civilian employees than the federal government and the 50 state governments combined, generates revenue that exceeds the GDP of all but six foreign countries (Japan, Germany, the United Kingdom, France, Italy, and China), and employs more people than any of the following industries: agriculture, mining, construction, transportation, communication, and other public utilities”.

2.2.2.3 Size and influence of the NPO sector in South Africa

The Johns Hopkins report on the size and scope of the NPO sector conducted in 1999 by the Johns Hopkins University in the United States and the Graduate School of Public and Development Management at the University of the Witwatersrand is the most comprehensive study to date of NGOs and CBOs in South Africa. Some of the principle findings on the size and influence of the NPO sector include the following (Swilling & Russell, 2002; Rockey, 2001; Greenstein, 2003; Kuljian, 2005; Van der Berckt & Oliver-Evans, 2007):

- On average, NPOs in South Africa have been in existence for 19 years with the oldest NPOs operating in the religious and health sectors, ranging

¹ Countries included the United States, the United Kingdom, France, Germany, Italy, Sweden, Hungary and Japan

between 31 (health) and 38 (religion) years. The fact that the oldest organisations in the country is from the religious sector demonstrates the strong influence of the church on South Africa's social and cultural history. The duration of existence of the NPOs in the other sectors is as follows: i) environmental NPOs – on average 24 years; ii) social services – 23 years; iii) education and research – 8 years; and iv) development, housing and trade unions – 10 years respectively (Swilling & Russell, 2002:22).

- With regards to the scale of the sector the study indicated that the NPO sector is a major force in the South African economy as a R9,3 billion industry and a major employer, employing the equivalent of 645 316 workers comprising fulltime, part-time, and volunteer workers. Total employment in the non-profit sector in 1999 exceeded the number of employees in many economic sectors (Swilling & Russell, 2002:15–16).
- The study found that there were 98 920 NPOs operating in the country. According to Swilling & Russell (2002:16), the figure is accurate and compares well with the 1994 estimation of 93 300 by David Cuthbert, Executive Director of the South African Institute for Fundraising (SAIF). Today, there are an estimated 120 000 NPOs in South Africa (Bown, 2011).
- More than half of the NPOs in South Africa (53%) may be classified as less formal CBOs with a large proportion of these CBOs being smaller, operating only at community level, while only 11% of these can, strictly speaking, be identified as NPOs (Section 21 companies) (Greenstein, 2003:21). These figures were confirmed in the presentation delivered by the Chief Director of the NPO and Partnership Directorate at the Making CSI Matter conference in May 2011. The types of registered NPO are distributed as follows: 97%

voluntary organisations, while the remaining 3% comprise of Section 21 companies (2%) and trusts (1%). In March 2009, there were 56 244 registered NPOs on the NPO Directorate's database (Netshipale, 2011).

The highest densities of NPOs are found in poor and lower middle-class neighbourhoods, with the work of NPOs tending to be spread along a continuum of care and welfare of the disadvantaged, on the one hand, and change and development activities on the other. The UN classification of NPO groups has been adopted by the South African NPO Directorate and is presented in Table 2.1.

Culture and recreation	Education and research
Health	Social services
Environment	Development and housing
Law, advocacy and politics	Philanthropic intermediaries and volunteerism promotion
International	Religion
Business and professional associations and unions	

Table 2.1: NPO work continuum: care and welfare versus change and development (Rockey, 2001:132).

- Women and black people are playing a leading role in the management of NPOs. During Swilling and Russell's study (2002:22), it emerged that at a managerial level 59% of NPO managers were women while 73% were black. In addition, 60% of all fulltime employees were women and 81% were black.
- The NPO sector mobilises a substantial number of volunteers, with approximately 1,5 million volunteers actively contributing both their time and energy to South African NPOs in 1999. This contribution equals almost

316 991 fulltime equivalent jobs and accounts for 49% of the workforce of the NPO – well above the international average (Swilling & Russell, 2002:18).

Based on the space, history and scale of the NPO sector on both an international and a national level, it is clear that this third sector should be taken seriously, especially since this sector is capable of playing a leading role in addressing the developmental needs of various countries.

2.3 The NPO sector: terminology and definitions

The various terminology used in the NPO sector will, first, be explained, after which the different definitions of the term will be discussed.

2.3.1 Terminology

A variety of terms have been used over the years and across the world in order to describe the NPO sector. These terms range from civil society organisations (CSOs) and the “third sector/third space” to voluntary associations. The two viewpoints on the NPO terminology are described as the “collective view” versus the “individual view”.

2.3.1.1 The collective view

The terms “non-profit sector” and “non-profit organisations” are fairly comprehensive and include NGOs, CBOs, CSOs, trade unions, church groups, stokvels, burial societies, school committees, youth groups and so on (Rockey, 2001:130). In some instances, NPOs are also referred to as CSOs (DSD, 2011).

2.3.1.2 *The individual view*

- The term “NGO” refers to a NPO that is independent of government. In South Africa, such bodies often serve as intermediaries; that is, they serve as a link between the state and communities or between businesses and communities.
- CBOs and CSOs generally serve a need within a specific community or group and tend to be less formally structured. These organisations are often “membership” driven and consist a group of individuals who have joined together to further their own interests, for example women (e.g. burial societies) and youth groups/clubs.
- NPOs are extremely diverse and they tend to address various goals and objectives. See Table 2.1 in this regard.

2.3.2 Defining NPOs

There are different levels of definitions, namely, a “tight” definition, a broader definition, the SA NPO Act (1997) definition and the broad, structural-operational definition. The broad, structural-operation definition was used by the Johns Hopkins Comparative Non-profit Sector Study. This study has an advantage in that the South African results are comparable to the results from other countries. This broad, structural-operation definition is also applied collectively by South African communities and is in line with the South African NPO Directorate’s (1999:8) key characteristics definition (DSD, 2011; Rockey, 2001; Swilling & Russell, 2002; Greenstein, 2003; Kuljian, 2005; Lewis, 2005).

2.3.2.1 *The “tight” definition (first option)*

This definition is referred to as the “tight” definition and is based on the purposes of NPOs: “A private/independent (voluntary), self-governing, non-profit distributing association of persons established for the purpose of promoting the well-being, circumstances or prospects of the public and/or addressing the concerns and issues that detrimentally affect the public” (Swilling & Russell: 2002:6).

2.3.2.2 *The broader definition (second option)*

The broader definition was formulated as a second option and reads as follows: “An association of persons established whose objects and activities, when viewed as a whole, exhibits the following characteristics: (i) it has been established for a public purpose; (ii) it is private/independent; (iii) it is voluntary; (iv) it is self-governing; and (v) its income and/or profit are not distributed to its members, trustees, directors, except for reasonable compensation for services rendered” (Swilling & Russell, 2002:6).

2.3.2.3 *SA NPO Act definition*

In terms of section 1 of the NPO Act 71 of 1997, a NPO is defined as a trust, company or other association of persons established for a public purpose and of which the income and property are not distributable to its members or office bearers except as reasonable compensation for services rendered (DSD, 2011).

2.3.2.4 *Broad, structural-operational definition*

This definition refers to five criteria used to define a NPO and are based on the South African NPO sector study which were informed by the Johns Hopkins study:

- i. *Organised*: institutionalised to some extent; relative persistence of goals, structures and activities; does not focus on self-serving aims and related values; excludes ad hoc or temporary groups.
- ii. *Private*: excludes government structures; can receive financial support from government and can carry out government contracts.
- iii. *Self-governing/independent*: must control its own activities in accordance with its own procedures; not controlled by outside entities like government of business sector. As long as they comply with the law, NPOs are controlled by the people who have formed them, or by management boards that have been delegated either by law or members of the organisation to take on the responsibility of controlling and managing them.
- iv. *Non-profit distributing*: They are not for personal, private profit or gain, although NPOs may have employees – boards of management are not paid for the work they perform on boards, other than being reimbursed for expenses incurred from performing their board duties. NPOs may take on income-generating activities. They do not, however, distribute profits or surpluses to shareholders or members. They use this money to further the aims and basic mission of their organisations. They do not exist to generate profits or other commercial gains.
- v. *Voluntary*: This means they are formed voluntarily. There is nothing in the laws of any country that says they must be formed or that stops them from being formed. There is an element of voluntary participation in the organisation. This could be by small numbers of board members, or large numbers of members or members giving their time voluntarily; “non-

compulsory” contributions and membership; excludes professions requiring compulsory membership (Swilling & Russell: 2002:8).

This broad, structural-operational definition is deemed to be the most suitable definition for the purpose of this study.

2.4 The NPO sector’s spectrum of services, role in society and expectations

The spectrum of NPO activities is outlined by the South African NPO Directorate (SA Department of Welfare, NPO Directorate, 1999:10) as follows:

- *Service and delivery*: NPOs usually define themselves in terms of the services they provide. Alternatively, this is done in consultation with their beneficiary groups, or they offer their services to government or funding agencies that, in turn, define the specific services needed.
- *Mobilising resources*: NPOs mobilise resources at either an individual or a collective level, depending on the specific project. These resources may be human or financial resources and/or physical and/or production activities aimed at generating resources.
- *Research and innovation*: NPOs generally conduct research in order to obtain a better understanding of the needs and problems affecting their beneficiaries, i.e. individuals, groups, or specific communities and/or societies as a whole. They also work towards finding, creating and testing new ways of responding to the specific needs and problems of their beneficiary groups.
- *Human resource development*: Human resource development in the NPO sector is often described as empowerment and it focuses both on building

human capacity as well as enhancing the skills of disadvantaged people or communities. Various methods are used in order to create consciousness and awareness, and also to enable people to participate in identifying their own needs, in taking action to address these needs, and in owning the process of development – also referred to as participatory approaches/development communication processes.

- *Public information, education and advocacy*: These activities often build on research activities consisting of the mobilising of public awareness, campaigning and advocating change or reform. This constitutes important activities of many NPOs, also referred to as social mobilisation in order to arrive at behavioural changes.

Taking this spectrum of services one step further, the Ministry of Social Development states the following dual expectations of the South African government in terms of NPOs (Swilling & Russell, 2002:3; Van Den Berckt & Oliver-Evans, 2007:95), namely:

- i. NPOs must act as monitors of public good and to safeguard the interests of the disadvantaged sections of society. The performance of this social watch role requires both transparency and accountability on the part of NPOs. This role of NPOs is also termed the “society watchdogs”.
- ii. NPOs will assist in expanding access to the social and economic services that create jobs and eradicate poverty among the poorest of the poor.

When one takes the above spectrum of services, roles and expectations of the NPO sector in consideration, it is clear that the NPO sector is well poised to address the

current Millennium Developmental Goals (MDGs). These MDGs comprise of eight goals which are set to be realised by 2015 and which are in response to the world's main development challenges. The MDGs are derived from the actions and targets contained in the Millennium Declaration that was adopted by 189 nations and signed by 147 heads of state and government during the UN Millennium Summit which was held in September 2000.

The description of the MDGs is as follows:

The MDGs provide concrete, numerical benchmarks for tackling extreme poverty in its many dimensions. It also provide a framework for the entire international community to work together towards a common end – making sure that human development reaches everyone, everywhere. If these goals are achieved, world poverty will be cut by half, tens of millions of lives will be saved, and billions more people will have the opportunity to benefit from the global economy (UN Millennium Project, 2009).

The eight MDGs goals are:



Goal 1: Eradicate extreme hunger and poverty



Goal 2: Achieve universal primary education



Goal 3: Promote gender equality and empower women



Goal 4: Reduce child mortality



Goal 5: Improve maternal health



Goal 6: Combat HIV/AIDS, malaria and other diseases



Goal 7: Ensure environmental sustainability



Goal 8: Develop a global partnership for development

These eight MDGs guide the different Government Departments, especially in the Social Development and Health sector to ensure that their activities and guidance to development stay focussed. South Africa is held accountable by their global partners in these efforts which are implemented by the three sectors.

The next section outlines the legal constituency of the NPO sector.

2.5 NPOs and the legal constituency

The following aspects of NPOs and their legal constituency are significant as identified through the following sources: SAIF, 2000; Cuthbert, 2001; South Africa, 1997; 1999; DSD, 2011; Trialogue, 2010:153; NGOConnect Africa, 2011.

2.5.1 The process of the legal constituency

NGOConnect Africa (2011) states that throughout South Africa's development history, successive governments have decided that South Africa is not a welfare state. Prior to the 19th century, no organised welfare services existed. A national conference held in 1916 recommended the coordination of private welfare services while, in the late twenties, a number of National Welfare Councils was constituted. Just before World War II, the report "The Carnegie Poor White Investigation" recommended the creation of a State Bureau of Social Welfare to coordinate the

welfare activities of state departments. It was further recommended that this be done in cooperation with voluntary organisations and churches. This led to the establishment of the Department of Social Welfare in 1937 (NGOConnect Africa, 2011).

During World War II, active public fundraising took place. As a result, it was felt that some control of money collections needed to be introduced, which led to the rise of the Welfare Organisation Act, No. 40 of 1947. It was followed by several commissions of enquiry, including the Van Rooyen Commission of Inquiry into the Collection of Voluntary Financial Contributions from the Public. It was at this point that the Fundraising Act, No. 107 of 1978, was registered (NGOConnect, 2011).

Since the 1994 democratic elections, major changes have been made to South African laws, including the setting up of the Directorate for NPOs in 1996 by the National Department of Welfare. One of the main tasks of the NPO Directorate was to develop policy and legislation that led to the NPO Act, No. 71 of 1997 (Department of Welfare, 1999).

The NPO Act (71 of 1997) replaced the Fundraising Act. The implications of this new act were that the NPO sector had moved away from a regulated system to a self-regulating system. In other words, NPOs are now able to choose whether or not they want to register with the Department of Social Development's NPO Directorate. The NPO Act encourages the sector to be responsible and accountable and, therefore, the Act promotes good governance, auditing and accountability practices (Department of Welfare, 1999).

Registering with the NPO Directorate has the following benefits for a NPO (DSD, 2011):

- It enhances the credibility of the registered NPO as the NPO concerned reports to a public office;
- The NPO Directorate, as a public office, keeps information on registered NPOs which the public may access. This, in turn, increases both transparency and the accountability of NPOs;
- This accountability and transparency improve the governance of NPOs as it is also expected that a registered NPO must comply with the requirements of the NPO Act;
- The NPO registration status is also a funding requirement for most donors, government and funding agencies. In addition, the way in which a NPO structures its organisation has implications both for the ability of the NPO to attract and apply donor funds, and, ultimately, for organisational sustainability;
- The benefits of registration include improved access to funding, as well as tax and skills levy exemptions. In addition, banks now require NPOs to be registered before opening accounts for them.

The NPO Act has created a new and positive view of the NPO sector. It implies that all government departments should help to create an “enabling environment” for the NPO sector and should recognise the important role that the NPO sector plays in society. In other words, the NPO Act seeks to ensure that the NPO sector not only survives, but that it grows in strength and capacity (SA, 1997:2).

2.5.2 The different kinds of legal entities open to NPOs

Before a NPO can be registered by the Department of Social Development's NPO Directorate, the Directorate needs to verify that the organisation has been properly constituted. There are three main kinds of legal entities open to NPOs. These are (Education & Training Unit, 2012):

- *Section 21 companies*: Organisations that deal with large amounts of money and are involved in the buying and selling of goods should register as Section 21 companies. It is incumbent on such an organisation to abide by South African's Companies Act, No. 61 of 1973.
- *Trusts*: Organisations that channel funds to other organisations or individuals should register as trusts. Trustees are responsible for ensuring the proper use of funds. A trust has to abide by the South African Trust Property Control Act, No. 57 of 1988, as well as common law.
- *Voluntary associations*: Organisations that do not deal with large amounts of money can form voluntary associations. They should also have a written constitution. This is the simplest and cheapest option for NPOs. A voluntary association is set up in terms of common law and has to abide by common law. Most of the NPOs in South Africa are registered as voluntary associations.

2.5.3 Other legislation influencing the NPO sector

It is important for NPOs to take into account the following Acts that have a bearing on the NPO sector (Department of Welfare, 1999; Education & Training Unit, 2012):

- National Development Agency Act, No. 108 of 1998;

- Income Tax Act, No. 28 of 1997 (Tax is the most significant differentiator of NPOs);
- Value-added Tax Act, No. 89 of 1991;
- Special Investigating Units and Special Tribunals Act, No. 74 of 1996;
- Lotteries Act, No. 57 of 1997.

These acts all exert a direct influence on the way in which NPOs conduct their activities. Compliance to these acts further enhances accountability, good governance practices, developmental activities and the professionalism of NPOs. This compliance culture of NPOs will contribute to their growth path on the NPO pyramid towards SEs.

2.6 South African NPOs: their social capital and revenue

There is no recent statistics about NPOs available, therefore the statistics quoted in this section refers to the Johns Hopkins report (Swilling & Russell, 2002); the only authoritative report of NPOs in South Africa. Some statistics are update with recent data quoted from Van der Berckt & Oliver-Evans (2007) and Bown (2011).

2.6.1 Revenue sources

The NPOs in South Africa raised R14 billion during 1998. Government grants and contracts (including international grants) constitute the major sources of the NPOs' income in South Africa, followed by service fees, dues and investment income. The public sector funding constitutes 42% (R5,8 billion) of the NPOs' income – higher than in most countries, but not as high as Western Europe. Service fees, dues, and self-generated income account for 34% – considerably lower than in most other

countries where the average is 51%. Private philanthropy contributes over 25% – one of the highest among the 28 countries studied. In South Africa, businesses donate between R4 and R5 billion per annum to NPOs. Despite the fact that foreign donors are active supporters, they only contribute an estimated R500 million per annum – 10% of what is generated from within South Africa. With the financial value of volunteer work included (R5,3 billion), private philanthropy's contribution to NPO income in South Africa increased to 48% (R8,7 billion) – significantly higher than the average in the 28 countries studied.

During 2010, the collective income generated by the NPO sector in South Africa is approximately R18 billion per annum. Non-financial items, i.e. gifts in kind (e.g. nappies, food, etc.), may be as high as R8 billion, while volunteer support is valued at over R6 billion (Bown, 2011).

2.6.2 A major economic force

The NPO sector is a major economic force in South Africa. The Johns Hopkins report indicates that in 1998 NPOs accounted for R9,3 billion in expenditure or 1,2% of the GDP of South Africa and 654 317 fulltime equivalent staff – comparable to 10,2% of the formal, non-agricultural workforce. As illustrated in figure 2.3, the total workforce of the NPO sector in South Africa included 328 326 fulltime, paid workers and 316 991 fulltime, equivalent volunteers.

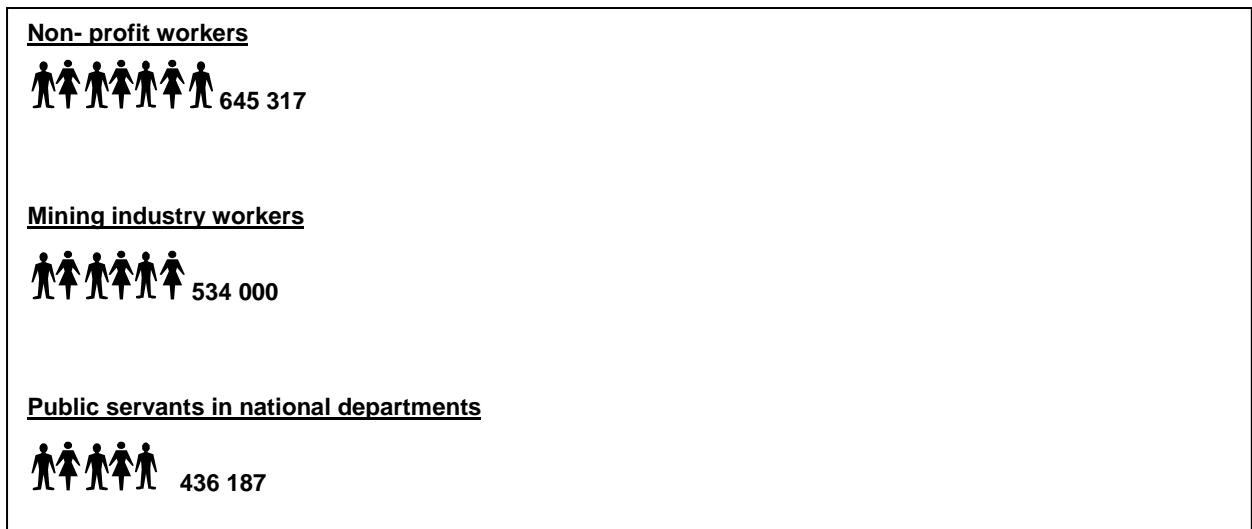


Figure 2.3: Non-profit workforce vs. mining industry and national government, 1998 (Swilling & Russell (2002:16))

These figures indicate that, in 1998, the NPO sector employed more people than either South Africa's mining industry or national government.

2.6.3 NPOs effectively institutionalise the country's social capital

The NPO sector is a major contributor to socio-economic development, the formation of social capital and of empowerment.

2.6.3.1 Indicators from the Johns Hopkins report

The following are key indicators to this effect according to the Johns Hopkins report (Swilling & Russell, 2002:26–33):

- *Culture and recreation, social services, and development and housing sectors:* These three NPO programmes dominate the NPO sector in South Africa. Examples to demonstrate this statement are as follows:

- The largest number of NPOs are concentrated in the culture/recreation (20 587), social services (22 755), and development/housing (20 382) sector;
- It has a combined employment of 54,3% of the total number employed in the NPO sector in general.
- *Substantial NPO involvement in housing and developmental activities:* Excluding the religious sector, 18% of the South African NPO workforce is employed in this field, compared to an average of 6% in the 28 countries included in the Johns Hopkins study.
- *Culture, sport and recreation:* This is another important programme area of the South African NPO sector. The NPO activities in this area account for over 15% of the NPO workforce and over 22% of the volunteer input.
- *Issue-based and value-driven organisations in the environment and civil/advocacy sectors:* This includes civil rights organisations and political parties and are also relatively important (i.e. 5% and 14% respectively of the NPO workforce). In fact, a larger share of the NPO workforce in South Africa (5%) is focused on environmental protection than in almost all of the other countries studied in the 28 countries (Johns Hopkins study).

2.6.3.2 General views

In general, one can say that besides the fact that the NPO sector has grown significantly, it has also evolved collectively as a distinct sector and like government performs essential social functions. Nevertheless, the more important factor is the significant role that the NPO sector is playing as an economic force – a role that should be capitalised upon. In addition, NPOs are demonstrating many of the

entrepreneurial qualities of a business but with their primary profit being social development. As outlined in section 2.2, the business sector is increasingly recognising this social capital role of NPOs and is generating funding for the development of SEs.

There is further anecdotal evidence that suggests that the notion of “social economy” is gaining a higher profile at the most senior level of the South African government, with issues being tabled at Cabinet meetings on the role of the “social economy”. A special cabinet meeting was held on 26 October 2010, during which President Jacob Zuma addressed the key economic challenges facing South Africa and endorsed the proposed “*new growth path*” for the country that will place employment at the centre of government’s economic policy. This “*new growth path*” has set a target of creating five million jobs in the next ten years. However, it was noted at this meeting that a critical success factor in achieving this target is that the “social partners” and government needs to work together to address key structural challenges in the economy (GCIS, 2010:1).

It seems as if SEs and NPOs, as social partners of government, are perceived as part of the social economy. Organisations such as the Small Enterprise Development Agency (SEDA), the National Youth Development Agency (NYDA) and other government bodies raised the intent to better understand and support SE development and social entrepreneurship (Fury, 2010:3).

2.7 The third way and the third sector – SEs as a social economical vehicle

In the United Kingdom, an important strand of the policy approach of New Labour during 2007 was to review the institutionalised assumption of a two-sector economy based on either private or public ownership and control of the production of goods and services. “The third way” – also referred to as “the third type” (Borzaga & Defourny, 2001: 3) – is a philosophy which was formulated in an effort to recognise the host of organisations that aim to deliver both social and environmental benefits. These organisations are neither profit making nor statutory, and they exist and operate outside (or between) both the market and the state. The development of this economic initiative was described as a new characteristic of the third sector (Haugh & Kitson, 2007:974) – “from the third sector to social enterprise” (Borzaga & Defourny, 2001:1). Bornstein (2004:264) refers to this growth tendency as the “Emergence of the Citizen Sector” in his book *How to change the world: Social entrepreneurs and the power of new ideas*.

At the Promise of Leadership conference which was held in March 2009 in South Africa the statement was made that it is essential that SEs rise – alongside business and government – as the Third Pillar for both societal and economic growth (ASEN, 2009)

The question arises: What is a SE really and where did it all start?

2.7.1 The history of social enterprises (SEs)/social entrepreneurs

The pioneers of social enterprise can be traced at least as far back as the 1840s, in Rochdale, where a workers' co-operative was set up to provide high-quality affordable food in response to factory conditions that were considered to be exploitative (Social Enterprise, 2013).

In the UK, a rising of social enterprises started in the mid 1990s with the coming together of different organisations, including co-operatives, community enterprises, enterprising charities and other forms of social business, all united by the prospect of using business to create social change.

Historical examples of leading global social entrepreneurs are (Ashoka, 2013):

- Susan B. Anthony (U.S.): Fought for Women's Rights in the United States, including the right to control property and helped spearhead adoption of the 19th amendment;
- Vinoba Bhave (India): Founder and leader of the Land Gift Movement, he caused the redistribution of more than 7,000,000 acres of land to aid India's untouchables and landless;
- Dr. Maria Montessori (Italy): Developed the Montessori approach to early childhood education;
- Florence Nightingale (U.K.): Founder of modern nursing, she established the first school for nurses and fought to improve hospital conditions;
- John Muir (U.S.): Naturalist and conservationist, he established the National Park System and helped found The Sierra Club;

- Jean Monnet (France): Responsible for the reconstruction of the French economy following World War II, including the establishment of the European Coal and Steel Community (ECSC). The ECSC and the European Common Market were direct precursors of the European Union.

However, the concept of a “social enterprise” was first developed by Freer Spreckley in 1978:

An enterprise that is owned by those who work in it and/or reside in a given locality, is governed by registered social as well as commercial aims and objectives and run co-operatively may be termed social enterprise. Traditionally, “capital hires labour” with the overriding emphasis on making a “profit” over and above any benefit either to the business itself or the workforce. Contrasted to this is the social enterprise where “labour hires capital” with the emphasis on personal, environmental and social benefit (Spreckley cited by Steinman, 2010:19)

SEs evolved during the 1980s and 1990s as part of the NPO sector’s search to explore earned-income strategies as new sources of revenue aimed at helping them both to maintain and to expand their programmes (Boschee cited by Steinman, 2010:19).

2.7.2 Reasons for migration from NPOs to SEs

The six main explanations for the reasons why NPOs in the USA needed to migrate from NPOs to SEs may also be applied to NPOs in general. These reasons can be summarised as follows (Dees, 1998: 55; Lewis, 2005:243; Boschee, 2006:6–8; Haugh & Kitson, 2007:981–982; Van der Berckt & Oliver-Evans, 2007:92):

2.7.2.1 The state of the economy

In the late 1970s, the American economy suffered simultaneous recession and double-digit inflation. These pressures, in turn, led to sharply rising operating costs and tighter budgets for all NPOs. This created a real crisis for most NPOs in terms of securing funds.

2.7.2.2 Diminished support from the public sector

The emphasis on privatisation which was driven by the Reagan administration's federal and state spending on social services began to drop in the early 1980s. In general, resources available from traditional sources dwindled.

2.7.2.3 Reduced donations by individuals and corporations

Changes in the tax code in 1986 caused a mayor plunge in donations from the public, with a similar reduction in corporate donations.

2.7.2.4 More competition for grants and contributions

The number of NPOs in the USA exploded. For every two NPOs that existed in 1977, more than five appeared to the same donor in that time causing the number of NPOs competing for the fewer grants and subsidies. At the same time, there is increased competition from profit-driven companies entering the social sector and creating their own projects instead of partnering with, or making resources available to, existing NPOs. Despite the fact that competition for funding is intense, money is becoming available for operating on a more commercial basis and is based on the relationship between funders and a particular NPO.

2.7.2.5 More people in need

By 1992, one in seven Americans was living below the poverty line. NPOs wrestled with an eruption of new challenges. HIV and AIDS, for instance, resulted in four times as many people seeking help from Catholic charities in the United States. In general, the number of people in need escalated beyond what could ever have been imagined.

2.7.2.6 A damaged reputation

A series of scandals throughout the 1990s also caused many Americans to lose confidence in the third sector. To demonstrate this statement Boschee (2006:8) gives the following examples: "... misappropriation of funds by the head of the United Way of America, the nation's largest fundraising body; a pyramid scheme that stole more than \$50 million from wealthy philanthropists; and embezzlement in the highest ranks of the Episcopal Church".

The same pressures are impinged on NPOs around the world including South Africa. Earning income became an important part of the NPOs response to these challenges referred to as: "(T)his increased trend (for some disturbing and problematic, and for some exciting and entrepreneurial) toward what Dees and Anderson (2003) called 'sector-bending'" (Lewis, 2005:243). It was required of NPOs to adapt continuously (Van der Berckt & Oliver-Evans, 2007:95) resulting into the involvement of SEs.

The following two additional factors can also be considered as contributing to the rise of SEs (ILO, 2011:1):

- i. The recognition that the businesses approach may be used to address social problems in a sustainable way;
- ii. The outsourcing of the delivery of some public services by government.

2.7.3 New income streams for NPOs

This new pro-business “zeitgeist” and the increasing adoption of business techniques and practices rendered profit-driven initiatives became more acceptable for NPOs (Lewis, 2005:243). Enterprising NPO managers realised that they had to depend on themselves to ensure their survival. They, therefore, sought additional revenue and started mimicking profit-driven organisations. Dees (1998:56) quotes the following examples:

- i. Some raised funds through auxiliary commercial enterprises. The Save the Children Fund sells a line of men’s neckwear. This project started in 1993 and is still growing strong.
- ii. A number of NPOs are beginning to commercialise the core programmes they developed. Some NPOs, for example, accept contracts from government agencies to run social service programmes, such as home-based care services, schools and job-training programmes for social welfare grant recipients. This is a global change experiencing in the NPO sector.
- iii. Some NPOs are launching business enterprises aimed at realising the objectives of their organisations’ mission. A prime example is San Francisco’s Delancy Street Restaurant, run by the Delancy Street Foundation, which is staffed by ex-convicts and former substance abusers

who participate in Delancy's intensive self-help and rehabilitation programme.

- iv. A few NPOs, most notably hospitals and health maintenance organisations, are converting to for-profit or are bought by profit-driven companies.

NPO leaders see these earned-income-generating activities as more reliable funding sources than donations and grants. In fact, many of them now consider extensive dependency on donors as a sign of both weakness and vulnerability. In this regard, self-funding is the new mantra (Dees, 1998:56).

2.7.4 Challenges in making the transition from a NPO to a SE

It is nevertheless essential that NPOs are aware of the challenges on both operational and cultural levels in their pursuit of commercial funding (Dees, 1998:57). In a worst case scenario, commercial funding may undercut a NPO's social mission. NPO leaders should recognise that creating a sustainable and profitable business is not easy and that the management of a profitable business requires skill, luck and flexibility. Many NPOs do not have the business-specific skills, managerial capacity and creditability to succeed in their commercial efforts.

Making the transition from a culture of innovation to a culture of entrepreneurship is filled with danger. According to Boschee (2006:22–25), not every NPO is prepared to make this transition as this road to transition is beset with “nightmares”:

- i. *Generic nightmares*: Board members, staff members, clients, customers and other stakeholders may have a lot of misconceptions about earned

revenue, for example that the venture is “too risky”; or they fear just the thought of “making money”.

- ii. *Logistical/capacity nightmares*: The “resource” question may become a huge stumbling block for many NPOs; for example deep-rooted patterns of behaviour, competing priorities, insufficient resources and, more specifically, the lack of business development, operations and marketing skills.
- iii. *The nightmare of failure*: There are no guarantees and the possibility of failure is very real.
- iv. *The nightmare of success*: This last category involves the nightmare of success itself.

All these nightmares cause many NGOs to spin their wheels, waiting for the perfect market opportunity, the perfect plan, the perfect time; which none of them exist (Boschee, 2006:25).

It is clear from the above that the rules for NPOs have changed dramatically over the past 20 years on a global level. The notion of merging mission and money used to fill people with distaste, but today it is on par with a changed global profile.

2.7.5 The space, roles and relevance of SEs in South Africa

The visual presentation in Figure 2.4 by Evans (2011) at the Making CSI Matter conference provides a clear illustration of the physical space of SEs.

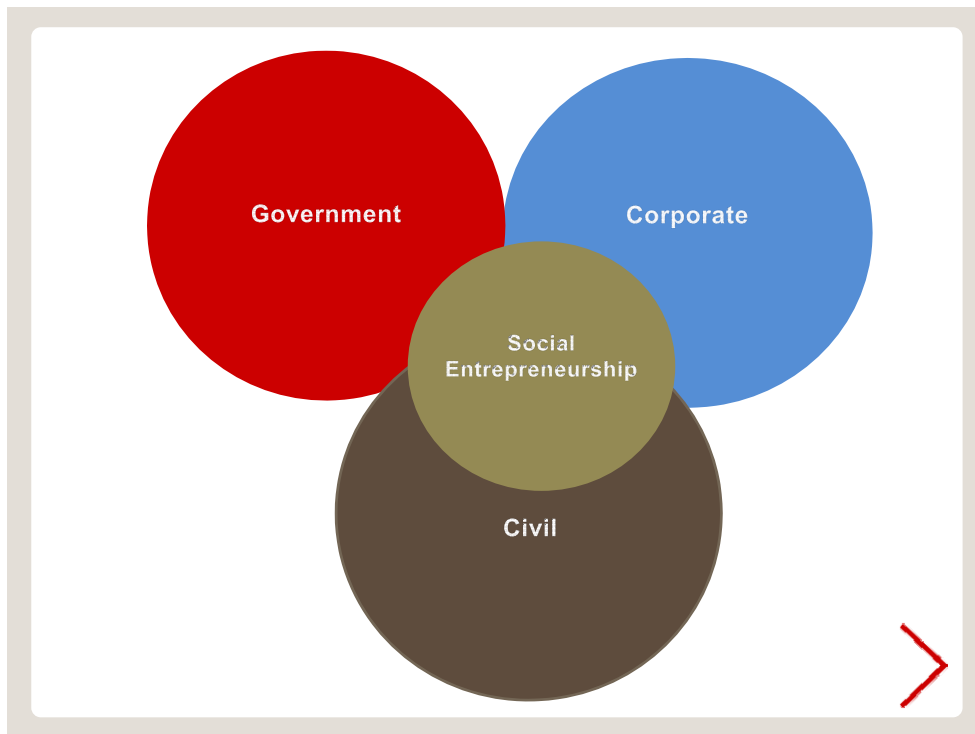


Figure 2.4: The physical space of SEs (Evans, 2011)

Figure 2.4 indicates the overlapping space that SEs fill, linking all three sectors. SEs are at the top of the circle and/or pyramid of the NPO/civil sector making it suitable to the specific developmental goals (MDGs as indicated in section 2.4), and specifically the MDG No. 8 (developing a global partnership for development). The key to attain this goal is through economic growth by moving people from an ethic of grant dependency to entrepreneurial ethics (Sanders, *et al.*, 2008:12). SEs are the most appropriate vehicle to achieve this goal.

As elsewhere in the world, interest in both SEs and the social economy is increasing in South Africa. At the launch of the New Growth Path in October 2010, the Honourable Minister of Economic Development, Ebrahim Patel, made the following statement: "... the social economy is a frequently under-recognised, under-

appreciated and under-marketed part of the modern economy” (Patel cited by ILO, 2011:2).

SEs in South Africa could represent new growth opportunities and offer a politically attractive win-win solution which includes job creation and improved service delivery. These kinds of interventions will facilitate the building of human dignity and self-worth, thereby addressing many of the ills created by South Africa’s history (ILO, 2011:2).

2.7.6 The SE spectrum/continuum as a framework for NPOs

NPOs should be receptive to, and supportive of, the shift towards SEs as these kinds of commercial activities may be met by political resistance on different levels as some views are that nonprofits are not expected to behave like businesses and when they do, critics are ready to pounce (Dees, 1998:58). Accordingly, it is essential that NPOs craft their strategies to SEs very carefully.

Despite the risks of commercialization, NPO leaders can chart a favourable course through commercial waters in their search for ways both to reduce their organisation’s dependence on grants and to enhance their mission-related performance. The challenge is to find a financial structure that reinforces the NPO’s mission, uses scarce resources efficiently, is responsive to changes and is practically achievable (Dees, 1998:60).

It is, thus, suggested how important it is that NPO leaders understand the full range of options available, as outlined in the SE spectrum/continuum which varies between purely philanthropic to purely commercial (Dees, 1998:60). At the one end of the spectrum an organisation can be purely philanthropic and may operate as a true NPO relying on donations and grants. However, at the other end a SE can be fully

commercial in the way in which it acquires its resources and distributes goods and services.

This SE spectrum/continuum further depicts the range of commercialisation in terms of non-profit relationships with its key stakeholders. It becomes clear that the more commercial a NPO becomes, the less it relies on philanthropy. Few SEs are able to be, or should be, either purely philanthropic or purely commercial. It is recommended that most SEs should combine commercial and philanthropic elements in order to secure an institutional balance.

This can be demonstrated by cross-subsidising programmes, for example, many day care centres use a sliding fee scale so that wealthier families subsidise poorer ones.

The SE spectrum/continuum is depicted in Table 2.2.

THE SOCIAL ENTERPRISE SPECTRUM/CONTINUUM				
Purely philanthropic ← → Purely commercial				
Motives, methods and goals		Appeal to goodwill Mission driven Social value	Mixed motives Mission and market driven Social and economic value	Appeal to self-interest Market driven Economically driven
Key stakeholders	Beneficiaries	Pay nothing	Subsidised rates, or mix of full payers and those who pay nothing	Market-rate prices
	Capital	Donations and grants	Below-market capital, or mix of donations and market-rate capital	Market-rate capital
	Workforces	Volunteers	Below-market wages, or mix of volunteers and fully paid staff	Market-rate compensation
	Suppliers	Make in-kind donations	Special discounts, or mix of in-kind and full-price donations	Market-rate prices

Table 2.2: The SE spectrum/continuum (Dees, 1998:60)

Before venturing into SE activities, it is essential that a NPO evaluates its organisation's potential to operate at the commercial end of the spectrum. NPO leaders should begin by formulating the correct SE business plan which would include identifying all potential commercial sources of revenue and stipulating motives, methods and goals before venturing further.

This SE spectrum/continuum is in line with the Social Investment Continuum (see Figure 2.5), which was presented at the Making CSI Matters conference (Evans, 2011):

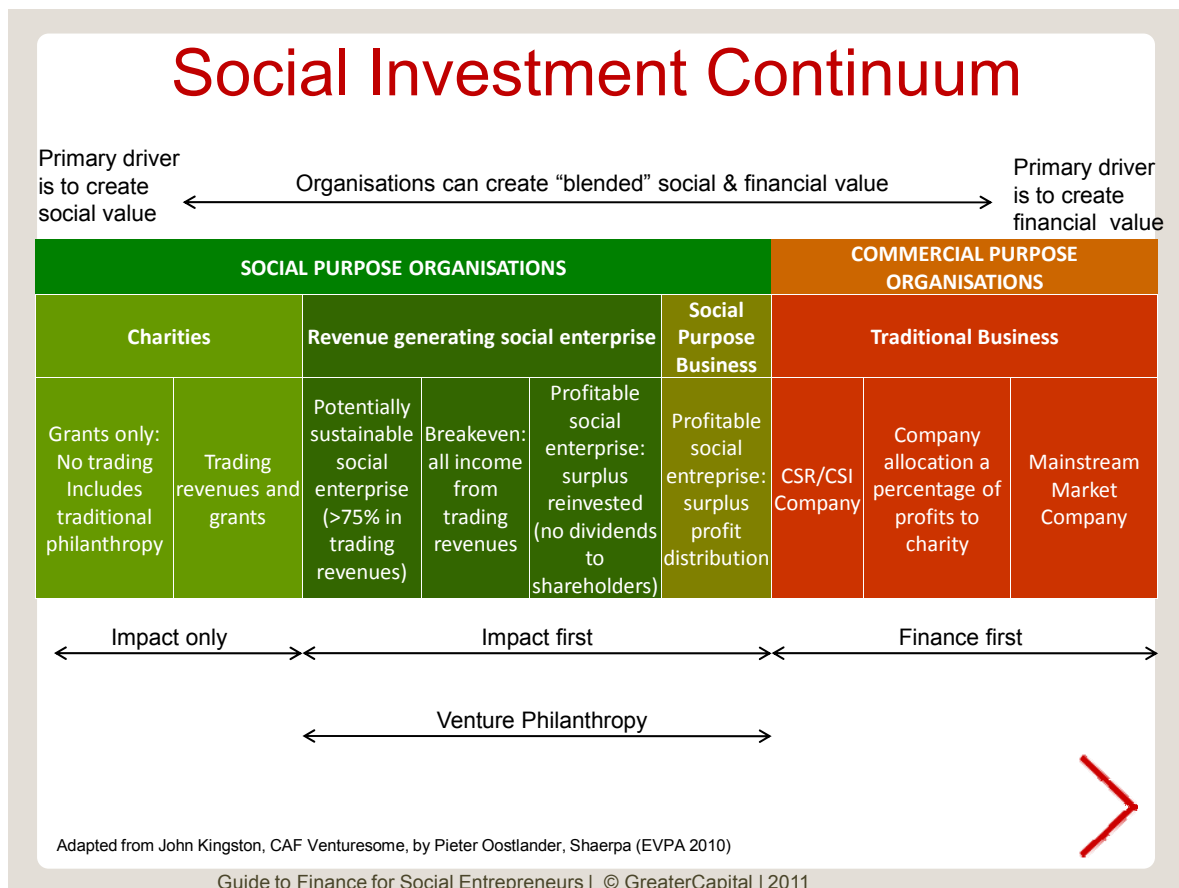


Figure 2.5 Social Investment Continuum (Evans, 2011)

Like the SE spectrum/continuum, the Social Investment Continuum is divided into two sections. In this SE spectrum/continuum, the NPO sector is referred to as Social Purpose Organisations (SPOs). This continuum further differentiates between the income streams emanating from the various levels of organisations, while also noting the focus or intention of the organisations. This focus varies from impact only to either impact first or finance first.

The Social Investment Continuum also highlights the views of both the business and the government sectors that recognise the important role that the third sector can play with regards to economic contributions within the South African context.

2.7.7 Differentiation required within the NPO sector

In the *Assessment Report of the NPO Act* compiled by the Department of Social Development in July 2004 which addressed the impact of the SA NPO Act of 1997 on NPOs (2005:10), one of the recommendations made in the report was that the SA NPO Act should be revised to allow for differentiated NPO registrations. These differentiated NPO registrations would recognise the different levels of capacity and growth amongst NPOs, as well as allow for more targeted programmes from government, civil society and donors. In addition, these differentiated NPO registrations would set in place appropriate standards for the different levels of NPOs. This recommendation is in line with the study (see Figure 2.2).

The report provides the following examples of categorising NPOs (DSD, 2005:113) with the categories being plotted on the NPO pyramid model presented in this study.

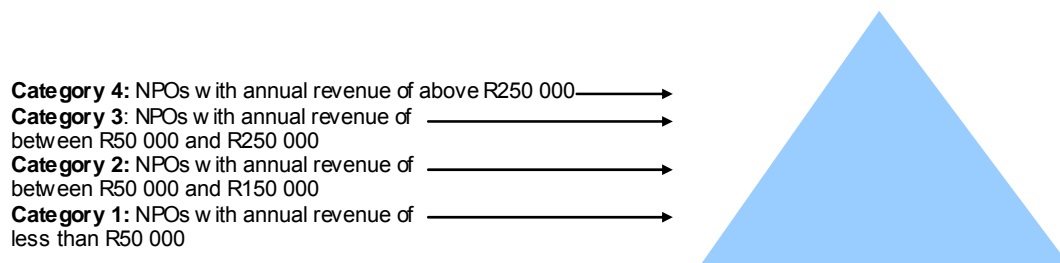


Figure 2.6 Categorising NPO pyramid model

The report further states that there is a clear divide between the better resourced and/or organised NPOs (usually referred to as NGOs) and poor community-based organisations. In general, the latter are largely deprived of resources and are less formally structured (usually referred to as CBOs) (DSD, 2005:30; Van der Berckt & Oliver-Evans, 2007:94).

According to the report, there are only a few NPOs with a strong emphasis on both self-funding and fees. The NPO pyramid model also indicates that few NPOs are able to function as SEs at the top of the pyramid. The report also states that out of a sample of 600 NPOs only 11% has an annual revenue of over R1 million, which are usually Section 21 companies and trusts. If this ratio is extrapolated to 100 000 NPOs in South Africa, the assumption can be made that only 11 000 NPOs could have an annual income of over R1 million, making them the potential future SEs.

Another classification in this differentiation process of NPOs involves comparing Great NPOs versus Good NPOs and/or High Impact NPOs versus Low Impact NPOs (Will, 2010:160).

The main reasons for excelling as Great NPOs are based on the following six practices:

- i. *Advocate and service.* Service delivery alone cannot achieve systemic change. High-impact NPOs bridge the divide between services and advocacy.
- ii. *Make markets work.* Great NPOs tap into the power of self-interest to move beyond charity. They influence business practices, build corporate partnerships and develop earned- income ventures.
- iii. *Inspire evangelists.* Great NPOs engage individuals in emotional experiences that connect to the group's core values. Volunteers, donors and advisers contribute not only time, money and guidance, but become ambassadors for their causes.

- iv. *Nurture non-profit networks.* High-impact organisations help the competition succeed, building networks of non-profit allies.
- v. *Master the art of adaptation.* Great NPOs respond to changing circumstances: they listen, learn and modify their approach, allowing them to sustain their impact and stay relevant.
- vi. *Share leadership.* Great NPO CEOs empower others to lead. They cultivate strong second-in-commands, build committed executive teams and developed engaged boards (Will, 2010:161).

These Great NPOs, which have mastered the critical practices listed above, represent those NPOs which will be at the top of the NPO pyramid model and which, if not functioning yet as true SEs, will become SEs.

The NPO/SE pyramid model indicates the importance of NPOs evolving into SEs. The following section will therefore focus on gaining a better understanding of what SEs really involve. It is important to note that in view of the fact that this study focuses on the importance of NPOs growing and evolving into SEs within the South African context, this section will be discussed from the viewpoint of a NPO and not from the viewpoint of a commercial SE (also referred to as “social purpose private business” see Figure 2.5).

2.8 Towards a better understanding of SEs in the NPO sector

2.8.1 SEs: a description and definition

Social entrepreneurship is an emerging field at both academic and practitioner level, although there are, as yet, no clear, agreed upon definitions of SE and its related

concepts (Steinman, 2010:21; ASEN, 2009). SE is, thus, one of the most misunderstood terms in the NPO sector (Boschee & McClurg, 2003:1) with all stakeholders appearing to subscribe to a different definition. The matter is further complicated by the fact that the legal structures of SEs also sometimes differ from country to country. For example, in the United Kingdom a specific legal entity has been established for SEs, namely, the Community Interest Company (CIC) (Fox, 2010:6). Currently, registration with the company is voluntary with the CIC “brand” being intended to indicate that the relevant enterprise is operating as a business with a social purpose.

It is estimated that there are between 50 000 and 60 000 SEs in the United Kingdom, with these SEs representing approximately 2% of the national GDP and employing about 800 000 people (Fox, 2010:23). These statistics provide an indication of the possible impact of SEs in a country in which infrastructures and an enabling environment are in place.

There is, as yet, no legal definition of the term SE in South Africa (Evans, 2011; ILO, 2011). However, “public benefit activities”, as explained in the Tax Exemption Guide, may be used as an indicator of a social purpose:

Examples: Social enterprises can include entities operating as non-profit organisations (NPOs), Section 21 companies, cooperatives, social entrepreneurial concerns, NGOs and other business forms as well as emerging social enterprises and “pre-cooperative entities” working towards sustainability. Social enterprises would exclude a corporate business entity or subsidiary thereof or a business whose primary purpose is profit maximisation, even if it is creating social value (Steinman, 2010:37).

From the above it is clear that SEs are both diverse and may operate at many levels. It is therefore not possible to identify a SE merely on the basis of its legal format. Keeping this in mind, it is essential to understand what an organisation does, and why and how it does it, in order to decide whether the specific organisation is a SE. In particular, it is vital to know who benefits from the operations of the organisation and the impact of the organisation on society as a whole. Simply stated, a SE is an organisation that is run like a business, but that has a social purpose

It is possible to come to a better understanding of what a SE is by highlighting the main differences between a SE and other organisations (ILO, 2011:1):

- i. SEs differ from conventional enterprises in that, with regards to the SE, social impact is considered to be more important than maximising profits;
- ii. SEs are unlike conventional NPOs, as SEs EARN a substantial proportion of their income rather than being dependent on grants and resource mobilisation (fundraising activities).

The differentiation between the three kinds of organisations; that is, for-profits, NPOs and SEs, may best be explained as follows:

- For-profit = economic revenue
- Non-profit = social revenue
- Social enterprise = economic and social revenue

During the exploratory study into factors influencing an enabling environment for SEs in South Africa, Steinman (2010:40) gives the following concise description of what a

SE is, its objectives and the way in which it operates was formulated. In other words, the following definition emerged:

A social enterprise's primary objective is to ameliorate social problems through a financially sustainable business model, where surpluses (if any) are principally reinvested for that purpose (Steinman, 2010:40).

The International Labour Organization (ILO) SE Development Targeting Unemployed Youth in South Africa (SETYSA) further distinguishes the following categories in respect of the SE movement (ASEN, 2009).

- *Social entrepreneur*: refers to the individual level
- *Social enterprise*: refers to the organisational level
- *Social entrepreneurship*: refers to the broader behaviour, attitude or cultural view as regards entrepreneurship

In short, it is possible to state that SEs create “sustainable market solutions to social problems” (ASEN, 2009). The terminology used may be clarified as follows: *sustainable* – the SE should have a viable business model that covers costs, at least in the long-run; *market based* – the SE operates according to business principles, although the governance and structure of the SE may vary; *solutions to social problems* – the ultimate objective of the SE is to find solutions to social problems.

2.8.2 SEs: principles, key qualifiers and characteristics

SEs in the United States have identified five basic principles that are fundamental to the understanding of entrepreneurship for NPOs (Boschee, 2006:9). These five basic principles are interlinked and extended to six principles by adding key qualifiers for a SE that were identified during an exploratory study commissioned by the ILO into

factors influencing an enabling environment for SEs in South Africa (Steinman, 2010:27). This description is further extended by identifying certain characteristics that SEs display. These principles, key qualifiers and characteristics are outlined and utilised as a guideline in this section in order to gain a better understanding of SEs.

2.8.2.1 Innovative versus entrepreneurial

The first critical principle involves understanding the distinction between innovative and entrepreneurial (Boschee & McClurg, 2003:1). If a NPO is doing good and wonderful work and creating new and vibrant programmes, then such a NPO is innovative (doing something new), but not entrepreneurial (doing something that makes money). The gist of the matter is that it is essential that a NPO generate earned revenue from its activities; otherwise the NPO is not acting in an entrepreneurial manner.

The reason for the importance attached to earning an income is that it is only earned income that will ever enable a NPO to become both sustainable and self-sufficient.

Innovation is a precious resource and it served as the primary engine of a NPO growth through the 1970s and 1980s, but innovation can take a NPO only so far. It is one thing to design, develop and implement a new program, but quite another to sustain it without depending on charitable contributions and public sector subsidies (Boschee & McClurg, 2003:2).

In this regard, Bill Drayton, the founder of Ashoka: Innovators for the Public (Drayton cited by Steinman, 2010:20–21), maintains that leading social entrepreneurs strive to

exploit social innovation with an entrepreneurial mindset and, thus, they provide unique solutions to social problems as part of a dynamic process.

The ability to combine innovation and entrepreneurial qualities in a SE is best described as follows: “Social enterprises create new goods and services and develop opportunities for markets where mainstream business cannot, or will not, go. They provide examples of new ways of working that can be replicated throughout the whole economy” (DTI, 2002:20).

However, besides the importance of understanding the difference between innovation and entrepreneurship, there are four other main distinct principals that are fundamental to any genuine understanding of SE within the NPO sector.

2.8.2.2 Entrepreneurship versus social entrepreneurship

An entrepreneur may be defined as a person who “organizes, manages and assumes the risks of a business enterprise – starting with nothing more than an idea or a prototype” (Webster in Boschee & McClurg, 2003:2). Accordingly, an entrepreneur has the ability to take a business to the point at which the business is able to sustain itself on internally generated cash flow.

A social entrepreneur is a person who uses earned income strategies to pursue a social objective. A social entrepreneur differs from a traditional entrepreneur in two important ways (Boschee & McClurg, 2003:2):

- i. The efforts of traditional entrepreneurs are only indirectly linked to social problems, i.e. acting in a socially responsible manner by donating money

to NPOs. A social entrepreneur's activities, on the other hand, are directly linked to their organisation's mission through which they earn income, i.e. they sell organisational mission-driven products and/or deliver services that have a direct impact on a specific social problem.

- ii. Traditional entrepreneurs are measured in terms of financial results, while social entrepreneurs are driven by a double bottom line, namely, an essential mix of financial and social returns and sometimes even by a triple bottom line which is inclusive of addressing environmental issues. Profitability is always a goal but not the only goal as a social entrepreneur, primarily, supports a social purpose. But the most important difference is that the profits are principally re-invested in the SE and not distributed to the shareholders. This issue is further elaborated upon in section 2.8.2.3.

A key qualifier that is critical in this regard is the fact that, in addition to the reality that the business of a social entrepreneur is in the first instance linked to a social purpose (rather than the commercial/profit motive), there is also the requirement that a social entrepreneur should specifically improve social problems and so aim to achieve social good and creating social value. This strong association between social purpose and social problems is further strengthened by the fact that there should be a clear connection between the social purpose and the social problem (Steinman, 2010:25).

The SE case study grid (Figure 2.8) of the International Labour Organisation's (ILOs) (Nambiar, 2011) qualifies the issue of the social problem further by stating that the particular social problem is one that impacts on a large number of people and is

generally identified as a problem by the target group. Thus, the SE's operations should clearly indicate where social benefit is being created. In addition, there should be a strong feeling by all parties involved that something needs to be done through collective actions.

In line with the differentiation between entrepreneurship and social entrepreneurship, there are also the following six crucial characteristics of a social entrepreneur (Bornstein cited by Steinman, 2008:45; DTI, 2002:16; Dees cited by Roper & Cheney, 2005:99–100):

- i. *Flexibility and adaptable practices:* While social entrepreneurs believe they are right, they also have the ability to correct themselves immediately when they feel it is necessary. In addition, they also have the ability to focus on their mission to create and sustain social value and they are not preoccupied with tactics. Therefore, they are able to change strategies easily by implementing adaptable practices.
- ii. *Acknowledging others:* Social entrepreneurs have the ability to share the spotlight and they are generous in giving credit to others. The objective of social entrepreneurs is to make the social purpose work to the benefit of their communities they serve and not to promote their own agendas.
- iii. *Bypassing systems, risk taking and innovative:* Social entrepreneurs go beyond the usual structures by acting boldly. They are able to recognise and pursue new opportunities in terms of which they start new and unusual organisations to support their social mission. Accordingly, they exhibit entrepreneurial, innovative and risk taking behaviour by engaging themselves in continuous innovation.

- iv. *Networking ability*: Social entrepreneurs work across conventional divisions and between disciplines. They network with people from various backgrounds and bring together unusual perspectives which, in turn, result in a fresh vision and new solutions (innovative).
- v. *Purposeful and modest*: Social entrepreneurs often keep low profiles for a long time, while slowly influencing people or small groups and sometimes never even claiming any credit for their contributions.
- vi. *Solid on ethical behaviour*: Social entrepreneurs are driven almost entirely by a deep ethical motivation, with a dramatic turning point or tragedy often having resulted in their committing their lives to changing some unacceptable status quo. It is through this kind of behaviour that they exhibit a heightened sense of accountability to stakeholders.

2.8.2.3 Sustainability versus self-sufficiency

By choosing to mature along the SE route, the NPO sector will be enabled to replace their traditional “dependency model” with two other models, namely, sustainability and self-sufficiency. Sustainability may be achieved through a combination of resource mobilisation, government subsidies and earned income. However, it is essential that the realisation of the sustainability model should not be the final goal of NPOs. The sustainability model takes NPOs only half-way. It is the self-sufficiency model that must be the ultimate goal of the most ambitious social entrepreneur, with the self-sufficiency model being achieved by a complete reliance on earned income (Boschee & McClurg, 2003:2). SEs may attain this goal of self-sufficiency through an orientation towards the regeneration and/or expansion of economic activities (Pearce in Roper & Cheney, 2005:98).

Without self-generated revenue, NPOs will always remain dependant on donations – a risk social entrepreneur is unwilling to take. They are passionately committed to their mission, but just as passionately committed to becoming financially sustainable or self-sufficient in order to achieve more of their development objectives (Boschee & McClurg, 2003:4).

In line with the above, the key qualifier of “financial sustainability” suggests that the SE is a self-sufficient, income-generating entity as a result of its trading, either in its services and/or the selling of goods.

The requirement of “financial sustainability” as part of the “home-grown” definition is extended to emerging SEs and pre-cooperatives who may be receiving seed money (start-up capital) or grants, provided that such entities have a definite business plan in place to work towards sustainability. Therefore, “financial sustainability” excludes dependence on Corporate Social Investment (CSI) or grant funds beyond the start-up phase (Steinman, 2010:36).

The SE case study grid (Nambiar, 2011) qualifies an SE’s “financial sustainability” in terms of the following three categories:

- i. The organisation is (or, in a reasonable time, will be) able to cover its operational costs;
- ii. The organisation earns (or, in a reasonable time, will earn) more than 50% of its revenue and is not structurally dependent on grants and subsidies;
- iii. The organisation has a business strategy that includes sustainable planning.

A further qualifier with regards to “financial sustainability” is that of the “management of surpluses (if any)”. It is recommended that a minimum of 50% of the surpluses should, principally, be reinvested. In other words, the social entrepreneur will plough back the surplus money into the organisation in a way it may deem fit. However, this should not affect the ability of the SE to obtain share equity and to pay dividends to shareholders. Regarding the payment of dividends, it is recommended as a guideline (Steinman, 2010:38; Nambiar, 2011) that the SE should embrace and practise democratic, open and transparent governance. It is thus incumbent on the SE to have accountability documents in place in this regard. This is in line with Good Governance, as part of South African business policies, as stipulated by the King III Report (Engelbrecht, 2009).

In short, a SE gains independence and autonomy through its trading activities, thus ensuring that the SE is financially viable.

2.8.2.4 Earned income strategies versus social purpose business ventures

Social entrepreneurship is, sometimes, a fairly daunting prospect. The reason for this is that there is a general view that it entails starting a business venture and this is not something which everybody knows how to do. However, starting a business is not the only way in which to become a successful SE. The most fertile ground for the vast majority of NPOs worldwide comprises “earned income strategies” and these earned income strategies have nothing to do with starting a business venture. The differences between earned income strategies and business ventures may be outlined as follows:

- “Earned income strategies: Every NPO has opportunities for earned income lying within its existing programmes. These opportunities just need to be exploited to have a significant cumulative impact. By aggressively turning inward and searching for pockets of existing opportunities, NPOs have been able to register impressive gains, often raising their percentage of total revenue from earned income by as much as 15% within 1–3 years” (Boschee & McClurg, 2003:4).
- Business ventures (also referred to as social purpose private business): Once a NPO has successfully carried out a variety of earned income strategies, they may want to consider launching a formal business venture where often the goals would be much more ambitious and the strategy completely different. The reason for a NPO to start a business venture is to exploit a specific opportunity for significant growth and profitability, which is substantially different to earned income strategies. Earned income strategies are designed primarily to cover more of a program’s cost, without any real expectation of making a profit or even reaching a break-even point. According to (Boschee & McClurg, 2003:4), pioneers in this field have discovered that the chances for success with a business venture increase dramatically if the organisation creates a “skunkworks”; a completely separate entity insulated as much as possible from the day-to-day operations of the parent organisation.

