



**THE DEVELOPMENT OF A FRAMEWORK FOR STRUCTURING
INTEGRATED COMMUNICATION IN SOUTH AFRICAN
ORGANISATIONS.**

by

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**This thesis is dedicated to my husband, Tienie
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SYNOPSIS

Organisations need to re-evaluate the way in which the communications function was previously organised and structured, and focus on a more integrated approach that will ensure maximum effectiveness. No framework exists which incorporates all communication in an organisation as no research has been done and published that investigated organisations in South Africa with regard to the integration of communication. It was therefore necessary to investigate the concept of integrated communication further and propose a framework for structuring integrated communication that can be applied by different organisations.

The primary objective of this study was to investigate empirically how successful South African organisations are addressing the issue of integrated communication in terms of organisational structures. This, together with an extensive investigation into the relevant literature, was used to develop a framework for structuring the communication function within South African organisations to encourage integration and enhance organisational effectiveness.

Some of the secondary objectives included in this study pertained to the relationship between the marketing and public relations function in successful organisations as well as the integration of dialogic public relations through organisations' websites.

This research study is exploratory in nature to gain insight into the research problem. The measuring instruments consisted of a self-administered questionnaire, selected in-depth interviews and a content analysis of participating organisations' websites. The population selected comprised of the top 250 South African organisations.

The major findings included: marketing and public relations are mostly considered to be equal and separate but with overlapping functions with marketing being the dominant function; and successful South African organisations do not integrate dialogic public relations through their websites.

A framework for structuring integrated communication was developed and it was recommended that the validity of this framework be tested in future research.

It was, inter alia, recommended that South African organisations familiarise themselves with the two-way symmetrical model of communication and apply appropriate strategies in their communication function; strategise their communication functions and activities as an integrated function to address stakeholders' needs; and organisations should use the full potential of the Web to enable its integrative communication efforts.

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CHAPTER 1

BACKGROUND AND DEFINITION OF THE PROBLEM

1.1 Introduction

The business environment of the twenty-first century is foreseen to be characterised by the rise of a knowledge-based, multicultural, multiskilled and mobile workforce; the proliferation of sophisticated telecommunications technology; and increased consumer demands. Professional communicators can play a significant role in preparing organisations for the challenges of the future by looking at themselves and their organisations from a new point of view (Grates, 1998: 7).

Corporate public relations, according to Howard (1995: 5) has gone through many changes since the 1960s. One of the trends identified by Howard (1995: 5) that has transformed the roles of public relations practitioners over the last few decades, is that public relations has become accepted as a valued management and strategic function. This translates that PR professionals are tasked, not just with answering journalists' questions and writing annual reports, but to participate in communications strategy planning, organisational change and consultation (Howard, 1995: 5). This, however, has provided managers of public relations departments with new challenges. One of them is the focus that is being placed on the organisation and structuring of the department, according to a research study that was done by Corporate Communication Studies (2000).

Organising and structuring is also changing because the structure of the majority of traditional businesses that was based on command and control and anchored in ownership, is being replaced by other relationships such as strategic alliances, joint ventures, outsourcing, partnering, and marketing agreements. These relationships depend on the common understanding of objectives, policies and strategies; on teamwork; and on persuasion. Many of the new relationships are temporary and *ad hoc* compared to the permanence of the old command-and-control organisation (Drucker, in Hesselbein *et al.*, 1997: 2).

The aforementioned changes as well as the existing perception, namely that it is the “end of organisations” according to him might prove to be a challenge in organising and structuring communication in an organisation. He is however of the opinion that *organisations* will be needed more than before as the increasing emphasis on flexibility and variation, demand more clarity in terms of mission, values, strategy and who is in command in a crisis situation. Only what is meant by *organisations* is changing. The first definition of organisations was based on how different work is being done. The approach that is now emerging places the emphasis on achieving results *outside*, that is, to achieve performance in the market. The purpose of the organisation is therefore to utilise the strengths of people effectively and make their weaknesses irrelevant (Drucker, in Hesselbein *et al.*, 1997: 5).

It is clear that changes are taking place in the business environment and trends are emerging, which has forced managers to change their viewpoints on past procedures and focus more on what should be done to stay competitive in the future. The organisation of the communication department to meet new challenges is just one of the issues to consider. The research will therefore propose a framework for structuring the communication in an organisation to ensure a more integrated approach. To understand why integration is more important than a single function focus, a background will be given on the following:

How the organisation of the future will look; the changing paradigm that is needed for organisational success; the organisation of the public relation function: and the nature of interaction between public relations and marketing. Furthermore an overview will be given of the concept of integrated communication and the role of the World Wide Web in the integration process.

After the background and literature review the problem statement, purpose of the study, method of study and research objectives will be discussed. A further outline of the different chapters that will form part of this research study will be given in section 1.11.

1.2 The organisation of the future

Dramatic changes in the business environment – deregulation, new technology and the growth of information technology, global competition, the shift in customer expectations, delayering and flatter structures – stress the irrelevancy of the old ways of doing business. New demands are being imposed on business managers because of the volatile business environment (Prahalad, *in* Ashkenas, Ulrich, Jick and Kerr, 1995: xiii). To succeed in this environment, leaders need to rethink the traditional ways of doing business (Bossidy *in* Ashkenas *et al*, 1995: xix). A re-examination at both corporate and business level strategies is necessary. Managers have to re-assess the capabilities of their organisations to execute the new and often complex strategies (Prahalad, *in* Ashkenas *et al*, 1995: xiii).

In the re-assessment process capturing a snapshot of organisational life can be achieved through the study of structure. The prevailing view of organisational structure is embodied within the concept of policies, prescription of authority, and hierarchies of responsibility. Termed **structural frameworks**, these allocations of work roles and administrative mechanisms allow organisations to conduct, co-ordinate, and control their work activities (Rapert & Wren, 1998: 287). Attending to the complexities of organisational structure is critical in developing a framework for structuring the communication function. Grunig (*in* Grunig, 1992c) pointed it out in the 70s by stating that: “The behaviour of the public relations practitioner is largely determined by the structure of the organization and the practitioner’s role in that structure”.

Structure is therefore important but what is more important in today’s changing environment is that people who can make a contribution needs to be encouraged to do so without the permission of a central authority. Traditional boundaries – status, role, organisational level, functional affiliation, and geographic location – are less relevant than getting the best people to work together effectively (Bossidy, *in* Ashkenas *et al*, 1995: xx).

The reason why flexibility is more important than a rigid structure is because the competitive landscape is changing and taking on a new shape.

Strategic discontinuities – elimination of industry boundaries, major advances in logistics, computer aided design (CAD), opening of global markets, deregulation, Information Technology (IT), technological advances, re-focusing on core competencies and capabilities, and organisational re-design – are changing the nature of competition. Standard management thinking, according to Hitt, Keats, and DeMarie (1998: 22), was based on a time and environment that was more static and smooth. Boundaries and competitors were more easily identified. Organisations are however faced with a new competitive landscape that is constantly changing. Organisations must therefore develop new strategies and new ways of organising to deal with this complicated environment.

In order for organisations to survive they need to use the latest technology, continue to develop new technology, actively participate in global markets, structure themselves to gain advantage in these markets, develop and maintain strategic flexibility, and build a long-term vision that allows managers to balance short-term performance with long-term needs. To do so, revision of standard management thinking and strategic process is required. In other words, a continuous rethinking of current strategic actions, organisation structure, communication systems, corporate culture, asset deployment, and investment strategies are required.

They are of the opinion that the new competitive landscape has lessened the value of vertical structures. Traditionally, the most common structures were vertical and often rigidly hierarchical with sequential operations and coordination among the various functional units. These structures tended to be slow in developing and implementing decisions. Organisations are therefore beginning to develop flatter and more horizontal structures to enhance innovation and speed of strategic actions (Hitt *et al.*, 1998: 40).

Organisations that wish to take advantage of the innovative and speed properties of a horizontal structure will have to use more formal integrating mechanisms instead of relying on the more traditional hierarchical structures. Co-ordination in these structures is achieved through establishing standards, developing plans and schedules, and encouraging mutual adjustment by functional units.

The more formal integrating mechanisms that are needed, are boundary spanners, task forces, teams, integrating committees and sophisticated information networks (Hitt *et al.*, 1998: 40).

In the early 1990s Mink, Schultz, and Mink, (1991: 7) predicted that the organisation of the future would be based upon the principle of adaptability rather than predictability. Structures that are flexible can adapt more effectively to the changing needs of business processes. Driving organisations put the necessary resources in the hands of the people who need them. As customer needs, competitors, and people change, the structure changes. According to McGill and Slocum (1994: 93) permeability and flexibility give rise to network intimacy.

Open-systems theory suggests that organisations select organisational structures that optimise the organisation's ability to adapt or control environments. Organisations should develop optimum structures that allow the organisation to cope with inter-penetrating systems especially in a complex, turbulent, and threatening environment. Those structures should be decentralised, organic and flexible (Dozier & Grunig, *in* Grunig, 1992b).

Flexibility may also imply that the organisation must adopt and practice organisational learning. Senge (1994) argues that organisations are products of the ways people in them think and interact. To change organisations for the better, you must give people the opportunity to change the way they think and interact. This cannot be done through increased training, or through command-and-control management approaches. No one person can train or command other people to alter their attitudes, beliefs, skills, capabilities, perception or level of commitment. Instead, the practice of organisational learning involves developing tangible activities; new governing ideas; innovations in the infrastructure; and new management methods and tools for changing the way people conduct their work. Given the opportunity to take part in these new activities, people will develop an enduring capability for change. The closeness about relationships in a learning organisation is also reflected in proximity where key business process players are physically combined in teams. People and decision-making authority are structured as close as possible to business processes.

The above discussion emphasised the fact that environments are changing and new strategies for organising and structuring are needed. Technologies should be used and focus should be placed on flexible organisations rather than on command-and-control approaches. McGill and Slocum (1994: 93) have established that organisations that have taken leadership in their industries have done so by using the structural themes of permeability and flexibility to enhance and expand their experience. This has provided them with the necessary competitive advantage. A changing paradigm is therefore needed to move away from boundaries imposed by traditional ways of thinking.

1.3 A changing paradigm for organisational success

Boundaries have always existed within organisations. People specialising in different tasks, different levels of authority and different work under different conditions, create traditional boundaries. Boundaries are necessary for an effective organisation. Ashkenas *et al.* (1995: 4) propose that boundaries must be made more permeable so that a greater fluidity of movement will be allowed throughout the organisation. The organisation in its whole must function better than each of the separate parts (Gestalt phenomenon). This translates that over time the placement of boundaries in an organisation may shift. Levels might decrease and functions may merge to combine skills.

They also purported that factors contributing to organisational success in the past have become liabilities. They identified new factors necessary for competitive success.

The critical factors that influenced success for much of the twentieth century were:

- **Size:** The larger an organisation became, the more it was able to attain production or service efficiencies, leverage its capital and put pressure on customers and suppliers.
- **Role Clarity:** Tasks were divided and subdivided in order to get work done effectively. Clear distinctions were made between levels of authority.

- **Specialisation:** Specialities were created or encouraged with the subdivision of tasks. Finance, planning, human resources, and information technology for instance, became disciplines in their own right.
- **Control:** A major role of management was to control the work of others.

The new success factors according to Ashkenas *et al.* (1995: 6) needed for competitive success are:

- **Speed:** Successful organisations respond more quickly to customers, bring new products to the market faster and change strategies more rapidly.
- **Flexibility:** Organisations that move quickly are flexible. People must be multiskilled, they need to constantly learn new skills, and willingly shift to different locations and assignments. Flexible organisations revel in ambiguity, throw out job descriptions, and thrive on *ad hoc* teams that form and reform as tasks shift.
- **Integration:** The organisation creates mechanisms to pull together diverse tasks and activities as they are needed. It focuses more on how best to accomplish business or work processes and less on producing specialised pieces of work that management will eventually pull together.
- **Innovation:** Successful organisations find innovation essential. They create innovative processes and environments that encourage creativity.

The old success and new success factors are summarised in table 1.1.

TABLE 1.1 SHIFTING PARADIGM FOR ORGANISATIONAL SUCCESS

Old success factors	New success factors
Size	Speed
Role clarity	Flexibility
Specialization	Integration
Control	Innovation

Source: Ashkenas *et al.* (1995: 7)

Prahalad (1999) agrees that the 90s has been characterised by a significant and discontinuous change in the competitive environment. He contributes it to several factors such as the global trend to deregulate and privatise; technological convergence that are disrupting industry structures; the impact and the spread of the World Wide Web and Internet and the emergence of non-governmental organisations such as the green movement.

He identifies four transformations that will influence business models in the decades to follow, namely the expansion of strategic space available to organisations; globalisation of businesses; speed as a critical element; and innovation as a new source of competitive advantage. A new mindset is therefore needed.

Managers must realise that they can influence the competitive environment. Industries evolve around what managers do. Amazon.com and e-Bay (commercial enterprises created as a result of the Internet) that influenced the dynamics of well-established industries can be used as examples. Managers also need to imagine a new competitive space and must act to influence the migration to the future. The key is therefore to adjust and adapt to a given direction. They need to be able to be tactical and be prepared for new obstacles and unforeseen circumstances. Disruptive competitive changes therefore challenge the status quo and those who take up the challenge and proactively change will create the future.

Kotler (2003: 39) concurs by pointing out that the changes in technology and economy are eliciting a new set of beliefs and practices among organisations. His viewpoint on how the business beliefs in the old economy are shifting is illustrated in table 1.2.

TABLE 1.2: OLD ECONOMY VERSUS NEW ECONOMY

Old Economy	New Economy
Organise by product units	Organise by customer segments
Focus on profitable transactions	Focus on customer lifetime value
Look primarily at the financial scorecard	Look also at marketing scorecard
Focus on shareholders	Focus on stakeholders
Marketing does the marketing	Everyone does the marketing
Build brands through advertising	Build brands through performance
Focus on customer acquisition	Focus on customer retention
No customer satisfaction measurement	Measure customer satisfaction and retention rate
Over-promise, under-deliver	Under-promise, over-deliver

As illustrated by table 1.2 business beliefs are shifting (Kotler, 2003: 38):

- ***From organising by product units to organising by customer segment.*** This means that a shift is taking place from being product-centred to being customer-segment centred.
- ***From focusing on profitable transactions to focusing on customer lifetime value.*** New economy organisations focus on estimating individual lifetime value and designing their market offerings and prices to make a profit over the customer’s lifetime.
- ***From focusing on just the financial scorecard to focusing also on the marketing scorecard.*** Top management in the new economy will not just look at the profit and loss statements but will also examine the marketing scorecard to determine what is happening to market share, customer loss rate, customer satisfaction, product quality relative to competitors, and other measures.
- ***From focusing on shareholders to focusing on stakeholders.*** Management in the new economy will carefully define their stakeholders and develop policies and strategies to balance the returns to all the key stakeholders.
- ***From marketing does the marketing to everyone does the marketing.*** Marketing is too important for a department and every employee has an impact on the customer.

- ***From building brands through advertising to building brands through performance.*** Brands are built by the customer's experience with the brand and word-of-mouth and organisations are recognising that a complete set of tools can help build brands.
- ***From focusing on customer acquisition to focusing on customer retention.*** New economy organisations place more emphasis on customer retention, as attracting a new customer may cost five times more than retaining one.
- ***From no customer satisfaction measurement to in-depth customer satisfaction measurement.*** Customer satisfaction is becoming a priority at an increasing number of organisations.
- ***From over-promise, under-deliver to under-promise, over-deliver.*** New economy organisations realise that customer satisfaction is a function of the match between customer expectations and organisational performance.

Organisations need to retain past skills and competencies but also need to add new understandings and competencies to ensure growth.

Section 1.2 and 1.3 pointed out that the organisation of the future need a changing paradigm for organisational success. Various authors' (Mink *et al.*, 1991; Hitt *et al.*, 1998; McGill & Slocum, 1994; Ashkenas *et al.*, 1995; Prahalad, 1999; & Kotler, 2003) viewpoints in this regard were discussed. Based on the discussion it is clear that the authors agreed on certain factors essential for future success. The shared factors derived from the discussion are speed, flexibility and innovation. These factors will be considered in addressing the primary objective of structuring integrated communication in South African organisations as integration can also be seen as an important factor for future success.

The first part of the literature and background discussion focused on general management principles to highlight the success factors needed for organisations in order to address the primary objective. The second part will focus more specifically on the communication functions in an organisation by discussing the organising of the public relations function, the relationship between public relations and marketing and the different models of public relations. This discussion will form the basis of the secondary research objectives discussed in section 1.9.2

1.4 The organisation of the public relations function

Disagreement exists about the structural architecture of the public relations function that will best promote or enhance the concept of excellence in various organisations. In 1985 Cutlip, Center, and Broom (1985: 79) made the statement that “there is also no general agreement on the working relationship between public relations and the other functions that will be most effective”. They therefore contend that each public relations function must be tailor-made and altered to meet change. Cutlip *et al.* (1994: 58) are still of the opinion that there is a disagreement about what is the best or right structure and place for the public relations function in various types of organisations. Based on this, they still conclude that each internal public relations department must be organised in such a way that it will suit a particular organisation and its unique circumstances.

Grunig *et al.* (1992b) however, in their extensive investigation into what constitutes “excellence” in the management of public relations and communications, set out to answer the question of how public relations should be practiced and organised to contribute most to organisational effectiveness.

They identified a number of important characteristics, namely:

1. Public relations programmes should be managed strategically.
2. There should be a single integrated public relations department.
3. Public relations should report directly to senior management.
4. Public relations should be a separate function from marketing.
5. Communications should adhere to the two-way symmetrical model (which will be discussed in section 1.4.1)
6. The senior public relations practitioner should be a member of, or have access to the organisation’s dominant coalition.
7. The organisation’s “world view” of public relations should reflect the two-way symmetrical model.

Characteristics 2,3,4,5 and 6 will be tested empirically in this study. These characteristics also comply with the criteria, developed by Grunig and Grunig (1998: 141) that are needed for public relations to remain excellent within an integrated communications framework (section 1.7.2):

However as Grunig (1992a) conceded, this set of characteristics of excellence represents an idealistic view of how public relations should be managed and practiced to be most effective. It is therefore unlikely that excellent public relations departments as defined by Grunig *et al.* (1992b) will be found to exist in a vast majority of organisations. The excellence theory could therefore be regarded as largely a normative framework against which the operational practices observed in public relations departments can be compared.

Dozier & Grunig (*in* Grunig, 1992b: 396) use concepts of the open-systems theory to provide a basis for the location of the public relations function in the organisational structure. Their opinion is that organisations differ in terms of the vertical location of the function.

In some organisations the function reports directly to the chief executive officer, whereas others subordinate the function to a lower position where it reports to marketing, personnel, legal or other executives. The function takes the form of a single unit in some organisations, where in others it is spread among different departments and organisational units.

Whatever approach is followed, according to the open-system theory emphasis should be placed on decentralisation and flexibility within the public relations department. Task forces or work groups are then used to solve specific problems. Once the problem is solved, the task force is dissolved. These task forces and teams are made up from the different sub-units of the public relations department as well as from other departments.

The viewpoints of the different authors [Grunig *et al.* (1992b), Dozier & Grunig (*in* Grunig, 1992b) and Cutlip *et al.* (1994)] adds to the confusion in organising the communication in an organisation. A survey of some of the major U.S. organisations done by Corporate Communication Studies (2000: 5) suggests that organising of communication is a critical factor to consider. Managers were asked to respond to a list of eleven communication management issues, and rank them as to how critical they were for a particular department and organisation. The top four priorities, when measured by total number of responses and by most critical responses, were:

- Quantifying communication results in business terms.
- Developing a communication plan that is aligned with corporate priorities.
- Integrating the communications function in the global organisation.
- Organising the corporate communication function for maximum effectiveness.

The research report (Corporate Communication Studies, 2000: 5), based on the selection of these four topics, suggested that there were two overriding priorities for managers of communication departments in major organisations.

First, it is imperative that plan development and result measurement be centred on business priorities, rather than communication priorities. Second, there is a focus on the organisation of the department.

The report (Corporate Communication Studies, 2000) states that the emergence of truly global organisations, the power of the Internet to link people within far-flung organisations, the imperative to outsource many of the tactical aspects of communications, and other factors make the development of an “ideal” department structure and linkage to the organisation exceedingly complex. It is further suggested in the research (Corporate Communication Studies, 2000) that these findings identified a need for further studies to explore the ways that successful organisations are addressing these issues.

It is clear that disagreement exists about the structuring of the public relations function. Some authors (Cutlip *et al.*, 1994) are of the opinion that the starting point must be the organisation and the organisation's needs whereas others (Grunig *et al.*, 1992b) use a set of characteristics to explain how public relations should be organised to contribute to organisational effectiveness. More recent studies (Corporate Communication Studies, 2000) however, indicate that trying to develop an ideal structure will be too complex due to various factors. This research study will however attempt to identify a general framework for structuring communication in an organisation that can be applied and adapted by different organisations based on their different needs.

In identifying a set of characteristics to explain how public relations should be organised Grunig *et al.* (1992b) purported that communications should adhere to the two-way symmetrical model in order for it to be "excellent". The two-way symmetrical model is mentioned throughout the text and also forms part of the secondary research objectives. The different models of public relations will therefore be discussed next.

- **Models of public relations**

Grunig and Hunt (1984: 21) identified four models to describe the different public relations practices that have evolved throughout history:

- press agency;
- public information;
- two-way asymmetrical; and
- two-way symmetrical public relations.

These models were originally conceived as a means of explaining the evolutionary development of public relations. The authors, however, maintained that these models also provide a means of broadly describing and explaining the differences in the way in which public relations is practiced in organisations. They also acknowledge the limitations of the models. The models do not capture the wide variations in modern public relations because they are simplifications and must be treated as such. The chief characteristics of the form of public relations practice described by each of the models are summarised in table 1.3:

TABLE 1.3 CHARACTERISTICS OF THE FOUR MODELS OF PUBLIC RELATIONS

Models	Press Agency/ Publicity	Public information	Two-way asymmetric	Two-way symmetric
Characteristics				
Purpose	Propaganda	Dissemination of information	Scientific persuasion	Mutual understanding
Nature of communication	One-way, complete, truth not essential	One-way, truth important	Two-way, imbalanced effect	Two-way, balanced effect
Communications model	Source → receiver	Source → receiver	Source → receiver ← Feedback	Group → group ←
Use of research	Little if any	Little, readership, readability	Formative, attitude, evaluation	Formative, evaluation of understanding
Current practice	Product, promotion, sponsorship, theatre	Government, non-profit making, associations, businesses	Competitive business agencies	Regulated business agencies

Source: Grunig and Hunt (1984: 22).

Grunig and Hunt (1984) were the first to define four typical ways in which public relations is practiced – four models of public relations, depicted in table 1.3. Since then the four models have been the objects of various research studies by public relations scholars. Grunig and Grunig (*in Grunig 1992b*) reviewed the research being done on the models. They also included in their study the history of the models, the validity and reliability of how public relations is actually being practiced as well as the internal and external conditions that can provide an explanation for this. Based on this review Grunig and Grunig (*in Grunig 1992b*) stated the following proposition:

The two-way symmetrical model of communication is a real as well as a normative model. It is a model that an organisation can use, but often do not use because an authoritarian dominant coalition sees this approach as a threat to its power. Two-way symmetrical public relations, however, epitomises the professional public relations and reflects the growing body of knowledge in the field. This ethical approach also

contributes to organisational effectiveness more than other models of public relations. The two-way symmetrical model as refined here, is therefore a major component of excellence in public relations and communications management.

For the purpose of this research the focus will be on the two-way symmetrical model as it is surmised to be a major component in excellent public relations. The two-way symmetrical model makes use of research and other forms of two-way communication. Unlike the two-way asymmetrical model, the two-way symmetrical model uses research to facilitate understanding and communication rather than to identify messages most likely to motivate or persuade publics. In the symmetrical model, understanding is the principal objective of public relations rather than persuasion (Grunig and Grunig, *in* Grunig 1992b: 289)

Hunter's (2000a) viewpoint (discussed in section 1.6) is supportive to the two-way symmetrical model in the sense that integrated communication requires a shift in focus and that communication management must be conducted from the perspective of the stakeholders.

The main focus of this research is on the integration of communication. Integrated communication (IC) was derived from integrated marketing communication (IMC) and represents a focus on all the organisation's stakeholders and not just the customer.

Marketing has traditionally focused only on the customer as being the most important stakeholder and has therefore earned the criticism of public relations scholars [Grunig & Grunig (1998), Grunig & Hunt (1984), and Lauzen (1991)]. Insight into the relationship between marketing and communication as well as the new concept of integrated communication will be given in section 1.5 and section 1.6.

1.5 The relationship between public relations and marketing

The relationship between public relations and marketing has always been a controversial one. Lauzen (1991: 254) is of the opinion that marketing imperialism threatens the independence of the public relations function. She sees imperialism as the intrusion of one department on the activities traditionally in the domain of another. Ansoff (1987) however, argues that due

to the growing complexity and dynamism of the environment, success depends on a judicious combination of several functional influences. He argues that in the past, successful organisations focused their energies on optimising the performance of one of the principal functions: production/operations, R & D, or marketing. A transition from a single function focus to a multifunction focus is however essential for successful management.

David (1997: 142) agrees by pointing out that a key to organisational success is the effective coordination and understanding among managers from all functional business areas. Failure to recognise and understand the relationship among the functional areas of business can be detrimental to strategic management. He contends that some organisations place too great an emphasis on one function at the expense of others.

In order to explain the relationship between the functional areas of marketing and public relations Kotler & Mindak (1978) postulated five possible models:

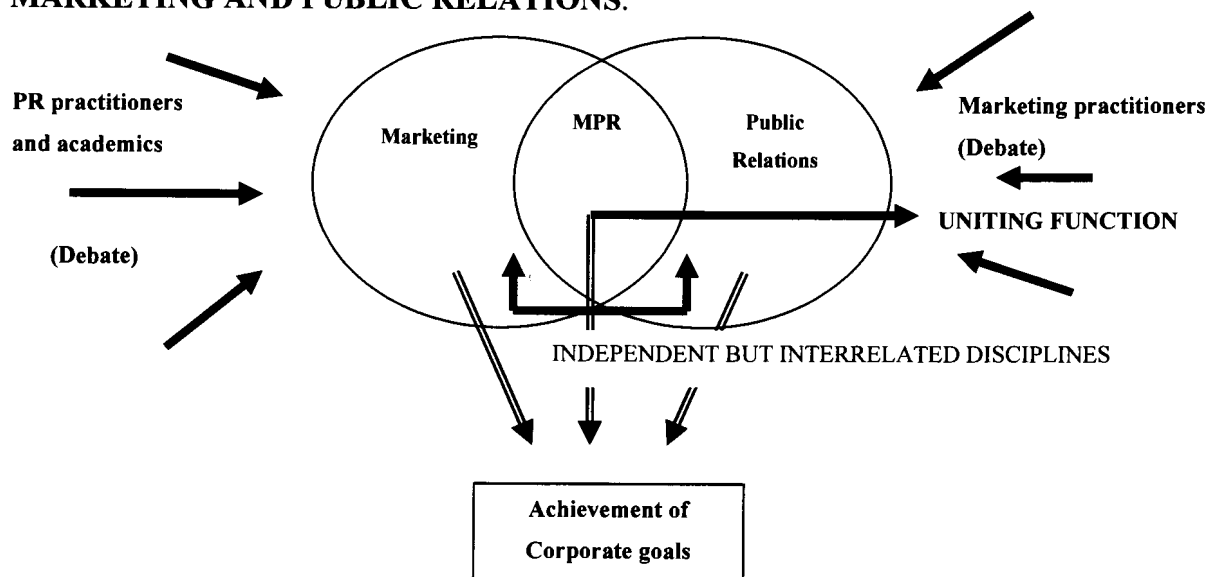
- Separate but equal functions;
- Separate but overlapping functions;
- Marketing as the dominant function;
- Public relations as the dominant function; and
- Public relations and marketing as the same function.