The conclusion that may be drawn from the above earned income strategies versus business ventures principles is that, as there are different levels in the NPO movement (see Figure 2.6), so there are also different levels of SEs. The growth

path through these different levels, starting with Emerging NPOs/CBOs and ending with Business Ventures (also referred to as Social Purpose business Organisations – SPOs) at the top of the NPO/SEs pyramid, may be schematically outlined as follows:

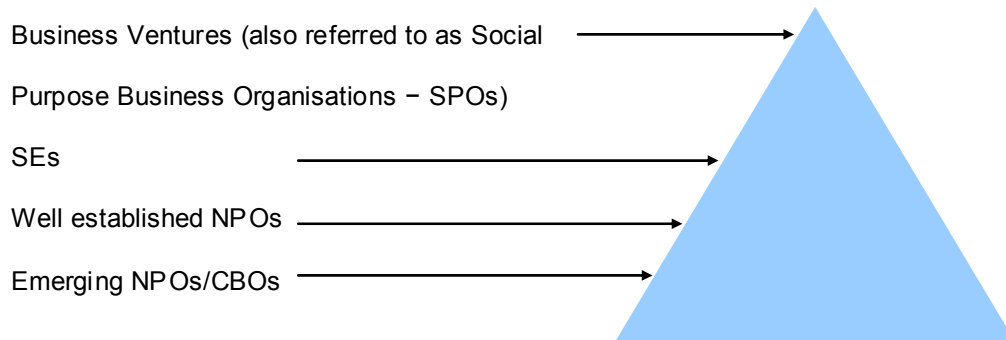


Figure 2.7: Different categories of SEs on the NPO/SE pyramid model

The fact that it is possible to categorise SEs on different levels is also confirmed by the formal classification of SEs. This formal classification of SEs is utilised by the description of the SE case study grid) and is depicted in the following figure (Nambiar, 2011):

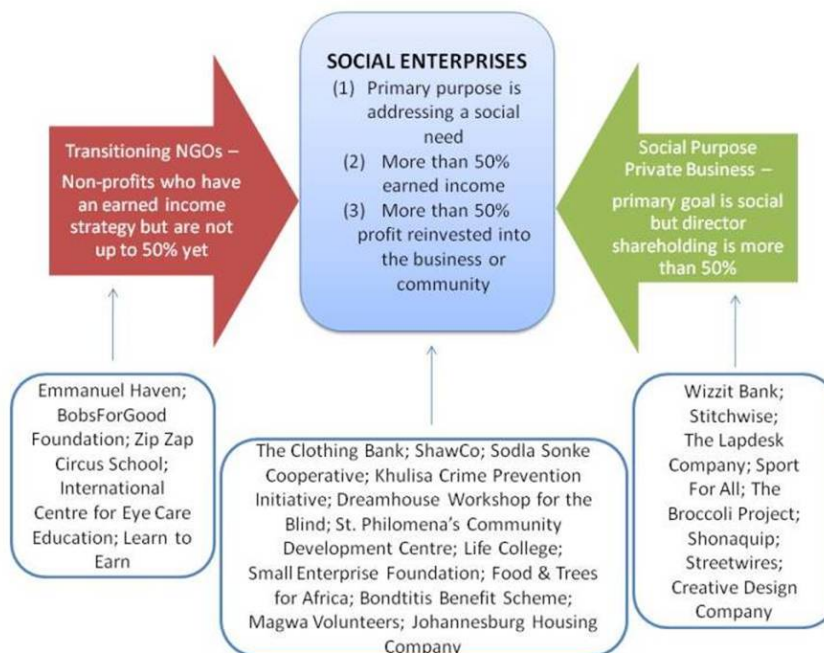


Figure 2.8: SE case study grid (Nambiar, 2011).

2.8.2.5 *Innovators versus entrepreneurs versus professional managers*

Regardless of whether a NPO is attempting to engage in a variety of earned income strategies in an attempt to launch a business venture, it is important to understand the difference between three types of leaders (Boschee & McClurg, 2003:4). All three types are needed in the evolution of a NPO to a SE, but at different times. It is also extremely rare that one individual would possess more than one of the following three qualities and skills. The description of the three types of leaders is outlined below.

- *Innovators – Dreamers*: They create the prototypes, work out the kinks and then get bored, anxious to return to what they do best, which is inventing more prototypes. They are rarely concerned, ultimately, with the financial viability of what they do.
- *Entrepreneurs – Builders*: They turn prototypes into going concerns – then they get bored. For them, financial viability is the single most important aspect of what they do.
- *Professional managers – Trustees*: They secure the future by installing and overseeing the systems and infrastructure needed to make sure the going concern keeps going (Boschee & McClurg, 2003:4).

The challenges regarding these different types of management in terms of a SE are illustrated below:

- i. As a result of scarce resources, NPOs often try to squeeze people into positions where they do not belong.
- ii. Many of the problems which NPOs face when they embark on adopting entrepreneurial strategies arise from the NPO having an innovator or a

professional manager who is trying to do the job of an entrepreneur (Boschee & McClurg, 2003:5).

The leadership style displayed by leading social entrepreneurs is that of a passionate, charismatic, dynamic, democratic and participative manager (Roper & Cheney, 2005:99, DTI, 2002: 16).

In addition to the leadership style, it is essential that before venturing onto the next level on the NPO pyramid model, any NPO should also develop a deep understanding of the difference between the cultures of a traditional NPO versus the culture of an entrepreneurial NPO. For example, the cultural differences may include the fact that entrepreneurial nonprofits have a much higher tolerance for risk, a greater appreciation of margins, and an eagerness to compete in comparison with the traditional non-profits. On the other hand, traditional NPOs distrust the capital markets, prefer collaboration to competition, and also underestimate the productive capabilities of their employees. Accordingly, the fact that such NPOs are often unwilling to change both their attitudes and their practices will result their having to watch other NPOs becoming increasingly sustainable and self-sufficient (Boschee & McClurg, 2003:5).

2.8.2.6 Value-based and engaging communities in SEs activities

The following two key qualifiers were noted during Steinman's exploratory study, but were not included in the definition of SEs (Steinman, 2010:27): SEs are fundamentally value based and they engage communities in their SE activities. In terms of the viewpoint endorsed in this research study, namely, that the NPO sector

grows and evolves into a SE, these two key qualifiers encompass the culture of the NPO sector and are, therefore, extremely relevant.

With regards to the fact that a SE is fundamentally value based, the exploratory study highlighted the importance of the following values:

- The initial social mission is never compromised; the SE stays true to its core social purpose;
- Motive is a central factor in determining social purpose;
- To work towards societal good as encapsulated in the constitution of the Republic of South Africa;
- The beneficiaries and objectives of the SE are clearly defined by the community and based on the community needs;
- Members for the SE are, as far as possible, recruited within the community they serve (Steinman: 2010:26).

In essence, SEs are built on values as a result of the fact that it is primarily their social objectives which are the reason for their existing as businesses. Accordingly, it is possible to say that social entrepreneurs are value driven and socially responsible (Roper & Cheney, 2005:99). Also, the fact that surpluses are, principally, reinvested either in the SE in order to further the social objectives of the SE or in the community, rather than the SE being driven by the need to maximise profit for either shareholders or owners, is further proof of the value-driven approach of a SE.

Corresponding with this value-based approach is the engagement of communities as the main stakeholders in a SEs. SEs are, therefore, both customer and community

focused (DTI, 2002:16). These community engagements are based on a cooperative and participatory approach and/or on development communication principles. Accordingly, it is incumbent on a SE to show its connectivity through engagement or consultation with the community the SE is claiming to serve.

A specific activity in terms of which SEs showcase their community engagement is through community capacity building and empowerment projects. Of significance in this regard is the approach of the Flemish Government to SEs – an approach which was shared during a high-level study (Fox, 2010) conducted for South African policy makers on an enabling environment for SEs. The Flemish Government focuses on work integration and/or employment creation for vulnerable and disadvantaged groups. These groups include the elderly, the long-term unemployed, people with disabilities and immigrants. This approach enables the following:

- People are able to access employment and this, in turn, facilitates employment equity and increases the employment rate;
- Skills development is enhanced and lifelong learning promoted (Fox, 2010:7–8).

These processes enable the creation of both social cohesion within communities and a better work-life balance for the individual.

The above six principles, key qualifiers and characteristics are, essentially, what renders the SE movement to be unique and, therefore it is important to take note of them within the South African context.

2.9 Social entrepreneurship: Awards as a recognition and awareness building system

In this section an introduction are given of the recognition and promotion of SEs by the implementation of an awards system. This introduction is followed by an outline of a selection criteria designed for this recognition system. Thereafter the Schwab Foundation's award system is discussed in detail as the award system which is relevant in this study.

2.9.1 Introduction

The Office of the Third Sector in the United Kingdom (DTI, 2002) recognised the important role and contribution of the third sector, especially because SEs are able to generate their own income while providing services to communities.

In 2006, the Office of the Third Sector in the UK drew up a SE Action plan. This plan included awareness building of the SE phenomenon and the creation of trust, quality standards, branding and accreditation as steps in achieving this goal.

In order to gain credibility for the third sector, the Government believes that it may be helpful to develop and agree minimum standards of behaviour or an accreditation system which allows "social enterprise" to be clearly identified and "trusted" (DTI, 2002:76).

The action plan included activities aimed at recognising and promoting the achievements of SEs and the impact it made on communities. One of the ways devised to recognise the achievements of social entrepreneurs was by means of an awards system that paid homage to social entrepreneurs on a global scale.

In South Africa, at the Promise of Leadership conference held in March 2009, it was also stated that the challenge should be embraced to generate awareness of social entrepreneurship as a powerful, scalable force for change. The Schwab Foundation, the Ashoka and Skoll Foundation offer recognition awards for social entrepreneurs.

2.9.2 Selection criteria

In the next section, the selection criteria used by the three main Social Entrepreneur Award systems in South Africa are outlined in Table 2.3.

SFSE of the Year Award	Ashoka Fellows	Skoll Award for SE
Innovation Brought about social change by transforming tradition practice with innovative product, service, approach, idea etc.	New idea Invite only individuals to the Fellowship who conceptualised a new idea – a new solution or approach to a social problem – that will change the pattern in a specific field.	In order to be considered for a Skoll Award for Social Entrepreneurship, an organisation must: <ol style="list-style-type: none"> not be either a new or early-stage programme or initiative; have a track record of no less than three years; be led by a SE have implemented innovative programmes that demonstrate effective approaches to critical social and environmental challenges with global implications. In addition, those organisations which are developing local or regional models for replication on a national or international scale should show that the location where the model is being tested is central to the issue
Sustainability Generated the social condition to sustain the SE initiative and is dedicating all the time to this initiative.	Creativity Successful SEs must be creative both as goal-setting visionaries and as problem solvers capable of transforming their visions into reality.	
Direct social impact Has founded, developed and implemented the entrepreneurial initiative directly, together with poor or marginalised beneficiaries and stakeholders.	Entrepreneurial quality Entrepreneurial quality is the defining characteristic of first class entrepreneurs and it characterises leaders who recognise the opportunities for change and innovation, and devote themselves to instituting that change.	
Reach and scope Has spread beyond its initial context and has been adapted	Social impact of the idea This criterion focuses on the candidate's idea, and not on the candidate him/herself.	

successfully to other settings in the country or internationally, either by the entrepreneur or through others who have replicated or adapted elements of it.	Ashoka is interested only in ideas that it believes will change the relevant field significantly and that will trigger nationwide impact or, for smaller countries, broader regional change.	in question; v. be able to describe a clear, long-term path to creating a change in the existing equilibrium; vi. demonstrate proof of concept with measurable outcomes; vii. have in place a clear, compelling plan for reaching scale; viii. have a clear plan in terms of long-term financial and operational sustainability; ix. commit to working with both peers and the Skoll Foundation in order to share learning and communicate success strategies; x. have successful, annual, operating revenues of between US\$ 2,5 and 5 million.
Replicability The initiative can be adapted to other regions of the world to solve similar problems. The entrepreneur is open to sharing with others the tools, approaches and techniques that are critical to the adaptation of the initiative	Ethical fibre SEs who are introducing major structural changes to society make high demands on a considerable number of people to change the way in which they do things. If the SE is not trusted, the likelihood of success is significantly reduced.	
Role model The SE should be a role model for future SE and also epitomise unquestionable integrity.		
Mutual added value The SE should be able to benefit from the opportunities offered by the SE of the Year award, and demonstrate an interest in engaging with a national and global network of similar entrepreneurs.		

Table 2.3: SE Awards criteria table

2.10 The Schwab Foundation Social Entrepreneur (SFSE) of the Year Awards



The reason for selecting the SFSE of the Year Awards for this study is that of the three awards discussed above, this award is best known for its association with the World Economic Forum (WEF). Owing to its high profile, the debates and sessions of

the WEF receive considerable media attention; especially on television. From the public's viewpoint, the WEF is associated with the founder of the Schwab Foundation, Klaus Schwab, and is part of the WEF brand. The high level of synergy between the WEF and the SFSE of the Year Awards offers a value added edge to the Schwab Foundation.

2.10.1 The founders and their motives



Klaus and Hilde Schwab
<http://www.schwabfoundation.org>

Klaus Schwab established the WEF in 1970. Over the years, the forum's annual meeting grew to a mayor event on the calendar of all companies' CEOs. The WEF is a membership organisation comprising, primarily, of 1 000 of the world's leading companies. The goal of the WEF is to engage corporate leaders, as well as leaders from other sectors of society in partnerships in order to improve the state of the world (SFSE, 2005:1).

After three successful decades of WEF activities, Klaus and his wife, Hilde, decided to launch a separate initiative aimed at identifying those individuals who have spearheaded groundbreaking, basic solutions to solving the world's major problems. This led to the formation of a NPO in 1998: the SFSE. It was envisaged that, through this foundation, Hilda and Klaus would be able to support "a global community of outstanding social entrepreneurs" (Bornstein, 2004:264).

The Schwab Foundation provides international recognition, access to resources, and key networking opportunities to 40 to 50 social entrepreneurs from around the world each year. In addition to bringing together social entrepreneurs for an annual summit meeting in Geneva, the foundation offers invitations to the WEF's regional meetings and to its annual flagship meeting which is held in Davos, Switzerland. At these meetings, social entrepreneurs are offered the opportunity to meet corporate CEOs, senior government officials, foundation executives and heads of multilateral agencies (Bornstein, 2004: 264–265).

Many of the world's largest and most profitable companies are trying to discover how to access new markets and to build their brands as responsible companies. Social entrepreneurs are able to support such efforts and as a result, companies started to take an interest in them, mostly in order to maintain their own competitiveness (SFSE, 2005:2–4).

In 2010, the Schwab Foundation celebrated its 10th anniversary. Klaus and Hilde reflected on the preceding decade as follows:

The field of social entrepreneurship has undergone a sea change during the past 10 years. It has evolved from a subject taught at a few universities in the US to becoming a global movement. Social entrepreneurs have stepped out of their shadows and are celebrated stars at social enterprise conferences. Social entrepreneurs are also highly sought after as contributors to the initiatives and industry conversations among the world's leading CEOs in the World Economic Forum (SFSE, 2010:1).

2.10.2 The Schwab Foundation's strategy shift

In 2005, the Schwab Foundation altered its strategy and activities to ensure that they meet the changing needs of social entrepreneurs. At this time, the foundation noticed that the recognition and acceptance of social entrepreneurship on a global scale were not filtering down to national level. This led to the creation of the SFSE of the Year Awards programme.

The SFSE of the Year Awards competitions are held in 18 to 20 countries annually in conjunction with both the media and national selection partners. The awards ceremony usually involves a gala event with significant media attention focused on the finalists and the winner. The winner then formally enters the Schwab Foundation's Network. In 2008, the SFSE of the Year Awards competition was separated from the global network. This separation resulted in more streamlined competitions which were managed by the local partners (SFSE, 2009).

The SFSE focuses on the following objectives (Ernst & Young, 2010):

- i. to foster a community of leading social entrepreneurs around the world.
The Schwab Foundation provides the platforms for this community to promote sustainable and innovative solutions through interaction with corporations and other stakeholders of global society. These platforms are provided in close partnership with the WEF and its series of regional and global events;
- ii. to contribute to the scaling of social innovations in the world by fostering a continuous dialogue among the key experts and practitioners;

- iii. to identify leading social entrepreneurs in their respective countries through the SFSE of the Year Awards, which will be run by key partners of the Foundation. The SFSE of the Year Awards shall be at the centre of an effort to promote social entrepreneurship on a national level, to familiarise the general public with social entrepreneurship and to highlight role models for others to follow;
- iv. to identify young social entrepreneurs who often develop highly innovative and sustainable approaches. The Schwab Foundation nominates these entrepreneurs as Young Global Leaders of the WEF and offers them a unique multi-stakeholder network to advance their causes and ventures.

2.10.3 Defining a Schwab Foundation Social Entrepreneur

The Schwab Foundation defines a social entrepreneur as follows:

A social entrepreneur has created and leads an organisation, whether for-profit or not, that is aimed at catalysing systemic social change through new ideas, products, services, methodologies and changes in attitude. Social entrepreneurs create hybrid organisations that employ business methods – but their bottom line is social value creation. The ability to turn new ideas into concrete transformational solutions is the hallmark of an entrepreneur (SFSE, 2005:2).

2.10.4 The Schwab Foundation's standards and criteria

The Schwab Foundation has put in place a set of working standards for social entrepreneurs (SFSE, 2007). The goal of these working standards is to demonstrate an on-going commitment both to the highest level of social entrepreneurship and to the importance of creating a growing community of outstanding social entrepreneurs whose initiatives may be replicated in multiple settings. The objectives of the standards may be outlined as follows:

- i. To provide a mechanism for verifying the organisational and professional competence, ethical practices, quality of services, public policy impact and replication activities of high performing social entrepreneurs;
- ii. To create a critical mass of certified social entrepreneurs working in all areas of social value generation whose know-how can be drawn upon and supported, individually or collectively, by the public, private and citizen sector;
- iii. To establish a benchmark for assessing the on-going participation in the network of current and “graduated” Schwab entrepreneurs (SFSE, 2007).

Standards have been formulated within the following categories:

- i. Organisational integrity;
- ii. Governance;
- iii. Vision, mission and strategy;
- iv. Financial management;
- v. Human resources management;
- vi. Quality of services;
- vii. Public policy interaction and replication.

These standards may, and will, assist a SFSE in achieving the following:

- i. Appropriateness and efficiency in the use of funds;
- ii. Diversity and sustainability in financial resource mobilisation;
- iii. Transparency and accountability to donors, investors and other stakeholders;
- iv. Enhanced recognition of accomplishment and network opportunities;

- v. Wider opportunity for replication and global impact through public policy as well as through other social entrepreneurs.

2.10.5 The identification and selection process for leading social entrepreneurs

The Schwab Foundation launched their SE of the Year Awards initiative in 2001. Social entrepreneurs with the widest impact and the highest ethical standards are selected as winners (SFSE, 2005:5–6) as per the selection criteria outlined in section 2.9.2. During the years, the selection criteria have been streamlined to consist of the following three considerations: innovation, sustainability and direct social impact (SFSE, 2010).

With regards to the selection process, during the first four selection rounds (2001–2004), the foundation relied on both a network of nominators to identify suitable candidates, as well as on the foundation's own research. In early 2005, the foundation reconsidered its search and selection strategy. The foundation then engaged respected national media companies – initially in 24 different countries – to select the social entrepreneur of the year for each specific country. In South Africa, Independent Newspapers and Deloitte were the two partners identified (SFSE, 2005:9–10).

In 2007, Ernst & Young was brought in as a partner in the South Africa Social Entrepreneur of the Year Awards. This award forms part of the Ernst & Young World Entrepreneur Awards®, which have celebrated entrepreneurship in all its forms for over a decade, both locally and internationally. Through the Schwab Foundation partnership a third category was introduced to the Ernst & Young World

Entrepreneur Awards®. The Social Entrepreneur Award category recognises those innovators who implement practical and sustainable solutions to address problems in numerous areas, including health, education, environment, access to technology and job creation

In this study, the integration between branding and social marketing will be explored from a development communication approach. This will be done by focusing on the SEs of the first three winners of the SFSE of the Year Awards in South Africa, namely:

- | | | | |
|------|--|--------|--|
| i) | Soul City | (2003) |  |
| ii) | Heartbeat | (2006) |  |
| iii) | The Johannesburg Housing Company (JHC) | (2007) |  |

Accordingly, these organisations will be investigated with the aim of establishing the role that branding plays as a corporate communication tool in their social entrepreneurship efforts. The branding is an attempt to help them realise their developmental goals and to differentiate themselves as brand leaders in their respective fields of expertise.

The next chapter will focus on the way in which corporate communication principles feature in these organisations in order to try to establish whether there is a difference between these principles themselves and their application with regards to profit-driven companies and NPOs/SEs.

CHAPTER THREE

COMMUNICATION IN ORGANISATIONS WITH SPECIFIC REFERENCE TO SOCIAL MARKETING

This chapter will define communication principles and applications as they appear in both organisations profit-driven and non-profit organisations/social enterprises (NPOs/SEs). Further, the term “communication” will be defined. This will be followed by a discussion of its application within two different communication contexts: communication within organisations (for-profit organisations or corporate communication) and communication within development organisations (non-profit organisations or development communication).

This discussion will be followed by highlighting the importance of non-profit organisations (NPOs) and social enterprises (SEs), utilising techniques and practices from both these communication contexts in order to position and brand their organisations effectively to ensure sustainability.

3.1 Defining communication

Communication has various meanings in different contexts. In 1970, Frank Dance, a communication theorist, counted over 100 definitions of communication which had been proposed by experts in the field (Wood, 2004:9). In the two and a half decades since then, even more definitions have emerged. Given the pervasive and integral role played by communication in human existence, it is not surprising that scholars offer these different definitions of the concept (Baldwin, *et.al.*, 2004:5).

In the process of gaining an understanding of the concept of communication, the focus will be on the definitions and/or models presented by three key writers. During this process, similar and complementary elements of the concept will be identified.

3.1.1 Three definitions and/or models of communication

Communication may be defined as “a systemic process in which individuals interact with and through symbols to create and interpret meanings” (Wood, 2004:9).

The following aspects are of importance in the above definition (Wood, 2004:10):

- i. Communication is a *process*. It is ongoing and always in motion; changing continuously.
- ii. Communication is *systematic*. It involves a group of interrelated parts that affect one another; for example influence of a setting, context, history, etc.
- iii. Human communication depends on the use of *symbols*. Symbols are abstract, subjective and vague representations of other things, for example language, nonverbal behaviour, art, music, etc.
- iv. The definition also focuses on *meaning* and this is at the heart of communication and is created uniquely by each individual.

From birth until death, human beings communicate in order to realise personal, professional, relationship and social goals (Wood, 2004:10–14).

Cleary (2008:2–3) describes communication as “... a process of creating meaning between two or more people through the expressions and interpretation of

messages.” Figure 3.1 gives a visual representation of Cleary’s (2008:3) interpersonal communication model.

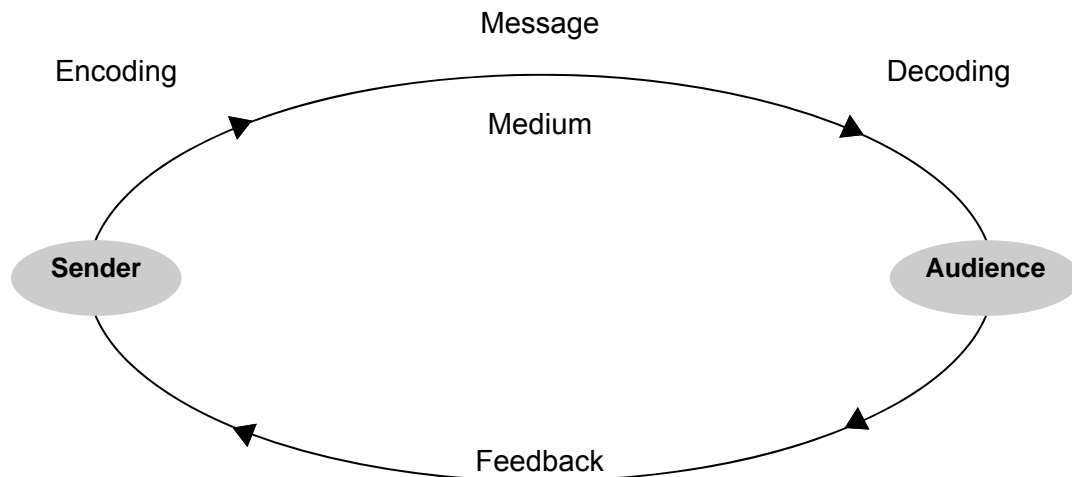


Figure 3.1: A model of interpersonal communication (Cleary, 2008:3)

This model identifies the following elements in the communication process:

- i. *Sender*: The person who initiates the communication.
- ii. *Encoding*: The act of making an idea accessible to others by presenting it in either a verbal or nonverbal code so that it becomes apparent to the audience.
- iii. *Code*: A code is a set of symbols which, when combined and used according to the rules agreed upon by the users, conveys meaning.
- iv. *Message*: The message is the meaning, content or subject matter – the encoded idea or content that the sender wishes to convey.
- v. *Medium*: The message has to be conveyed to the receiver through a physical format by using a medium.

- vi. *Audience*: The audience or receiver refers to the individual(s) to whom the sender directs the message and who has to understand the message.
- vii. *Decoding*: Decoding refers to the process of an audience receiving, interpreting and understanding an encoded message.
- viii. *Feedback*: Feedback refers to the audience's response to the message.
- ix. *Communication environment*: The environment is the physical, social and emotional situation in which the communication takes place.

Steinberg (1997:12) identifies and defines transactional communication as follows:

“Contemporary theory regards communication not only as the dynamic process of exchanging meaningful messages, but as a *transaction* between the participants during which a relationship develops between them”.

This means that in a transactional communication process messages are exchanged and meaning are negotiated to establish and maintain relationships (Steinberg, 1997:13). Participants in a communication process must arrive at some mutual agreement about the meaning of their messages if communication is to be effective and the relationship to be satisfying.

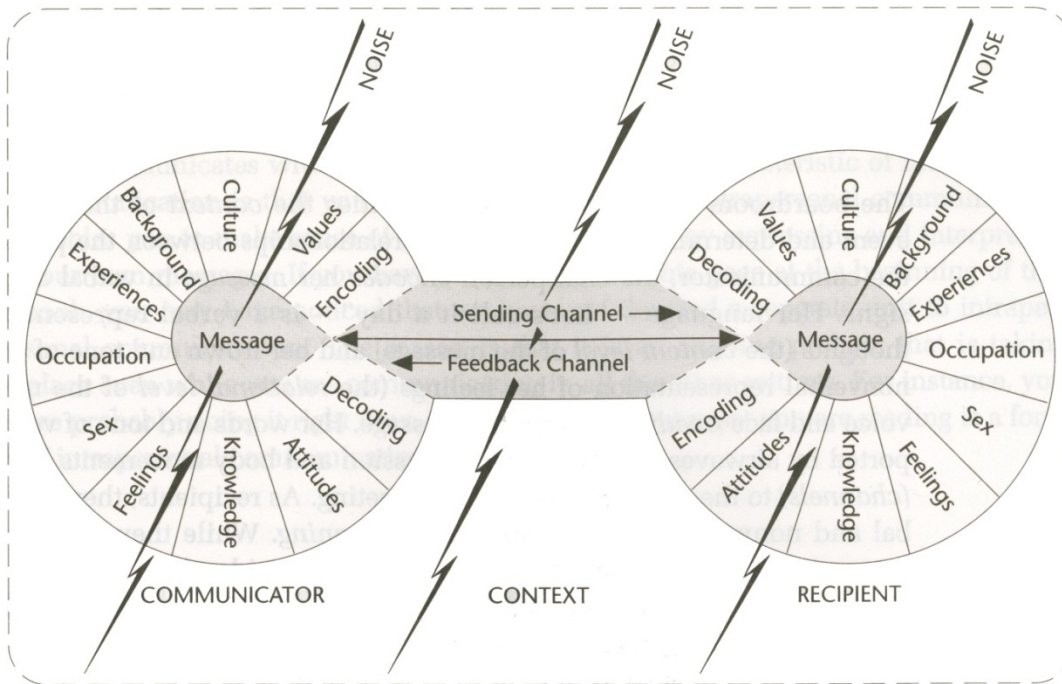


Figure 3.2: Transactional model of communication (Steinberg, 1997:19)

Verderber's transactional model of communication, as adapted by Steinberg (1997:19), is represented visually in Figure 3.2. The two circles represent the communicator and the recipient, while the message – the thought, idea or feeling that is communicated using verbal (oral or written) and nonverbal signs – is in the centre of each circle. Surrounding the messages are the participants' values, culture, background, occupation, sex, experiences, feelings, knowledge and attitudes with these factors all influencing both the meaning that is expressed and the meaning that is interpreted. In this figure, communication is depicted as a dynamic process in which both participants are actively engaged in encoding, transmitting, receiving and decoding messages. The creation of meaning is negotiated between the participants.

The outcome of the encounter between the participants is determined by the mutual involvement of the participants in negotiating the meaning of the messages. The bar

between the circles represents the medium of communication. The transactional model indicates that messages are continually passing between the participants. The area around the communicator and recipient represents the context in which the process takes place. The model further indicates the effect that noise or “communication barriers” (Van Staden, *et al.*, 2002:13) may have on the communication process, while communication barriers may be anything which causes a communication breakdown or which prevents the receiver from receiving the message clearly (Van Staden *et al.*, 2002:14).

Transactional communication forms the basis for what the developmental sector calls Participatory Communication in terms of which they advocate the engagement of communities.

The question now arises: How does communication fit into the brand-building and relationship-building communication world to which the research question refers? A review of Verderber’s transactional model (Steinberg, 1997:19) indicates that the answer lies in an understanding of the different communication contexts.

3.1.2 The communication context

Attempts to identify the aims of communication lead to a discussion of communication within different settings or contexts (Skinner *et. al.*, 2010:73). The following five broad categories can be identified:

- i. two-person communication;
- ii. small-group communication;
- iii. public communication;

- iv. organisational communication;
- v. mass communication.

This study will focus on the organisational communication context. Organisational communication can be described as taking place vertically and horizontally through an organisation (Skinner, 2010:74) and it is concerned with the flow of messages within a network of interdependent relationships. Organisational communication holds an organisational structure together by providing a basis for coordinating the relationships between individuals with the aim of realising the organisation's ultimate objectives.

Regardless of what definition of communication is used, the following common features may be recognised in organisational communication (Baldwin *et al.*, 2004:293):

- It occurs within a complex, open system.
- It involves internal and external environments involving multiple stakeholders.
- It is an ongoing process.
- It involves participants constructing and sharing messages about ideas, objectives and concepts in an attempt to make sense of their environment and to cope with uncertainties.
- It involves messages that flow through formal and informal channels.
- It involves secondary communication by individuals through their attitudes, feelings, relationships, satisfaction, self-concepts and skills.

These common features are found not only in corporate businesses, but are also evident in organisations such as hospitals, churches, civil societies, government agencies, military organisations and academic institutions, e.g. the development sector.

The next section will focus on communication within organisations in the corporate sector – also referred to as “corporate communication”.

3.2 Defining communication within organisations: corporate communication

It is possible to distinguish three main forms of communication in organisations: management communication, marketing communication and organisational communication (Van Riel, 1992:1–14). Corporate communication “... encompasses marketing communication, organisational communication and management communication”. The difference between these three main forms of corporate communication is illustrated in Table 3.1 (Van Riel, 1992:1–14).

Management communication	Marketing communication	Organisational communication
Communication by managers with internal and external target groups	Includes advertising, direct mail, personal selling and sponsorship	Includes public relations, public affairs, investor relations, environmental communication, corporate advertising and internal communication

Table 3.1: Differences between the three main forms of corporate communication (Van Riel, 1992:1–14)

These three forms of corporate communication are also referred to as integrated corporate communication (ICC) (Pickton, 2004:230). In its simplest form, integrated corporate communication brings together all the relevant corporate communication activities. This integrated approach leads to coherence, efficiency and effectiveness of the organisation's corporate communication. Integrated corporate communication plays a dominant role in bringing about organisational growth and encompasses the following potential benefits (Pickton, 2004:229–230):

- creative integrity;
- consistency of messages;
- more efficient use of media;
- cost savings;
- operational efficiency.

The integrated corporate communication approach can be defined on three levels:

- i. “By corporate communication we mean the *corporation's voice and the images* it projects of itself on a world stage populated by its various audiences, or what we refer to as its constituencies. Included in this field are areas such as corporate reputation, corporate advertising and advocacy, employee/internal communications, investor relations, government relations, media relationship and management, corporate social responsibility and crisis communication/management” [researcher's emphasis] (Argenti & Forman, 2002:4; Argenti, 2007:49–57).
- ii. It consists of the processes that a company uses to communicate all its messages to its target audiences, namely a combination of meetings,

interviews, speeches, reports, image advertising, and online communications.

- iii. It may be further defined as the products of communication, i.e. memos, letters, reports, websites, e-mails, speeches or press releases on an internal or external level.

The organisation of corporate communication consists of the following four interrelated themes (Van Riel, 1992:143).

- i. The first theme refers to the location of the communication function within organisations, i.e. what are the tasks that actually fall within the ambit of communication and what organisational structures or departments should be created and entrusted with carrying out these tasks?
- ii. The second theme refers to the organisation of the communication process, i.e. the planning of all forms of internal and external communication used by the organisation.
- iii. The third theme refers to the coordination of both the function and the process of all communication activities within an organisation.
- iv. The fourth theme refers to the formulation of critical success factors pertaining to the effective and efficient organisation of both the communication function and process.

The underlying philosophy of the integrated corporate communication framework can be described as directing the company's communication policies from within the "corporate strategy – corporate identity – corporate image" triangle (Van Riel, 1992; Argenti & Forman, 2002; Pickton, 2004). Representatives of the various

communication activities within the organisation jointly develop the “common starting points” (CSPs). This is a direct result of the chosen communications strategy, with the strategy itself being a consequence of both the company’s actual and desired corporate identity and the company’s image. This joint approach is visually depicted in the figure below.

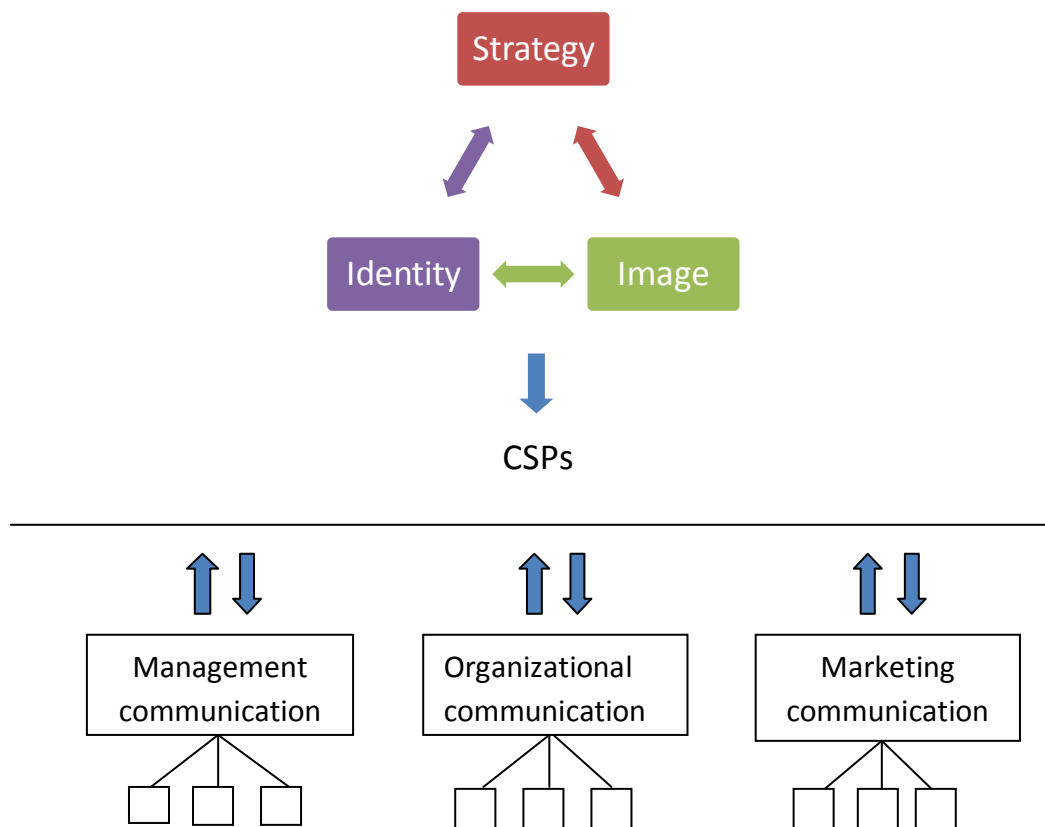


Figure 3.3: Directing the whole of the communications activity (ICC approach) through common starting points (CSPs) (Van Riel, 1992:19)

3.2.1 The importance of both the corporate identity and the corporate image in a coherent and strategic corporate communication strategy

Based on the development of common starting points (CSPs) of a communication activity, a communication strategy which has been agreed upon is formulated to

implement both the actual and the desired corporate identity in order to uphold the company's image. Whether an organisation is trying to develop a coherent image for itself through corporate advertising, to communicate effectively with employees about health benefits, to convince stakeholders that the organisation is worth investing in, or merely trying to persuade customers to buy products/services, it is always worth implementing a coherent and effective corporate communication strategy (Argenti, 2007:23).

The following steps have been identified in the formulation of a coherent and effective corporate communication strategy (Argenti, 2007:23–35):

- i. *Formulating an effective organisational strategy*: The three subsets of an organisational strategy include determining what the objectives of the particular communication are, deciding what resources (financial, human resources, time, etc.) are available for realising those objectives, and establishing the organisation's image credibility in terms of this task.
- ii. *Analysing the organisation's target audience/constituency* (also referred to as target audience analysis): This analysis determines who the organisation's target audience is, what each segment of the target audience thinks of the organisation and what the target audience knows about the communication at hand.
- iii. *Delivering messages in an appropriate way*: This involves a two-step analysis for organisations. The organisation must first decide how it wants to deliver the message (communication channel) and then what approach to adopt in structuring the message itself.

- iv. *Assessing the target audience's/constituency's responses:* The results of the message that has been delivered must be assessed and the organisation must also determine whether the communication had the desired result.

The following figure is a step-by-step depiction of the complete, expanded, corporate communication strategy framework as explained above.



Figure 3.4: Expanded Corporate Communication Strategy Framework (Argenti, 2007:35)

Everyone in business today, whether a large corporate company dealing with a national union or a small company looking to make its mark in the international

arena, needs to communicate strategically. The way in which organisations adapt and modify their behaviour, as manifested through their communication, will determine the success of the business as a whole for the foreseeable future (Argenti, 2007:12).

The most effective approach to building a corporate communication strategy is to begin with the most global and strategic issues and then move into the narrower aspects of the function. The discussion of identity, image and reputation management is the first, and the most important, corporate communication function (Argenti, 2007:49).

The reality is that the image of an organisation is a reflection of the way in which the organisation is perceived by its target audiences. Identity, on the other hand, is the visual manifestation of the organisation's image as represented in its logo, buildings and stationery. The three elements, namely symbols, communication and behaviour, are referred to as the *corporate identity mix* (Van Riel, 1992:28). Identity is created by the organisation when it communicates with its different target audiences, while the target audiences form perceptions based on the messages sent out by the organisation.

Corporate identity and corporate image are the two concepts which are central to corporate communication and they represent the most critical aspect of any corporate communication function (Van Riel, 1992:25; Argenti, 1998:56). An organisation's identity and image may be the only differences that people can use to distinguish one company from the next. As products become much the same

worldwide, consumers are increasingly making distinctions based on factors other than the product itself. The result is that both image and identity are becoming even more powerful differentiators (Argenti, 2003:60).

Corporate identity and image are both linked to organisational reputation. Managing reputation and building trust are more important than ever before, with a strong corporate communication function being a means with which to achieve these goals (Argenti, 2007:57). The following quotation encapsulates this importance managing the organisation's reputation and building trust:

Einstein once claimed that imagination is more important than knowledge. In the realm of corporate reputation, this statement rings true. What constituencies imagine or believe about your company – the image they hold in their minds – may prove more important than what it actually is and the corporate identity you have fostered. As a result, you need to build a solid organisation with a clear corporate identity that represents the underlying reality, and work to align these with the images held by all of your constituencies to create a strong, coherent reputation (Argenti & Forman, 2002:104).

A solid reputation exists when an organisation's identity and its image are aligned. The following figure (Figure 3.5) depicts a visual representation of the relationship between identity, image and reputation (Argenti, 2003:71–72). This figure indicates the interdependence of the corporate identity and corporate reputation based on the images of the different target audiences: customers, communities, investors and employees.

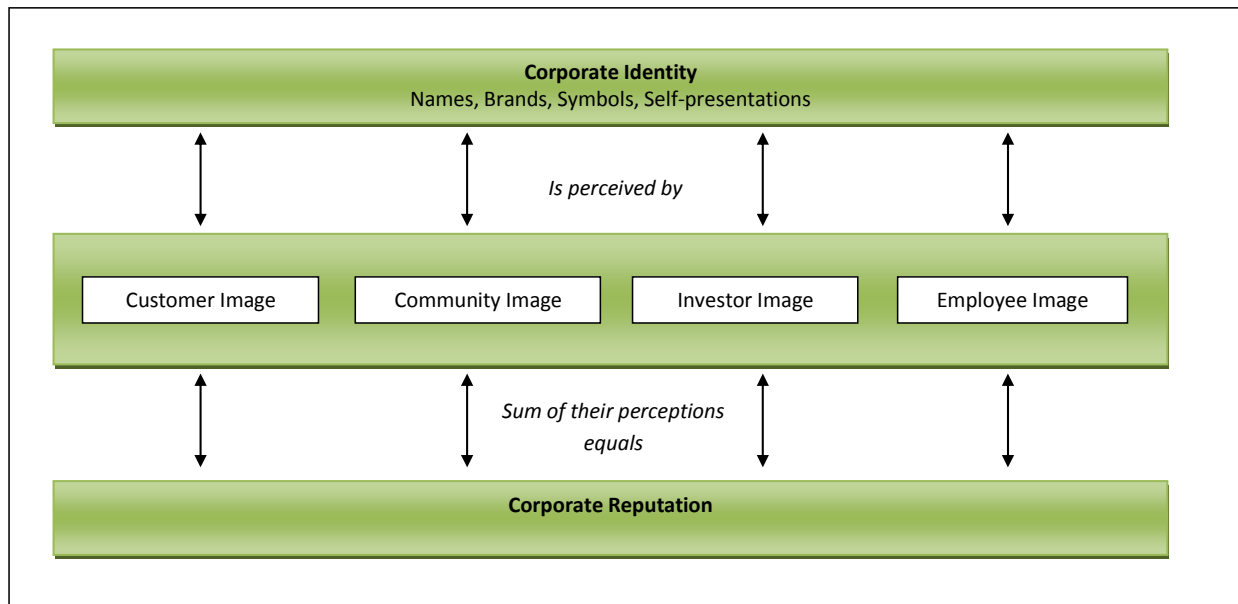


Figure 3.5: Reputation Framework (Argenti, 2003:72)

The effective alignment of the corporate identity, image and reputation of an organisation may create a competitive advantage (Balmer & Gray, 1999:175). The reputation of the company, as perceived by both individuals and stakeholder groups, will influence their willingness to either provide or withhold support to the company.

As visually depicted in the figure below (Figure 3.6), this link between the corporate identity, corporate image and corporate reputation could result in a competitive advantage for the organisation concerned.

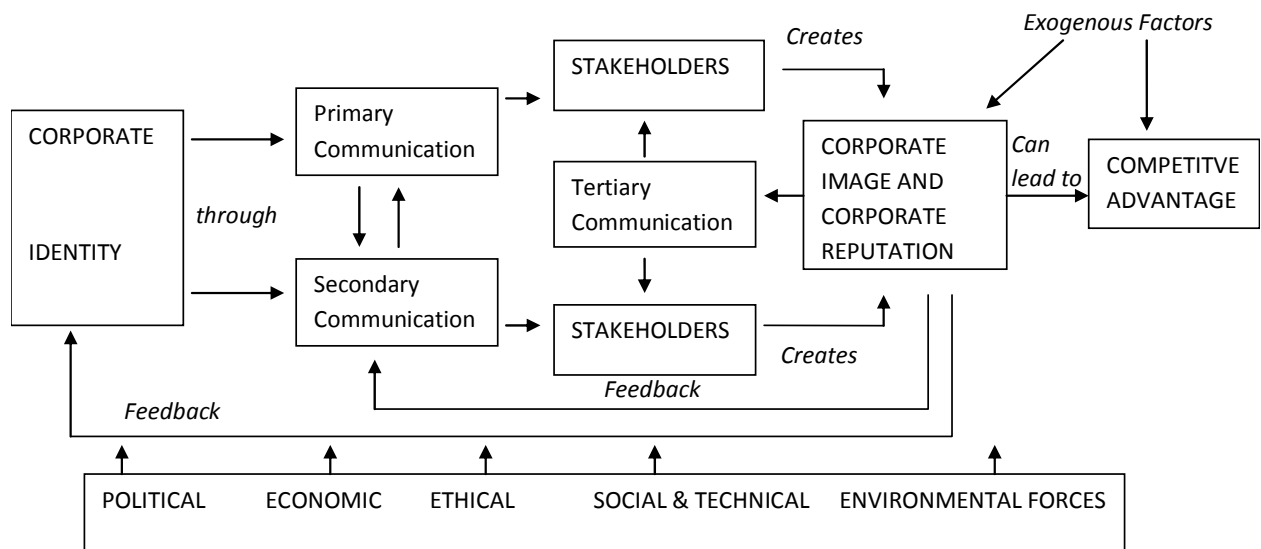


Figure 3.6: A new model of the corporate identity–corporate communications process (Balmer & Gray, 1999:175)

This new model of the corporate identity–corporate communications process also indicates the importance of the feedback process and the influence of the external factors that need to be taken into account, i.e. political, economical, ethical, social, technical and environmental forces.

3.2.2 The role of brand management in corporate identity and image management

Brand management should be incorporated in identity and image management (Pickton & Broderick, 2001:25). This inclusion of brand management is referred to as “corporate branding” (Mottram cited by Pickton & Broderick, 2001:24).

It appears that there has been a significant move away from individual product line branding (e.g. Coca-Cola) towards corporate branding within the last ten years. This raises the importance of the corporate brand umbrella as opposed to product brands (Pickton & Broderick, 2001:24; Balmer, 2001:281; 2008: 47). The table below

confirms that with regards to brand custodian, commitment/responsibility, disciplinary underpinning, formation, communication platform, focus, value levels, ownership and so forth, the corporate brand is managed at a much higher level and accorded a far higher priority than the brands of the different products. These multilevel corporate and product brands are compared in the table below:

Level of importance	Product brands	Corporate brands
Brand custodian	Brand manager	CEO
Commitment/responsibility	Brand manager	All personnel
Disciplinary underpinnings	Marketing	Multidisciplinary
Formation	Short	Medium/long term
Source	Product identity	Corporate identity
Communications platform	Marketing communication	Corporate communications
Focus	Mainly customer	Multiple, internal and external stakeholder groups and networks
Values	Synthetic (“created values”)	Corporate (“real values”)
Relevant stakeholders	Customers	All/many
Legal ownership	One or more entities	One or more entities
Emotional ownership	Customer communities	Stakeholder communities
Marshalling brands	Customers	Customers, employees
In creating a sense of self		Suppliers, shareholders, local communities, etc.

Table 3.2: A comparison of the relative importance of corporate and product brands on different levels (Balmer, 2001:281; 2008:47)

The following figure presents a visual comparison between an umbrella corporate brand and product brands, and confirms the overarching importance of the corporate brand versus product brands:

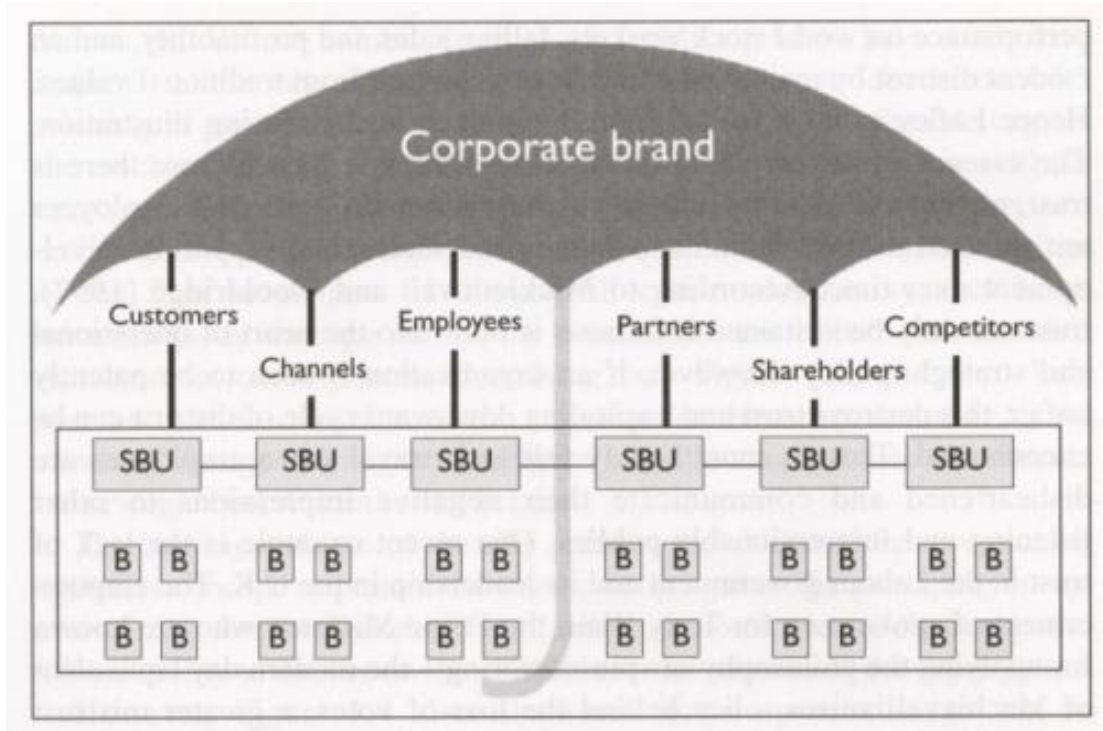


Figure 3.7: Raising the corporate brand umbrella (Kitchen & Schultz, 2001:11)

The inclusion of image and brand management in the integrated corporate communication (ICC) approach is depicted in “the wheel of integrated marketing communication” (see Figure 3.8 for a visual presentation) (Pickton, 2004:227).

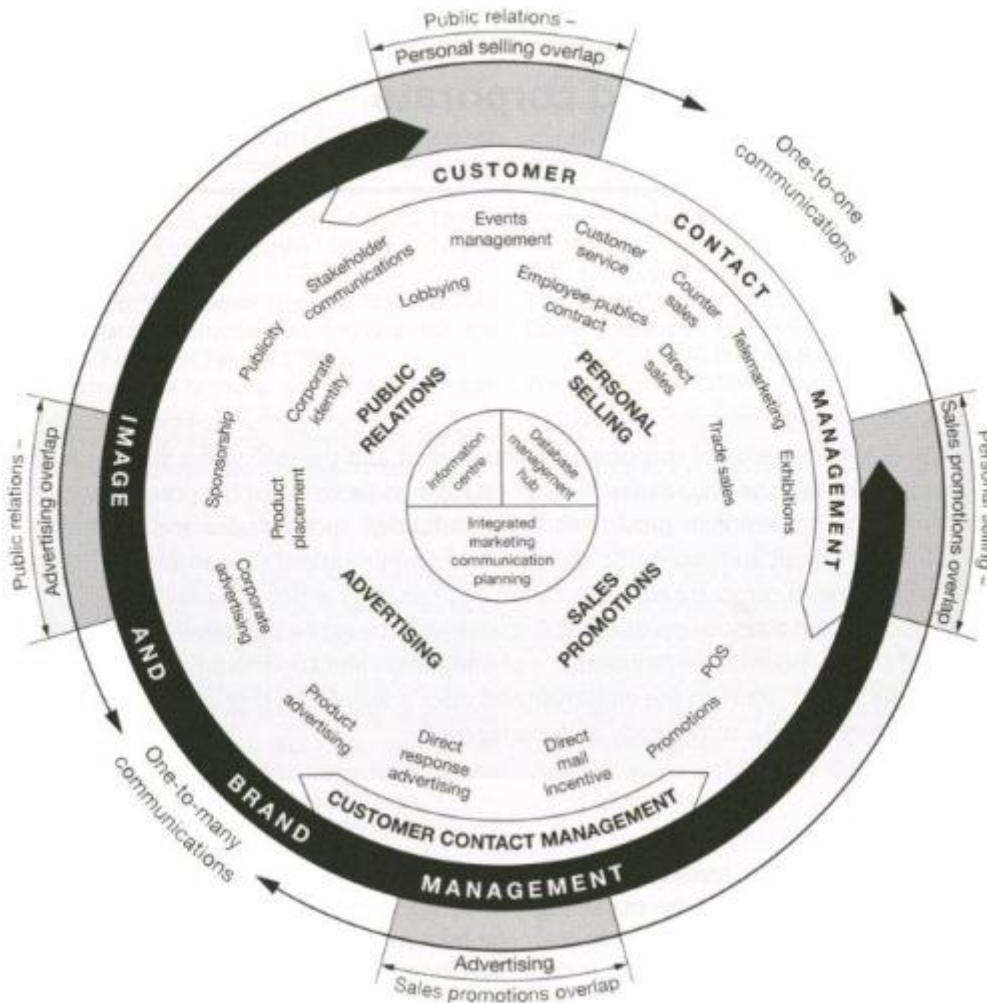


Figure 3.8: The wheel of integrated marketing communication (IMC) (Pickton, 2004:228)

The black, round outline in the figure indicates the image and brand management that holds together the integrated marketing communication approach, including all public relations, advertising and personal selling/sales promotions communication activities.

As in the case of product brands, corporate brands consist of three discrete but overlapping concepts: personality, identity and image:

Corporate personality	Corporate identity	Corporate image
The composite organisational traits, characteristics and spirit.	The basis of knowledge and understanding of the organisation and the means by which corporate personality is expressed.	The impression of an organisation, created by the corporate identity, as perceived by the target audiences.

Table 3.3: Concepts of corporate brands (Pickton & Broderick, 2001:25)

The close connection between the concepts of corporate brands as perceived by Pickton, Broderick and Mottram (2001:25) and the concepts of the corporate communication triangle as perceived by Van Riel (1992:19) and Argenti (1998:79) is striking. In addition, there are also similarities between these views and the views of Tom Fraser (2009). During his presentation at the Brand Conference in June 2009 in Johannesburg, Fraser cited the following five brand dimensions as part of corporate strategy: corporate, employment, personal, product/service and internal branding. He also stressed that the corporate brand forms the foundation of the corporate strategy (see Figure 3.9).



Figure 3.9: Five brand dimensions (Fraser, 2009)

The five brand dimensions that align and support the corporate strategy (as per the figure above) ensure the relevance, growth and sustainability of an organisation. These five dimensions each focus on a specific area of branding, i.e. corporate branding focuses on the organisational alignment; internal branding on brand ownership and ambassadorship; employment branding on career destination of choice; product/service branding on performance and sustainable growth and personal branding on the development of the self/personal brand reputation. These focus areas, as well as the actual methodologies and the stakeholders involved are outlined in more detail in Figure 3.10 (Fraser, 2009):



Figure 3.10: Five brand dimensions – aligned to and supporting corporate strategy (Fraser, 2009)

It is evident from this discussion that corporate branding is both the core and the foundation of all corporate communication activities and that brand management is essential. The details of branding will be discussed in depth in Chapter Four.

3.2.3 Corporate marketing

In order to be able to recognise the relationships and interdependency of corporate level constructs such as corporate identity, corporate branding, corporate image and reputation, and corporate communications, Balmer (2008:46) has added a new area to the corporate communication domain, which he terms “corporate marketing”. “The marketing’s entree into the corporate domain has become a reality with marketing interest such as relationship marketing, the marketing of services, internal marketing, marketing for non-profits, green marketing and in specialised areas such as corporate brand management, corporate image and reputation” (Balmer, 2008:47).

The critical distinction between corporate communication and corporate marketing is that corporate marketing embraces a wider range of concerns than communication. This wider range of concerns is indicated by the six Cs – referred to as the “corporate marketing mix” – which include the character (corporate identity), communication (corporate communication), constituencies (marketing and stakeholder management), covenant (corporate brand management), conceptualisations (corporate reputation) and culture (organisational identity). The six Cs are visually presented in the figure below.

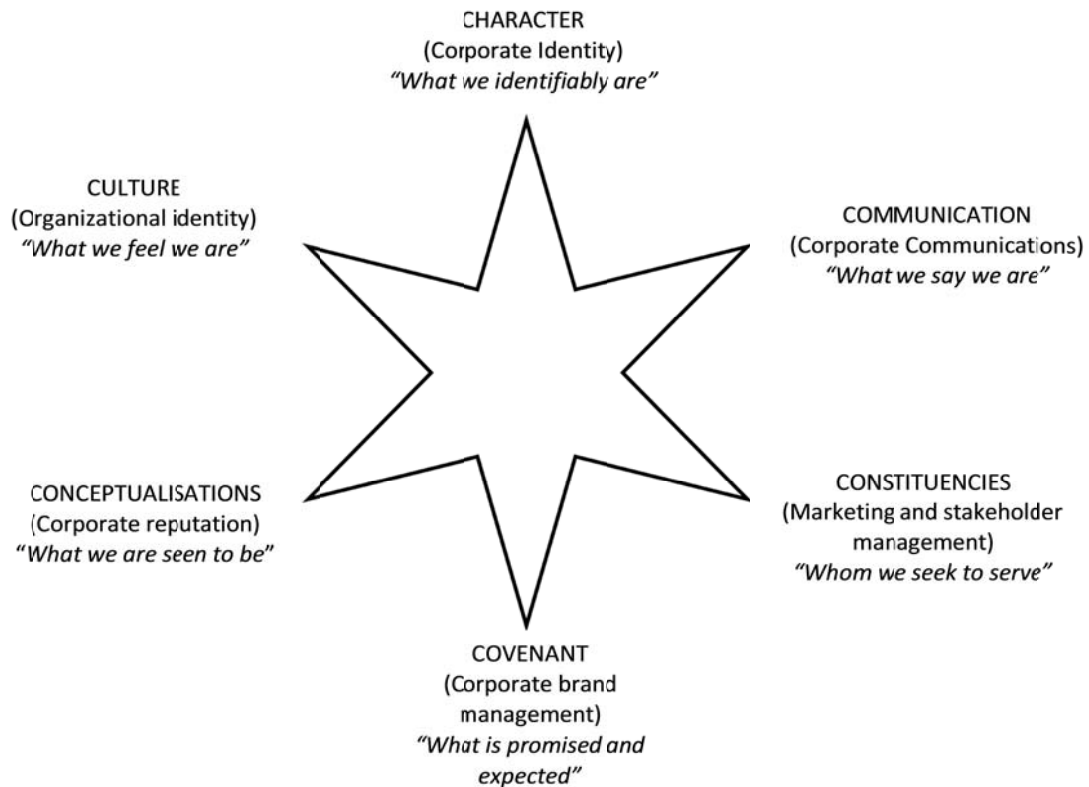


Figure 3.11: Balmer's corporate marketing mix (Balmer, 2008:49)

By introducing this "new" area of corporate marketing into the corporate domain, Balmer (2008:51) refers to corporate communication as an "epiphany of three" – an attempt to reveal the ideal natures of corporate identity, corporate branding, and corporate marketing.

The next section will define communication in the development sector as the specific organisational context of this research study. The similarities between the above "epiphany of three" in the corporate sector and in the development sector will also be demonstrated.

3.3 Defining communication within the development sector: development communication

Development communication is sometimes termed “communication for development” or “communication for social change” (Servaes, 2007:215). The central issue in development communication is the relationship between the sender and the receiver. In order to ensure a relationship between, and interaction with, an organisation’s target audiences in the development sector, certain writers favour a participatory communication process.

3.3.1 Participatory communication

Servaes (1995:45) recommends a participatory communication model for the development sector. This model highlights the importance of sharing information, knowledge, trust, commitment and the correct attitude in development projects with specific target audiences. This participatory communication process facilitates a sharing of knowledge in order to bring about positive developmental change (Servaes, 2007:212).

The term “participatory development communication” draws attention to the fact that the emphasis is on two-way (horizontal rather than vertical) and, more importantly, interactive communication processes (Bessette, 1996:21). In other words, the focus is on listening, as well as talking. Accordingly, development communication practitioners should distance themselves from one-way communication approaches that involve disseminating messages, transmitting information, or persuading people to change their behaviour.

This view was also strongly advocated during the World Congress on Communication for Development: “Communication is essential to human, social and economic development. At the heart of communication for development is *participation* and ownership by communities and individuals most affected by poverty and other development issues” [researcher’s emphasis] (Muller *et.al.*, 2007:1).

3.3.2 Important elements in the participatory communication process

The participatory communication process are build on three core elements namely, sustainability, the importance of empowerment and cultural issues as well as the importance of building trust. These three elements can briefly be described as follows:

3.3.2.1 Sustainability

Active participation on the part of individuals is an essential component of sustainable development (Besette, 1996:9). Accordingly, it is essential that the intended beneficiaries be actively involved in all phases of a community intervention – from problem identification to research and the implementation of solutions. In other words, the beneficiaries should become the leading actors in their own development. This approach is in line with the FAO’s popular slogan: “Without Communication, There Is No Development” (Muller *et.al.*, 2007:1; Heimann, 2006:1)

Communication that underpins and leads to successful and sustainable development places the people who are most affected by social issues at the centre of the discussions, debates, choices and decisions which are needed to guide their development. Communication for development is not a “quick fix” but that it requires

long-term consistency of engagement. Involving people actively from the start takes time and resources, but it pays off in terms of results and sustainability (Muller *et.al.*, 2007:1).

Sustainability is seen as an outcome of development communication. Development communication should be regarded as “... a tool to increase the sustainability of a project or program” (World Bank, 2005:2).

3.3.2.2 *Empowerment and cultural issues*

The main objective of participatory development communication should be the empowerment of communities (Melkotte, 2000:51). In this regard, the UNAIDS report (2005:7) states that the media can, for example, build the capacity of communities through partnerships that allow for the sharing and transfer of the skills and expertise of others with such processes creating enabling and enlightened environments.

It is critical to the success of this empowerment process that communication for development and social change be based on, respond to and adapt to the cultural, social, political and economic context of the particular community (Servaes, 2007:216). Culture is part of everyone’s reality and can be both an enabling factor and/or a barrier to communication (Muller *et.al.* 2007:1). Culture forms both an individual’s perspective on life, as well as his/her behaviour towards people in his/her community (Van Staden *et al.*, 2002:45). Since the context of communication differs from culture to culture, serious misunderstandings may arise if culture is not taken into consideration.

Accordingly, it is of the utmost importance that development communication practitioners be aware of the specific cultures of the members of the communities in which they work.

3.3.2.3 *Building trust*

From the above it is clear that development communication writers agree with the definitions of process and transactional communication. However, development communication writers do add that communication goes beyond the mere delivery of information and they envision a communication process that builds trust, seeks consensus and assesses the situation involving all stakeholders. Such relationships are built on trust and participation. It is therefore essential that debates are inclusive and that the rights of those who are the most affected by social issues be guaranteed (Muller *et.al.* 2007: xvii).

3.3.3 Approaches to development communication

This section focus on the seven main treads of development communication followed by a discussion on social marketing, the recognised marketing approach for the development sector.

3.3.3.1 *Seven main treads of development communication*

According to Colle (2002:73), development communication has evolved during the last five decades into a development communication fabric that consists of the following seven main threads.

- i. *The United Nations Development Programme (UNDP) thread and Erskine Childers:* One of the pioneers in development communication was Erskine

Childers, while working for the UNDP. He did ground-breaking work by advocating communication as an integral component of development projects; by developing the ideas and processes that evolved into “development support communication”. This approach emphasized planning and strategy, as well the importance of social science research and analysis.

- ii. *The extension thread:* Extension, a major strategy in respect of information technology (IT) transfer in development activities, refers to the process of linking researchers (innovators) with potential users of the research results. A dominant theory in the extension approach is that individuals will adopt new practices and technology if they understand what they are all about and how to carry them out.
- iii. *The community participation thread:* Development activities call for the conscious and active participation of the intended beneficiaries at every stage of the development process. The end result of this approach, termed “development communication”, is that it is not possible for development to take place without changes in the attitudes and behaviour of the beneficiaries of the rural development projects.
- iv. *The Information, Education and Communication (IEC) and health communication thread:* The acronym IEC has achieved significance prominence in programs designed to influence the knowledge, motivation and behaviour related to contraception and family planning in the health sector.
- v. *The social marketing thread:* Social marketing is a process that assumes that those factors which have made McDonalds and Coca-Cola world

class successes could also have a dramatic impact on the problems relating to high blood pressure, AIDS, child mortality in developing nations, and other situations related to patterns of behaviour. “Social marketing has greatly influenced the way communication and information are incorporated in development programs” (Colle, 2002: 52).

- vi. *The institution-building thread:* There is one element that is vital to all the above threads, namely, the institution building that has provided developing nations with the organisations, skills and facilities needed to carry out development communication, namely, through channels such as the Ford Foundation and United Nations Educational, Scientific and Cultural Organization (UNESCO).
- vii. *The Information and Communication Technology (ICT) thread:* “ICT have played a role in development for at least half a century” (Colle, 2002:60). Factors that influenced ICT were distance learning projects as well as “new technology”, i.e. computers and the internet. The challenge however, lies in securing universal access to basic communication and information services, which is still, today part of the international Millennium Development Goals (MDGs).

For the purposes of this study, the most relevant thread is social marketing. This thread will be discussed in the following section.

3.3.3.2 *Social marketing: the recognised marketing approach for the development sector*

This section will focus in greater depth on defining and describing the concept of social marketing. In addition, the section will describe the domain and principles of

social marketing followed by an outline of the social marketing process. The importance of integrating branding and social marketing and, more specifically, brand identity building will be highlighted.

3.3.3.2.1 Background to and definition of social marketing

Social marketing is one of the fastest-growing sectors in non-profit marketing (Kotler & Andreasen, 1991:427). Thinking of social marketing in terms of “influencing public behaviour” and campaigning for voluntary behaviour change is, however, not a new phenomenon. The term “social marketing” was coined more than 25 years ago and was first introduced by Philip Kotler and Gerald Zaltman in a pioneering article in the *Journal of Marketing* (Kotler *et.al.*, 2002:8).

The history of social marketing may be compared to the life path of social marketing:

The *history* of social marketing has similarities to the growth and maturity of human beings from its birth in the 1960s through to its present status as a respected discipline. After an extended childhood grappling with varying definitions and applications, the 1990s saw a breakthrough in concept and practice by focusing on behaviour change [researcher’s emphasis] (Andreasen, 2003:293).

The term “social marketing” has been defined as “the use of marketing principles and techniques to advance a social cause, idea or behaviour” (Kotler *et al.*, 2002:8). Social marketing, in the first instance, refers simply to the application of generic marketing to a specific class of problems with all marketers being in the profession of creating, building, and maintaining exchanges. The ultimate objective of generic marketing is to influence behaviour as exchanges only take place once a member of the target audience initiates action.

In social marketing, the objective of the marketer is to change social behavioural patterns – not to benefit the marketer but, primarily, to benefit the target audience and society in general. Social marketing programmes are, therefore, by definition, generic. Marketing programmes are carried out in order to change behaviour and they are, therefore, in the individual's or society's interest. It is essential, however, that the target audience/consumer be positioned at the centre of the entire social marketing process (Andreasen, 1995:xiii).

A workable definition of social marketing is:

Social marketing is the application of commercial marketing technologies to the analysis, planning, execution, and evaluation of programmes designed to influence the voluntary behaviour of target audiences in order to improve their personal welfare and that of their society (Andreasen, 1995:7).

This definition of social marketing can be applied to five major social arenas (Kotler *et al.*, 2002:5–8). In the section below, these five major social arenas will be discussed, while each arena will be visually depicted by an example.

i. *First arena: Selling behaviour.*

Similar to generic marketers who sell products and services, social marketers are selling behavioural change taking one of four forms:

- a. accept a new behaviour;
- b. reject a potential behaviour;
- c. modify a current behaviour and
- d. abandon an old behaviour.

In the campaign illustrated below, the social marketer aims to persuade pregnant women to reject a potential behaviour by avoiding alcohol during their pregnancy.



Figure 3.12: Discouraging the use of alcohol during pregnancy (Kotler *et al.*, 2005:5)

- ii. *Second arena:* Behavioural change is voluntary.

Possibly the most challenging aspect of social marketing is the fact that it relies on voluntary agreement, rather than on legal, economic or coercive forms of influence. Accordingly “in many cases social marketers cannot promise a direct benefit or immediate payback in return for a proposed behaviour change” (Kotler *et al.*, 2005:5).



Figure 3.13: Rock TheVote.org encourages young adults to vote; even provides application for absentee ballots online (Kotler *et al.*,2005:5)

Through this campaign youth experience that they have a voice. College students are encouraged to vote for their candidates and issues by mailing their ballots online before the deadline.

- iii. *Third arena:* Traditional marketing principles and techniques are used.

As in the case of generic marketing, social marketers are customer orientated and they use marketing research as the first step in their marketing process. Accordingly, they establish clear objectives and goals and employ the social marketing mix, including the 4 Ps: product, price, place and promotion.

As depicted in the figure below, they carefully select product benefits, features, prices, distribution channels, messages and media channels in order to market the product. The coupon below indicates the same features and price displays like within commercial products while campaigning for a guns free society.




Figure 3.14: Using traditional pricing techniques (Kotler *et al.*, 2005:7)

iv. *Fourth arena: Selecting and influencing a target audience.*

Social marketers are aware that the communities whose behaviour they would like to influence consist out of different target audiences, with various needs, therefore these audiences need to be targeted in different ways. Accordingly, social marketers divide the communities into similar groups, measure the relative potential for each group in terms of meeting the organisational and social marketing objectives, and then choose one of these groups as the target audience on which to focus (see Figure 3.15 below). In this health preventative campaign the target audience are

women, and more specific pregnant women to accept a new behaviour by taking multivitamins each day.



"Always wear clean underwear."

"Don't go out with a wet head."

"Take your vitamin every day."



Your mother had the right attitude about some things. Like taking a vitamin every day.

Multivitamins contain folic acid, a B vitamin that helps build strong cells and may help prevent heart disease, cervical cancer and, in certain women, breast cancer. And, if you get pregnant, it may protect your baby from birth defects of the brain and spinal cord.

So, if you don't already take a multi-vitamin every day, start now. And eat healthy — especially foods containing B vitamin folic acid, like OJ, leafy green veggies and fortified breakfast cereals.

We call that having the "B" Attitude. And we hope you'll pass it on to people you care about...just like your mother did.

Brought to you by


 CIGNA HealthCare
 
 March of Dimes
Saving babies, together.

Call 888-MODIMES or visit www.modimes.org for more information.

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Figure 3.15: A targeted approach (Kotler *et al.*, 2005:7)

- v. *Fifth arena:* The beneficiary is the individual, group or society as a whole. The main difference between a generic/commercial marketing approach and a social marketing approach is the fact that the primary intended beneficiary of the commercial company is the corporate shareholder, while

the primary beneficiary of the social marketing approach is the individual, a group or society as a whole (see Figure 3.16 below).

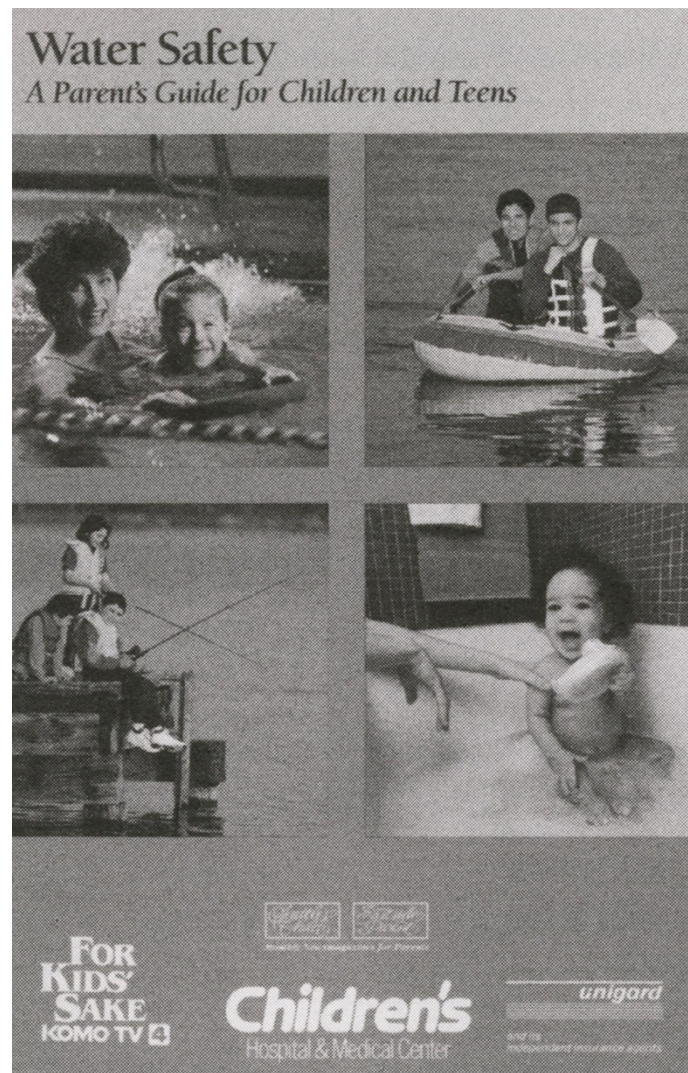


Figure 3.16: Individuals are often the beneficiaries (Kotler *et al.*, 2005:8)

In this water safety campaign the parents are targeted through a parent guide by influencing their behaviour to model for instance their own behaviour as parents to their children by wearing life vests when boating.

In the simplest terms, social marketing involves the application of marketing technologies which were developed in the commercial sector in order to solve social problems, with behavioural change as the ultimate goal (Andreasen, 1995:3).

3.3.3.2.2 Domain of social marketing

Social marketing was initially used as a tool for mainstreaming health education practices (McDermott, 2000:9). Today social marketing represents a powerful new approach to a wide range of social problems in health, crime, the environment and social welfare.

The domain of social marketing are potentially extremely broad and they comprise any planned effort to influence any human behaviour in respect of which the motives of the change agent are more selfless than selfish. An individual can engage in social marketing, not just organisations. Social marketing includes all efforts ranging from the personal and relatively small – a parent's attempt to get a teenager to clean up her room – to the global and extremely important – attempts on the part of the South African government to get South Africans to save their environment.

Social marketing can involve influencing individuals to use products or services, e.g. contraceptive social marketing programmes can campaign for the use of condoms and vasectomies. However, these products or services are usually only a means to an end of social behavioural change. Social marketing could also involve sales for profit as in the case of fundraisers and sales campaigns.

3.3.3.2.3 Principles of social marketing

Effective social marketing begins with a philosophy that is deeply rooted in either a customer or an audience orientation. Therefore it is important that all strategies begin with the consumer (Andreasen, 1995:14). Additional to this is the fact that the consumer behaviour is the bottom line; therefore, there is a bottom line orientation. Social marketers regard what their customers actually do as the bottom line for judging their success. Accordingly, good marketers are constantly mindful that their goal is to influence their consumer's behaviour.

Part of this philosophy is that there is an agreement that exchange plays a central role. Exchange means that both parties must receive something they want if the exchange is to be successful. Marketing management involves influencing exchanges which may be complex, personal and preventative (Smith, 2000:12).

Another important principle is market research. Market research plays a central role in intervention programmes and is essential in the designing, pretesting, and evaluating of intervention programmes. Social marketers are almost obsessive about conducting formative research, even when this research is as simple as a number of carefully planned conversations with customers. Accordingly, social marketers place customer needs and wants at the centre of their social marketing strategy as well as placing considerable heavy reliance on marketing research. Another aspect of the market research for a social marketer is to segment the markets carefully and not to treat their targets as mass targets (Smith, 2000:12).

In order to bring about behavioural change, social marketers apply a mix of the 4/8 P's elements, namely: Product, Price, Place, and Promotion. Weinreich (2010) added to these four original Ps another four Ps, namely, Publics, Partnership, Policy and Purse strings.

Through these social marketing applications focus should be placed on cost-effectiveness, planning and coordination of the different programmes. Effective social marketing therefore requires that all the mayor benefits and cost be addressed in a coordinated way.

A final principle of social marketing is that it is characterised by a positioning strategy that reflects the competitive advantages of the particular offering over its competition in the mind of the consumer (Smith, 2000:12).

3.3.3.2.4 The application of the social marketing process

Some of the social marketing programmes that have had the greatest impact on the world today are those programmes that have strong, charismatic leaders driving them to success. These leaders are guided by a sound, strategic plan, something which is vital in the implementation of a successful social marketing programme. In this section, the following two models will be highlighted: i) a strategic social marketing reviewed model (Andreassen, 1995:73) and ii) a spiral strategic social marketing model (Kotler *et al.*, 2002:29).

There are six stages which may be identified in the strategic social marketing reviewed model (Andreassen, 1995:73). This model is depicted in Figure 3.17.

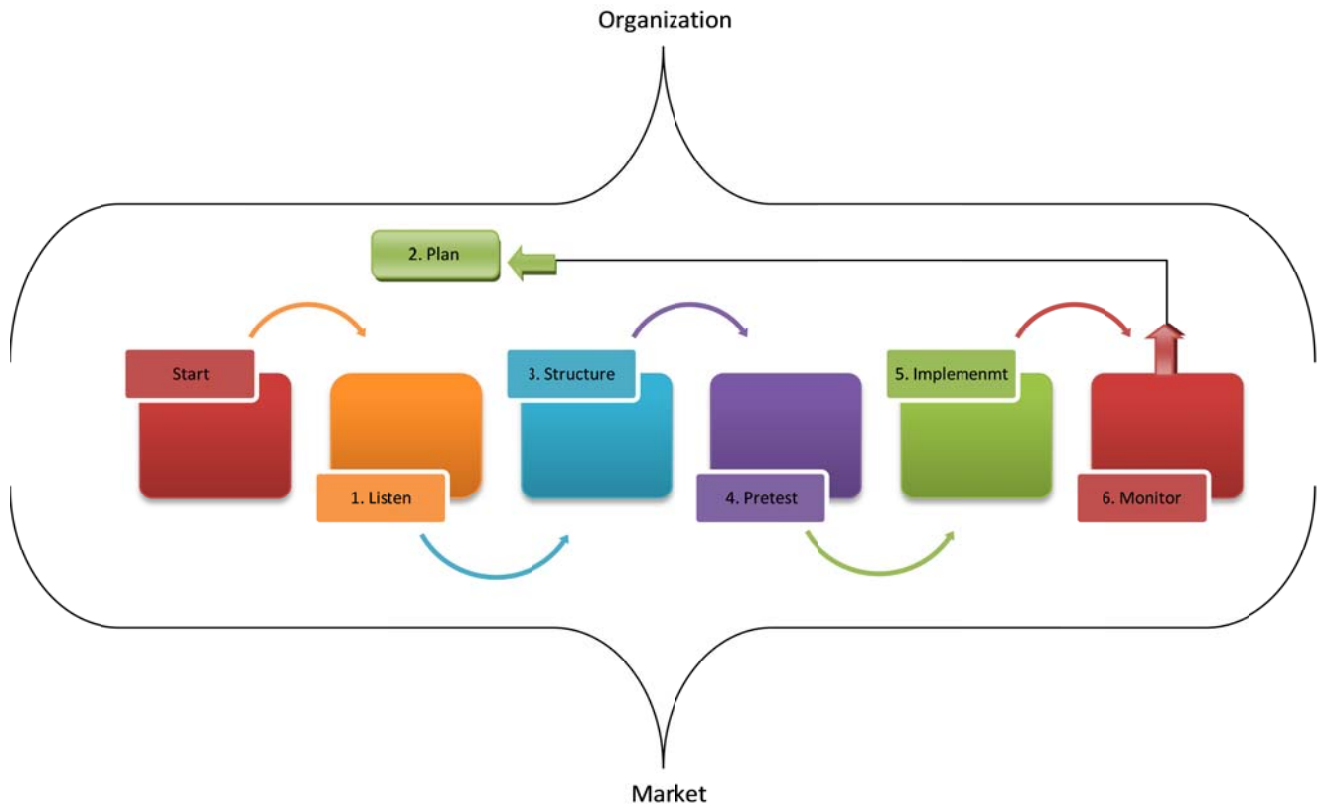


Figure 3.17: Strategic social marketing reviewed model (Andreasson, 1995:95)

The different elements of the concept of strategic social marketing may be described as follows:

- *Listening* – implies carrying out an extensive background analysis, including listening intently to target audiences.
- *Planning* – refers to setting the marketing mission, objectives and goals, and defining the core marketing strategy.
- *Structuring* – refers to the organisation designing marketing procedures, benchmarks and feedback mechanisms in terms of which to implement the core strategy.
- *Pre-testing* – involves trying out key programme elements such as the core marketing strategy.

- *Implementing* – refers to the strategy being put into effect by carrying out the design.
- *Monitoring and adjusting* – refer to the tracking of results.

The critical element of this strategic social marketing process is that the process is both continuous and indefinite. In other words, it is not a one-way activity with a circumscribed beginning and end. The target audiences are both central and is a constant component of the process (Andreasen, 1995:73).

The spiral strategic social marketing planning process model is in line with the strategic social marketing reviewed process, but it offers a more systematic step-by-step outline (Kotler *et al.*, 2002:29-35). The strategic planning process involves answering the following four major questions:

- Where are we?
- Where do we want to go?
- How will we get there?
- How will we keep on track?

This model could be demonstrated with the following eight-step spiral strategic social marketing planning process:

<p>WHERE ARE WE? (Analyse the social marketing environment)</p> <p>Step 1:</p> <ul style="list-style-type: none"> • Determine programme focus • Identify campaign purpose • Conduct an analysis of strengths, weaknesses, opportunities and threats (SWOT) • Review past and similar efforts
<p>WHERE DO WE WANT TO GO? (Target audiences, objectives and goals)</p> <p>Step 2: Select target audiences.</p> <p>Step 3: Set objectives and goals.</p> <p>Step 4: Analyse and understand the target audiences and the competition.</p>
<p>HOW WILL WE GET THERE? (Social marketing strategies)</p> <p>Step 5: Determine strategies – The 4Ps.</p> <p>Product: Design the market offering.</p> <p>Price: Manage the costs of behavioural change.</p> <p>Place: Make the product available.</p> <p>Promotion: Create messages.</p> <p>Choose media (communications) channels</p>
<p>HOW WILL WE STAY ON COURSE? (Social marketing programme management)</p> <p>Step 6: Formulate evaluation and monitoring (M & E) strategies.</p> <p>Step 7: Establish budgets and find funding sources.</p> <p>Step 8: Complete an implementation plan.</p>

Table: 3.4: Spiral strategic social marketing planning process (Kotler *et al.*, 2002:35)

This type of systematic planning process is important for the following reasons (Kotler *et al.*, 2002:43):

- A systematic process of analysing the marketplace enables the social marketer to select an appropriate target audience on which to focus the effort.
- By taking the time to get to know the target audience, the social marketer is able to establish realistic goals and objectives.
- The formulation of an integrated strategy enables real behavioural change while this type of strategy recognises that the target audience will be

influenced by communications (promotion) as well as by perceived benefits (product), perceived costs (price), and perceived ease of access (place).

- By taking time up front to ascertain how the performance will be measured, this critical step will contribute to future successes.

It is important to note that, although the planning is chronological, it is essential that the planner be flexible and that he/she recognises that there may be a good reason to go back and adjust a prior step before completing the plan. Accordingly, it would be more accurate to describe this strategic marketing planning process as spiral rather than linear (Kotler *et al.*, 2002:43).

It can be seen that social marketing is a flexible, diverse practice possible of large scale social change. In addition, it is a way of thinking that places emphasis on an “*exchange of value*” with the audience, rather than on social control or education alone (Smith, 2006:i40).

Various campaigns following a social marketing approach successfully can be identified. Smith (2006:i38) lists a few:

- *Zero Tolerance Means Zero Chances*, a social communication campaign, discovered that awareness of the no-tolerance law regarding seat belt use increased from 61 to 63% over a period of six months.
- *Friends Don't Let Friends Drive Drunk*, a social advertising campaign of the Ad Council, reported an 85% recall of its messages. In addition, 80% of these reported they had taken action to stop a friend from driving while intoxicated,

while 25% indicated that they had stopped a friend from driving while intoxicated.

- Florida's first **truth®** anti-smoking campaign reduced smoking amongst teenagers in one year by 19%. It was followed by a well-funded national campaign.
- Dozens of HIV/AIDS prevention efforts ranging from the Swiss Stop AIDS Programme, which increased condom use with casual partners from 50% to 80%. Programmes throughout the developing world in Uganda, Jamaica, Brazil, Thailand etc., have also shown positive results.

In the next section, the focus will fall on how social marketing uses branding with specific emphasis on branding's position in the social marketing process?

3.3.3.2.5 Branding and social marketing campaigns

The quotation below indicates the importance of branding in social marketing:

For about the *past ten years*, branding has become more prevalent in public health campaigns as social marketers have increasingly recognised that branding principles are not only applicable to products and services, but also to people, places, and ideas, and, by extension, to health behaviours, attitudes, and beliefs (Keller in Wayman *et al.*, 2008:41).

Social marketers demonstrated that they are able to “create strong images and symbolic devices that have helped their campaigns to gain visibility, increase awareness of issues, and serve as reminders and prompts to perform specific actions or change behaviours” (Long cited by Wayman *et al.*, 2008:41).

Yet, despite several documented cases of the successful use of branding in public health campaigns, the application of branding to social issues, known as *brand-driven social marketing*, is still not widely used (Wayman, 2008:41).

The creation of a strong brand in social marketing helps to raise awareness and reinforce messages, as well prompting behavioural changes. Kotler *et al.* (2002:140) refers to branding as one of the most ambitious social marketing strategies and is central to many of the successful social marketing campaigns.

Several social marketing campaigns have utilised branding successfully:

- The American Legacy Foundation's anti-tobacco **truth®** Campaign is a good example in this regard (Evans, 2008:182). The **truth®** Campaign, a branded, national smoking prevention campaign designed to reach at risk youth, aged between 12 and 17 years, is implemented primarily through “edgy” television advertisements with an anti-tobacco-industry theme as well as a strong brand. The campaign's brand is depicted below.

truth® Campaign

Vallone (2011) described and proved accurately the significant result of this campaign. Creative branding was used to counter the tobacco industry's advertising. (This approach used in the **truth®** and other anti-tobacco campaigns is often termed “countermarketing”¹). (Allen *et.al.*, s.a.). Similar approaches have been developed in nutrition, physical activity and HIV/AIDS social marketing campaigns.

¹ Countermarketing is a mass media communication strategy that has been used by public health organizations in recent years to counter tobacco industry advertising and promotion and other protobacco media influences, such as smoking imagery in movies.

- Public health organisations use branding strategies both to promote social mobilisation and to influence public debate and opinion (Evans, 2008:182).

The role and function of branding in social marketing programmes was outlined by Keller (1998:299) as follows:

... to providing individuals with an opportunity to communicate and signal to themselves, as well as to others, that they are engaging in desirable behaviours so that they are better able to realize more immediate benefits and receive positive reinforcements. In other words, branding personally and/or socially desirable behaviours could help individuals to receive more immediate rewards from the public approval and recognition of others as well as from the benefits of self expression and personal approval and recognition. In this way, branding would play the role of making the benefits of socially desirable behaviour more immediate and more tangible to an individual on a continually repeated basis over time.

Keller indicates that it is essential that the actual behavioural outcomes intended should be branded since branding's impact is better when individuals appear to overlook positive considerations and downplay negative considerations with respect to the public health issue (Keller, 1998:300).

In social marketing, the “desired behaviour and the associated benefits” (Kotler *et al.*, 2002:196) of that behaviour can be regarded as the “product”. The product also includes any “tangible objects and services” (Kotler *et al.*, 2002:196) which have been developed in order both to support and to facilitate the target audience's behavioural change and, thus, a multifaceted bundle of benefits. Branding is consequently the product in the social marketing process. This includes brand names, tangible objects and packaging. There is however an additional component of the actual product, namely the desired behaviour.

Kotler *et al.* (2002:202) also mentions branding and packaging decisions with regards to “accompanying services and tangible objects”, and define a brand as “a name, term, sign, symbol, or design, or a combination of these, intended to identify the goods or services of one seller or group and to differentiate them from those of competitors”.

In this regard, the following four desired characteristics for a brand name are recommended:

- i. It should be easy to pronounce, recognise and remember;
- ii. It should capture or define the product’s benefits;
- iii. It should define a product’s qualities or appeal;
- iv. It should be distinctive (Kotler *et al.* 2002:202).

According to Kotler *et.al.* (2002:203), packaging consists of several elements or dimensions that include material, shape, colour, size, weight, symbols, label and copy. In addition, decisions regarding “services and tangible objects” will include pricing, distribution channels and promotions.

Therefore, as part of the promotion/communication strategy for a social marketing campaign, it is important to create both a brand identity and brand awareness. This could be done by creating a social marketing campaign that contains a logo and graphics with a specific “tagline”. This tagline should encompass both philanthropic and economic connotations. The visual illustration of the brand should be visible to the target audience by employing all communication mediums: television, print media, etc.

The integration of branding into the promotion/communication strategy of a social marketing campaign, The **Heart Truth**® campaign, is an example of a successful public health education campaign. The brand of this campaign is depicted below:



The integrated branding and social marketing approach that was used in The **Heart Truth**® campaign was prompted by a growing recognition that branding principles may contribute to the success of public health campaigns (Wayman, 2008:40).

The **Heart Truth**® campaign is one of a handful of health-related social marketing campaigns that use a branding strategy in order to connect with its audience, create relevance, increase awareness and begin to motivate behavioural change. In The **Heart Truth**® campaign, the red dress was the central element of the campaign's integrated three part strategy; namely, partnership development, media relation and community action (Wayman, 2008:53).

An integration strategy developed the red dress from an engaging icon to a true brand. The **Heart Truth**®'s red dress brand fuelled the campaign's momentum through corporate, media and NPO partners, media relations and community action. Surveys also showed that the brand was having an impact on the behaviour of women with relation to heart disease (Wayman, 2008:53).

The following five guidelines were elicited after an analysis of this campaign:

- Formative research is key to supporting the development of a brand.
- Staying true to the brand is critical, although an open mind is also necessary.
- A brand is more than just a symbol or a logo; it is the application of the brand that counts.
- Widespread reach is essential in order to build brand awareness.
- Partners need strict, but flexible, guidelines (Wayman, 2008:54–55).

These guidelines reflect the basic principles of social marketing and point to important ethical considerations that must be taken into consideration when applying branding in social marketing. “Given its persuasive potency, and, by implication, its autonomy-reducing potential, and the possibility of undermining respect for individuals and communities, public health practitioners should be aware of ethical considerations and use caution when employing branding” (McCormack *et.al.*, 2008:281).

3.3.4 Conclusion

In the words of Wayman (2008:55):

... *brand-driven social marketing* can have a tremendous impact on connecting with audiences, creating relevance, increasing awareness, and supporting and motivating behaviour change. As The **Heart Truth**® Red Dress brand has demonstrated a brand that is reflective of audience research, fully integrated into all campaign elements and, if carefully managed, can help campaigns gain visibility, attract partners, generate media coverage, and spark community activities – all of which help to increase awareness of issues and motivate and support behaviour change.

The next section will demonstrate how important it is that NPOs and SEs utilise principles from both these communication contexts; corporate and development communication, in order to position and brand their organisations effectively as to ensure organisational sustainability and self-sufficiency.

3.4 Communication principles from both the corporate sector and the development sector for NPOs and SEs

This section focuses on the similarities between corporate communication and social marketing. The corporate principles applicable for the NPO sector as well as the reasons for this are also outlined.

3.4.1 Similarities between corporate communication and social marketing

The previous discussion on how communication, branding and marketing principles are applied in the diverse corporate and the development sectors, indicated that there are considerable similarities between corporate and development communication. These similarities are visually illustrated in Figure 3.18 below:

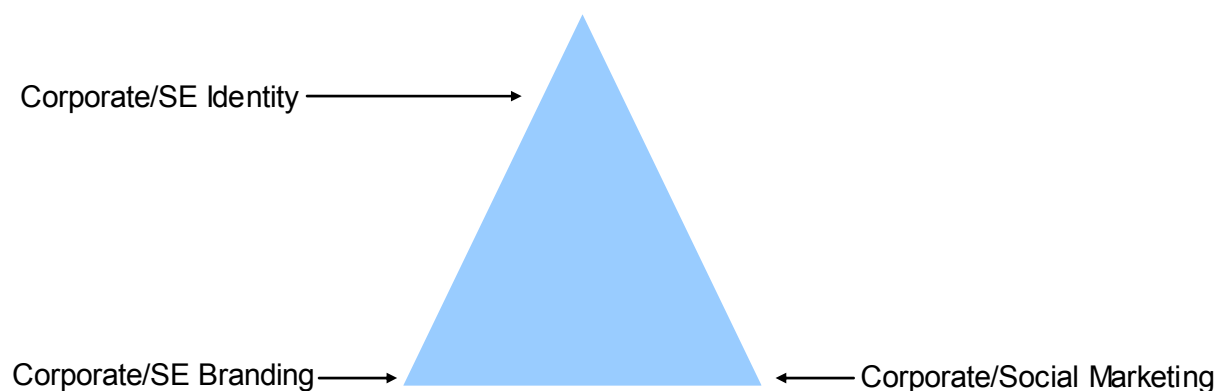


Figure 3.18: Similarities between corporate and development communication in respect of branding and marketing

In section 3.2, corporate branding was indicated as both the core and the foundation of all the corporate communication activities. The close relationship between this and social marketing and, more specifically, in brand-driven social marketing was demonstrated. This relationship is discussed by Evans and Hasting (2008: iii) who reason that in any branding application, basic branding principles apply. Feder (1998:1) agrees:

While branding and image-building once was thought to be foreign to NPOs, they are moving to create stronger brand images and recognisable logos, as marketing initiatives they believe are critical to their survival.

The next section will highlight key elements of corporate branding principles that can be applied to communication campaigns of NPOs and SEs.

3.4.2 Corporate branding principles and the NPO sector

In this section, elements such as image-building, visibility and persistent presence; organisational identity and image; branding and, lastly, the importance of a strategic communication plan for NPOs and SEs will be discussed.

3.4.2.1 Image-building, visibility and persistent presence

A strong image-building programme increases the visibility of both NPOs and SEs (McClellan *et.al.*, 1999:169). An important aspect of image building is the development of a persistent presence. A persistent presence should be built from within organisation but must also be perceived from the outside. This will ensure a healthy and visible organisation with a tangible presence in the community. This, in turn, will contribute to the continued support of donors (McClellan *et al.*, 1999:169). Edelman (2001:34) indicates that top-tier NPOs and SEs are accorded greater

media visibility, while any NPO or SE that is not constantly in the public view tend to lose public awareness, interest and support. As in the corporate world, those NPOs and SEs which are not visible will fade away.

3.4.2.2 *Organisational identity and image*

A poor image may be disastrous for both NPOs and SEs (Clift, 1998:7). The organisational identity of NPOs and SEs is extremely important in order to make strategic and, organisational structural choices. Organisational identity refers to that which is central, distinctive and lasting about a particular organisation (Young, 2001:140). Clarity and consensus about an organisational identity are essential for the formulation of a successful long-term strategy for a NPO or a SE. Accordingly, corporate identity should be scrutinised as an integral part of the organisational development of NPOs and SEs (Young, 2001:139).

In the development sector, it is the governing board of the NPO or the SE which, ultimately, takes responsibility for ensuring a strong and positive identity and image, although all staff members, volunteers and members should also play a supporting role. The function of ensuring a strong and positive identity and image is an ongoing activity.

Various practical ways in which to build a strong relationship with communities and to establish a positive identity and image are discussed by Young (1999:133):

- Be a client-orientated organisation and invite feedback. Listen to the feedback and address the issues that are raised.

- Respond to criticism from the community. Ensure that marginal views are both listened to and acted upon.
- Make a commitment to ensure that the governing board and other sub-committees are representative of the communities which they serve.
- Be open and transparent about the way in which decisions are made.
- Make a commitment to ensure that any conflict that arises, either internally or externally, is resolved quickly and satisfactorily.
- Identify key influential people within the community and ensure that they are kept informed about the organisation's activities.
- Publicise events and achievements through strong relationships with the media.
- Develop a logo that is displayed on all printed stationery and promotional material.
- A regular newsletter should be printed and distributed in order to keep supporters informed about the work that has been done and also to promote future events.
- An annual report and audited financial statements should be printed and distributed, and these should clearly indicate the strategic plan of the NPO/SE for the following year.
- Invite stakeholders and other influential people to visit and plan open days.
- Coordinate services and support the activities of other NPOs and SEs.

It is important for NPOs and SEs to protect their reputation as it is an integral element of the corporate image and identity (Argenti, 1998:79). Building a positive public profile and a solid reputation may broaden the support base of the

organisation and ensure that it will be both valued and respected. Donors would rather support reputable charities which are legitimate and relevant.

A strong image may also help distinguish NPOs and SEs from the rest, by making them more noticeable which in turn will strengthen their credibility. It is important that organisations invest in building a “reputation to last; that will endure and ward off the inevitable fickleness of human nature” (Argenti, 2002:96). A solid reputation will result both in sustained funding from the corporate and the public sector (Feder, 1998:1) as well as promoting the organisational developmental goals and objectives of the relevant NPOs and SEs.

As in the corporate sector, in this process of image-building, it is also important that NPOs and SEs build and maintain relationships, both internally and externally, in order to promote an understanding of their work. If a NPO/SE is valued, such an organisation will be able to attract members, volunteers, supporters, funders and clients. This will increase the ability of the organisation to advocate and lobby because decision-makers respect the organisation’s reputation to influence the world around it.

A strong image and identity is crucial for a NPO/SE to be recognised as a leader in its field and within all its constituencies.

3.4.2.3 *Branding*

NPOs and SEs are seen as the “new superbrands”, possessing real power to act on behalf of a perceived common good (Edelman, 2001:34) while the article “Not-for-

profits: brand superstars in the making” states that NPOs are increasingly well placed to become powerful brands (IMPACS, 2004:1).

To adopt commercial branding techniques is one of the ways in which NPOs and SEs can respond to address the increased competition of the growing rate of organisations into this sector. Brand orientation can help to strengthen awareness amongst target audiences, develop trust across key stakeholder communities and build charity loyalty within donor and supporter groups (Stride & Lee, 2007:107–108).

As an example hereof Evans & Hastings (2008:iii) is from the opinion that “Branding is an emerging public health strategy that needs resources and continued development of innovative methodologies to effect lasting population-level change”. In recent years, public health branding has been successfully applied on a global scale across a wide range of chronic and infectious disease issues and behaviours; ranging from tobacco control to HIV and AIDS. As a result of the fact that branding is able to address multiple behaviours simultaneously and, also, because most health risks stem from multiple behaviours and complex lifestyle choices, branding is an important strategy for public health. Promoting healthy lifestyles is the key outcome for public health, thus rendering the development of improved branding strategies a critical objective for this field (Evans & Hasting, 2008:iii).

The unique factor of branding in the social sector is that it is driven (as indicated in the example above) by the conviction of the social sector’s work, the passion and the values on which to build a brand. NPOs and SEs are driven by a level of passion, vision and commitment to core values seldom dreamt of by corporate

communicators (IMPACS, 2004:1). Therefore branding in the NPOs/SEs sector is referred to as value-based branding. In this regard, Stride & Lee (2007:110) refer to these values as “a charity’s basic *raison d’être*, giving legitimacy to its very existence”. This value-based branding will be discussed in more depth in the following chapter.

3.4.2.4 *A strategic communication plan*

As is the case with a corporate organisation, NPOs and SEs should also formulate a strategic communication plan as it will assist the organisation to communicate their brand as an organisation more effectively.

Regarding the formulation of such a plan, Argenti (2007:12) and Radtke (1998:1) identify the following seven steps. These steps are listed below:

- Step 1: Invest in a communication plan in order to advance the mission of the NPO/SE;
- Step 2: Identify and know the target audience;
- Step 3: Target the message;
- Step 4: Develop practical strategies and appropriate communication vehicles;
- Step 5: Formulate a plan and devise a year calendar;
- Step 6: Transform obstacles into opportunities;
- Step 7: Evaluate actions.

Accordingly, it is essential that such a plan be fluid and also that management regularly re-evaluate and adapt the plan to what is happening at a specific moment (Radtke, 1998:189).

The similarities between these steps and process of social marketing (section 3.3.2.1) are obvious and brings to play the aspect of “tailoring communication strategies” (Lewis & McCormack, 2008:252) and participatory communication.

On the continuum of personalisation in communication, tailoring is more specific than the other communication strategies which are used in public health and social marketing (Lewis & McCormack, 2008:252). For example:

- *personalised messages* and educational materials are generic in nature and refer to the message recipient by name.
- *targeted messages* or generic standard messages or, even, branded messages are, typically, designed for a specific group of people – older adults, women, etc.
- *tailored messages* are designed specifically for an individual and are based on information supplied by, or about, that individual.

Applying these principles of corporate and strategic communication will enable organisations to position and market their organisations better and to ensure that their services are utilised effectively, their developmental goals are achieved and that they receive the necessary support from their stakeholders. This kind of positioning and marketing approach will contribute to the sustainability and the self-sufficiency of the organisation (Chew & Osborn, 2009:44).

3.4.3 Why corporate communication principles in NPOs/SEs?

The two main reasons for applying corporate principles in the development sector include the heightened competition and the impact of environmental trends, i.e. technology. These two reasons are discussed in the next two sections.

3.4.3.1 *Heightened competition*

Since NPOs and SEs have become a dominant economic force throughout the world, they are facing increasing competition in almost all markets which intensified the pressure on these organisations to find effective business management methods. In the interests of both survival and self-sustainability, it has become imperative that NPOs and SEs adopt the managerial techniques, tools and systems of the for-profit corporations (Hankinson, 2000:207).

To remain relevant in the development sector, NPOs and SEs had to adapt to environmental changes. Environmental scanning and competitive analysis became important tools for both NPOs and SEs as corporate communication strategies (Feder, 1998:1). Competitive analysis helps to determine how an organisation's peer perceive it, where the organisation is heading, which audiences the organisation serves and, most importantly, what distinguishes the organisation conducting the comparative analysis from these other organisations (Hershey, 2005:6).

It was found, however, that the increased competition can best be managed by building good images and reputations. Identity management is becoming a very important strategy (Balmer, 1999:172).

3.4.3.2 *The impact of environmental trends*

In addition to the increased competition, NPOs and SEs are also faced with the changing face of technology which is also forcing managers to put greater emphasis on corporate identity and corporate communication (Balmer, 1999:171) so the enable them to manage the “digital jungle” (Argenti, 2009:1). Technology changed the face of relationships in business and at the same time changed the corporate communication landscape (Argenti, 2009:1).

3.4.3.2.1 The Internet

Technology altered everything – from our personal perceptions of the world to our relationships with the world, i.e. how we buy groceries, how we do our banking and how we inform ourselves. The explosion of media channels makes it difficult for NPOs and SEs to get their messages across (Radtke, 1998:xii).

The expansion of online media brought multiple distribution channels, search engines and site aggregators that make it easier than ever before for consumers to find information.

The continuous creation of new technologies is speeding up the pace of news gathering and dissemination and providing numerous media outlets for consumers to turn to for their daily dose of information. That means that the time consumers devote to media consumption is more fragmented than ever – presenting multiple challenges for communicators attempting to reach their target audiences (Argenti, 2009:6).

Not only is the number of people going online increasing rapidly, the frequency with which they go online, as well as the amount of time they spend online are also increasing (Argenti, 2009:6).

Similar to for-profit organisations, it is essential that NPOs and SEs take advantage of the new communication and media opportunities. Wesley Mission (2004) conducted a third annual survey of NPOs and their website use. This survey recommended that NPOs need consistent web page quality and daily updates in order to maintain long-term donor support. In reality, only 2% of the total NPO sites surveyed at that time were updating their web pages on a daily basis.

3.4.3.2.2 Social media

Apart from the impact of new communication and media opportunities, the use of social media has shifted the corporate hierarchy of influence from the hands of elite business executives to those of their once-passive audiences, including employees, consumers, media and investors (Argenti, 2009:1):

Social media is a hybrid element of the promotion mix because, in a traditional sense, it enables companies to talk to their customers, while in a non-traditional sense it enables customers to talk directly to one another. The content, timing, and frequency of the social media-based conversations occurring between consumers are outside managers' direct control. This stands in contrast to the traditional integrated marketing communications paradigm whereby a high degree of control is present (Mangold & Faulds, 2009:357).

Social media represent a revolutionary new trend that both business communicators/management and the NPO sector should consider as an opportunity of communicating with their target audiences (Kaplan & Haenlein, 2010:59). The following statistics provide proof for this statement:

As of January 2009, the online social networking application, Facebook, registered more than 175 million active users. To put the number in perspective, this is only slightly less than the population of Brazil (190 million) and over twice the population of Germany (80 million)! At the same time, every minute, 10 hours of content were uploaded to the video sharing platform, YouTube. And the image hosting site, Flickr,

provided access to over 3 billion photographs, making the world-famous Louvre Museums's collection of 300,000 objects seem tiny in comparison (Kaplan & Haenlein, 2010:59).

It is, however, essential that the implementation of social media as a communication strategy is planned carefully (Kaplan & Haenlein, 2010:62). Consumers are bombarded by approximately 3,000 advertising messages every day (*The Economist*, June 2004 cited by Hershey, 2005: v). "In such a crowded marketplace ... not standing out is the same as being invisible."

3.5 Conclusion

In conclusion, it is essential that NPOs and SEs stop believing that developing a strong, well-defined brand and organisational identity is only for the Coca-Colas, General Motors and Microsofts of the world. They should, increasingly, use traditional corporate communication strategies to generate higher revenues, especially in view of the increased competition in both the public and the NPO sectors (Balmer, 1999:172) and the impact of new technology.

Chapter Four will discuss branding and brand management in depth. The chapter will then conclude by focusing on what a strong brand identity and the implementation of such a brand are able to do for the development sector.

CHAPTER FOUR

BRANDING AND BRAND MANAGEMENT

In this chapter the focus will be on understanding what branding means. This will be followed by a detailed description of the different branding categories.

In the second part of the chapter, the focus will shift from an explanation of the evolution of branding to brand building and brand leadership. This will be followed by a discussion on the importance of brand identity and equity in the process of brand development, brand management and brand measurement. This is followed by a discussion on the main role players in this brand-building process.

The final part of the chapter will discuss branding as it is applied in social enterprises (SEs). The chapter will conclude by highlighting the importance of a strong brand, as well as explaining what a strong brand could do for the development sector.

4.1 Where did branding originate from?

The concept of a brand has been in existence for at least 5 000 years (Neumeier, 2006:8). The word “brand” comes from the Old Norse *brandr*, meaning to burn, and from these origins made its way into Anglo-Saxon (Interbrand, 2004:1). With the growth of cattle farming in the New World of North America, cattle owners wanted to make it clear to other potentially interested parties which animals they owned (Holland, 2006:5; Dolak, 2003:1). By using a red-hot iron with a uniquely shaped end, they left a clear imprint on the skin of their animals. A farmer with a particularly good reputation for the quality of his cattle would find his brand much wanted, while

the brands of farmers with a lesser reputation were to be avoided or treated with caution. The utility of brands as a “guide to choice” was established: a role that has remained unchanged until today (Interbrand, 2004:1).

Brands also existed in Ancient Greece and Rome. Shopkeepers hung pictures above their shops indicating the types of goods they sold. Symbols were developed and the brand logo, as a shorthand device signalling the brand’s capability, was born. In the Middle Ages, craftsmen began to stamp their marks or “identifier” on their goods or work in order to distinguish it from different suppliers. In an attempt not to detract attention from the beauty of the product they used their initials, a symbol or another unique mark to identify their work and they positioned these marks somewhere on the product where they were not easily visible (Dolak, 2003:1). This was also referred to as the “potter’s mark”. Gradually branding became a guarantee of the source of the product and, ultimately, a form of legal protection against copying (Interbrand, 2004:1–2).

The wide-scale use of brands is, essentially, a phenomenon of the late 19th and early 20th century (Neumeier, 2006:1; Interbrand, 2004:2). Early trademark legislation developed simultaneously with the introduction of the best-known consumer brands from this period, e.g. Singer sewing-machines, Coca-Cola soft drinks, etc. and enabled the owners of these kinds of brands to protect them by law.

Today, trademarks include words, symbols or even unique packaging (e.g. the Coca-Cola bottle). These are all legally registered and patented and buyers recognise

them as being synonymous with a particular brand (Muhlberg, 2005:1–2; Design Council, 2011:2).

In the modern world, branding is everybody's business and is used by the consumer on a daily basis. The reason why branding has become such a commodity is because "... our society has moved from an economy of mass production to an economy of mass customization, our purchasing choices have multiplied. We've become information-rich and time-poor" (Neumeier, 2006:8). Instead of judging products by comparing features and benefits, the consumers tend to base their choices on symbolic attributes, for example where the product is being sold, what kind of people buy it, which "tribe" will they be joining if they buy it, what people are saying about it and who the manufacturer is. The latter is important because if they can trust the maker, they can buy it now and worry about the product later (Neumeier, 2006:8).

There has been an explosion in the use of brands in recent years, with branding being adopted on a staggering scale (Muhlberg, 2005:vii; Interbrand, 2004:2). In addition, this branding activity is no longer confined to consumer goods and services, and the "branding game" is now being played by service companies, celebrities, schools, charities, cities, government departments and even countries. As an example hereof, South Africa's loyalty brand, "Proudly South African", is recognised by the following logo:



Figure 4.1: Proudly South African logo

As everybody and everything wants and needs attention, branding has become the key to achieving recognition. Accordingly, it is not possible either to avoid branding or to ignore it. Branding should be embraced, even by non-profit organisations (NPOs) and social enterprises (SEs) (Holland, 2006:2).

4.2 Why branding?

At its most basic level, branding is driven by the human need to distinguish one thing from another and to claim ownership. “Think about all those old Westerns, in which cows wandered onto some other rancher’s range, causing all kinds of trouble. It was the rancher’s brand that protected his herd and his livelihood!” (Holland, 2006:5).

This differentiating factor is further illustrated in the following statement:

As with commercial sector organisations, the value of identity building and branding for social sector groups is to help differentiate an organisation’s qualities and value in today’s overcrowded and competitive market place (Engelberg & Kirby, 2001:8).

On a more abstract level, the brand promotes the identity and underlying values of a unique culture by communicating the messages, products and services created by that culture. Branding can be seen as the most visible organisation identifier (Engelberg & Kirby, 2001:8).

In a fundamental sense, a brand attaches a “label” (for identification) and a “meaning” (for understanding) to a product, service, person, idea, etc., for the benefit of the target audience (Keller, 1998:299). The brand is, thus, all about the target audience. It is about “a person’s ... gut feelings, because we’re all emotional, intuitive beings, ... and, in the end, the brand is defined by individuals ... in other words, a brand is not what you say it is, but what they say it is” (Neumeier, 2006:7) and, most importantly, their experiences derived from it.

In other words, a brand talks to the individual as the target audience, trying to gain his/her trust and loyalty in order to ensure that he/she comes back again and again (Holland, 2006:6). This aspect of a brand refers to both the emotional bonds that tie the brand to the target audience and to the self-expressive bonds that make the brand an integral part of the target’s self-image (Aaker cited by Rothschild, 2001:37). This “connecting with people” is important for all organisations, especially if it is possible for a brand to embody attributes to which consumers will feel drawn (Design Council, 2011).

When organisations understand why they need a brand and that, by creating their brand difference, adding value and connecting with people (as explained above), these organisations will also be able to see the logic and meaning of branding as “the primary capital” of their organisations. “However, it has only recently been recognised that a company’s real value lies outside the business itself; in the minds of potential buyers” (Kapferer, 1992:1).

The visual association of “the brand is in the mind of the buyer” is illustrated in the image depicted in Figure 4.2 below:



Figure 4.2: The brand is in the mind of the buyer (Kartte, 2009)

The visual illustration in Figure 4.2 shows that the target audience is overloaded with different messages and brands. The challenge for any organisation is to occupy a small space in the mind of its target audiences – to own a piece of the consumer “headspace”.

This overloading of brand messages can be compared with “the assault on the mind” (Ries & Trout, 2001:11). There are too many companies, too many products, and too much marketing noise. The value of the mind of the potential buyer and the

importance of positioning a brand is stressed by Ries and Trout (2001:v) in their book *Positioning: the battle for your mind*.

This also applies to the NPO and SE sectors, which form part of the wider service brand family. The social capital of both a NPO and a SE is its brand and the real value of this brand lies within the minds of the potential customers and sponsors. However, it would appear that some service sectors are only now entering the “brand age” (Kapferer, 1992:27). This applies also to the development sector in South Africa.

4.3 What is branding?

There are several ways in which to describe a brand. The *Oxford American Dictionary* (1980 cited by Interbrand, 2004:1) gives the following definition:

Brand (noun): a trade mark, goods of a particular make: a mark of identification made with a hot iron, the iron used for this: a piece of burning or charred wood, (verb): to mark with a hot iron, or to label with a trade mark (Interbrand, 2004:1).

Similarly, *The Pocket Oxford Dictionary of Current English* (1934 cited by Interbrand, 2004:1) states the following:

Brand. 1. N. Piece of burning or smouldering wood, torch (literary); sword (poet.); iron stamp used red-hot to leave an indelible mark, mark left by it, stigma, trade-mark, particular kind of goods (all of the best bb.). 2. v.t. Stamp (mark, object, skin), with b., impress indelibly (is branded on my memory) (Interbrand, 2004: 1).

Both these dictionary definitions suggest the two basic elements of a brand, namely, that a brand is “intrinsically striking” and that the role of a brand is “to create an

indelible impression” (Interbrand, 2004:2–4). This boils down to the fact that a great brand needs to be relevant, different and need to be built on emotions.

Aaker (cited by Rothschild, 2001:37) gives the following description of branding: “A brand is an asset of differentiating promises that links a product to its customers”.

Calkins (cited by Evans & Hastings, 2008:1) defines a brand as “a set of associations linked to a name, mark, or symbol associated with a product or service”.

The focus of the above mentioned definitions is on the following elements: differentiation, promises and a set of associations. It would appear that the set of associations or attributes that these elements suggest, indicate that a brand will present a particular organisation as “distinctive, trusted, exciting and reliable” (Design Council, 2011).

The elements suggested by these definitions correspond with the following view of Kapferer (1992:9): “Branding is much more than the naming per se or the creation of an external indication that a product or service has received an organisation’s imprint or its mark.” He identifies the following seven qualities in terms of which to describe branding (1992:10–18):

- *A brand aims to segment the market.* Brands are part of a strategy which is aimed at differentiating a supply of services or goods. If branding is to succeed, it is important to understand the needs and wants of both current and prospective clients. This may be done by consistently and repeatedly providing an ideal combination of attributes, tangible and intangible, practical and symbolic, visible and invisible, under conditions that are economically

viable for these organisations. Furthermore, organisations should strive to leave their mark in a given field, and a positive set of impressions of their services, by providing unique benefits and meanings. This approach may be extended to the development of social marketing brand images and the enhancement of the target's self-image (Rothschild, 2001:36–37). According to Kapferer (1992:10), the first task of branding is to define exactly what the brand infuses in the particular service and also the way in which the brand transforms the service. In other words, what attributes are embodied in the service, what advantages does the service incorporate, what benefits does it provide and what obsessions does it represent? These questions highlight the fact that branding is not based on “what goes on”, but on “what goes in” (Kapferer, 1992:10).

- *Brands are built up by persistent difference over the long run.* Brands become known through the services they deliver and bring onto the market. “Whenever a brand innovates, it generates ‘me-too-ism’ (Kapferer, 1992:11)”. Any quick progress that takes place becomes a standard with which target audiences become comfortable. Accordingly, competing brands have then to follow suit if they are not to fall behind. A brand is the signature on a persistently renewed and creative process which delivers product one today, products two and three tomorrow, and so forth. “Products are introduced, they live and disappear, but brands endure. The consistency of this creative action is what gives a brand its meaning, its contents and its character. Creating a brand requires time and an identity” (Kapferer, 1992:12).
- *A brand is a living memory.* “The spirit of a brand can only be inferred through its products and its advertising. The content of a brand grows out of the

cumulative memory of these acts, provided they are governed by a unifying idea or guideline” (Kapferer, 1992:12). Accordingly, it is important for organisations to understand that the way in which the target audience is introduced to a brand, creates an anchor in the memories of the target audience that will shape all future perceptions.

- *A brand is a genetic programme.* A brand is both the memory and the future of its products. A genetic analogy provides a key to understanding how brands work. The brand memory that develops contains the programme for all future developments, the attributes of later models, the characteristics they will have in common, and their family resemblance as well as their individual personalities. By understanding a brand’s programme, one can trace its legitimate territory and the area in which it can be extended, beyond the products that created it. The brand’s implicit programme reveals the meaning and direction of both former and future products (Kapferer, 1992:13).
- *A brand gives products their meaning and direction.* “The brand tells why products exist, where they come from, and where they are going” (Kapferer, 1992:13). In addition, the brand sets specific guidelines for the product, which evolve over time. Strong brands have meaning that describes both their substance and their sense of direction. The interrelationship between the products and brand is of critical importance. The products represent what the brand is about, while the brand communicates about the products and bestows on them their meaning, as products are not capable of speaking for themselves. “A brand can only be developed through long-term consistency that is both the source and the proof of its identity” (Kapferer, 1992:14).

- *A brand is a contract.* A brand becomes credible through its continued existence and through repetition. Over time, the brand's programme becomes a commitment and, by creating satisfaction and loyalty, the brand enters into a "virtual contract" which binds the brand to the target audience. However, the contract that a brand establishes is economic and not legal. This quality may be compared with the brand's promise, with a good brand representing "a promise kept" (Muhlberg, 2005:2).
- *The internal requirements involved in branding.* A contract implies restrictions. The brand approach assumes that an organisation and its various functions all have a single and specific focus. It is essential that the personnel, who have a key role to play in the relationships with their customers, demonstrate both stability and consistency. Accordingly, the brand approach requires both internal as well as external marketing. The brand must make its standards generally known, while aiming to differentiate the product and also acquiring a sense of exclusivity. "A strong brand becomes a symbol with the power to mobilise internally and to attract on the outside. The brand, though, is the organization's external façade, maintaining a constant requirement and necessity to aim ever higher – a passion for excellence" (Kapferer, 1992:18).

The following two slides of Tom Fraser (2009) capture, in summary, the essence of what branding is all about:

Slide 1: Just what is a brand?

Slide 2: The result of a good brand experience equals customer brand loyalty.



Figure: 4.3: Just what is a brand? (Fraser, 2009)

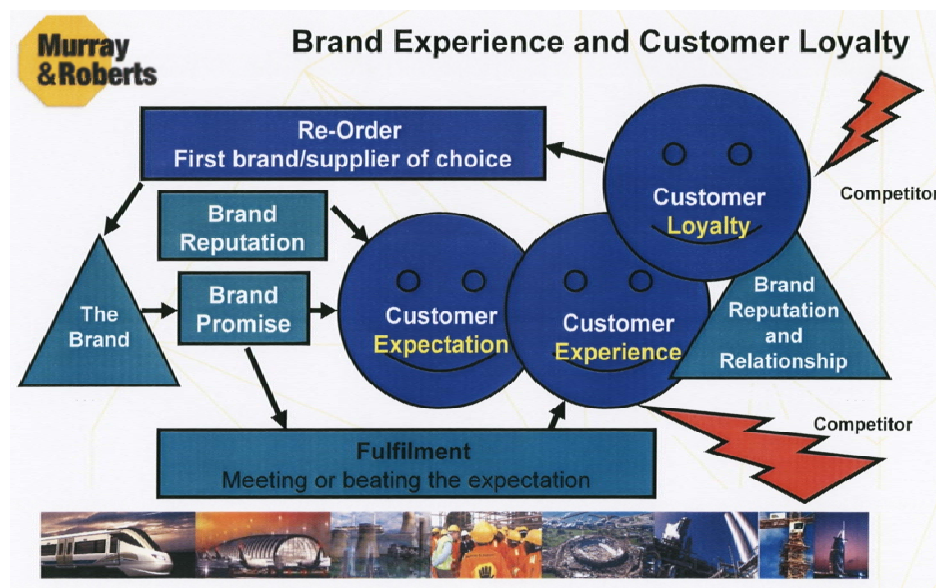


Figure 4.4: Brand experience and customer loyalty (Fraser, 2009)

These two slides verify both the dictionary and the quality definitions, that is, that a brand represents an emotional experience on the part of an individual and should it be a positive experience, will lead to customer loyalty and the fulfilment of the brand promise.

In the process of a better understanding on what branding is, different branding categories was identified which are described in the following section.

4.4 Description of different branding categories

The following different branding categories were identified in the literature study:

4.4.1 Healthy brands

Vega, the Brand Communications School in South Africa, defines a brand as “... a construct that establishes and communicates a particular and unique meaning in order to add value and connect with people” (Vega, 2009:35). Vega goes further by describing a “healthy brand” as follows:

- it has a particular and unique meaning;
- it is an effective and engaging communicator;
- it adds value to the lives of people;
- it is transparent – it lives up to its “brand promise” on all levels;
- it builds sustainable relationships by never offering more than it gives;
- it believes that profit is not the driver, but a consequence of all of the above.

4.4.2 Premium brands

One of the biggest challenges for a premium brand is the importance of keeping the brand healthy (Shipley, 2009). A brand can be kept healthy by conducting an “annual brand check-up” (Shipley, 2009). This will ensure a healthy balance between letting an organisation grow and maintaining consistency in the brand communication programme of the organisation. Premium brands, by their very nature, have a way of taking on a life of their own. Regardless of the methodologies used in the brand audit, it is recommended that the audit include a close examination of some, or all, of the following (Shipley, 2009):

- perceptions of the brand by external partners, customers and internal stakeholders;
- a review of competitors and their brand communication strategies;
- a 360-degree review of touch points regarding the brand and specific ways in which people experience the brand;
- a review of brand communication and messaging;
- a review of budgets and investment allocations.

According to Shipley (2009), the results of such a brand audit will be informative, insightful and actionable and ensures that the organisation stay “in tune” with its consumers.

4.4.3 Strong brands

“Strong brands come to be seen by consumers as highly familiar and characterized by strong, favourable and unique associations” (Keller, 1998:299). Building a strong

brand could be described in terms of the following five major themes (Aaker, 2002:vii–viii):

- i. *Brand identity*: While a brand image refers to the way in which a brand is perceived, a brand identity is “aspirational – how the brand would *like* to be perceived” (Aaker, 2002:vii). A brand strategist should take into account both emotional and self-expressive benefits, organisational attributes, brand personality and brand symbols. Adopting this broader view of a brand will enhance the possibility of creating real differentiating value.
- ii. *Managing the brand*: This involves developing a brand position (the aspect of the brand identity that is actively communicated) and the implementation of the brand programme. It also involves balancing the need to adapt to a changing environment with the power of consistent messaging and symbols. Brand consistency should, however, not be disregarded (Aaker, 2002:viii).
- iii. *Brand system*: This concept adds a new dimension to the management of brands. “A brand system – consisting of intertwined and overlapping brands and sub-brands – can create clarity and synergies, or it can generate confusion and inconsistency” (Aaker, 2002:viii). This type of brand system view leads to an analysis of the diverse roles that a brand may play, particularly with regards to a brand or sub-brand. In addition to driving the business idea, it could also play a role in supporting other brands or in providing clarity to customers. Another purpose of the brand system is to involve issues such as leveraging the brand by the use of either vertical or horizontal brand extensions, creating brands that range

over product groups and co-branding. A “brand system audit” could be introduced as a way in which to manage brands as a system.

- iv. *Brand equity measurement:* Brand equity measurement is of practical concern to most managers who are attempting to build and manage several markets and brands. “It also provides a quantitative discipline to the conceptual branding models” (Aaker, 2002:viii).
- v. *Brand-nurturing organisational forms:* “Brand building now needs to deal with brand system issues and with problems of coordinating a brand across markets, products, roles and context. These challenges strain conventional organisations and new approaches are often needed” (Aaker, 2002:viii).