They predicted that the divisions separating these two functions would continue to break down towards the movement along the path of closer convergence.

This viewpoint is not shared by public relations academics such as Grunig and Hunt (1984), Grunig and Grunig (1991) and Lauzen (1991). Grunig and Hunt (1984: 357) perceive it, as being short-sighted when marketing support is believed to be public relations and marketing support should therefore only be a minor part of an organisation's public relations effort. Grunig and Grunig (1991: 257) are of the opinion that when public relations programmes are subsumed into marketing units, it will result in more one way and less two-way communication. They therefore conclude that communication programmes based on marketing theory will not achieve the same results as those grounded in public relations.

Kitchen (1997:254) discusses what he considers to be an ideal model of the marketing/public relations' relationship that can be adopted by businesses. This is depicted in figure 1.1.

FIGURE 1.1: A DESCRIPTIVE MODEL OF THE RELATIONSHIP BETWEEN MARKETING AND PUBLIC RELATIONS.



Source: Kitchen (1997)

The above figure suggests that even though marketing and PR are independent they are also interrelated disciplines.

Each discipline encloses a distinct set of independent activities: Marketing is responsible for market assessment and PR is responsible for community relations. At the same time, some PR activities are shared by both disciplines (Kotler, 1989 and Harris, 1993, quoted in Kitchen, 1997: 257). Marketing public relations (MPR) can therefore be seen as an offspring of the two disciplines of marketing and public relations.

Kotler (quoted in Kitchen, 1997: 258) described MPR as: “A healthy offspring of two parents: marketing and PR. MPR represents an opportunity for companies to regain a share of voice in a message-satiated society. MPR not only delivers a strong share of voice to win share of mind and heart; it also delivers a better, more effective voice in many cases.”

Hunter (1999) is of the opinion that marketing and PR are equal partners. He concluded that both functions contribute towards achieving goals and support each other in doing so. He suggests that future writing on the subject should move away from ‘bashing the respective other function and its advocates and rather focus on the realities of the relationship between PR and marketing.’ Practitioners and scholars should work towards improving this relationship, and thus increasing the effectiveness of managed communication. Hunter’s viewpoint is supportive of Lauer’s (1995: 26) solution to a more integrated approach. Lauer (1995: 26) contends that the majority of corporate leaders find communication results disappointing. The re-engineering of business processes, a focus on service quality and a preparation for increased competition have led them to conclude that the solution to their communication problems would be a more integrated approach.

An attempt has been made towards integration with the concept of integrated marketing communications (IMC). However Wightman (1999: 18) quotes the following proclamation of David Drobis, Chairman and Chief executive officer of Ketchum: “ Integrated marketing communications (IMC) is dead. It died because we never could decide if it was a tool to help sell advertising and public relations agency services or if it was a true, complete communications discipline”.

Wightman (1999: 18) is of the opinion that part of this contentious issue can be attributed to the entrenched tension between marketing and public relations. He argues that one of the most significant issues derailing IMC has been the lack of agreement on a viable organisational structure for its practice.

Schultz (1999: 8) also contributes the failure of IMC to “unsupportive organisational structures”. He views organisational structure as the major obstacle to IMC. “The ‘command and control’ structure of many organizations simply won’t let them integrate – it won’t permit them to combine or merge the systems, activities, people or much of anything else. Everyone and everything has been put in a box, and these boxes are connected with solid lines (and, in some cases, dotted ones). Those lines have become the straightjacket in which the firm has encased itself no movement, no change, no chance for integration” .

IMC has been given a new life according to Wightman (1999: 18), as the concept of integrated communications (IC). This term symbolises the new focus of the discipline on integrating the communications functions to communicate to all of an organisation's stakeholders and not just its customers.

Integrated communications seems to be the solution to the confusion that exists between marketing and public relations. The organisational structure however still seems to impose restrictions on the implementation of the concept. The research will therefore attempt to propose a framework to structure integrated communication. The concept of integrated communication as well as the different models proposed so far will be discussed in detail in chapter 4. Section 1.6 will therefore only provide a brief insight into the concept as it forms part of the primary and secondary research objectives discussed in section 1.9.

1.6 Integrated Communication

Gronstedt (*in* Thorson and Moore, 1996:302) explains the theory of integrated communications as follows:

The theory of integrated communications recognizes that organizational communication is too complex and interactive to be fractionalised into insular disciplines. This interdisciplinary theory inserts the various communication disciplines into a holistic perspective, drawing from the concepts, methodologies, crafts, experiences, and artistry of marketing communications and public relations. Specialists in certain communicative tools will still be in demand, but instead of being solo performers, they will find themselves being instrumentalists in an orchestra, under the conductorship of the integrated communicator.

Scholars have also begun to discuss some new options for the evolution of an organisation into a structure that will support IC. Wightman (1999: 20) contends that the organisational structure is one of the greatest obstacles to the successful implementation of IC within an organisation.

Grunig and Grunig (1998: 141-162) have developed a list of the criteria that must be satisfied in order for public relations to remain excellent within an integrated communications framework. The list contains four principles:

- The public relations function should be located in the organisational structure so that it has ready access to key decision makers of the organisation – the dominant coalition – and thereby contributing to the strategic management processes of the organisation.
- All communication programmes should be integrated into or coordinated by the public relations department.
- Public relations should not be subordinated to other departments such as marketing, human resources or finance.
- Public relations departments should be structured horizontally to reflect strategic publics for it to be possible to reassign people and resources to new programmes as new strategic publics emerge and other publics cease to be strategic.

With regard to these criteria, they make the statement that “all communication functions should be integrated or co-ordinated by the public relations department.”

Wightman (1999) purports that a masters dissertation of Hunter in 1997 offers the most extensive investigation thus far of the issues surrounding the corporate implementation of an integrated communication structure.

After an extensive analysis of the factors influencing corporate marketing communications structure, Hunter has developed a five-stage model for integration (quoted in Wightman, 1999):

1. Co-ordination and co-operation between public relations and marketing.
2. Public relations and marketing are perceived as equally important by members of the organisation, especially by top management, regardless of their organisational relationship.
3. Marketing communications is moved from the marketing department to the public relations department, that from now on will be known as the communications

department. The communications department will consist of three subdivisions: marketing communications, corporate communications, and internal communications.

4. Communications and marketing are placed on a hierarchical level immediately below the CEO, and both functions have their senior officer in the dominant coalition.
5. Integration of the communications function into the relationship management approach as proposed by integrated communication (IC) scholars such as Tom Duncan and Clarke Caywood (viewpoints will be further discussed in chapter 4). Consulting relationship should exist between the marketing department and the subdivision for marketing communication.

Hunter (2000a) is of the opinion, based on further research for his doctoral thesis that he would probably come up with a far more open model today. In an article based on his doctoral thesis (Hunter 2000b) he states the following:

Distinctions between the various functions (marketing, internal and corporate communication) of managed communication perpetuate the traditional separation between them; a separation that does not make sense. If we were to follow this strictly in the reality of corporate life, we would end up with structurally and functionally separate silos, each with its own set of tools, goals and objectives.

Based on his research Hunter (2000b) proposes the following characteristics of IC:

- IC refers to an approach to communication management that no longer separates or divisionalises the communication function and viewed from the stakeholders' perspective, such a separation is irrelevant.
- A second important characteristic of IC is a stakeholder's orientation. Organisations need to look at stakeholders and determine what kind of communication they might need to satisfy their interests. The integrated communicator must then manage communication in such a way that it will adhere to the expectation of the stakeholders in terms of communication.
- Lastly, in order to do so an integrated communicator must use the instruments that promise the most success in reaching this goal.

The viewpoints of Grunig and Grunig (1998) and Hunter (2000b) regarding integrated communications have been discussed. Grunig and Grunig (1998) purport that the public relations department must still be the co-ordinator and integrator of all communication functions in an organisation. Hunter (2000b) adopts a more open approach by criticizing the divisionalisation of communication and emphasises a stakeholder orientation that is needed for effective integration. Various other models and viewpoints that can be seen as contributors to integrated communication also exist. These viewpoints and models will be fully discussed and analysed in chapter 4. Some of the models and theories will also be tested in the empirical part of the study and form part of the secondary objectives of the study.

It is clear that the focus of IC is on communication to all of an organisation's stakeholders and not just its customers. An important characteristic of IC is therefore a stakeholder's orientation. One-way of communicating effectively to all stakeholders is through the use of technology.

Esrock and Leichty (1999: 457) state the following: "The developing Internet and the associated World Wide Web (WWW) embody the expansion of information technology and how individuals have embraced the concept of an information era". The developing medium thus allows an organisation to speak and serve a variety of different publics (Esrock and Leichty, 1999: 457).

A content analysis of the participating organisations' websites in this study to determine their stakeholder orientation will also form part of the empirical part of this study. It is therefore necessary to investigate the role of the World Wide Web in serving different stakeholders further.

1.7 Corporate World Wide Web

The Web offers organisations the opportunity to design messages that are not subservient to traditional restrictions of the print media such as being gatekeepers. It offers organisations the opportunity to participate in "setting the agenda" on public policy issues and can also assist

organisations in presenting itself to, and communicating with, the various stakeholders (Esrock and Leichty, 1999: 457).

The Internet and the World Wide Web might lead organisations to more direct dialogue with consumers and other stakeholders. This will result in the rejection of one-sided persuasive messages because the stakeholders will demand real information and education. According to Esrock and Leichty (1999: 457) the increasing utilisation of on-line technology cannot be denied and corporate communicators and public relations professionals will thus have a particular interest in on-line technology because of its ability to communicate with multiple audiences in a customised manner.

Kent and Taylor (1998) contend that organisational websites and homepages can serve as outlets for news releases, provide opportunities for research of stakeholders and disseminate organisational information. Websites also offer opportunities for immediate response to organisational problems and crises. They are however of the opinion that the World Wide Web still remains under-utilised by many organisations as a tool for building organisational-public relationships.

The Web can be used to disseminate and conduct a dialogue with internal publics such as employees and it can also serve as an external communication tool to reach publics such as news media, current and potential customers, suppliers, potential employees, and current or potential investors. The Web enables corporate communicators to provide immediate “on-demand” information to the relevant publics and can therefore build data archives with powerful search engines to serve various audiences (Esrock and Leichty, 1999: 457).

The Web and its usefulness for corporate communicators have been discussed briefly. A more detailed discussion will follow in chapter 3. From the discussion it is clear that the Web can be regarded as a useful medium in building relationships with various stakeholders thus reflecting a stakeholder orientation. A stakeholder orientation has been identified as one of the characteristics of integrated communication. One way in determining the stakeholder orientation of organisations is to examine their websites. The methodology surrounding web analysis will be discussed as part of the research methodology in chapter 6.

A background has been given on various theories and models that will form part of the primary and secondary research objectives. The problem definition will now be discussed further.

1.8 Definition of the research problem

Based on the previous discussion it is clear that in order for organisations to survive and become excellent in the turbulent environment characterising the business world today, organisations need to rethink the traditional ways of organising - especially with regard to the structuring of the different functions in an organisations. Several issues therefore come to the fore.

Ashkenas *et al.* (1995) promote the idea of a boundaryless organisation as part of the paradigm shift that is necessary for organisational success (section 1.3). They proposed that the organisation in its entirety must function better than each of the separate parts, which translates that over time, levels might decrease and functions may merge to combine skills. The growing disappointment of executives over communications programmes in their organisations have compelled them to take an integrated approach that combines advertising, marketing, public relations and communications functions (Lauer, 1995: 26). Although IMC has been viewed as a valuable concept by practitioners (Duncan and Everett, 1993), some of the practitioners (Schultz, 1999) believe that organisational factors have imposed constraints on its institution.

Because of organisations' pre-occupation with functional focus, capable people are being seen as "strapped in functional boxes, constrained and trained not to solve business problems but to 'do advertising' or 'do public relations' or 'do direct marketing' " (Schultz, Tannenbaum, and Lauterborn, 1993). In other situations, communications "are being developed and implemented at the lowest levels, that is, by the most junior and inexperienced employees". Both conditions are considered barriers to implementation.

Hunter (quoted in Wightman, 1999) has developed a five stage model for integration (as mentioned in section 1.7.2). After further research Hunter (2000a) however, revised his previous model by stating that he would “probably come up with a far more open model today”. Hunter (2000b) is of the opinion that by no longer divisionalising the communications function into various sub-functions, but regarding it as a single, strategic business function that employs the whole range of tools available to communication management, inconsistencies in communication will be removed.

Organisations need to re-evaluate the way in which the communications function was previously organised and structured and focus on a more integrated approach that will ensure maximum effectiveness. No framework exists which incorporates all communication in an organisation as no research has been done and published that investigated organisations in South Africa with regard to the integration of communication. It is therefore necessary to investigate the concept of integrated communication further and then propose a framework for structuring integrated communication that can be applied by different organisations.

1.9 Purpose of the study

1.9.1 Primary research objective

The primary objective of this study is:

To investigate empirically how successful South African organisations are addressing the issue of integrated communication in terms of organisational structures. This, together with an extensive investigation into the relevant literature, will be used to develop a framework for structuring the communication function within South African organisations to encourage integration and enhance organisational effectiveness.

1.9.2 Secondary research objectives

The secondary objectives of this study are:

- (a) To ascertain whether there is a dominant public relations model (advanced by Grunig & Hunt 1982) favoured by most of successful South African organisations;
- (b) To establish what the relationship is between the marketing and public relations function in successful South African organisations;
- (c) To determine the viewpoints of marketing and communication managers on integrated communications in successful South African organisations;
- (d) To investigate how public relations/communication departments compare with the criteria prescribed by Grunig and Grunig (1998) for public relations to remain excellent within the IC framework.
- (e) To ascertain how successful South African organisations are using their corporate websites for communications purposes.
- (f) To determine if successful South African organisations integrate dialogic public relations, that is needed to build relationships with publics, through their websites.

1.10 Method of study

The study will consist of a literature study as well as an empirical study.

The literature study will provide a better insight into the research problem as well as the necessary background to guide the empirical part of the study. An extensive study of related literature will be conducted during this phase of the study.

The sample for the empirical part of this study will be drawn from the top South African organisations (as identified by Financial Mail). These organisations were awarded the position of the top organisations in South Africa based on their financial performance for a given year. The findings will then form part of the process of developing a framework for integrating the communication function in an organisation.

It is proposed that the measurement instrument, which will be used to obtain data from respondents, will be self administered, structural questionnaires. Use will be made of electronic technology and questionnaires, which will be e-mailed to the different heads of communication/public relations departments as well as marketing departments of the different organisations that form part of the top organisations in South Africa. The completed questionnaires will be e-mailed back to the researcher and the data will then be analysed statistically. The researcher will, if deemed necessary, do a follow-up on the e-mailed questionnaire in the form of a personal interview.

A content analysis will also be performed on the organisations' websites to determine how their corporate Web pages are used in communicating with various constituencies. Specifically, it will investigate how the medium is being used to serve pertinent stakeholders such as shareholders, customers, suppliers and employees. A code sheet will be used to code the organisation's website and a glossary that will serve as an explanation of the content analysis instrument will be compiled.

The research design and specific defence and selection of measuring instruments will be discussed in chapter 6

1.11 Outline of the thesis

Chapter 1: Background and definition of the problem

Chapter one introduced the subject of the study by focusing on the background and problem statement as well as the purpose of the study. An indication of the proposed methodology is also given which will be discussed in detail in chapter 6.

Chapter 2: Organisational structure

This chapter will provide an overview of management literature to identify the trends in organisations in terms of organisational structures and management issues that are necessary for the new century.

Chapter 3: The evolution of public relations

The field of public relations will be explored through the investigation of the various definitions of public relations, the origins and historical development of public relations as well as the structuring of the function. This chapter will also focus on stakeholder relationships and the role of the World Wide Web in building these relationships.

Chapter 4: Public Relations and marketing

An overview will be given of marketing and the relationship between public relations and marketing. Integrated marketing communication and integrated communication will be discussed in full.

Chapter 5: Defining the problem and propositions

The chapter will focus on the problem statement and proposed propositions that will form the basis of the empirical study.

Chapter 6: Research Methodology

This chapter will discuss the research methodology in more detail and the specific methods to gather empirical information will be outlined.

Chapter 7: Analysis and interpretation of the results

An interpretation of the research findings will be given in this chapter.

Chapter 8: Recommendations and conclusions

The conclusions and recommendations will be discussed in this chapter.

1.12 Summary

It is clear that future organisations need to structure themselves to gain an advantage in the new competitive landscape. They need to revise standard management thinking and rethink strategic actions and organisation structure. Boundaries must be made more permeable so that the organisation can function better as a whole. The structures in successful organisations are therefore viewed as being more permeable and flexible. This allows for the free flow of information and ideas from one part of the organisation to the other.

Although disagreement might still exist about the structural architecture of the public relations functions, suggestions have been made as to how the communication function should be structured to be most effective. The lack of agreement on a viable organisational structure has been identified as one of the issues derailing integrated marketing communication and it has therefore been given a new life with the concept of integrated communication.

The various issues identified in the background discussion were used to formulate the research problem. It is clear that organisations need to rethink the way in which the communication function was previously structured and focus on a more integrated approach. The aim is to investigate how South African organisations are addressing this issue in order to develop a framework for structuring the communication function to promote a more integrated approach.

An outline of the various chapters was given in order to get a holistic view of the study's scope. Chapter one therefore provided a total overview of the research, whereas the discussion that will follow in chapter two will give a detailed discussion of the various authors' viewpoints regarding management trends and organisational structures.

CHAPTER 2

ORGANISATIONAL STRUCTURE AND THE FUTURE OF ORGANISATIONS

2.1 Introduction

One of the issues identified in presenting a problem for the integration of communication in an organisation is the organisational structure.

The main objective of the research is therefore to propose a framework for the structuring of integrated communication. In order to do so it is necessary not only to investigate how South African organisations are addressing the issue of integrated communication, but also to look at available literature to aid in developing a framework for integrated communication. Chapter two examines the literature on organisational structure and future management trends to assist with the framework for structuring the integrated communication function. The focus of this chapter is to present an overview of management literature to help identify characteristics and trends that influence the structural architecture of organisational functions.

The first part of chapter 2 will focus on the evolution of different management theories and schools of thought. According to the discussion, management thought has grown over the years to accommodate changes in the environment. It is, however, not clear if South African organisations have adopted these changes. It is therefore necessary to review the different management theories to determine where South African organisations are in the evolution process. The evolving theories also address the issue of how structures have changed to accommodate these changes. Insight gained into this matter will be used later on to address the primary objective.

2.2 Management theory and evolution of organisations

Changes in management practices occurred as managers, theorists, researchers, and consultants sought new ways to increase organisational effectiveness and efficiency (Jones *et al.*, 2000: 39).

The driving force behind the evolution of management theory is the search for better ways to utilise organisational resources (Jones *et al.*, 2000: 39). From the many theories on how to improve management, some parts of each theory have survived and had been incorporated into contemporary theories on management. These past efforts and failures have therefore become a guide to future management practices (Smit & Cronje, 1997: 36).

Advances in management theory typically occur as managers and researchers find better ways to perform the principal management tasks: planning, **organising**, leading and controlling human and other organisational resources (Jones *et al.*, 2000: 39).

Smit and Cronje (1997: 37) have classified the theories of management into two main schools of thought, namely classical approaches and contemporary approaches.

2.2.1 The classical approaches

The classical approaches to management developed from the late 19th century through the early 1950s. The emphasis was on the internal functioning of the organisation. Taylor (a supervisor at the Philadelphia Midvale Steel Company in the late 1800s) introduced the scientific management approach that looked at ‘one best way’ to complete production tasks. At about the same time the **process or administrative management perspective** appeared. Writers such as Fayol (a French industrialist that is being recognised as the greatest European management pioneer) looked at the management functions, namely planning, organising, leading and controlling, as a means of improving productivity in the organisation (Smit & Cronje, 1997: 57).

Fayol introduced the following (Nickels *et al.*, 1997: 246):

- *Unity of command.* Each worker is to report to only one boss to avoid confusion about assignments
- *Division of labour.* Functions are to be divided into areas of specialisation such as production, finance and marketing.
- *Subordination of individual interest to the general interest.* The goals of the team are more important than that of the individual worker.

- *Authority*. Managers have the right to give orders and the power to exact obedience.
- *Degree of centralisation*. The amount of decision-making power vested in top management should vary by circumstances.

The fact that managers should maintain formal authority is seen as a major disadvantage of the administrative approach. Nickels *et al.*, (1997: 247) are of the opinion that **Fayol's principles led to rigid organisations** and a feeling among workers that they belong to an **inflexible** system.

The main concern of Max Weber, a German sociologist, under the **bureaucratic approach**, was the issue of **how organisations are structured**. He developed a theory in 1927 of bureaucratic management that stressed the need for a **strictly defined hierarchy**, governed by clearly defined regulations and authority (Smit & Cronje, 1997: 42).

Weber's concept of a bureaucratic organisation consisted of three layers of authority: (1) top managers, who were the decision makers, (2) middle managers (the bureaucracy), who developed rules and procedures for implementing the decisions, and (3) workers and supervisors who did the work (Nickels *et al.*, 1997: 246). Weber promoted the pyramid-shaped organisation and his principles of organisation were similar to Fayol's. In addition he emphasised the following (Nickels *et al.*, 1997: 246):

Job descriptions, written rules, decision guidelines, and detailed records, consistent procedures, regulations, and policies, and staffing and promotion based on qualifications.

Managers however found that the ideas of the classical approach did not lead to efficiency and workplace harmony (Ivansevich, Lorenzi, Skinner & Crosby, 1994:50). As a result the **behavioural approach** to management developed. The behavioural approach to management can be divided into two approaches: **the human relations approach** that became popular in the 1940s and 1950s and the **behavioural science** approach that became popular in the 1950s.

Elton Mayo (An Australian who conducted research at Harvard University) was the founder of the human relations approach that showed the importance of how the group affects individuals' behaviour at work (Ivansevich *et al.*, 1994: 50).

The behavioural science approach recognised the complexity of the worker compared to the “economic man” described in the classical approach or the “social man” described in the human relations approach. Joan Woodward (a professor in industrial sociology in London) concluded in this approach that there is no best way to manage or structure an organisation (Ivansevich *et al.*, 1994: 50).

The **human relations approach** as well as the **behaviour scientist approach** to management focused on the worker, groups, and organisational processes as a possible solution to the productivity problem. The major contribution of the human relations approach to management is the fact that this approach viewed workers as human beings and not as machines. The believe however, that a happy worker is a productive worker is too simplistic, as economic aspects of the work remain important to workers (Smit & Cronje, 1997: 45).

2.2.2 Contemporary approaches

The contemporary approaches have developed since World War II. The business environment became increasingly turbulent and managers could no longer focus on internal issues only (Smit & Cronje, 1997: 57). Contemporary management approaches are developed from the thinking of various schools mentioned before. Some of the main contemporary schools of thought are:

- **The systems approach** developed in the 1950s focuses on summarising the organisation as a whole. It regards the organisation as an **integrated system** comprising of related elements and allows management to maintain a balance between its various components as well as the organisation and the external environment (Smit & Cronje, 1997: 48). In solving problems the manager must consider the organisation as a whole and must anticipate the impact of its decisions on the organisation (intended or unintended). They do not solve problems individually, but rather by a **total system of interrelated parts**. Accepting that objectives may conflict with each other (e.g. marketing vs. operational objectives), a compromise is necessary and the objectives of the individual parts must be compromised to meet the objectives of the organisation as a whole (Donnelly, Gibson & Ivancevich, 1995: 7).

- **The contingency approach** was developed from the systems approach. According to this approach, there is no ‘single best way to manage’. **The characteristics of the situation**, called contingencies, will determine the best way to manage a specific situation (Smit & Cronje, 1997: 57). The contingency approach thus seeks to find different management methods for different situations and has grown in popularity over the past few decades (Donnelly *et al.*, 1995: 7).
- Peters and Waterman (1982) popularised the **excellence movement** in the 1980s, which emphasises a series of basic characteristics an organisation should pursue to function excellently. According to them, the basic set of characteristics that will lead to excellence are: getting things done; staying close to the customer; maximising productivity through people; using a hands-on approach to managing; doing what the company knows best; **maintaining a simple, lean organisational structure**; and promoting both centralisation and decentralisation simultaneously.
- **Total Quality Management** or TQM embraces quality and was developed from American managers’ search for reasons why Japanese and German managers were so successful in the American market. They found the answer in their pre-occupation with quality (Griffin, 1990: 66). Smit & Cronje (1997: 51) view TQM as being a philosophy of management that is driven by competition and customer needs and expectations. The term ‘customer’ in TQM is expanded beyond the traditional definition to include **everyone who interacts with the organisation’s product or service, either internally or externally**. The objective is to create an organisation committed to continuous improvement.
- **The learning organisation** is a management approach also based on the systems approach and stresses lifelong learning (Smit & Cronje, 1997: 57). According to Senge *et al.* (1994), five disciplines enable one to overcome learning disabilities namely: (1) become committed to lifelong learning; (2) challenging one’s own assumptions and generalisations about the organisation and the world around is essential to becoming a learning individual and a learning organisation; (3) sharing a vision for the organisation; (4) encouraging active dialogue in the organisation; (5) **and promoting systems thinking**. It is vital that these disciplines develop as a unit. Systems thinking is seen as the discipline that integrates the other disciplines and keeps them from being separate entities.

- **Re-engineering** propagates reinventing the organisation and not merely taking incremental steps in doing so. This could mean a quantum leap for the organisation in order to adapt to an extremely turbulent environment (Smit & Cronje, 1997: 57). Six conditions are vital for successful re-engineering programmes, according to Smit and Cronje (1997: 56), namely: (1) powerful external forces for change should make change inevitable; (2) top management should vigorously support the re-engineering initiative; (3) re-engineering projects should focus on the process improvements that customers really care about and are willing to pay for; (4) thorough knowledge of the needs of customers is essential; (5) **all major departments affected by the process(es) should be represented on the team**; and (6) changes in human resource programmes and information technology should be closely co-ordinated with the re-engineering effort.