The advantages of a strong brand for NPOs and SEs can be summarized as follows (IMPACS, 2004:2):

- A strong brand makes it easier to fundraise.
- A strong brand makes it easier to gain media attention, attract volunteers and reach key audiences.
- A strong brand makes it easier to deliver services which are cost effective.

4.4.4 Superbrands

The South African Superbrands Council member, Santie Botha, describes a “Superbrand” as follows:

A Superbrand transcends borders, cultures and industries. It lives up to a vision and stands for something significant. A Superbrand delivers what it promises, so it has staying power. It continues to stay at the forefront of innovation and it believes that its

customers, both internal and external, are its most important stakeholders (Botha, 2007).

Chris Moerdyk, an independent marketing analyst, takes a more practical approach to the definition of a Superbrand. “Qualification as a Superbrand today goes way beyond the warm and fuzzy feeling a consumer might have towards a product, corporation, service, public identity or personality. Trust, integrity and honesty are no longer enough to achieve Superbrands status” (Moerdyk, 2007).

However, it is not only corporate organisations that are able to obtain Superbrand status – NPOs and SEs can also achieve Superbrand status. Cotlands (a sanctuary for babies) obtained their Superbrand status in October 2005. The SA Chief Operating Officer of Superbrands (the world’s leading independent arbiter of branding), Steve Dodgson, has the following to say in this regard:

Cotlands has inspired goodwill and trust since it first started caring for orphaned children 30 years ago. Its integrity in service and commitment over the years has provided help to thousands of children. When it comes to making a difference, Cotlands is a true Superbrand in which people happily place their confidence (Boyd, 2005).

Cotlands’ brand logo, with the Superbrands awards stamp of recognition, is visually depicted below.



Figure 4.5: Cotlands: Superbrands (www.cotlands.org.za)

4.4.5 Great brands

According to the Readers Choice Award survey conducted by brandchannel.com (the world's only online exchange about branding, produced by Interbrand), there are very few "great brands" (Grimaldi, 2009). Great brands can be described as follows: "The essence of greatness is in the capacity of a brand to foster the sales of a product/service by creating an emotional link with its audience. As such, a great brand balances the delivery of functional benefits with emotional ones" (Grimaldi, 2009). Great brands are, however, more than the sum of their parts. "When the memory is gone, the emotions remain. That's greatness" (Grimaldi, 2009).

4.4.6 Global brands

Interbrand (2010), known as the world's biggest branding resource, announces the Top 100 Best Global Brands annually. Interbrand uses its database of global brands, populated with critical information gathered over the previous twenty years of evaluating brands and more than thirty years of consulting with organisations, in order to compile an initial consideration set. All these brands are then subjected to a five-criteria framework that considerably narrows down the number of the candidates.

According to Interbrand (2009), the best global brands have proved, repeatedly, that brands remain a far less volatile asset than other business assets – tangible or intangible. In September 2010, for the 11th year in a row, Coca-Cola retained its top spot as the number one ranked brand on the Best Global Brands 2010 list.



Figure 4.6: Best Global Brands 2010: No. 1 (Interbrand, 2010)

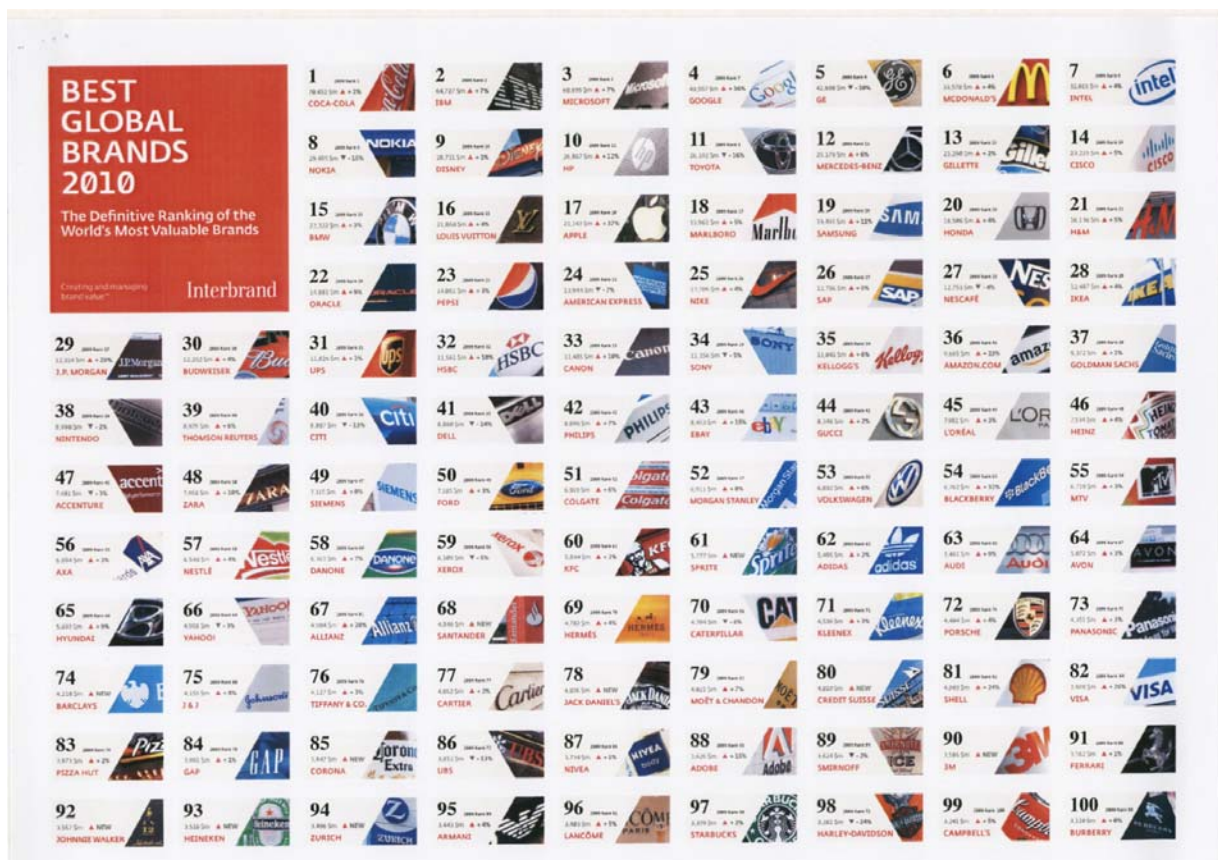


Figure 4.7: Best Global Brands 2010: Top 100 (Interbrand, 2010)

4.4.7 Emotional brands

It is the emotional aspect of brands that is of the greatest significance to customers (Gobe cited by Guzman, 2005:17). People are interested in buying emotional experiences, and brands that are able to create an emotional bond with their clients are termed “emotional brands”. Emotional brands share a set of common values that render them extremely highly sought after. These values include:

- an outstanding corporate culture focused on people;
- a communication style, beliefs and values that stand out.

The emotional connection or involvement with the audience is also referred to as the brand’s “share of heart” (Feig cited by Long, 2006:37). This emotional appeal infuses the brand with “something of great emotional and personal value to the individual” that causes the individual to make a commitment to the brand. In order to establish whether a particular brand possesses the qualities of a brand’s share of heart, one should be able to answer the following two key questions: i) How is the brand going to “reach out and touch” its target audience? and ii) How is it going to improve the lives of the target audience members? (Feig cited by Long, 2006:38).

4.4.8 Experiential brands

A brand evolves as an identifier to become a provider of experiences. The experiential marketing approach views brands as an integrated, holistic experience, and an experience which can be created through nurturing sensory, affective and creative relations, as well as associating a lifestyle with the particular brand (Schmitt cited by Guzman, 2005:20).

BMW is a prime example of an experiential brand.



Figure 4:8: BMW brand logo as an example of experiential branding (www.bmw.com)

4.4.9 Charismatic brands

Brands such as Coca-Cola, the number one ranked global brand for eleven years, have become a modern icon because they stand for things that people want, e.g. joy, success, style, imagination, etc. (Neumeier, 2006:18). “A charismatic brand can be defined as any product, service, or company for which audiences believe there’s no substitute” (Neumeier, 2006:19). Neumeier (2006:19) continue to state that such brands often claim the dominant brand position in their category, they tend to command the highest price premiums and they are the least likely to fall victim to making their product into a commodity, as a result of which they would lose those features that differentiate them from other brands.

“Among the hallmarks of a charismatic brand are a clear competitive stance, a sense of rectitude, and a dedication to aesthetics” (Neumeier, 2006:19). The reason for this dedication to aesthetics is because of the “language of feeling” and, in a society that is information rich and time poor, people value feeling more than information. Indeed, aesthetics are so powerful that they are capable of transforming either a product or a service into a premium brand. Accordingly, Neumeier is of the opinion that “there are

no dull products, only dull brands. Any brand, backed by enough courage and imagination, can become a charismatic brand” (Neumeier, 2006:19).

4.4.10 Service brands

Service brands can be described as follows: “Given the unique characteristics of services – intangible, inseparability of production and consumption, heterogeneity of quality, and perishability, delivery of the services brand is about the experience of the customer at the interface with the service provider” (De Chernatony & Segal-Horn cited by Guzman, 2005:17).

Service brands, such as Avis, Sun International etc. represent a specific relationship, rather than a person or a place, with this specific relationship developing under the auspices of the brand (Kapferer, 1992:28). However, one of the differences between a product and a service brand is the fact that the service is invisible. “Structurally, service brands are handicapped in creating images for themselves” (Kapferer, 1992:28). It is for this reason that service brands use slogans or a brand message. A slogan is an instruction for internal and external relations. The challenge for the brand approach in the service industry is to found in the fact that human beings are “intrinsically and unavoidably variable” (Kapferer, 1992:28) and it is essential that this be borne in mind when developing a brand in the service industry.

4.4.11 Behavioural branding

Behavioural branding is a promising strategy for public health social marketing. The **truth®** Campaign provides an extremely effective demonstration of behavioural branding (Evans, *et al.*, 2002:17). Branding is the central strategy behind the **truth®**

Campaign and it represents an important departure from previous, antismoking social marketing behavioural change efforts.

The branding strategy underlying **truth®** is based on the following key features:

- i. increasing the salience of an appealing non-smoking lifestyle to which teens and young adults would aspire;
- ii. raising awareness of the manipulative marketing practices of the tobacco industry;
- iii. providing teens with both the motivation and the tools with which to realise their needs for social acceptance, control and rebellion (Evans *et al.*, 2002:26).

Building such a brand is intended to take away industry market share from the tobacco industry through a head-to-head competition or a brand war. Winning such a war means building brand equity in the brand and its associated attitudes, beliefs and behaviours.

4.4.12 Health issue branding

The Heart Truth® Campaign's Red Dress (Wayman *et al.*, 2008:40) is a national social marketing campaign which provided the issue of women and heart disease with an identity for the first time. The Heart Truth® Campaign's Red Dress is an example that provides evidence that branding strategies are able to enhance the success of health campaigns.



Figure 4.9: Red Dress as a print (PSA – public service announcement) at The Heart Truth campaign launch (Wayman *et al.*, 2009:46)

4.4.13 Employer branding/internal branding

Employer branding is popular in marketing communication (Bijman, 2006:1). In an employer branding case study conducted by Bijman (2006), a solution was found for a number of the human resource problems at Arivia.kom. This included high levels of discomfort among employees during a process of change a lack of support for the vision of the company, etc. Apart from the human resource (HR) survey in this employer branding case study, a client satisfaction survey was also conducted. The results indicated that the staff did not reflect as positive and favourable on the company as is expected. It was decided that every employee could and would represent the company's brand to clients. "A conscious effort was made to communicate to the employees what the company's 'differentiator' or 'elevator statement' was. Everyone in the organisation was made into a 'brand evangelists' and in this way the entire workforce could act as a marketing tool, thereby cutting marketing costs and intensified the impact of the company's brand campaigns" (Bijman, 2006:10).

In this case study it is, however, stressed that it is important to remember that brands are not built overnight and that consistent marketing communication and constant

reinforcement are needed to create lasting brand relationships, whether these relationships be with customers or employees (Bijman, 2006:10).

Employer branding is also sometimes referred to as “internal branding”. In the words of Phil Knight, Chairman of the Board and Co-founder of Nike: “It’s not a single product model, nor a single manager, nor one ad, nor a single celebrity, not even a single innovation that is key to Nike. It is the people of Nike, and their unique and creative way of working together” (McCoy, 2009). Figure 4.10 gives a visual illustration of this statement.

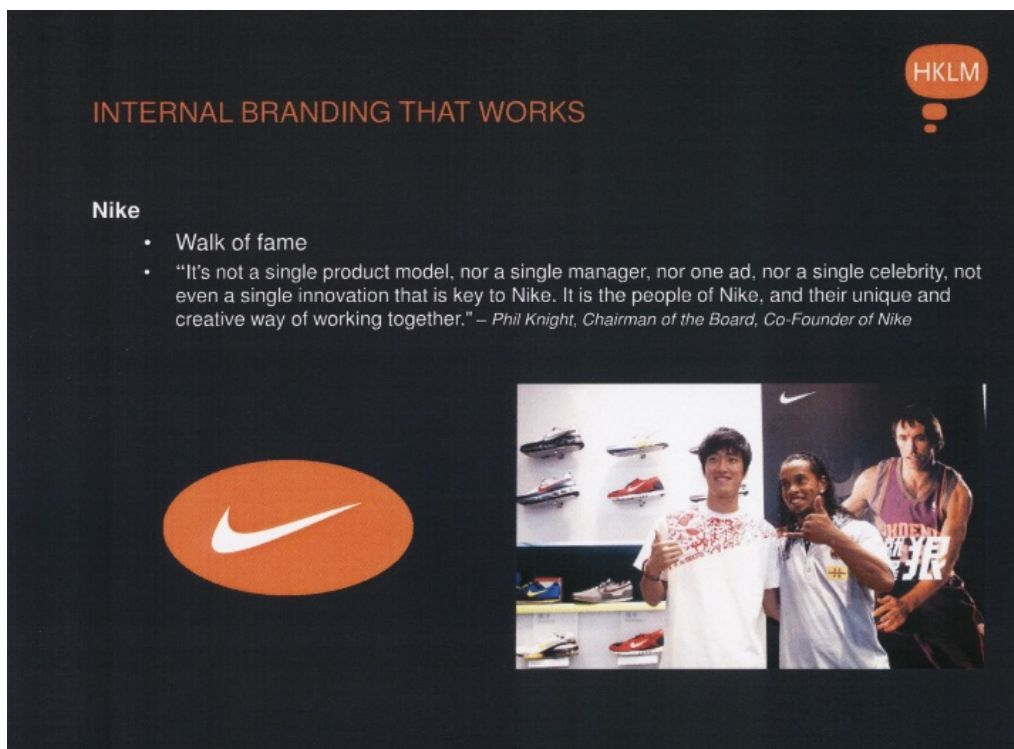


Figure 4.10: Internal branding that works: Nike (McCoy, 2009)

McCoy (2009) stressed that he believe that it is internal branding that gives companies a specific competitive edge. He motives this statement with the following example: "Companies with highly committed employees generate 200% higher three year total returns to shareholders than low committed companies between 1999 and

2002” (Watson Wyatt work study, USA, 2002 cited by McCoy, 2009) This example indicates that organisations should not underestimate employer branding or internal branding and, indeed, that employer branding or internal branding should be seen as a priority in the brand strategy of every organisation.

4.4.14 Authentic personal branding

Branding is no longer just for companies and there is a new trend termed “personal branding” (Rampersad, 2009:ix). Personal branding has become more important than company/corporate branding as a result of the fact that people are trusted more than companies and can be held accountable.

Traditional Personal Branding works in the same way as Company Branding, communicating values, personality and ability to its audience to produce a positive emotional response. Having a good professional reputation or brand seems to be a very important asset in today’s online, virtual and individual age (Rampersad, 2009:ix).

The majority of people are not aware that they have a personal brand and, consequently, they do not manage this personal brand strategically, consistently or effectively. Rampersad’s focus is on authentic personal branding, which is based on the incredible expectations and demands facing today’s professionals. It is for this reason that their commitment to their personal brand needs to be real. In other words, the personal brand should always reflect a person’s true character, be built on his/her dreams, life purpose, values, uniqueness, genius, passion, specialisation, characteristics, and on the things that that person loves doing (Rampersad, 2009:x).

If you are branded in this organic, authentic and holistic way, your Personal Brand will be strong, distinctive, relevant, consistent, concise, meaningful, exciting, inspiring, compelling, enduring, crystal-clear, persuasive and memorable. With an

Authentic Personal Brand, your strongest characteristics, attributes and values can separate you from the crowd (Rampersad, 2009:x).

Organisations should take note of authentic personal branding. By aligning and synchronising the personal brands of their employees with the organisation's brand, the organisation should become conscious of the "best fit" between employee and organisation. "Identifying with the Company Ambition and Brand is the most important motive for employees to dedicate themselves actively to the company objectives and to maximise their potential" (Rampersad, 2009:xii).

The Mandela "brand" is probably the best example with which to describe an authentic personal brand. During a survey conducted in the United States, the Mandela brand was placed second only to the mother of all brands, Coca-Cola (Thomson, 2004).



Figure 4:11: The Mandela brand (www.nanima.co.za)

4.4.15 Citizen brands

Citizen brands can be found in organisations that take into consideration the impact their decisions make on people and their environment, both internally and externally (Gobe cited by Guzman, 2005:17). In other words, a citizen brand is a socially

responsible brand. It has been suggested that corporate social responsibility (CSR) be integrated under the umbrella of a brand for the following four reasons (Blumenthal & Bergstrom cited by Guzman, 2005:22):

- recognising the magnitude of the brand promise;
- maintaining customer loyalty;
- maximising the investment in CSR regardless of the brand;
- avoiding conflict with shareholders.

By integrating CSR under the umbrella of a brand Blumenthal and Bergstrom (cited by Guzman, 2005:22) is from the opinion that “branded CSR turns philanthropy from an implicit delivery of the promise to an explicit one” (This branding category is also known as “brand citizenship” (De Jongh, 2009), which could be regarded as a framework for both brand positioning and brand promise: Responsiveness, Relevance and Responsibility. Brand citizenship can be defined as “the ability of an organisation to use the power of its brand to make a difference in society” (Arvidson, 2006 cited by De Jongh, 2009:5). Brand citizenship is the result of a process in terms of which a company develops its brand by “back casting” (De Jongh, 2009) key business decisions throughout the value chain and business processes in order to reflect ethical implications at every decision-making point. Accordingly, ethical brand implications become an underlying driver of all business processes and, in addition, they are more systemic to sustainable business.

This brand citizenship approach is based on the very key values that should be instilled in both children and youth as the leaders of tomorrow and are linked with the values that are key for the development sector.

4.4.16 Value- based branding (NPOs/SEs)

IMPACS (2004:1) defines value-based branding in the following way:

- a clear, consistent vehicle for creating dialogue with the audience;
- a means of deepening trust and loyalty;
- the sum of perceptions that the audience holds about the NPO/SE;
- a way of demonstrating the NPO/SE leadership in the sector;
- a collection of activities in which all employees, board members, and allies engage with every interaction contributing towards creating and maintaining the NPO's/SE's brand.

As a result of the nature of work done by the development sector, as well as most NPOs and SEs, their brands can be seen as deep value-based driven.

It is clear from the sixteen different branding categories listed above that branding is a field in the corporate communication arena that is growing apace and that it is an issue which no organisation – from the corporate to the development sectors – can afford to ignore.

The next section focus on the evolution process of branding to brand building and leadership, where after the different brand processes will be described.

4.5 The evolution of branding to brand building and brand leadership

During a brand building literature review conducted by Guzman (2005:1) the central concern was indicated as the dramatic shift experienced in brand building literature in the last decade. Branding and the role of brands, as traditionally understood, were

subject to constant review and redefinition. The next section will focus on the two main evolution processes: the shift from product branding to corporate branding and the shift from the classic brand management model to the strategic brand leadership model.

4.5.1 Evolution from product branding to corporate branding

A brand was traditionally defined in terms of the name, terminology, sign, symbol, or design associated with one or more items in the product line and which was used to identify the source of character of the item(s) and, in the process, a brand was created. Accordingly, brands had a simple and clear function as “identifiers”. The focus was on the product, seen as merely another step in the whole process of marketing in order to sell products and was short-term results driven. (Guzman, 2005:1) The traditional brand model was therefore seen as “tactical and reactive rather than strategic and visionary” (Aaker & Joachimsthaler cited by Guzman, 2005:2).

Before the 1980s, there was a different approach to branding. Firms shifted their focus from a “wish to buy production capacity” to a “want to buy a place in the mind of the consumer”. In other words, the brand focus shifted to an understanding that brands are more than merely identifiers and the focus of branding moved to developing brand value (Kapferer cited by Guzman, 2005:2). Different branding models were developed over time. It is possible to identify the following models (see Table 4.1).

BRANDING MODELS: THE EVOLUTION PROCESS			
Date	Writer	Model	Focus area
1999	Urde	Brand Orientation	Focuses on brands as strategic resources. The point of departure for a brand-orientated organisation is its brand mission.
2000	Aaker & Joachimsthaler	Brand Leadership	Emphasises strategy as well as tactics – a more strategic and visionary perspective. The drivers of this strategy are to create brand identity and value.
2002	Davis	Brand Asset Management	Brands, along with people, are an organisation's most valuable asset with the top three strategic goals being to increase customer loyalty, differentiate from the competition and establish market leadership.
2004	Logman	LOGMAN (Logical brand management)	This model focuses on a logical brand consistency audit which helps to identify real problems and key drivers for solutions, and to analyse the brand policy within a specific context.
2004	Aaker	Corporate Branding	The shift became apparent – from product brands to corporate branding. This implies that a brand represents an organisation and reflects its heritage, values, culture, people and strategy.

Table 4.1: Branding models: The evolution process (Writers in table cited by Guzman, 2005)

This branding evolution process meant that organisations shifted their focus thus from product brands to corporate branding. Through this process it is possible to distinguish the following six main differences between product and corporate branding:

- i. The shift in focus of the branding effort from product to corporation;
- ii. The different exposure the organisation is subject to, which makes the firm's behaviour and its interaction with society more visible;

- iii. The relation of the brand to all company stakeholders, not just customers;
- iv. The requirement of organisation-wide support;
- v. The temporal dimension of corporate brands includes past and future, not just present;
- vi. The greater reach of corporate brands than product brands means that they take on more strategic importance (Hatch & Schultz cited by Guzman, 2005:11).

On the basis of these differences, a corporate branding framework was developed (see Figure 4.12). This framework is based on three main elements: strategic vision, organisational culture and corporate image (Hatch & Schultz cited by Guzman, 2005).

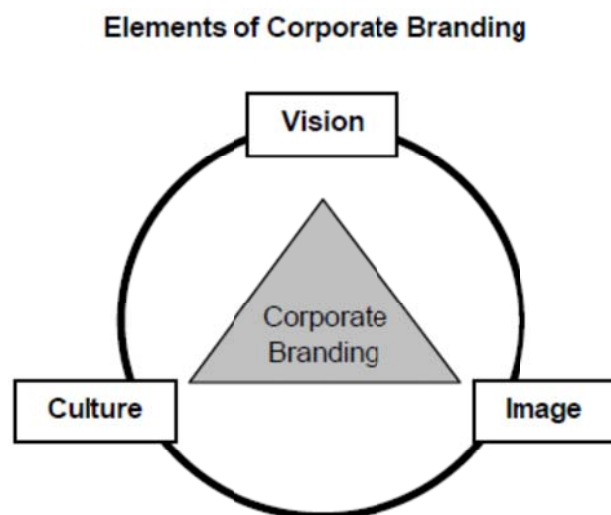


Figure 4.12: Elements of corporate branding (Hatch & Schultz cited by Guzman, 2005)

This framework is based on the fact that developing the corporate brand involves articulating and aligning the three elements of vision, culture and image and this is achieved when an effective dialogue between top management, external stakeholders, and members of the organisational cultures is established.

4.5.2 Evolution from a classic brand management model to a brand leadership model

Although the classic brand management model worked well for several decades, the model did fall short in dealing with emerging market complexities, competitive pressures, channel dynamics, global forces and business environments with multiple brands. As a result of these factors the brand leadership model emerged, also referred to as “the evolving paradigm” (Aaker & Joachimsthaler, 2000:8). It is possible to draw a comparison between the classic brand management model and the brand leadership model (see Table 4.2).

	Classic brand management model	Brand leadership model
<i>From tactical to strategic management</i>		
Perspective	Tactical and reactive	Strategic and visionary
Brand manager status	Less experienced, shorter time horizon	Higher in the organisation, longer time horizon
Conceptual model	Brand image	Brand equity
Focus	Short-term financials	Brand equity measures
<i>From a limited to a broad focus</i>		
Product-market scope	Single products and markets	Multiple products and markets
Brand structures	Simple	Complex brand architectures
Number of brands	Focus on single brands	Category – focus on multiple brands
Country scope	Single country	Global perspective
Brand manager's communication role	Co-ordinator of limited options	Team leader of multiple communication options
Communication focus	External/customer	Internal and external
<i>From sales to brand identity as driver of strategy</i>		
Driver of strategy	Sales and share	Brand identity

Table 4.2: Classic brand management and brand leadership (Aaker & Joachimsthaler, 2000:8)

The table above clearly indicates that the emphasis has shifted from a tactical to a more strategic management approach, the product-market scope is much broader and strategy is now driven by the brand identity.

The following challenges and recommendations can be noted regarding brand management and leadership (Aaker & Joachimsthaler, 2000:26–28):

- As far as the *organisational challenge* is concerned, it is recommended that an organisation establish a brand-nurturing structure and culture which will, in turn, lead to a strong brand;
- The *brand architecture challenge* be overcome by “an effective, well-conceived architecture that will lead to clarity in customer offerings, real synergies in the brands and their communication programs, and an ability to leverage brand assets” (Aaker & Joachimsthaler, 2000:26).

The *brand identity and position challenge*:

- The brand identity is the heart of the brand leadership model, because it is the vehicle that guides and inspires the brand-building programme. The brand position can help prioritise and focus the brand identity by setting forth the communication objectives: What message will best differentiate the brand and appeal to the target segments? (Aaker & Joachimsthaler, 2000:27).
- The key to the *brand-building programme challenge* is top-class brand execution that will ensure that the brand stands out of the clutter of messages. “The challenge is to be noticed, to be remembered, to change perceptions, to reinforce attitudes and to create deep customer relationships” (Aaker & Joachimsthaler, 2000:27).

Moving from the then and now. It is important to examine the views of branding leaders on the main processes of branding; namely, the building of the brand identity and equity in this brand leadership model.

4.6 Brand identity and equity: main processes in the brand leadership model

In this section two viewpoints are outlined: the first is how these processes can be utilized to create strong brands and secondly how it can be utilized to create charismatic brands.

4.6.1 Creating strong brands

Brand identity building can be defined as:

... the research and development process that helps determine what an organization does that is unique and valuable and provides guidance as to how to ensure that the experience, products and programs that comprise that unique and valuable offer are delivered and accurately communicated to the organisation's stakeholders (Engelberg & Kirby, 2001:12).

There are few organisations that are aware what their brands are, where their unique quality lies, or what their singularity and their identity involves. These underlying principles form the foundations of a brand charter.

The following four primary components come into play when developing a brand identity strategy for an organisation:

- i. *The image* – stakeholders' perceptions or the mental snapshot.
- ii. *Branding* – active, consistent, and strategic communication of the identity characteristics.
- iii. *Positioning* – the position of the organisations programme/product in the target audiences perceptions as compared to the positions held by other organisations (uniqueness in comparison).
- iv. *Organisational operations* – the functional operations that deliver on the promise (Engelberg & Kirby, 2001:9).

The essence of a brand identity lies thus in the organisation's own individuality, its long-term goals and ambitions, its own consistency and values, its basic truths and its recognition signs (Kapferer, 1992:34).

Aaker and Joachimsthaler (2000:44) suggest the following brand identity-planning model which can be divided into the following three phases:

- Phase 1: *Strategic brand analysis* where three areas are analysed: the customer, the competitor and the self.
- Phase 2: *Formulation of a brand identity system* with the brand essence as the core which encompasses both the value proposition and credibility of the organisation with regards to the organisation's relationships with target audiences.
- Phase 3: *Brand implementation phase* where the brand is positioned within a brand management programme and appropriately tracked.

This brand identity-planning model divided into these three phases is depicted in Figure 4.13.

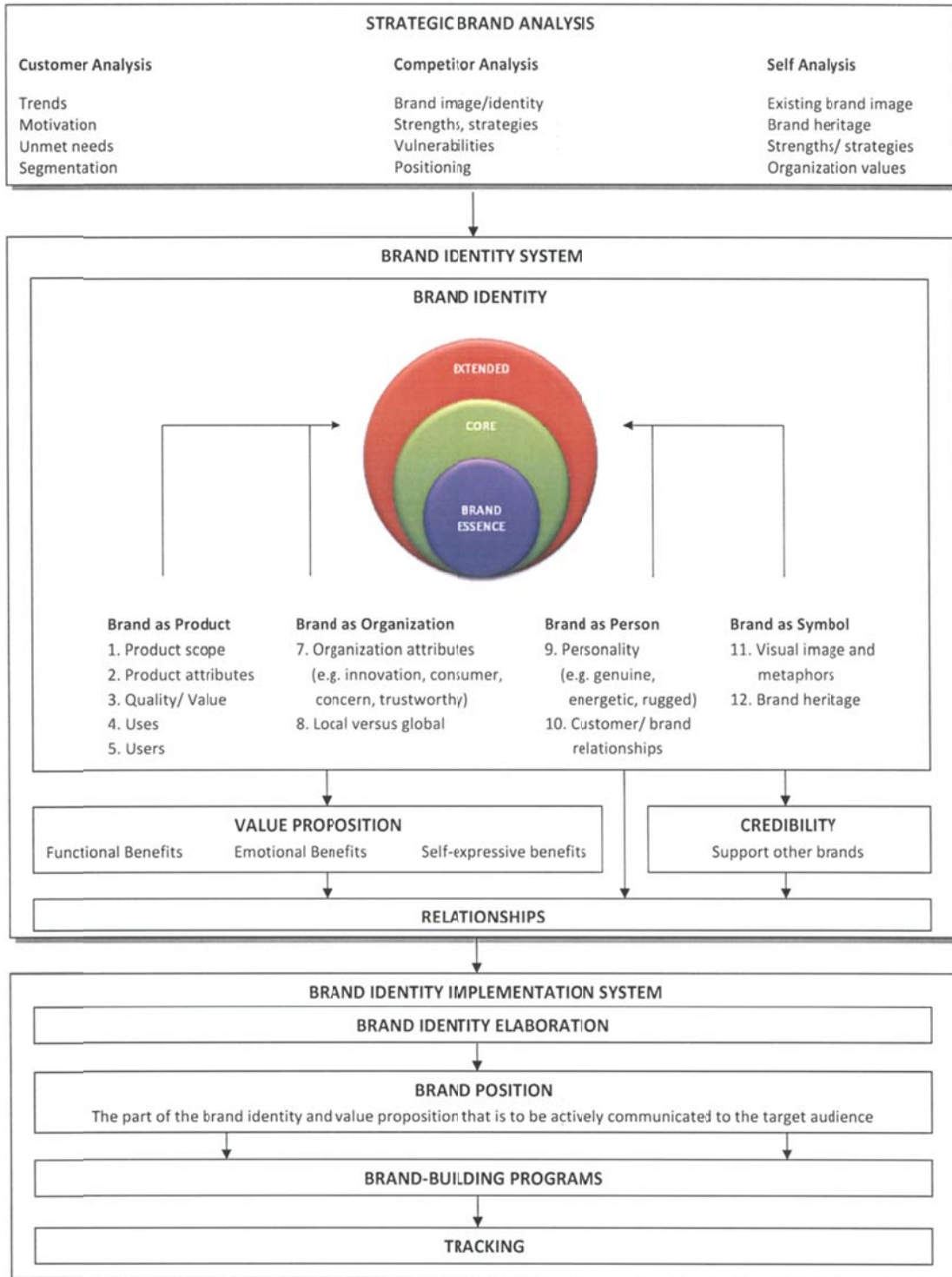


Figure 4.13: Brand identity planning model (Aaker & Joachimsthaler, 2000:44)

The goal of this brand leadership model is to create a strong brand. The strength of a strong brand is to be found in the organisation's own brand equity. Brand equity may be defined as "the brand assets (or liabilities) linked to a brand's name and a symbol that adds to a product or service" (Aaker & Joachimsthaler, 2000:17). These assets may be grouped into four dimensions/outcomes, namely, brand awareness and mindshare, perceived quality, brand associations and brand loyalty (Aaker & Joachimsthaler, 2000:17; Engelberg & Kirby, 2001:9). These four dimensions/outcomes are depicted in Figure 4.14.



Figure 4.14: Brand equity defined (Aaker & Joachimsthaler, 2000:44)

- i. *Brand awareness and mindshare*: This asset is often undervalued despite the fact that, it has been shown that awareness affect perceptions and even taste. People like the familiar and they are prepared to assign all sorts of positive attributes to a product/service that is familiar to them (Aaker & Joachimsthaler, 2000:17). These types of brands are referred to as "household" brands. "Brand awareness is quite similar to aided recall testing

in social marketing. It is most often measured by asking respondents which brands they recall. Mindshare is established by virtue of being distinctive and valuable, usually through actual or vicarious experiences” (Engelberg & Kirby: 2001:10).

- ii. *Perceived quality*: This is a special type of association as it influences brand associations on many contexts, but also because it has shown to affect profitability (Aaker & Joachimsthaler, 2000:17). It also evolves from actual personal experiences and communication about quality and is measured against specific areas, i.e. performance, reliability, durability, competence and responsiveness of staff, etc. “Customer-orientated benefits and value are a typical part of social marketing planning, but the emphasis on identity building facilitates the intersection between the valuable and unique offer created and delivered by the brand” (Engelberg & Kirby: 2001:10).
- iii. *Brand associations*: Brand associations refer to anything that connects the customer to the brand. It can include visual images, product attributes, use and organisational situations, brand personality, audio communication and taglines, slogans and logos/symbols; also referred to as “mental maps”. It is important that the perceived associations are actually experienced by the target audience. As an example, it is essential that any visit to McDonalds is experienced as fun and friendly as the “mental map” of McDonalds is fun, friendly, warm, fast, consistent, hot, clean and convenient, that (Engelberg & Kirby, 2001:11).
- iv. *Brand loyalty*: Brand loyalty is at the heart of any brand’s value according to Aaker and Joachimsthaler (2000:17). The concept is to strengthen the size and intensity of each loyal segment. Brand loyalty comes down to repeat

customers, despite new competition, price increases, product scandals or product changes. “Since a strong identity is about being unique and valuable, once those two dimensions have been tapped and successfully executed in product or program development, customers can ‘connect’ with the brand” (Engelberg & Kirby, 2001:11).

The above four dimensions/outcomes of brand equity guides the brand development, brand management and brand measurement in creating a strong brand.

4.6.2 Creating charismatic brands

In creating charismatic brands as referred to in section 4.4.9 the following five disciplines can be identified (Neumeier:2006:20-29):

4.6.2.1 Differentiate

In order to begin building an organisation’s brand, it is essential to answer the following three questions:

- Who are you?
- What do you do?
- Why does it matter? (Neumeier, 2006:31).

One’s brain filters out irrelevant information, absorbing only that which is different and useful. Therefore differentiation has evolved from a focus on “what it is” to “what it does” to “how you’ll feel” to “who you are” (Neumeier, 2006:38–39). While features, benefits and price remain important to people, it is the experiences and personal

identity that are most important. People create their own intimate worlds that they are able to understand, wherein they can participate and in which they feel they belong. “Brands are the little gods of modern life, each ruling a different need, activity, mood, or situation” (Neumeier, 2006:41). It is therefore important that an organisation aim to become the number one or number two brand in its target audience’s space and, if not able to be either number one or number two, that the organisation redefine its space and change its focus (Neumeier, 2006:45).

The most powerful form of differentiation is those brands which is constantly evolving and leading consumers, also referred to as “energized differentiation” (Gerzema & Lebar, 2008:3). Brands with this quality become irresistible to consumers by offering a clear sense of movement and direction. “This quality of branding moves us into the dawn of a new age in brand management and marketing” (Gerzema & Lebar, 2008:3).

4.6.2.2 *Collaborate*

Over time, specialists beat generalists. Therefore differentiation of the brand is critical. The “winner” is the brand that best fits a given space and therefore collaboration is necessary between the generalists and the specialists. In this regard Neumeier (2006:151) refers to “The law of the jungle is called the survival of the ‘fittingest’”.

The way in which a brand should fit its space is determined by the brand’s community. Neumeier (2006:152) stresses the importance that “it takes a village to build a brand” and it requires left-brainers and right-brainers to work as a team. The mathematics of collaboration, one plus one equals eleven, is nothing less than

magic. “As creative firms become more collaborative, they’re also become more specialized. The next economy will see a rise in branding networks – groups of ‘unbundled’ companies cooperating across the value chain” (Neumeier, 2006:152).

The following three basic models have emerged for managing brand collaboration (Neumeier: 2006:54).

- i. *The one-stop shop* – outsourcing the brand to a one-stop shop. This model has its roots in early 20th century branding, when companies routinely consigned large portions of their communications to a single firm, typically an advertising agency.
- ii. *The brand agency* – outsourcing to a brand agency. This is a variation of the one-stop model. In terms of this model the client works with a lead agency which helps assemble a team of specialist firms to work on the brand.
- iii. *The integrated marketing team* – stewarding the brand internally with an integrated marketing team. In terms of this model branding is perceived as a continuous network activity that must be controlled from within the company. The “best-of-breed” specialist firms are selected to work together with the internal marketing people on a virtual “superteam” which is then “coached” by the company’s design manager.

Neumeier (2006:68) recommends that an organisation either choose any one of the above models or else create a combination of the three models as explained above. It is further recommended that prototypes are utilised. Prototypes enable “brand

collaborators” to make use of a creative brief and mock-ups or drafts and, in view of the fact that they provide a “near life” experience for the collaborators, are perceived as powerful branding tools. Furthermore, prototypes eliminate marketing red tape and allow “gut feeling talk to gut feeling” (Neumeier, 2006:68).

4.6.2.3 *Innovate*

It is design, and not strategy, which ignites *passion in people* while it is *innovation that is the magic* behind both better design and better business. Drastic innovation has the power to render the competition outdated. One may expect innovation from people outside an organisation or from people inside an organisation who are able to “*THINK outside*” (Neumeier, 2006:153). It is essential that an organisation’s brand be “distinctive, brief, appropriate, easy to spell, easy to pronounce, likeable, extendible, and protectable. Bottom line: if it’s not innovative, it’s not magic” (Neumeier, 2006:153–154).

Branding is not about stamping a trademark on anything that moves, but it is all about managing relationships between the company and its constituents and conducting a conversation between several individuals over many channels (Neumeier, 2006:87).

4.6.2.4 *Validate*

The traditional one-way communication model is outdated and it has become critical to change the brand communication of an organisation from a monologue to a dialogue ensuring feedback. This dialogue is a vital characteristic of the new

communication model which is recognised as “real-world communication” (Neumeier, 2006:101).

There are different ways in obtaining feedback, i.e. through audience research. Through this feedback from the target audience the organisation will be able to inspire and to validate innovation. The importance of research should not be underestimated. Different research methodologies can be utilised, i.e. focus groups may be used to direct the research, while one-to-one interviews can give a lot of insight on which research decisions can be based. This kind of research can assist the organisation in measuring the brand’s expressions for “distinctiveness, relevance, memorability, extendibility, and depth” (Neumeier, 2006:126).

4.6.2.5 *Cultivate*

An organisation should be seen as a living and dynamic organism and not as an entity. Neumeier refers to this statement as “ditto your brand” (2006:155). Continuous alignment, is the basis of a “living brand”, therefore change becomes inevitable. A “living brand” is a “never-ending play” and every individual in the organisation can be perceived as “an actor in this play”. The target audience members “see the play” whenever they *experience the brand*, and they then tell others. When people’s experiences match their expectations, their loyalty increases (Neumeier, 2006: 136).

Another secret of a living brand is the fact that such a brand lives throughout an organisation. Therefore it is recommended that, as “branding is a process, and not an entity” (Neumeier, 2006: 139), it may be learnt, taught, replicated and cultivated through continuous education programmes within the organisation.

4.6.3 Conclusive remarks

With the growing importance of a brand, the vulnerability of the brand increases. Therefore it is important to note that a failed launch, a drop in quality, or even a hint of scandal may damage the credibility of a brand and this, in turn, may place the organisation's reputation at risk.

One of Tom Fraser's (2009) presentation slides at the Brand Conference in Johannesburg provides an effective visual summary of this section on brand identity and brand equity in building a strong and/or charismatic brand.



Figure 4.15: Aligning brand promise, reputation and delivery (Fraser, 2009)

The essence of both branding and brand management is the aligning of the organisation's brand promise with the organisation's reputation and service delivery by "living the brand", thus ensuring the fulfilment of the brand promise. The result will be that such a brand will be highly positioned in comparison with its competitors.

The next section will outline who the main role players are in the brand building process.

4.7 The main role players in the brand building process

The more “collaborative” a brand becomes, the more centralised its management needs to be. The future of branding will require strong chief brand officers – also referred to as brand stewards or brand ambassadors, who are able to manage the brand from within an organisation. The brand ambassador will be responsible for documenting and disseminating the brand knowledge and will also need “to transfer it whole” to each new manager and collaborator (Neumeier, 2006:156).

Brand stewardship may be defined as “... the leadership of and the accountability for the long-term well-being of the organizational brand equities (Speak cited by Guzman, 2005:20)”. Developing a stewardship process involves the following:

- i. engaging an executive leadership in communicating the vision to the key market relationships;
- ii. saturating the brand process throughout the whole marketing process;
- iii. obtaining the cooperation of the entire organisation in ensuring that the brand promises are delivered.

It is important to remember that everyone in the organisation becomes “a *de facto* brand steward” (IMPACS, 2004:8). All new employees should be orientated with regards to the brand of the organisation and they must receive at least some information about how they will be able to contribute to communicating the brand in a consistent manner.

Each lap around the branding circle, from differentiation to cultivation, takes the brand further from commoditization and closer to a sustainable competitive advantage (Neumeier, 2006:157).

The following two slides (Figure 4.16 & 4.17) from Tom Fraser's (2009) presentation at the Brand Conference in Johannesburg illustrate very clearly who the responsible individuals are in the branding process.



Murray & Roberts

Integrated Brand Management

**Marketing Departments
do not market....**

It is a myth...

Organisations Market!

Everybody in the
organisation has a causal
influence and impact on
brand performance...

**this includes
YOU!**

Every person in the organisation is somehow involved in promise delivery



Figure 4.16: Integrated brand management (Fraser, 2009)



Murray & Roberts

The brand is the people and the people are the brand





It's all about people!!

The brand is the people and the people are the brand



Figure 4.17: The brand is the people and the people are the brand (Fraser, 2009)

It is significant that Figure 4.17 moves ownership even further from an internal point of view to an external point of view by stating categorically that “the brand is the people and the people are the brand”. This view of ownership of the brand was confirmed during the Coca-Cola Case Study Presentation “Owning Brand Cool” (the number one brand for eleven years), at the Brand Conference in Johannesburg (Abrahams, 2009). During the presentation the following statement was highlighted as one of the three lessons learned in the 123 years of business:

Following brand cool is DANGEROUS... “Cool” is for the over 25 years olds, “experience” is distinct point of view and “brand ownership” is what youngsters want¹ (Abrahams, 2009).

In the next section the focus are placed on the application of branding in the SE’s sector – the specific context of this research study. Through this section it will be demonstrated that the processes implemented are similar to those implemented in the corporate sector with the context, namely, the development sector, as the only difference.

4.8 SEs and branding

This section give an introduction to SEs and branding based on a study conducted in this regard, followed by an outline of a SE’s branding process demonstrated by the Communicopia’s brand DNA process.

¹ This red colour of this quote stress the importance of a colour for a brand: **COKE OWNS RED**.

4.8.1 Introduction

In Bull and Crompton's article (2006:1) on business practices in SEs, it was shown that image, branding and identity are low priorities in several of the SEs that participated in a research project. This project indicated that this was the result of a lack of appropriate human and/or financial resources within the SE teams. In addition, it was noted in the findings that it could also be the result of the fact that SEs tend to view marketing as something more in line with mainstream businesses. It was further indicated that many SEs were slow to develop marketing strategies. This result was ascribed to the fact that the focus of the SE is community needs based, as opposed to formulating brand and differentiation strategies.

In his book, *Boschee on marketing: Positioning and Marketing Strategies for Social Entrepreneurs*, Boschee states that it is important that SEs apply the fundamental principles of marketing. "Marketing is not a business function. It is the business" (Boschee, 2007:3).

As in the case of the corporate sector, for SEs in the development sector, marketing is fundamentally about "winning a share of the mind of the target audience" (Boschee, 2007:16). By implementing this kind of marketing approach, SEs will ensure that they also burst "through all the clutter assaulting the minds" (Boschee, 2007:16) of the target audiences in their specific fields of expertise. In addition, this approach will enable SEs to find a way in which to differentiate their organisations by ensuring that they create a memorable image and brand. Accordingly, it is important that all SEs be "well aware that everything an organization does begins and ends

with its image – and that the image already exists whether you want it to or not” (Boschee, 2007:17).

The time has passed in which the development sector was able to rely on its good work speaking for itself. Nowadays, this is possible only if people are aware of the organisation and are able to recognise what the organisation does and an effective marketing and brand management plan is needed if this is to be accomplished. A strong brand is the main component in being recognised and, thus, it is crucial that SEs get their branding right.

4.8.2 The SE’s branding process

Additional to discussing the SE’s branding process and the importance thereof, in this section it will further be outlined how the branding process differs or not from commercial organisations.

The Social Enterprise Partnership (SEP) is a project that delivers infrastructure as well as systems development, capacity building, and research and development for the SE sector in the United Kingdom. The SEP’s recommendations concerning involvement in their project are set out below from the point of view of a creative company and then a SE.

When approaching brand work for a SE, it is important never to make any differentiation or allowances just because of that fact. The issues facing such enterprises from a brand perspective are no different from those facing any commercial organisation, in that they require the best solution at the most economically viable cost (Social Firms UK, 2010:10).

The only difference between a SE and a commercial organisation is the fact that the parameters and scope of the briefs in respect of the two types of entities would be very different, although the thinking would be exactly the same regarding the point of departure in developing a branding strategy.

Nevertheless, working on branding projects for a SE does demand both an awareness of and sensitivity to the following issues:

- i. any brand identity solution must not come with implications for expensive on going implementation;
- ii. just because it's a SE does not mean that any creative solutions should look patronising in any way or "cheap" in execution;
- iii. by being a SE, it does not mean that any creative solutions should focus on this as the solution itself (Social Firms UK, 2010:10).

Recommendations to a SE in approaching a branding project from scratch include the following:

- i. Approach professional creative agencies to assist your SE to develop your organisational brand. SEs projects might carry much smaller budgets, but the work itself is exciting and challenging, which matters as much to such people as the money.
- ii. Don't be tempted to use non-professional companies such as university departments either on pro-bono or limited fee basis. Branding is a complicated business and should not be trusted to amateurs.
- iii. Branding projects are unique in many respects in that it is the chance to really influence the "brand" from the start. Once the brand identity is

created, all that follows must conform, so make the most of the development process.

- iv. Deliver a detailed brief. You as the SE will always know more about your organisation's proposed brand than an agency will, particularly at the start. Share the vision, examples of work from similar or different organisations which they should see and make them aware of any politics or any other fundamental issues which might constrain their thinking or approach. The more you as the SE put in at the start, the more you will get out at the end.
- v. Creating brands has obvious legal implications and therefore costs. From the start costing for legal fees and/or trademark costs, especially if a new brand name is being created, should be created.
- vi. Developing new brands or concepts is not a regular, daily activity. These types of projects are rare in that nothing is set in stone and anything can be considered in arriving at the solution desired. Once established, the brand is real and everything that follows will come with constraints which were non-existing at the start (Social Firms UK, 2010:11).

In addition to the recommendations listed above, there are also the following three main reasons why NPOs require a more coherent and individual model of branding than the corporate/commercial sector:

- i. Charities are the product of a desire to change the world: to cure cancers, eliminate poverty, stop animal cruelty, etc. This means their personalities are potentially far deeper than those of most commercial

brands; which confirms the importance of a personal brand and the founders of a NPOs/SEs role as outlined previously in this chapter.

- ii. For a commercial brand to be successful it typically needs millions of rands of marketing budget. Charities quite simply cannot afford this approach. This is why so many charities use direct marketing and public relations extensively.
- iii. The nature of charities is such that a comprehensive corporate identity re-launch can be very difficult. The expense and the internal resistance of a re-launch can be awesome for a charity. This process is extremely time-consuming (Saxton, 2008:2–3).

With regards to brand identity building efforts on the part of SEs, it has been proven that it is possible for such efforts to be extremely effective if the following are in place (Engelberg & Kirby, 2001:14):

- i. efforts which are data based;
- ii. strategic decision making that takes into account the culture of the particular SE;
- iii. a readiness to change on the part of the SE and the value of small, incremental steps of change is understood;
- iv. active and visible support from top leadership;
- v. common ground for the work is established among the various groups that will participate in the process;
- vi. when any possible internal perceptions and emotional investments pertaining to the current situation are addressed;

- vii. when there is sensitivity to those issues that may promote the restructuring of the SE's identity.

The above was confirmed as well as the importance of the role of branding within SEs at the Canadian Social Enterprise Conference held in 2007. The business case was made out that a Social Entrepreneur needs others if the SE is to be successful in realising its mission. It is critical that the SE know “who they are talking to” and “where to find them” (Mogus, 2007), especially when taking into account that SEs usually possess limited resources.

Taking the above into consideration it is essential that the SE knows its target audience by having answers to the following three questions:

- i. Who they are and where they are?
- ii. What is their situation at the time when the SE is trying to make contact?
- iii. What are their needs and what do they regard as important?

Once the target audience has become receptive to the SE's message, it is essential that the message is communicated speedily. In addition, SEs need to reach their target audiences in such a way that they first take notice and then move into action (Mogus, 2007). Table 4.3 illustrates the importance of branding for SEs according to Mogus (2007):

Bad news scenario	Good news scenario
<ol style="list-style-type: none"> 1. Attention is a new value in the economy and also the most scarce resource; 2. SEs competes in an open market against all other local and international organisations, with limited resources and marketing capacity; 3. SEs often creates new markets; serving needed communities; 4. In most cases SEs have complex, multi-dimensional messages which they need to deliver; 5. People buy on a “mixture of heart and head” values, but are not always the tipping point in a purchasing decision; 6. SEs does have a brand: “the images and attributes that others associate the SE with and needs to be managed proactively. 	<ol style="list-style-type: none"> 1. SEs have “an inherent amazing story”; 2. The values which are embedded into the core of the SE; 3. SEs have highly motivated stakeholders who are able to take the SE’s message out into the world; 4. The market is moving in the direction of “valuing socially responsible attributes with the demands of both the consumer and business increasing in this regard; 5. If a SE is able to discover what its customers truly value, and then deliver on that and its own values, then this type of SE will have a sustainable, competitive advantage.

Table 4.3: The importance of branding for SEs (Mogus, 2007)

It is clear from the above, that both the branding process and the thinking in the development sector is the same as in the corporate sector. In the following section a more specific application of the branding process in respect of the SE’s sector will be illustrated through an example that was demonstrated by Mogus during the Canadian Social Enterprise Conference held in 2007, referred to as “The Communicopia’s brand DNA process”. He suggests that in this process the following “branding basics” are used as illustrated in Figure 4.18:

- i. business objectives;
- ii. target audience;
- iii. key messages;

- iv. refining of the brand essence;
- v. building everything on top of the first four branding basic elements is the discipline of focus or leverage on the SE's specific competitive advantage.

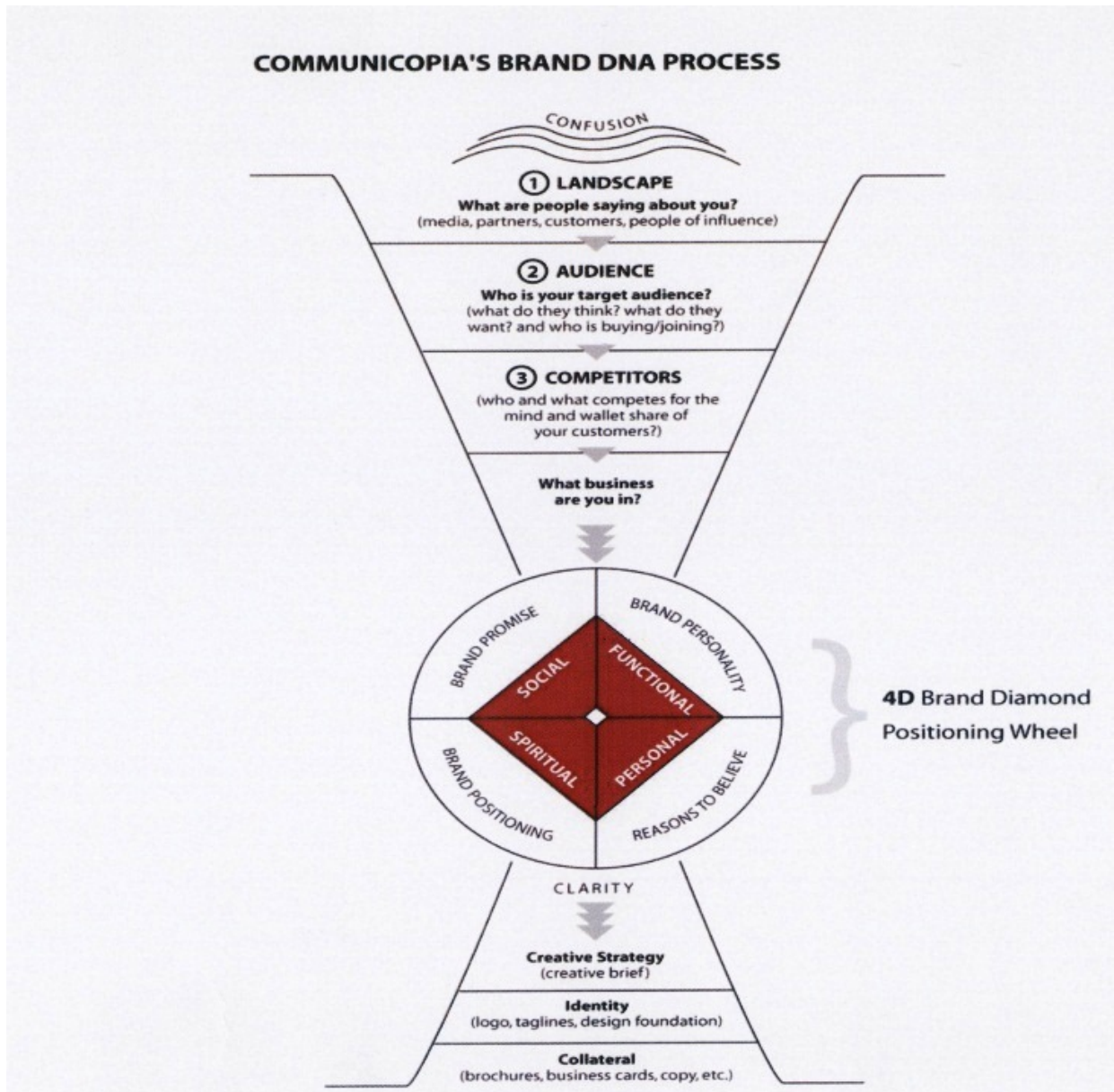


Figure 4.18: Communicopia's brand DNA process (Mogus, 2007)

The brand DNA process depicted above is divided into three stages: (Mogus, 2007). Stage 1, “the funnel”, is the stage during which the landscape, audience and competitors are analysed. Stage 2, the 4D Brand Diamond Positioning Wheel, involves a dissection of the SE’s brand by focusing on the functional, social, personal and spiritual dimensions of the brand. Stage 3 focuses on taking the SE’s message out into the world. These three stages will be discussed in detail in the next section.

Stage 1: The funnel (See Figure 4.18)

The funnel areas that must be analysed are outlined in Table 4.4:

AREA	QUESTIONS
Landscape	<ol style="list-style-type: none"> 1. What are people saying about the SE? This information may be obtained by means of formal market research, informal customer comments, as well as funder and employee comments. 2. What are the following people say about the specific SE’s industry i.e. media, influential people and the SE’s customers?
Audience	<ol style="list-style-type: none"> 1. Whom is the SE addressing? What does the SE know about their specific target audiences that will help the SE to communicate more effectively? What do the target audiences think about? What do the target audiences care about? What do the target audiences really, really want? These answers will enable the SE to differentiate aspirational target audiences as opposed to who is really buying. 2. What is the key insight about the target audiences? What is the SE able to say that allows them to walk in the target audiences shoes? 3. What would the target audiences say about the SE now? How would they describe the SE? 4. What would the SE like them to say after the target audiences have experienced the SEs brand? What is the response which the SE would like them to have?

Competitors	<ol style="list-style-type: none"> 1. Who are the key competitors that the SE should be watching and following? It is suggested that direct competitors for the SE's product/service and best practices in other industries/regions/sectors be studied. 2. Who and what competes for the mindshare of the SE's target audience? What alternatives exist in the mind of the target audience with regards to what the SE is offering? 3. What is the actual business of the SE?
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Table 4.4: The funnel areas to be analysed (Mogus, 2007)

After these three areas have been carefully analysed, the second stage of the brand DNA process comes into effect.

Stage 2: The 4D Brand Diamond Positioning Wheel (See Figure 4.18)

The four-dimension areas that are focused on are the functional, social, personal and spiritual dimensions. The dissection types of question posed for each area are listed in Table 4.5.

Area	Description
Functional dimension	<ol style="list-style-type: none"> 1. Functional attributes concerning the perception of the possible benefit arising from the service the SE provides; 2. Functional benefits are related to the unique product or service the SE offers, and they are the reason why people would approach the SE in the first place; 3. The functional dimension is often the area in which value based businesses/NPOs are the least evolved; 4. The advantages of the functional dimension are easily duplicated.

Social dimension	<ol style="list-style-type: none"> 1. Social attributes refer to the ability to create identification with a community of people to which the SE's target audience wants to belong; 2. Social attributes meet the natural desire of people to belong to something bigger than themselves and to be accepted by leading members of a community.
Personal dimension	<ol style="list-style-type: none"> 1. Personal attributes refer to the ability to support an individual's growth towards becoming stronger, smarter and more evolved; 2. Personal attributes are about personal transformation and change as well as people gaining new insights about themselves.
Spiritual dimension	<ol style="list-style-type: none"> 1. Spiritual attributes refer to either the perception of global or local responsibility, or else the way in which the SE's brand succeeds in making the world a better place. 2. Value based brands display a natural leadership in terms of this dimension and must be built upon.

Table 4.5: The 4D Brand Dimension areas (Gad cited by Mogus, 2007)

Providing answers to the questions posed above will enable the SE concerned to dissect its brand in order to gain an understanding of the place which the functional, social, personal and spiritual attributes of its brand occupies in the minds of the target audience.

This dissecting process also provides clarity with regards to the following brand elements – the 4D Brand Dimension Wheel – of the SE:

- i. the brand promise;
- ii. the brand personality;

- iii. the brand positioning;
- iv. reasons to believe in the brand.

Stage 3: Carrying the message out into the world in terms of the Brand DNA process (See Figure 4.18)

After the SE has progressed through Stages 1 and 2 and gathered the information available about its target audience, the brand personality of this target audience and the attributes of the brand which resonate the most, the next step involves formulating the following:

- a creative strategy which will include creative outreach ideas;
- developing the organisational identity and collateral as depicted in Figure 4.13.

Mogus (2007) emphasises the following elements of branding, with regards to the creative brief for SEs, to be used as a guideline:

- What is the project? What is the product/service mix?
- What is the overall business/communication objective?
- To whom is the SE talking? What does the SE know about them that will actually help them?
- What is the key insight about the target audience?
- What would the target audience say after being exposed and experienced the SEs brand?
- What would the SE want the target audience to say after they have been exposed and have experienced the SE's brand?
- What is the strategic insight to which the SE has come?

- Why should the target audience care about the SE? Why should the target audience believe the mission and vision of the SE?
- What is the personality of the brand and tone of this SE's brand communication?
- What is the overall key message to be delivered?

4.9 Conclusion

In conclusion, it is recommended that SEs take note of the following important aspects which are based on branding in general and more specifically on the branding process.

Value-based branding is the right branding model for SEs, as this type of branding creates the opportunity for dialogue with the target audience; it deepens trust and loyalty; it comprises of the sum of the perceptions that the audience holds about the SE; it is a way of demonstrating leadership in the social sector and it involves group activities in respect of which all employees, volunteers, board members are able to make a contribution towards creating and maintaining the SE's brand (IMPACS, 2004:1).

In line with value-based branding, Saxton (2008:8) refers to the fact that a "strong charity brand" evolves from strong beliefs and values – in other words, "belief-based brands".

With regards to creating and maintaining their brands, it is important that SEs bear the following in mind:

- SEs are increasingly well placed to become powerful brands and are referred to as the “brand superstars in the making” (IMPACS, 2004:1). The reason for this is that SEs are driven by passion, vision and a commitment to core values.
- The logo, colours, and the tagline (the fun stuff) come much later than the SE’s brand. The brand for SEs is the “DNA” – the core idea, identity, values and spirit that will not change or shift, regardless of the work the SE undertakes (IMPACS, 2004:7).