Management theory has evolved over the years in search for new ways to increase organisational effectiveness and efficiency. The classical approaches that developed from the late 19th century through the early 1950s emphasised the internal functioning of an organisation and included the process management perspective and the bureaucratic approach. Due to turbulence in the environment the contemporary management approaches developed that included the systems approach, the contingency approach, the excellence movement, total quality management, the learning organisation and total quality management.

Organisations have also developed in their application of the different management theories. **Future organisations** should therefore be more flexible and adaptable due to the change in managerial hierarchies and self-managed teams are seen as the answer for improved quality. Section 2.3 highlights the changes that took place in **managerial hierarchies** to accommodate the usage of **teams** that will form the foundation of the **organisation of the future**. **Alternatives to bureaucracy** are explored and a comparison is drawn between the “old” and the “new” model of organisations.

2.3 The future of organisations

Bureaucracy, developed by Mac Weber and discussed in section 2.2, describe the many layers of management who set rules and regulations and participate in all decisions. To make the setting of rules easier, organisations are organised by function. There are for example, separate departments for production, marketing, finance, and human resources (Nickels, McHugh & McHugh, 1997: 244). Nickels *et al.* (1997: 245) argue that in the past such a structure worked well, but they see a problem today in the sense that it is not responsive to customers. Employees tend to follow the rules and are therefore not very flexible in responding to customer wants and needs.

Ivancevich *et al.* (1994:253) are therefore of the opinion that future organisations will be structured differently and that those leading the way will be the ones that can adapt quickly to their customers' demands and changes in the environment.

Nadler (quoted in Ivancevich *et al.*, 1994: 253) stated: "... by the year 2000, the average company will be smaller and employ fewer people; the traditional hierarchical organisation will give way to other forms such as the network of specialists; the model of doing business will shift from making a product to provide customer service; and work itself will be redefined to include constant learning and more high-order thinking".

Lindbeck and Snower (2000: 353) concur by concluding that the reorganisation of work within organisations has shifted from a "Tayloristic organisation" (characterized by specialization by tasks) to "holistic organisation" (featuring job rotation, integration of tasks, and learning across tasks). They state that "... over the past few years a number of systematic, broad-based, empirical investigations have been completed, establishing the quantitative importance of the reorganisation process". Linbeck and Shower (2000: 353) also highlight the increased role for team work and job rotation, a reduction in the number of management levels, continuous learning and development of complementary skills, decentralisation of responsibility within organisations, and direct participation of employees in decision making on multiple fronts as being central to the reorganisation process.

Linbeck and Shower (2000) are of the opinion that in the “new types of organisations” that are emerging, workers are given responsibilities across the traditional occupational groupings leading to the breaking down of traditional separation of roles. Continuous learning and skill development, all-round knowledge, and the potential to acquire multiple skills are being emphasised. The structure in the “new type of organisation” is also giving way to flatter organisations in which customer-oriented teams are given greater authority. The move to teams according to Linbeck and Shower (2000) encourages the sharing of tasks within teams as well as exploiting the complementarities across tasks: therefore bringing the decision making power closer to the relevant people.

It is clear from the discussions of Linbeck and Shower (2000) that reorganising is **changing the hierarchical structures** in organisations as a greater emphasis is being placed on the usage of teams. Other authors’ viewpoints in this regard will therefore be further explored.

2.3.1 Changes in managerial hierarchies

Jones *et al.* (2000: 13) suggest that there has been a change in recent years regarding the task and responsibilities of managers at different levels. Top managers have been encouraging lower-level managers to look beyond the goal of their own departments and take a cross-departmental view to find new opportunities for increased organisational performance. Intense competition has put increased pressure on managers to improve efficiency, effectiveness, and organisational performance. In response to these pressures many organisations have changed their managerial hierarchy.

To decrease costs, CEOs and their top management teams have been restructuring organisations to reduce the number of employees on the payroll. **Restructuring** involves downsizing an organisation or shrinking its operations by eliminating the jobs of large numbers of top, middle, or first-line managers and non-managerial employees. This promotes efficiency by reducing costs and allowing the organisation to make better use of its remaining resources (Jones *et al.*, 2000: 14).

Another major change in management, according to Jones *et al.* (2000: 14), has taken place at the level of first-line managers. Many organisations have taken two steps to reduce costs and improve quality. One is the empowerment of the workforce, expanding employees' tasks and their responsibilities. The other is the creation of **self-managed teams** – groups of employees who are given responsibility for supervising their own activities and for monitoring the quality of the goods and services they provide. Most of the predictions for survival in the 21st century include the usage of teams. Teams will form an integral part of the subject of this thesis namely the structuring of the integrated communication function and is highlighted below.

(a) Promoting innovation: using taskforces and teams

Ivancevich *et al.* (1994: 253) suggest that the biggest change taking place in organisations in the 1990s was the use of teams. The trend of empowering workers through self-managed teams grew in America during the 1980s. These teams enabled workers to have the incentive and power to respond to customers' needs.

Groups are used in many contexts in which organisations can benefit from the experience and ideas of two or more individuals. Increasingly, their efforts are being tapped when creativity and innovation are important to organisational success (Bartol & Martin, 1998: 492).

(i) Task forces

A task force is a temporary task group usually formed to make recommendations on a specific issue. It is also referred to as an **ad hoc** committee or a *temporary committee*.

The issues that they deal with normally involve several parts of the organisation and taskforces are therefore composed of individuals from the main command groups affected by a given issue (Bartol & Martin, 1998: 492).

(ii) Teams

A team is either a temporary or an ongoing task group whose members are assigned to work together to identify problems, form a consensus about what should be done, and implement necessary actions in relation to a particular task or organisational area. Teams are often, but not always, task groups made up of individuals who cross command groups. Temporary teams handle a specific project, from inception to completion, whereas permanent teams have ongoing responsibilities in a given area. Teams sometimes have fluid membership consisting of individuals who join when their expertise is needed and leave when their work is done (Bartol & Martin, 1998: 492).

Nickels *et al.* (1997: 256) are of the opinion that the matrix-style of organisations will eventually lead to cross-functional teams. Cross-functional teams are groups of employees from different departments who work together on a semi-permanent basis (Nickels *et al.*, 1997: 256). The teams are often empowered to make decisions on their own without seeking the approval of management, thus the term **self-managed**. The barriers between design, engineering, marketing, distribution, and other functions disappear as each member of a department work on teams. Bartol & Martin (1998: 496) define a **self-managing team** as a work group given responsibility for a task area without day-to-day supervision and with authority to influence and control both group membership and behaviour.

Bartol & Martin, (1998: 492) contend that the use of teams has been highly successful in a wide variety of organisations, including such organisations as General Motors, Boeing, Hewlett-Packard and Xerox. As a result, teams are gaining increasing attention, particularly as a means of fostering innovation, increasing quality, and facilitating successful implementation of changes. Nickels *et al.* (1997: 257) estimate that teams will be the foundation for organisations for the next 50 years.

Although the usage of teams seems to be the norm for the future, managers might however resist this movement. These limitations need to be kept in mind when proposing such an alternative in the managerial hierarchy.

(b) Limitations of cross-functional teams

Nickels *et al.* (1997: 242) argue that there may be certain limitations to the team approach as managers of functional areas may resist the move towards teams. Cross-functional teams imply that employees from different departments work together on a semi-permanent basis leading to the removal of the barriers between design, marketing and other functions. Managers of the different functional areas might cling to a more traditional approach. Furthermore, team members are often unsure of what their duties are, how they'll be compensated, and who will be responsible if mistakes are made. As teamwork requires different skills, it is therefore necessary to train workers in order to prepare them for teamwork. The change to a teamwork approach might be so disruptive that an organisation may falter for years while the changes are being made. Nickels *et al.* (1997: 257) are also of the opinion that teams can sometimes be overused and that cross-functional teams are not always the solution to every management problem.

Bartol & Martin (1998: 496) identified four important steps that are necessary to increase the success rate of self-managed teams. *First*, before forming a team, there is a need to assess the applicability of using self-managing teams, as well as to determine the tasks and the degree of authority that will be delegated to them. *Second*, in forming a team, it is critical to give careful consideration to group composition and to allocate the necessary resources.

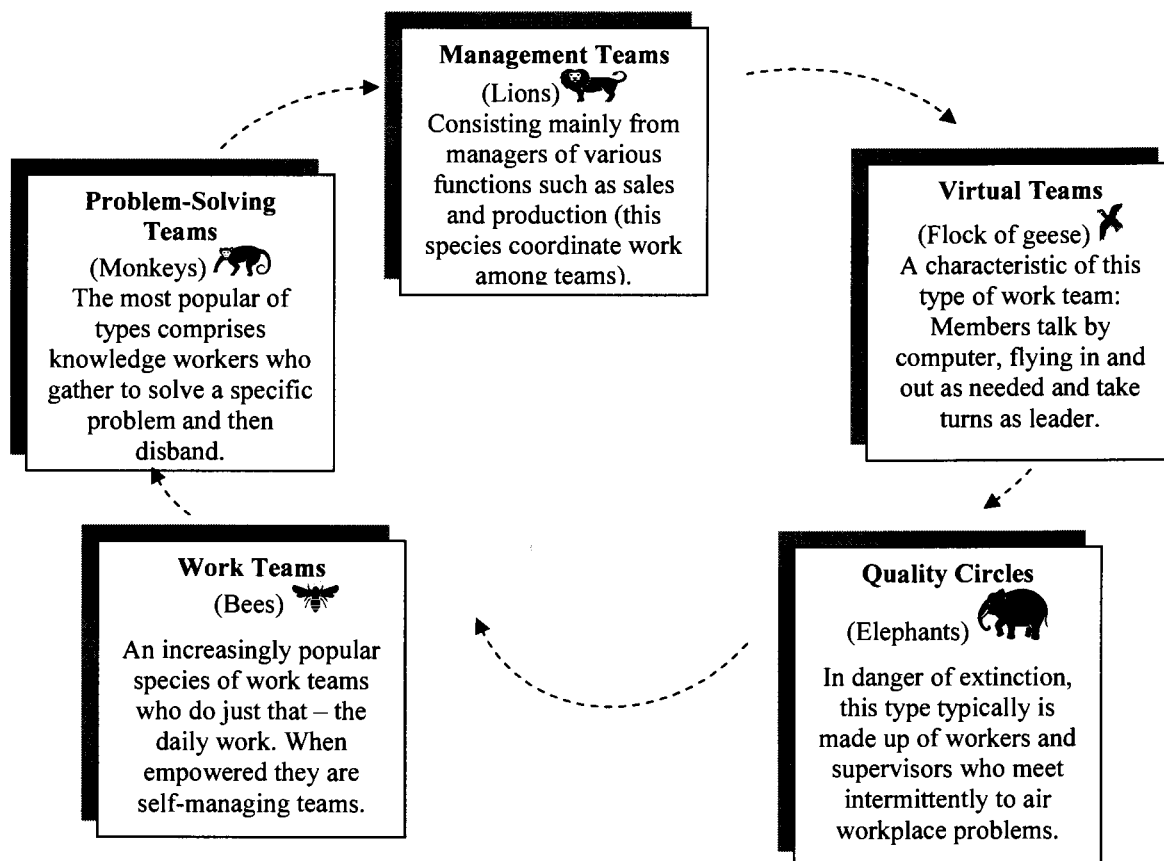
A self-managed team is a work group given responsibility without day-to-day supervision and with authority to influence and control both membership and behaviour. *Third*, as the group is attempting to move through the stages of group development, training to work effectively on a team and guidance in cultivating appropriate norms are important. *Finally*, managers need to provide ongoing assistance by removing performance obstacles and helping the group continue to learn. Productivity may actually decline initially as new self-managing teams work through the development process.

Managers also need to be aware of the different teams that exist in order for them to utilise teams effectively. Another limitation can be imposed if managers form teams for the wrong reasons or for the wrong activities.

(c) Different types of teams

Nickels *et al.* (1997: 257) identified five different types of teams. They surmise that management have to think through the process of compiling teams because one of the limitations of teams is that organisations sometimes rush out and form the wrong kind of team for the wrong kind of job. The different types of team are illustrated in figure 2.1.

FIGURE 2.1: DIFFERENT TYPES OF CROSS-FUNCTIONAL TEAMS



Source: Adopted from Nickels, McHugh & McHugh (1997: 244)

Certain animals are used as symbols to explain the different types of teams. Organisations might form the wrong kind of team for the wrong kind of job and should therefore be cautious that different teams do exist. It is essential that the organisation analyse the situation and problem at hand before deciding on a specific team format, as cross-functional teams are not the answer to all management problems

The use of teams as a means of structuring can also be an important building block for a competitive advantage. Competitive advantage is the ability of one organisation to outperform other organisations because it produces desired goods or services more efficiently and effectively than its competitors (Jones *et al.*, 2000: 24). Jones *et al.* (2000: 24) identified four building blocks of competitive advantage, namely:

- **Increasing efficiency.** Organisations increase their efficiency when they reduce the quantity of resources they use to produce goods or services. In today's competitive environment, organisations constantly are seeking new ways to use their resources to improve efficiency. Many organisations are training their workforce in new skills and techniques that are necessary to meet new technological challenges. Similarly, cross training gives employees the range of skills they need to perform many different tasks, and organising employees in new ways, such as in **self-managed teams**. These are important steps in an effort to improve productivity.
- **Increasing quality.** The challenges from globalisation have also increased the pressure on organisations to improve the skills and ability of their workforce in order to improve the quality of goods and services. One major thrust to improve quality has been the introduction of the quality-enhancing techniques of total quality management (TQM).
- **Increasing innovation.** Innovation, the process of creating new goods and services that customers want and need, or developing better ways to produce or provide goods and services, poses a challenge. Managers must create an organisational setting in which people are encouraged to be innovative because innovation, typically, takes place in **small groups or teams**.
- **Increasing responsiveness to customers.** Organisations compete for customers with their products and services. The training of employees to be responsive to customers' needs is vital to organisations. Jones *et al.* (2000: 25) use the example of Levi Strauss to illustrate how the use of **self-managed teams** can lead to increased responsiveness to customers and increased efficiency, quality, and innovation. In 1995 Levi's began to experiment in the United States with the selling of customised jeans at Original Levi Strauss stores. Customers were measured in the stores and orders are then electronically transmitted to the factory. At the factory, employees in self-managed teams with 20 to 30 members are then responsible for completing individual orders by assembling each pair of jeans.

Each worker is trained to perform all the tasks necessary (in the typical work system, each employee only performed one task). Within three weeks the customer receives the pair of jeans for about \$10 a pair more than the standard off-the-shelf jeans. This is an example of how responsiveness to customers can lead to a competitive advantage by using self-managed teams.

Multi-skilled, self-managed teams that are more flexible and responsive can provide the organisation with a competitive advantage. Other alternatives to bureaucracy also exist that can be applied in addressing the primary objective of this research, namely the structuring of the integrated communication function.

2.3.2 Alternatives to bureaucracy

The above discussion emphasised the fact that managerial hierarchies have changed from a bureaucratic approach to using task forces and teams. Other alternatives to bureaucracy are to follow a more open approach [section 2.3.2 (a)] and promote a boundaryless organisation [section 2.3.2 (b)]. The next discussion will focus on these two concepts from the viewpoints of Mink *et al.* (1991) and Askenas *et al.* (1995).

(a) The open organisation model

According to Mink *et al.* (1991:3) one of the tasks of organisation management has been to maintain equilibrium between stability and change in response to both internal and external environmental pressures. This task has intensified as organisations have moved into a post-industrial age of rapid social change and increasing complexity. Mink *et al.* (1991: 3) believe that the values, assumptions, and management processes of bureaucratic organisations that have worked well in the past have become problematic. Bureaucratic organisations are being challenged because of their inability to respond in a flexible way to the needs of their employees, beneficiaries and environment.

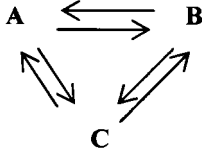

Mink *et al.* (1991) proposed an open systems model, which they believe offered the needed alternative to bureaucracies. An open systems view, according to them, presents a way of understanding and developing organisations so that management processes and individual human potential work together instead of against each other.

Mink *et al.* (1991: 9) identified the following characteristics of an open organisation:

- **An integrated whole.** Unity in an open organisation is not achieved at the price of internal fragmentation or being closed to the system's environment. It permits and promotes awareness of self, other components, and the external world. In open organisations, unity is maintained and enhanced by consistently focusing energy on the definition and achievement of purposes and goals, rather than around power issues.
- **Interdependent components.** In an open system all parts are responsive to each other rather than being fragmented, rigid empires. The parts of an open system are themselves open systems. Internal responsiveness is developed and maintained through collaboration rather than through authority.
- **Interchange with the environment.** An open organisation continuously interchanges activities, data, and energy with other systems in the environment, which it serves or upon which it depends. This interchange is an ongoing series of planned transactions through which the organisation represents its purpose to outside groups and gathers information that may affect decisions and goals. An open system anticipates and prepares for changes, rather than making decisions after crises have developed.

In figure 2.2 certain characteristic patterns of open and closed organisations are identified.

FIGURE 2.2: CHARACTERISTICS OF OPEN AND CLOSED ORGANISATIONS

An open organisation is more likely to:	A closed organisation is more likely to:
<ul style="list-style-type: none"> • Treat top positions in the hierarchy as broader in scope and more integrative in function but not implying overall superiority; • Seek external feedback and respond flexibly in light of the organisation's mission; • Base itself on higher motives (self-actualisation, a desire to know and contribute); • Encourage an overlap in planning and implementing; • View top-level decisions as hypotheses subject to review and revision at lower echelons; • Structure itself by temporary task forces, functional linkages, broad role definitions, mobile and regional property, and brief amendable constitution; • Set an atmosphere which is goal-oriented, challenging yet informal; • Manage through supportive use of authority, i.e. encourage experimentation, learn from errors, emphasise personnel development, use resources, tolerate ambiguity; • Communicate up, down and across – unlimited chain of command. Promote an interactive mode <div style="text-align: center; margin-top: 20px;">  </div>	<ul style="list-style-type: none"> • Treat occupants of top business as if they possessed overall authority; • Avoid external feedback so as to avoid inconvenient changes in the status quo; • Base itself on lower motives (personal safety, comfort); • Make a sharp distinction between planning and implementing; • View top-level decisions as final unless review is initiated by the top-level staff; • Structure itself by permanent departments and echelons, fixed property, permanent detailed constitution and bylaws; • Set an atmosphere which is routine-oriented, deadening, formalistic; • Manage through intimidating use of authority, i.e., create caution and fear of errors, emphasise personnel selection, conserve resources, and avoid ambiguity; • Communicate one-way, downward through the chain of command- all other communication viewed as insubordinate. <div style="text-align: center; margin-top: 20px;">  </div>

Source: Mink *et al.* (1991: 19)

Mink *et al.* (1991: 19) contend that an open organisation should structure itself by temporary task forces and that an interactive mode is created through up and down and across communication. Ashkenas *et al.* (1995) view the shift from rigid to permeable organisational structures and processes as a social and economic revolution that resulted in a new order for organisations. They call this shift 'the dawning of the boundaryless organisation of the twenty-first century'.

(b) The boundaryless organisation

Ashkenas *et al.* (1995: 2) are of the opinion that organisations will no longer use boundaries to separate people, tasks, processes and places, but instead they will focus on how to permeate those boundaries. They propose that the traditional notion of boundaries as fixed barriers or unyielding separators be replaced by an organic, biological view of boundaries as permeable, flexible, moveable membranes in a living evolving organism.

Organisations should therefore not look for structural solutions to what is fundamentally a process challenge. The question should not be to centralise or decentralise, but how organisations can permeate horizontal boundaries and improve speed, flexibility, integration and innovation. Managers must therefore not view the organisation as a set of functional boxes but as a set of shared resources and competencies that collectively define the organisation's range of activities. When the organisation focuses on how to create processes to ensure that all its shared resources and competencies create value for its customers, it shifts from a mechanical to an organic model. It shifts from organising, influencing, and bringing together a collection of separate functions to transforming inputs to outputs through a series of processes to which people with different skills and disciplines contribute.

The loosening of horizontal boundaries calls for integration, not decentralisation; process, not function; and teamwork, not individual effort. Therefore, when the organisation is viewed integratively as composed of shared resources, it puts to an end the structural questions about power, authority, and priority raised in the centralised/decentralised debate.

They identified five key organisational principles, namely:

- **Keep the focus on the customer.** The boundaryless horizontal organisation begins and ends with customers. Its entire focus is to anticipate and serve changing customer needs.

- **Show one face to the customer.** The customer must be able to access resources, products, and services across the horizontal spectrum. This requires organisations to view themselves from the customer's perspective, and provide the customer with a single, simple, consistent point of access to what the organisation offers.
- **Form and reform teams to serve the customer.** Fluid teams that form and reform must provide actual customer service. These teams are composed of competencies and resources that the customer requires to meet current and perhaps future needs. They draw upon the appropriate skills and resources wherever these may reside in the organisation. Each team is dynamic: as additional customer needs are identified, additional resources and competencies are added, and the team is reformed again. Team leadership roles can be shared, depending on the needs of the customer. The teams are measured by their ability to use resources from inside the organisation to add value for customers outside the organisation.
- **Maintain a competence pool.** To staff fluid and dynamic customer teams, successful organisations maintain a pool of competent people (resources) with the skills to meet customer requirements. These resources may be arrayed by function (manufacturing, marketing, sales, engineering, administration), product, or geography. They derive their legitimacy from becoming part of a customer team.
- **Share learnings across customer teams.** The final principle for permeating horizontal boundaries is to create a learning process. As multidisciplinary teams work across boundaries to serve customers, they gain valuable insights into those customers, into team members' specialities, and into processes for working together. These learnings must be captured and leveraged. To avoid losing critical ideas, information insights and competencies, the organisation must establish mechanisms by which teams and other groups share best practices and learnings.

In their discussion Ancona, Kochan, Scully, Van Maanen, and Westney (1999) draw a comparison between the old and the new model of organisations. Insight is therefore provided into the viewpoints of a more recent source into what they call “the old and the new model of organisation”.

2.3.3 The “old” and the “new” model of organisations

Ancona *et al.*, (1999: 6) discuss what they call the “old” and the “new” model of the organisation.

The classic model of formal organisation (bureaucracy) of the 1950s included the following features:

- Clearly delineated *specialised* individual positions and jobs, with careful and detailed specification of the qualifications required to fill the position, the responsibilities and performance requirements of that position, and the assigning of the resources required to do the job.
- A *formal hierarchy* of these positions, with a clear line of authority that set out the powers-and limitations of those powers for each position or office in a clear and detailed “chain of command”.
- Formal *rules* and *standard operating procedures* that governed activities, specified in written documents and files.
- Set *boundaries* for each department and subunit, and clear boundaries between the organisation itself and its environment, with relationships that cross those internal and external boundaries assigned to formal “boundary spanners”.
- *Standardised* training and training requirements, career paths and reward systems, based on the development of expertise and creating a predictable and stable career for those who fulfilled dutifully the requirements of their positions.

They define the “new organization” in terms of five complex, interacting features, namely networked, flat, flexible, diverse and global.

(a) Networked

The “new” model views the organisation as based on interdependence across individuals, groups and subunits within the organisation, and with key elements of its environment.

The boundaries of the “new” model are “permeable” or “semi permeable,” allowing much more frequent movement of people and information across them.

Within the organisation it implies that teams, rather than individual jobs, are emphasised as fundamental units of activity within each organisational arena of activity; cross-functional teams must be used that bring together people from different departments of the organisation; and systems are created for sharing information widely in the organisation, horizontally and in both directions vertically.

In the organisation’s relations with its environment, it means that close relationships are build with suppliers in terms of the sharing of information and the development of higher levels of interdependence with them. It also implies that people in functional areas such as production and R & D are put in direct contact with certain customers, rather than relying on boundary-spanning departments; coalitions must be build to work closer together with key stakeholders, rather than adopting a confrontational or defensive posture and alliance and cooperative networks are build with other organisations.

A definition of public relations conceptualised by Cutlip *et al.* (1985: 7) states the following:

Public relations is the management function that identifies, establishes, and maintains mutually beneficial relationships between an organisation and the various publics on whom its success or failure depends.

This conceptual definition summarises the importance of public relations in the success of building relations with its environment and support the above discussion on building relationships, therefore stressing the importance of the role that communication plays in the “new model of organisations”. Further insight into this regard will be provided in chapter 3.

(b) Flat

The organisation of the 21st century is much leaner and has fewer layers of management, because organisations need to respond more rapidly and more flexibly to changes in their markets and in technology.

Changes in information technology removed the need for layers of middle management whose main task has centred on organising and transmitting information. There are also intense competitive pressures to cut costs and by removing some of the layers, cost can be cut more significantly than getting rid of low-level employees.

(c) Flexible

Organisations today, need to respond flexibly to diverse needs of employees, customers and other stakeholders. Part of this flexibility is the growing use of temporary structures such as projects, task forces, and informal “communities of practice”. The need for flexibility is driven by intensifying competition, an increasingly diverse labour force, and an increasingly complex and unpredictable external environment.

(d) Diverse and (e) Global

The above three features reinforce the fourth and fifth feature, namely (i) the need for the new organisation to accommodate a diversity of perspectives and approaches, and (ii) to respond to an increasingly array of external constituencies and stakeholders. For organisations to be global they have to be involved in interactions across borders. The consequences are that more and more networks stretch across borders.

Table 2.1 summarises the features of the “old” and the “new” models of organisation.

TABLE 2.1: SOME CONTRASTING FEATURES OF THE OLD AND THE NEW MODELS OF ORGANISATION

Old Model	New Model
Individual position/job as basic unit of organisation	Team as basic unit
Relations with environment handled by specialist boundary-spanners	Densely networked with environment
Vertical flows of information	Horizontal and vertical flow of information
Decisions come down, information flows up	Decisions made where information resides
Tall (many layers of management)	Flat (fewer layers of management)
Emphasis on structures	Emphasis on processes
Emphasis on rules and standard procedures	Emphasis on results and outcomes
Fixed hours	Flexible workday, part-time workers
Career paths upwards, linear	Career paths lateral, flexible
Standardised evaluation & reward system	Customised evaluation & reward systems
Single strong culture with strong expectations of homogeneous behaviour	Diversity of viewpoints & behaviours
Ethnocentric mind-set	International/global mind-set
Specialist international managers	Boundary-crossers at all levels
Local value chains	Value chains crossing borders
Environment defined in terms of country of location	Environment seen as global

Source: Ancona *et al.* (1999: 17)

The features of the “new model” that are applicable to this study and which will support the primary and some of the secondary objectives are the following: team as a basic unit; horizontal and vertical flow of information; flat (fewer layers of management) and; boundary-crossers at all levels.

The new model however, cannot become a reality if managers do not understand the requirements of operating in such an environment. Ancona *et al.* (1999: 17) propose that to take action in today’s organisation an understanding of the networked, flat, flexible, diverse, and global “new model” of organisations is essential. Table 2.2 is an example of the framework that is necessary for taking action in the “new” organisation.

TABLE 2.2: FRAMEWORK FOR TAKING ACTION IN THE “NEW” ORGANISATION

Requisites for taking effective action Organisational characteristics	Individual skills	Organisational features	Managing the environment
<ul style="list-style-type: none"> • Networked • Flat • Flexible • Diverse • Global 	<p>Teamwork</p> <p>Negotiation</p> <p>Multi-tasking</p> <p>Listening/ empathy</p> <p>Cross-cultural communication</p>	<p>Team structure</p> <p>Developing incentive system</p> <p>Workforce management</p> <p>Conflict resolution systems</p> <p>Cross-border integration</p>	<p>Developing alliances</p> <p>Boundary management</p> <p>Learning</p> <p>Stakeholder relationships</p> <p>Local responsiveness</p>

Source: Ancona *et al.* (1999: 17)

For the purpose of this research the importance of a team structure and cross-border interaction in an organisation, multi-tasking and teamwork as part of individual skills and learning and stakeholder relationships from a management point of view, depicted in table 2.2, will be emphasised.

The first part of this chapter focused on how management thought has evolved over the years. The focus has shifted from focusing on a rigid hierarchical structure to placing the emphasis on flexibility and promoting teams as a way of ensuring an organisation stay competitive. The second part of this chapter will give a brief overview of the factors influencing the internal functioning and structuring of an organisation. *Organisations can be seen as bounded systems of structured social interaction featuring authority relations, community systems, and the use of incentives* (Champoux 2000: 4). This definition of organisations identifies the need for a formal co-ordination of interaction patterns of organisation members, i.e. the organisation structure.

In structuring the integrated communication function one should therefore be aware of the factors influencing the organising and structuring in organisations and how it relates to the different functions in an organisation.

2.4 Organising and structuring

Schlesinger, Sathe, Schlesinger and Kotter (1992: 5) view organisations as complex, social systems with the following characteristics. First they are *interdependent*. Changes in one part of the organisation affect other parts. Second, organisations can use information received as *feedback* to change or to correct errors. Organisations strive to reach a *balance* or ready state. Changes in one area cause an organisation to behave in ways to return it to balance. Finally, there is *no best way of organising* to accomplish a task. Organising depends on the balance of an organisation's key success factors, design factors and organisational culture.

Organising is a process that managers use to establish a structure of working relationships and allows organisational members to work together to achieve organisational goals (Jones, George & Hill: 2000: 9). Smit & Cronje, (1997: 211) are of the opinion that organising is an indispensable function in the management process. Strategies formulated will never be properly implemented if the relevant activities are not co-ordinated and human resources are not properly deployed. Leadership is also not possible if lines of authority and responsibility are not clear through organising.

Schlesinger *et al.* (1992: 1) postulate that an important aspect of managerial work involves organising human resources to ensure that the right people focus on the right tasks. These people must have the proper information, tools, incentives, and controls to perform these tasks effectively and efficiently. Their efforts must also be co-ordinated to achieve the organisation's overall objectives.

Smit and Cronje, (1997: 211) state the following reasons why organising is necessary:

- Organising leads to an organisation structure that indicates clearly who is responsible for which tasks. It therefore clarifies subordinates' responsibilities.

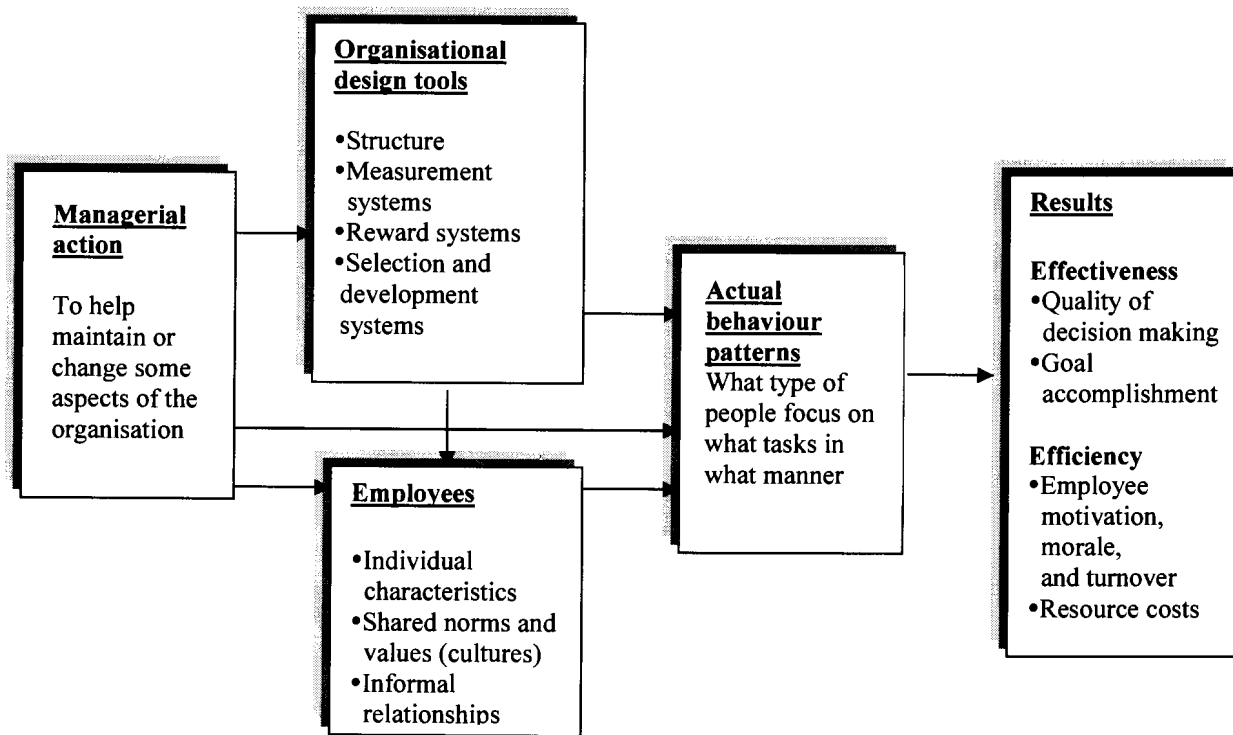
- Accountability implies that the responsible employees will be expected to account for outcomes, positive or negative, for that portion of the work directly under their control.
- Clear channels of communication are established. This ensures that communication is effective and all information required by employees to perform their jobs effectively reaches them through the correct channels.
- Organising helps managers to deploy resources meaningfully.
- The principle of synergy enhances the effectiveness and quality of the work performed.
- The total workload is divided into activities to be performed by an individual or a group of individuals.
- Organising means systematically grouping a variety of tasks, procedures and resources.
- The related tasks and activities of employees are grouped together meaningfully in specialised sections or departments so that experts in various fields can deal with certain tasks.

Organising is an important management task as indicated by the above discussion. Organisation design tools are used to organise. Organisational design refers to the way managers structure their organisation to reach the organisation's goals (Champoux, 2000: 324) and will be discussed in section 2.4.1.

2.4.1 Organisational design

Schlesinger *et al.* (1992: 2) suggest that managers use different organisation design tools to organise a large number of people. These tools include job design, compensation systems, performance-appraisal systems, training programmes, and reporting relationships. The design and implementation of these tools can have a major impact on an organisation's financial performance (see figure 2.3).

FIGURE 2.3: THE HUMAN ORGANISATION



Source: Schlesinger, Sathe, Schlesinger and Kotter (1992: 2)

One of the organisational design tools that can have an impact is the organisational structure as indicated by figure 2.3. The structure is one of the elements that determines the type of people needed to ensure effectiveness and efficiency in an organisation. One of the elements that were identified in chapter 1 as being a “factor in derailing IMC” was organisational structure. **Structuring** is therefore an important part of the organisation’s success and attention must be given to designing an effective structure that will support the strategy of an organisation. Organisational structure, the different structural alternatives available to managers as well as emerging structures will be highlighted in further discussions (sections 2.4.2, 2.4.3, and 2.4.4). An organisation can, therefore, not pursue a strategy of integration if the organisational design does not support it through the necessary structures.

The structure however does not function in isolation and factors such as the external environment must be considered before designing of the structure can become a reality. Schlesinger *et al.* (1992: 468) conclude that to develop a human organisation that contributes to long-run effectiveness means developing enough flexibility and anticipatory ability so that the organisation can adapt to inevitable changes in its environment. The external environment forms part of the contingency factors that must be taken into consideration.

(a) Contingency factors and organisational design

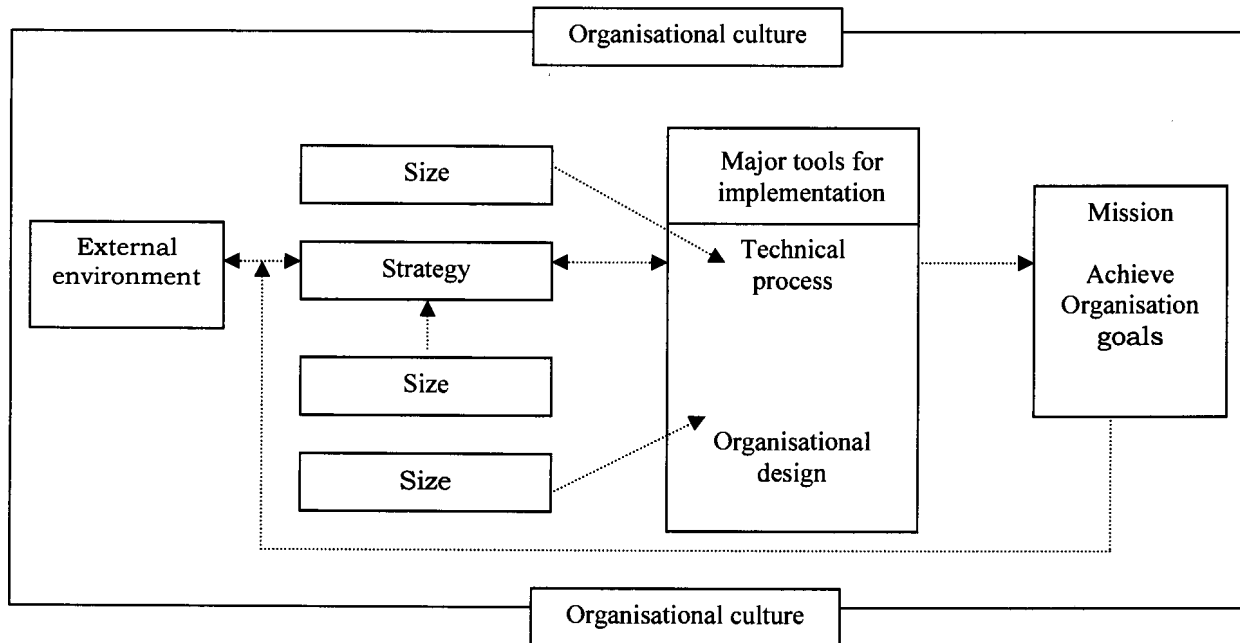
Early in the study of management, classical theorists attempted to develop the ideal organisation structure. Their findings, however, suggested that a structural configuration that seemed to work for one organisation was deterrent in the effectiveness of another. The **contingency theory** began to emerge in response to this. This management viewpoint argues that appropriate managerial action depends on the particular parameters of the situation. The contingency theory was also briefly discussed in section 2.2.2 as part of the contemporary approaches to management. In developing an organisation structure, attention should be given to contingency factors as researchers came to recognise that the best structure for a given organisation depends on contingency factors (Bartol & Martin, 1998: 288).

According to Champoux (2000: 325) managers often assess four contingency factors, namely the **external environment, the organisation's strategy, its technical process and its size**, before deciding to design or redesign an organisation. Each factor on its own can affect design decisions, or they can act as a collection of forces that both constrain design choices and drive them.

Managers often assess the uncertainty in the external environment of their organisation before considering design decisions. Managers can respond to uncertainty in the environment by increasing information about the environment or by making the organisation more flexible in its response to the environment.

Figure 2.4 shows some relationships among the contingency factors.

FIGURE 2.4 RELATIONSHIPS AMONG THE CONTINGENCY FACTORS OF ORGANISATIONAL DESIGN



Source: Champoux (2000: 326)

Figure 2.4 indicates that the **external environment** of an organisation is dynamic and can change, forcing managers to formulate a new **strategy** for dealing with the change. Implementing that strategy can require a change in some aspect of the **organisation's design, technical process** or both. The **organisation's size** can also affect several factors such as the design, technical processes and the strategy.

Figure 2.4 also shows **organisational culture** surrounding the relationship among the contingency factors. Organisational culture forms the context within which managers decide about organisational design and redesign. An organisation's culture can be a source of resistance to change. Managers will therefore need to understand their organisation's existing culture before beginning an organisation's redesign effort (Champoux, 2000: 326).

Three contingency factors namely the environment, technology and size will be discussed further to understand the influence of these factors on the organisational structure and hence also on the structuring of the integrated communication function.

(i) **Environment**

Bartol and Martin (1998: 303) are of the opinion that Tom Burns and G.M. Stalker conducted one of the most famous studies on the effects of environment on organisation structure. Burns and Stalker discovered, after studying 20 British industrial firms, that the organisations had different structural characteristics. This depended on whether they operated in a stable environment with relatively little change over time or an unstable environment with rapid change and uncertainty.

Organisations that operated in a stable environment tended to have relatively mechanistic characteristics – highly decentralised decision-making, many rules and regulations, and mainly hierarchical communication channels. Much of the emphasis was on vertical co-ordination, but with very limited delegation from one level of management to the next (Bartol & Martin 1998: 303).

The organisations were able to operate with these characteristics and still be reasonably successful because changes in their environment occurred gradually. This made it possible for top management to stay on top of these changes (Bartol & Martin 1998: 303). In other words, in a **mechanistic structure**, authority is centralised at the top of the hierarchy, and the vertical hierarchy of authority is the main means to control subordinates' behaviour (Jones *et al.*, 2000: 63).

Organisations, however, that operated in a highly unstable and uncertain environment were far more likely to have relatively **organic** characteristics – decentralised decision making, few rules and regulations, and both hierarchical and lateral communication channels. Here the emphasis was on horizontal co-ordination, with considerable delegation from one level to the next. The organisations required these characteristics because their rapidly changing environments made it necessary for individuals at many levels to monitor the environment and help decide how to respond (Bartol & Martin 1998: 303).

Thus, in an **organic structure**, authority is decentralised to middle and first-line managers to encourage them to take responsibility and act quickly to pursue scarce resources. Departments are encouraged to take a cross-departmental or functional perspective and authority rests with the individuals and departments best positioned to control the current problems that the organisation is facing (Jones *et al.*, 2000: 63).

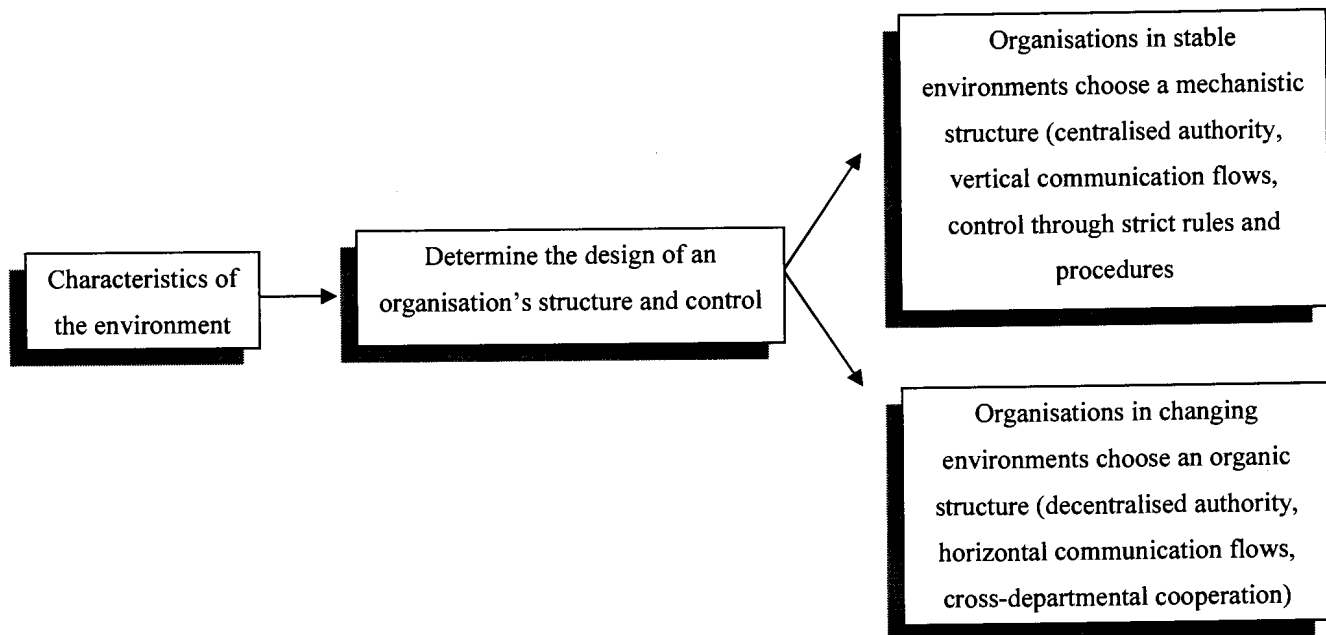
Two management professors, Paul R. Lawrence and Jay W. Lorsch (discussed in Bartol & Martin, 1998: 303), went a step further and reasoned that organisational environments might have different effects on various units within the same organisation. They investigated three departments in three industries with different environments.

Their focus was on differentiation, the extent to which organisational units differ from one another in terms of the behaviour and orientations of their members and formal structures. They discovered significant differentiation among the three types of units studied.

When they considered organisational effectiveness, the researchers found that the most effective organisations attempted to balance differentiation with efforts toward integration. The greater the differentiation among departments because of environmental instability, the greater the efforts toward integration in the most successful organisations. Methods of horizontal co-ordination, such as teams and managerial integrators were particularly important.

Jones *et al.*, (2000: 63) summarise the above discussion on the environmental influences as part of the contingency theory in figure 2.5:

Figure 2.5: THE ENVIRONMENT AS PART OF THE CONTINGENCY THEORY OF ORGANISATIONAL DESIGN



Source: Jones *et al.* (2000: 63)

Figure 2.4 highlighted all the contingency factors that can have an influence on organisational structure whereas figure 2.5 focused specifically on the environment as part of the contingency factors. Two other factors identified in figure 2.4 namely, technical process and size will also be discussed briefly.

(ii) Technical process

Different organisations can require different structures partly because of the **technical process**, the knowledge, tools, equipment, and work techniques used by an organisation in delivering its product or service (Bartol & Martin, 1998: 299).

Bartol & Martin (1998: 299) discuss a research study that was conducted in 1950 by a team led by British sociologist Joan Woodward, who determined that three different types of technologies were reasonably predictive of the structural practices of the organisations that formed part of the study.

The research team found that increasing complexity was associated with more levels of management, more staff personnel per line worker, and larger spans of control at upper management levels. In contrast, formalisation and centralisation were low in organisations using unit and small-batch, as well as continuous process technologies, in which appropriate work decisions must be made at the lower level.

Overall, Woodward's research indicated that the most successful organisations had structural characteristics that were close to the median for their particular technology. According to Bartol & Martin (1998: 300) research since Woodward's groundbreaking study has supported the importance of technological complexity in influencing organisation structure.

(iii) Size

Bartol & Martin (1998: 301) discuss four trends that have been identified by studies of size effects on structure, namely:

- As organisations grow, they are likely to add more departments and levels, making their structures increasingly complex. With functional structures, such growth creates pressure for change to divisional structure.
- Growing organisations tend to take on an increasing number of staff positions in order to help top management cope with the expanding size. This tendency levels off when a critical mass of staff has been achieved, but it helps lead to the third trend.
- Additional rules and regulations seem to accompany organisational growth. The unchecked proliferation of additional rules and regulations may lead to excessive formalisation and lower efficiency.
- As organisations grow larger, they tend to become more decentralised. This is probably due in part to the additional rules and regulations that set guidelines for decision making at lower levels.

Organisational design tools are used to organise. Schlesinger *et al.* (1992: 7) conceptualised the formal elements of organisational design to be task, people, **structure**, measurement systems, reward systems, and selection and development systems.

These elements were depicted in figure 2.4. Organisation structure does however not function in isolation and various contingency factors that can have an influence should be considered. The external environment, its technical process and its size were three of the factors identified in figure 2.4 and discussed further in section 2.4.1 (a).

The contingency factors' influences on organisational structure can play a role in how excellent South African organisations structure their communications and should be kept in mind when developing a framework for structuring integrated communications. Thus to be effective and understand the contingency factors, management must clearly understand the organisational structure. For the purpose of this research the structural element will therefore be further investigated

2.4.2 Organisational structure

Fritz (1996: 14) believes that people must rather think of structure as dynamic, rather than static in order to comprehend its nature. People have the tendency to think of structure as static, fixed or stationary. Structure however, is a dynamism that propels movement, change, transformation, and fluctuation. Fritz (1996: 14) is of the opinion that the study of structure teaches one how change can and must occur.

Fritz (1996: 15) contends that change will not succeed if the underlying structure does not support it and if it does support it, the probability of success will be greatly increased. Although structure is intangible, the consequences of structures are visible in terms of unclear strategies, tactics that compete against each other and under funded projects that lack the full support of the organisation.

Robbins (1990: 5) defines structure as follows; "*organization structure defines how tasks are to be allocated, who reports to whom, and the formal coordinating mechanisms and interaction patterns that will be followed*".

Gibson, Ivancevich and Donnelly (1994: 15) view the organisation's structure as the formal pattern of activities and interrelationships among the various subunits of the organisation.

Schlesinger *et al.* (1992: 7) are of the opinion that when a manager allocates responsibilities, activities and authority to individuals and co-ordinates these individuals vertically and horizontally, they define a structure. According to Jones, George and Hill (2000: 9) the organisational structure is the outcome of organising and the structure also determines how an organisation's resources can be best used to create goods and services.

Schlesinger *et al.* (1992: 7) posit that the elements of a structure include subunits such as departments or divisions, a management hierarchy, rules and plans, and committees and task forces. Organisational structure groups jobs into subunits such as departments, and it groups subunits into large subunits such as divisions. This grouping is usually based on functional similarity. Thus organisational structure provides an orderly arrangement among functions so that the organisation's objectives can be accomplished effectively. Organisational structure must therefore be consistent with an organisation's strategy. Strategic planning specifies *what* will be accomplished by *when*; organisational structure specifies *who* will accomplish what and *how* it will be accomplished (Ivancevich, Lorenzi, Skinner & Crosby, 1994: 254).

Ivancevich *et al.* (1994: 254) are of the opinion that many organisations try to implement a new strategy with an obsolete organisational structure. They argue that an effective organisational structure is not the result of luck or chance, but it is the responsibility of management to deliberately develop a structure that enhances the organisation's overall strategy.

Different structural alternatives are available to management to do just that. The next section will therefore explore the different structural alternatives as well as emerging structures to determine the options available for integrating the communication functions.

2.4.3 Structural alternatives

Different structural alternatives exist that can aid management in their management task of organising. Management should consider the alternatives and determine the most appropriate structure for their specific organisation. Various alternatives will therefore be discussed briefly.

- A **functional structure** is a type of departmentalisation in which positions are grouped according to their main functional or specialised area. Positions are combined into units on the basis of similarity of expertise, skills, and work activities (Bartol & Martin, 1998: 287).
- In **divisional structures** positions are grouped according to similarity of products, services, or markets. Each division contains the major functional resources it needs to pursue its own goals with little or no reliance on the other divisions (Bartol & Martin, 1998: 287).
- **Hybrid structures** adopt parts of both functional and divisional structures at the same level of management. Functional departments are created to take advantage of resource utilisation efficiencies, economies of scale, or in-depth expertise. At the same time, divisional departments are used when there are potential benefits from a stronger focus on products, services or markets (Bartol & Martin, 1998: 288).
- A **matrix structure** is a type of departmentalisation that superimposes a horizontal set of divisional reporting relationships onto a hierarchical functional structure. Thus the structure is both a functional and a divisional organisation at the same time. There are two chains of command, one vertical and one horizontal. Employees who work within the matrix therefore report to two matrix bosses (Bartol & Martin, 1998: 298).

Schlesinger *et al.* (1992: 8) suggest the following: **Functional organisations** are most appropriate when the organisation makes a fairly standard single product or a related line of products that are technologically stable in a stable environment. **Product organisations** are formed when more lateral communication becomes necessary. The organisation can handle the increasing uncertainty, the increasing amount of information necessary, and the increasing complexity and diversity. **Matrix organisations** group individual jobs into two or more subunits, and co-ordinate different functional specialities, while preserving the functional organisation. This design enables them to identify and concentrate on the changes in markets, customers, technology, and information, therefore responding quickly to change. **Divisionalised organisations** produce a variety of products and service a number of markets and areas. Each division is a relatively autonomous business unit with most functions reporting to a general manager who has profit and loss responsibility.

Different structural alternatives are available to management. There are however, also emerging structures that need consideration in the new century and that can support the “new model” of organisation that were identified in figure 2.4 in section 2.3.4. Ancona *et al.* (1999: 17) proposed that an understanding of the networked, flat, flexible, diverse and global “new model” is necessary. The process structure, networked structure, self-managing teams and the virtual organisation are the emerging structures that support the “new model” of organisations and will be discussed next.

2.4.4 Emerging structures

Bartol & Martin (1998: 298) identified two emerging types of structures namely, the process structure and the networked structure.

- A **process structure** is a type of departmentalisation in which positions are grouped according to a complex flow of work. Individuals from each function who work on a process are grouped into process teams and given beginning-to-end responsibility for that process. Under this type of structure, divisions might have names like new product development, order fulfilment, or customer acquisition and maintenance – signifying the processes for which they are responsible. The structures tend to be relatively flat and are therefore sometimes referred to as the horizontal organisation. Functional specialities work together in a team environment making it possible for most operating decisions to be made at relatively low levels in the organisations by the teams (Bartol & Martin, 1998: 298).
- The **networked structure** is a form of organising in which many functions are outsourced to other independent organisations and co-ordinated through the use of information technology networks to operate as if they were within a single corporation. This type of structure is referred to as the virtual corporation because it performs as if it were virtually one corporation (Bartol & Martin, 1998: 298). Champoux (2000: 335) defines a **virtual organisation** as a network of organisations or individuals that focus on reaching a specific target or responding to new opportunities. Any organisation that lacks a particular skill or resource enters an agreement with an organisation or person with that skill or resource. Information technology links the organisations and individuals so they can operate as though they were a single organisation.