It is important that SEs build effective brand identities for the following reasons:

- A strong brand makes it easier to attract funding;
- A strong brand makes it easier to draw media attention, attract volunteers and reach key publics, so strengthening the SE’s support;
- A strong brand assists in the development and promotion of programmes, tactics, strategies and organisational missions;
- A strong brand improves the effectiveness and use of programmes by target audiences; also from a costing point of view;
- A strong brand helps organisations to determine the most unique and valuable benefits they are able to offer their stakeholders and it provides guidance on delivering those benefits;
- A strong brand helps social sector groups to differentiate an organisation’s qualities and value in today’s overcrowded and competitive marketplace (Engelberg & Kirby, 2001:8).

It is essential that a SE knows that it is time to revisit its brand (IMPACS, 2004:7)

when:

- different people in the SE say different things and use dramatically different language to describe what they do;
- the work which the SE is doing is wonderful, effective, and urgent, but it would appear that the funders and the media are not aware of what the SE is doing;
- research indicates that there is a gap between what the SE thinks it is and what the target audience thinks the SE is (gap between the organisational promise and the word on the street);
- promotional materials do not present the same look and feel of the SE.

When SEs reposition their brands, the SEs must start by identifying their non-negotiable values. In addition, it is imperative that they have a clear understanding of the reason why they exist (brand promise). Secondly, the SEs need to identify the gap (if any) between the way in which they perceive themselves and the way in which their target audiences view them. Thirdly, the SEs must take this “genetic” information and transform it into a set of working principles and tools, that is, an identity statement (IMPACS, 2004:8).

Regarding the visuals and language of the brand, the brand development process must express, in detail, the identity, work and values of the SEs concerned in colours, textures, typefaces and photographic styles.

It is essential that SEs understand the importance of managing their brand. Brand management is an organisational framework that systematically manages each

external point of contact between the SE and its audiences while effective brand management means keeping the brand focused and consistent (IMPACS, 2004:8).

NPOs and SEs in South Africa should take note of the importance of the role of branding in their organisations. In the competitive South African social sector climate, with over 100 000 NPOs, a strong brand identity platform will significantly help NPOs and SEs to realise the branding outcomes as listed above, regarding their organisational brands, as well as their product/service brands.

NPOs with strong brands are leaders with the ability to excel and to move to the next level on the “NPO pyramid model” (Figure 1.3), thus, ensuring that they are “the SEs of tomorrow”. By applying these branding processes and guidelines SEs will further ensure that they become well-known brands in the social sector as well as definite “brands of choice”.

Chapter Five will outline the research methodology that was adopted in this study.

CHAPTER FIVE

RESEARCH DESIGN AND METHODOLOGY

5.1 Introduction

Following the literature review presented in Chapters Two, Three and Four, Chapter Five deals with the research design for the study. It also describes the actual research process that was implemented. Through the research design process, it is endeavoured to find answers on the study's main research question, namely:

“What role did branding play in the social marketing processes of the three Schwab Foundation award winning social enterprises (SEs)?”

This study will investigate three social enterprises (SEs), whose CEOs have won The Schwab Foundation Social Entrepreneur (SFSE) of the Year Awards, to determine how branding was used as a communication tool to position their organisations as leaders and differentiators in the development sector.

5.2 Setting the scene: The three case studies

The scene for this study is set by firstly giving a brief overview of The SFSE of the Year Awards followed by a discussion of the three case study organisations.

5.2.1 The Schwab Foundation Social Entrepreneur (SFSE) of the Year Awards

In 2001, the Schwab Foundation launched the Social Entrepreneur of the Year Awards to identify people who had spearheaded groundbreaking grassroots solutions to solve major problems within their communities (SFSE, 2005:2–4). Social

entrepreneurs who made a major contribution and have the highest ethical standards are selected as winners.

Three South African SEs were chosen as case studies for this research, namely Soul City, Heartbeat and the Johannesburg Housing Company (JHC). These organisations were chosen because their CEOs were the first three winners of The SFSE of the Year Awards in South Africa (SA). These SEs will be investigated to establish the role branding plays in their social entrepreneurship efforts in order to help them meet their developmental goals and to differentiate themselves as brand leaders in their fields of expertise.



Figure 5.1: The three Schwab Foundation Social Entrepreneur of the Year Award winners. From left: Dr Garth Japhet (Soul City) – winner 2003, Prof Sunette Steyn (Pienaar) (Heartbeat) – winner 2006 and Taffy Adler (The Johannesburg Housing Company) – winner 2007.

5.2.2. Soul City: Institute for Health and Development Communication

5.2.2.1 *The social entrepreneur: Dr Garth Japhet*

As a physician working in Soweto in the late 1980s and early 1990s, Japhet had become increasingly frustrated that his medical skills were doing little to improve the health and quality of the lives of his patients in the poverty-stricken townships. Lack

of information on issues surrounding health and poverty was the main “disease”. Existing educational programmes had little effect because they did not reach enough people and information was delivered in a dry and bureaucratic manner, which was not conducive to learning. Japhet decided to turn to the media.

At that stage in South Africa, radio reached 98% of the population, television 76% and print media 46%. By making education entertaining Japhet believed that knowledge could be retained and debate stimulated. Based on this information, the idea finally developed into Soul City in 1992. Of his work, Japhet stated:

I see my work as giving people and communities tools that will make a tangible difference in their lives. I want to reach more people in Africa and beyond, and make the interventions increasingly relevant to all facets of their lives (SFSE, 2007).

5.2.2.2 The social enterprise: Soul City's background

Soul City is a national, multimedia “edutainment” initiative that seeks to impact positively on people’s lives by integrating health and development issues into serialised prime-time television programmes, radio dramas and easy-to-read booklets. Soul City (a NGO) was launched by the Institute for Health and Development Communication (IHDC) in 1992 with the mission to make a measurable improvement to the health and quality of the lives of the people of Southern Africa (Crowther, 2000:1).

Soul City has been recognised (both locally and internationally) as a successful, pioneering initiative and has won several awards which are discussed in detail in Chapter Six. Reaching 79% of South Africa’s population, the Soul City television and radio shows have consistently ranked number one or two in audience ratings over

the past five years (SFSE, 2007). Two-thirds of its audience is between 16 and 24 years of age.

Utilising the combined power of television, radio and the print media, the initiative has reached over 12 million South Africans (rural and urban), raising health awareness, and impacting on perceptions surrounding pertinent social issues such as HIV and AIDS, domestic violence, rape, disability, alcohol abuse, asthma, hypertension, depression and xenophobia (Soul City, 2011).

Soul City has extended its operations in the last five years to another nine countries in the Southern African region, making it the largest development communication organisation in Africa. This is a groundbreaking cross-border health communication project tackling HIV and AIDS in Africa. The nine countries are Botswana, Lesotho, Mozambique, Namibia, Swaziland, Zambia, Zimbabwe, Tanzania and Malawi (Soul City, 2009a).

Large-scale independent evaluations have clearly demonstrated the programme's effect on positive social change (SFSE, 2007). All the Soul City Institute's interventions are rigorously researched and evaluated through an extensive and inclusive formative and pre-testing research process with the target audience and key stakeholders. Through audience collaboration and participation, the life experiences and voices, as well as the social norms and behaviour of the target audience are captured, giving the Soul City media platforms resonance, credibility and clarity of message (Chikombero & Quinn, 2009:6). Soul City is one of the most

evaluated edutainment strategies in the world, and is widely admired among health and development experts (Kinnock, 2002:4).

5.2.2.3 *The Soul City Institute model: programmes and campaigns*

The Soul City Institute has two main programme divisions: the South African programme and the regional programme in Southern Africa. The regional programme focuses its efforts on the nine Southern Africa countries (as mentioned above) in partnership with local organisations in each country.

The regional programme consists of two focus areas:

- i. On the Southern Africa level, a significant partnership campaign called *OneLove* which will run until 2013. This campaign is based on extensive research on the risks of multiple concurrent sexual partnering which have been declared as a key driver of the HIV and AIDS epidemic in Southern Africa by the Southern African Development Community (SADC). The campaign also includes other issues such as consistent condom use, gender equality and population mobility (Soul City, 2009a:2).
- ii. It undertakes an impressive capacity building programme. This programme makes a significant impact and has unparalleled reach across the initial eight core countries (excluding Tanzania). An evaluation of the programme showed an average of 60% awareness of the local brands by the youth (Soul City, 2009a:4).

In addition, in the South African programme a second campaign exists called *PhuzaWatch* which will run until 2014. This campaign aims to reduce violence in

communities by dealing with the reduction of alcohol abuse. *PhuzaWatch* will also impact on HIV because alcohol has been identified as another contributing cause of the epidemic (Soul City, 2009a:3).

These two campaigns are undertaken using the Soul City Institute's two extremely successful programme brands (communication/media vehicles), *Soul City* and *Soul Buddyz*, and a new community make-over development programme, *Kwanda – Communities with Soul*.

- The TV drama *Soul City* targets the youth and adults. The series is broadcast on SABC1 and attracts a weekly audience in excess of six million South Africans of all races (Soul City, 2009a:3).
- *Soul Buddyz* is a similar multimedia intervention for children, aged 8 to 15 years as the primary target. It is complementary to *Soul City* and has reached 90% of children in this age group of a nationally representative sample (Soul City, 2009a:4). *Soul Buddyz* was first aired in August 2000 and consists of a weekly 26-part television drama series on SABC1, a weekly, 30 minute 26-part radio magazine series piloted on three African language stations, (Motsweding, Umhlobo Wenene and Thobela FM), a parenting booklet (560 000 which were distributed through newspapers nationally) and a Grade 7 life skills booklet distributed through schools nationally (Scheepers, 2002:4).
- *Soul Buddyz* is complemented by *Soul Buddyz Clubs*, a face-to-face intervention implemented in primary schools in collaboration with the Department of Education (DoE). Currently, there are over 150 000 children involved in over 5 500 clubs throughout the country (Soul City, 2009a:3). The clubs gather in 56 districts all over the country and share experiences about

becoming even more effective community activists (SFSE, 2007). This is further complemented by a reality television programme, *Buddyz on the Move*, which showcases *Soul Buddyz Club* activities. Complementary materials and messaging for parents and caregivers form part of this initiative (HDA, 2008:2).

- In September 2009, Soul City launched *Kwanda*, Soul City's new reality television programme (Soul City, 2009a:3). *Kwanda* brings together people around the country and teaches them organisational skills that they can take back to their communities in order to make their communities "look better, feel better and work better" (*Soul Expression*, 2009). Volunteers were recruited from five communities across South Africa, eventually coming together for a four-week "learning camp" (*Soul Expression*, 2009). The communities were: Kwakwatsi, near Sasolburg, Free State, Pefferville, near East London, Eastern Cape, Tjakastad, near Barberton, Mpumalanga, Lephephane, near Tzaneen, Limpopo and uMthawalume, near Port Schepstone, KwaZulu-Natal (Soul City, 2009b:3). Subsequently, the teams took the skills they had learnt in the learning camp back to their communities where they were filmed for four months as they worked together on some of the biggest challenges faced by their communities. They continued to work together with their communities after the cameras were switched off.

The Soul City Institute's multimedia strategy uses a combination of popular mass media edutainment programmes, advocacy campaigns and massive social mobilisation intervention to achieve their significant impact. Their social mobilisation

activities that complement the uses of mass media, in addition to the *Soul Buddyz Clubs*, are the following:

- parent training in schools;
- mobilisation of schools as nodes of care for orphans and vulnerable children (OVCs) in conjunction with school governing bodies and the Department of Education (DoE);
- an accredited HIV and AIDS training project with 18 partner training organisations in different communities nationwide;
- community dialogues on HIV prevention, particularly multiple concurrent partnerships (MCP) (Soul City, 2009a:3–4).

5.2.3 Heartbeat

5.2.3.1 The social entrepreneur: Prof Sunette Steyn (Pienaar)

Sunette Steyn specialised in biblical studies and languages, obtaining a PhD, before joining the Dutch Reformed Church as a Youth Pastor in 1997. As a white South African, she was angered by the impact of apartheid, violence, and HIV and AIDS on South Africa's children. After spending months in townships to identify the greatest needs and overcoming important cultural barriers, she left her position in the church and set up Heartbeat. She has been the driving force behind the organisation, keeping the issues it addresses visible in the broader business community and civil society (SFSE, 2007).

5.2.3.2 *The social enterprise: Heartbeat's background*

Heartbeat supports households that are run by children and grandparents, as well as children living with terminal ill parents. Since its inception in 2000, Heartbeat has successfully mobilised fifteen communities in seven provinces of South Africa (Gauteng, Mpumalanga, North West, Free State, Eastern Cape, Western Cape and Limpopo) and has developed a best practice model for the care of orphans. Heartbeat received national acclaim from the South African Ministry of Social Development in 2002 for its intervention and has been selected as one of 44 “Greenfields” projects to facilitate Public-Private Partnerships (Heartbeat, 2008; Givengain, 2012). Through this, Heartbeat formed part of the Public-Private Partnerships projects for the provision of social services in the HIV and AIDS field. Greenfield projects are predominately found in developing countries (Thomsen, 2005:3).

Heartbeat reaches over 54 000 orphans and vulnerable children (OVCs) in their communities of intervention on different levels. Five hundred volunteers have been mobilised and trained at grassroots level to care for OVCs in their communities (Heartbeat, 2008 & 2011).

5.2.3.3 *The Heartbeat model: programmes*

The Heartbeat model is community based care for children within its ranks. Services and support are rendered to children in their homes in their communities of origin. The model is based on two pillars: Heartbeat organisation's own projects and services in the communities and Heartbeat's assistance to existing organisations through training and mentorship (Heartbeat, 2008 & 2011).

5.2.3.3.1 Heartbeat's projects and services

i. *Rights/access and social security programme*

- assisting children in child-headed households to access free water, electricity, housing and schooling;
- assisting children in obtaining IDs (identification documents) and birth certificates;
- assisting children in accessing government grants where applicable;
- providing community support programmes, enabling communities to access services and tap into available resources in their area by encouraging community participation;
- providing advocacy programmes to ensure children's access to basic rights;
- providing youth ambassador programmes to train and empower young orphaned leaders from the communities to lobby and advocate for issues affecting their lives (Heartbeat, 2008 & 2011).

ii. *The material provision programme*

- A food security programme that currently benefits close to 5 000 orphans in child-headed households in the form of a monthly food parcel through a Heartbeat/Tiger Brands partnership.
- Donations in kind, e.g. clothing, blankets, stationery and any other items related to children's needs.
- Emergency funds to assist children experiencing specific emergencies, e.g. physical, emotional, material and medical needs (Heartbeat, 2008 & 2011).

iii. *Children's empowerment programme*

- Psychosocial support – aims to support the child as a holistic human being.
- Child protection – supporting and assisting children who have been abused.
- Child participation – educating staff, children and communities about child participation, as well as facilitating children's involvement in the planning and evaluating of Heartbeat's programmes.
- Parenting – ensuring effective and efficient caring of orphans and vulnerable children (OVCs) by ensuring that each project has child care workers (CCWs) who care for the children with love, uphold children's rights and are responsible for specific tasks, e.g. home visits three times a week to assist with needs assessment, counselling and basic household chores (Heartbeat, 2008 & 2011).

iv. *The Education Programme*

- School uniforms and stationery packs – this programme ensures that children are exempted from school fees and are supplied with school uniforms and stationery annually.
- Heartbeat After School Centres (HASC) are hubs in the communities where the organisation is active, supporting children with psycho-social support, toy/academic libraries, educational/homework assistance and a place to play.
- Holiday schools – aim to provide professional, academic assistance to children in Heartbeat's programmes during the school holidays.

- Tertiary education programme – aims to form partnerships with tertiary institutions around South Africa that are willing to give orphaned students a chance to further their tertiary education (Heartbeat, 2008 & 2011).

5.2.3.3.2 Training and mentorship programme

In order to reach millions of orphans in South Africa, Heartbeat mentors other CBOs to establish their own orphans and vulnerable children (OVC) programmes. The 22-month training programme consists of academic learning, internships and practical implementation, and is being accredited with the Health and Welfare Sector Education and Training Authority (HWSETA).

This programme was piloted in the Eastern Cape in 2004. Since then more than 41 organisations have become involved (Ntsane, 2010). Heartbeat appoints a mentor to each organisation enrolled in the training who has experience in community mobilisation and therefore takes the hand of the trainees and guides them through the implementation phase of the process. The end result of the two-year mentorship is to provide a holistic programme of care for orphans and vulnerable children (OVCs) in their own communities (Heartbeat, 2008 & 2011).

5.2.4 The Johannesburg Housing Company (JHC)

5.2.4.1 *The social entrepreneur: Taffy Adler*

Taffy Adler laid the foundations for the JHC in 1995. Since then he has been the visionary behind changing the face of downtown Johannesburg while providing safe and affordable housing to those who wish to make the city their home (JHC, 2008).

Under his leadership, the company has grown into one of the largest social housing companies in South Africa with 24 buildings comprising of approximately 2 800 units and accommodating 8 500 tenants. The JHC's standards of management and maintenance are international best practice and the JHC's levels of customer satisfaction, and lack of rental arrears, bad debt and vacancies are admired by social housing institutions worldwide. The JHC is seen as a pioneer with regard to its community development work in the urban development context, giving rise to activities that address the social disintegration so evident in Johannesburg's urban transition (JHC, 2008).

5.2.4.2 The social enterprise: The JHC's background

The JHC was conceived in 1993 and formally launched in 1995 (ASEN, 2011). The company was established during a period of massive political, social and economic transition in South Africa for the delivery of housing in the inner city regeneration programme. As an institution, the JHC is seen as a major landmark in the social housing sector. It has survived the formidable challenges of the urban battleground that is the Johannesburg's inner city and has contributed to its path of change, growth and stability (JHC, 2006 & 2008).

In addition to the JHC standards of management and maintenance which are recognised as an international best practice model, its trademark has been identified with the following characteristics:

- innovative architectural design;
- rigorous contribution management;

- a firm, fair and caring approach to building management and administration (JHC, 2006 & 2008).

To demonstrate the JHC model elements, the following snapshot statistics of the JHC can be noted:

- The company has invested close to R360 million in creating an additional 8% of housing stock in the inner city for low and moderate income earners.
- It has 2 800 units in 24 buildings under management across the inner city – from Troyeville and Jeppestown on the eastern edge, through the near-city precincts of Joubert Park and Hillbrow, to the CBD itself, and in Newtown and Fordsburg in the west.
- Over 9 000 men, women and children now call a JHC building their home in the city – confirming that the JHC has becoming a “housing provider of choice”.
- The support of tenants is demonstrated by the JHC’s low vacancy, low arrears and low bad debt levels of below 5% over the last ten years (JHC, 2008).

Here are some examples of the JHC’s achievements and pioneering work:

- The first conversion in Johannesburg from office to residential development (Tower Hill – 1996);
- The first upgrade of residential accommodation while tenants remained in-situ (Douglas Rooms – 1998 – which was also the JHC’s first slum upgrade);
- The first new build residential development in over thirty years in the inner city (Jeppe Oval – 1997);
- The first conversion from hotel to residential development (Landrost – 2000);

- The first building to be refurbished under the City of Johannesburg’s “Better Buildings” urban regeneration programme (Lake Success – 2002);
- The first new high rise residential development in over forty years in the inner city (Brickfields – 2005);
- The first solar heating application to a high rise residential building (Smitshof – 2005);
- The first tenant hardship assistance programme in South Africa, applied particularly to tenants who have lost a breadwinner through HIV (2003);
- The first customer service survey for low income residential developments in South Africa (2004);
- A dedicated community development section integral to the work of providing social housing in South Africa (established in 1999);
- A combination of tenant committees and tenant volunteers who participated in the community development activities of the JHC. Over 800 tenants have participated in JHC training schemes;
- The first inter-building soccer and netball leagues, resulting in over 400 young people participating in organised sporting activities;
- The first inner city neighbourhood residential improvement programme (Ekhaya Neighbourhood Programme, Pietersen Street, initiated September 2004);
- The first loan by a commercial financial institution to a social housing institution, thereby breaking the proverbial red line banks had drawn around the inner city (Elangeni 2002);
- The first structured finance package to a social housing project bringing in a combination of equity and debt (Brickfields – 2005);

- The first South African company to win the UN Habitat award (2006) (JHC, 2008).

5.2.4.3 *The JHC model: “Makhulong a Matala – making the city your home”*

Community development and social sustainability are key components of the JHC’s mission of renewal and regeneration of the Johannesburg inner city. In 2004, Makhulong a Matala, a NPO, was established; a wholly owned subsidiary of the JHC. It developed from the JHC’s Community Development Department which has played an active role since 1999 in tenant liaison, engaging the tenant body on social issues, rights and responsibilities, and facilitating training to build tenants’ life skills and income-earning opportunities (JHC, 2010?).

Retaining this community development focus, Makhulong is mandated to secure additional funding resources and strengthen the JHC’s capacity to deliver on its social mission. Its overarching aims are to strengthen people as individuals and as participating members of their communities and societies.

Makhulong is guided by four strategic principles:

- i. Empowerment – assisting tenants to take control of their lives;
- ii. Universal access – supporting information on and access to social services;
- iii. Participation – encouraging tenants to acknowledge and exercise the opportunities they have to participate in matters that affect them;
- iv. Building civic relationships – based on trust, responsibility and integrity (JHC, 2010?).

Responding to tenants' needs, the following key programmes have been developed to help residents feel at home in their community and to make the city their home:

- i. *Community crèches*: There are crèches in five JHC buildings. Makhulong facilitates the appointment of independent service providers (qualified Early Childhood Development (ECD)) practitioners) to run the crèches. Each crèche provides daycare and early learning for the preschool children of the JHC tenants, as well as other children who live in the neighbourhood.
- ii. *Homework centres*: Makhulong's After-School Homework Assistance Programme has been extended to five JHC buildings. The programme runs from February to October and caters for children from Grades 1 to 7. The centre provides a quiet place for the children to do their homework under the supervision of student teachers, who are recruited from Wits University's School of Education. Makhulong also organises holiday programmes.
- iii. *The JHC soccer and netball leagues*: At present there are 14 soccer teams and 17 netball teams from different JHC buildings. The teams are organised by in-house team leaders. Makhulong supports the JHC Soccer League by assisting with management and administration and arranging playing fields and kit for the participating teams.
- iv. *Community events*: Makhulong organises a variety of community events during the year, which often coincide with special calendar days, for example Youth Day. The events are organised around the theme of the day and usually encompass a range of activities. All tenants are invited to participate in these community events.

- v. *Building facilitators:* Makhulong invites volunteers from the tenant community in each building to serve as community development facilitators in their buildings and to interface between Makhulong and tenants. They act as informants regarding the community development programmes and events and also assist Makhulong in identifying specific community development needs, participate in planning and implementation of activities and may work with the housing supervisor to address negative social trends in an appropriate way.
- vi. *Skills training:* Different skills training such as capacity-building workshops for building facilitators on leadership and community organising skills, financial management training to assist tenants in managing their finance effectively, as well as vocational skills training based on particular needs, is organised from time to time. When funds allow, various courses are organised, for example ECD training, Girl Guides life skills training and entrepreneurial skills training.
- vii. *Hardship assistance:* This benefit is available to tenants at no extra cost and includes financial assistance for tenants who encounter particular difficulties when they are faced with a death in the family.
- viii. *eKhaya neighbourhoods:* Makhulong was instrumental in driving the first eKhaya Neighbourhood Programme in the Pietersen Street precinct in Hillbrow in 2004. It is aimed at strengthening the JHC's social regeneration and urban renewal interventions within defined precincts where the JHC has a strong presence. eKhaya involves a group of property owners and managers in the neighbourhood who are networking together with city agencies like Pikitup, Johannesburg Roads Agency, South African Police

Service (SAPS) and Johannesburg Metropolitan Police Department (JMPD) to make sure that their neighbourhood is clean, safe and well maintained (JHC, 2010?).

The above section described the services and activities of the various SEs and sketched the background of the winning social entrepreneurs. In the following section, the research design approach used in this study is discussed in order to establish how branding can be employed as part of a social marketing process to increase the competitiveness of these SEs.

5.3 Research design

This section firstly outlines the research design used for this study and then discusses the two approaches applied: the grounded theory and case study.

5.3.1 Introduction

According to Mouton (1996:108), the rationale for a research design is to plan and structure a research project in such a way that the eventual validity of the research findings is maximised by either minimising or, where possible, eliminating potential error. This is done by identifying the key dimensions for validation purposes, as well as eliminating possible threats to the validity of the study.

The focus of the research is on the non-profit sector (NPO), also known as the “third sector”, as it is one of the three interrelated arenas of action of which modern societies consist, but with a special focus on three social enterprises (SEs) as development agencies. As explained in Chapter Two, the main difference between

NPOs and SEs is that NPOs generally depend on subsidies and fundraising activities to ensure their survival, while SEs depend on entrepreneurial and social economic activities to ensure their sustainability and, ultimately, their self-sufficiency.

This study is based on an initial exploratory study conducted in the researcher's MA thesis: *Exploring branding as part of the corporate communication strategy of the Girl Guides Association of South Africa (GGASA)* at the University of Pretoria in 2005. The focus of the initial exploratory study has been expanded to include SEs.

Two approaches are used in this study:

- i. A *grounded theory approach* by generating theory on the role that branding plays in NPOs, specifically in SEs.
- ii. Supported by a *case study approach* whereby the branding of the SEs is investigated in order to generate theory.

Both these approaches are essentially qualitative (Casebeer & Verhoef, 1997). In this study, the qualitative and quantitative approaches are combined. In social marketing, qualitative methods such as focus groups and in-depth interviews emerged as part of social marketers' research repertoire (Weinreich, 2010a:1). "In an ideal social marketing program, researchers use both quantitative and qualitative data to provide a more complete picture of the issue being addressed, the target audience and the effectiveness of the program itself" (Weinreich, 2010a:1).

In the following section, the grounded theory and case study approaches are described to an endeavour to obtain an understanding of them.

5.3.2 The grounded theory approach

This section focuses on the background and description of the grounded theory, and then continues by discussing the purpose of, and guidelines and criteria for this approach.

5.3.2.1 *Background and description of the grounded theory*

Two sociologists, Barney Glaser and Anselm Strauss, first articulated grounded theory research in 1967 and later elaborated on it in subsequent books (Glaser & Strauss, 1967; Strauss, 1987; Strauss & Corbin, 1990; Glaser, 1992; 1998 cited by Miller & Salkind, 2002:154; Borgatti, 2009). “In contrast to the a priori theoretical orientation in sociology, they held that theories should be ‘grounded’ in data from the field, especially in the actions, interactions, and social processes of people” (Miller & Salkind, 2002:154).

Strauss and Corbin (cited by Neuman, 1997:334) define the grounded theory more specifically as “a qualitative research method that uses a systematic set of procedures to develop an inductively derived theory about a phenomenon”. Creswell (cited by De Vos *et al.*, 2005:270) is in agreement with Strauss and Corbin and states that a grounded theory is discovered, developed and provisionally verified through systematic data collection and the analysis of data pertaining to that phenomenon. Neuman (1997:334) states further that the grounded theory is a widely used approach in qualitative research and is more specifically seen as an important qualitative method used in the educational and social sciences (University of Hertfordshire, 2010).

A grounded theory study intends to develop or generate a theory that explains a concept, process or interaction among individuals (Millar & Salkind, 2002:156). Millar and Salkind (2002:154) state that, in a grounded theory, researchers primarily collect interview data, make multiple visits to the field, develop and interrelate categories of information and write theoretical propositions or hypotheses or present a visual picture of the theory. De Vos *et al.* (2005:333) are in agreement with the previous writers, stating that qualitative data analysis is a search for general statements about relationships among categories of data; it builds grounded theory.

Accordingly, Creswell (cited by De Vos, *et al.*, 2005:265) positions the grounded theory strategy at the most extreme end of the continuum – after data collection. “Many authors writing on grounded theory (e.g. Strauss & Corbin, 1990; Creswell, 1998; Leedy, 2001) agree that one collects and analyses data before using any theory in a grounded theory study” (cited by De Vos *et al.*, 2005:265). It is therefore indicated that the researcher cannot provide a theoretical framework, as the intention of a grounded theory is to generate theory. However, a grounded theory approach can be extended and revised (Roy, 2004), which applies to this study. In the researcher’s MA dissertation, which was an exploratory study that reported on the role of branding in a NPO, it was found that the branding principles that apply in the corporate sector can also be applied in the NPO sector. In this study, the view is that this theory can be extended to SEs.

5.3.2.2 *The purpose, guidelines, criteria, method and procedures for a grounded theory*

This section focuses, firstly, on a theoretical explanation which is then related to the practical application of this study.

5.3.2.2.1 Theoretical explanation

5.3.2.2.1.1 The purpose

According to Neuman (1997:334), “the purpose of grounded theory is to build a theory that is faithful to the evidence. It is a method for discovering new theory”. Neuman (1997:334) states further that in this discovery of new theory, the researcher compares unlike phenomena with a view to learning similarities. A grounded theory approach pursues generalisations by making comparisons across social situations. In this study, the branding principles applied in the corporate sector will be compared to their application in the NPO sector.

Mark (cited by De Vos, *et al.*, 2005:270) explains further that a grounded theory approach is concerned exclusively with the generation, rather than the testing of theory. Stated differently, “theoretical generalization generated by an inductive approach is called grounded theory” and is visually represented in Figure 5.2 below (Neuman, 1997:47).

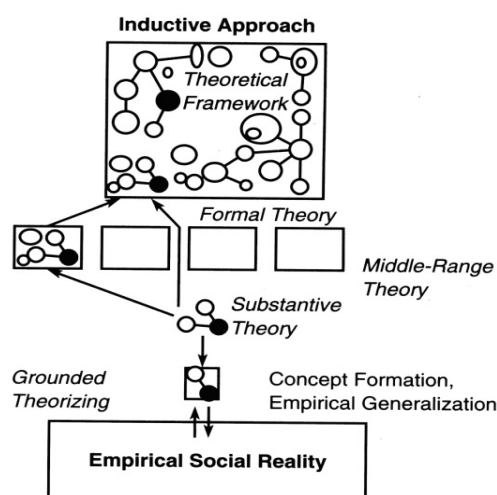


Figure 5.2: The grounded theory: Inductive approach

According to this inductive approach, one starts with detailed observations of the world and moves toward more abstract generalisations and ideas. When starting off, there might only be a topic and a few vague concepts. As one observes, the concepts are refined, empirical generalisations develop and preliminary relationships identified. The theory is built from the ground up as indicated in Figure 5.2.

5.3.2.2.1.2 The characteristics of a grounded theorist

Babbie (cited by De Vos, *et al.*, 2005:271) states that grounded theory allows the researcher to be scientific and creative at the same time, as long as the researcher steps back periodically to review the data, maintain an attitude of scepticism and follow the research procedures.

Glaser (1978, cited by University of Hertfordshire, 2010:3) refers to this creative aspect as a theoretical sensitivity. It refers to a personal quality of the researcher and relates to understanding the meaning and subtleness of data. Theoretical sensitivity can therefore be described as the process of developing the insight with which a researcher comes to the research situation. This kind of insight should be conceptual rather than concrete. By gaining theoretical sensitivity, the researcher will be able to recognise important data and formulate conceptually dense theory (Glaser, 1978 cited by University of Hertfordshire, 2010:3-4).

Strauss and Corbin (1990:7) add to these guidelines specific characteristics of a grounded theorist:

- the ability to recognise the tendency towards bias and to think abstractly;
- the ability to be flexible, open to helpful criticism and sensitive towards the words and actions of respondents;
- a sense of absorption and devotion to the work process.

5.3.2.2.1.3 Criteria for grounded theory: classic, general and central

Lincoln and Guba (cited by De Vos, *et al.*, 2005:347) state that any qualitative study should meet the following classic criteria namely; credibility, transferability, dependability and conformability. Strauss and Corbin (cited by De Vos, *et al.*, 2005:347) add to these classic criteria the following seven criteria against which a grounded theory study specifically should be tested.

- i. Are concepts generated?
- ii. Are the concepts systematically related?
- iii. Are there many conceptual linkages and are the categories well developed? Do they have conceptual density?
- iv. Is much variation built into the theory?
- v. Are the broader conditions that affect the phenomenon being studied built into its explanation?
- vi. Has process been taken into account?
- vii. Do the theoretical findings seem significant, and to what extent?

As indicated, grounded theory is a theory which is inductively derived from the phenomenon and should represent and meet the following four central criteria (Strauss & Corbin cited by University of Hertfordshire, 2010:3):

- i. Fit – the theory fits the substantive data;
- ii. Understanding – the theory is comprehensible to all involved in the area of study;
- iii. Generality – the theory is applicable in a variety of contexts;
- iv. Control – the theory should provide control with regard to action toward the phenomenon.

5.3.2.2.2 Method and procedures for implementing a grounded theory approach

In designing the research for this study, the existing theory on corporate branding, identity and image (Van Riel, 1992; Argenti, 1998) was applied and then combined with the theory of social marketing and branding. It was subsequently generalised and similarities (comparison) were identified within a new context – the NPO sector – but more specifically in SEs. Glaser and Strauss (cited by Cohen, D. & Crabtree, B., 2006) refer to this as the “constant comparative method” in order to develop a grounded theory. Figure 5.3 illustrates how the constant comparative method applies to this study by comparing the two sectors:

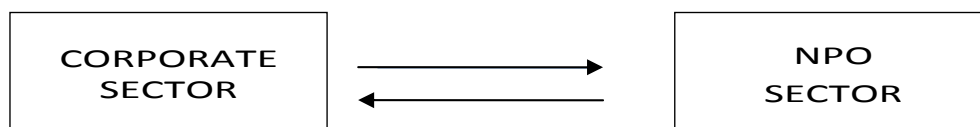


Figure 5.3: Constant comparison method: corporate sector versus development sector (NPO)

The constant comparative method was therefore utilized as the method for analyzing the data in order to develop a grounded theory. Glaser and Strauss (1967, cited by Cohen, D. & Crabtree, B., 2006) suggest that when used to generate theory, the comparative analytic method can be applied to social units of any size. This process involves the following (Millar & Salkind, 2002:157) procedures that were also applied in this study:

- i. Identifying a phenomenon, object, event or setting of interest. In this study the principles of corporate communication utilize in the corporate sector will be compared with the application thereof in the development sector.
- ii. Identify a few local concepts, principles, structural or process features of the experience or phenomenon of interest. In this study the role that branding is playing in the social marketing processes was identified.
- iii. Ask a central question that requires developing a theory. In this study the central question for the theory to be generated can be stated as: “Are the same branding principles and procedures of the corporate communication sector applicable to the development communication sector (NPOs/SEs)?”
- iv. Collect data primarily through interviews with individuals who can help you develop your theory – individuals who have experienced the process you are studying. The interviews for this study are discussed in section 5.4.2.
- v. Use the three-step systematic procedure of coding (content analysis) presented by Strauss and Corbin (1990, 1998 cited by Millar & Salkind, 2002:157). The process of analysing data consists of open coding, axial coding, and selective coding were applied in this study.

- vi. End with propositions or relationship statements about the categories in the theoretical model. The theoretical model for this study is outlined in Chapter Seven.

Now that an understanding exists on what the grounded theory is, and more specifically the constant comparison methodology and how it applies to this study, it is important to explain where the case study approach fits into this study. The next section focuses on the way in which the case study approach is integrated in the grounded theory approach.

5.3.3 The case study approach

This section describes the case study approach and outlines the procedures for conducting a case study. It further explains how the two approaches, a grounded theory and case study, are integrated.

5.3.3.1 *Description*

The case study approach is well known in the social sciences due to its popularity in psychology (Freud), medicine (case analysis of a problem), law (case law), or political science (case reports) (Millar & Salkind, 2002:162).

According to Millar and Salkind (2002:162), case study research has a long, distinguished history across many disciplines:

Hamel (1993) traces the origin of modern social science case studies through anthropology and sociology. He cites anthropologist Malinowski's study of the Trobriand Islands, French sociologist LePlay's study of families and the case studies of the University Of Chicago Department Of Sociology in the 1920s and 1930s as antecedents of qualitative case study research.

Cresswell (cited by De Vos *et al.*, 2005:272) defines a case study as an exploration or in-depth analysis of a “bounded system” (bounded by time and/or place), or a single or multiple case, over a period of time. The case being studied may refer to a process, activity, event, programme or individual or multiple individuals. In this study the case studies is the three SEs.

The examination and description of the case takes place through detailed, in-depth data collection methods, involving multiple sources of information that are rich in context. These may include interviews, documents, observations or archival records. The different data collection methodologies for this study are described in section 5.4.

Mark (cited by De Vos *et al.*, 2005:272) refers to three types of case studies, all with different purposes:

- i. *The intrinsic case study*: focusing on gaining a better understanding of the individual case; the purpose is not to understand a broad social issue, but merely to describe the case being study.
- ii. *The instrumental case study*: to elaborate on a theory or to gain a better understanding of a social issue; the purpose is to facilitate the researcher’s gaining of knowledge about the social issue.
- iii. *The collective case study*: to further the understanding of the researcher about a social issue or population being studied. Cases are chosen so that comparisons can be made between cases and concepts and so that theories can be extended and validated.

5.3.3.2 *Procedures when conducting a case study*

Millar and Salkind (2002:163) outline Stake's (1995) approach to conducting a single or multiple case studies as follows:

- i. Provide an in-depth study of a bounded system: The researcher must determine the type of case that will best yield information about the issue at hand.
- ii. Ask questions about the issue under examination or about the details of a case that is of unusual interest.
- iii. Gather multiple forms of data to develop in-depth understanding, for example Yin (1989, cited by Millar & Salkind, 2002:163) recommends six types of information: documentation, archival records, interviews, direct observations, participant-observations and physical artefacts.
- iv. Describe the case in detail and provide an analysis of issues or themes that the case presents.
- v. In both description and issue development, position the case within its context or setting.
- vi. Make an interpretation of the meaning of the case analysis.

In this study, the collective case study approach (as outlined above) is applied to the three SEs, the findings of which will be applicable to the broader population of the NPO sector. This case study approach is supported by the constant comparative method of the grounded theory approach in building the theory for the new context, the NPO sector, but more specifically for SEs.

Eisenhardt (1989:532) refers to this approach, the integration of the grounded theory and case study, as “building theories from case study research”. In this study, the qualitative and quantitative research methodologies are combined. This reasoning is validated by the opinions of Yin, Glaser and Strauss as set out below.

Yin (1989, cited by Millar & Salkind, 2002:162) espouses both quantitative and qualitative approaches to case study development. Glaser and Strauss (1967, cited by University of Hertfordshire, 2010:2) are also of the opinion that both methods can be integrated well to prove a grounded theory; in some instances both forms of data are necessary.

Both qualitative and quantitative methods may be used appropriately with any research paradigm. In this study, both the grounded theory and case study are essentially qualitative. Therefore, most of the methods applied in this study are qualitative, supported by one quantitative method. Schultze (2003:13) refers to this as the dominant less-dominant model of the combination of quantitative and qualitative research approaches. Through this combination, the strengths of both research approaches are identified.

The next section outlines the qualitative and quantitative research methodologies. At the end of the section, the most common distinctions between these two methods are tabled.

5.3.4 Qualitative and quantitative research methodology

5.3.4.1 *Qualitative research*

This section provides a general description of qualitative research focusing on its characteristics.

5.3.4.1.1 General description

There does not seem to be one generally accepted definition of what constitutes a qualitative method. The following descriptions can be noted:

- “Qualitative research is a broad term that encompasses a variety of approaches to interpretive research. It can be historical, sociological, political, educational, and much more” (Leedy, 1997:155, 156).
- Fryer (cited by Cassell & Symon, 1995:2) states:

Qualitative researchers are characteristically concerned in their research with attempting to accurately describe, decode and interpret the precise meanings to persons of phenomena occurring in their normal social context and are typically preoccupied with complexity, authenticity, contextualization, shared subjectivity of the researcher researched and minimisation of illusion.
- Van Maanen (1979:520) states that:

The label qualitative methods have no precise meaning in any of the social sciences. It is at best an umbrella term covering an array of interpretive techniques which seek to describe, decode, translate and otherwise come to terms with the meaning, not the frequency, of certain more or less naturally occurring phenomena in the social world.
- Another definition describes qualitative research as “an inquiry process of understanding a social or human problem, based on building a complex, holistic picture, formed with words, reporting detailed views of informants, and conducted in a natural setting” (Creswell, 1994:1).

From all these definitions of qualitative research various distinct characteristics can be identified. These characteristics are discussed in the following section (Cassell & Symon, 1995:7).

5.3.4.1.2 Characteristics of qualitative research

The following characteristics can be highlighted:

- Qualitative research focuses on *interpretation (understanding)* rather than on quantification (Cassell & Symon, 1995:7; Lemon, 1995:33). This concept of understanding is also referred to as *verstehen*, which refers to gaining an empathic insight into other's attitudes (Van Vuuren, *et.al.*, 1999:415). Mouton and Marais (1992:160) also state that, for the qualitative researcher, concepts and constructs are meaningful words that can be analysed in their own right to gain a greater depth of understanding of a given concept. Understanding is thus a strong aspect of qualitative research, and part of the motivation of why this methodological approach has been chosen for this particular study. The focus on in-depth understanding is also an advantage of a qualitative research methodology (Naudé, 2001:97).
- *Flexibility* in the process of conducting research is a clear characteristic of qualitative research (Cassell & Symon, 1995:7). In qualitative research, the research design evolves during the research process. The design can be changed as the research progresses, because it is not possible to make any predictions about the outcome of the research beforehand (Naudé, 2001:96). This characteristic of flexibility is a further great advantage of qualitative research.

- *An orientation towards process* rather than outcome is another characteristic of the qualitative research methodology (Cassell & Symon, 1995:7). The process of qualitative research involves the researcher who gradually becomes part of the phenomena that she/he examines (Naudé, 2001:96). The nature of qualitative research is one of gaining understanding, making statements realistic and logical.
- Qualitative research is *concerned with context* – with behaviour and situation as inextricably linked in forming experience. Several other authors describe this as the “natural setting” (Creswell, 1994:1; Lemon, 1995:33). Denzin and Lincoln (1994:2) also mention the significance of a natural setting and emphasise that qualitative researchers attempt to make sense of or interpret phenomena in terms of the meanings people bring to them. This examination of behaviour in a natural setting is an advantage in comparison to the artificiality of many quantitative research designs (Naudé, 2001:97).
- The aim of qualitative research is not to test theory but rather to “*build*” or *attribute to theory as it evolves* from the qualitative research process (Naudé, 2001:97; Van Vuuren *et al.*, 1999:416).

In this study, the aim of the qualitative research is to build theories from case study research.

5.3.4.2 Quantitative research

This section gives a general description of quantitative research with a focus on its characteristics.

5.3.4.2.1 General description

Quantitative research is defined as “the numerical representation and manipulation of observations for the purpose of describing and explaining the phenomena that those observations reflect” (Casebeer & Verhoef, 1997:3).

Quantitative studies emphasise the measurement and analysis of causal relationships between variables. Quantitative research usually begins with pre-specified objectives focused on testing preconceived outcomes.

When applying quantitative methods, numerical estimation and statistical inference from a generalisable sample are often used in relation to a larger “true” population of interest. As a result, quantitative research is most often seen as a method that attempts to demonstrate causal relationships under standardised (controlled) conditions (Casebeer & Verhoef, 1997:5).

Quantitative data collection techniques most often used are the following:

- experiments;
- surveys;
- content analysis;
- existing statistics.

These methods, adopted from the physical sciences, are designed to ensure objectivity, generalisability and reliability (Weinreich, 2010a:1).

5.3.4.2.2 Characteristics of quantitative research

Du Plooy (1995:32) identifies the following characteristics of quantitative research:

- Quantitative research is largely empirical or experimental and, as its name suggests, is based on the measurement of *quantity* or *amount*.
- Quantitative methodologies manipulate variables and attempt to control natural phenomena.
- They construct research questions or hypotheses and “test” them against the facts of “reality”.

In the following section, the main differences between quantitative and qualitative research approaches are highlighted.

5.3.4.3 *Comparison between quantitative and qualitative methods*

The differences between quantitative and qualitative methods are given in Tables 5.1 and 5.2. Table 5.1 outlines the different concepts usually associated with the two different methods in terms of type of reasoning, question and analysis, while Table 5.2 distinguishes between the different styles.

	Concepts usually associated with quantitative methods	Concepts usually associated with qualitative methods
Type of reasoning	Deduction	Induction
	Objectivity	Subjectivity
	Causation	Meaning
Type of question	Pre-specified	Open-ended
	Outcome-orientated	Process-orientated
Type of analysis	Numerical estimation	Narrative description
	Statistical inference	Constant comparison

Table 5.1: Usual distinctions between quantitative and qualitative methods (Casebeer & Verhoef, 1997:7)

Quantitative style	Qualitative style
Measure objective facts	Construct social reality, cultural meaning
Focus on variables	Focus on interactive processes, events
Reliability is key	Authenticity is key
Value free	Value are present and explicit
Independent of context	Situationally constrained
Many cases, subjects	Few cases, subjects
Statistical analysis	Thematic analysis
Researcher is detached	Researcher is involved

Table 5.2: Quantitative style versus qualitative style (Neuman, 1997:14)

In addition to these the two tables, Weinreich (2010a:5) outlines the following strengths and weaknesses of the two research methodologies:

- The strengths of the quantitative paradigm are that its methods produce quantifiable, reliable data that are usually generalisable to some larger population.
- The greatest weakness of the quantitative approach is that it decontextualises human behaviour in a way that removes the event from its real-world setting and ignores the effects of the variables that have not been included in the model.
- The advantage of using qualitative methods is that they generate rich, detailed data that leave the participants' perspectives intact and provide a specific context.
- A disadvantage is that data collection and analysis may be labour intensive and time-consuming.

5.3.5 Methodological choice: combination of qualitative and quantitative research approaches

A qualitative research approach, supported by a quantitative one, is used in this study. This is referred to as the “dominant less-dominant model”. Schultze (2003:13) describes this model as follows: “In a dominant less-dominant model, the researcher conducts the study within a single, dominant paradigm. Only a small component of the overall study is undertaken from the alternative paradigm”.

In this study, the aim is to investigate the corporate communication strategies of three SEs. It seeks to investigate whether the corporate communication strategy, and more specifically, the corporate image and identity (“the brand”) of the SEs contributed to their Chief Executive Officers (CEOs) winning the Schwab Foundation Social Entrepreneur (SFSE) of the Year Awards; thereby positioning themselves as leaders and differentiators in the development sector.

This study is based on the grounded theory model supported by a collective case study approach, also referred to as “building theories from case study research” (Eisenhardt, 1989). In this study, three SEs, Soul City, Heartbeat and the Johannesburg Housing Company (JHC), are studied intensively. The case study focus guides one to an understanding of the uniqueness and the particularity of a specific case in all its complexity (Welman & Kruger, 2001:183).

This study approach is visually represented in the Research Design Model illustrated in Figure 5.4 below:

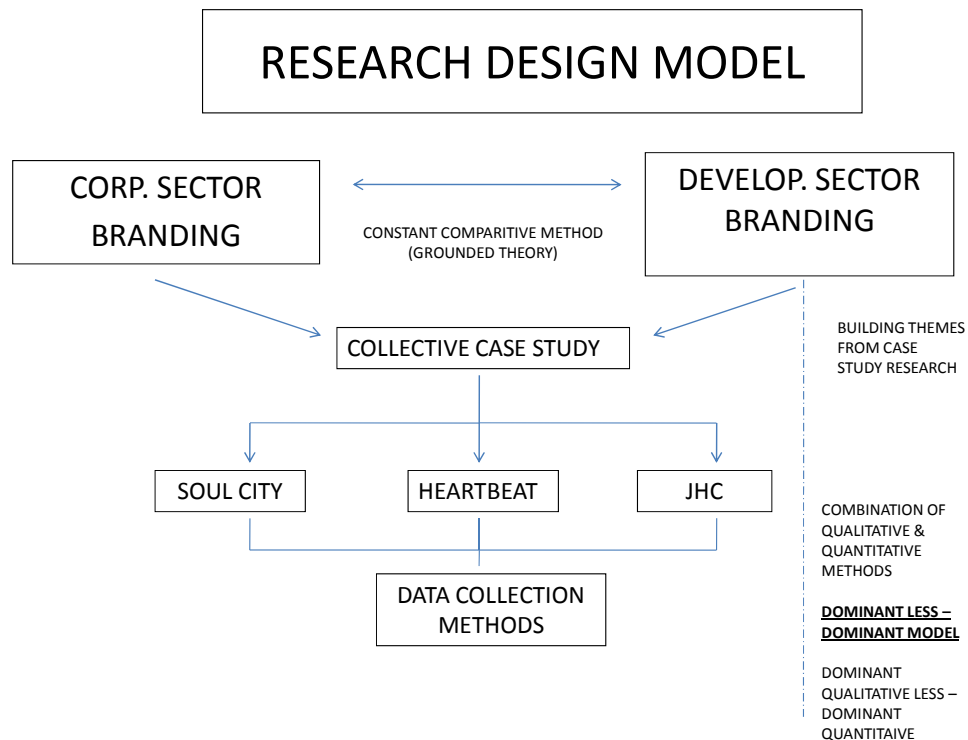


Figure 5.4: Research design model

5.4 Data collection methods

In this dominant less-dominant combination approach (Schultze, 2003:13) the qualitative methods are dominant, while the less dominant are the quantitative data collection methods.

The following four qualitative data collection methods were applied:

- i. Document (content) analysis of a selection of the official documents and products of the three case study organisations;
- ii. Semi-structured interviews with internal and external respondents, i.e. the organisation's senior management staff, and the SE's funders, partners and service providers;
- iii. Focus groups with the SE's staff;

- iv. In-depth interviews with the Social Entrepreneur of the Year Award Winner and sector specialists, namely different social enterprise award representatives, social enterprise, NPO sector and development communication experts.

Only one quantitative data collection method was applied, namely, a questionnaire. This questionnaire was completed by a common beneficiary group identified by the various SEs: the youth.

5.4.1 Method 1: Document (content) analysis

This method enables a researcher to analyse the *content* of texts or documents. Content analysis is usually aimed at public documents, especially editorials in newspapers and magazines, advertisements, letters, speeches, annual reports, proposals and so forth (Mouton, 2001:166). *Content* refers to words, meanings, pictures, symbols, themes or any message that can be communicated. The content analysis in this study was done according to the definition given above.

A sample of official documents and products of the three different SEs were analysed.

5.4.2 Method 2: Semi-structured interviews

Researchers rely quite heavily on interviewing as a research technique, which can be described as “a conversation with a purpose” (Marshall & Rossman, cited by Pitout, 1995:112). According to Naudé (2001:104), in qualitative research the interview should not be viewed as just a list of questions to be asked, but rather the

questions for the interview should be carefully planned and pilot-tested (Leedy, 1997:199). In addition, they should be loose, informal, interactive, committed, open-ended and empathic. The questions asked are merely one element of the interview, as the main purpose is dialogue.

It should be kept in mind that during an interview the interviewer also acts as a participant observer, because the act of communication as a ritual means much more than just the meaning of the words uttered during target respondents' conversations (Naudé, 2001:105). The interviewer has to take note of the different contexts playing into a particular interview situation, and record verbal and non-verbal cues. At the same time, the interviewer plays an active role in determining the course of conversations.

For this research, semi-structured interviews were conducted. This type of interview differs from unstructured interviews because the questions are asked according to an interview schedule. Therefore, in the semi-structured interview, the interviewer does not just have a few topics to discuss, but has a list of questions with which to conduct the interview. However, semi-structured interviews are also flexible in the sense that questions do not necessarily have to be asked in the same sequence as provided in the schedule (Naudé, 2001:105).

It was decided to use the semi-structured interview approach based on a specific interview schedule to establish the perceptions of the specific internal and external target audiences of the three different SEs. Accordingly, the interviews were flexible and did not necessarily follow the sequence set out in the interview schedule

(Naudé, 2001:105). These interviews are important in understanding the context in which the three different SEs' function, as seen from the different perspectives of its target audiences. Hence, the questions in the interview schedule were based on the literature study and it was planned that interviewees would be asked to provide examples to illustrate their answers in order to ensure that they understood the questions and also to ensure that their answers were understood correctly. Interviews were tape-recorded according to the guidelines set by Rubin and Rubin (1995:125–127), which also further ensured their validity and reliability.

5.4.3 Method 3: Focus group discussions

According to Neuman (1997:253), a focus group is a special kind of interview situation that is largely non-quantitative. In focus groups, a researcher gathers together 6 to 12 people in a room to discuss one or more issues for one to two hours. Neuman (1997:253) also recommends that the group members should be homogeneous enough to reduce conflict, but should not include friends or relatives.

Focus group discussions are guided by an interview schedule. The researcher introduces the issues and ensures that no one person dominates, while acting as facilitator, allowing flexibility, keeping people on the topic, and encouraging discussion. Welman and Kruger (2002:189) suggest the following phases in conducting focus groups:

- The researcher introduces the topic to the group.
- The researcher sets rules, for example, that only one person should speak at a time.

- Participants (in turn) make an opening statement regarding their experiences of the topic.
- The researcher guides the open group discussion by asking questions such as: “Most people here mentioned Z, but how does that fit in with A?” (Welman & Kruger, 2002:189).
- The session ends with each person (in turn) giving a final statement that may not be challenged.

As in the case of semi-structured interviews, Neuman (1997:253) recommends that these discussions be tape-recorded. The analysis of the information obtained from these focus groups is based on the interviewer’s records. “The interviewer may take notes of the participants’ responses with a view to writing a more complete report afterwards” (Welman & Kruger, 2002:189). The researcher’s notes and the tape recording are combined to form complete focus group discussion reports.

Based on Welman and Kruger’s comments, in conjunction with the semi-structured interviews, specific focus groups were conducted for this research consisting of members of the internal audiences (staff groups). The idea was that these focus groups would offer an opportunity to group people together to create a common understanding of the corporate branding, identity and image of the three different SEs, rather than forming their own views individually. These focus groups would also offer the benefit of gathering information that would not otherwise have been easy to access, as people would be able to shape and reshape their opinions based on the focus group discussions (Babbie & Mouton, 2002:292).

5.4.4 Method 4: In-depth interviews

In-depth interviews are also known as unstructured interviews. Collins (cited by De Vos, *et al.*, 2005:292) states that the word “unstructured” is misleading, as “unstructured” interviews are structured in a number of ways. The researcher, in the very act of initiating the interview, necessarily determines the nature of the event. In this study, in-depth interviews were conducted with the three winning social entrepreneurs as well as with specific people who was identified as specialists in the researcher’s study field. Prearranged interviews were conducted with the three social entrepreneurs as well as a sufficient number of participants from the study field.

The purpose of an in-depth interview is not to get answers to questions, or to test hypotheses, or to “evaluate” in the usual sense of the term (De Vos, *et al.*, 2005:292). At the root of the in-depth interview is an interest in understanding the experiences of other people and the meanings they attach to that experience. Such an interview is focused and discursive and allows the researcher and the participant to explore an issue in depth. Data are generated on the participants’ perception, opinions, facts and forecasts and their reactions to initial findings and potential solutions (De Vos, *et al.*, 2005:293).

De Vos *et al.* (2005:293) note that it is important that the researcher should be neither objective nor detached, but should rather be engaged. Engagement implies willingness on the part of the researcher to understand the participant’s response to a question in the wider context of the interview as a whole. A challenge for a researcher is to maintain enough flexibility to elicit individual stories, while at the

same time gathering information with enough consistency to allow for comparison between and among subjects (May, cited by De Vos, *et al.*, 2005:293).

In preparation for the in-depth interview, Rubin and Rubin (cited by De Vos, *et al.*, 2005:293) mention that this kind of interview consist of three kinds of questions:

- i. *Main questions* to begin and guide the conversation.
- ii. *Probe questions* for clarification or requesting for evidence.
- iii. *Follow-up questions* to peruse the implications of answers.

The research question was used as the main question for these in-depth interviews, while the probe and follow-up questions were selected from the semi-structured interview schedule as a guide.

In conducting the in-depth interviews in this study (De Vos, *et al.*, 2005:296), the researcher applied the following guidelines when attempting to get the participant to:

- open up and express ideas;
- express ideas clearly;
- explain and elaborate on ideas;
- focus on issues at hand rather that wander onto unrelated topics.

5.4.5 Method 5: Questionnaires

The *New dictionary of social work* (1995 cited by De Vos, *et al.*, 2005) defines a questionnaire as: “a set of questions on a form which is completed by the respondent in respect of a research project” (De Vos, *et al.*, 2005:166).

The basic objective of a questionnaire is to obtain facts and opinions about a phenomenon from people who are informed about the particular issue. According to De Vos *et al.* (2005:166), questionnaires are probably the most generally used instruments in this regard.

The construction of the questionnaire was guided by the principles set out in De Vos *et al.* (2005:170–178). Questionnaires can be applied in various ways, for example mailed questionnaires, telephonic questionnaires, self-administered questionnaires, questionnaires delivered by hand, group-administered questionnaires (De Vos, *et al.*, 2005:167–170).

In this study, the method used to distribute questionnaires to the different SEs' beneficiary groups was to deliver them by hand or by courier. This distribution process was facilitated by a staff member of the various case study organisations

In summary, the various research methods applied are set out in the table below:

Research method	Target audience
Method 1: Document analysis review	Internal organisational documentation
Method 2: Semi-structured interviews	Senior staff, funders, partners and service providers
Method 3: Focus groups	Staff
Method 4: In-depth interview	SE winner and SE experts
Method 5: Questionnaire	Youth beneficiaries

Table 5.3: Schedule of research methods and target audiences

In the next section, the way in which triangulation and sampling were applied in this study is discussed.

5.5 Triangulation and sampling

Triangulation is an attempt to include multiple sources of data collection in a single research project to increase the reliability of results and to compensate for the limitations of each method (Mouton & Marais, 1992:91; Lemon, 1995:33). In this study, the principles of data triangulation and methodological triangulation were applied, as explained in the previous section, because several data sources were tapped and more than one data collection method was used to interrogate the research questions.

In terms of sampling, this is a process that entails systematically selecting cases for inclusion in a research project (Neuman, 1997:201). Du Plooy (1995:54) indicates that there are generally two categories of sampling, namely probability (scientific) sampling and non-probability (non-scientific) sampling. When every member of a population has an equal chance of being selected as part of the sample, the researcher uses probability sampling. If only a subgroup of the population is investigated, or if not every member of the population has an equal chance of being selected as part of the sample, the researcher uses non-probability sampling.

Sampling enables a researcher to assemble a set of cases that is more manageable and cost-effective to work with than a pool of all cases. One of the essential elements of sampling is to identify the population in the research process. Accordingly, the population studied in this research was the NPO sector, with a special focus on three SEs, as collective case studies, namely Soul City, Heartbeat and the Johannesburg Housing Company (JHC).

Two types of non-probability sampling were used in identifying respondents, namely purposive and convenience sampling. Purposive sampling is acceptable for special situations, with the three main reasons for selecting this sampling type being as follows (Neuman, 1997:206):

- to select unique cases that are especially informative;
- to select members of a difficult-to-reach, specialised population;
- to identify particular types of case for in-depth investigation.

According to Neuman (1997:206), the purpose of this type of sampling is to gain a deeper understanding of types rather than to generalise to a larger population.

The second type, convenience sampling, is based on the collection of members of the population that are near and readily available for research purposes (Welman & Kruger, 2001:62).

In this study, purposive sampling was combined with convenience sampling to select key informants for the in-depth and semi-structured interviews, as well as for the focus groups. A time schedule for the interviews was drawn up in consultation with the social entrepreneur and/or a senior staff member within the SE. The key informants for the study and those representing the social sector in this specific research field were further identified to complement the study.

The sampling methodology for the questionnaires made use of a non-probability purposive sampling method, owing to the fact that the sample is composed of elements that contain the most characteristic, representative or typical attributes of the population (De Vos, *et al.*, 2005: 202).

The common population of the three SEs, which was used as the sampling frame, was made up as follows:

- *The beneficiary age group:* Youth aged 8 to 14 (*Soul Buddyz Clubs'* age group). It was decided to circulate the questionnaire only to youth between the ages of 12 and 14, that is, children in Grades 7 and 8. The reason for choosing this age group and not a younger age group was the need for the respondents to understand the concept of branding.
- *Geographic area:* Beneficiaries in Gauteng only, as the JHC only functions in Johannesburg. Gauteng is therefore the common province for the SEs.

The questionnaires were distributed to the identified age group in Gauteng and were group administered at either youth clubs or after-school centres. The field workers at the different SEs were briefed before the distribution of the questionnaires to ensure that the same method and message were delivered to each member of each group.

5.6 The research process

This section introduces the actual research process, and then discusses the specific actions/steps taken during this process, for example letters of consent, interview schedules, etc.

5.6.1 Introduction

As discussed in section 5.3.5, this study combined a qualitative research approach, as the dominant approach, with a quantitative research approach, as the less dominant approach.

The qualitative research approach methodologies and results by case study organisation can be summarised as follows:

Organisation	Respondent/method	Number of activities
Soul City	Internal in-depth interviews	1
	Internal semi-structured interviews	3
	External semi-structured interviews	5
	Focus group	1
Heartbeat	Internal in-depth interviews	1
	Internal semi-structured interviews	4
	External semi-structured interviews	4
	Focus group	1
JHC	Internal in-depth interviews	1
	Internal semi-structured interviews	5
	External semi-structured interviews	3
	Focus group	1
Sector specialists	In-depth interviews	7
Total interviews	34	
Total focus groups	3	

Table 5.4: Qualitative research approach methodology table

These qualitative research methodologies were supported by the administration of 198 questionnaires, which formed the quantitative part of the research.

The following steps and procedures in terms of the case study and the grounded theory were implemented in the study:

5.6.1.1 *Case study approach*

- i. Provide an in-depth study of a bounded system: Firstly, an in-depth study was conducted of the NPO sector including SEs, as the content of the study, which is outlined in Chapter Two. This was followed by an in-depth study of the three different SEs which is discussed in section 5.2. This was obtained by studying organisational publications and documentation and conducting interviews.
- ii. Questions were asked about the issue under investigation, as per the interview schedules, using multiple data gathering methods, for example document analysis, semi-structured interviews, in-depth interviews, focus groups and questionnaires as described further on in this next section.
- iii. The results of the research on three case study organisations are described, analysed and interpreted in detail by category in Chapter Six.