The number of elements in a virtual organisation network is defined by the skills, talents, and resources needed to reach this goal (Champoux, 2000: 335).

Champoux (2000: 335) also adds **self-managing teams** as another evolving structure. The many changes in the external environment emphasise the need to focus on customers and flexibility in response to changing needs. Managers find it necessary to move decisions to lower levels in their organisation to meet both requirements.

An organisation that relies on **self-managing** teams uses decentralisation to move decisions to the teams and authorise those teams to decide about product design, process design and customer service. Many such teams also contain people from different functions in the organisation.

Self-managing teams were discussed in detail in section 2.3.1 as part of changes that are taking place in managerial hierarchies and are just mentioned briefly in section 2.4.4. The emerging structures briefly discussed in section 2.4.4 are necessary to implement the “new” networked, flat, flexible, diverse and global organisation defined in section 2.3.4.

2.5 Summary

Management theory has evolved over the years in search for better ways to utilise organisational resources. The classical approaches focused on the internal functioning of the organisation and included the scientific management approach, the process management perspective, the bureaucratic approach, the human relations approach, and the quantitative management approach.

The contemporary management approaches developed due to increasing turbulence in the external environment. Some of the main schools of thought are the systems approach, the contingency approach, the excellence movement, total quality management, the learning organisation, and re-engineering.

Future organisations will be structured to be more flexible and adaptable. Organisations have changed their managerial hierarchies and self-managed teams are seen as the answer for improved quality.

The use of teams has been successful in a variety of organisations and has therefore gained increased attention as being the foundation for organisations in the future. Teams are also seen as being an important building block for competitive advantage. Limitations to team approaches must however be taken into consideration to increase the success rate of teams.

The open organisation and the boundaryless organisation are seen as other alternatives for bureaucracy and calls for integration, process and teamwork. A new model of organisation is necessary for survival in the 21st century. The boundaries of the new model are permeable and the organisation consists of fewer layers to respond more rapidly to change. Managers need to understand the new model in order to take action in today's organisation. Organisations that want to contribute to long-run effectiveness must focus on flexibility and anticipatory abilities to be able to adapt to changes in the environment.

An important aspect of managerial work involves the *organising* of human resources. There is however no best way of organising as it depends on the balance of an organisation's key success factors, design factors and organisational culture. There are however, various reasons that explain the necessity of organising.

Organisational design is the way organisations are structured to reach goals. The external environment, the organisation's strategy, its technical processes, and size are normally assessed before decisions regarding the design are made. The four factors are seen as contingency factors influencing the design of organisational structures. The "best" structure for a given organisation therefore depends on the contingency factors. *Organisational structure* is the outcome of organising. Different structural alternatives are available that can be used. The process structure, networked structure, self-managing teams, and the virtual organisation are seen as emerging structures that need consideration in the new century.

The above chapter focused on structures and management issues that are necessary for the new century. It is however necessary to gain insight into the field of public relations and the structuring of the specific function in order to apply the management principles of chapter 2 to the integrated communication function. Chapter 3 will therefore investigate the various definitions of public relations, the evolution of public relations, and the structuring of the function.

CHAPTER 3

THE EVOLUTION OF PUBLIC RELATIONS

3.1 Introduction

Confusion existed and still exists, as to who is actually responsible for the communication function in an organisation – is it the marketing department or is it the public relations department? (Grunig & Hunt 1984: 6). According to Gronstedt (2000: 6), however, the word department originates from the French word *departir*, which means, “to separate”. He is of the opinion that organisations should reap the benefits of synergy by integrating communication efforts and not to be “collections of free-willed divisions and departments”. As was mentioned in the previous chapter it is clear that organisations that want to be effective in the 21st century should be more open and should focus on integration, process and teamwork. Gronstedt (2000: 6) supports this viewpoint by stating that “rather than organising communication like a herd of fighting bulls, the winners of the new century will organise themselves like geese flying in a V formation. Flying in formation allows geese to fly 71 % farther than they could fly alone. They optimise the performance of the group as a whole instead of sub-optimising the performance of individuals.”

The debate of who, or which department, is actually responsible for communication was triggered by the confusion that existed between public relations and marketing. Although authors purport (chapter 2) that organisations should move away from such a functionally defined viewpoint to a more open approach, a great deal of organisations are not comfortable with the idea of true integration (this will be addressed in the empirical part of the study). It is therefore necessary to gain an insight into what is being considered the traditional communication functions, namely public relations and marketing as well as what is meant by the integration of communication.

The aim of this chapter, therefore, is to present a detailed theoretical discussion of the field of public relations through the investigation of:

- The origins and historical development of public relations;

- The various definitions of public relations and the focus of each;
- The organising of the function.
- Management of stakeholders

The relationship between marketing and public relations as well as the integration of communications will be further discussed in chapter 4.

3.2 Public relations' origins and development

Public relations as a modern phenomenon is less than a hundred years old. The field is therefore younger than other disciplines and is still evolving. Trends that are related to the evolution of public relations, according to Seitel (1995: 26), are: (1) the growth of big institutions; (2) the increasing incidents of change, conflict and confrontation in society; (3) the heightened awareness and sophistication of people as a result of technological innovations and; (4) the increased importance of public opinion in the era of democracy.

First, the bigness of today's society has played a significant role in the development of public relations. As organisations have grown larger, the public relations profession has evolved to interpret what these large organisations represent to the public they serve. Second, the increasing incidents of civil right groups, consumerism and environmental awareness, to name a few changes, conflicts and confrontations, have all contributed materially to the need for more and better communications. Third, the heightened awareness of people everywhere as a result of the fast growth of technological innovations has helped fragment different audiences and create the "global village". Finally, the outbreak of democracy has strengthened the power of public opinion in the world. The practice of public relations, as a facilitator in managing more effectively in the midst of the democratic revolution, has increased in prominence (Seitel, 1995: 27).

According to White and Mazur (1995: 13) the history of public relations as a recognised area of business had its origins in the USA. They see Edward Bernays as being one of the people credited as a founder of public relations. Newsom *et al.* (1992:33) do not agree with Bernays as being the "founder", although he was the first to call himself a "public relations council" in

1921, and wrote the first book on the subject two years later (Newsom *et al.*, 1992: 32). They conclude that public relations does not have a single “founder”.

Public relations practitioners however often look to Ivy Lee as the first practitioner of what became the modern day public relations practice. It was around the turn of the twentieth century that PR came into being as a term, a profession and as an academic discipline (Newsom *et al.*, 1992: 33).

- **Evolution of Public Relations**

Although modern public relations is a twentieth century phenomenon the roots can be traced back to ancient beginnings. Leaders throughout history understood the importance of influencing public opinion through persuasion (Seitel, 1995: 27). Seitel (1995: 27) traces the beginnings of public relations back to 1800 BC where planned persuasion was used by the Babylonians to reach a specific public for a particular purpose. He also views the Greeks and the Romans to put a high premium on communication and persuasive techniques. Newsom *et al.* (1992: 34) are of the opinion that the monuments and other art forms of the early world are a reflection of early efforts of persuasion. They conclude that public relations has amalgamated various persuasive techniques that have proved their effectiveness through the centuries.

The American public relations experience dates back to the founding of the republic. Influencing public opinion, managing communications, and persuading individuals at high levels were at the core of the American Revolution (Seitel, 1995: 28). The development of public relations in the United States went through five distinct stages. The stages also indicated how the practice has matured over time (Newsom *et al.*, 1992: 64).

In table 3.1 the five periods or stages in the development of public relations are summarised.

TABLE 3.1: FIVE STAGES IN THE DEVELOPMENT OF PUBLIC RELATIONS

Five stages of development	These stages are marked by particular periods in U.S. history, which fall into the following categories:
<p><u>Stage 1: Preliminary period:</u></p> <p>An era of development of the channels of communication and exercise of PR tactics (publicity, promotion and press agency)</p>	<p>1600 – 1799</p> <p>Initial Colonisation – American Revolution</p>
<p><u>Stage 2: Communicating/initiating:</u></p> <p>A time primarily of publicists, press agents, promoters, and propagandists</p>	<p>1800 – 1899</p> <p>Civil war</p> <p>Western expansion</p> <p>Industrial revolution</p>
<p><u>Stage 3: Reacting/responding:</u></p> <p>A period where writers were hired to be spokespeople for special interests</p>	<p>1900 – 1939</p> <p>Progressive era/ muckrakers</p> <p>World War I</p> <p>Roaring twenties</p> <p>Depression</p>
<p><u>Stage 4: Planning/preventing:</u></p> <p>A maturing of PR as it began to be incorporated into the management function</p>	<p>1940 – 1979</p> <p>World War II</p> <p>Cold War of the 1950s</p> <p>Consumer Movement</p>
<p><u>Stage 5: Professionalism:</u></p> <p>An effort by PR to control its development, use and practice on an international level</p>	<p>1980 – present</p> <p>Global Communication</p>

Source: Adopted from Newsom *et al.* (1992: 36)

In table 3.1 the **first stage** shows the development of the necessary infrastructure for public relations to be practised on a large scale. The **second stage** was the time of press agency and publicity (typified by P.T. Barnum – An American business man in the 1800s who used deception in his advertising and publicity). This stage was characterised by communicating and initiating.

Ivy Lee was part of the **third stage** and this stage consisted primarily of reacting and responding to criticism. This stage was marked by the influential writings of muckrakers who enjoyed the exposing of business and government scandals (Theodore Roosevelt compared sensational writers to the “Man with the Muckrake” in the seventeenth-century work in *Pilgrim’s Progress* – a character who did not look up to see the celestial crown but continued to rake the filth).

The wartime era marked the beginning of the **fourth stage** in the development of public relations. It was during this stage that public relations started growing as a management function.

The **fifth stage** is typified by a new sense of professionalism in the practice of public relations. During this period the high visibility of public relations was also characterised by criticism of the public relations’ practice. Public relations practitioners realised the importance of insisting on the necessary levels of preparation and performance (Newsom *et al.* 1992: 65).

Based on the five stages discussed above, Grunig and Hunt (1984) constructed four models of public relations to aid in understanding the history of formal public relations as well as how it is being practiced in recent times. Grunig and Hunt (1984) were the first to define, through their four models of communication, the typical ways in which public relations is practiced. Although they identified the models almost seventeen years ago, the models have since then been the objects of intense research by various academics and students (Grunig & Grunig, *in* Grunig *et al.*, 1992b).

The aim of the next discussion is to gain a better understanding of the different models, especially the two-way symmetrical model of communication who, according to Grunig and Grunig (in Grunig *et al.*, 1992b) provides a normative theory of how public relations should be practiced to be ethical and effective – a characteristic of excellent communication management.

(a) Grunig and Hunt's models of communication

Grunig and Hunt (1984) use the terms 'models' to describe the four types of public relations that they believe have evolved throughout the history. Although they acknowledge the fact that their had been "public-relations-like" activities in history, they claimed that the press agents of the mid-19th century were the first full-time specialists to practice public relations.

Although the models have been mentioned in chapter 1, the next part of this chapter will explore it in more detail.

Grunig and Hunt (1984) identified the following four 'models' that were depicted in table 1.2:

- **Press Agency/Publicity:** Propaganda is the purpose. It is done through one-way communication that is often incomplete, distorted or only partially true. The model is from source to receiver. Communication is viewed as telling and not listening. Little if any research is undertaken. Research is limited to informal observations of whether publicity material has been used by the media. P.T. Barnum is seen as the leading historical figure during this model's reign from 1850 to 1900 (Grunig & Hunt, 1984).
- **Public information:** Dissemination of information, not necessarily with a persuasive intent, is the purpose. The model is from source to receiver. Research, if any, is likely to be confined to readability tests or readership studies. Ivy Lee was the historical figure during this model's early development period from 1900 into the 1920s. This model followed the press agency/publicity model and was the most widely used model in those years.

In the above two models communication is always one way, from the organisation to the public. Practitioners of these models tend to see communication as telling and not listening (Grunig & Hunt, 1984: 23).

- **Two-way Asymmetric:** Scientific persuasion is the purpose and communication is two-way, with imbalanced effects. The model is from source to receiver, with feedback to the source. Research is both formative and evaluating. Formative research is done to establish the 'current situation' of the public, their attitudes, views and behaviour.

Based on this information the practitioner sets up a programme of communication to either maintain or alter this situation, depending on the situation of the organisation. It helps to formulate objectives and establish if the objectives have been achieved (Grunig & Hunt, 1984).

- **Two-way Symmetric:** Gaining mutual understanding is the purpose, and communication is two-way with balanced effects. The model is from group to group with a feedback loop. This model regards practitioners serving as mediators between an organisation and its publics. The goal is therefore to reach mutual understanding between organisations and their publics. Formative research is used mainly to learn how the public perceives the organisation and to determine what consequences the organisation's actions will have on the public. Evaluative research is also used to measure whether a public relations effort has improved the understanding, which publics have of the organisation, and what management's understanding is of its publics. Edward Bernays, educators, and professional leaders have been the main influences of the two-way symmetric model during the 1960s and 1970s.

In the last two models, communication flows both ways between an organisation and its publics. There is however a difference in the nature of communication between these two models. The viewpoint on symmetrical versus asymmetrical public relations will provide further insight in this regard.

(i) Symmetrical versus asymmetrical public relations

Grunig and White (*in Grunig et al.*, 1992b: 39) consider the dominant worldview (assumptions about the world – a mindset) of public relations as being an asymmetrical view. Asymmetrical is being regarded, as a way of obtaining what an organisation wants without changing its behaviour or without compromising.

They are of the opinion that this mindset guides organisations into an ineffective direction that is not in the long-term interest of the company.

According to Grunig and White (*in Grunig et al.*, 1992b: 39) public relations is more of a symmetrical process of compromise and negotiation that will be more effective on the long run than an asymmetrical process.

If one looks at the concept of the four models of public relations (Grunig & Hunt, 1984) the **asymmetrical view** is part of the **press agency, public information and two-way asymmetrical models**. The models attempt to change the behaviour of publics without changing the behaviour of the organisation. Any publicity in the media is what public relations strive for under the press-agentry model. With the public information model, public relations uses journalists to disseminate objective but only favourable information about the organisation. Under the two-way asymmetrical model the organisation uses research to develop messages that are most likely to persuade publics to behave as the organisation wants (Grunig and White *in Grunig et al.*, 1992b: 39).

In the **two-way symmetrical** model research and dialogue are however, used to manage conflict, improve understanding and build relationships with publics. With the symmetrical model, both the organisation and publics can be persuaded and both may also change their behaviour (Grunig & White *in Grunig et al.*, 1992b: 39).

The above discussions focused on the development of public relations throughout history leading to the development of the four models of public relations. Three of the models support an asymmetrical approach and one focuses on symmetry. Baskin *et al.* (1997) also looked at the history of public relations. They however, summarised it in order to identify trends that have an influence on the direction it is moving into.

(b) The future of public relations

Baskin *et al.* (1997) regard the future of public relations as being difficult to gauge. In trying to do so they summarised the history and identified and described ten trends that appear to influence the direction of the practice depicted in table 3.1.

TABLE 3.2: SUMMARY OF HISTORY AND TRENDS OF PUBLIC RELATIONS

<i>From:</i>	<i>To:</i>
Manipulation	Adaptation
External counsellor	Internal team member
Marketing	Management
Program	Process
Craftsperson	Manager
Items	Issues
Output	Input
Fire-fighter	Fire preventer
Illegitimacy	Legitimacy
U.S. profession	Global profession

Source: Adapted from Baskin *et al.* (1997: 47)

The trends depicted in table 3.2 will now be further expanded.

(i) From Manipulation to Adaptation

In the past public relation's intent was to achieve specific results in terms of customer response, election outcomes, media coverage or public attitudes. Public relations' purpose was to communicate in such a way as to assure the compliance of relevant public's behaviour with an organisation's plans. Stunts, sensationalism, and embellished truth were hallmarks of the trade: in other words manipulation.

As practitioners began to establish trust and credibility, the manipulative phase became history and public relations could begin to make gains in stature and responsibility in organisations. Organisations realised that compliance was not the only way to achieve success but by adapting effectively to environmental demands, constraints and opportunities, an effective two-way mutually beneficial relationship can be established.

(ii) From External Counsellor to Internal Team member

In the early 20th century ex-newspapermen and press agents established the field of public relations. They mostly set up their own organisations. This external, independent counsellor model of public relations became the norm in textbooks and at universities. The actual practice of public relations has evolved beyond this. A new breed of practitioners has emerged within the structures of large complex organisations. These practitioners must be concerned with internal as well as external communication and must provide managerial leadership as well as communication expertise.

(iii) From Marketing to Management

Public Relations was mostly seen as an adjunct to the sales effort, concerned primarily with product publicity and getting free advertising. The development of the marketing concept that stresses organisational responsiveness to markets rather than sales efforts has changed the direction of information flow. Management's task has also changed. They constantly seek to adapt a flexible organism to dynamic and complex environments. The prime responsibility of public relations is therefore to provide information and an environment in which management can function most effectively.

(iv) From Program to Process

Public relations has traditionally place too much emphasis on programmes (specific outputs from public relations' efforts). Public relations will however become increasingly involved in broader responsibilities and spend more time in developing communication objectives that are consistent with an organisation's overall objectives. They will act as counsellors to managers and serve on teams with other specialists. A long-term general perspective instead of a short-term, specific perspective is therefore needed.

(v) From Craftsperson to Manager

The emphasis on technical skills such as writing ability and graphic design led to a narrowly specialised craftsperson or technician. A more broadly experience communication manager is however needed. The increased responsibilities of public relations people demand a broad knowledge of business.

(vi) From Items to Issues

Previously public relations practitioners sought to place items in the media and measured their effectiveness by its success. The current trend is to move away from that toward issues management. Issues management is the identification of key issues confronting organisations and the management of organisational responses to these issues. The process involves the early identification of potential controversies; development of organisational policy related to these issues; creation of programmes to carry out policies; implementation of these programmes; communication with appropriate publics; and evaluation of the results.

(vii) From Output to Input

The traditional emphasis of public relations has been on output – the creation of messages for external publics. Public relations practitioners are however realising that their most important messages constitute input.

Ultimately public relations enters into the core of the organisations carrying the information that will have an influence on the fundamental decisions of policy and strategy. Practitioners increasingly provide input and participate in such decisions.

(viii) From Fire-fighter to Fire Preventers

Effective public relations does not merely exist to solve issues, but seek to avoid such dilemmas. Practitioners are moving into positions that allow them to more fully recognise areas of potential dangers and be equipped to deal with those dangers. Managerial skills must therefore take precedence over media skills.

(ix) From Illegitimacy to Legitimacy

Public relations has always had an air of illegitimacy about it. It has however gained legitimacy in the eyes of organisational managers and executives. Members of the public relations profession who respond to demands and opportunities present in society and who play a critical role in the effective management of problem solving contribute to the legitimacy of the profession.

(x) From U.S profession to Global profession

The global village that was predicted 30 years ago has arrived. Cultural, language and legal differences are some of the problems facing global public relations. Rapidly evolving communication technology has made these barriers less of a factor. The future of public relations must therefore take into account the global community in all its efforts (Baskin *et al.*, 1997: 46).

The discussion in this chapter so far has provided a detailed theoretical discussion on the development of public relations throughout history, the four models of public relations and its movement towards the future. The development of public relations in the USA went through five distinct phases. Grunig and Hunt (1984) constructed four models of public relations based on the history that has since been the object of various research projects. Baskin *et al.* (1997) tried to predict the future of public relations by describing ten trends that appear to influence the direction of the practice in the future.

It is clear that public relations is still a relatively young discipline compared to others and are still evolving. Public relations has however, from its modern beginnings suffered from an identity crisis because of the limitless scope of activities taken on by public relations professionals. The short history of public relations has therefore produced various definitions. Section 3.3 will investigate the various definitions of public relations further.

3.3 Defining public relations

According to White & Mazur (1995), organisations fail to make good use of communication when pursuing their strategic objectives. The conclusion was made based on evidence originating partly from incidents that occurred from time to time. Evidence showed that managers were inadequately prepared to communicate in ways to protect their strategic interests. According to White and Mazur (1995) this is true especially during times of corporate take-over battles, in environmental or industrial mishaps, or during conflict between management and interest groups.

Skinner and Von Essen (1993: 3) contend that public relations is the sophisticated multi-faceted discipline able to help forge the effective two-way communication that is needed between an organisation and its various publics. In various organisations public relations is playing an effective management role in its own right. According to Skinner & Von Essen (1993: 3) however, public relations is also one of the most used and least understood terms in the business world. As it has evolved it has broadened its appeal and impact, but has failed to have its character and function properly defined (Skinner & Von Essen, 1993: 3).

The first step towards establishing effective communications management is therefore to define terms. Hutton (1999: 199) concurs with Skinner & von Essen (1993) by stating that public relations from its modern beginnings has suffered from an identity crisis and has failed to arrive at a broadly accepted definition. Many people seem to have an idea of what public relations is but a few seem to agree. The reason for the confusion can be attributed to the limitless scope of activities taken on by public relations professionals. The duties of a practitioner in one organisation may be completely different from those in another organisation, because as a loosely defined field, it is vulnerable to anyone who claim to be a “public relations professional” (Seitel, 1995: 6).

People often define public relations by some of its most visible techniques and tactics, such as publicity in a newspaper. Public relations is however a process involving many subtle and far-reaching functions. It includes research and analysis, policy formation, programming, communication and feedback from numerous publics (Wilcox *et al.*, 1995: 5). The various definitions will be discussed in more detail in section 3.3.1.

3.3.1 Definitions, metaphors, and philosophies of public relations

If one looks at modern public relations’ short history a number of definitions, metaphors or approaches to the field can be found. Lee focused on understanding and compromise to ensure a proper adjustment of the interrelations of public and business, whereas Bernays’ definition also included the notion of adjustment (Hutton, 1999: 200).

In 1923 Bernays described the function as one of “providing information given to the public, persuasion directed at the public to modify attitudes and actions, and efforts to integrate attitudes and actions of an institution with its publics and of publics with those of that institution” (Seitel, 1995: 6).

In 1975 the Foundation for Public Relations Research and Education commissioned a search for a universal definition. Sixty-five public relations leaders participated in the study. It analysed 472 different definitions and offered the following (Seitel, 1995: 6):

Public relations is a distinctive management function which helps establish and maintain mutual lines of communications, understanding, acceptance and co-operation between an organisation and its publics; involves the management of problems or issues; helps management to keep informed on and responsive to public opinion; defines and emphasises the responsibility of management to serve the public interest; helps management keep abreast of and effectively utilise change, serving as an early warning system to help anticipate trends; and uses research and sound and ethical communication techniques as its principal tools.

At the first World Assembly of Public Relations Associations held in Mexico City in 1978 the following definition of the nature and purpose of public relations was adopted (Skinner & Von Essen, 1993: 3):

Public relations practice is the art and social science of analysing trends, predicting their consequences, counselling organisations’ leaders and implementing planned programs of action that will serve both the organisation and the public interest.

In 1980, the Task Force on the Stature and Role of Public Relations, chartered by the Public Relations Society of America (PRSA), offered two definitions (Seitel, 1995: 7):

Public relations helps an organisation and its publics to adapt mutually to each other.

Public relations is an organisation’s efforts to win the co-operation of groups of people.

Another attempt to define the function was presented in 1982, at the 35th National Conference of the Public Relations Society of America. As a management function, public relations encompasses the following (quoted in Cutlip *et al.*, 1985: 7):

- Anticipating, analysing and interpreting public opinion, attitudes and issues which may impact, for good or ill, the operations and plans of the organisation.
- Counselling management at all levels of the organisation with regard to policy decisions, courses of action and communication, taking into account their public ramifications and the organisation's social or citizenship responsibility.
- Researching, conducting and evaluating on a continuing basis, programs of action and communication to achieve informed public understanding necessary to the success of an organisation's aims. These may include marketing, financial, fund raising, employee, community, or government relations and other programs.
- Planning and implementing the organisation's efforts to influence or change public policy.
- Setting objectives, planning, budgeting, recruiting and training staff, and developing facilities. In short, managing the resources needed to perform all of the above.
- Examples of the knowledge that may be required in the professional practice of public relations include communication arts, psychology, social psychology, sociology, political science, economics and the principles of management and ethics. Technical knowledge and skills are required for opinion research, public issue analysis, media relations, direct mail, institutional advertising, publications, film/video productions, special events, speeches and presentations.

Cutlip *et al.* (1985: 7) conclude that the contents of the many definitions of public relations include common notions and that the ideal public relations function:

- Is a planned sustained programme conducted by an organisation's management?
- Deals with the relationships between an organisation and its various publics.
- Monitors awareness, opinions, attitudes and behaviour inside and outside the organisation.
- Analyses the impact of organisational policies, procedures and actions on various publics.
- Adjusts those policies, procedures and actions found to be in conflict with the public interest and organisational survival.
- Counsels management on the establishment of new policies, procedures and actions that are mutually beneficial to the organisation and its publics.

- Establishes and maintains two-way communication between the organisation and its various publics
- Produces specific changes in awareness, opinions, attitudes and behaviours inside and outside the organisation
- Results in new and, or maintained relationships between an organisation and its publics.

The evolution of the concept and the numerous descriptions of the practice lead Cutlip *et al.* (1985: 7) to a conceptual definition:

Public relations is the management function that identifies, establishes, and maintains mutually beneficial relationships between an organisation and the various publics on whom its success or failure depends.

In Wilcox *et al.* (1995: 6) a sampling of definitions from around the world can be found:

Public relations is the deliberate, planned and sustained effort to establish and maintain mutual understanding between an organisation and its publics.

Public relations is the conscious and legitimate effort to achieve understanding and the establishment and maintenance of trust among the public on the basis of systematic research.

Public relations is the sustained and systematic managerial effort through which private and public organisations seek to establish understanding, sympathy, and support in those public circles with which they have or expect to obtain contact.

Public relations practice is the art and social science of analysing trends, predicting their consequences, counselling organisation leaders, and implementing planned programs of action which serve both the organisation's and the public's interests.

Wilcox *et al.* (1995: 6) are of the opinion that public relations should be defined by remembering certain key words:

- **Deliberate:** Public relations activity is intentional. It is designed to influence, gain understanding, provides information, and obtains feedback.
- **Planned:** Public relations activity is organised. Solutions to problems are discovered and logistics are thought out, with the activity taking place over a period of time. It is systematic, requiring research and analysis.
- **Performance:** Effective public relations is based on actual policies and performance. No amount of public relations will generate goodwill and support if the organisation is unresponsive to community concerns.
- **Public interest:** The rationale for any public relations activity is to serve the public interest, and not simply to achieve benefits for the organisation. Ideally public relations activity is mutually beneficial to the organisation and the public: it is the alignment of the organisation's self-interests with the public's concern and interests.
- **Two-way communication:** Dictionary definitions often give the impression that public relations consists only of the dissemination of informational materials. It is equally important, however, that the definition includes feedback from audiences. The ability to listen is an essential part of communication expertise.
- **Management function:** Public relations is most effective when it is part of the decision making of top management. Public relations involves counselling and problem solving at high levels, not just the releasing of information after a decision has been made.