5.6.1.2 *Grounded theory approach*

- i. The grounded theory that was reviewed in this study was the corporate communication principles and, more specifically, branding principles and procedures.
- ii. The data was collected primarily from semi-structured and in-depth interviews, focus groups and the administration of questionnaires with individuals who had experienced the SE and or specific field and who assisted with the development of the theory. This is discussed in more detail in the next section.
- iii. The central question to be answered in this research and for which the theory had to be generated can be stated as: “Are the same corporate

communication/branding principles and procedures used in the corporate sector applicable to the development sector?”

- iv. The results of the research were systematic analysed in order to end up the study with a number of relationship statements about the categories in the theoretical model, which are set out in Chapters Six and Seven. The specific qualitative and quantitative research interventions are discussed in detail in the following sections.

5.6.2 Letters of consent

Firstly, letters of consent were obtained from the three case study organisations giving permission to conduct the research during August 2008. (See Annexures A5.1, A5.2 and A5.3.)

In addition, an informed consent letter was developed in line with the University of Pretoria’s guidelines to be completed and signed by the different research respondents during this study (see Annexure A5.4).

5.6.3 Document analysis

A sample of the official documents of the three case study organisations was analysed. The following types of document were evaluated:

- official websites;
- stationery, i.e. letterheads, business cards;
- newsletters;
- annual reports;
- publications, i.e. brochures, marketing material;
- corporate gear, i.e. T-shirts.

In this document analysis the following aspects of branding were examined:

- strategic and consistent logo presentation on all official documentation;
- visual presentation and utilisation of logo, i.e. specifications of corporate colours and fonts, logo size and space;
- corporate tone and voice, i.e. easy to understand and engaging, knowledgeable and professional;
- digital presentation of official documents and organisational information, i.e. PDF files that can viewed online, emailed or downloaded and printed;
- website brand management and presentation.

The results of the document analysis and those obtained by the other research methodologies are presented in Chapter Six.

5.6.4 Interview schedules

The design for the interview schedule for both the semi-structured interviews and the focus groups was based on theory and the preliminary literature study. The schedule was designed so as to obtain the information needed from each of the target audiences in order to answer the research question. The questions included in the interview schedule were further amended to produce two schedules – one for the internal respondents and another for the external respondents. (See Annexures: A5.5 as an example of the internal respondent interview schedule and A5.6 as an example of the external respondent interview schedule. The questionnaires were adapted to display the specific SE's logo.)

Furthermore, a letter of introduction to the research was developed for the different SEs to send out to the external respondents in order to request their availability for the interviews (hereby attached an example as Annexure A5.7).

5.6.5 Semi-structured interviews

The semi-structured interview planning schedules were drawn up in consultation with the social entrepreneur and/or the CEO for each of the organisations, and specific internal and external respondents were identified. The interviews for the internal and external respondents were conducted as follows (see Tables 5.5 and 5.6).

Organisation	Name of person	Position	Date of interview	Place of interview
Soul City	Dr Shireen Usdin	Senior Management	10–14/7/2010	Telephonic interview
	Dr Sue Goldstein	Senior Management	12/8/2010	Soul City, JHB
	John Molefe	Senior Executive	12/8/2010	Soul City, JHB
Heartbeat	Theresa McNeill	CEO	4/6/2010	Heartbeat, PTA
	Ruth Scott	Research and Development Manager	28/6/2010	Heartbeat, PTA
	Phetole Seodi	Mentoring and Training Manager	23/7/2010	Heartbeat, PTA
	Nico Swartz	M &E Manager	23/7/2010	Heartbeat, PTA
	Cindy Vermaak	Finance Manager	3/8/2010	Heartbeat, PTA
	Charlotte Lombaard	Programme Manager	18/8/2010	Heartbeat, PTA

JHC	Josi Adler	eKhaya Neighbourhood Development Programme	3/6/2010	Parkhurst, JHB
	Juanita Prinsloo	Corporate Affairs Officer	9/6/2010	JHC, JHB
	Carel De Wit	Operations Manager	10/6/2010	JHC, JHB
	Lindi Malinga	Makhulong A Matala	8/7/2010	JHC, JHB
	Elize Stroebe	CEO and Funder (Gauteng Partnership Fund – GPF)	8/7/2010	JHC, JHB

Table 5.5: Internal target respondent schedule

Organisation	Name of person	Position	Date of interview	Place of interview
Soul City	Leigh-Ann Harris	Service Provider	1/6/2010	Jacana, JHB
	Anna Guthrie	Funder	2/6/2010	Telephonic interview (DFID)
	Feryl Domingo	Funder	9/6/2010	BP Head office, JHB – Satellite interview link with CT office
	Junaid Seedat	Funder	4/8/2010	NDoH, Pretoria
	Zamambo Mkize	Funder/partner	5/8/2010	SABC, JHB
Heartbeat	Boni Dlamini	Funder	20/8/2010	Tiger Brands H/O JHB
	Donique de Figueiredo	Funder	25/8/2010	Murray & Roberts, JHB
	Christine Mbabazi	Funder	7/9/2010	Telephonic interview (AED/PEPFAR)
	Marinda Oosthuizen	Funder	15/9/2010	DSD, PTA

JHC	Dr Peter Lekgoathi	Chairman of the Makhulong A Matala Board	10/6/2010	University of Witwatersrand, JHB
	Patrick Lephunya	Chairman, JHC	10/6/2010	JHC, JHB
	Kuben Govender	Funder	15/6/2010	Cresta (ABSA)

Table 5.6: External target respondent schedule

A total of 26 semi-structured interviews were conducted. The analysis of these interviews is detailed in Chapter Six.

5.6.6 Focus groups

Three staff focus groups were conducted, one per organisation, with the internal interview schedule as a guide. The details of the focus groups are listed in the following table (Table 5.7):

Soul City	Heartbeat	The JHC
25/8/2010 (7 members)	7/9/2010 (15 members)	9/6/2010 (9 members)

Table 5.7: Table of focus groups

A total of three focus groups were conducted. The analysis of the data obtained from these groups is detailed in Chapter Six.

5.6.7 In-depth interviews

Additional to the three social entrepreneur winners, the respondents were indentified for the in-depth interviews by the researcher on the basis of the knowledge and contacts obtained from working in the NPO sector for the past 31 years. The details of the respondents who were interviewed are given in Table 5.8.

Name	Organisation	Date	Place of interview
Social entrepreneur winners			
Dr Garth Japhet	Soul City: Founder SE	3/6/2010	Heartlines, JHB
Prof Sunette Steyn (Pienaar)	Heartbeat: SE and Executive Director	19/7/2010	UNISA, PTA
Taffy Adler	JHC: SE	1/5/2010	HDA, JHB
Social sector specialists			
Botha Swarts	Head of Communications at loveLife	7/6/2010	loveLife, JHB
Dr Marietjie Strydom	Director: Research at GCIS	14/6/2010	GCIS, PTA
Dr Susan Steinman	Head of the Centre for Social Entrepreneurship at <i>University of JHB</i>	20/7/2010	Wilro Park, JHB
Patrick Coleman	Managing Director at Johns Hopkins: Health and Education in SA	5/8/2010	John Hopkins, PTA
Fazlyn Toeffie	Fellowship Manager at Ashoka	3/8/2010	Ashoka H/O, JHB
Cal Bruns	CEO/Chief Creative Incubationist: Matchboxology (Pty)	10/8/2010	Rosebank, JHB
Francois Bonnici	Senior Adviser at the Schwab Foundation for SE	13/9/2010	Skype interview, CT

Table 5.8: Social entrepreneurs' award winners and social sector specialist interview schedule

A total of 10 in-depth interviews were conducted. The analysis of the data obtained from these interviews is discussed in detail in Chapter Six.

5.6.8 Questionnaires

This section is divided in two parts. The first part focuses on the pilot-testing of the questionnaire, while the second part discusses the distribution and completion of the questionnaires.

5.6.8.1 *Pilot-testing of the questionnaire*

As recommended by De Vos *et al.* (2005:171), the questionnaire was piloted prior to distribution in order to ensure that any errors of whatever nature could be rectified immediately at little cost.

The pilot-test of 30 questionnaires was planned for implementation with a Girl Guide's Ranger group in Benoni on the East Rand (Gauteng). These young people are of the same age group as the beneficiary population identified for this study. On the actual day of the pilot (4th November 2010) only three young people turned up to complete the questionnaires. It was then decided to pilot-test the remaining questionnaires with a boys' and girls' soccer club, also in the same age group and geographical area, on the 5th of November 2010. A total of 28 questionnaires were completed for the pilot-test.

The main finding of the pilot-test was that question 4, point 4.2 and 4.5 needed to be clarified – the specific “brand tagline” and “brand promise” had to be stipulated. The final questionnaire was amended accordingly for each individual case study organisation (see Annexure 5.8, 5.9 and 5.10).

5.6.8.2 *Distribution and administration of questionnaires*

Based on the general population frame that was established (see section 5.5), the population of each case study organisation had to be studied and a selection made based on the sampling criteria. In addition to the age group and the geographic area variables, the rural, peri-urban and urban economic areas were also taken into consideration. Each organisation is discussed below.

5.6.8.2.1 Soul City

Target group: *Soul Buddyz Clubs*

- There are four categories of *Soul Buddyz Clubs* which are rated on the basis of their level of activities. During the investigation of the *Soul Buddyz Clubs* as a population, the decision was made to focus on the Platinum category group as they are regarded as the highest level group and are therefore seen to be the most active clubs. The reason for taking this factor into consideration is that it was believed that it would increase the probability that completed questionnaires would be returned.
- It was further established that there are in total 155 Platinum clubs nationally, of which 11 are in Gauteng. The specific geographical areas are Alexandra, Springs, Tsakane, Evaton, Lenasia, Mid-Ennerdale, Heidelberg, Brakpan, Soweto, Orange Farm and Ennerdale.
- As far as the identified age group is concerned, it appeared that there were 82 youths in that group. According to Stoker (cited by De Vos, *et al.*, 2005:196), a sampling guideline is 64% of the population for a population of 50 (equalling 32) and 45% for a population of 100 (equalling 45).

- Based on the above findings and guideline, the initial decision was to distribute 50 questionnaires to each club, depending on the distribution of this age group in the different clubs.
- After the numbers of this age group per club were obtained, it was established that, of the 11 clubs (GP based), three had no youths in the required age group, three clubs had only under 10 members and one club facilitator had left in the past year, meaning that the club was totally inactive.
- After contacting the remaining four school facilitators, it was decided to distribute 20 questionnaires to each of them, with the result that, in total, 80 questionnaires were distributed.
- The school name, contact lists and questionnaire distribution figures are set out in Table 5.9 below:

	Name of school	Name of facilitator	Address of school	Cell no. of facilitator	No. distributed	No. completed
1	Rafalletse Primary School	Alina Mahlatse	9898 Extention 6A Orange Farm JHB South	082 3478237 079 8852388	20	20
2	Tsakane Primary School	Monica Sekhoyane	1981 Singo Street Tsakane Brakpan GP East	073 3098163	20	18
3	Mid Ennerdale Primary School	Matholoane Ndweni	Cnr 7 th Ave & 335 Charles Street Mid-Ennerdale, JHB South	083 7676717	20	20
4	Winnie Ngwekazi Primary School	Lindiwe Baleni	1348 Zone 1 Pimville Soweto JHB Central	083 7635382	20	20
Total no. of questionnaires					80	78

Table 5.9: Participating Soul City groups: Questionnaires

There was a 98% return of completed questionnaires for this organisation.

5.6.8.2.2 Heartbeat

Target group: Heartbeat Learning/drop-in centres

- Only Heartbeat's own projects were used for this research project in terms of the organisational consent obtained for conducting the study.
- It was established that there are 8 Heartbeat projects in Gauteng in the following geographical areas: Randfontein, Westonaria, Nellmapuis, Atteridgeville, Tembisa, Vosloorus and Kathlehong. The members per centre in the specified age group are listed in column 3 in Table 5.10 below.
- According to Stoker (cited by De Vos, *et al.*, 2005:196), the sampling guideline is that 32% of the population is suggested for a population of 200 (equalling 64) and 20% for a population of 500 (equalling 100). Accordingly, the total for distribution was 100 questionnaires.
- These 100 questionnaires were distributed to the above eight sites, as set out in column 4, and completed as per column 5, in Table 5.10.

Name of project	Area	Members	No. of questionnaires distributed	No. of questionnaires completed
1. Atteridgeville	Pretoria-West	28	16	15
2. Kathlehong	Germiston	107	13	10
3. Kokosi	Fochville	24	10	10
4. Nellmapuis	Pretoria (next to Mamelodi)	41	10	6
5. Randfontein		86	10	5
6. Tembisa	Kempton Park	65	15	14
7. Vosloorus	Boksburg	60	16	15
8. Wedela	Carltonville	29	10	10
Total members: 440			100	80

Table 5.10: Participating Heartbeat groups: Questionnaires

An 80% return rate of distributed questionnaires was achieved by this organisation.

5.6.8.2.3 The Johannesburg Housing Company (JHC):

Target group: Makhulong Youth Clubs in the JHC's buildings

- Based on the criteria supplied to the community development officer, the following four youth clubs were identified to participate in the study. Owing to the small available sample (set out below in Table 5.11) all members were asked to complete the questionnaire.

Youth Club Name	Area of operation	Number of members & questionnaires distributed	Completed questionnaires
Innovative Youth Club	Hillbrow, JHB	15	15
Downtown Youth Club	Downtown, JHB	5	5
Young and Active Youth Club	Jeppe, JHB	5	5
Ikageng Youth Club	Hillbrow, JHB	10	15
Total		40	40

Table 5.11: The JHC's participating groups: Questionnaires

There was a 100% return of completed questionnaires for this organisation.

In summary, for this quantitative part of the research, the total number of questionnaires administered was as follows (as set out in Table 5.12 below) and they were numbered SC 1–78, HB1–80 and JHC1–40 accordingly.

Organisation	Completed questionnaires
Soul City	78
Heartbeat	80
JHC	40
TOTAL	198

Table 5.12: Quantitative research approach methodology table

In the next chapter, Chapter Six, the analysis of the research results of this study is presented and discussed.

CHAPTER SIX

RESULTS – PRESENTATION AND DISCUSSION

6.1 Introduction

Chapter Six reports on the findings of the qualitative in-depth and semi-structured individual interviews, as well as the focus groups conducted with the internal and external respondents. It further discusses the quantitative findings obtained from the questionnaires completed by the beneficiaries, as well as the data obtained from the documentation scanning process. These findings and data address the main research question, namely, to determine the way branding has been used as a corporate communication tool to position the specific SE as a leader and differentiator in the development sector. More specifically: What role did branding play in the social marketing processes of the three Schwab Foundation Award winning social enterprises (SE)?

The four sub-questions of the research question were intended to capture the four main data categories:

- i. What do the brand identities of these three organisations consist of?
- ii. How were the brands of these three organisations chosen?
- iii. How did branding help these three organisations to become winners?
- iv. What guidelines for the more effective use of branding by Social Enterprises (SEs) and Non-Profit Organisations (NPOs) may be deduced from this investigation?

6.2 Analysis of data (content analysis)

Firstly, this section describes the method of content analysis which was applied and then discusses how it was used to analyse the data gathered in this study. Thereafter, the actual data categories derived from the analysis of the data are discussed.

Neuman (1997:272) describes *content analysis* as a technique for gathering and analysing the content of texts. In this context, *content* refers to words, meanings, pictures, symbols, ideas, themes, or any message that can be communicated. *Text*, on the other hand, refers to anything written – visual or verbal – that serves as a medium of communication.

When conducting a content analysis, the text is coded, or broken down, into manageable categories on a variety of levels, i.e., word, word sense, phrase or theme. Writing@CSU (2005) distinguishes between two basic content analysis methods: conceptual analysis and relational analysis. Conceptual analysis, also known as thematic analysis, establishes the existence and frequency of concepts in a text. In contrast, relational analysis goes a step further by examining the relationship among concepts in the text. In this study, the basic method of conceptual analysis was applied (Writing@CSU, 2005).

The following coding steps were followed for the data analysis process (Writing@CSU, 2005):

- Phrases were used as the level of analysis;
- Flexibility was allowed for by adding concepts as the analysis progressed;

- Concepts were coded on the basis of the frequency with which they occurred;
- Concepts were distinguished on the basis of flexibility of the different forms;
- After the results had been analysed, a decision was made to re-examine the information that had previously been regarded as irrelevant;
- While reading through the text (transcription reports), the text was coded manually;
- Finally, the results were examined and conclusions and generalisations were made where possible. The conclusions are discussed in Chapter Seven.

The data was analysed by transcribing the in-depth interviews, the semi-structured interviews and the focus group discussions. These were complimented with the tape recordings and the researcher's notes. The various transcription reports were numbered and filed as follows:

- Semi-structured individual interview (Internal audiences for the different SEs): SCIQ1–3, HBIQ1–6 and JHCIQ 1–5.
- Semi-structured individual interview (External audience for the different SEs): SCEQ1–5, HBEQ1–4 and JHCEQ 1–3.
- Focus groups for the different SEs: SCFG, HBFG and JHCFG.
- In-depth interviews with SE: SCID, HBID and JHCID.
- In-depth interviews with SE experts: GEN 1–7.

The data obtained from the document analysis was consequently integrated with the broad categories obtained from the interviews and focus groups.

Berg (2001:2) differentiates between inductive and deductive content analysis as follows:

- Inductive content analysis is a process during which researchers immerse themselves in documents in order to identify the dimensions or themes that seem accurate in the conveying of the original message contained in those documents.
- Deductive content analysis is a process during which researchers use the categorical schemes suggested by a theoretical perspective, and using the documents as a means for assessing the hypothesis.

This study used a combination of inductive and deductive content analysis through which the grounded theory was extended. The broad categories identified by means of the deductive content analysis were, in turn, further broken down into specific codes by using an inductive process.

In an attempt to determine how the internal and external groups understand corporate communication and, more specifically, the three different SEs' brands, themes were created according to the four sub-questions formulated from the research question.

The identification of the broad categories was done manually by marking the interview transcriptions using different coloured highlighters. Accordingly, the data was grouped together and then interpreted. Finally, the findings were reported in section 6.3.

The data gathered by means of the five data collection methods was analysed as described in Chapter Five, keeping the research question in mind.

- The findings obtained from the semi-structured individual interviews, the in-depth interviews and the focus groups conducted with both the internal and external respondents have been integrated to indicate that the winning SEs managed to establish and promote their brands successfully.
- The data of the quantitative questionnaires, which were distributed to the youth beneficiary groups, was captured and analysed by statisticians at Statomed. These results were interpreted by the researcher and integrated with the findings of the interviews as set out above, to support the results of this study.
- The findings of the study were further supported by the interpretations obtained from the documentation scanning process which was undertaken during the study in order to establish how the SEs' brands were applied.

The internal respondents comprised of the following people:

- The three winners of The SFSE of the Year Awards: Dr Gath Japhet, Prof Sunette Steyn (Pienaar) and Taffy Adler.
- The current CEOs of the different SEs and their key senior staff members – 14 interviews in total.
- The staff focus groups representing males and females from different departments within the SE. Their tenure in the job varied from a few months to 15 years.

The external respondents consisted of the following people:

- Funders, service providers and committee members of the different SEs –12 interviews in total were conducted.
- The involvement of this external target audience group with the SEs varied from being part of the SE's concept development phase to more than five years. This lengthy involvement gave them the opportunity to “move from awareness of the SE's brand to knowing the SE's brand” (SCEQ1).
- A specific SE's beneficiary group. The three SEs catered, amongst others, for a common age group identified as “youth”. Most members of this group were aged between 12 and 14 years. Those in this group who participated in the quantitative research comprised 65% female and 35% male. One-hundred and ninety-eight questionnaires were completed and returned. The returned questionnaires ratio from the three SEs was made up as follows: 39.6% from Soul City, 40% from Heartbeat and 20.4% from the JHC.

In addition to these internal and external interviews with respondents linked with the three specific SEs, seven in-depth interviews were conducted with SE experts in order to validate and enrich the research information.

6.3 Categories of analysis

Two broad categories pertaining to brand communication in the SEs emerged from the data obtained from the external and internal audiences. The first category, discussed in section 6.3.1, pertains to two of the research sub-questions:

- i. What do the brand identities of the three organisations consist of?
- ii. How were the brands of the three organisations chosen?

These two sub-questions were combined due to the fact that the data concerned was linked and difficult to separate.

In the second category, discussed in section 6.3.2, the various SEs' brand elements identified as part of the research findings are discussed. These elements indicate how branding assisted the three SEs to become award winners. These elements were utilised as guidelines which can assist SEs to use branding more effectively to ensure that they become "SEs of choice".

The categories and their sub-themes are displayed in the following table:

BROAD CATEGORY	SUB-THEMES
Category 1: How were the brands of the three SEs chosen/developed and what do they look like?	<ul style="list-style-type: none"> • The beginning of the SE's brand • The visual identity ("look and feel") of the SE's brand • Brand development of the SE's brand • Brand recognition of the SE's brand
Category 2: The SEs' brand elements – How did branding help the three organisations to become winners? This information can be utilized as guidelines for the effective use of branding in SEs in general.	<ul style="list-style-type: none"> • Understanding of a brand • Brand uniqueness and key differentiators • SEs' brand culture and personality • SEs' ability to network; replicate the social brand model vs sustainability • SEs' brand competitiveness and marketing strategies/actions • SEs' brand impact and perceptions • Management of the SE's brand • Brand challenges experienced by SEs

Table 6.1: Categories and sub-themes identified

6.3.1 Category 1: How were the three SEs' brands chosen/developed and what do they look like?

In this category the data are grouped according to specific sub-themes, namely

- the beginning, which provides detail about how the brand was chosen and developed;
- the visual identity ("look and feel"), including logo and brand development, and in Soul City's case specific brand research that was conducted;
- brand recognition of the SE's brand, supported by the different "winning awards" and "own awards" in Soul City's case.

The findings in this section are mainly derived from the in-depth interviews held with the social entrepreneurs themselves as the "founder" of the brand and are therefore seen as the key informant and/or main source of information for this specific category.

6.3.1.1 *Soul City*



Figure 6.1 Dr Garth Japhet: Founder of Soul City and Heartlines – Winner of The SFSE of the Year Award – 2003 (Photo – SFSE, 2011).

6.3.1.1.1 The beginning¹

This section focuses on the origins of the SE Soul City. It then goes on to discuss the brand development process, including the creation of the brand name, which is an important element of brand development.

In 1992, Dr Garth Japhet and Dr Shireen Usdin, who were later joined by Dr Sue Goldstein (1995), developed the project in writing by creating specific project objectives and strategies. At that stage, the project had no name or brand, but simply consisted of a group of people with the desire to create an effective communication vehicle, largely in the form of mass media, for poorer communities. Only later did the brand concept evolve into a visual representation (logo) (SCIQ2).

Soul City was piloted in 1993 and registered as a NPO in 1994. At that time, Japhet managed to raise enough money to make one pilot episode, which was followed by a whole series. At this stage, the production company referred to this project as *Dark City* – a reference to Alexandra Township where this project was based (SCIQ3). This was followed by a TV series, which main ideas focussed on the body, soul and the “dark city”. Subsequently, the name evolved into Soul City, although the organisation’s registered name was called Multi Media Health Promotion Project. After a few years, they realised that TV was driving public recognition and that it was difficult to be both Soul City and the Multi Media Health Promotion Project (SCIQ1). It was then decided to call it Soul City t/a Multi Media.

Today as Soul City’s management, we still have partly the same objectives, but come to recognise that it is not just education and knowledge generation that is important, but also social change. Today we do not only mass media, but also with underground

¹ The photographs of the SEs are included to emphasize the importance of a personal brand.

social mobilisation and advocacy; we create a supportive environment to allow social change. This was the main shift over the years, but the bottom line still remains to improve people's quality of lives (SCIQ3).

The Soul City brand name evolved further with the introduction of various campaigns and projects, which led to brand extensions. The Soul City brand extensions were achieved through specific campaigns and projects, such as *Soul Buddyz* and *Buddyz on the Move*. It was then decided to rename the organisation the Soul City Institute for Health and Development Communication (IHDC). This is still the name of the organisation and includes a variety of brand extensions (sub-brands) in this “one-brand stable”. The Soul City brand is positioned through these brand extensions, e.g. *Kwanda – brought to you by Soul City*.

These brand extensions depend on the popularity and credibility of the Soul City brand; a healthy brand that is known and benefits from the concept, “media for social good” (SCIQ1).

From the above it is clear that the Soul City brand has evolved considerably over the past 19 years.

6.3.1.1.2 The visual identity (“look and feel”)

Like the Soul City name, projects and campaigns, Soul City's umbrella logo also evolved over time (SCIQ4). Over the years the understanding developed that the Soul City brand needs to be positioned differently for different target audiences. This led to the creation of various brand extensions as discussed above. In the process, it was important to keep the attributes and image of the brand consistent.

The following brand elements were highlighted in order to ensure brand consistency:

- Red and blue are the main colours used in all the brand extensions in order to link the mother brand with the extensions (SCIQ4).
- The different brand extensions have their own payoff lines which summarise the issues they address and, where possible, the word “soul” is retained (SCIQ4).
- The creative design/artwork kept its naive character (innocence) and was not computerised (SCIQ4).
- The impression that the brands had to create was one of a “community person” who is non-judgemental and sensitive to the challenges, and who finds “real solutions for real challenges” through respect and talking about the issues (SCIQ4).

The different projects and/or campaigns are visually represented as follows:

Soul City IHDC (umbrella logo/mother brand)



- i. TV series: *Soul City*



- ii. TV series: *Soul Buddyz*



- iii. OneLove campaign



- iv. TV programme: *Kwanda*



- v. Phuza Wise campaign



- vi. Crossing Borders Regional Project



The information on Soul City's visual identity was mainly obtained from one key informant: the Senior Executive of Marketing and Public Affairs, who is responsible for brand management. It is clear that the management of Soul City views brand

management as an important function in their organisational strategies and interventions. The importance of the element of brand consistency as part of the brand management function is obvious from the information as set out above.

6.3.1.1.3 Brand development and research

In the beginning, the brand development was conducted by amateurs (medical doctors) (SCIQ3). However, a PR company was later directed on an ad hoc basis to assist with brand development (SCIQ1). It was only after the second TV series that management realised that Soul City was, in actual fact, a brand (SCIQ3). In September 2000, a company called Research International was appointed to look into the value associations of the Soul City brand (SCIQ1).

The conclusions and recommendations of this brand research case study are summarised by the categories below (Crowther, 2000:3–5):

- i. General views on the value associations of the Soul City brand:
 - Soul City is considered a vital source of valuable information that contributes to improving respondents' standard of living.
 - Through education, the public's patterns of behaviour regarding pertinent social issues and concerns are changed to improve respondents' quality of life.
 - The target market appears to be strong individuals who are not afraid to face challenges head on and to overcome the obstacles that exist. Soul City is an invaluable tool for fostering a sense of self-empowerment.

- Aspirational goals that are most influential include gaining skills to obtain employment and improve their standard of living. Linked to this is the importance attached to being a responsible person. Both improving education and being responsible are perceived as empowerment tools, giving participants greater control over their lives.
 - The personal values underlying and driving the aspirational goals include being responsible, independent and empowered and showing mutual respect for one another.
 - The issue of mutual respect specifically is highly regarded, with respondents encouraging respect for oneself and those around you. This appears to be the fundamental attitude underpinning the behavioural changes involved in many social issues.
- ii. Specific findings on the Soul City brand (Crowther, 2003:3-5):
- High awareness levels of the whole Soul City brand exist among all respondents, although this awareness is predominantly made possible through the media channels specific to each respondent (i.e. TV for TV viewers and radio for radio listeners).
 - TV viewers specifically mention TV broadcasts, print and BP petrol stations (BP is one of Soul City's main sponsors) as their primary methods of contact with the brand. In comparison, radio listeners' main contact points include radio broadcasts, print material and word-of-mouth (WOM) exposure.

- The Soul City brand is defined predominantly as educational; however, it does have an entertainment element. As such, the classification of Soul City as edutainment is accurate.
- Soul City serves as a social asset, as it is considered invaluable and essential. It serves the function of teaching respondents morals and values, including teaching them right from wrong.
- Value associations are positive and include concepts such as trustworthy, healthy, experienced, reliable, knowledgeable, aspirational, selflessness, understanding and togetherness. Acceptance and tolerance are identified as strong social values communicated by Soul City, subsequently reinforcing communal support.
- The use of mixed media forms is favoured by all, as this has greater reach throughout the community.
- The use of a realistic depiction of respondents' lives is successful in ensuring clear communication of the message being sent. In addition, this realistic depiction is favoured as it has direct relevance to respondents' daily lives.
- No negatives are directly associated with the overall Soul City brand. However, some negatives were highlighted relating to specific media platforms.
- The brand is described as a "nation-builder" and as "light", indicating its positive impact on the community.

- Respondents are aware of the sponsor companies behind Soul City, namely BP, Old Mutual, *The Sowetan* and SABC1. Attitudes towards these patrons/media/corporate organisations are positive.
- iii. Findings on the competitive arena (Crowther, 2000:3–5):
- Alternative information sources are generally scarce; those that do exist include newspapers, magazines, clinics, police stations, pamphlets and career centres.
 - Respondents identify no direct competitor, with the closest being a social worker. The closest TV competitor identified is *Take 5* (although it is perceived as being aimed at a younger audience).
- iv. Findings on the “catch phrase” (pay-off line) (Crowther, 2000:3–5):
- There was low spontaneous recall of both the old and the new catch phrase from all respondents.
 - However, upon prompting, the new phrase “Heartbeat of the nation” is preferred, with respondents stating that it signifies that Soul City represents the life force of the nation (i.e. of their community).

The reason for taking this brand research into consideration for this study is that it gives a deeper insight and understanding in terms of the growth and development of the SE’s brand which complement the findings of the study. The fact that this SE is the only one that has invested in brand research is striking, particularly in view of the fact that this study was done in 2000, when the SE was only eight years old.

6.3.1.1.4 Brand recognition²

Over the past 19 years, Soul City has become a recognised international social brand that has won several awards, of which The SFSE of the Year Award in 2003 is one.



In addition, Soul City has established two of its own awards. This section focuses, firstly, on the awards it has won and, secondly, on its own awards.

Soul City has won the following awards over the years, which attest to the recognition of the Soul City brand:

- The Tribute Achievers Award for HIV and AIDS Education 2003



- The CAPFSA (Child Accident Prevention Foundation) award for contribution to child safety. This was for the *Soul Buddyz 1* series in 2001.

² The logos of the various award winning brands for the different SEs are included, where possible to illustrate the importance of branding.

- Avanti Awards



Soul City won the following Avanti Awards:

- *Soul City* Series 2: Best Education and Training Broadcast (1996)
- *Soul City* Series 3: Best Education and Training Broadcast (1997)
- *Soul City* Series 4: Five Avanti Awards (2000)
 - Best Drama Series (Gold)
 - Best Director/Directors Team
 - Best Actor
 - Best Actress
 - Best Supporting Actress
- Craft Awards (4) (2000)
 - Editing
 - Casting
 - Camera and Lighting
 - Script
- SABC 1 Simunye Award (1998): This award is given for the TV programme that brought in the most advertising revenue for a specific financial year.
- Sithengi Awards

Soul Buddyz won two Sithengi awards in 2003. *Soul Buddyz*, a co-production between SABC Education and Soul City, won Best Children's Drama in Africa

and Best Edutainment in Africa awards at the Children's Broadcasting Foundation for Africa (CBFA) at the Sithengi 2003 Children's Festival.

- SAFTAs Award (2011)



Lillian Dube, best known as Sister Bettina from the *Soul City* and *Soul Buddyz* TV drama series, was honoured with a lifetime achievement award from the SAFTAs for her acting and social activism. The Kaiser Family Foundation–SABC survey found that *Generations* is the most popular TV programme (49% watched regularly, followed by *Soul City* (10%), *7de Laan* (10%) and the news (9%) (*Sunday Times: 2007* cited by Soul City, 2011).

The following two awards were established by Soul City as an organisation:

- *Health and Development Worker Award*: The Soul City Health and Development Worker Award is awarded annually to honour and celebrate people who excel in the field of health and development in South Africa. The award was initiated by Soul City and has been sponsored by SABC Education, *Bona Magazine* and BP.
- *Search for a Star Award*: The Search for a Star Award is awarded at the beginning of the production phase of each series. The award is intended to nurture and support emerging acting talent in South Africa. Accordingly, it is first advertised and then aspirant actors are auditioned and shortlisted. The winner of the award is given a debut role in the *Soul City* series and also

receives a year's contract with Lillian Dube's casting agency to assist them in their acting career.

The awards won and those created by Soul City are proof that it is a recognised brand. These awards ensure that the brand receives the media attention that drives the brand publically, contributing to brand awareness which results in the support needed by the SE as an organisation.

The recognition of the Soul City brand is further complemented by their electronic documentation, Soul City's website (2011). According to the website, not only is the SE responsible for a number of popular television shows, including *Soul City*, *Soul Buddyz* and *Kwanda*, but the Soul City Institute's brand is also known today for:

- being the “social change communication organisation” in South Africa;
- being Africa's biggest health and development communicator;
- being a partner with local organisations in nine Southern African countries;
- its OneLove - HIV and AIDS campaign, which focuses on monogamous sexual relationships;
- its Phuza Wize campaign aimed at creating safe drinking spaces and alcohol-free zones, and reducing violence related to alcohol;
- its education, training and development courses and programmes;
- its on-going research and development in assessing the community's needs.

In closing, it is important to note that Japhet left Soul City in 2008 and started his new SE called Heartlines, which he modelled on Soul City.



6.3.1.2 *Heartbeat*



Figure 6.2: Prof Sunette Steyn (Pienaar): Founder of Heartbeat – Winner of The SFSE of the Year Award – 2006 <http://www.wef.forum.web.photos>

6.3.1.2.1 The beginning

The SE Heartbeat was started in 2000 when Sunette Steyn decided that something had to be done about the increasing number of orphaned children in South Africa resulting from the dual scourge of township violence, HIV and AIDS (HBIQ1). With the support of friends in her church network, government and community networks, a pilot project was launched in Khutsong, a township located near Carltonville (HBIQ 1 & 3). Later that year, she decided to leave her position in the church and set up the SE after spending months in townships identifying the greatest needs and overcoming important cultural barriers.

In January 2000, Steyn identified a boy called Wilson as the first orphan to benefit from the Heartbeat services (HBIQ1). Wilson had lost both his parents, and lived on his own in a shack struggling to survive (HBIQ1). He could not attend school as he

could not afford school shoes. Steyn bought him shoes and Wilson was able to attend school again.

Today, Wilson is a new boy; thanks to Heartbeat's intervention, eight of Wilson's most basic rights, as enshrined in the South African Constitution, have been met (Heartbeat, 2008).

This passion from the founder of this SE is clearly indicated in this initial phase. Although it is a much smaller intervention/scale project compared to the first winner, the merits of this social brand's existence are sound.

6.3.1.2.2 The visual identity ("look and feel")

Heartbeat's name and logo were designed and developed by Steyn and her team (HBIQ1). The logo looks as follows:



When developing this logo, the team's views can be captured as follows:

- i. The name "Heartbeat" was chosen to convey the feeling that one needs to be in tune with the community and its specific needs (HBIQ1).
- ii. The hands emphasise the fact that "we need to work in cooperation; together we can build a community" (HBIQ1).
- iii. The image of the sun symbolises that unity can bring light into the lives of children in need of care (HBIQ1).

- iv. The tagline is the outcome of the above: “Putting smiles on children’s faces” (HBIQ1).

Although Steyn indicated that she and her team did not have specific branding background or experience, the above proves that they were equipped with the insight needed to develop the brand.

6.3.1.2.3 Brand development

The Heartbeat model evolved over time. The foundation of Heartbeat’s strategy and brand includes the following two mainstreams of service products:

- i. the delivery of services from facilities located in, and owned and operated by, the communities, thus aligned with their traditional practices;
- ii. the development of training and mentorship programmes to support the replication of the model in other settings (Heartbeat, 2011).

These services are visually illustrated in Figure 6.3 below:

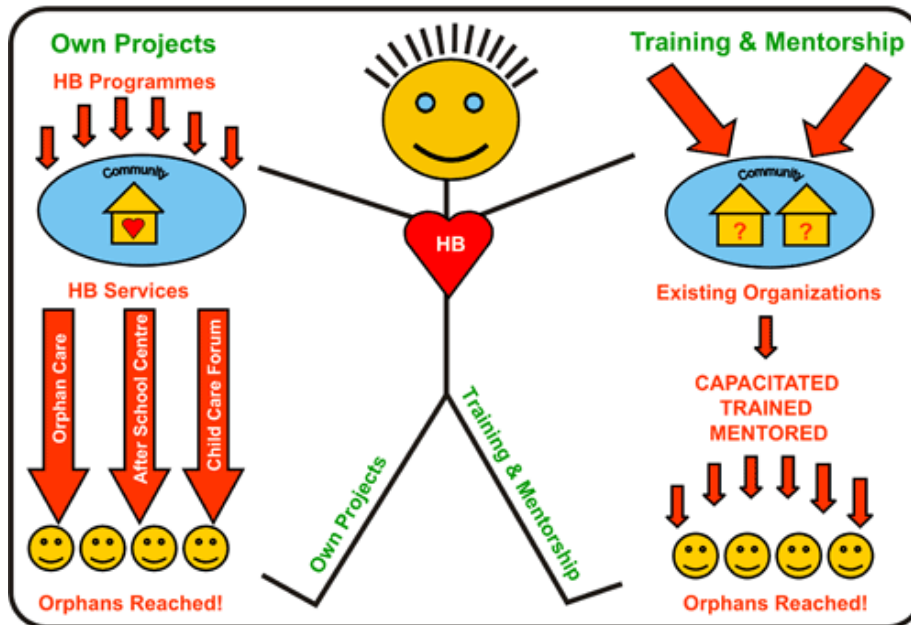


Figure 6.3: The Heartbeat service model (Heartbeat, 2011)

By December 2010, Heartbeat had reached over 54 000 orphans and vulnerable children (OVCs) through its direct and indirect interventions. Recipients include child-headed households, granny-headed households and potential orphans living with terminally ill parents (Heartbeat, 2011).

This SE's brand development took place on a much smaller scale and with far less prominence in terms of the organisation's activities. The brand that the organisation started with is still in place with no brand extension programmes and/or campaigns. The low key function of brand management is further supported with the fact that there is not a specific position within the organisation that looks after this specific function.

6.3.1.2.4 Brand recognition

The recognition of the Heartbeat brand is demonstrated with them being awarded the following two awards:

- The SFSE of the Year Award in 2006



- Selection as a Young Global Leader in 2008



From the above it is clear that the recognition of the Heartbeat brand is more international than national and on a much lower level than the other two SEs. The fact that Heartbeat is the youngest SE of the three organisations could be a contributing factor.

It is important to note that Steyn has resigned as the National Director of Heartbeat, but still serves as the Executive Chairperson of the Heartbeat's Board. Of the three social entrepreneurs, she is the only winner who is still involved with her SE. Since the inception of Heartbeat, she has been the driving force behind the organisation, keeping the issues it addresses visible in the broader business community and civil society (HBIQ2). She is currently working at the University of South Africa (UNISA) at the Centre for Corporate Citizenship.

6.3.1.3 *The Johannesburg Housing Company (JHC)*



Figure 6.4: Taffy Adler, Winner of The SFSE of the Year Award – 2007

<http://images.fortaffyadler.photos>

6.3.1.3.1 The beginning

The JHC was conceived in 1993 and formally launched in 1995 with Taffy Adler as its first chief executive officer (CEO). The organisation was created in response to the need for affordable accommodation for people with low incomes (JHC, 2006 & 2008).

Since its inception, the JHC has developed various subsidiaries and/or brand extensions to focus on specific services. These include Makhulong A Matala, the community development arm, which focuses on providing services that support tenants in their social integration and upliftment, and Brickfields Housing Company, a private company created by the organisation to form partnerships with the public and private sectors in an effort to increase housing development in the inner city (JHC, 2006 & 2008).

The JHC recognises the importance of social cohesion and good neighbourliness and has consequently created the eKhaya Neighbourhood programme in conjunction with landlords in the suburb of Hillbrow in Johannesburg. They organise security and

cleaning services for the community. It also hosts several activities, such as community festivals, youth days and other community events (JHC, 2006 & 2008).

By 2010, the JHC had provided low cost housing to 9 000 people in 3 322 units across 27 buildings in the inner city of Johannesburg (JHC, 2010). Over the past 18 years of its existence, the JHC has developed considerably as an organisation, with definite brand extensions/sub-programmes in place.

6.3.1.3.2 The visual identity (“look and feel”)³

The JHC logo, as the mother brand, has developed over the years into what it is today. Figure 6.5 illustrates this development process, which took place from 1995 to 2003. One can see that the logo was first re-coloured and later enhanced into what it is today (JHCIQ2).



Figure 6.5 The JHC’s logo development process (Prinsloo, 2010a)

The results of this enhancement process are shown in Figure 6.6:

³ The logo/brand development process (Figures 6.5-6.7) was made available by JHC’s Corporate Affairs Department.



Figure 6.6: The JHC's logo enhancement benefits: Leveled Foundation Line (Prinsloo, 2010a)

The principal enhancements of the logo included the levelling of the foundation line, which offers the following benefits to the marketing team:

- the design offers more useful space for logo graphics within the same area size;
- the design is neater and offers more versatile text alignment options;
- the logo offers a more stable, professional overall impression to the JHC brand (Prinsloo, 2010).

Figure 6.7 shows that the logo now focuses more on the general benefits:



Figure 6.7: The JHC's logo enhancement benefits: General (Prinsloo, 2010a)

The three subsidiaries function as brand extensions of the mother brand, the JHC, and can be visually presented as follows:

The JHC's umbrella logo/mother brand (as per the latest corporate identity manual)



Brand extensions

- i. Makhulong A Matala



- ii. Brickfields Housing Company



- iii. eKhaya Neighbourhood



From the description of the visual identity given above, it is clear that over the years there has been a focus on brand development; moreover, brand extensions have also received specific attention. The link between the mother brand and the brand extensions is unclear, especially with eKhaya Neighbourhood, although the mother

brand and the other two brand extensions are linked by the use of the same colours and the “feel” of the brand.

6.3.1.3.3 Brand development

In the conception phase of the JHC, there was no brand. Initially, the product’s focus was on urban upgrade through rental housing. It was only after five or six years that the social element presented in urban renewal was seriously addressed. The implementation of the JHC’s community development services is the key differentiator that makes them stand out in the social housing sector (JHCIQ1).

The brand logo development process started in 1996. From the start this process was driven internally, mostly by the management team and the senior executive team (JHCIQ2), although the marketing and corporate communication department also played a critical role. The JHC employed only image consultants for the design of their publications and websites as to manage their creative work. The overall brand conception was done professionally and was meant to portray the following: “What we say is what we do” (JHCIQ1). Two mayor themes were addressed: “Your Home in the City” by adapting buildings into homes and “Making the City your Home”, which extended this social housing project into community development initiatives (JHCIQ1).

It is clear that specific focus and functions are in place within the JHC that allow for brand development. In fact, people have been specifically appointed to look after this communication function.

6.3.1.3.4 Brand recognition

This SE has received national and international recognition for its pioneering work in the social housing sector. This recognition includes the following awards since the JHC's inception:

- *Most Innovative Inner City Project* (1998). The JHC won the first ever Most Innovative Inner City Project award given by the Gauteng Department of Housing and Land Affairs.
- *Gauteng Housing Person of the Year* (1999) and *Gauteng Housing Developer of the Year* (2001). In 1999, Taffy Adler was awarded the Gauteng Housing Person of the Year and, in 2001, the Gauteng Housing Developer of the Year, by the Institute for Housing of South Africa.
- *Best Project in Best Construction Practices* (2000).



In May 2000, Carr Gardens was voted the Best Project in a Best Construction Practices workshop hosted by the Social Housing Foundation.

- *Architect Project Award* (2000).

Elangeni was awarded a South African Institute of Architects: Architect Project Award, for urban design.



- *Top Twenty Award* (2000).

The JHC was awarded the Top Twenty Award in *Business Day's* Unlisted Company of the Year Award.



- *Concrete Manufacturers Association Award* (2003).

The JHC was honoured with the Concrete Manufacturers Association's award for the best concrete roof tiles developed for Tribunal Gardens.



- *South African Property Owners Association Award* (2004 & 2005).

In 2004 and 2005, the JHC won an award for Tribunal Gardens for Social Development and Smitshof, respectively, from the South African Property Owners Association (SAPOA) in the Social Environment Category for excellence in property development.



- *International BSHF UN Habitat Award* (September 2006).

In September 2006, the JHC was awarded the prestigious UN Habitat Award for its pioneering social housing projects in Johannesburg's Inner City. A trophy and R144 500 were presented to the JHC at the annual United Nations



celebrations of World Habitat Day held in Naples, Italy.

- *Govan Mbeki Housing Award* (October 2006 & 2008).



The JHC was awarded the first annual Govan Mbeki Award for Best National Housing Institute of the Year in 2006 and thereafter again in 2008 for Gauteng Province. This award provides an opportunity for sharing information, examining lessons and strengthening partnerships within the housing sector.

- *The SFSE of the Year Award*: on The SFSE of the Year Award for changing the face of downtown Johannesburg by turning degraded buildings into safe, quality and affordable housing.



- *The President's Award* (November 2008).

The South African Institute of Architects' President's Award recognises work from across the entire profession for the contribution architecture makes to the development of a sustainable built environment and the societies which it serves. The Elangeni Social Housing Project became the first



inner city housing project to attract a commercial bank loan in South Africa, paving the way for other social housing companies to attract private public partnership housing. The Elangeni Social Housing Project is located in the Johannesburg inner city and was developed by the JHC.

- *Halala Awards* (2008 & 2009).

- In 2008, the Johannesburg Development Agency (JDA) handed out its Halala (which means “to celebrate”) Joburg Awards to the JHC. This award serves to recognise investors and their regeneration efforts in the inner city. The JHC won an award in the first category, “Living Joburg’s first sub-category for a lower income developer not houses, but homes”, for its Brickfields Housing Project. The project transformed an empty and derelict area of the CBD into attractive social housing; it opened in 2005 and houses 2 000 people.
- In 2009 Makhulong A Matala and eKhaya Neighbourhood Association (brand-extensions of the JHC) won these awards in the following categories:
 - *Makhulong A Matala: Award: “Caring Joburg”.*



– *eKhaya Neighbourhood Association:*

Award: “Sustaining Joburg: past, present and future”.

- *South African Property Owners Association (2009).*
eKhaya Neighbourhood Association won the *South African Property Owners Association (SAPOA) Award for Innovative Excellence in Property Development* in the category: “Social/Environmental Impact Developments”.



- *National Housing Award (2010).*
Makhulong A Matala also won a National Housing Award from the South African Housing Foundation in the category for Community Development Projects.



- *South African Institute of Architects (2010).*
eKhaya Neighbourhood Improvement Programme received a commendation from the South African Institute of Architects at the inaugural AfriSam-SAIA.



These awards make it clear that the JHC’s brand is well recognised in its specific sector on both an international and a national level. These awards acknowledge the

positive impact of their efforts on South Africa through a focus on social change, innovation and sustainability.

As with the two other social entrepreneurs, it is important to also note that after 15 years of service to the JHC, Adler left and is currently working as head of the Housing Development Agency (HDA).



6.3.1.4 *Conclusive comments*

The above section has illustrated the brand identities of the three SEs, the way in which their brands were developed and chosen, and how their brands have been recognised. The data obtained from the in-depth interviews with the social entrepreneur, the head of the organisation and some of the semi-structured interviews with key management staff were supported by the documentation referred to by these individuals in order to enrich and to obtain complementary data for this category.

In the next section, the focus is placed on gaining an understanding of the brand elements of the different SEs that enabled them to become winners of The Schwab Foundation Social Entrepreneur of the Year Awards.

6.3.2 Second category: The SEs brand elements

The following elements of branding were derived from a content analysis of the data obtained from the interviews, focus groups, quantitative questionnaires and documentation and were used as sub-themes. These elements were identified on

the basis of the similarities between the three SEs that were viewed as being important. One can, therefore, state that these elements contribute to the role that branding plays in the SEs, and to the fact that these organisations became winners of The Schwab Foundation Social Entrepreneur of the Year Awards. Such information can be used to formulate guidelines for the effective use of branding in SEs in general. The elements that will be discussed are as follows:

- understanding of a brand;
- brand uniqueness and key differentiators;
- SEs' brand culture and personality;
- SEs' ability to network, to be replicable and sustainable;
- SEs' brand competitiveness and marketing strategies/actions;
- SEs' brand impact and perceptions;
- management of the SE's brands and
- brand challenges experienced by SEs.

6.3.2.1 *Understanding a brand*

The understanding of a brand by the respondents surveyed in this study is subdivided into the following three areas:

- general comments regarding the understanding of a brand/SE's brand;
- elements that are important for ensuring a "good brand" and
- the importance of brand associations/awareness.

6.3.2.1.1 General comments regarding the understanding of a brand/SEs' brand

This section is further divided into two subsections. Firstly, the findings arrived from the data obtained from the internal and external respondents, as well as from the SE experts regarding their understanding of a brand. Secondly, supportive quantitative results obtained from the questionnaires.

i. Internal, external respondents and SE experts

- The majority of respondents defined a brand as a unique visual, recognisable symbol, icon or image that identifies (identity), and is associated with, an organisation.
- A brand also represents “the actual work you do” and “who you are” (GEN1 & SCEQ1).
- It further encompasses the values, principles, personality, qualities, character and set of ideas of the organisation that are, in turn, linked to the quality, reputation and integrity of the organisation.
- A brand is linked to an individual experience of, and thoughts about the features of the product that one experience with all “senses” (GEN7); “the feeling of wearing Levi is that I am untouchable and I have a specific image by wearing the Levi quality brand clothing” (HBFG).
- A few (3) respondents noted that a brand is, in a way, “intangible” – one respondent (GEN5) referred to it as “a powerful intangible thing”, another (GEN4) referred to it as “beyond logic” and another (JHCEQ3) as “the wow idea”.

- Only one respondent (GEN1) referred to the importance of the brand's impact and perceptions about the brand; this is significant as it is an important factor in social branding.

ii. The quantitative results

- The quantitative results obtained from the questionnaires completed by the beneficiaries were in line with the above external respondents' remarks. In terms of the respondents' understanding of a brand, the following factor was the most popular of the five factors listed in the questionnaire: "A brand identifies an organisation."
- Furthermore, the quantitative results indicated that 99.5% of the respondents recognised the logo of the specific SE case study. This finding supports information obtained from the literature in this regard. In his book *Brandchild*, Lindstrom (2005) states how important the youth is as a branding target audience group.
- Regarding the meaning of the specific SE case study organisation's brand, the findings are displayed in the table below:

Organisation	Meaning of the specific SE's brand
Soul City	A brand working with health issues
Heartbeat	A brand that is the heartbeat of communities
JHC	A brand focusing on providing housing in Johannesburg

Table 6.2 Meaning of the specific SE's brand

The results above confirm the information collected from the interviews and the documentation on the specific SEs.

In summary, these findings confirm that the respondents have an understanding of the meaning of a brand in general.

6.3.2.1.2 Elements that are important for ensuring a “good brand”

The elements (essentials) that are important for ensuring that a “good brand” is developed and portrayed, according to the internal and external respondents as well as the SE experts are outlined as follows:

- i. The majority of the respondents maintained that the following are key to defining a “good brand”:
 - brand consistency/sustainability – over a period of time, as older companies have stronger brands and have definite public relations and marketing strategies and activities in place (HBEQ2);
 - a positive image – “clients identify with the consistency of the brand and product – same taste, feeling, touch” (HBEQ3) thus embodying “The specific untouchable image thing” (HBFC); “it touches people on a subconscious level – evolves an emotion” (JHCEQ3); “an accurate reflection and interpretation on what it represents on a unconscious, conscious, objective and subjective ways” (GEN5).
- ii. The second most important element highlighted in terms of what identifies a “good brand” is that it is visual and eye catching (JHCEQ2 & HBEQ3); it stands out and cannot be confused with other brands; it is different for each brand; it isolates and targets a specific target audience (GEN6); it is appealing, colourful, relevant; it is important for satisfying clients’ needs and expectations (SCEQ5); and should be clearly, simply and accurately displayed so that all can understand it (GEN5).

- iii. Three respondents stated that when a brand and business are seen to merge, it reflects what a “good brand” is (SCEQ1, GEN7 & HBEQ2).
- iv. A “good brand” reflects the following core characteristics:
 - trust and integrity: meaning lives up to and delivers on the brand promise (SCEQ5);
 - credibility and good reputation: meaning congruency between image and the company itself (HBEQ2);
 - quality: the quality of the product/service at affordable prices and is easily obtainable (cost benefit analysis offers value) (GEN 7).
- v. Two respondents mentioned that the importance of public perceptions and the brand’s impact on communities should not be underestimated (SCEQ4 & HBEQ2).

The findings regarding the elements of a “good” SE brand are summarised in Table 6.3.

Number	Elements of a “good” SE brand
1	Brand consistency/sustainability
2	Visual and eye catching
3	Brand and business are seen to be ONE
4	Core characteristics: <ul style="list-style-type: none"> - Trust and integrity - Credibility and good reputation - Quality
5	Importance of public perceptions and impact on communities

Table 6.3: Elements of a “good” SE brand

These elements are in line with branding theory, although the last two elements are more specifically aligned and of importance to a social brand (Aaker, 1995 & Kapferer, 1992).

6.3.2.1.3 The importance of brand associations/awareness

In this section, the brand associations/awareness of each of the SEs studied will be discussed on the basis of the content analysis. The data is further divided in terms of the views of the external and internal respondents.

i. Soul City's brand associations/awareness

External respondents

The TV series is the first association everyone makes with the Soul City brand, followed by the Information, Education and Communication (IEC) materials (booklets) (SCEQ1). The fact that this is a multimedia programme is well known and that particular issues including HIV and AIDS are addressed. Most of these issues involve living one's life and how to sustain life by making the right choices. It is a communication initiative levelled at grass roots level (SCEQ4).

The one challenge that is identified is the perception that Soul City is just a TV series. Consequently, it would seem that the general public has no deeper understanding of the brand (SCEQ4).

The view is also that Soul City is a brand that embodies caring and selflessness, and which is built on deeper values; it is a strong, bold brand that is eye catching – it stands out (SCEQ5).

The results of the quantitative research indicate that TV is rated as highest for Soul City. This is in line with the findings of the qualitative research in terms of which Soul City has a built-in brand awareness advantage as its core product is a TV series.

Internal respondents

The majority of the internal audience were of the opinion that people regard Soul City as a trusted friend and therefore a reputable and receptive brand; a brand that people can rely on. In fact, commercial brands envy this (SCIQ1 & SCIQ4). People believe they can trust information conveyed on TV and/or in booklets, and know that it will help them in living their lives as it deals with everyday issues and offers them solutions to their health and wellness problems (SCFG).

The respondents stated that Soul City is a simple, informal, comfortable brand (one that draws people into it) and they regard it as a “warm” brand (the “look and feel” of it). The red cross that appears on it informs them that the brand is concerned with health issues (SCIQ2). Soul City is a brand that people understand; it is honest, committed to the poor, gives a voice to the people and discusses issues that are generally not discussed; it is a brand that is committed to development, a multilingual brand that creates ownership (SCIQ3).

The brand is unique and easily recognisable with huge equity and essence; it is well known and has stood the test of time; it is like part of the fabric of South African communities and people have embraced it as part of their daily lives over the years. This has been achieved by keeping the social, health and softer issues relevant, moving with the times and maintaining its appropriateness (SCIQ4).

The name itself is appealing – the SOUL part of it says something to an individual. The respondents also associated Soul City very specifically with HIV and AIDS and with healthy living standards; “if you wearing a Soul City brand, people will know that you won’t do drugs (SCFG)”.

ii. Heartbeat’s brand associations/awareness

External respondents

The Heartbeat brand conveys an exciting feeling about communities, community development and, specifically, “behaviour change” that is brought about (HBEQ1). The brand is further associated with the empowerment of individuals and communities to deal better with challenging issues. Heartbeat is an organisation with passion (red/fire); and is about care and support for children affected and infected by HIV and AIDS (HBEQ2).

Heartbeat’s core business is children, and HIV and AIDS orphans. The Heartbeat brand is also linked to research. Heartbeat as a brand is well known to communities and NGOs, and is in the early stages of getting known in the corporate world (HBEQ2). The external respondents were further of the opinion that the Heartbeat

brand has credibility; it has strong credentials and has become a reputable brand that is making a distinct impact on South African society: “Definitely an organisation I would like to work with” (HBEQ2). The external respondents’ also stated that Heartbeat has left a large footprint on various communities in South Africa. The image of the “Helpende hande/Helping hands” (HBQE4) in the logo makes it particularly noteworthy as a brand.

Internal respondents

The Heartbeat brand gives the immediate impression that it is about children, because of the primary colours and the fact that it has a happy, bright and uplifting feel. “The hands in the logo are seen as a device and are quite meaningful in what we do” (HBIQ1). It further gives the impression of an innovative entrepreneurial organisation (not the normal “charity feel”) operated by a youthful group of community members with whom people want to work as they feel part of the “Heartbeat family” (HBIQ3).

In summary, the internal respondents’ views on the Heartbeat’s brand and product associations are linked to the following aspects:

- the holistic aspect of care and the way the services are packaged including the material support, the psycho-social programme and the capacity-building training programme (HBIQ2);
- the fact that Heartbeat partners with other organisations in order to increase its impact – growing from a small to a large organisation (HBIQ2);
- the Heartbeat model is easy to replicate and it speaks to the needs of the community, ensuring their involvement and ownership. “We don’t have all the

answers, but with the community we will be able to get to the answers – together we can carry the burden” (HBIQ4).

In a nutshell, the staff of Heartbeat sees the brand representation as: Love and Care; Support; Working Together and Hope (HBFG).

iii. The JHC’s brand associations/awareness

External respondents

The external respondents reported the following brand associations:

- The JHC provides good, clean, safe, affordable and quality housing in the inner city. The housing is secure, complaints are dealt with promptly, there are no transport worries and there is a definite social development link (JHCEQ1).
- There is service behind the JHC’s brand and name, which is achieved through continued efforts and consistently good quality housing. This is offered and maintained by efficient staff that is retained on a long-term basis (JHCEQ2).
- The JHC is about the regeneration of the inner city to a stable and more accommodating city (upliftment of the inner city) by creating homes: “I would live in one of their units anytime” (Funder JHCEQ3); “I look out onto the building and it drives me with passion” (Funder JHCEQ3).

Internal respondents

The internal respondents of the JHC reported the following brand associations:

- The JHC brand gives one a corporate and professional feel (“right up with Coke” – JHCFG) with the capacity to open doors to important people and to

obtain support and backing from government, corporates and tenant organisations.

- Through the JHC's Brickfield Development (sub-brand) it has proved that housing for poor people can be "funky" and well designed (JHCIQ1).
- "The JHC Brand is part of our daily activities – always part of 'in the doing'" (JHCIQ).
- "The JHC's brand logo is simplistic with the house and it is clear in which business we are" (JHCIQ).
- The JHC brand is regarded as the leader, role model and trendsetter in the social housing industry; one that has had a sustainable model for the past 18 years. "The JHC's reputation precedes us" (JHCFCG).
- The brand uniqueness is displayed in the brand extension of Makhulong, A Matala and eKhaya Neighbourhood Association. These are the JHC's community development projects which offer their "social housing services with a difference" to the community. The brand development is based on innovation, a deeply embedded value system and passion. "If you want something new and exciting, you can knock on the JHC's doors" (JHCIQ5).

Overall, there are similarities in the views of the internal and external respondents regarding the different SEs. Most of the brand associations are positive and closely linked to the social sector and the SE's specific service fields, as well as their uniqueness and key differentiators. This is discussed in the following section.

6.3.2.2 The brand uniqueness and key differentiators for the SEs' brands

Based on the analysis of the content, that is the data obtained from both the internal and external respondents, the brand uniqueness and key differentiators of each SE are listed below in table format for easier reading and understanding. This analysis is supported by the **quantitative results, which are indicated in BLUE**. Furthermore, categories (themes) were created based on the data obtained from the semi-structured interviews. The information is summarised and the words used by the respondents are noted as far as possible to increase authenticity (see Table 6.4 below).

Category	Soul City	Heartbeat	JHC
Product unique factor	<u>Multifaceted</u> TV, radio, IEC materials, community training and social mobilisation through different programmes, i.e. <i>Soul Buddyz</i> and <i>Kwanda</i> = <i>Unique multifaceted communication and social behavioural change model</i>	<u>Holistic OVC care</u> Material and psycho-social support and a community development capacity-building programme <i>Unique model of capacity building and empowerment intended to reach more children and to keep children in their communities</i>	<u>Added value</u> Social housing with a difference, i.e. community development services to its tenants and surrounding communities <i>Unique social housing services with the added value of community development services</i>
Manner in which products are positioned	<ul style="list-style-type: none"> - Research embedded and well grounded - Dynamic and relevant - Community roots based - Link between mass media and social mobilisation - Longevity (11th TV series season) generation-“thing”; some have grown 	<ul style="list-style-type: none"> - To think innovatively, laterally, creatively – Is visionary and conveys strong leadership 	<ul style="list-style-type: none"> - Management and quality of building units as well as security services - Link between social housing services and community development services - JHC's financial and rental management

	up with Soul City; part of their lives		
Relationships	- Unique relationships with government and donor communities	- Strong relationship with government and corporate sector, on both national and international level	- Relationships with government and business sector - Run by a board and passionate staff – culture of HOME rather than CONTROL - “In touch” with tenants
Reach and impact	-Have made a strong impact on their target audience and have conducted several impact studies -Broad target audience – from children to adults	- Full continuum of care: children’s services from preschool to the workplace	- Tenant age groups varies from babies to adults
Values and tone	Credibility Reputable Quality Integrity Trustworthy Responsible and real Positive and healthy Engaging and sensitive Powerful leader Triumphantly inspiring and sustainable	Quality OVC services PRICE -less values: - Professionalism - Respect - Integrity - Confidentiality - Equality Opportunity Empowerment Reaching out Caring and hope Vibrant	Organisational values: Commitment Teamwork Excellence Sustainability Affordability Security Caring Dynamic Quality Pioneering and innovative Responsible Go-getters

Table 6.4: SE’s brand uniqueness and key differentiators

It is clear from the above table that each SE has positioned itself with a unique differentiating factor in their specific service delivery field. The data further conveys the message that their brands’ unique factor allowed them to stand out, thus consolidating the position that eventually gained them The SFSE of the Year Award.

The other key differentiator that stands out from the respondents' data is the importance that is placed on the SEs' values; this is one of the main differences between branding practices in the corporate sector and those in the social sector.

6.3.2.3 *The culture and personality of the various SEs' brands*

The culture and personality of the SEs' brands are outlined in accordance with the results obtained from the content analysis of the internal and external respondents' responses.

- i. *Soul City*: The Soul City internal and external respondents experienced the culture and personality of Soul City as follows:
 - passionate staff and management –“It is like their life for them” (SCEQ1);
 - innovative, visionary and relevant (SCEQ2);
 - “Soul City is not just a brand – it is about people – ‘people focused’” (SCEQ1);
 - Soul City's culture is that of “Ubuntu; a human brand; my neighbour's problem is my problem (SCEQ5)”; “like a mother; who is caring, who you confide in, i.e. share HIV status” (SCFG); a strong family feel (SCIQ1);
 - organisational culture: professionalism mixed with caring for staff; commitment to quality and excellence, and a culture of commitment to a better self in Southern Africa (SCIQ2);

- product culture: caring brand; a brand that appeals to the best in people; that is dedicated to social justice; “a trusted and loved brand” (SCIQ2);
- Soul City is a caring organisation with the ability to get things done; also quite adventurous but much focused on research, both formative and evaluative; stays rooted in the community (grassroots focused) and tries to be developmental (SCEQ4 & SCIQ3).

ii. *Heartbeat*: Heartbeat’s internal and external respondents reported the culture and personality of Heartbeat as follows:

- In summary, the external respondents view Heartbeat as a multicultural, strong, committed, credible, efficient, professional organisation with passionate helpful staff who are very close to the children in their care (HBEQ 1–4).
- Heartbeat is described as a “corporatised NGO” with a business-like environment; the running of the organisation is streamlined and highly functional; staff are accountable and honest; the organisation is independent of donor funding; and strives to be self-supporting and find sustainable funding solutions (HBIQ2).
- Heartbeat is determined to work with and develop communities; to change communities; to create warmth in making a difference in communities; to have an impact on communities and the lives of the children in them (HBEQ1 & HBEQ2).
- Heartbeat is “child friendly” (happy and fun) and caring. Heartbeat is seen as a family with an “ubuntu” organisational environment (HBFG);

“people love each other here; they stay longer because of the work environment” (HBIQ4); “it is not such a hard core environment like in the corporate sector; it is more relaxed and people are treated as people and not numbers” (HBIQ5); “everyone that works here are people that are here for working towards the bigger picture; to help children” (HBIQ7); “this kind of attitude is inherent in the Northern Sotho language culture” (HBFG).

- Heartbeat’s organisational activities are evidence based: Before pilot projects or programmes are implemented, thorough research is conducted (HBIQ2).

iii. *The Johannesburg Housing Company (JHC)*: The JHC’s internal and external respondents reported their experiences of the culture and personality of the JHC as follows:

- A leading sustainable business with best systems in place; “Standvastige and betroubare siel – no frills – hy is wat hy is”⁴ (JHCIQ 2 & JHCEQ3).
- “Business style based on the following values: Commitment, sustainable, teamwork and excellence. You cannot get a job at JHC when you cannot comply with the JHC’s business style. This approach work wonders in the selection of staff; the staff have similar beliefs. You cannot change a personality; while you can teach technical issues if needed (value based business style)” (JHCIQ4).

⁴ “Steadfast soul – no frills – he is what he is”

- Nurturing; maternal kind of feeling; feel like a safe home – tenants stay for a long time (JHCEQ3). The staff are part of the company, which operates on a participatory approach; the staff become involved physically and emotionally (JHIQ1).
- The management focus on staff training and development (JHCIQ3); the caring approach is also noted in the way it handles its tenants: “tree in gesprek oor agterstallige huur voor sommer uitgooi”⁵ (JHCIQ3).
- Develops communities to do actual good (JHCEQ3).

The most common similarities between the three SEs are the culture of caring/ubuntu and the family feel. The view is that these characteristics are distinctive to the social sector. What is significant, however, is the description linked to a SE as opposed to an ordinary NPO; i.e. the term “corporatised NGO”, which is linked to the professionalism demonstrated by SEs in contrast to NPOs, which apply business principles.

6.3.2.4 *The SE’s ability to network and replicate their model through their brands that leads to their own sustainability*

This section illustrates the SE’s ability to network using specific examples. This information is based on the data obtained from the interviews and from the documents that were scanned. These networking examples prove that the SEs’ models are replicable. Accordingly, the fact that they are able to replicate their model automatically contributes to their own organisational sustainability.

⁵ “Approach tenants regarding rent that are in arrears, instead of just throwing them out of their homes.”

i. Soul City

The key respondents are of the opinion that through the different programmes/projects, international funding, networks and formal training courses, Soul City has proven that it is able to network. They are further of the opinion that being able to replicate the Soul City organisational model has led to the organisation's own sustainability and growth. The following are examples of their projects and international funders:

- *Soul City Crossing Borders Regional Project*

Through the Crossing Borders Regional Project, Soul City has shown that it is able to replicate its model, as it is working with nine countries (SCEQ1), thus extending its reach beyond the South Africa border. In this project, Soul City's approach was not to reproduce the Soul City brand or to set up offices in these countries, but to work with a local partner to build and develop an indigenous health communication brand (SCIQ1 & SCIQ4). In the majority of these programmes it:

- built local capacity in the country for effective health communication;
- adapted existing Soul City materials (print, radio, TV) for local use;
- developed and produced local materials (print, radio, TV) for local use;
- created a regional network across SADC to share best practices within the region (Soul City, 2008b).

Through its regional programme Soul City now has a footprint in the following countries:

○ Botswana



○ Lesotho



○ Malawi



○ Mozambique



○ Namibia



○ Swaziland



○ Tanzania



○ Zambia



○ Zimbabwe



What is striking about this project is that there is no Soul City logo present in the project logo of the various countries. This is one of the main differences between the corporate and the social sector – the social sector is about empowerment of stakeholders and not power building for one's own sake.

- *Soul City Partner Training Organisations Project*

Through the Soul City partner training organisations project, the Soul City brand has become real to communities at large in South Africa (SCIQ3). For this project, Soul City developed a set of comprehensive HIV and AIDS learning materials aimed at adult learners working together in a group training situation. The package of materials is intended to be flexible enough to meet the needs of different kinds of learners (formal and informal) while providing key information about HIV and AIDS (Soul City, 2011). While working on a plan to distribute and market the training materials it became clear that, in order for the materials to be used optimally, they should be supported by a training programme. Soul City developed partnerships with 18 training organisations nationwide that have a track record of high quality training at grassroots level (Soul City, 2011).

- *Soul City: the Communication Initiative Network: Soul Beat Africa*

Soul City has ensured its own sustainability by positioning itself not only as a media/communication institution, but also by doing research and evaluation, bringing about debates that open doors for speaking on

national and international forums (SCEQ2). One of the examples where the Soul City brand has been linked to an Africa network is Soul Beat Africa, which is co-sponsored by Soul City and the Communication Initiative (SCIQ2).

The Communication Initiative Network

Where communication and media are central to social and economic development



Soul Beat Africa aims to be a space for communicators across Africa to share communication for development knowledge, experiences, materials, strategic thinking and events, and to engage in discussion and debate. This site is meant for practitioners, media makers, academics, researchers, and others who are using or are interested in communication for social change in Africa. The site focuses specifically on Africa, providing an opportunity for the unique experiences and issues of the continent to be shared and debated, while helping to strengthen communication for development and social change (Heimann, 2006).

- *Soul City: formal training course – Social and Behaviour Change Communication (SBCC)*

In 2009, Soul City extended their brand further into the training world with their partnership with the University of Witwatersrand. Soul City and the University of Witwatersrand's School of Public Health have collaborated in the development and launch of a new concentration in Social and

Behaviour Change Communication (SBCC) within the University of Witwatersrand's Masters of Public Health programme. The Social and Behaviour Change Communication Approaches Certificate was launched in August 2010 (SCFG). The SBCC unit is in the process of developing capacity in the understanding of evidence-based approaches that aim to influence the social and behavioural determinants of health, including advocacy, social mobilisation, edutainment and social marketing. The course addresses the principles and processes for each approach, which are then, in turn, applied to address a current health issue such as HIV and AIDS prevention or substance abuse (Soul City, 2011).

- *Soul City's international funders*

Through its various international funders Soul City also shows that it has international networks and links in place (SCEQ1 & SCIQ2). The following are just a few of these:



The United Kingdom's Department for International Development



The United States President's Emergency Plan for AIDS Relief

(PEPFAR)

It is clear from the above examples that Soul City is a well-established NPO with extensive networks in place on both a national and an international level.

ii. Heartbeat

In this section the focus is placed, firstly, on the details of the Heartbeat model through which its networks have been extended. This will be followed by a discussion on the reach and replicability of the Heartbeat model in South Africa and Southern Arica. Thereafter, examples of the national and international funder network that supports and recognises Heartbeat's work are listed.

- *The Heartbeat model: network extension*

The replication of the Heartbeat brand is intrinsic to Heartbeat's community capacity-building project through which it extends its network of caring (HBIQ3). Heartbeat has designed a recognised model of care for OVCs. In terms of this model, it has also developed a mentoring and training programme to extend its reach and services to more children by empowering existing organisations (e.g. community-based organisations (CBOs) and faith-based organisations (FBOs)). The mentoring and training programme is currently in the final stages of accreditation with the South African Qualifications Authority (SAQA) through the Health and Welfare Sector Educational Training Authority (HWSETA) (HBIQ4).

The programme comprises of course work, internships and practical implementation. Upon graduation, the participating organisation will have a

fully operational OVC response in its community. The training focuses on the principles guiding the Heartbeat model and allows participants the flexibility to adapt the model for use in their own organisational context and community, according to their own culture and indigenous knowledge. Throughout the training process, a Heartbeat-appointed mentor assists and supervises the trainees to ensure that the practical implementation runs smoothly (Heartbeat, 2008).

- *The Heartbeat model: South Africa: extension of reach and replicability*

Through this project, Heartbeat has extended its reach to all provinces of South Africa by establishing partnerships with existing NGOs. This can be visually represented as follows:

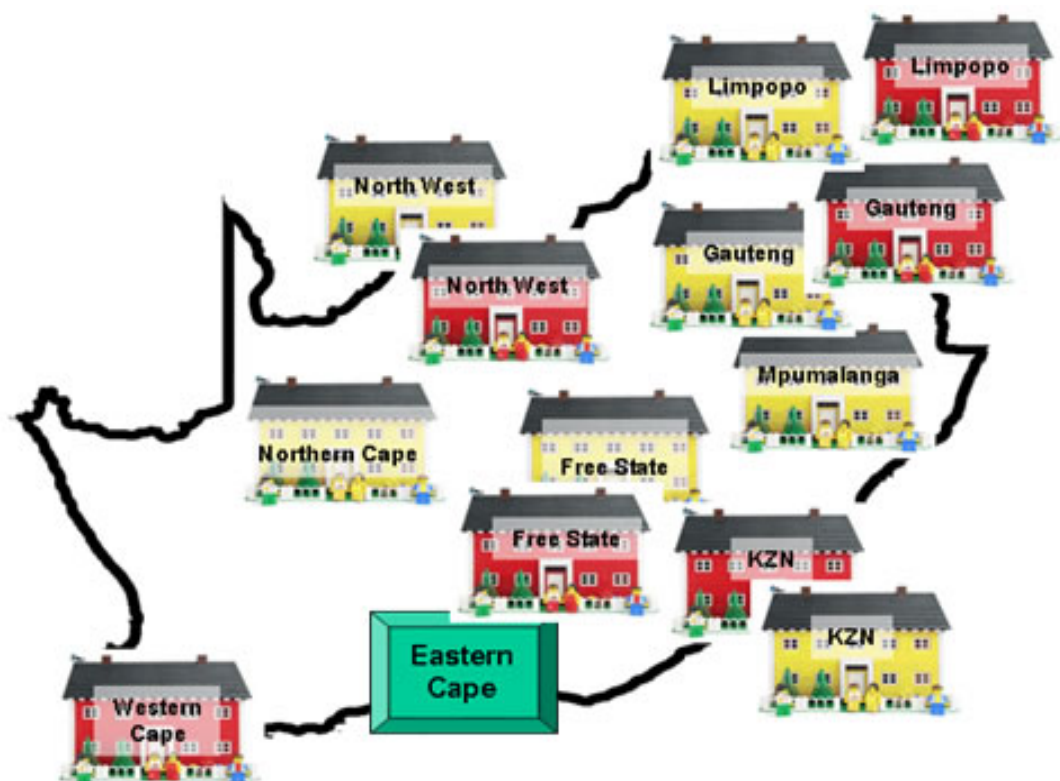


Figure 6.8: Heartbeat's service footprint in South Africa (Heartbeat, 2008)

The specific locations in the different provinces are as follows:

Gauteng Vosloorus Mohlakeng Atteridgeville Nellmapius Katlhong Tembisa Wedela Kokosi Limpopo Bakenberg Northern Cape Mogajaneng	Free State Botshabelo Pieter Swart Mpumalanga Emthonjeni KwaZulu-Natal KwaJobe Eastern Cape (2010) Mphekweni
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Table 6.5: Heartbeat's provincial locations (Heartbeat, 2008)

- *Southern Africa – reach and international networks*

Heartbeat is on the brink of extending its footprint to other African countries, that is, Mozambique and Botswana (HBIQ2 and HBIQ6) and regards this as their scope for extension (HBEQ2). International networks with regard to the above programme and other learner programmes are in place through Go-Ahead and Win-Rock International (HBIQ6).

- *Heartbeat donor network*

Heartbeat also has specific donor networks in place on both a national and an international level, as set out below:

SPONSORS AND SUPPORTERS



Figure 6.9: Heartbeat's sponsor and supporter network (Heartbeat, 2008)

- *Heartbeat: Awards recognition*

The two awards received by the founder of Heartbeat contributed greatly to the international recognition obtained for the Heartbeat brand. The Young Global Leaders award in particular established a solid foundation for international relationships, although such relationships need constant nurturing (HBIQ3).

As the youngest NPO, these examples are substantial proof that Heartbeat has the ability to network. Its brand is well recognised on both a national and an international level.

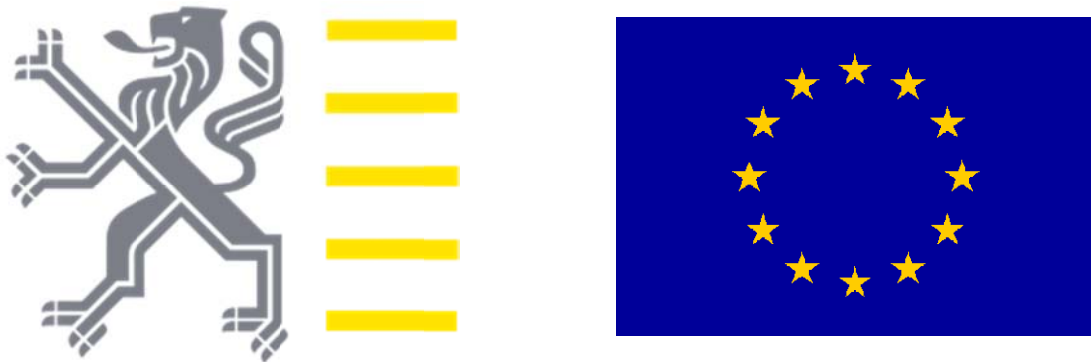
- iii. The Johannesburg Housing Company (JHC)

This section focuses on the national and international funding networks the JHC has established, as well as the various affiliation networks that are in place. An example is also given of an international exchange programme that is in place from which both the organisation and its staff benefit.

- *The JHC: Funding networks – national and international level*

The JHC's national and international networks stem mostly from its financial base. As the social housing sector is its core business, this is understandable. When the JHC was conceived, it had few models in the South African context to work from. With an initial capital grant of R50 million from the European Union and further funding from the Flemish Government, the JHC has been able to grow its asset base to establish a balance sheet currently valued at

R545 million (YE June 2009), comprising of debt, equity and grant funding (JHC, 2008).



The funding of the JHC's community development activities took a quantum leap in the 2008 financial year. Since Makhulong A Matala was established, the JHC has guaranteed the organisation's overhead costs and has required that its programme costs be raised from other sources. Cordaid, JPMorgan Chase and the Johannesburg Development Agency (JDA) have provided much valued grant funding to support Makhulong's activities (JHC, 2008).



By the end of 2000, the JHC had established a portfolio of nine buildings, including two new-build developments. Having built up a reputation for innovation while maintaining good governance and sound management practices, the company was able to attract lending from commercial banks. In mid-2000, the JHC won support from ABSA Bank for the development of Elangeni in the CBD.



This loan, the first ever secured from a commercial bank for social housing development in the inner city, was facilitated by JPMorgan. It signalled the lifting of South African banks' earlier redlining of the inner city as a no-go zone for property development loans (JHC, 2008).

The financing structure that the JHC conceived for the Brickfields housing project, which established a new scale for housing development in the inner city, involved debt, equity and subsidy finance. It brought together government, some of South Africa's leading private companies, banks and housing finance institutions. The Brickfields complex, consisting of three linked housing precincts, was completed in 2006 and added more than 700 new housing units to the inner city (JHC, 2008).

The funding model that served to establish Brickfields – with grant funding constituting a minimum of 50% of the mix and the balance combining equity as well as commercial and soft loans – became the basis for the National Department of Housing's (now Human Settlements') Reconstruction Grant for Social Housing (JHC, 2008). This shows clearly the replicability of the JHC funding model.

The JHC's management of operational costs has always been based on the requirement that each building should cover all its operational costs, including interest where applicable, from operational income. Different buildings have been required to reach different returns, based on age and target income

market. This too has become an industry standard in the social housing sector (JHC, 2008).

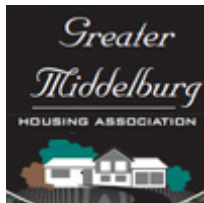
The above examples demonstrate the JHC's ability to network on both national and international levels. Through its funding and management models, its leadership in the social housing industry is the essence of the JHC's brand.

- *The JHC: affiliation networks – national and international level*

The JHC understands the need for commitment and teamwork to achieve excellence and the need for excellence to achieve sustainability. The JHC is affiliated to the following organisations, associations and government departments (JHC, 2008):



Gauteng Department of Housing



Greater Middelburg Housing Association



The National Housing Code



Johannesburg Development Agency (JDA)



National Association of Social Housing Organisations (NASHO)



National Department of Housing



National Housing Finance Corporation (NHFC)



National Urban Reconstruction and Housing Agency (NURCHA)



Social Housing
Foundation (SHF)



South African
Property Owner
Association
(SAPOA)



Trust for Urban
Housing Finance
(TUHF)

Figure 6.10: The JHC's affiliation organisations, associations and government departments (JHC, 2008)

These examples are proof of the company's ability to network with national trade associations. On an international level, the JHC has ensured that it has a number of exchange programmes in place with groupings in countries such as Canada, Norway, Holland and England. India is also in touch with the JHC (JHC, 2008).

An example of one of these international exchange programmes is called the Notting Hill Housing Trust. The JHC prides itself on the quality of its staff and is determined to allow them the opportunity to increase their skills through training and exposure to similar projects internationally. These opportunities are not restricted to the senior management team, but are open to staff at all levels. This exchange programme is also extended to other institutions in Réunion and Canada and is linked to the company's internal system of performance appraisal and so is accessible to any member of staff (JHC1Q1 & JHC 2008).

When it comes to social housing and community development, the JHC represents some of the world's best practices and interacts with other partners across the world yielding fruitful results for everyone involved (JHCIQ1 & JHC 2008). These kinds of associations and networks contribute to authenticity and support to the JHC's brand in the social housing sector nationally and internationally.

6.3.2.5 *The SE's brand competitiveness and marketing strategies/actions*

In this section the following issues regarding brand competitiveness and marketing are highlighted:

- the SEs' target markets and customers;
- awareness of a similar brand that will satisfy the target market's needs;
- reasons for supporting the SE's brand and not its competitors;
- competitors in the market space of the different SEs;
- competitors' main weaknesses;
- views on the SEs' marketing strategies;
- general views on the SEs' brand taglines.

6.3.2.5.1 The SEs' target markets and customers

i. *Soul City*

The core target market for Soul City is black South Africans for whom this brand is a household name. *Soul City* is aired on the SABC 1 television channel, which has a mainly black audience (specific LSM 1–6/7); accordingly, Soul City is almost unknown to white South Africans (SCIQ1). Its focus is in the Health and Social Development Communication Sector.

Soul City does not cater for the under eights or the very old. Other key stakeholders are the NPO sector with whom it has different partnerships in place.

ii. *Heartbeat*

The average age of the orphans and vulnerable children (OVC) is between the ages of 10 and 12. The programme also caters for older children; assisting them after school into the university and the job placement phase. Heartbeat's other main stakeholder is the NPO sector which it capacitates in terms of rolling out its OVC care model on a national level.

iii. *The Johannesburg Housing Company (JHC)*

The JHC falls into the social housing sector in the low to mid income residential rental market. Its primary customers include its tenant communities and its secondary customers are the banks/funders, other social housing institutions and government.

6.3.2.5.2 Awareness of a similar brand that will satisfy the target market's needs

The majority of the external target audience concurred that the three organisations studied are unique in their own right and that there are no similar organisations offering their specific product/service in the same format. The majority of the external target audience indicated further that their needs and expectations of the SE brand are fulfilled. The quantitative results underline these findings as there was no significant awareness of the competitors' brands from the respondents.

6.3.2.5.3 Reasons for supporting the SE's brand and not its competitors

The majority of the external respondents reported their experience with the SE as a positive one; regarded the SEs as trendsetters and top performers with a large impact and reach; that they give value for money and respondents are proud to be associated with the SEs' brands. One participant indicated that a key factor in their involvement was the link with the social entrepreneur (HBEQ2). This links up with the importance of a personal brand of the SE, as discussed in section 6.3.2.8.1 below.

The main reasons for supporting the SE were identified by the external respondents as follows:

- the core business strategy synergy with the funder/partner;
- relationship with the SE;
- their involvement since the inception of the concept idea;
- the credibility and reputation of the SE;
- the fact that they respond to people's needs in an innovative manner, that is, a popular multimedia communication/media vehicle, a holistic OVC care model, and social housing with a difference.

The quantitative results with regard to what appeals the most to the beneficiaries in the SEs are as follows:

- "The promise" of the brand scored highest among the group of SEs; this is in line with the whole value-based branding issue for the social sector.
- "The promise" is also the highest scorer for the JHC's brand and could be linked to the customer/tenant relationship.

- “The name” is the highest scorer for the Soul City brand, which could be related and linked to the fact that the name of the TV series (which is the highest awareness medium) is also *Soul City*.
- “The tagline” is the highest scorer for the Heartbeat brand – “Putting smiles on children faces” – which can be linked to the experience of the child with the Heartbeat brand.

It is significant to note that, in relation to the qualitative research results above, most of the adults did not know the SEs brand’s tagline.

Regarding the recommendation of the services of the SE, the quantitative results indicated that a significant number of respondents, 90%, would recommend the services of the SE. The reason for this is that it is strongly believed that the person will receive help, be assisted, get information and learn, receive guidance, share and also change their behaviour.

The majority of the external respondents see themselves as stakeholders in the pure sense of the word; have a long relationship in place and regard their involvement more as a partnership. One of the stakeholders worded it as follows: “I see myself as part of the SE; a stakeholders sounds like an outsider” (JHCEQ2). Another stakeholder responded about her relationship with the SE as follows: “Yes, because they carry my aspirations – I am not there myself – I aspire for my children to live in the world they depicted” (SCEQ5).

6.3.2.5.4 Competitors in the market space of the different SEs

The top eight competitors for each SE were identified through the interviews and the questionnaire results. They are listed in the following table:

Soul City	Heartbeat	JHC
Khomanani (DoH)	Noah	Joscho
LoveLife	Star Fish	HDA
Johns Hopkins (MCP and Brothers for Life)	MaAfrica Tikkun	Cope
SABC programmes <i>Yiso Yiso; Tsha Tsha</i>	Save the Children	Connaught Properties
BBC World Service Trust	St Josephs	Tuft
PSI (Population Service International)	Tateni	Social Housing Foundation
Gashlam	Olive Leaf Foundation	Afhco
Heartlines (SCFG)	Catcha	Madulammoho

Table 6.6 List of competitors for the different SEs

6.3.2.5.5 Competitors' main weaknesses

The following main weaknesses have been identified from the research data:

- lack of extensive research and consultation with key constituencies;
- unclear, sometimes even insensitive messaging and on multi-level focus areas instead of focusing on core service messaging;
- flashy campaign-driven branding; instead of core service brand-driven;
- quality of service and service delivery/systems in general;
- poor financial and data control and donor dependency;
- composition and input of board members.

6.3.2.5.6 Views on the SEs' marketing strategies

This section discusses views on the SEs' marketing strategies as conveyed by the internal and external respondents and supported by the quantitative results.

i. *Soul City*

Soul City has a “built-in” marketing strategy for their campaign activities because of their core business and the use of their primary media vehicles (TV and radio), research and publications. Extensive face-to-face marketing also takes place with their donors and funders. Soul City makes use of specific campaigns supported with promotional events, e.g. competitions and products/campaign items such as T-shirts and *Soul Buddyz* charts and posters.

The quantitative results highlight the importance of the *Soul Buddyz* charts and posters as an important brand awareness item. Soul City also makes adverts and conducts PR activities from time to time, as well as engaging with the market through community dialogue and training. Using new technology, they use social and electronic media through cell phones, internet and e-mails (viral marketing). Last but not the least; they use word of mouth (WOM).

The external respondents were of the opinion that Soul City could emphasise its competitive edge over its competitors by planning its campaigns and activities strategically in a more integrated approach; the one programme could leverage on the other (SCEQ1). It could also

expand by bringing in more partners opposing the current status; which is a narrower approach (SCEQ4).

Comparison to its competitors, Soul City is seen as a trendsetter with its specific behaviour change communication model. With its rigorous research and consultation with the people in their own communities, it ensures that the stories in the end speak the language of the people; that people can relate to them and experience the message by engaging with the products and solutions. This is how people get to understand the brand; “it is real” as they use real people to talk to people (SCIQ4 & SCFG).

As a result of these programmes and intensive research, Soul City has managed to gain credibility in the academic and research field. By driving various new and innovative programmes, in line with developments in the environment, Soul City ensures that it remains relevant as to ensure their future existence as a SE (SCIQ1).

ii. *Heartbeat*

In Heartbeat, marketing is a low key function – “we don’t even have business cards” (HBIQ7) - and the organisation believes that the impact of its model should tell its own story by making use of “integrity and innovation marketing” (HBIQ1 & HBIQ3). The external target respondents confirmed this view (of an internal respondent) by reporting that they did not notice many marketing activities, only some activities directed at its

external target audience, for example newsletters, and annual and project reports (HBEQ4).

Heartbeat's most important marketing strategies rely on relationship/networking, its partners (funders, government, schools, communities and other CBOs), strategic forums, conferences and academic articles. Other media that are used for these marketing activities include like word-of-mouth (WOM), internet/intranet, social media (Facebook), its website, branded emails, newsletters and brochures (HBIQ1–7). The success of the WOM strategy is supported by the quantitative results, especially between family and friends. Schools, as one of the main stakeholders, were also highlighted in this regard, as the orphans and vulnerable children (OVC) aftercare/drop-in centres are based mainly at schools (HGFG).

Using reports, media sessions, meetings and dialogue sessions, Heartbeat ensures that the message get outs about who it is, what it does and how different it is in comparison to its competitors. It makes sure that it enters the right space in a proactive manner to encounter funders, that is, finance magazines, financial weekly papers, websites, radio stations and so on. The social entrepreneur who heads the organisation is the “true ambassador” for the organisation and attracts people through intensive networking and relationship building strategies. “We ACT our brand; therefore marketing happens naturally” (HBIQ2).

The research results confirm that no substantial marketing activities are undertaken by the organisation.

iii. *The Johannesburg Housing Company (JHC)*

The JHC's marketing strategies are directed to its own constituency and are therefore highly focused. Its key target audiences are its tenants and funders. A lot of publicity is obtained from the national and international awards they have won: "The Social Entrepreneur himself, Taffy Adler, previous CEO of JHC, is an extraordinary marketer. In his quite manner, he has obtained excellent contacts and networks in the government and corporate sector; as well as in the international arena" (JHCIQ3). One of the main groups of word-of-mouth (WOM) marketers that the JHC has not underestimated is the children of the tenants (JHCFCG). This fact is supported by the quantitative results.

The JHC does not use the media enough; it is not seen on television, radio or in the newspapers (JHCEQ2). Therefore, more focus should be placed on the media through advertising and marketing. Markhulong should be used as a marketing vehicle and emphasis should be placed on their community development service delivery as the main differentiator from their competitors. The focus on quality service delivery to their customers (tenants) is guided by the following phrase: "We need to do the best in order for them to stay" (JHCIQ1).

The results indicate that the JHC's marketing approach is sector and funder related, as well as target audience specific. However, a gap was identified in terms of getting the word/message out about their services to the general public at large.

6.3.2.5.7 General views on the SEs' brand taglines

- The majority of the external stakeholders did not know the brand tagline of the various SEs.
- Those who knew it stated that it is appropriate in that it states exactly what service the SE is offering.
- The feeling of the external stakeholders was that SEs' taglines need to be emphasised more and should be internalised by the SEs' target audiences; for example billboards should be used in this regard (JHCEQ1).

These general views on the SEs' brand taglines identify another brand management gap which the SEs can address by adopting a more holistic brand management approach.

6.3.2.6 *The SEs' brand impact and perceptions*

This section deals firstly with some general remarks regarding the SEs' brand impact and perceptions. This is followed by a discussion of two issues regarding each SE, namely:

- their role model and leader position;
- the social change and the positive impact on their respective communities.

6.3.2.6.1 General remarks regarding the SEs' brand impact and perceptions

Most of the external respondents experienced their involvement with the various SEs as very positive and beneficial for their companies and used expressions like “beautiful marriage” (SCEQ3) and “working hand in glove together” (SCEQ5). The Soul City Information, Education and Communication (IEC) materials are the product best known by the external stakeholders. The majority of the stakeholders indicated that the SEs are known through word-of-mouth (WOM) in their workplace, family, schools and churches, as well as other NPOs, competitors and corporates. In terms of the quantitative results, schools are also shown as being one of the main stakeholders of the Soul City product in the form of the *Soul Buddyz Clubs*, as well as for the Heartbeat drop-in centres, as they are mainly based at schools.

The majority of the external respondents were of the opinion that the respective SEs had a positive impact on their lives. They see their work as powerful, making a difference in the communities and the lives of children; in fact, they are passionate about the brands and see their involvement in the way they do things. As an example of this, one of the participants saw her involvement with the SE as an experience that gave her the courage to become the first Muslim woman to speak at a mosque (SCQE3).

The majority of the external target audience were of the opinion that the SEs can and should extend their services and should do something about their visibility “taking more of the limelight; brag about their successes” (JHEQ3).

6.3.2.6.2 Role model and leader position

With regards to being a role model and leader in the development sector, the following results can be noted about the SEs specifically. These results are based on the internal and external respondents' views and supported by information obtained through the document analysis:

i. *Soul City*

- As a role model, Soul City's core product (TV series) depicts the lives of South Africans on screen, by harnessing and promoting positive social values (SCEQ5); focusing on doing good and being cautious not to do harm, as television is a very powerful communication medium (SCIQ2).
- It is a recognised, multi-award winning organisation, doing cutting-edge work and who presents lectures at international forums regularly. The work is evaluated internationally and is considered one of the world's most influential social and behavioural change programmes, and Africa's biggest health and development communicator (SCIQ2).
- Through its track record, history and long-standing partnerships with international funders like PEPFAR, multinational brands like BP, the National Departments of Health and Social Development and the SABC, as well as local organisations in nine Southern African countries, the feeling of the external target audience is that Soul City is "a definite brand of choice" (SCEQ3).
- Soul City is able to demonstrate its impact through its independent evaluations of its programmes – 18 in total (SCFG, Soul City, 2008a & 2011).

- Soul City is seen as a best practice model. People look up to Soul City and engage with the Soul City brand (SCIQ4). Some communities even call themselves “Soul City” for example Mamelodi in Pretoria, as well as Kimberley and on the West Rand near Krugersdorp because they aspire to be like Soul City: a caring, trustworthy, loving community.

ii. *Heartbeat*

- Heartbeat’s community involvement through its capacity building programme implemented on various levels is “big time seen as a role model and leader” (HBEQ1).
- Heartbeat has partnerships on various levels: with communities, donors, mentorship and training partners, as well as partners who assist Heartbeat in the supply chain of services to orphans and vulnerable children (OVCs) (HBEQ2).
- The fundamental approach of its capacity-building model is based on the role model and best practice principles, namely, sharing of knowledge and skills, for which Heartbeat has received acclaim from the South African Ministry of Social Development (GivenGain, 2012). This approach has therefore been implemented on a national level by government and CBOs and has proven to be a replicable model (HBIQ1).
- Heartbeat’s work speaks for itself; the impact analysis (Swart, 2007) found that children who have been the recipients of its services believe: “I am now like any other child” (HBIQ4 & HBIQ6).

iii. *The Johannesburg Housing Company (JHC)*

- The JHC has proven through its pioneering approach to social housing, by constantly leading new processes, that it is a leader and role model on both national and international levels (JHCEQ1).
- The JHC needs to ensure that it stays a leader by implementing innovative new ideas such as moving into the “rent-to-buy market”. This will help residents to attain their South African dream (like the American dream) – “to have a job and to own a house and one or two cars” (JHCEQ1).
- The fact that international organisations come to seek advice from the JHC, international exchange programmes have been introduced for staff and national organisations have asked the JHC to take over their social housing services, indicate that the JHC is seen as a role model and leader in the social housing industry (JHCEQ2).
- Further proof of the JHC’s leader status are national and international awards, presentations at conferences and workshops on the JHC Social Housing Model as a Best Practice Model, and the partnerships that are in place with companies and institutions (JHCIQ1, JHCIQ4 & JHCIQ5).

6.3.2.6.3 Social change and positive impact on the respective communities

The social change and positive impact of the SEs’ brands on their respective communities are discussed as this is seen as a pivotal differentiating factor between social and corporate brands. The following findings can be noted regarding the individual SEs based on data obtained from the interviews and focus groups, and substantiated with the information obtained from the documents that were analysed.

i. *Soul City*

Soul City's vision is to make an improvement in people's health and quality of life, and their mission is to increase the national and international market's usage and involvement in Soul City IHDC's products and services (Soul City, 2009a).

As a "social change communication organisation" Soul City is focused on sharing information and influencing social norms, attitudes and practice for the better. It has achieved this change via the following branded programmes:

- the multi-award winning *Soul City* (TV series), its most established and most famous brand;
- the internationally acclaimed *Soul Buddyz*, a popular social brand for children, as well as *Buddyz on the Move*;
- *Kwanda*, a world-first real-life TV show based on the exciting concept of a community makeover, where volunteers work together to build better lives for all;
- the *Untold and Love* series, half-hour films for television from 10 countries in Southern Africa, which tackle the issue of multiple concurrent partners (Soul City, 2009a).

These mass media communication vehicles are aired on prime-time TV and radio across nine of the official South African languages: isiNdebele, isiXhosa, isiZulu, Sesotho sa Leboa, Sesotho, Setswana, siSwati, Tshivenda and Xitsonga and include high quality booklets. They are also disseminated via the internet and new media (Soul City, 2009a).

Soul City's quest for social change is achieved through "edutainment", which can be defined as the art of making social issues part of popular and high-quality entertainment formats, using the best research available. Soul City is seen as the leader in this discipline. Their edutainment model is depicted in the figure below:

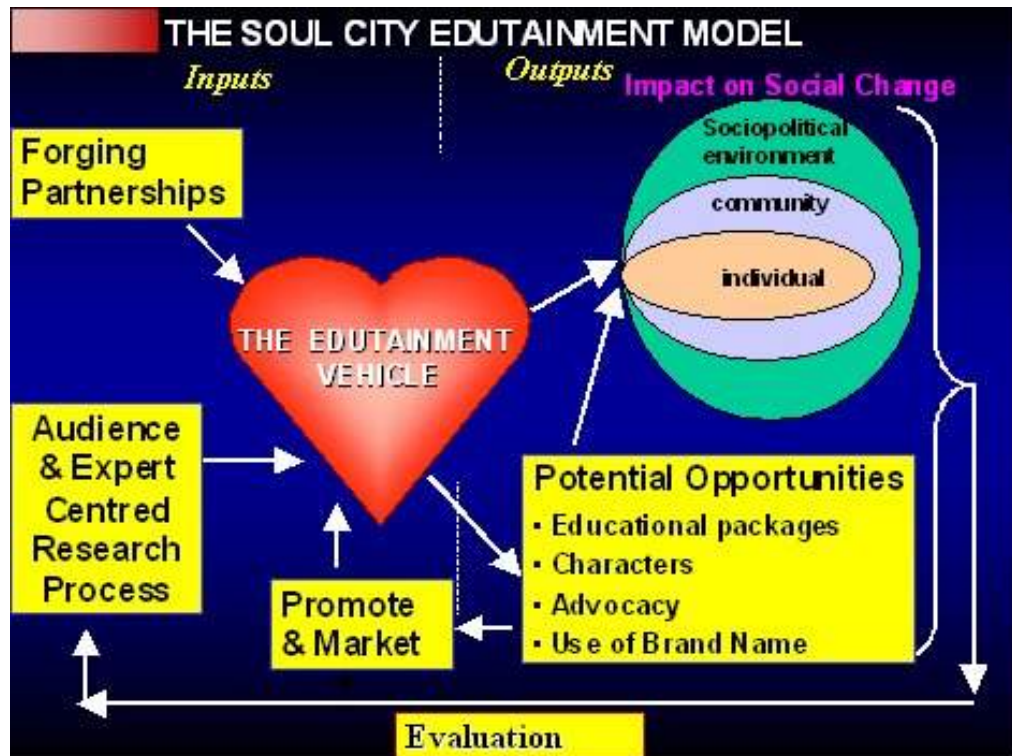


Figure 6.11: Soul City edutainment model (Soul City, 2011)

As Figure 6.11 shows, activity evaluation forms the basis of the edutainment model. Soul City's website states that, to date, 18 evaluations of their programmes have been conducted. The information obtained from these evaluations informs the rollout of their programme activities to ensure that the maximum social change and impact are achieved. Their social change and impact focus can be noted as follows:

Soul City cares deeply about achieving real measureable change for individuals and communities in South Africa, Southern Africa and Africa, particularly as far as HIV prevention and violence reduction via alcohol control are concerned. This is why their

interventions are based on communication, advocacy and social mobilisation (Soul City, 2011).

The following statistics regarding the reach and impact of Soul City should be noted:

- Through this mass media communication vehicle, 78% of the South African population has been reached, as well as 45 million people across 10 countries. This is the largest reach of any social change intervention and bigger than any government intervention to date (SCIQ1 & Soul City, 2009a).
- In general, the Soul City brand made it easier for people to talk to their children about sex. Very specific behaviour changes have been noted around condom use and sexual practices by empowering communities to take positive, organised action to prevent HIV and AIDS (SCIQ4, SCFG & Soul City, 2009a).
- Over the years, Soul City has been able to demonstrate that it makes a consistent impact on knowledge, attitudes, shifting social norms, increasing dialogue about issues and behaviour change (Soul City, 2009a).
- The *Soul Buddyz* Grade 7 life skills book has been responsible for a 14% increase in children who agree that you reduce the risk of HIV and AIDS by having fewer sexual partners (Soul City, 2009a).
- Some 83% of those exposed to Soul City multimedia professed willingness to help people on Antiretroviral (ARV) treatment compared to 67% in a control group – a 16% attributable difference (Soul City, 2009a).
- Some 31% of those who had read Soul City print material had taken a test in the preceding year compared to 23% in a matched control group – an

18% difference which can be attributed to Soul City's efforts (Soul City, 2009a).

- Exposure to one of the Soul City interventions shows a 6 to 8% increase in the use of condoms, specifically to prevent HIV and AIDS. This outcome is consistent with the health promotion messages of Soul City and is a significant achievement (Soul City, 2009a).

Social mobilisation is mainly achieved through the organisation's *Soul Buddyz Clubs*. There are 7 251 clubs in which 132 000 children are involved. The following map shows the national representation of the *Soul Buddyz Clubs* (Soul City, 2010).

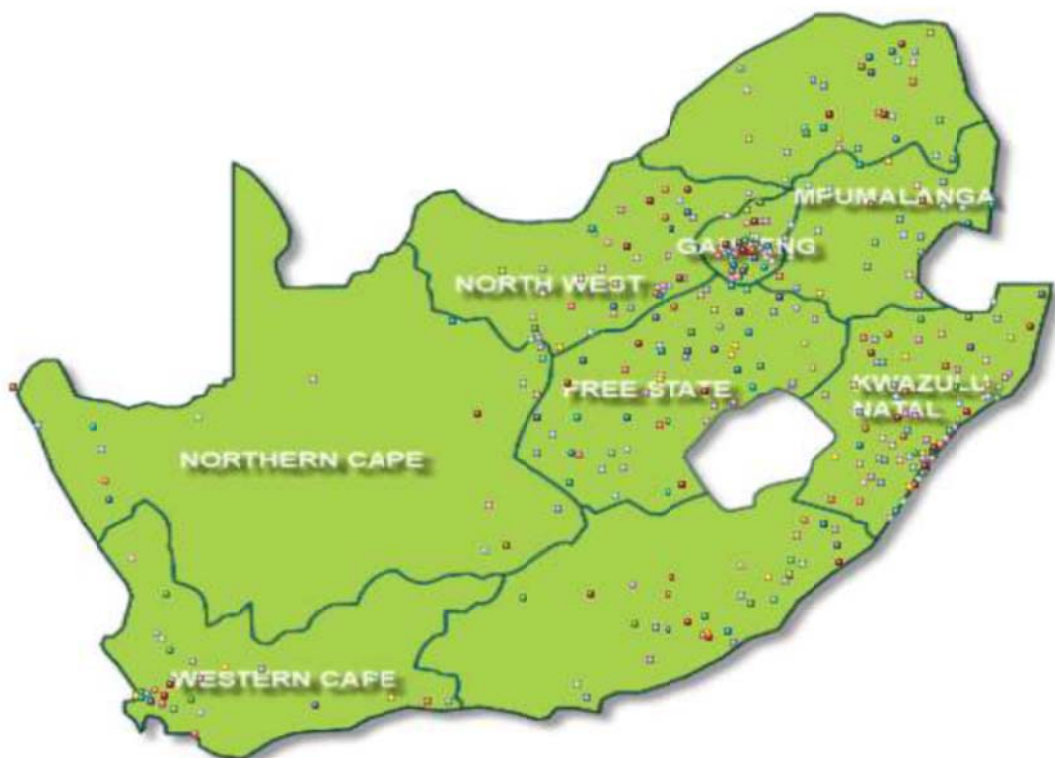


Figure 6.12: Soul City's *Soul Buddyz Club* footprint (Soul City, 2011)

The impact of the *Soul Buddyz Club* members outlined in the *Soul Buddyz Club* Evaluation Longitudinal Research Study (Soul City, 2010), can be noted as follows:

- Internalised information and the ability to act on it (protective strategies) regarding their knowledge of HIV and AIDS, as well as violence.
- A demonstrated impact on the club members' community involvement and their engagement with the social problems that surround them appropriate to their ages.
- A demonstrated increased empathy, a clearer future orientation, a greater sense of agency, and especially, a higher level of self-confidence and leadership capabilities.

The Impact Evaluation Summary Report (2002–2007) (Soul City, 2008a) shows that the Soul City Regional Programme attained extensive reach and demonstrated significant impact in the five years covered by the report. Across the regions, the programme was able to impact on HIV and AIDS testing and improve knowledge – particularly about Antiretroviral Therapy (ART) and reducing stigma. The programme achieved its objectives and in many cases exceeded them. The following are excerpts from the report:

- “Through effective social change communication, the Regional Programme reaches large audiences with powerful stories and messages, to improve the life and health of people in communities” (Soul City, 2008a:6).
- “A total of 71 979 children and youth and 18 852 adults participated in the evaluation” (Soul City, 2008a:7).
- “Approximately 20 million booklets were distributed in the region” (Soul City, 2008a:7).

- “In all eight countries more than 60% of youth were exposed to the local health communication brand” (Soul City, 2008a:8).

The OneLove South Africa Interim Evaluation report (Soul City, 2010) states the following regarding the reach and impact of the programme:

- “Soul City’s radio messaging is reaching the least-resourced populations in the rural areas of South Africa (Soul City, 2010:3)”. “The audience had a good impression of the campaign, found it to be relevant, and generally liked it” (Soul City, 2010:3).
- “Overall, the reach of the OneLove campaign and its components is extensive given the short period between the launch and fieldwork (five months)” (Soul City, 2010:3).
- “The campaign sparked debate among youth, parents and couples in sexual relationships” (Soul City, 2010:4).
- “It also resulted in knowledge gains and attitude changes around HIV prevention in the form of condom use, HIV testing, partner reduction and avoiding risky behaviours among the target group” (Soul City, 2010:4).
- “Behaviour change associated with OneLove was observed in condom use and the decision to avoid intergenerational and transactional sexual relations” (Soul City, 2010:4).

It is clear from the statistics and examples above that over the years the Soul City brands has had a major impact and reach with regard to communities at large.

ii. *Heartbeat*

The following examples demonstrate the social change and positive impact of Heartbeat as a brand on the communities they serve:

- As a single brand SE, the mission and vision of Heartbeat specify the social change and positive impact it has set about achieving:

MISSION

To empower Orphaned and Vulnerable Children to reach their full potential through quality service provision, development and capacity building.

VISION

Heartbeat dreams of all children in Africa being happy and having opportunities to fulfil their dreams (Heartbeat, 2011).

Accordingly, Heartbeat believes that orphans and vulnerable children (OVCs) are no different to other children (Heartbeat, 2011).

- The methodology for bringing about this social change and positive impact entails innovative community capacity building projects. The Heartbeat Model of Care for OVCs has been replicated through 40 provincial partners to reach children in all nine provinces. Consequently, a total of 54 000 children has been reached to date (Heartbeat, 2011).
- Through this visionary and innovative methodology, the plight of children stigmatised by the HIV and AIDS epidemic has been addressed in a professional, principled and dignified way (Heartbeat, 2008).

- Heartbeat's activities have brought the plight of these children to the attention of the corporate sector and general public, and have also empowered communities to take ownership of the needs of their OVC children (Heartbeat, 2008).
- Through the Heartbeat model as depicted in Figure 6.3 (Heartbeat, 2011) a positive impact is made on these children's lives by providing:
 - nurturing care and empowerment by communities and child care workers and
 - a holistic approach to psycho-social support in order for children to achieve their full potential and to assist them in making their dreams come true (HBIQ7 & HBFG).
- The impact analysis report of the Heartbeat Model of Care (Swart, 2007) determined the impact of Heartbeat's interventions on OVCs as follows:
 - Heartbeat has influenced the lives of OVCs in the following ways:
 - It has empowered them on a physical level; increased their happiness and allowed them to imagine a bright future; they are now able to speak and think for themselves (Swart, 2007:62).
 - It has helped them to become emotionally balanced (Swart, 2007:63).
 - It has integrated them into their communities like "normal children" (Swart, 2007:63).
 - It has enabled them to look beyond their own needs; hence, they are acutely aware of the needs of others around them (Swart, 2007:64).

- The OVCs have learnt the following from Heartbeat (Swart, 2007:64– 65):
 - love for one another;
 - resilience;
 - respect;
 - freedom;
 - blessed is the hand that gives;
 - have great relationships;
 - loving yourself/redefining orphan-hood.
- The OVCs' communities have been affected by Heartbeat's interventions as follows (Swart, 2007:66):
 - attending to orphaned and vulnerable children and
 - creating a safe place for OVCs.
- The OVCs would like to give back in the following way (Swart, 2007:67 –69):
 - material support by building houses for children; building bigger after-school centres; providing food, money, transport, education and other material goods;
 - the fun side of life by providing opportunities to experience the joy of life and
 - time and expertise by volunteering their services.

The above examples demonstrate the social change and positive impact of Heartbeat as a brand on these children directly and indirectly on their communities.

iii. *The Johannesburg Housing Company (JHC)*

The following examples demonstrate the social change and positive impact of the JHC's brand.

Over the past 15 years, the JHC has pioneered the development of social housing across the Johannesburg inner city and further afield. It has made its mark on the Johannesburg urban landscape, contributing significantly to the regeneration of the inner city and improving the lives of many who choose to make the city their home. It has recorded a numbers of firsts and has earned a reputation of innovation (JHC, 2010). One of their visionary goals is stating their social change and positive impact intent and reads as follows:

Creating quality lives in and around our buildings with the goal statement as follows: To develop a balanced quality lifestyle for our tenants in the building and to extend the positive influence to the immediate surrounding neighbourhoods to ensure that we retain our tenants and rejuvenate the social fabric in the neighbourhoods (Prinsloo, 2010b).

The JHC has two main driving mechanisms to achieve this visionary goal:

- The first is the eKhaya Neighbourhood programme in conjunction with other neighbouring landlords. The eKhaya programme operates within a particular area in the suburb of Hillbrow and organises security and cleaning services for the community. It also hosts several activities, such as community festivals, youth days and other events to build social cohesion and good neighbourliness.
- The other social purpose driver is the Makhulong A Matala (Makhulong) community development subsidiary of the JHC. Through its sports, youth clubs and education programmes the following examples of its impact can

be noted from the JHC 2010 Customer Service Survey report (Rain-Taljaard, 2010). Makhulong's main social change and impact is on the development of children living in the JHC buildings and provides an essential alternative to harmful activities in the city that children can engage in out of boredom (Rain-Taljaard, 2010:30). The Makhulong activities contribute to the welfare of the children and families. The following are examples of this:

- Makhulong hosts Early Childhood Development (ECD) centres by providing an early learning environment for preschool children with games and activities that are designed to prepare the children for school (Rain-Taljaard, 2010:29).
- They assist learners at the learning centres with challenges they face in their homework, especially with Maths and English (Rain-Taljaard, 2010:30).
- The youth clubs are essential as they provide a healthy alternative for youth to roaming the streets and getting into trouble (Rain-Taljaard, 2010:30).
- Apart from keeping the children busy, the sport clubs teach children the necessary sporting skills, but more importantly prevent them from doing unhealthy things such as smoking; and in addition keep them fit and healthy (Rain-Taljaard, 2010:25-26).

With regard to skills development, the JHC has also had an impact on the lives of the building facilitators who work with Makhulong as volunteers from the JHC tenant community. They play an important role in the buildings in helping to organise

tenants, keep them informed of Makhulong activities, assisting with specific programmes and working with the HSV (housing supervisors) in organising building teams to participate in street sport tournaments and other events. Through this intervention, the facilitators get a chance to become involved with Makhulong and its community development work and they see it as a learning opportunity. They get training in aspects of community work, organising skills and project management, among other things (JHC, 2010).

In general, the impact of the JHC on the City of Johannesburg had been substantial. In many instances what were once liabilities for the city are now income-generating assets. The JHC has provided work for a large number of contractors in maintenance, cleaning and security services and many previously disadvantaged contractors in specialised functions such as plumbing and electrical services have benefited from black empowerment procurement policies. The JHC construction contracts have created a substantial number of jobs in the industry. Some service providers started with the JHC when they were young organisations, and have grown as the JHC has grown. The company works with key service providers through a series of workshops and consultations to ensure that skills levels and services are improved (JHC, 2006).

In summary the reach, scope and impact of the JHC, are outlined with the following JHC case study statement (ASEN, 2011):

Approximately 9 000 (22.5% are children 18 years and younger) people have benefited from the services of the Johannesburg Housing Company. Besides the affordable rental accommodation (27 buildings – 3 300 units) and social support (through which the JHC show they care), the organisation also supports micro-entrepreneurs in the community for its property maintenance. The long-term impact

of the JHC's work is that it creates cohesive neighbourhoods where people can feel safe and thrive – giving the inner city the status as the tenants' home.

With this statement and the examples above, the social change and positive impact of the JHC's brand on the communities in the Johannesburg inner city are clearly demonstrated.

6.3.2.7 *The management of the SEs' brand*

The following specific issues regarding the management of the SEs' brand and the challenges involved can be noted from the findings of the interviews, focus groups, questionnaires and documentation:

- champions of the social brands;
- the logo/brand positioning in/on documents versus the characteristics of the social brand;
- the internal understanding and ownership of the SEs' brand and
- brand consistency.

6.3.2.7.1 Champions of the social brand

All three SEs' internal target audience were in agreement regarding the championing of the SEs' brand. The driver of the brand is the CEO, assisted by the board and management team, who in turn, are supported by very specific marketing and branding functions performed by the marketing department. All the other staff with their own portfolios are ambassadors of the brand. This boils down to "we all are" champions of the brand, but the biggest champion is the senior executive team (SCIQ3). An unique factor of a social brand that emerged from the internal interviews was that staff members are held accountable for these values and lifestyles as the

brands focus on lifestyles and are value based. Should people behave in a manner that is inappropriate to the social brand, formal action is taken by the group (SCIQ1 & JHCIQ1).

6.3.2.7.2 Logo/brand positioning in/on documents vs. characteristics of the social brand

The SE's logo as its branding position was used as a point of departure in this section. The specific characteristics of the SE's brand are further taken into consideration. The following can be noted about the individual organisations:

i. *Soul City*

The way the Soul City brand is displayed and/or reflected is presented in terms of the views of the internal and external respondents, supported by the document analysis.

- Internal and external respondents

The Soul City brand is present on TV and radio (built-in branding opportunity within the core business as a SE) and Information, Education and Communication (IEC) printed materials, including DVDs, which are widely used in the communities, NPOs, clinics, businesses, churches, schools and multi-purpose community centres for example (SCEQ1–5). Its general communication is also used internally in BP (funder), for example on its website and intranet, in presentations, on event banners and billboards. "Soul City is very good in branding their partners and funders – give funders branding millage – Soul City got it right – other NGOs can improve on it" (SCEQ3). Other examples of co-branding are in their TV series where BP service

stations appear in the storyline (BP gas in the kitchen) and co-branding with Khomanani in the production of IEC materials.

- Document analysis

Firstly, the document analysis of printed materials is discussed followed by the analysis of the electronic media including the website.

In general, Soul City's branding is adequately displayed on all the IEC materials. The co-branding of the different funders is consistently displayed as also noted by the funders of Soul City (SCEQ3). However, the following recommendations can be noted:

- On one of the brand extensions, that is, the OneLove newsletter *Soul Xpression*, the umbrella logo is not displayed on the front page, but on the back page in the same manner as the sponsors. This leads to confusion. It is recommended that the mother brand always be displayed on the front page in order to link the brand extension product to the mother brand.
- On the evaluation reports the mother brand is also displayed on the back page; hence, the same recommendation is applicable.
- It is also recommended that all publications be dated; for example the brochures *Heartbeat of the Nation* and the organisational brochure *What is the Soul City Institute for Health and Development Communication?*
- With regard to the document *Untold Stories in a time of HIV and AIDS*, it is recommended that the acknowledgement of the parties involved should appear on the front page so as to link them to the brand, in the same as

has been done in the publication *Impact Evaluation Summary*. The front page information displays no link to a brand, which is problematic.

With regards to the electronic media, the following should be noted:

- There are links from the main page to the brand extensions where possible. It was, however, noted that there are no direct links to the *Kwanda* website from the “Projects” icon, nor from the various country sites. These links should add to the user friendliness of the Soul City website.
- Brand consistency is also recommended in the electronic signatures and general stationery.
- Various social media links are in place on the website.
- During the website analysis, it was noticed that one project was not mentioned by anyone in all the qualitative interviews and focus group. This project is Action for Children, also referred to as The Act for Children Programme. This is a Soul City initiative with international partners Wilde Ganzen and Kids Rights in the Netherlands, as well as with Cese in Brazil and Smile in India. This is a matching corporate and citizen fundraising campaign for development projects through which children are supported with grants for local, small-scale projects. The funding is in the form of a matching grant – organisations raise 50% of the project costs. The Act for Children Programme would like to connect people, companies and individuals to the dreams and lives of these children as can be seen on their website (www.soulcity.org.za, 05/05/2011).

It is clear from the above that there is room for improvement in the management of the Soul City brand.

ii. *Heartbeat*

The way the Heartbeat brand is displayed and/or reflected is presented in terms of the views of the internal and external respondents and supported by the document analysis.

- Internal and external respondents

According to the internal and external respondents, the Heartbeat brand is displayed on letterheads, reports, newsletters, websites, correspondence, emails, pop-up banners at presentations, vehicles, building name boards at sites, T-shirts and training materials. The quantitative results reveal that promotional items like T-shirts and caps were one of the main sources of brand building (HBEQ1–4 & HGFG). Despite the presentation of the Heartbeat's brand on the items and/products as listed above, the view is that there has been limited response and exposure; and that such exposure is very narrow, as it is limited to internal conferences, meetings and events. The feeling from the external target audience is that they have not experienced the brand, the brand is not visible, and they question whether the organisation has a brand strategy in place (HBEQ2).

- Document analysis

This section firstly presents the document analysis of the printed materials followed by the electronic media analysis including the website.

Based on the documentation provided, the Heartbeat brand was displayed adequately, however the following need to be noted:

- On the document: *A Case Study: Heartbeat* (Khulisa, 2008) no Heartbeat logo was displayed.
- The Heartbeat newsletter, *Joining Hands*, are adequately branded and dated.
- No funders' logos are displayed on the annual reports, evaluation/case study reports or newsletters.

With regards to the electronic media, the following can be noted:

- No links are provided on the website for sponsors and supporters and the website is outdated.
- On the day of the website analysis, the CEO was still listed as such although she had resigned from the position a few months previously (www.heartbeat.org.za, 05/06/2011).
- In addition, there are no social media links in place on the website.
- There are consistent electronic email signatures in place.
- At the time of conducting the individual interviews for the study, key staff members did not have business cards.

As in the case with Soul City, from the examples provided above it is clear that there is also definite room for improvement in the management of Heartbeat's brand.

iii. *The Johannesburg Housing Company (JHC)*

The way in which the JHC's brand is displayed and/or reflected is presented in terms of the internal and external respondents' views supported by the document analysis.

- Internal and external respondents

The JHC's brand is displayed on letterheads, the internet, buildings and promotional clothing (JHCEQ1–3). The brand display on buildings was indicated as the main source of brand awareness in the quantitative results. However, in general, the view from the external target audience was that the JHC brand is “quiet” (JHCEQ3).

- Document analysis

The document analysis is firstly discussed in terms of the printed materials and then the electronic media, including the website.

The following observations can be noted regarding the printed materials:

- On the Annual Reports and the JHC's brochures, the JHC branding was adequately displayed.
- On the *Landmarks and learnings* publication, the JHC brand was displayed, however, on other publications like the *JHC: Making the city your home* (July, 2008) and *Building to last: JHC case study* (January, 2007) no branding was noted.
- *The JHC Customer Service Survey 2010* is also unbranded with just the brand of the service provider being displayed.
- The JHC newsletter, *On track* is adequately branded.

- On the brand extension brochures, *Makhulong A Matala* and *Brickfields*, the mother brand was displayed. These brochures were not dated.
- On the *Annual General Meeting (2010) Ekahaya Neighbourhood* document, the link to the JHC was mentioned in the Chairman's message. However, on the brand extension fact sheet no mention was made of the JHC.

Regarding the electronic media, the following can be noted:

- The brand extension links are in place as well as links to the affiliate organisations/bodies to which the JHC is connected.
- Social media links with Facebook is in place for the Makhulong A Matala as the voice for the tenant community of the JHC.
- At the time of conducting the interviews for the study, email signatures were inconsistent.

Once again, based on the examples it is clear that there is room for improvement in the management of the JHC's brand.

6.3.2.7.3 Internal understanding and ownership of the SEs' brand

The results below are derived from the findings obtained from the internal interviews supported by the focus group discussions.

All three organisations were of the opinion that more needs to be done to ensure that all staff members understand the brand and the brand experience in order to take ownership of it. The mistake that many NPOs/SEs make is to direct their main focus

outwards towards the external target audience, and neglect the internal target audience (SCIQ1). The main reason identified for this neglect, based on the interviews conducted, is the lack of available resources and capacity. Internal understanding of the brand is currently assured in the following ways:

i. *Soul City*

There is an effective induction programme in place for new staff members, as well as regular mini strategy planning sessions and staff meetings/information sessions when launching a new campaign. There are also clear lines of communication in place to assist this process.

ii. *Heartbeat*

Heartbeat has an annual conference to convey information, but this is assisted by the fact that Heartbeat is a smaller, family-like organisation, which enables the organisation to have more open and frequent discussions.

iii. *The Johannesburg Housing Company (JHC)*

The effort put into screening new staff members ensures that staff's thinking and ideas are in line with the organisation, which make the process of internal brand building much easier. Staff inputs are recognised with the JHC's awards and there are also several award mechanisms in place as incentives which assist brand building and brand ownership. The fact that the JHC's brand is value-base-driven assists this process. The organisation also has an annual strategy planning session.