Based on the short review of just a few of the definitions being offered, it is obvious that many definitions of public relations are available. Seitel (1995: 7) concludes that although a generally accepted definition has not been found yet, there is progress toward a clearer understanding of the field. Instead of offering yet another definition certain keywords will be highlighted. The keywords represents the research's viewpoint on communication and also supports the purpose of the research:

- **Management function:** In order for public relations to remain excellent within an integrated communications framework according to Grunig and Grunig (1998: 141-162) the function should be located in the organisational structure so that it has ready access to key decision makers of the organisation – the dominant coalition – and thereby contributing to the strategic management processes of the organisation.

- **Identifies, establishes and maintains:** This emphasises researching, conducting and evaluating on a continuing basis to be able to identify, establish and maintain relationships.
- **Mutually beneficial relationships between the organisation and its various publics:** Hunter (2000b) proposes that the focus of integrated communication (IC) is on communication to all of an organisation's stakeholders and not just its customers. An important characteristic of IC is therefore a stakeholder's orientation. Organisations need to look at stakeholders and determine what kind of communication they might need to satisfy their interests. The integrated communicator must then manage communication in such a way that it will adhere to the expectation of the stakeholders in terms of communication.
- **Two-way communication:** To be able to identify, establish and maintain mutually beneficial relationships effective two-way communication is essential. Successful relationships cannot be built with one-way communication as it omits the feedback that is necessary to understand and be understood.

The above keywords were highlighted to provide a summary of what are perceived to be important for the study. Section 3.2.2 highlights the viewpoints of two authors who reviewed the definitions in detail.

3.3.2 Characteristics, assumptions and effects of current definitions

Gordon (1997: 60) reviewed and interpreted several definitions of public relations and explicated the shared elements and assumptions inherent in those definitions. He pointed out that three elements namely management, organisation, and publics are prevalent in the definitions. He concludes that public relations is either presented as a management function or the management of communication.

By defining public relations by its management characteristics serves to promote the importance of public relations departments within an organisation.

The other two terms that are common to all definitions according to Gordon (1997: 60) are organisation and publics. The definitions reviewed, dictated a setting where public relations functioned as an intermediary between an organisation and a public.

In another article where the definitions of public relations are analysed, Hutton (1999: 201) offers some criticisms of the public relations definitions. According to Hutton (1999: 201) a standard criticism is that the definitions tend to focus more on the effects of public relations, rather than on its fundamental purpose. Another criticism is that many of the academic definitions are normative or prescriptive, rather than descriptive of public relations' true function. He criticises academic definitions of public relations further by suggesting that the definitions do not identify their core concepts namely communications and relationships. All the definitions deal about organisations and ignore the practice of public relations for individuals or groups of people who are not formally organised. According to Hutton (1999: 201) the definitions lack the richness of thought that characterised many of the historical definitions.

This research study however focuses on structuring the function in organisations and thus the criticism on organisations and individuals do not apply. Communications and relationships are at the core of the research and the element of two-way communication and mutually beneficial relationships have been identified in section 3.3.1 as one of the keywords applicable to this study.

The term public relations has been used throughout most of the previous discussions. Other terms however do exist and will be discussed in the next section.

3.3.3 Other terms for public relations

Public relations is used as an umbrella term on a worldwide basis. Individual organisations and groups often use other terms to describe the public relations function.

O'Dwyer's directory of Corporate Communications 1992 (quoted in Wilcox *et al.*, 1995: 12) identifies 135 of the Fortune 500 companies as having corporate communications

departments, while another 62 use the term public affairs. Other titles used include corporate affairs, corporate relations, corporate and investor relations, marketing services and external affairs.

A Conference Board survey of 150 major U.S. corporations also found a movement away from public relations toward the use of other names (quoted in Wilcox *et al.*, 1995: 12). In 60 percent of the surveyed organisations, the word communications is used to describe the public relations function. In some cases, corporate communications is the umbrella term and “public relations” is considered as one of several departments.

According to Wilcox *et al.* (1995: 12) public information is the term most widely used by universities, social service agencies and government agencies. The implication is that only information is being disseminated, in contrast to persuasive communication (Wilcox *et al.*, 1995: 12). In many cases it is clear that companies or organisations use public information, public affairs or corporate communications as euphemisms for public relations. Wilcox *et al.* (1995: 12) are of the opinion that this is in part a reaction to the misuse of the term by the public and the media (Wilcox *et al.*, 1995: 12).

Wilcox *et al.* (1995: 12) purport that the popularity of corporate communications as a term is based on the idea that the term is broader than public relations, which is often incorrectly perceived as only media relations. Many regard corporate communications as encompassing all communication of the company, including advertising, marketing communications, public affairs, community relations and employee communications (Wilcox *et al.* 1995: 12).

For the purpose of the research the two terms, public relations and corporate communications, will be used interchangeably. The reason is that most of the literature still uses the term public relations when describing the corporate communication function of an organisation.

Argenti (1998: 47) however contends that corporate communication is the new term used for the communication function in an organisation. He sees public relations as being a “predecessor” to the corporate communication function. Public relations as a function grew out of necessity. Organisations did not have a specific strategy for communications but were

forced to respond as a result of external constituencies. As the environment for business changed the responses were so frequent that someone had to take control of certain aspects of communication. This function, which was mostly tactical, was called public relations or public affairs.

Argenti (1998: 48) concludes that the public relations function typically would include an approach that would prevent the press from getting too close to management. The PR person was supposed to prevent trouble from getting into, or news of trouble from escaping, the organisation. Organisations needed to add other communication activities to the list and public relations' staff were the obvious choice. It was expected of them to handle activities such as speech writing, annual reports and the organisation newspaper. A large portion of work in this era involved dealing with the press and former journalists were hired to handle the responsibility.

Argenti (1998: 49) views the problems that developed outside organisations in the 1970s as being the starting point for the new corporate communication function. According to him organisations required more than the simple internal PR function supplemented by the outside consultant. He uses cases such as the increased power of special-interest groups like Ralph Nader's PIRG. In the 1970s oil companies faced problems as a result of the Arab oil boycott and embargo. This placed the entire industry under scrutiny as consumers had to wait hours for a tank of petrol, while companies reported, what many agitators like Ralph Nader, felt were obscene profits. The Green-peace movement is another example of the growing need for a sophisticated communications function. The cases also explain why the "old-style" public relations function no longer possessed the capabilities to handle the negative publicity that was generated. Argenti (1998: 49) is also of the opinion that the question at many organisations now focus on how to fit the corporate communication function into an existing system rather than whether the function should exist at all.

Through the discussion of the various definitions a better understanding of public relations has been gained and certain keywords that support the purpose of the study were highlighted. It is however also necessary to investigate the organisation of public relations in organisations to be able to address some of the research objectives.

In chapter one it was indicated that the communication function should be positioned to give it ready access to the managerial subsystem and a dynamic horizontal structure should be developed to give the communication department the flexibility needed (Lindeborg 1994: 8). The research report of Corporate Communication Studies (2000) also illustrated that there is a focus on the organisation of the communication department and that there is a need for further studies to identify ways in which successful organisations are addressing this issue. This will be addressed further in the empirical part of this study.

Further insight into what the theory depicts in terms of organising the public relations function is also important. The last part of this chapter will therefore investigate various authors' viewpoints on structuring the function and the information will be used to address some of the research propositions.

3.4 Organising of the public relations

According to White & Mazur (1995: 12) the very nature of communication is changing, as more organisations are moving towards centralised and integrated communications, strategically orchestrated and co-ordinated from within. The true goal of public relations (or strategic communication according to them) is to influence the behaviour of groups of people in relation to each other. They are also of the opinion that influence should be exerted through dialogue with all the different corporate audiences with public relations becoming a respected function in its own right acting as a strategic resource and helping to implement corporate strategy.

Seitel (1995: 144) supports this by stating that public relations, by definition, must report to top management. Often however, public relations is subordinated to advertising, marketing, legal or human resources. Public relations must be the interpreter of the organisation's philosophy, policy and programmes that emanate from top management.

The purpose of the public relations director according to Seitel (1995: 144) is to promote the entire organisation. If the director reports to marketing or advertising the task would become one of promoting specific products. Therefore if public relations is made subordinate to other disciplines such as marketing and human resources it will then jeopardise its independence

and credibility as the corporate conscience. The public relations professionals should have enough autonomy to deal openly with management (Seitel, 1995: 144).

Baskin *et al.* (1997: 6) add to this by stating that “it is necessary to recognise that public relations is a management function that ideally helps an organisation to establish its philosophy, achieve its objectives, adapt to a changing environment, and successfully compete in today’s markets”.

The environment has been identified in chapter two as one of the contingency factors that should be considered in organisational design. Organisational structure forms part of the organisation’s design tools and managers should therefore assess the external environment before structuring. Grunig and Hunt (1984: 97) are of the opinion that the choice of a public relations model should be contingent upon the nature of the organisation’s environment. The influence of the environment on the structuring of public relations will be discussed next.

- **The environment and structuring of public relations**

Grunig and Hunt (1984) contend that the purposes of the four public relations models (previously discussed) represent four major communication functions – propaganda, disseminating of information, scientific persuasion and mutual understanding. Public relations managers must then first decide what function will be best for the organisation by examining the environment and then choose an appropriate public relations structure to provide that function.

Grunig and Hunt (1984) further discuss environments by highlighting the static and dynamic nature of environments.

They are of the opinion that the more dynamic and changing an environment is, the more an organisation should use the functions provided by the two-way asymmetric (scientific persuasion) or symmetric models (mutual understanding) of public relations. In a static environment however, the organisation can behave routinely and use the functions of the press agency (provide propaganda) and the public information (disseminating of information)

models of public relations. Structures will therefore be developed that are deemed appropriate for the environment.

(a) Vertical structures

Grunig and Hunt (1984: 99) state that organisations develop vertical structures appropriate for the environment they face. Complex environments require flexible vertical structures and in a static environment rigid, vertical structures will be the most appropriate.

They conclude that public relations departments using the press agency/publicity or public information models can be managed with a structured vertical hierarchy and departments that follow the two-way asymmetric or symmetric models, require an unstructured hierarchy.

Grunig and Hunt (1984) defend this viewpoint by postulating that the unchanging nature of static environments does not deem it necessary for organisations to change in accordance with the condition of the environment. Thus, managers concentrate power at the top through the formalisation of rules and procedures and therefore support centralisation. In a complex environment, however, there is constant change and the organisation must innovate to adapt to the environment. Decentralisation ensures flexibility in the sense that rules are eliminated.

(b) Horizontal structures

According to Grunig and Hunt (1984: 101) vertical structures define the power and authority within a system and horizontal structures define the roles and tasks of the subunits of a department.

Grunig and Hunt (1984: 101) identified seven common horizontal structures, based on their experiences with organisations:

(i) Structure by publics

In this type of structure the public relations department is divided into a number of sub-departments that often include media relations, employee relations, community relations, governmental relations or investor relations. Each sub-department therefore deals with a different public considered to be relevant to the organisation



(ii) Structure by management process

The public relations department is organised according to management processes such as planning, evaluation, or research. This kind of structure, according to Grunig and Hunt (1984: 102) works best in combination with both two-way models of public relations, thus in organisations with a complex, turbulent environment.

(iii) Structure by communication technique

A department structured in this way has units responsible for major communication techniques such as press services or publications. This structure is typical for organisations employing the press agency/publicity and the public information models of public relations (Grunig and Hunt, 1984: 102). Such organisations tend to have an above average degree of vertical structuring and usually operate in static environments. This kind of structure however can also be found in organisations in a complex environment in which the dominant coalition allows little empowerment by the public relations department.

(iv) Structure by geographic region

The geographically dispersed nature of some organisations compels them to often organise the public relations department by this structure, and one unit of the department is responsible for each location. This structure does not usually appear alone, as in most cases it will be combined with one of the other structures. It is therefore present in most types of organisations. Grunig and Hunt (1984: 102) argue, however, that this structure '*would be most advantageous ... for an unstructured organisation that faces an environment that is complex as a result of geographic dispersion.*'

(v) Account executive system

This kind of structuring is typically found in public relations consulting firms who assign different employees to each of their clients. This structure can exist in many variations, thus being able to meet different demands. It can provide technical communication services as well as strategic communication planning and it can also serve one or more publics. Finally, it can vary in the vertical structure to fit the client organisation.

(vi) Structure by organisational subsystem

This structure is a variation of the account executive system when it is used by in-house public relations departments. Members of the department are assigned to serve the various subsystems of an organisation as account executives, similar to agency account executives serving different organisations. When utilising this structure the department is however often limited to provide services according to the press agency/publicity and information models of public relations.

(vii) Combination of methods

In reality, according to Grunig and Hunt (1984: 102) it becomes apparent that most organisations practice a combination of the organisational structures presented so far.

Grunig (1989) reviewed the literature on horizontal structures and noted that previous research had indicated that public relations practitioners were not organised primarily by public as purported by Grunig and Hunt (1984). Practitioners are considered to be generalists and have to interact simultaneously with the media, community, government, stockholders, and employees. Grunig (1989) also hypothesised that an organisation's outside environment and its significant publics would dictate the structure of public relations. Consideration of the external environment and the most significant publics can also account for the interaction between the public relations department, marketing, and other communication functions in organisations. Thus organisations with the most dynamic or fluctuating external environments would be most likely to maintain relatively open, interdependent relationships between public relations and marketing programmes (Grunig, 1989).

Van Leuwen (1991) on the other hand proposed a 2 x 2 public relations departmentalising matrix formed by four combinations of function and product/market departmentalising concepts. The matrix is presented in figure 3.1

FIGURE 3.1: DEPARTMENTALISATION OF ORGANISATION AND THE PUBLIC RELATIONS DEPARTMENT

Structuring of the organisation

		Function	Market or public
Structuring of the public relations department	Function	1	2
	Market or public	3	4

Source: Adopted from Lubbe and Puth (1994: 30)

The first combination depicted in figure 3.1 indicates that the organisation is departmentalised by function (marketing, operations and finance) and the public relations operations is departmentalised by function (media services, research, audio-visual productions and publications). This combination relates closely to Grunig and Hunt's structure by communication technique (Lubbe and Puth, 1994: 31).

In the second combination the organisation is departmentalised by market or public (departmentalised according to its products and services relating to specific audiences), but the public relations operations are departmentalised by function (Lubbe and Puth, 1994: 31).

The third combination is where the organisation is departmentalised by function but the public relations operations are departmentalised by market of public. This in return relates closely to Grunig and Hunt's structure by organisational subsystem (Lubbe and Puth, 1994: 31).

In the fourth combination the organisation is departmentalised by market or public and the public relations operations are departmentalised by market or public (Lubbe and Puth, 1994: 31).

Van Leuwen (1991) concluded the following based on his research.



- The public relations units of organisations departmentalised by market or public showed a greater range of interdepartmental or interfunctional co-operation than those departmentalised by function. More joint projects and dual-reporting assignments were undertaken, and other ad-hoc mechanisms were employed to link public relations practitioners to those in marketing, human resources, and finance.
- In organisations where the public relations operations are departmentalised by public or market, there is greater involvement of public relations practitioners in programmatic decision-making and strategic planning at departmental, product group, and organisational levels.
- In organisations whose public relations programmes were departmentalised by function, it appeared that a greater proportion of the practitioner's time went into the technical production aspects of public relations work. In contrast, when the public relations operations were departmentalised by market or public, it appeared that practitioners spent more of their time in consulting and programme planning roles and less with hands-on technical detail. In these cases, more of the production work was handled by outside contractors.
- In organisations whose public relations units were departmentalised by market or public, more attention went to media relations, product publicity, trade promotions, and other aspects of marketing communication. When departmentalised by function, relatively more staffing and attention went to internal communication and community relations.

Lubbe and Puth (1994: 31) draw the conclusion that the scope of public relations function can therefore be influenced by the type of departmentalisation arrangement made by the organisation and by the public relations department.

In chapter 2 (section 2.3.2) the discussions centred on the theme of flexibility and adaptability. Future organisations will be structured to be more flexible and adaptable. Organisations have changed their managerial hierarchies and self-managed teams were discussed as being the answer to improved quality. The use of teams has been successful in a variety of organisations and has therefore gained increased attention as being the foundation for organisations in the future. The open organisation and the boundaryless organisation that

were discussed in chapter 2 are seen as being alternatives for bureaucracy and calls for integration, process and teamwork. Hunter (2000) concurs in chapter 1 (section 1.6) by pointing out that integration of communication refers to an approach to communication management that no longer separates or divisionalises the communication function. Stakeholders must be the starting point and an outside-in approach is needed. Van Leuven's (1991) research also indicated that a greater range of interdepartmental or interfunctional co-operation existed in organisations where the public relations units of organisations were departmentalised by market or public.

The stakeholders of the organisation should therefore be the focus of structuring communication in an organisation. A stakeholder orientation will also form the basis when proposing a framework for structuring the integrated communication function. Stakeholders/publics and relationships were also some of factors derived from the various public relations definitions that formed part of the key elements highlighted in section 3.3. Stakeholders and stakeholder relationship will therefore be discussed further in the next section.

3.5 Management of stakeholders

Steyn and Puth (2000: 187) postulate that to add value to the organisation, communication to the stakeholders should be managed strategically. The needs of the stakeholders must be identified through research and incorporated into organisational strategies and activities directed at stakeholders.

Stakeholder theory states that the environment of any organisation comprises of a variety of stakeholder groups who have vested interests (a stake) in the performance of the organisation (Steyn and Puth, 2000: 187).

Steyn and Puth (2000: 187) purport that understanding the values and expectations of each stakeholder group and determining their willingness in helping or hindering the organisation striving towards its vision, has become crucial. They are also of the opinion that the most important way that communication practitioners can contribute to organisational effectiveness

is through building and maintaining excellent relationships with strategic stakeholders. Positive matching of the needs and objectives of stakeholders and the organisation is therefore required for a lasting relationship.

According to Caywood (1997: xii) it is expected from public relations to manage the organisation's relationship and reputation with many groups. Public relations also strengthens the outside-in perspective more than other professions. Public relations contribute to the outside-in approach through the managed relationships with many stakeholder groups inside and outside the organisational boundaries.

Caywood (1997: xi) suggests that public relations provides the new level of leadership necessary for management to integrate internal as well as external relationships using a wide range of management strategies and tactics including communications and states the following:

Public relations is the profitable integration of an organisation's new and continuing relationships with stakeholders including customers by managing all communication contacts with the organisation that create and protect the brand and reputation of the organisation.

The value of public relations in the integration process lies in the relationship building process with the various stakeholders. The focus on the stakeholders requires a broader thinking in terms of current strategic and operational problems and that organisations, which include stakeholders in their decision-making, will increasingly outperform organisations that ignore the interests of stakeholders (Steyn & Puth, 2000: 190).

According to Steyn and Puth (2000: 194) there are two strategic issues in the management of stakeholders. First, to determine whom the stakeholders are and second what the nature and size of their interests are. They identify the 'interests' of stakeholders as being an *equity stake* for shareholders, an *economic stake* for customers and suppliers, and an *influencer stake* for single-issue groups.

Research is used to identify the organisation’s stakeholders as well as to determine the types of influences they exert. Information through research is a necessity due to the complex nature of stakeholder management and must be used to identify the different characteristics, aspirations, limitations, hopes and fears of stakeholders accurately. Informal research can be used such as regular conversations or through more formal research such as focus groups or opinion research (Steyn and Puth, 2000: 194).

Steyn and Puth (2000: 195) present an outline of some of the stakeholder groups that an organisation needs to consider in their strategic management processes. Only the main stakeholders identified in their stakeholder map is depicted in table 3.3.

TABLE 3.3: A STAKEHOLDER MAP

A STAKEHOLDER MAP
<p><u>EMPLOYEES</u> <i>Management</i> <i>Non-management</i> <i>Union representative</i> <i>Other non-management staff</i></p>
<p><u>COMMUNITY</u> <i>Community media</i> <i>Community leaders</i> <i>Community organisations</i></p>
<p><u>MEDIA</u> <i>Mass media</i> <i>Specialised media</i></p>
<p><u>INVESTORS</u> <i>Shareowners and potential owners/security analysts</i> <i>Financial press</i></p>
<p><u>GOVERNMENT</u> <i>National</i> <i>Provincial/Local</i></p>
<p><u>CONSUMER PUBLICS</u> <i>Employees</i> <i>Customers</i> <i>Activist consumer groups</i> <i>Consumer publications</i> <i>Community media</i> <i>Community leaders and organisations</i></p>
<p><u>SPECIAL PUBLICS</u> <i>Media and leaders</i></p>

Source: Adapted from Steyn and Puth (2000: 196)

Steyn and Puth (2000: 196) postulate that organisations can only be effective and reach their goals if there is shared meaning between an organisation and its stakeholders. It requires the following: first, the values, expectations, needs and feelings of stakeholders should be explained to top management. Second, the consequences of the organisation's behaviour should also be explained to top management and third, the organisation's policies and strategies, and the rationale behind them should be explained to strategic stakeholders.

Steyn and Puth (2000: 204) conclude that a corporate communication manager is needed who can undertake continuous research on stakeholders or publics.

In doing so they can play a significant role in preventing or resolving fundamental conflicts with stakeholder groups leading to the exacerbation or reduction of the problems faced by organisations due to the pressure applied by constituencies.

Building effective relationships with stakeholders through communication has been identified as a crucial factor in the success of an organisation. One way of building these effective relationships is through the use of technologies. According to Heath (1998) new communication technologies offer many opportunities to the effort, which organisations expend to build mutually beneficial relationships with key stakeholders. In chapter 1 (section 1.7) based on a brief discussion on the influences of the World Wide Web it became clear that the Web can be regarded as a useful enabler in building relationships with various stakeholders (thus reflecting a stakeholder orientation). The role of the World Wide Web and the Internet in building relationships with key stakeholders will therefore be fully explored in the next section.

- **The World Wide Web**

The Internet is a worldwide means of exchanging information and communication through a series of interconnected computers. One of the many features of the Internet is the use of electronic mail (e-mail). This feature allows users to send electronic mail anywhere in world. Another, and also the most popular component of the Internet is the World Wide Web (the Web). Thousands of organisations have developed websites to promote their products and

services, by providing current and potential customers with information as well as to entertain and interact with consumers. The Web in other words combines sound, graphic images, video and hypertext on a single page thus representing the commercial arm of the Internet (Belch & Belch, 2000:19).

Heath (1998) purports that considerable attention has been devoted to the Web as a communication tool that can be of assistance to the fields of marketing, advertising and public relations.

This medium presents increased opportunities to organisations to display advertising and public relations messages to attract, persuade, and motivate. In addition this medium is also used with increasing regularity to support media relations and investor relations (Heath, 1998).

Esrock and Leichty (2000) concur by stating that the Internet has generated intense interest among communication professionals in public relations and marketing. Some, according to them, view the Internet as one more channel for communicating with publics whereas others see the potential in the Internet to revolutionise and reform the interaction between organisations and their publics. In spite of these contradicting viewpoints on the potential of the Internet and the Web there is a widespread agreement that they have become important communication media.

Esrock and Leichty (2000) view the Web as potentially more than just a platform for selling to customers. It should enable an organisation to tailor messages to address the concerns and interests of a diverse set of people. What distinguishes it from traditional mass media channels is the fact that a single web site can have multiple sections, each targeted at a different audience such as customers, government, news media, employees, dealers, suppliers and issue activists (Esrock & Leichty, 2000). The audiences mentioned also represent the stakeholders identified by Steyn and Puth (2000) in their stakeholder map (table 3.3). The World Wide Web can thus serve as an important tool in building mutually beneficial relationships with stakeholders.

The interactive nature of the Internet and the Web serves a dual purpose of disseminating messages such as traditional media, but it can also be used to collect data about target audiences and monitor public opinion on issues of interest to the organisation. The organisation can therefore proactively engage stakeholders in direct dialogue about a variety of matters (Esrock & Leichty, 2000).

Ihator (2001) concurs by pointing out that the information empowerment of publics has necessitated the need to shift away from old PR paradigms.

Old and new communication approaches need to creatively converge for maximum effectiveness, as the new medium has the power to maximise or minimise the quality of the relationship between organisations and their relevant publics. The outcome would therefore depend on how organisations perceive, react and use the new medium. Ihator (2001) points out that enhanced corporate reputation and trust-based relationships become a more crucial need in an environment of less traditional relationship coalition.

Organisations must therefore realise that their websites will have viewers (stakeholders) with a varying spectrum of informational needs. A fundamental aspect of the communication process is the receiver of the dialogue and organisations need to be aware of who these receivers are and what their informational needs are (Carrol, 2002).

Carrol (2002) identified certain publics who might be users of an organisation's website. The types of publics are illustrated in Table 3.4.

TABLE 3.4: TYPES OF PUBLICS WHO MAY INTERACT WITH AN ORGANISATION'S WEBSITE

Human Resources	Corporate			Sales & Marketing	
	Internal	External			
		Public Affairs	Financial		Media
-Graduates -Prospective employees -Interviewees	-Employees -Contractors -Families of employees -Trade Unions -Shareholders	-General Public -Local Community -National Government -Local Government -Trade Associations -Educators -Pressure groups	-Investors -Bankers -Consultants -Stock Exchange	-Television -Radio -Press -Trade Press	-Customers -Suppliers -Distributors -Competitors -Wholesalers -Retailers

Source: Adapted from Carrol (2002)

Carrol (2002) is also of the opinion that different departmental functions within an organisation might be responsible for communicating with different publics. The main departments who could potentially use a corporate website for communication purposes were sales and marketing, corporate affairs and human resources.

Integrated communication however, states that communication should no longer be divisionalised but it should be regarded as a single, strategic business function. The study will therefore not categorise the different stakeholders into different departments but will rather treat all the stakeholders as an integrated whole.

Belch and Belch (2001: 19) opine that the Internet should form part of the marketing communication mix and marketing should be responsible for it. They include Interactive/Internet marketing as part of the marketing communication elements and discuss the use of this medium only in regard to the customer and consumer. Again this can be seen as a potential debating point of who or what department should be responsible and whether it is part of the domain of marketing or public relations. Belch and Belch's (2001) viewpoint on interactive/Internet marketing will therefore be discussed to gain an understanding of the marketing viewpoint of this medium in section 4.3.1.

This study however takes an integrated viewpoint of communication in an organisation and will treat the use of Internet and the Web as such. The use of the Internet and World Wide Web will therefore be addressed from a stakeholder's point of view and not from a department or function's point of view.

The question now arises how organisations can use their websites to facilitate more equitable relationships with stakeholders (Esrock & Leichty, 2000). Kent and Taylor (1998) suggest that organisations should design websites to facilitate real dialogue, as dialogic communication created by the strategic use of the WWW is one way for organisations to build relationships with publics. In order to successfully integrate dialogic public relations into the Web, Kent and Taylor (1998) proposed five principles that offer guidelines for the successful integration.

- **Principle One: The Dialogic Loop**

A feedback loop is an appropriate starting point for dialogic communication between an organisation and its publics. A dialogic loop enables publics to send through queries and it provides organisations with the opportunity to respond to questions, concerns and problems.

It is however, imperative for organisations that wish to create dialogic communication through the Internet to train the organisational members who respond to electronic communication as well as ensure the completeness of the dialogic loops incorporated into Web sites.

- **Principle Two: The Usefulness of Information**

An effort should be made to include information of general value to all publics. Audience-specific information should also be organised as such that it is easy to find by interested publics. Making information available to publics is the first step involved in developing a relationship and should therefore create positive attitudes by being easily accessible to all publics. Furthermore information of value should be provided. Information that can be distributed automatically is more desirable than information that must be solicited. Web sites that offer publics an opportunity to sign-up for mailing lists and discussion groups will gain an advantage over competitors that require publics to visit their site and "request"

information. Information is therefore not made available to publics to stifle debate but to allow publics to engage with an organisation in dialogue as an informed partner.

- **Principle Three: The Generation of Return Visits**

Features such as updated information, changing issues, special forums, new commentaries, on-line question and answer sessions, and on-line experts to answer questions are needed on sites to make them attractive for return visits. Updating information and trying to include “interesting” content represents a one-way model of communication. Interactive strategies that include forums, question and answer formats and experts such as featuring the organisation’s President, CEO, or Department head on the site once or twice a month lead to relationship building between and organisation and its publics and are therefore more desirable. Other tools for repeat visits include: formats for frequently asked questions (FAQs); easily downloadable or mailed information; technical or specialised information that can be requested by regular mail or electronic mail; and referral services or links to local agencies or information providers.

- **Principle Four: The Intuitiveness/Ease of Interface**

Visitors should find websites easy to figure out and understand. Tables of contents can be useful and should be well organised and hierarchical. Visitors should not have to follow seemingly “random links” to discover what information a site contains and where links will lead. Content should therefore be more textual than graphical. Sites that could be of use or could be accessed by any individual should not contain interfaces that exceed the software or computer memory capacity of “slightly-below-average” users. Sites should therefore be interesting, informative and contain information of value to publics. Thus, if an organisation creates a perception that it does not care about all the stakeholders but only about the technologically privileged then the Web site has failed to foster dialogic relationships.

- **Principle Five: The rule of Conservation of Visitors**

Organisations should be careful to include links on their Web pages that can lead visitors astray. Web Sites should only include “essential links” with clearly marked paths for visitors to return to the site. Web designers should therefore place sponsored advertising or institutional advertising at the bottom of the pages to avoid the tendency of users to be led

astray. This principle follows the suggestion that dialogic communication should be the goal of interaction and not merely a means to an end.

The above discussions focused on stakeholder relationships and the use of the Web and the Internet. The most important way in which communication practitioners can contribute to organisational effectiveness is through building and maintaining excellent relationships with stakeholders. Effective relationships with stakeholders can be built by using technologies such as the Web and Internet. Organisations must however be aware that certain “pre-requisites” may exist for them to do so effectively. Kent and Taylor (1998) proposed five principles for organisational websites offering guidelines to organisations to create dialogic communication that is needed for effective relationship building.

This research study (as part of the secondary research objectives) will explore how organisations are using their corporate websites for communications purposes and whether organisations integrate dialogic public relations, that is needed to build relationships with stakeholders, through their websites.

One practical way of executing this is to analyse the websites of organisations to determine their ability to facilitate real dialogue with their stakeholders. Dialogic communication has been identified by Kent and Taylor (1998) as one way for organisations to build relationships with their publics.

The five principles identified by Kent and Taylor (1998) that offer guidelines for the successful integration of dialogic public relations through the Web will therefore be incorporated to analyse the websites of the organisations through content analysis.

3.6 Summary

Modern public relations is still a relatively young discipline compared to other disciplines and are still evolving. The history of public relations as a recognised area of business had its origins in the USA. The development of public relations in the United States went through five distinct phases and relates to the type of public relations practised during that period.

Four models were constructed (Grunig & Hunt, 1984) based on the history that has since been the object of intense research by various academics and students. In two of the models (Press Agency/Publicity and Public Information) communication is one way: from the organisation to the public.

In the other two models (Two-way Asymmetric and Two-way Symmetric) communication flows both ways between the organisation and its publics. The nature of communication is however different in terms of asymmetrical versus symmetrical.

Public relations from its modern beginnings has suffered from an identity crisis because of the limitless scope of activities taken on by public relations professionals. The short history of modern public relations has produced various definitions. The contents of the many definitions however emphasised certain common notions such as the fact that public relations is a planned sustained programme as well as the relationships that exist between an organisation and its' various publics. Three elements namely management, organisation and publics are also common in the definitions. Individual organisations and groups often however, use other terms to describe the public relations function such as corporate communication, corporate affairs, corporate relations, marketing services and external affairs.

Public relations should report to top management but is often subordinated to advertising, marketing, legal or human resources. When structuring the public relations function the environment should be taken into account. Organisations develop either a flexible or a rigid vertical structure based on the environment they face. Vertical structures define the power and authority within a system and horizontal structures define the role and tasks and subunits of a department. Seven common horizontal structures were defined, namely structure by publics,



management process, communication technique, geographic region, account executive system, organisational subsystem or a combination of methods can be used. A public relations departmentalising matrix with four combinations of function and product/market concepts was also proposed. In the matrix the scope of public relations can be influenced by the type of departmentalisation arrangements made by the organisation and by the public relations department.

A conclusion can be drawn that the stakeholders of an organisation should be the focus of structuring communication in an organisation. Building and maintaining excellent relationships with stakeholders is therefore essential in contributing to the effectiveness of the organisation.

New communication technologies such as the Web and Internet can provide the organisation with many opportunities to build mutually beneficial relationships with key stakeholders. In order to facilitate more equitable relationships with stakeholders organisations can use their websites to facilitate real dialogue. Five principles were identified that offer guidelines in the creation of dialogic communication.

This chapter focused on the various definitions of public relations, how it has evolved throughout history, the organising of the function, and stakeholder relationships. The next chapter will investigate the relationship between public relations and marketing in more detail. The concepts of integrated marketing communication and integrated communication will receive closer attention as the primary objective of the research focuses on integrated communication.

CHAPTER 4

PUBLIC RELATIONS AND MARKETING

4.1 Introduction

According to Lubbe and Puth (1994:26) the theory of public relations stresses that public relations is a management function equal to all other major functions of the organisation such as marketing management and financial management.

The marketing literature according to Kitchen & Papasolomou (1997: 71) indicates that many businesses have elevated marketing activities to a dominant organisational position. Marketing is therefore treated as the most important commitment within an organisation. This means that the public relations discipline has often been subsumed under the marketing function. There has however been an increasing recognition for strategically managed communications programmes that can contribute effectively to the achievement of corporate and business objectives (Moss *et al.*, 1996: 70). The growing acceptance and acknowledgement of public relations in recent years can be attributed in part to the increased social, political and consumer pressures experienced by organisations in all sectors to act in a more socially responsible manner. Public relations has proven its worth as the function best able to respond to such pressures (Moss *et al.*, 1996: 70).

The growing recognition of the importance of public relations has however, not occurred in all the sectors of the industry. In some of the sectors public relations still tends to be treated largely as part of the marketing communication mix within many organisations. The organisation therefore still treats it simply as a tactical publicity function (Moss *et al.*, 1996: 70). Kitchen and Papasolomou (1997: 71) reviewed various articles and concluded that PR and marketing communications practices are recognised as increasingly integrated and converging concepts. This led to the confusion concerning the distinction between marketing and PR in the literature as these articles reflect a growing tendency for PR and marketing to be seen as converging disciplines in both professional and academic circles.

The debate of not subsuming public relations under other functions or treat it as merely publicity, centres mainly on the relationship between marketing and public relations. It is therefore necessary to explore this relationship in more detail. The first part of this chapter will provide a brief overview of the marketing function and the evolutionary developments of it to be able to fully comprehend the concepts of integrated marketing communication. Various viewpoints in this regard will be discussed in the second part of the chapter.

4.2 Marketing

Similar to public relations, marketing has been defined in many different ways, emphasising different aspects of marketing. One of the most widely acknowledged definitions can be found in Kotler (1997: 9), namely:

Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating, offering, and exchanging products of value with others.

Kotler (2000: 8 and 2003: 9) however distinguishes between a societal and a managerial definition. He uses the above definition (without the term “managerial process”) as the societal definition and the American Marketing Association’s definition as the managerial definition.

Two other popular and widely accepted definitions are quoted in Brassington & Pettitt (1997: 5). The one is preferred by the UK’s Chartered Institute of Marketing (CIM) and the other by the American Marketing Association (AMA), namely:

Marketing is the management process, which identifies, anticipates, and supplies customer requirements efficiently and profitability. (CIM)

Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchange and satisfy individual and organisational objectives. (AMA)

The above definitions emphasise the fact that marketing is more than selling, just as public relations is more than publicity. Kotler (1997: xxxii) is of the opinion that marketing is one of the most dynamic fields within the management arena. Organisations therefore have to continually respond to the new challenges that the market place has to offer.

Kotler (1997: xxxii) identified several emphases in marketing thinking. Only those emphases that relate to the study will be discussed, namely:

- **A growing emphasis on quality, value, and customer satisfaction.** Customers place a greater weight on quality and value in making their purchasing decisions.
- **A growing emphasis on relationship building and customer retention.** The focus is on creating lifelong customers. The shift is from transaction thinking to relationship building.
- **A growing emphasis on managing business processes and integrating business functions.** Organisations are shifting their thinking from managing a set of semi-independent departments to managing a set of fundamental business processes. Organisations are assigning cross-disciplinary personnel to manage each process. Marketing personnel are increasingly working on cross-disciplinary teams rather than only employing staff in the marketing department. The usage of cross-disciplinary teams strengthens Askenas *et al.*'s (1995: 127) argument discussed in chapter 2, section 2.3.2(b) that the focus should be on the customer. Teams should form and reform to serve the customer and learning must be shared across teams thus creating multi-disciplinary teams that work across boundaries to serve the customer.

Kotler (2000: 27) believes that marketers are rethinking their philosophies, concepts and tools in the new millennium in the following ways:

- **Relationship marketing.** The focus is still on building long-term, profitable customer relationships.
- **Customer lifetime value.** Shift is from making a profit on each sale to making profits by managing customer value.

- **Customer share.** The focus has changed from market share to building customer share by offering a large variety of goods to existing customers and training their employees in cross-selling and up-selling.
- **Individualisation.** Focus is on individualising and customising messages and offerings.
- **Customer database.** Shift from collecting sales data to building a rich data warehouse of information about individual customer's purchases, preferences, demographics and profitability,
- **Integrated marketing communications.** Focus is on blending communication tools to deliver a consistent brand image to customers at every brand contact.
- **Channels as partners.** Shift is from treating intermediaries as customers to treating them as partners in delivering final value to customers.
- **Every employee is a marketer.** Changing the focus to the realisation that every employee must be customer focused.

Kotler's (2003) viewpoint on how the business beliefs in the old economy are shifting was discussed in section 1.3 and will not be entertained again in this chapter.

The factors identified by Kotler (1997) and the rethinking of philosophies purported by Kotler (2000) as well as the shifting of business beliefs offered by Kotler (2003) in section 1.3, correlates with the factors that is needed for integrated communication. Integrated communication focuses on the stakeholders (stakeholder map compiled by Steyn and Puth, 2000, and discussed in section 3.5) of an organisation – customers, channel members and employees identified by Kotler (2000: 28). Integrated communication integrates communication and does not divisionalise the communication function - a growing emphasis on managing business processes and integrating business functions identified by Kotler (1997: xxxii). Integrated communication also focuses on building two-way mutually beneficial relationships with stakeholders – growing emphasis on relationship building identified by Kotler (1997: xxxii) and Kotler (2000: 28). These are just a few of the factors identified that illustrate how marketing and communication have grown in orientation and focus.

The next discussion will provide an insight how marketing has evolved from being production-oriented to being concerned about the customer and society. The evolving focus of marketing also stresses the importance of the customer and successful relationship building as being essential for long-term business success.

4.2.1 Development of marketing orientation

Strydom, Cant and Jooste (2000: 10) are of the opinion that four competing orientations – production, sales, marketing, and societal marketing orientations - strongly influenced organisations' marketing activities over the years. Kotler (1997: 17) also discusses the four orientations but includes the product concept as a fifth orientation. A brief overview will be given of each of the orientations.

- **Production orientation.** Consumers will favour those products that are widely available and low in costs (Kotler, 1997: 17). A production orientation therefore focuses on the internal capabilities of the organisation rather than on the desires and needs of the marketplace (Strydom *et al.*, 2000: 10).
- **The product concept.** According to Kotler (1997: 17) managers in product-oriented organisations focus their energy on making superior products as consumers will favour those products that offer the most quality, performance, or innovative features. These organisations therefore design their products with little or no customer input.
- **Sales orientation.** This orientation is based on the premise that aggressive sales techniques will ensure that more products are bought and will therefore result in higher profitability (Strydom, *et al.*, 2000: 11). Again the aim is to sell what organisations make rather than make what the market wants (Kotler, 1997: 19).
- **Marketing orientation.** This orientation according to Strydom *et al.* (2000: 12) is based on an understanding that a sale depends on a customer's decision to purchase a product and not on an aggressive sales force. They are of the opinion that this orientation has led to the *pure marketing concept*, which can be regarded as an ethical code or philosophy according to which the marketing task is performed. Kotler (1997: 19) is of the opinion that the key to the marketing concept is the *integration* of marketing activities in order to determine and satisfy the needs of the consumer.

According to Kotler (1997: 20) the marketing concept rests on four pillars, namely; target market, customer needs, integrated marketing and profitability. Organisations function more effectively when they define their target markets and prepare a tailored marketing programme for them. Marketing actions should then be aimed at satisfying consumer needs, demands and preferences. When all the organization's departments work together to serve the customer's interests it results in **integrated marketing**. Integrated marketing takes place on two levels. *First*, the various marketing functions must work together and *second*, marketing must be well co-ordinated with other departments.

- **The societal marketing orientation.** According to Kotler (1997: 27) this concept holds that *the organization's task is to determine the needs, wants, and interests of target markets to deliver the desired satisfactions more effectively and efficiently than competitors in a way that preserves or enhances the consumer's and the society's well-being*. Building social and ethical considerations into marketing practices is at the core of the societal concept.

Marketing activities have changed over the years from focusing only on the internal processes of the organisation to recognizing the social responsibility of an organisation in terms of its marketing practices. The complete focus of practicing public relations within the two-way symmetrical model is to recognise that an organisation's actions can affect key publics and vice versa. Grunig and Grunig (quoted in Bruning and Ledingham, 1999) suggest that conceptualising and practicing public relations within the two-way symmetrical model may lead to the organisation developing a more relationally based focus, and can lead the organisation to become more effective and more ethical, and positively influence an organisation's revenue stream. Practicing the two-way symmetrical model of public relations complies with the societal marketing orientation.

The marketing focus has also changed over the years to support a relationship-based approach. Again practicing the two-way symmetrical approach to public relations can contribute to effective relationship building. The evolution of the changing marketing focus will be further explored in the next section.

4.2.2 The evolution of marketing focus

Over the years the focus of marketing has changed. The movement from being mass oriented to a new orientation of customising marketing efforts both in terms of the communications and their promotion intensity or investment is illustrated in table 4.1 through three related sets of trends in the ongoing evolution of marketing practice (Morris, 1997).

TABLE 4.1: THREE DIFFERENT WAYS IN WHICH THE FOCUS IN MARKETING IS EVOLVING

Approach to the marketing mix	Approach to the customer	Performance objectives
Mass marketing "rely on one size fits all"	Discrete transactions "The customer is the fish to be caught"	Sales "close the deal"
↓	↓	↓
Segmented marketing "find groups of customers with homogeneous needs/buying behaviour"	Repeat the transactions "tie the customer in"	Market share "own your market, or capture all you can"
↓	↓	↓
Niche marketing "Specialise in a segment"	Brand source loyalty "Create a sustainable attitudinal preference"	Operating profit "Generate an acceptable rate of return on product/segment/channel investments"
Relationship marketing "Invest in a two-way, mutually and ongoing exchange"	↓	↓
↓	Relationships "Invest in a two-way mutually beneficial and ongoing exchange"	Customer equity "Focus on our desired proportion of the buyers' total expenditures on a product class over a number of years"
One-to-One marketing "Customise to the level of the individual customer"	↓	
	Partnerships "Develop products, processes, technologies jointly with customers"	

Source: Adapted from Morris (1997)

The trends of mass marketing versus relationship marketing identified by Morris (1997) in table 4.1 will be further discussed.

(a) Mass Marketing

In the early stages of the marketing orientation, marketers predominantly employed mass marketing, which according to Schultz, Tannenbaum & Lauterborn (1993: 5) was invented to sell standardised mass produced products to a similarly standardised, undifferentiated mass of consumers.

The media were also mass-oriented and led to mass marketing and mass consumption. Homogeneous markets were created through the combination of manufacturing efficiencies, mass distribution and mass media (Cram, 1994: 2). According to Schultz *et al.* (1993: 5) advertisers viewed the audience as mindless with manipulative, formula-driven advertising where repetition seemed to offer quick results.

The collapse of the mass media shook the foundations of the whole system upon which marketing and advertising was based. Fizdale (1994: xi) describes it as follows; “the old assumptions, strategies and tactics for reaching a broad base of people with a single selling message delivered by mass media are no longer valid. Television, once the greatest mass communication vehicle, is impotent. The database will prove to be a more powerful marketing tool than television ever was.”

Schultz *et al.* (1993: 51) contend that one-way forms of marketing communications worked well in the era of mass marketing when the manufacturer controlled most of the product information. The manufacturer could select broadly available and widely used media forms to reach a large number of consumers at the same time. Product and information however, expanded and the ability of the one-way form of communication to influence consumers declined. The dramatic changes of the media systems necessitated the need for two-way systems. In this system the marketer and the consumer are involved in an exchange of information. Schultz *et al.* (1993: 52) mention that in many arenas this two-way communication has been referred to as “relationship” marketing.

They also state: “we believe that relationship marketing is the key to all future marketing efforts. It is only through integrated marketing communications, however that relationships can be build”. Schultz *et al.* (1993: 52) are also of the opinion that in order to establish two-way relationship communication some form of database or a database-marketing programme is necessary.

(b) Relationship marketing

According to Strydom *et al.* (2000: 16) relationship marketing is a logical development in the gradual evolution of marketing thought and can therefore be seen as the successor to mass marketing. Relationship marketing is defined by Cram (1994: 19) as “... the consistent application of up-to-date knowledge of individual customers to product and service design which is communicated interactively, in order to develop a continuous and long term relationship, which is mutually beneficial.”

Kotler (1997: 12) defines relationship marketing as “the practice of building long-term satisfying relations with key parties – customers, suppliers, distributors – in order to retain their long-term preference and business.”

Cram’s definition (1994) only focuses on the customer and relationship building with the customers whereas Kotler’s (1997) definition includes customers, suppliers and distributors as “key parties”. It is surmised that these definitions omit other important stakeholders. In relationship building it is imperative that a relationship should be build with all the organisation’s stakeholders thus reflecting a stakeholder orientation. By focusing only on certain stakeholder an organisation sends out a message that some groups and their needs are more important than others. In order for an organisation to communicate a consistent message all stakeholders should be the focus.

Payne (1995) also focuses on the customer as the main stakeholder in relationship marketing. He compares relationship and transactional marketing, but only from a customer’s viewpoint.

Payne (1995) is of the opinion that one of the reasons for the shift to relationship marketing was the changing view of marketing from a function in the 1980s to a business philosophy in the 1990s. With marketing being viewed as a function, like operations, finance and information technology, in the 1980s, staff was encouraged to work only within their field of specialisation. The 1990s view of marketing, however, is that of an organisational attitude, an ethos, which meant that it is no longer the job of the marketing department to be customer oriented. Marketing should represent a total approach to business with the customer placed at the centre. Instead of a transactional focus in marketing, the organisation should be focused on developing relationships with customers as presented in table 4.2.

TABLE 4.2: TRANSACTIONAL VERSUS RELATIONSHIP MARKETING

	Transactional marketing	Relationship marketing
Focus on...	Obtaining new customers	Customer retention
Orientation to...	Service features	Customer benefits
Timescale...	Short	Long
Customer service...	Limited emphasis	High emphasis
Customer...	Limited	High commitment
Customer contact...	Limited	High
Quality...	Primarily an operations concern	The concern of all

Source: Adopted from Payne (1995: 6)

Payne (1995) purports in table 4.2 that quality in relationship marketing is the concern of all. To only focus on the customer will not lead to such an orientation. To however, focus on all stakeholders, an organisation as a whole can become stakeholder oriented and in the process quality will become the concern of all.

Kotler (1997: 12) on the other hand argues that the ultimate outcome of relationship marketing is the building of a marketing network.

A marketing network, according to him, consists of the organisation and its supporting stakeholders: customers, employees, suppliers, distributors, retailers, ad agencies, university scientists and others with whom the organisation has built mutually profitable business relationships. He includes all stakeholders in his definition but discusses relationship marketing further only in regards to the customer.

He bases relationship marketing on the premise that important accounts need focused and continuous attention. He concludes that when a relationship management programme is properly implemented, the organisation will begin to focus as much on managing its customers as on managing its products.

The definitions of public relations discussed in chapter 2 postulate mutually beneficial relationship building as being crucial for organisations. The question that arises from the discussions so far is: what is the difference between relationship marketing/management and public relations. Ledingham & Bruning (1998: 55) are of the opinion that academics and practitioners are increasingly defining public relations as relationship management. According to them the term 'public relations' implies that the research and practice of the discipline should focus on an organisation's relationships with its key publics, concern itself with the dimensions upon which that relationship is built, and determine the impact of the organisation-public relationship on the organisation and its key publics. The view of public relations as relationship management also represents a conceptual change. The traditional view of public relations as primarily a communications activity is changing and instead relationship management is conceptualised as a management function that utilises communication strategically.

Bruning and Ledingham (1999: 157) posit that the relationship management perspective shifts the practice of public relations away from the manipulation of public opinion towards a focus on the building and maintaining of organisation-public relationships. They are also of the opinion that in order to study public relations as relationship management, it is necessary to integrate concepts that stem from various disciplines such as mass media, interpersonal communication, interorganisational behaviour, social psychology, marketing and management.

Bruning and Ledingham (1999) further postulate that in order for an organisation to practice public relations from a relational perspective, the organisation must first recognize that it can affect the lives of the members of its key publics, and also recognize that members of the key publics can affect the organisation.

Marketing has changed in its focus and orientation to accommodate the changing environment. Relationship marketing is being promoted as being an important philosophy for the new millennium. Some of the definitions of relationship marketing however focuses primarily on relationship building with the customer and omits other stakeholders (Cram, 1994, and Payne, 1995). Public relations on the other hand realises that an organisation can affect the lives of the members of their key stakeholders and also recognises that members of key stakeholders can affect the organisation. It seems inevitable that public relations and marketing are moving closer through the relationship management/marketing concept.

Relationships can however not be built without communication. The discussions to follow on the relationship between marketing and communication will therefore be based on the theme of communication in an organisation. The next discussion in section 4.3 will focus on the relationship between marketing and public relations from a communication viewpoint and will explore the concepts of integrated marketing communication (IMC) and integrated communication (IC) further.

4.3 The relationship between marketing and public relations

Spicer (1991: 293) is of the opinion that although marketing and public relations programmes may be co-mingled in organisations, each field stresses different communication skills. Public relations engages in a broader and more diverse range of communication activities than marketing. He concludes that these functions should be viewed as independent and interdependent rather than independent and adversarial. His opinion, though relatively dated, highlights the debate centring on the “appropriate mix” between marketing and PR. More recent studies and models will be discussed in section 4.3.3 that focus on integration as the answer to the debate.

The IMC concept focuses on the integration of the various marketing communications elements to provide added value to the customer. Grunig and Grunig (1998: 157) opine that public relation theorists and marketing communication theorists conceptualise communication in a different way - integrated communication programmes apply marketing communication theory rather than public relations theory, and that public relations and marketing should remain separate.

Their model as well as other IMC and IC models will be discussed and explored in section 4.3.3. However, before the concept of integration can be discussed, the various elements of marketing communications involved need attention first.

4.3.1. The marketing communication mix

According to Bearden, Ingram and LaForge (1998: 401) marketing communications involve marketer-initiated techniques directed to target audiences in an attempt to influence attitudes and behaviours. They are of the opinion that the ultimate goal of marketing communications is to reach some audience to affect its behaviour. In order to inform, persuade and remind targeted consumers effectively, marketers rely on one or more of the major elements of the mix. Brassington & Pettitt (1997: 569) argue that the promotional mix is the direct way in which an organisation attempts to communicate with various target audiences.

Marketing authors (Kotler, 2000; Bearden *et al.*, 1998; and Brassington & Pettitt, 1997) identify the elements of the marketing communication mix as advertising, sales promotion, public relations and publicity, personal selling and direct marketing. Their explanations of the elements are very similar and will therefore be discussed according to Bearden *et al.* (1998).

Bearden *et al.* (1998: 403) identified the following five elements of the marketing communications mix, namely:

Advertising. It is nonpersonal, paid for by an identified sponsor and disseminated through mass channels of communication to promote the adoption of goods, services, persons or ideas. Marketers use media such as television, radio, outdoor signage, magazines, newspapers and

the Internet to advertise. Its ability to reach a mass audience makes it an efficient method for communicating with a large target market. Bearden *et al.* (1998: 403) opine that traditionally advertising has been the most recognised form of marketing communications due to its high visibility.

Public relations. This function identifies, establishes, and maintains mutually beneficial relationships between an organisation and the various publics on which its success or failure depends. A key aspect of public relations is publicity. Publicity is focused on generating media coverage at no cost to the organisation (Bearden *et al.* 1998: 404).

Sales promotion. It includes communications activities that provide extra value or incentives to ultimate consumers, wholesalers, retailers or other organisational customers and can stimulate immediate sales. It attempts to stimulate product interest, trial, or purchase (Bearden *et al.* 1998: 404).

Personal selling. Personal selling involves interpersonal communications between a seller and a buyer to satisfy buyer needs to the mutual benefit of both parties. What distinguishes it from other non-personal forms of marketing communication is the personal nature of the method. Bearden *et al.* (1998: 405) contend that the flexibility of this method makes it an excellent communications medium for establishing and nurturing customer relations.