6.3.2.7.4 Brand consistency

The results below are derived from the data obtained from the internal interviews, supported by the focus group discussions.

The three organisations guarantee brand consistency in the following ways:

- The custodian of the brand belongs to a specific department/or person and is held accountable for the brand management.
- There are specific lines of communication with authority level responsibilities.
- There are specific brand tools and guidelines, for example brand bible/charter in place with specific rules and regulations. As this is seen as quite a costly item, a formal structured document is not in place.
- During induction, new staff members are familiarised with specific policies and procedures.

6.3.2.8 *Brand challenges experienced by SEs*

The brand challenges encountered by the SEs in general and the experiences of brand confusion and negative perceptions regarding the individual SEs are outlined below:

6.3.2.8.1 General remarks regarding the brand challenges encountered by the SEs

This section focuses on some general remarks on the sector-specific challenges encountered by the SEs as identified by this study.

One of the mayor challenges for a NPO/SE is that should the founder of the organisation leave, there will be implications for the organisation and its sustainability. It is striking to note that in all three case studies, the founder, who had put the SE on the map, left the organisation during the five years in which this study took place. Only at Heartbeat is the founder still playing a specific role as Executive Chairperson, thereby ensuring continuity. Consequently, careful consideration should be given when linking the brand to an individual, because if that individual were to leave it could result in the organisation losing its value (HBEQ2). This also emphasises the important role that personal branding plays in a SE.

In general, some of the specific cultural and personality traits of a social brand can be seen as a challenge and SEs should be aware of this and take the necessary steps to manage their brand carefully:

- The “family feel” and, hence, the impact of growth on a SE with this kind of family atmosphere needs to be carefully planned and managed (SCIQ1).
- The fact that organisational change is a long process needs to be managed with an open mind (HBIQ7).
- The mix of professionalism and a caring approach to staff in the management of the SE (SCIQ2); “Dit is lekker om hier te wees, maar ons moet *deliver*, sonder om die hart te verloor. Dit is belangrik om die balans te behou”⁶ (HBIQ3); “Kyk na personeel en het beste sisteme om besigheid te laat loop; die balans tussen die twee is belangrik”⁷(JHCIQ3).

⁶ “It is nice to be here, but we need to deliver, without losing your passion; it is important to keep the balance”.

⁷ “We care for the staff and have the best systems in place to ensure that the business flow; but the balance between is important”.

These issues are sector specific and it is crucial that SEs' management be aware of them in order to take the necessary precautionary steps to mitigate their effects.

6.3.2.8.2 Brand confusion and negative perceptions

Brand confusion and negative perceptions of the individual SE brands are listed below:

i. *Soul City*

Soul City is generally associated with the medical sector, possibly due to the red cross displayed in their logo (SCIQ2). However, in the main people fail to realise that many activities and campaigns take place in the social development sector and the environmental sector. Accordingly, Soul City has difficulty in changing this perception.

Another problem is that people associate Soul City mainly with the *Soul City* TV series and are unaware of all the other products, for example the Information, Education and Communication (IEC) booklets, radio and social mobilisation (*Soul Buddyz*, etc.). There is clearly a challenge in terms of the deeper understanding of the brand (SCFG & SCEQ4).

Another difficulty with social branding experienced by the marketing department of Soul City is that because social brands are seen as "responsible brands", new spaces are difficult to explore, i.e. "guerrilla marketing" as a new marketing opportunity (SCIQ4). If this new technique were to be applied, the essence of the social brand would be undermined.

ii. *Heartbeat*

In the service delivery field for OVCs, there are so many needs to be addressed. One of the difficulties for organisations like Heartbeat is that they are restricted by their funding; no new services can be delivered before funding has been secured. The implication of this is that such organisations are torn between the need for services and the need for money to be able to render these services (HBIQ4).

Another challenge for a NPO/SE's brand is that funders do not see the brand to be as important as the service delivery *per se* (HBEQ4). This can be ascribed to the fact that a NPO/SE is not regarded by funders as a business entity that applies business principles and procedures.

iii. *The Johannesburg Housing Company (JHC)*

One of the consequences of being a successful brand is the perception that the organisation is well established and is not in further need of state subsidies. This situation is unfortunate and creates a negative feeling (JHCIQ1).

The JHC's brand is confused with the Johannesburg Council's brand and the Council takes credit for the JHC's hard work (JHCFCG & JHCIQ3).

The development of a subsidiary organisation within the mother organisation contributes to confusion and conflict. The integration of a brand extension needs to be planned and implemented very carefully to ensure full buy in from all staff members (SCIQ4).

Payment by tenants for additional added value services leads to confusion and unrealistic expectations. No conflicting messages should be conveyed by anybody at any point in time (JHCFG).

6.3.2.8.3 Conclusive remarks

It is essential that social brands, as corporate brands, conduct brand audits from time to time to identify such confusion or negative perceptions of their brands in order to clarify and address such perceptions efficiently.

This chapter presented the research results on the choice and appearance of the different SEs brands. More specifically, it discussed the way the brands started and developed, how brand extensions were introduced, the specific “look and feel” of the different SEs and how these SEs’ brands are recognised on both a national and an international level.

Furthermore, the research results of the different brand elements that contributed to the specific SEs’ award recognition were discussed, namely the understanding of a brand; the brand uniqueness and key differentiators; the brand culture and personality; the ability to network; the SEs’ brand competitiveness and marketing strategies/actions; SEs’ brand impact and perceptions; the management of the SE’s brand and the challenges experienced.

The findings of this research can be used to develop guidelines for the effective use of branding in SEs in general.

In Chapter Seven comprehensive conclusions of this study are discussed and a number of recommendations are made.

CHAPTER SEVEN

CONCLUSIONS AND RECOMMENDATIONS

7.1 Introduction

In Chapter Six, the main research question was analysed and discussed according to the sub-questions within the context of the three different social enterprises (SEs). The interpretation of the findings follows in section 7.3.

In this chapter, the research results are interpreted in terms of the literature review carried out in Chapters Two, Three and Four. Any gaps, anomalies and/or deviations in the data are further outlined. Furthermore, this chapter contains a discussion on the research question and the theory that was generated by this study. The chapter also outlines the limitations of the study. Finally, the conclusions and recommendations are set out within the framework of the research question, indicating the extent to which the research question has been answered. The recommendations proposed by the internal and external target respondents, as well as the SE experts, which were obtained as part of this study, are incorporated in this part of the chapter, as well as the researcher's recommendations based on the results of the study.

7.2 Research question answered

The objective of this study was to establish how branding may be employed as part of the social marketing process in such a way as to increase the competitiveness of SEs. This was accomplished by answering the following research question:

“What role did branding play in the social marketing processes of the three Schwab Foundation Award winning social enterprises (SEs)?”

This research question was answered by applying a case study approach. The three organisations whose CEOs had won The Schwab Foundation Social Entrepreneur (SFSE) of the Year Awards were studied. The purpose of this study was to determine the way in which branding was used as a corporate communication tool to help these organisations position themselves as leaders and differentiators in the development sector.

The research question was further defined by the following four sub-questions:

- i. What do the brand identities of these three organisations consist of?
- ii. How were the brands of these three organisations chosen?
- iii. How did branding help these three organisations to become winners?
- iv. What guidelines for the more effective use of branding by Social Enterprises (SEs) and Non-Profit Organisations (NPOs) may be deduced from this investigation?

The next section summarises the major findings of the study in an attempt to answer the research question.

7.3 Summary of the major findings of the study

In this summary, the major findings of the study are discussed on the basis of the two main categories of results presented in Chapter Six.

7.3.1 How were the brands for these three SEs chosen, developed and visually represented?

The following major findings with regard to the above category can be distinguished:

- i. It is clear from the findings that all three social entrepreneurs were motivated by an inner drive and a passion to make a difference to the various communities where development initiatives were implemented. For example, addressing public and community health through edutainment, mass media, and development communication campaigns; orphans and vulnerable children (OVCs) community care models and social housing with a difference. The latter is linked to various community development programmes. The motivation to address such issues places these SEs in the Civil Society Sector.
- ii. The brand development actions of all three SEs were developed over time and not implemented at the beginning of their endeavours. It has to be remembered that these actions were developed by amateurs with a minimum of resources. Soul City developed its brand progress and research the most effectively. This can be ascribed to their core SE model, which is directly linked to the media and advertising world, while the other two SEs lack this access.
- iii. Soul City and the JHC have introduced various campaigns and projects that have led to brand extensions, while Heartbeat is mostly driven by its core model (single brand). Based on this result, Soul City and the JHC would be rated on a higher level (more matured/higher category) on the NPO/SE pyramid model (see Figure 2.7) than Heartbeat.

- iv. The “look and feel” or visual identity of the brand of all three SEs is specific and attractive, and the brand is managed by brand guidelines; although these are generally not all documented. Moreover, the Soul City and the JHC results show that their brand management are coordinated by departments that have been specifically assigned to the task, placing them once again on a more mature/higher SE level.
- v. In general, the findings of the study show that all three SEs have a well-recognised brand, especially in their specific domains.

7.3.2 How did branding help these three SEs to succeed – the brand elements?

The following major findings were noted:

- i. Conceptualisation and recognition of a brand: In general, all respondents had a good understanding of the meaning and understanding of a brand, as well as an understanding and recognition of the SEs as a “good brand”.
- ii. The key association and uniqueness of the various SEs were identified and are summarised in the Table 7.1 below:

SE	Soul City	Heartbeat	JHC
Key association and uniqueness	Powerful leader	Caring	Dynamic
Culture and personality	Passionate staff and management that are people and researched focused	“Corporatised” ¹ child-friendly NPO	Business style based on specific corporate company values
Central themes common to the three SEs	<ul style="list-style-type: none"> • To develop communities • Caring organisations • Innovative and passionate staff 		

Table 7.1 Key associations and uniqueness of the SEs

- iii. The other noticeable factor in each case is the fact that a very specific and unique service model has been developed; for example Soul City with its “edutainment model”, Heartbeat with its “OVC service care model” and the JHC with its “social housing/community development model”.
- iv. All three SEs have shown clearly that they have the ability to network on both a national and an international level, are able to replicate their model and that their model has proved to be sustainable.
- v. Regarding competitiveness and marketing strategies, Soul City is much stronger and in tune with the competitive marketing world, as illustrated by their core SE model, closely followed by the JHC. Nevertheless, the findings clearly show that there is room for improvement in this area for all three SEs. These improvements are discussed in the recommendations given in section 7.6.

¹ This term was noted when one of the Heartbeat’s staff members described Heartbeat as a “corporatised NPO” – a business-like environment where the running of the organisation is streamlined and highly functional (HBIQ2).

- vi. The results of all three case studies indicated that they (the SEs) brought about social change. They impacted positively in their direct field of expertise, i.e. the OVC sector. These indicators of social impact, as discussed in Chapter Six, clearly show that they could be regarded as leaders and role models on a national, as well as an international level.
- vii. There are specific brand management systems in place, but it is clear that all three SEs need to improve in this area. Recommendations for improvements are given in section 7.6. The brand elements outlined in this section illustrate the specific role that branding plays within the respective SEs, which must have contributed to their CEOs winning the SFSE of the Year Awards.
- viii. There are three main challenges that the SEs need to address:
 - a. *Succession planning* for the time when the leader/founder leaves the organisation. Without such plans the specific social brand could disintegrate, which could be detrimental to the communities in which the SE renders its services.
 - b. *The SE management style*, i.e. to find a balance between a corporate, professional style and a caring, family style.
 - c. *Specific brand confusions and dislikes*. These dislikes and confusions are addressed with specific recommendations in section 7.6.

In the following section the specific theory generated by this study is discussed.

7.4 Theory generated by the study

A case study approach was combined with a grounded theory approach. In generating the theory, a layered grounded theory was developed. The results of this study about the branding in the researched SEs documented in the previous chapters as a layered grounded theory model, shows similarities to Etemad's model (2004:5). It further shows similarities with Partington's mode of knowledge production, namely "mode 2" knowledge creation in a context of application (2000). These similarities only became relevant during the duration of the study.

7.4.1 Similarities between this study and Etemad's model as well as Partington's theory

In his model, Etemad developed a three layered framework which was published in his article, "International Entrepreneurship as a Dynamic Adaptive System: Towards a Grounded Theory" (Etemad, 2004:5). He explains his point of departure as follows:

- i. *"The entrepreneurial layer.* A typical *entrepreneur* and his interactions (belonging to the entrepreneurial layer of population) to be nested in the enterprise;
- ii. *The enterprise layer.* A typical *enterprise* (or firm from the population of firms in the enterprise layer), encompassing entrepreneurial initiatives, actions and interactions that empower the entrepreneur and the enterprise, nested in the market while following marketing processes; and
- iii. *The market layer.* A typical *market* construct defined in terms of selective, but ever-present, processes with full impact that characterize what we customarily attribute to the market, including the influence of the environment on participating agents, where every given agent inter-relates

and interact with the others to a lesser or higher extent” (Estemad, 2004:9–10).

The similarities between this study’s model and Estemad’s model are found mainly in the following two aspects:

- i. the actual “layered grounded theory concept/format” that also applies to this study;
- ii. in terms of “this layered grounded theory concept”, the different layers reflects the following:
 - each layer has their own dynamics;
 - but there are definite interrelations;
 - and interactions *between* the different entities and *across* the layers of the framework (Estemad, 2004:1).

Furthermore, the “SE branding layered grounded theory model” espoused by this study is in line with Partington’s article, “Building Grounded Theories of Management Action” (Partington, 2000:91). In this article, he argues that there is a shift in the mode of knowledge production. Traditional “mode 1” is generated in a context of established institutions and disciplines, while “mode 2” knowledge is created in a context of application. The principle features of “mode 2” knowledge creation are as follows as described by Partington (2000:91):

- i. “It is transdisciplinary – beyond the scope of any one contributing discipline;

- ii. It is conducted by people who apply a broad set of skills and experiences in a variety of university and non-university settings rather than exclusively by functionally constrained academics;
- iii. It takes place within a non-hierarchical, transient structure rather than within a stable hierarchy;
- iv. It arises not so much from a desire for academic progress, but more from the concerns of society”.

In Partington’s article, the main similarity focus in terms of this study is the fact that there is a shift in the mode of knowledge production in grounded theory development. Partington (2000) argues that there are two modes of knowledge production. The mode of knowledge production that he names “mode 2”, resembles the research principles used in this study. These principles were as follows:

- i. The theory of the corporate sector can be applied in the development sector and vice versa;
- ii. In the context of the study, the community’s needs determine the service delivery and not necessarily by determined by the academic world;
- iii. The implementation approach are bottom-up and not top-down, by utilizing development communication’s participatory approaches; and
- iv. The concerns and the knowledge of the communities take the lead in the knowledge creation process.

It can be seen that these two articles of Estemad and Partington form the foundation for the grounded theory model in this study. On the one hand, the layered grounded theory concept is confirmed and, on the other hand, the factors that are seen as the

key principle features of “mode 2” knowledge are generated, which are also identifiable in this study’s model, especially as it stems largely from the concerns of society.

7.4.2 The initial exploratory study

These similarities are also evident in the results of an initial exploratory study undertaken for the researcher’s master’s dissertation (Le Roux, 2005:41), where the theoretical viewpoint was used to explore the way in which the Girl Guides Association of South Africa (GGASA) could develop and manage its corporate communication strategy more successfully.

In theory, it appeared that it is possible to integrate theoretical views on corporate communication, branding and brand management, and social marketing in the planning of corporate communication strategies of NPOs (Argenti, 2007:194). As a theoretical construct in the corporate communication strategy of the NPOs, the “service/social brand” of NPOs constitutes both the identity and the image of the organisation, with the brand as the departure point. Without a strong brand it would not be possible to implement an effective social marketing campaign and/or a corporate communication strategy.

A theoretical construct was developed in this initial exploratory study and is represented diagrammatically in Figure 7.1 below.

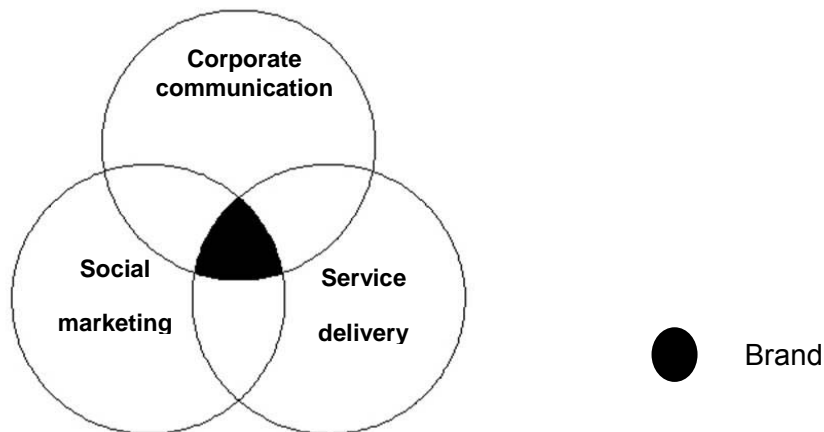


Figure 7.1: Branding as the core element in a corporate communication strategy (Le Roux, 2005)

As depicted in Figure 7.1, the brand is the core element in the corporate communication strategy of a NPO, with corporate communication, social marketing and service delivery converging in this brand in order to create a framework for a successful corporate communication strategy. The foundation of the initial exploratory study is grounded in a layered theoretical approach, in terms of which the NPO first started as a service delivery agent, then implemented their corporate communication and social marketing strategies, before finally developing the actual “social brand”. Simultaneously, the interactions or interrelations between the different layers are also emphasised.

In this follow-up study, the researcher tested this theoretical viewpoint (as illustrated in Figure 7.1) by applying it to the practices implemented by SEs. This constitutes an extension of the development sector as the context of the study, as well as highlighting the increasingly important role played by branding.

7.4.3 The SE branding layered grounded theory model

Further similarities were found between the critical review of the Social Enterprise Mark² and this study. It is striking that this study which focus on the “suggested brand” whereby SEs can be identified, are also based on a grounded theory approach.



The similarities are therefore seen to be twofold:

- i. this critical review of the Social Enterprise Mark, focus on “the suggested brand for SEs” (as reflected in the logo above). In this review its conceptual dimensions and potential contribution to corporate social responsibility are outlined (Ridley-Duff & Southcombe, 2010). The review also focusses *on the role that the SE brand is playing* in corporate social responsibility, which is similar to this study;
- ii. this critical review was also based on a grounded theory approach.

In this study it is proposed that a SE branding layered grounded theory model applies which comprises of five layers. These five layers can be explained as follows:

7.4.3.1 *The first layer: NPO/SE positioning in modern society*

Firstly, the important role that NPOs and SEs play in modern society was established and is illustrated in the three-legged pot image below:

² The brand of the Social Enterprise Mark is included to emphasize the similarities as set out above.

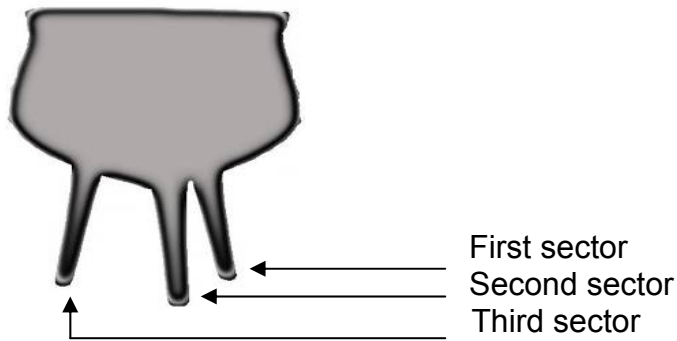


Figure 7.2: The three-legged pot of modern society

The importance of this image is that it illustrates that the role played by the NPO/SE sector is equal to those of government and the corporate sector in society; meaning that successful and healthy societies need all three sectors in order to function effectively. Should the NPO/SE sector be absent, then the “pot” would not be able to stand upright.

7.4.3.2 The second layer: SEs’ physical space and linkages with the three sectors

The second layer is to gain an understanding about the linkages of these three sectors (as discussed in the first layer), but more specifically to illustrate what the SEs’ physical space looks like. The SEs’ physical space and linkages are depicted in the diagram in Figure 7.3:

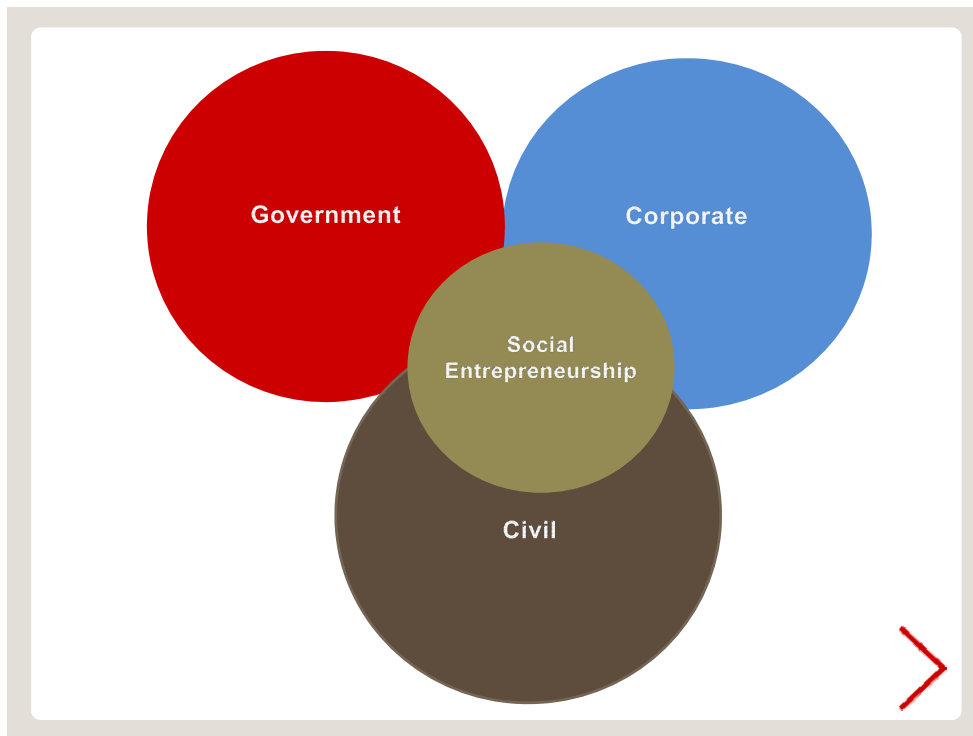


Figure 7.3: The physical space of SEs (Evans, 2011)

This diagram indicates that all three sectors – the government, corporate and civil society – play a role in communities (as explained with Figure 7.2) and that SEs are linked to all three sectors.

SEs can be linked with the government sector in two ways:

- i. As a service provider, rendering a service to government through contracts, for example the social mobilisation services delivered by Soul City in partnership with the Khomanani campaign for the National Department of Health.
- ii. As a recipient of grants for the delivering of services to a community, for example OVC services to child-headed households on behalf of the Department of Social Development in the case of Heartbeat.

The linkage with the corporate sector is the same as with the government sector, but the linkage differs in that it has an added link, i.e. a SE can also act in such a way that it presents itself as a corporate entity or a commercial purpose organisation. This differentiation is displayed in the diagram illustrating the Social Investment Continuum (Figure 7.4), specifically with regard to the column headed “commercial purpose organisations”.

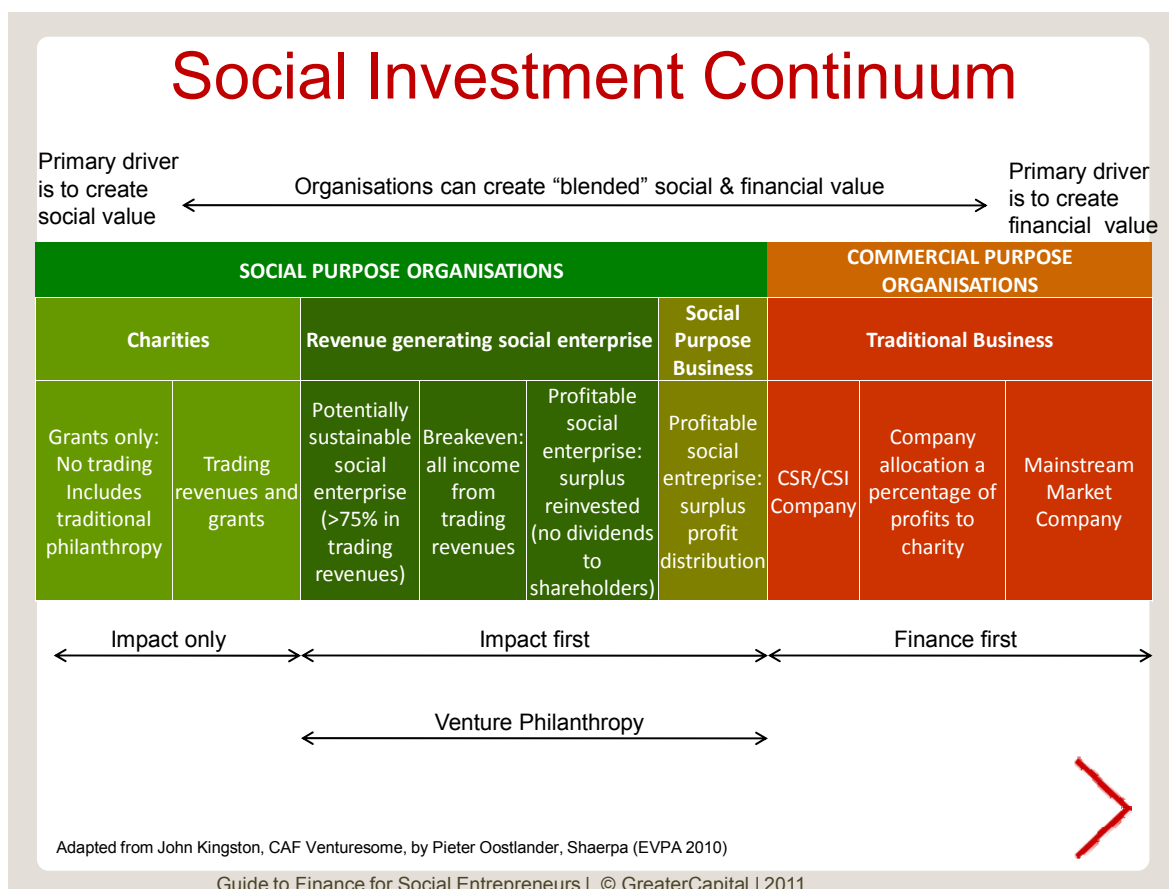


Figure 7.4: Social Investment Continuum (Evans, 2011)

Finally, the link with the civil society means that a SE can also act as a civil society organisation (CSO) or a NPO, as depicted in Figure 7.4 above, by acting as a charity that depends mainly on grants, or as a social purpose organisation (SPO) which

generates revenue. This is the type of SE that is applicable to this study and is the one presented in the three different case studies.

These linkages are introduced through Evans's (2011) Social Investment Continuum, as discussed in detail in Chapter Two.

7.4.3.3 *The third layer: The NPO/SE pyramid model*

In this study it is further argued that it is critical for the survival of the South African third sector that it should evolve into SEs. This argument is highlighted and illustrated with a NPO/SE pyramid model which shows similarities with Maslow's hierarchy of needs (see Figure 7.5).

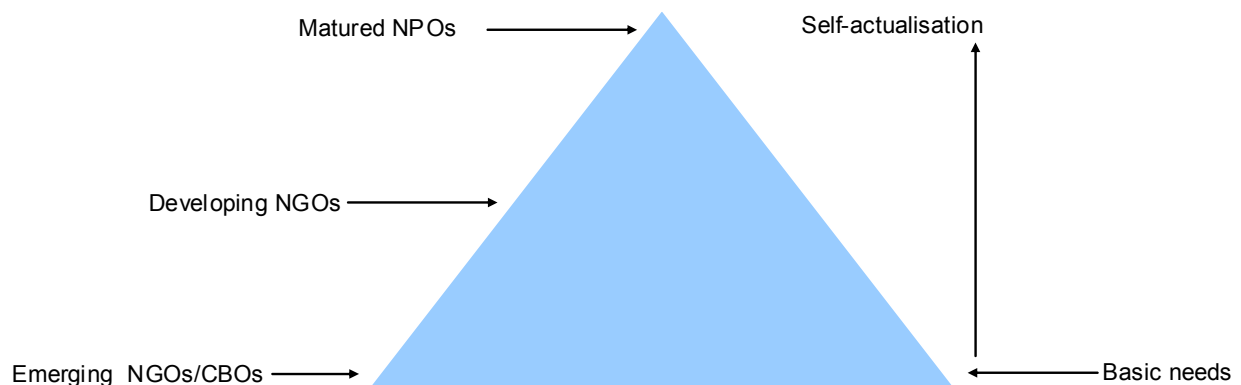


Figure 7.5: NPO/SE pyramid model

This third layer of the grounded theory is based on the following finding of this study: The NPO sector versus basic needs (also referred to as emerging NGOs/CBOs) and social entrepreneurship versus self-actualisation (also referred to as matured NPOs) which shows similarities with Maslow's hierarchy of needs. In order for an organisation to attain sustainability and self-sufficiency, emerging NGOs/CBOs

should attempt to mature from merely meeting their basic needs for survival, to moving upwards on this pyramid towards becoming a more mature NPO and, ultimately, a self-sustainable, earned-income SE.

7.4.3.4 *The fourth layer: Constant comparison method – corporate sector versus development sector (NPO/SE)*

The next layer of the study's grounded theory model is based on the findings of the exploratory study, that is, that the same corporate communication principles that are applicable in the corporate sector are applicable to the development sector. Therefore, a constant comparison method was applied in this study in this regard as depicted in the following diagram:

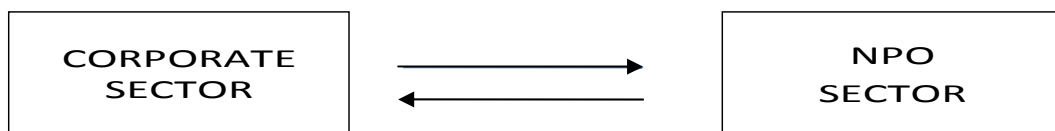


Figure 7.6: Constant comparison method: corporate sector versus development sector (NPO/SE)

This constant comparison method was discussed in depth in Chapter Five (Glaser & Strauss cited by Cohen, D. & Crabtree, B. 2006).

7.4.3.5 *The fifth layer: Branding as the core element of a corporate communication strategy*

In the three SE case studies the development sector space of NPOs was extended to include SEs and the importance of branding was highlighted in terms of its link with the corporate sector (as referred to in layer two).

The specific focus and importance of branding within this construct is diagrammatically represented in Figure 7.1. This diagram indicates that a strong brand is the core element of a NPOs' or a SEs' corporate communication strategy. Accordingly, corporate communication, social marketing and service delivery converge to create a framework for a successful corporate communication strategy.

In summary, the SE branding layered grounded theory model can be visually presented as follows:

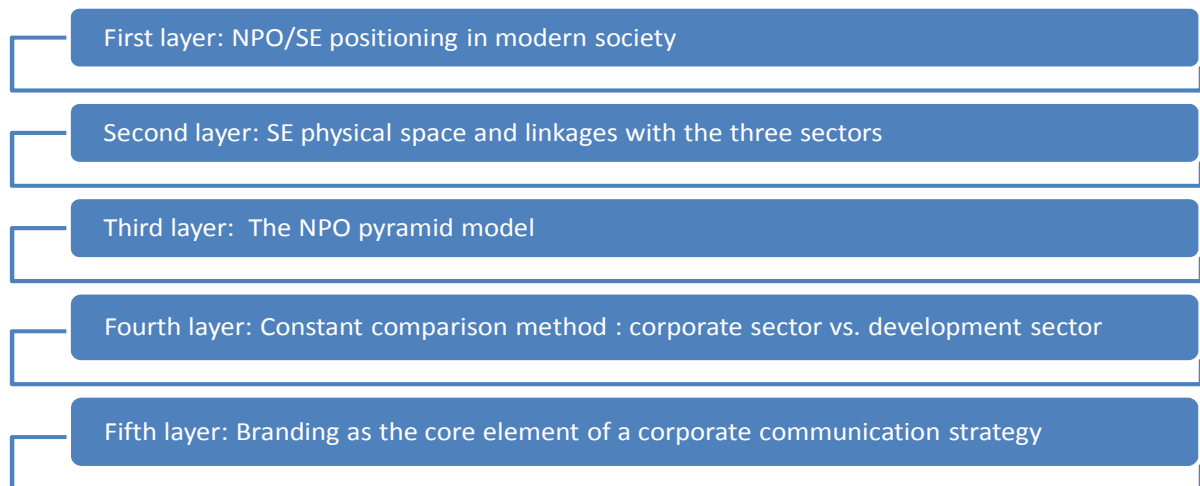


Figure 7.7: The SE branding layered grounded theory model

The SE branding layered grounded theory model displayed in the 1st layer shows the important role that the NPO/SE sector is fulfilling in modern society. In the 2nd layer the specific space and linkages of SEs with the different other society sectors are explained. The 3rd layer positions/ indicates the similarities with Maslow's hierarchy of needs with the growth path of NPOs towards SEs and their own sustainability on the NPO/SE pyramid model. The 4th layer indicates the fact that the same corporate communication principles applies to the development sector, while the 5th layer

stresses the important role that branding plays as the core element of a corporate communication strategy.

7.5 Concluding comments: SEs' brands versus corporate brands

Based on the results of the research findings, the main differences between SE (also referred to as the non-profit sector/NPO sector) brands and commercial or corporate brands (for-profits) are notable:

- i. SEs' brands are strongly value based. This is significant in their brand promise which links back to their organisational vision and mission. This is the key differentiator between SEs' brands and corporate brands. This finding is supported by an article written by Stride and Lee (2010) in which they refer to value-based brands as: "... that values are a charity's *raison d'être*, giving legitimacy to its very existence (Hudson 1995) and as such have a non-negotiable quality (Stride 2003) (Stride & Lee, 2010:108)".
- ii. Regarding the ability of the SE's brand and product to be replicated, it is striking to note that the Soul City's brand in particular is not visible in their Crossing Regions Regional Project with the other nine Southern Africa countries. Replication in the development sector is built on empowering and capacity building of individuals and communities, in comparison to the commercial world, where it is all about a company's visibility and profits.
- iii. The caring and family feel element of the working environment is also strongly evident in the SE case studies, which is in contrast to the corporate world where the individual has to fend for him/herself – "survival of the fittest".

- iv. The implementation of brand management in the SE's environment is hampered by a lack of capacity and resources, but definitely not by a lack of understanding of the importance of applying this important management tool, namely branding. This is also evident from the findings of the document analysis that was conducted. It is noteworthy that in the case of Heartbeat, the staff refer to themselves as a "corporatised NPO". It should be noted in this regard that this SE's brand only moved to the forefront of the organisational activities after a year or two, and not right from the beginning.
- v. Another key difference is the emphasis placed by the SE on the social impact element of their services and approach, while in the commercial world it is generally about profit margins.
- vi. It is evident that there is a far stronger emphasis on the role of the founder of the SE in comparison with the role of the CEO of a corporate organisation. This is seen as a threat to the sustainability of the SE. Indeed, the fact that all three social entrepreneurs left the SE during the five years of this research study is significant and could be an area for further research.
- vii. The whole marketing approach and competitive element towards the SEs' peers is underplayed and in some cases ignored. The presence of a competitive edge does not receive the same attention as in the corporate world. It is crucial to the sustainability of a SE that a mind shift takes place in this regard in order to ensure that they are the "SE of choice".
- viii. All three SEs display a unique and innovative brand approach as noted in the second category of Chapter Six. According to this approach, they are

regarded as role models and leaders in their specific fields of expertise.

This has subsequently been recognised by the various national and international awards they have received.

7.6 Recommendations

The recommendations are divided into specific recommendations for the various SEs, after which more general recommendations are made based on the results of the study.

7.6.1 Soul City

The following individual recommendations are made based on the research results. These results are based on the individual interviews, the focus group and the researcher's own observations.

- i. It is recommended that the brand extensions and the link between the different programmes should be capitalised on; especially through the TV programmes and series, as they offer a built-in marketing/awareness element.
- ii. It is further recommended that every opportunity should be utilised to address the perception that Soul City is merely a TV series. The social brand value of Soul City would definitely increase in the eyes of the general public if they were to become aware of the social change impact of the various programmes on the specific communities – not only in South Africa, but in Southern Africa as well through its various partner organisations.

- iii. The extensive partnership network that exists within Soul City needs to be capitalised on. The partners/organisations should be included through the sharing of Soul City's brand developments. This would strengthen the Soul City brand further, as these organisations would become Soul City ambassadors, incorporating the Soul City brand message into their own networks and communities.

7.6.2 Heartbeat

Based on the findings of the research results, the following recommendations are made for Heartbeat based on the individual interviews, the focus group and the researcher's own observations.

- i. It is recommended that the vulnerability/dependability of the organisation's link with the founder of Heartbeat should be addressed in order to ensure that the Heartbeat social brand continues to exist in the years to come.
- ii. It is further recommended that further impact analyses of the Heartbeat services be conducted in order to position the social brand more strategically. This would also assist with the growth and extension of services for the organisation in general.
- iii. It is recommended that more marketing activities be undertaken in order to ensure that the general public, including the social media, is aware of the Heartbeat social brand. The important role of marketing materials should be considered, for example business cards should be printed.

7.6.3 The Johannesburg Housing Company (JHC)

The findings of this study suggest the following individual recommendations based on the individual interviews, the focus group and the researcher's own observations.

- i. The linkages or brand association between the different programmes and brand extensions in the JHC is seen to be problematic. It is recommended that a definite process be put in place to impress this in the mind of the internal and external target audiences as well as the public at large.
- ii. It is recommended that specific marketing efforts be put in place to build an awareness of the social brand among the general public. This should include paying attention to the consistency in these marketing efforts, for example consistent electronic mail signatures and so forth.
- iii. More marketing and media campaigns are recommended, using Makhulong a Matala as the marketing vehicle and emphasising the community development service delivery as the main differentiator from their competitors. In these efforts, the confusion that exists with competitors in the social housing domain, for example with the Johannesburg Council's brand, will need to be addressed.

7.6.4 General recommendations

- i. First and foremost, it is recommended that the SEs investigated should make a definite mind shift on a number of levels in order to position themselves as leaders in their fields and as the "social brand of choice". In this regard, the following is recommended as a course of action:
 - a. Visualise the SE as forming an equal part of society, as illustrated by the image of the three-legged pot (Figure 7.1).

- b. Realise the importance of sustainability and self-sufficiency by allowing the SE to evolve into an income generating entity.
- c. See the SE as being similar to the corporate sector. The SE must form part of a competitive environment where definite rules apply, for example open and swift adaptation to changes as opportunities; quality of service delivery; on-going implementation of innovative ideas to ensure that their services stay relevant and market related. One example of this is for the JHC to move into the “*RENT TO BUY*” market (JHCEQ1).
- d. Know the competition well and see them as competitors in their specific service domain. Capitalise on their weaknesses to strengthen the SE in order to become the “SE of choice” in their specific service area.
- e. Realise the importance of running the organisations according to sound business and governance principles to ensure that the organisations can be classified as “corporatised NPOs”, which will contribute to the sustainability and self-actualisation-process.
- f. A more aggressive and upfront marketing approach is recommended to ensure that the SEs have a high profile with the external and internal target audiences; e.g. as one external respondent commented: “... taking more of the limelight; brag about their successes ...” (JHEQ3).
- g. This marketing approach should also be directed internally, as the study results clearly show that there is a gap in the understanding and experience of the SEs’ brands with their own internal target audiences.
- h. Based on the results of the document analysis, no opportunity to position the various SEs’ brands on all levels should be allowed to go

by, for example no printing and/or visual material should go out unbranded, undated or, with regards to electronic media, unlinked and not continuously and/or regularly updated.

- i. As far as brand extension programmes and campaigns are concerned, the “motherbrand” must always be positioned with the brand extension’s logo to ensure the link between the two brands/logos. A well-documented “brand guideline/bible/charter”, which includes these kind of branding issues is highly recommended and resources need to be made available to put this in place.
- j. It was further clearly indicated by all three social entrepreneurs that the development of a brand/brand identity was not developed at the SEs’ inception. It is strongly recommended that this be an integral part of the planning from the inception of a SE in order to maximise success; especially in view of the fact that a brand is developed over time.
- k. It is further clear that brand experts should be involved in assisting SEs in their brand development strategy and therefore it is strongly recommended that this important task not to be left to amateurs to develop. This kind of approach will assist SEs to position themselves as leaders to enable them to become “social brands of choice”. The study’s results further indicate that the brand tagline can be capitalised on in order to assist with the positioning of the different SEs.
- l. Resources should be made available for the brand development of the SEs in terms of financial resources, as well as manpower, in order to ensure the effective brand management of the SE; that is, examples of

website maintenance management, brand management department/staff, etc.

- m. It is recommended that corporate and government funders should consider funding NPOs based on sustainability and self-sufficiency by linking funding to build capacity in NPOs to assist them to evolve into SEs. This will ensure independence for NPOs as an exit strategy from grant dependency; ensuring competent social brands;
- n. Education awareness programmes targeted at the general public need to be lobbied for in order to create an understanding of the world of the NPO and SE sector. These lobbying actions should focus on the importance of recognising NPOs/SEs as critical role players in the development sector. Such actions need to be implemented according to business principles to ensure sustainability and NPOs/SEs should not be penalised for this. This is supported by one of the respondents who stated: "... the fact that the JHC is so successful in service delivery; one of the consequences of being a successful social brand is that the perception is created that the organisation is well established and don't need further state subsidies ..." (JHCIQ1).

7.7 Limitations of the study

The following limitations of this study can be noted:

- i. The fact that all three social entrepreneurs were not in their CEOs' positions at the respective SE at the time of the actual research, delayed the rollout of the study. Consequently, the new management had to be

convinced of the motivation for conducting the study in their respective organisations.

- ii. It was necessary to conduct some (a total of five) of the semi-structured and in-depth interviews telephonically, via satellite or via Skype. This was either as a result of time constraints on the interviewee or the physical distance between the researcher and the interviewee. This decision was cost based. The implications hereof were that face-to-face contact opportunities could not be maximised.
- iii. Despite initial concerns about the small number of questionnaire respondents in one of the case study organisations, it was confirmed by the statisticians of Statomed that sufficient information had been obtained to provide direction to the quantitative analysis.
- iv. Not also researching the SEs which did not win the Schwab Foundation Social Entrepreneur (SFSE) of the Year Award, does limit the study in certain ways and could be an area for future studies.

7.8 Summary

In this last chapter, the focus was placed on giving a true reflection of the conclusions and recommendations made on the basis of the data obtained from the internal and external respondents of the different SEs, and the SE experts consulted as part of the study. These recommendations are enriched by this combination of individuals and/or groups consulted by the researcher, which support and expand on own recommendations. In addition, the recommendations were written in such a way that they could be formulated into a workable implementation plan for the management teams of the various SEs. This factor enhances the value of the study.

The study found that a lack of implementation of corporate communication in NPOs and SEs, more specifically the absence of a corporate identity, image and a strategic brand management process, has a direct impact on the effectiveness of these social enterprises' communication and, in addition, limits the achievement of their developmental objectives.

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An initiative of The Mass Media Project - 2002/003520/08
(Association Incorporated under Section 21) Non-Profit Organisation no: 020-367

Ms Alta le Roux
P.O.Box 54282
Wireda Park
0149

29th August 2008

Dear Alta

Re Alta le Roux – PhD Thesis ” Establishing the role of branding in Social Entrepreneurship”.

It is with great pleasure that I grant approval to you in order to conduct research on my endeavors. Further I will give you any necessary support you may require.

Your sincerely

A handwritten signature in blue ink, appearing to be "G Japhet", with a long horizontal stroke extending to the right.

Dr Garth Japhet
Executive Director



Annexure A5.2

Centre for Community Development

Section 21 Reg. no. 2000/001288/08, Reg. no. 015 742-NBO

Heartbeat hereby gives Alta le Roux permission to conduct research on the following topic:

“Establishing the role of branding in Social Entrepreneurship”.

The research must be conducted within the following requirements:

1. Heartbeat's name must be mentioned in your research results and credits.
2. The research results must be disseminated to all Heartbeat stakeholders.
3. The researcher will agree on the following:
 - a. Heartbeat will not be able to provide you with any transport, accommodation or any other costs that you might have to incur during your research.
 - b. We want to verify what you are going to publish and approve the correctness of the factual contents regarding our organization before you can use it in any form.
5. Research can only be conducted within these requirements.

P.O. Box 72294

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Board Members: Dr S Pienaar (Executive Chairperson); Dr N T van der Walt (Vice-Chairperson); Dr D de Jongh (Secretary); Mr B E Greyling (Treasurer); Dr B S T Masilela, Mr G M Behrman (International Representative), Ms S Adkins (International Representative), Ms C Dyanti.



Centre for Community Development

Section 21 Reg. no. 2000/001288/08, Reg. no. 015-242-NPO

I, Alta le Roux hereby agree to do research under the requirements mentioned above.

Signed _____ on the _____ day of
_____ in the year _____.

Warm regards

Dr Chené Swart
Heartbeat: Centre for Community Development
Manager: Research and Development
Ground Floor Block B
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Annexure A5.3



(Assoc Registered in Terms of Section 21)
Co Reg No 95/13843/08

29th August 2008

Attention: Ms Alta le Roux
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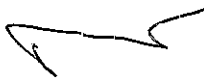
Dear Alta

Re: PhD: Establishing the role of Branding in Social Entrepreneurship

We hereby confirm that we have given you approval to conduct research on The Johannesburg Housing Company for the above PhD.

Please do not hesitate to contact us, should you require any additional information or support.

Regards



Taffy Adler
CEO

Annexure 5. 4



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INFORMED CONSENT LETTER

Hereby I undertake to be part of the following study whereby the following rules apply:

Title of the study

“Establishing the role of branding in Social Entrepreneurship”

Purpose of the study

The researcher wants to test the hypothesis that branding can play a significant role in the winning social entrepreneur’s organisation; that is of the Schwab Foundation Social Entrepreneur of the Year Award; and that it increases their competitiveness specifically in the world of the Non-profit sector.

Procedures

Semi-structured interviews based on a specific interview schedule will be used to establish the perceptions of internal and external target audiences.

In conjunction with the semi-structured interviews, three *focus groups* will be held consisting of members of either external or internal audiences

A quantitative study will be used to validate and compare the qualitative findings. A *questionnaire* will be designed based on the questions represented in the schedules used in the qualitative research

Risks, disadvantages & benefits

No specific risks or possible disadvantages are foreseen. The benefit of this study would be *societal based*. This research study will not only inform the non-profit sector of the significant role branding is playing in their organisation in order to maintain their competitiveness in the social sector, but also provide guidelines that can be used by other similar organisations. This could help them to better position themselves as leaders in their field and as an organisation that the corporate sector would like to partner with which will contribute to their organisation’s sustainability.

Participants' rights & confidentiality

The participation in this study is voluntary. Any person may withdraw from participation in this study at any time and without negative consequences. All participants can be assured that all information will be treated as confidential and that anonymity is assured. All data would be destroyed should the participant withdraw. All persons will have access to the research data and to the researcher.

Researcher's name & contact details

Alta le Roux
Cell: 083-289-0288
Work: 012-656-7014/84
Home: 012-656-0021
Fax: 012-656-8458
e-mail: aleroux@nicdam.co.za

Signed byon theof2010

at

.....
Participant's signature

.....
Researcher's signature

.....
Where applicable: Parent/Guardian's name & signature

What do you like about your brand?
What do you not like about your brand?
What is the 5 year vision for the SE/organisation and its products?
How would you describe your SE/organisation's culture and/or personality?

Can everyone in your organisation articulate the main idea of your brand- simple and clearly?
How do you ensure that everyone in your organisation know what your brand stands for?
What do you do to ensure that everyone in your organisation knows how to realize the brand's promise?
Who is championing the brand in your organisation?

What actions do you have in place to ensure brand consistency in your SE/organisation?
In which market/field/sector are you rendering a service?
What makes your product/brand unique in the specific market named above?
Who are your customers/beneficiaries?

What is the reach and scope of your SE/organisation's services/products?
Would you be able to replicate this service in another area/province/country?
Would you be able to share your tools, approaches and techniques with others?
What are the values (what specifics are they looking for i.e. is it the cause specifically or an individual in the organisation etc.) of your customers/beneficiaries in making their decision in utilizing your organisation?

Why do you think customers/beneficiaries utilize your brand?
How do you market your brand/SE/organisation?
How do the customers/beneficiaries perceive your organisation's brand?
Why should your customers/beneficiaries care about you?

What are the key differentiators of your brand?
How do you envision emphasizing those differentiators?
What is your primary brand tagline?
Which adjectives describe your brand?

Which tone (character and voice) do you want your brand to carry?
Who are your competitors?
What would you say are competitors' mistakes in comparison with you?
Why would you say that you can be considered as a role-model/leader in your market?

How do you think your brand/organisation has brought about social change through its innovative service?
How do you think your brand contributes to your organisation's sustainability?
How do you think your brand contributes to your organisation's positive social impact?
How do you think your brand has assisted you in building a national and global network?

What does the brand of this SE/organisation represent to you?

Where and how do you see the SE/Organisation brand displayed?

What culture and/or personality does this organisation's brand represent?

Is this organisation's brand fulfilling your needs/expectations?

Where would you like to see the brand of this SE going?
Which products of this brand/organisation do you use?
What is your relationship with this organisation?
Are you aware of a similar brand/organisation that would be able to satisfy your needs in this specific area?

Why do you support this brand/ SE/organisation and not other competitors in this market?
Beside yourself or your organisation, who else in your close working/family/friend circle is supporting this particular organisation/brand?
Do you see yourself as a stakeholder of this SE/organisation's brand? If so, please state why?
What was your main motivation when you decided to support this SE/organisation?

How do you feel about the marketing strategies/campaigns of this SE/organisation?
How do you perceive this organisation's brand?
Does the SE/organisation have any impact on you as an individual? If so, please explain.
What would you say are the key differentiators? (Unique characteristics of your brand)

How do you think this SE/organisation can emphasize these differentiators?
What is the primary brand tagline of this SE/organisation's brand?
Which adjective will you use to describe the SE/organisation's brand?
Do you know who the brand/SE/organisation's competitors are?

What would you say are the SE/organisation competitors' mistakes?
Why would you say that this SE/organisation can be considered as a role model/leader in this market?
How do you think this SE/organisation's brand has brought about social change through its innovative service?
How do you think the brand of this SE/organisation contributes to its sustainability?

How do you think this SE/organisation's brand contributes to positive social impact?
How do you think this SE/organisation's brand has assisted them in building a national and global network?

Annexure A5.7

On SE Letterhead

.....May 2010

Dear

PhD studies: Establishing the role of branding in Social Enterprises

The above research will be conducted by Ms A.S. le Roux as part of her PhD studies with the University of Pretoria.

Our previous CEO was a winner of the Schwab Foundation Social Entrepreneur of the Year Award. Our company was selected and management approved our participation to partake in the above studies.

In consultation with Ms Le Roux, I nominated you to be interviewed as part of the research. It would be appreciated if you can avail yourself for the above interview. Ms Le Roux will contact you personally next week to set up a mutually convenient time for this interview.

Your assistance is highly appreciated.

Kind regards

Annexure 5.8

EXTERNAL TARGET AUDIENCE QUANTITATIVE QUESTIONNAIRE

Topic: “Establishing the role of branding in Soul City as a Social Enterprise”

Date..... Venue.....

Age of participant..... Gender of participant.....

Note to the participant:

Please answer all questions and indicate your answer with a X.

Question 1

Which description below will fit your understanding of a brand? Please choose the most important aspect of your understanding.

- | | |
|--|--------------------------|
| 1.1 A brand is a logo like Nike's ✓ | <input type="checkbox"/> |
| 1.2 A brand is a tagline like Nike's “Just do it” | <input type="checkbox"/> |
| 1.3 A brand is a promise statement to a customer | <input type="checkbox"/> |
| 1.4 A brand identifies an organization | <input type="checkbox"/> |
| 1.5 A brand explains an organization to a customer | <input type="checkbox"/> |

Question 2

How did you become aware of the Soul City brand? You can indicate more than one option if needed.

- | | |
|-------------------------|--------------------------|
| 2.1 Through TV | <input type="checkbox"/> |
| 2.2 Through radio | <input type="checkbox"/> |
| 2.3 Through newspapers | <input type="checkbox"/> |
| 2.4 Through your school | <input type="checkbox"/> |
| 2.5 Through your family | <input type="checkbox"/> |
| | <input type="checkbox"/> |

2.6 Through your friends

2.7 Through your church

☐

2.8 Other

☐

If you have indicated "Other", please specify only one additional option

Question 3

3.1 Do you recognize the Soul City brand?



Yes

☐

No

☐

3.2 What does this brand signify/mean? Please choose Yes or No in the options listed below.

3.2.1 A brand with a soul

Yes

☐

No

☐

3.2.2 A brand working with health issues

Yes

☐

No

☐

3.2.3 A communication brand working in the city

Yes

☐

No

☐

Question 4

What do you like about the Soul City brand? Please indicate on the grading scale below the most appropriate option per brand element

Number	Brand element	(1) Not at all	(2) To a slight extent	(3) To quite an extent	(4) To a very large extent
4.1	The design of the logo				
4.2	The colours				
4.3	The brand tagline "It's real" Soul Buddyz "Tomorrow is ours"				
4.4	The name of the brand				
4.5	The promise of the brand "To make a measureable improvement in the health and quality of lives of the people of Southern Africa"				

Question 5

Which word describes the Soul City brand the best? You can indicate more than one option if needed.

- 5.1 Caring ☐
- 5.2 Developing youth ☐
- 5.3 Social partner ☐
- 5.4 Dynamic ☐
- 5.5 Leadership ☐

Question 6

Where have you seen the Soul City brand? You can indicate more than one option if needed

6.1 Newsletters

☐

6.2 Buildings

☐

6.3 Promotional items like T-shirts, caps etc.

☐

6.4 TV

☐

6.5 Radio

☐

6.6 Magazines

☐

6.7 Newspapers

☐

6.8 Websites

☐

6.9 Other

☐

If you have indicated "Other", please specify only one additional option

Question 7

Would you recommend your friends to utilize the services/products of Soul City?

7.1 Yes

☐

7.2 No

☐

Please supply me with the single most important reason for choosing Yes or No:

Question 8

Are you aware of the following two brands that are seen to be the “competitors” of the Soul City brand?

8.1



Yes ☐

No ☐

8.2



Yes ☐

No ☐

Annexure 5.9

EXTERNAL TARGET AUDIENCE QUANTITATIVE QUESTIONNAIRE

Topic: “Establishing the role of branding in Heartbeat as a Social Enterprise”

Date..... Venue.....

Age of participant..... Gender of participant.....

Note to the participant:

Please answer all questions and indicate your answer with a X.

Question 1

Which description below will fit your understanding of a brand? Please choose the most important aspect of your understanding.

- | | |
|--|--------------------------|
| 1.1 A brand is a logo like Nike's ✓ | <input type="checkbox"/> |
| 1.2 A brand is a tagline like Nike's “Just do it” | <input type="checkbox"/> |
| 1.3 A brand is a promise statement to a customer | <input type="checkbox"/> |
| 1.4 A brand identifies an organization | <input type="checkbox"/> |
| 1.5 A brand explains an organization to a customer | <input type="checkbox"/> |

Question 2

How did you become aware of the Heartbeat brand? You can indicate more than one option if needed.

- | | |
|-------------------------|--------------------------|
| 2.1 Through TV | <input type="checkbox"/> |
| 2.2 Through radio | <input type="checkbox"/> |
| 2.3 Through newspapers | <input type="checkbox"/> |
| 2.4 Through your school | <input type="checkbox"/> |
| | <input type="checkbox"/> |

2.5 Through your family

2.6 Through your friends

☐

2.7 Through your church

☐

2.8 Other

☐

If you have indicated "Other", please specify only one additional option

Question 3

3.1 Do you recognize the Heartbeat brand?



Yes

☐

No

☐

3.2 What does this brand signify/mean?

3.2.1 A brand that work with its hands to make a difference

Yes ☐

No ☐

3.2.2 A brand whose services make the sun to shine for others

Yes ☐

No ☐

3.2.3 A brand that is the heartbeat of communities

Yes ☐

No ☐

Question 4

What do you like about the Heartbeat brand? Please indicate on the grading scale below the most appropriate option per brand element

Number	Brand element	(1) Not at all	(2) To a slight extent	(3) To quite an extent	(4) To a very large extent
4.1	The design of the logo				
4.2	The colours				
4.3	The brand tagline "Putting smiles on children faces"				
4.4	The name of the brand				
4.5	The promise of the brand "Heartbeat dreams of all children in Africa being happy and having opportunities to fulfill their dreams"				

Question 5

Which word describes the Heartbeat brand the best? You can indicate more than one option if needed.

5.1 Caring

☐

5.2 Developing youth

☐

5.3 Social partner

☐

5.4 Dynamic

☐

5.5 Leadership

☐

Question 6

Where have you seen the Heartbeat brand? You can indicate more than one option if needed

6.1 Newsletters

☐

6.2 Buildings

☐

6.3 Promotional items like T-shirts, caps etc.

☐

6.4 TV

☐

6.5 Radio

☐

6.6 Magazines

☐

6.7 Newspapers

☐

6.8 Websites

☐

6.9 Other

☐

If you have indicated "Other", please specify only one additional option

Question 7

Would you recommend your friends to utilize the services/products of Heartbeat?

7.1 Yes

☐

7.2 No

☐

Please supply me with the single most important reason for choosing Yes or No:

Question 8

Are you aware of the following two brands that are seen to be the “competitors” of the Heartbeat brand?

8.1



Yes

☐

No

☐

8.2



Yes

☐

No

☐

Annexure 5.10

EXTERNAL TARGET AUDIENCE QUANTITATIVE QUESTIONNAIRE

Topic: “Establishing the role of branding in the Johannesburg Housing Company as a Social Enterprise”

Date..... Venue.....

Age of participant..... Gender of participant.....

Note to the participant:

Please answer all questions and indicate your answer with a X.

Question 1

Which description below will fit your understanding of a brand? You can indicate more than one option if needed.

- | | |
|--|--------------------------|
| 1.1 A brand is a logo like Nike's ✓ | <input type="checkbox"/> |
| 1.2 A brand is a tagline like Nike's “Just do it” | <input type="checkbox"/> |
| 1.3 A brand is a promise statement to a customer | <input type="checkbox"/> |
| 1.4 A brand identifies an organization | <input type="checkbox"/> |
| 1.5 A brand explains an organization to a customer | <input type="checkbox"/> |

Question 2

How did you become aware of the Johannesburg Housing Company brand? You can indicate more than one option if needed

- | | |
|-------------------------|--------------------------|
| 2.1 Through TV | <input type="checkbox"/> |
| 2.2 Through radio | <input type="checkbox"/> |
| 2.3 Through newspapers | <input type="checkbox"/> |
| 2.4 Through your school | <input type="checkbox"/> |
| | <input type="checkbox"/> |

2.5 Through your family

2.6 Through your friends

☐

2.7 Through your church

☐

2.8 Other

☐

If you have indicated "Other", please specify only one additional option

Question 3

3.1 Do you recognize the brand of the Johannesburg Housing Company?



Yes

☐

No

☐

3.2 What does this brand signify/mean?

3.2.1. A brand working in the housing industry

Yes

☐

No

☐

3.2.2 A company brand working in Johannesburg

Yes

☐

No

☐

3.2.3 A brand focusing on providing housing in Johannesburg

Yes

☐

No

☐

Question 4

What do you like about the Johannesburg Housing Company brand? Please indicate on the grading scale below the most appropriate option per brand element

Number	Brand element	(1) Not at all	(2) To a slight extent	(3) To quite an extent	(4) To a very large extent
4.1	The design of the logo				
4.2	The colours				
4.3	The brand tagline "Your home in the City"				
4.4	The name of the brand				
4.5	The promise of the brand "To develop a balanced quality lifestyle for our tenants in the building and to extend the positive influence to the immediate surrounding neighbourhoods to ensure that we (JHC) retain our tenants and rejuvenate the social fabric in the neighbourhoods"				

Question 5

Which word describes the Johannesburg Housing Company brand the best? You can indicate more than one option if needed.

5.1 Caring

☐

5.2 Developing youth

☐

5.3 Social partner

☐

5.4 Dynamic

☐

5.5 Leadership

☐

Question 6

Where have you seen the Johannesburg Housing Company brand? You can indicate more than one option if needed

6.1 Newsletters

☐

6.2 Buildings

☐

6.3 Promotional items like T-shirts, caps etc.

☐

6.4 TV

☐

6.5 Radio

☐

6.6 Magazines

☐

6.7 Newspapers

☐

6.8 Websites

☐

6.9 Other

☐

If you have indicated "Other", please specify only one additional option

Question 7

Would you recommend your friends to utilize the services/products of the Johannesburg Housing Company?

7.1 Yes

☐

7.2 No

☐

Please supply me with the single most important reason for choosing Yes or No:

Question 8

Are you aware of the following two brands that are seen to be the “competitors” of the Johannesburg Housing Company brand?

8.1



Yes ☐

No ☐

8.2



Yes ☐

No ☐