Direct marketing communication. It is a process of communicating directly with target customers to encourage response by telephone, mail, electronic means, or personal visit. Popular methods include direct mail, telemarketing, direct-response broadcast advertising, online computer shopping services, infomercials and shopping networks. It often uses precise means of identifying members of a target audience and compiling customer/prospect databases with postal addresses, telephone numbers, account numbers, e-mail addresses or fax numbers that allow access to the buyers (Bearden *et al.* 1998: 404).

Note the inclusion of public relations as a tool of marketing communication. The definition used to describe public relations does acknowledge the building of mutually beneficial

relationships. Public relations however is still used interchangeably with publicity by various marketing authors (Kotler, 2000: 565; Boyd, Walker & Larréché, 1995: 374). However, the different phases in evolutionary process of public relations is ignored. Public relations moved from the press-agentry/publicity model to the two-way symmetrical model (discussed in chapter 1). By portraying public relations and publicity as the same and ignoring the evolution, will be similar as to view marketing and production as interchangeable concepts: thus ignoring the evolution of marketing.

Some authors such as Harris (1993: 13) make a distinction between public relations activities that support marketing and those that define the organisation's relationships with its publics: he adds another element to the marketing communications mix namely marketing public relations (MPR). Harris (1993: 13) is of the opinion that public relations' concern about an "attempted takeover of the public relations function by marketing" is nothing more than a near hysteria. He supports this by stating:

I take the view that marketing and public relations can, should and must be compatible. I make a clear distinction between those public relations functions which support marketing which I call **MPR** and the other public relations activities that define the corporation's relationships with its non-customer publics which I label CPR.

Harris (1993: 14) contends that corporate public relations (CPR) is needed to counsel management and gain understanding of corporate goals in a volatile business environment whereas effective marketing public relations (MPR) is needed to support marketing goals in a competitive marketplace. According to Harris (1993: 14) marketing managers are confused about the nature of the relationship between marketing and public relations despite their recognition of the strategic role that public relations can play in achieving marketing objectives. Harris (1991: 26) distinguishes MPR from the broader field of public relations by stating various differences between MPR and CPR. According to him CPR is concerned with the organisation's relationships with non-customer publics such as media, investors, government and the community as well as employee communications, public affairs and advocacy advertising. CPR is a line function and reports to top management whereas MPR is a staff function that reports to the head of marketing and supports marketing objectives.

Harris (1993: 15) concludes that MPR adds value to integrated marketing communications programmes by building marketplace excitement before media advertising breaks. MPR also creates advertising news where there is no product news, introduce a product when there is little or no advertising, provide a value added customer service and influence the influentials.

Marken (1995: 47) identified certain factors that have forced organisations to turn their attention to marketing public relations. The business climate has changed in the sense that consumers are demanding better product value and management are realising that product communication entails more than just new product advertising. The increasing clutter of advertising has also forced management to look for additional and cost-effective means of communicating. Marken (1995: 47) is of the opinion that the biggest force that caused a change in the way management think about MPR, was that management and marketers realised that the similarity in products, services, prices and advertising required new differentiators. Management needed “new tools” to differentiate them from their competitors.

The use of the Internet and the World Wide Web to build better and more effective relations with people can be regarded as such a tool. Belch and Belch (2001: 19) include interactive/Internet marketing as an element in the marketing communications mix. They postulate that the interactive nature makes it a very effective way of communicating. The difference between the Internet and the World Wide Web has been highlighted in section 3.4 and will not be entertained again.

The working relationship between the Internet and other communication elements will however be highlighted (from the viewpoint of Belch & Belch, 2001: 506) as it will form part of the coding sheet (discussed in section 1.10) that will be used in the data collection phase of this study.

- **Advertising and the Internet**

The Internet can be regarded as an advertising medium like broadcast and print. Advertising on the Internet employs a variety of forms such as banners, pop-ups, interstitials and push technologies. The aim of this research is however not to analyse the specific advertising forms but only to determine how organisations use their websites for communication purposes. The

advertising part on the code sheet will therefore only address advertising in terms of the products offered by organisations.

- **Sales promotion and the Internet**

Sales promotions on a web site are used as a method of generating excitement. Sales promotions can include free gifts, games and competitions and coupons. These elements are included in the coding sheet to determine if it forms part top South African organisations' communication on their websites.

- **Personal selling and the Internet**

Websites have been used effectively to enhance and support the selling effort. The Web has become a primary source of information and visitors to websites can gain information on an organisation's products and services. These visitors can in return become a valuable resource for leads that salespeople can follow up. The offering of demonstrations and/or samples online can also stimulate trial use of products. Personal selling was however not included in the code sheet as it does not form part of the focus of this research.

- **Public Relations and the Internet**

The Internet can be regarded as a useful medium for conducting public relations activities. Activities include media relations, annual reports and corporate social responsibility. The use of the Internet and the Web in building effective relations with the various stakeholders of the organisation was discussed in section 3.4 and will not be discussed again. Several public relations activities were also included on the code sheet and will be addressed in the empirical part of this study.

- **Direct marketing and the Internet**

Many direct marketing tools have been adapted to the Internet. Two perspectives can be adopted namely, the usage of direct marketing tools for communication objectives and e-commerce. Tools include elements such as direct mail and infomercials. E-commerce relate to direct sales on the Internet. The e-commerce perspective was adopted in the coding sheet under the heading of direct marketing and not the tools of direct marketing.

The relationship between the Internet and the marketing communication elements has been discussed. Belch and Belch (2001: 506) also stress the importance of integrating all these elements. Integration of the marketing communication elements in a complicated world of technology becomes a necessity. The concept of integrated marketing communications (IMC) stresses the amalgamation of the practices of public relations, marketing, advertising and promotion and therefore integration.

The concept of IMC has evolved since its conception and various models have been proposed. Moriarty (1994: 38) contends that IMC, through its evolution, has developed its own approach to holistic communication. She is of the opinion that the amalgamation of PR, marketing, advertising, and promotion is more than just marketing communication “revised with warmed over PR concepts like relationships and stakeholders”. It is a concept with its own identifiable theories and practices.

This study focuses on integration of communication in organisations. The concept of IMC and IC therefore need to be explored in detail, and the rest of the chapter will focus on these two concepts. The evolution of the IMC concepts and the various definitions are discussed first in order to ensure a better understanding of the concepts before the various models of IMC and IC are further explored.

4.3.2 Evolution of the IMC concepts

In the late 1970s and throughout the 1980s ad agencies merged with public relations, sales promotion and direct response agencies in an attempt for financial gain (Duncan & Caywood, *in* Thorstone and Moore, 1996:13). Duncan and Caywood (*in* Thorstone and Moore, 1996:13) are of the opinion that ad agencies still had tunnel vision in the sense that they were focusing on the financial benefits and not because they understood the integrated marketing concept.

The American Association of Advertising Agencies labelled the concept “new advertising” and in the process did little to build relationships with other non-advertising communication agencies. Public relations academics, according to Duncan and Caywood (*in* Thorstone & Moore, 1996:14) saw this as “marketing imperialism” and therefore preferred the term

“integrated communications” rather than including the “marketing” label. Duncan and Caywood (*in* Thorstone & Moore, 1996:14) see integrated communications to be the advanced stage of integrated marketing communication.

Percy (1997: ix) is of the opinion that during the 1990s integrated marketing communication became one of the most talked about ideas in marketing. The problem with this topic is that it seems to be focused more on the discussion than the implementation. He identifies (IMC) as “the planning and execution of all the types of advertising and promotion selected for a brand, service, or company, in order to meet a common set of communication objectives, or more particularly, to support a single positioning” (Percy, 1997: 2). This definition however, mentions only advertising and promotion as communication techniques in the positioning of a product, and omits the “target market” for the communication (as it is only aimed at consumers and does not explicitly include other stakeholders as well).

Percy (1997: 8) quotes the director of the integrated marketing communications graduate program at the University of Colorado in stating that IMC is both a concept and a process. One has to think about all of the marketing communications needs in an integrated way to ensure a “one voice, one-look approach” (criticised by Grunig and Grunig (1998) in section 4.3.3.) to how a brand, organisation, or service are presented, whereas the implementation might prove to be more difficult.

According to Percy (1997: 9) the marketing or communication manager should use the vast array of advertising and promotion alternatives available to achieve the desired communication effects. In his opinion what IMC actually means in practice, is the ability to select the best ways of delivering the marketing communication, once the appropriate types of advertising or promotion have been selected.

Harris (1998: 3) posits that IMC is the marketing concept of the 1990s and it will be the marketing practice necessary for survival in the 21st century. This is causing marketers to look at the components of marketing in a new way. Harris (1998: 5) simplifies the idea of IMC into one word namely, *synergy* and offers the following definition:

In marketing, synergy means that when all products and corporate messages are strategically coordinated, the effect is greater than when advertising, sales promotion, public relations, etc., are planned and executed independently, with each competing for budgets and power and in some cases sending out conflicting messages.

Bearden *et al.* (1998: 406) view integrated marketing communication as the strategic integration of multiple means of communicating with target markets to form a comprehensive, consistent message.

Schultz, Tannenbaum and Lauterborn (1993) see IMC as:

A new way of looking at the whole, where once we only saw parts such as advertising, public relations, sales promotions, purchasing, employee communications and so forth. It's realigning communications to look at the way the consumer sees it – as a flow of information from indistinguishable sources. Professional communicators have always been condescendingly amused that consumers called everything 'advertising' or 'PR'. Now they recognize with concern if not chagrin that that's exactly the point – it is all one thing, at least to the consumer who sees and hears it.

This definition also limits communication to only the customers.

Duncan and Caywood (*in* Thorstone & Moore, 1996:14) offer a definition compiled by Duncan that focuses more on relationship building with all stakeholders namely:

IMC is the process of strategically controlling or influencing all messages and encouraging purposeful dialogue to create and nourish profitable relationships with customers and other stakeholders.

Duncan and Caywood (*in* Thorstone & Moore, 1996:14) concluded that the evolution of IMC definitions has moved away from the literal integration of major communication functions under direct control of an organisation. It has expanded the concept of audience and placed more emphasis on long-term effects such as brand loyalty and maintaining relationships rather than just on impact. Duncan and Caywood (*in* Thorstone & Moore, 1996:14) also state that the adding of "stakeholders" to the definition has moved the concept beyond consumer target

audiences to include employees, stockholders, regulators, and all those who have a direct or indirect impact on organisational operations and profitability.

The question why organisations need to integrate their communications arises. Various authors highlighted trends that necessitated new ways of communication – moving from a single focus to a more integrated approach.

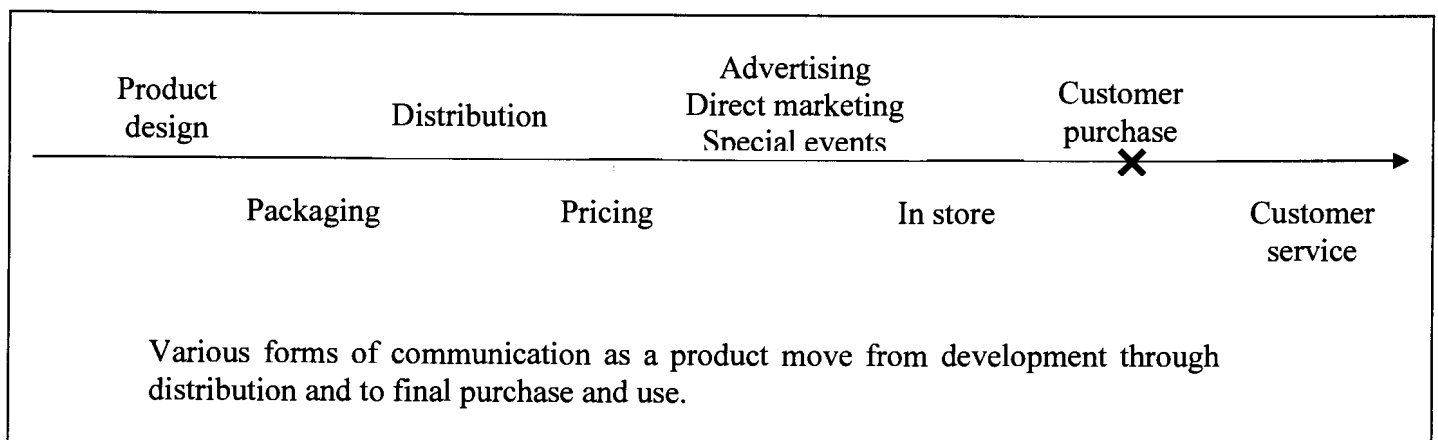
Duncan and Caywood (*in* Thorstone & Moore, 1996:15) identified certain market trends and changes that led to the adoption of integrated marketing communication, namely:

- ***Decreasing message impact and credibility:*** The growth of commercial messages led to decreased impact.
- ***Decreasing cost of using databases:*** Cost reduction and increased sophistication of audience segmentation has increased the opportunity for marketers to reach target audiences more efficiently.
- ***Increasing client expertise:*** Clients are no longer accepting TV advertising to be the primary medium for reaching consumers. They are also realising the importance of communicating to all other stakeholders and not just consumers.
- ***Increasing mass media costs:*** Database costs decreased but mass media, especially television increased.
- ***Increasing media fragmentation:*** The increase in different media (magazines and radio stations) increased the competition for consumers' attention.
- ***Increasing audience fragmentation:*** Computers and more sophisticated research methods led to more accurate segmentation of target audiences and in return led to greater emphasis being placed on finding the right media to effectively reach niche markets.
- ***Increasing number of “me-too” products:*** Retailers are being flooded with new products almost identical to existing products. This led marketing communication to create either a strong brand image and/or deliver enough commercial messages to gain attention and sales.
- ***Increasing power of retailers:*** Size and information provided with scanner data enabled retailers to be more assertive in the kind of products and promotions they want and when they want it.

- **Increasing global markets:** Global marketing led to increased competition and a necessity for organisations to concentrate on maximum efficiency in all their operations.

Schultz *et al.* (1993: 45) support some of the arguments above by stating that the “only real differentiating feature that a marketer can bring to consumers is what those consumers believe about the company, product, or service and their relationship with the brand. The only place that real product or brand value exists is within the minds of the consumers or prospects”. Schultz *et al.* (1993: 45) are of the opinion that all marketing techniques and approaches represent some form of communication. They use the steps in the marketing of a product to illustrate the importance of communication. The concept is illustrated in figure 4.1.

FIGURE 4.1: THE MARKETING COMMUNICATIONS CONTINUUM



Source: Adapted from Schultz *et al.* (1993: 45)

In figure 4.1 it is clear that everything a marketer does relate to some form of communication. Schultz *et al.* (1993: 45) conclude that marketing in the 1990s is communication and communication is marketing and that is why the proper integration of all messages is so important (criticized by Grunig and Grunig (1998) in section 4.3.3).

According to Schultz (1998: 12) marketing communication is being transformed from a practical task to an important strategic function. Communication can be regarded as one of the most important assets and competitive tools for an organisation. Schultz (1998) argues that

the communication surrounding the organisation may become the driving factor that will increase sales and profits in the 21st century marketplace. This is because product differentiation might become impossible, the Internet and the Web equalise distribution and pricing and promotion can easily be matched. Organisations now have to rely on the value which the relationships built through communication with customers adds to their image and reputation. Schultz (1998) concludes that communication must therefore stop being a support activity and start being a strategic led function but adds that a few marketing communication organisations are prepared for this change.

It is clear from the above discussions on the evolution, definitions and the trends that IMC has received a considerable amount of attention. Pettegrew (2000) attributes this to IMC's strong intuitive appeal of it making sense. Pettegrew (2000) is however of the opinion that more emphasis is placed on the implementation than on the organisational barriers that might hinder its initial acceptance by an organisation. Pettegrew (2000) contends that the theory of IMC fails because of structural-functional barriers to its implementation. He contributes the greatest barrier in implementing IMC to the absence of direct support from the CEO and concludes that a substantive analysis of organisational barriers to the adoption of IMC must be advanced. It is therefore necessary to look at barriers to IMC in more detail.

(a) Barriers to integration

Schultz *et al.* (1993:155) believed that the major barrier to IMC is the resistance to change within an organisation. They also identified other basic organisational issues which must be resolved for IMC to work, namely:

Planning systems and marketing thinking. Organisations have developed a structured approach to marketing planning. The reason for this was the movement towards financial analysis as the critical area of marketing. This resulted in a more 'inside-out' approach where planning is done on the basis of financial analysis. Schultz *et al.* (1993) blamed this approach on the unrealistic and ineffective marketing communication programmes of some organisations. They proposed an 'outward-in' approach that starts with the customer.

Organisational structure as a barrier to IMC. Schultz *et al.* (1993) have the view that the internal structure of U.S. organisations is a hindrance because of three reasons, namely (i) communications is seen as a low priority in most marketing organisations where advertising or promotion managers are located low in the organisational hierarchy (ii) vertical organisations are the norm in U.S. companies, although horizontal structures are needed, and (iii) functional specialists attempt to keep the communication programmes separate, and funds are allocated by functional speciality with little regard for the communication needs of either the organisation, or the customers.

The above barriers were identified in Schultz *et al.* (1993). Schultz (1999: 8) is still of the opinion that unsupportive organisational structures were primarily the reason for the failure of IMC. He contends that the greatest challenge in creating a global marketing and communication programme lies in the organisational structure. Unsupportive structures in the form of “command and control” organisation is not conducive to integrated marketing communications because it does not promote the combinations of activities, systems or people. He proposes that organisations must be structured, developed and designed around customers and customer groups and not around products, services, lines of business or SBU’s. He suggests that the way to go about it is to aggregate customers into groups that are similar in behaviour, attitude, needs and wants and someone must then be made responsible for the welfare of the group of customers by acquiring, increasing or maintaining income flows. This change to a customer-focused organisation forces marketing and communication people to become strategists and not just technicians.

Pettegrew (2000) supports Schultz (1999) by criticising Nike and Proctor and Gamble’s organisational structures as being an organisational barrier to integration. According to him Nike and Proctor and Gamble are marketing organisations that are organised around product marketing. He further uses Proctor and Gamble as an example of a “brand management” organisation where line and staff functions are situated within a company’s various products or brands. Staff communication functions such as public relations and employee communications are organised around and directly support each brand or group of brands. Pettegrew (2000) states that it is clear from the organisational chart that marketing dominates the top management levels of Proctor and Gamble, and concludes that although Nike uses

other forms of organisation its structure and function still emphasises the marketing of its products and services. Marketing decisions are made by the head of business units without the collaboration and central planning required by IMC. Pettegrew (2000) further highlights the fact that culture is ignored when it comes to the identification of organisational barriers to IMC. Some cultures might however be so strong and directed away from centralised control of communication, that it could hinder the implementation of IMC.

Other cultures might have a too narrow view of the communications function whereas the competition for resources in other organisational cultures might provide a barrier to the cooperation that is required by IMC.

Pettegrew (2000) is of the opinion that many organisations, especially during a crisis fail, to integrate their communication to all stakeholders. According to him adoption must precede implementation for IMC to be a reality in organisations.

IMC does make sense but so does the barriers to its implementation. Organisations need to be aware of the barriers before solutions can be explored. The next sub-section will look at possible solutions to IMC from the viewpoint of various authors.

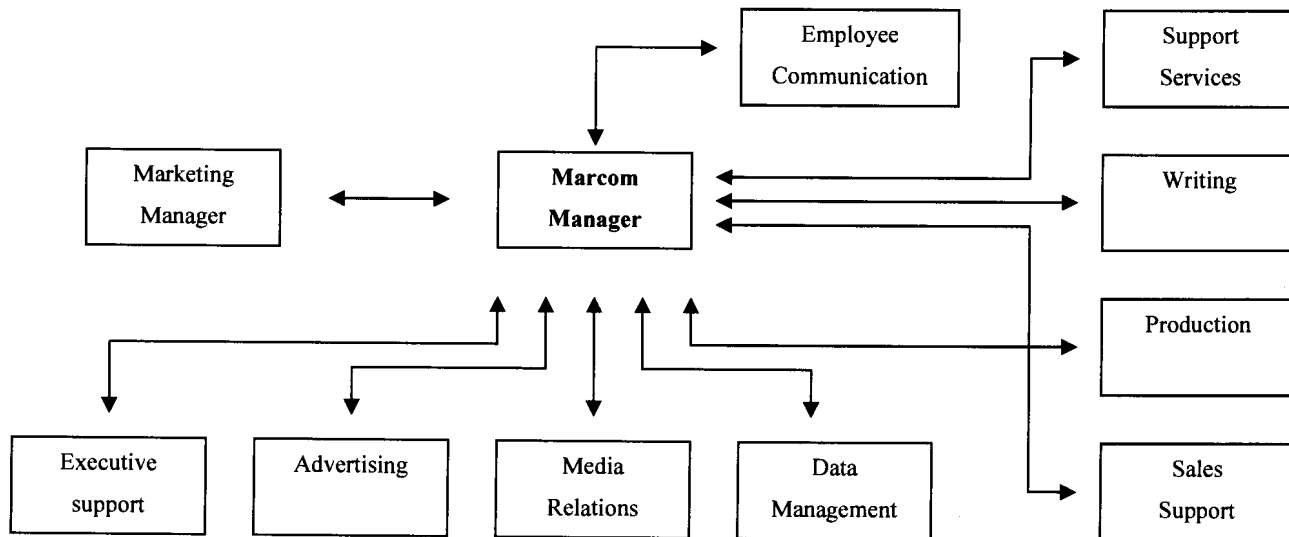
(b) Organisational solutions to IMC

Shultz *et al.* (1993: 165) identify three basic organisational structural changes that can be used to enable organisations to practice IMC. They use examples of organisational structures to explain the changes, namely:

(i) Establishing a communications Czar

There needs to be a central control in the hands of communication generalists who can see and understand the total communications programme for the organisation and can therefore develop basic communications strategies and basic communications programmes. The most common approach in establishing a communications central authority is the use of a marketing communications structure, or a 'marcom manager'. An example of this structure is illustrated in figure 4.2

FIGURE 4.2 MARCOM MANAGEMENT STRUCTURE



Source: Shultz *et al.* (1993: 165)

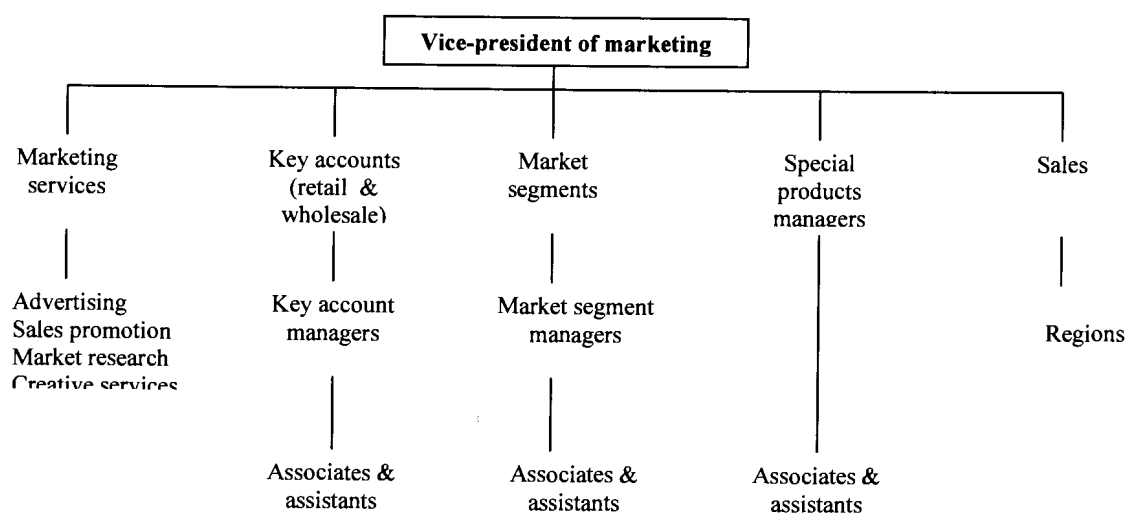
In figure 4.2 the marcom manager is depicted as the central controller of a broad array of communications specialists.

Working in combination with the marketing manager, the marcom manager plans the overall communications programme and initiates and controls the various types of marketing communications activities that are developed by the communications specialists (Shultz *et al.* 1993: 165). The organisation in figure 4.2 centralises the internal and external communications under the marcom manager. The functional specialists report back to the marketing manager through the marcom manager. This assures that all communication programmes have been co-ordinated and integrated. In a system such as the one depicted in figure 4.2 most of the communications programmes are generated in-house by a group of communications specialists. In other cases the organisation may work with outside specialists such as advertising or public relations agencies (Shultz *et al.* 1993: 165).

(ii) Restructuring the organisation to become market-organised rather than brand-organised

The second approach to implementing IMC according to Shultz *et al.* (1993: 169) involves the movement from a brand-focused to a customer-focused structure. The organisation moves from an external to an internal focus. An example of such an organisation is illustrated in figure 4.3

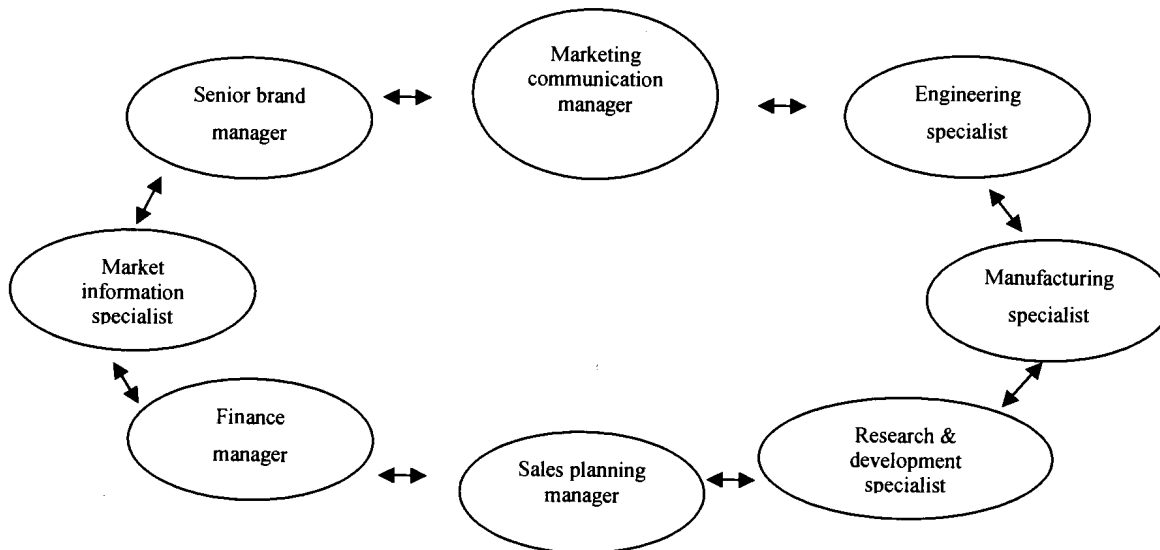
FIGURE 4.3: MARKET FOCUSED ORGANISATION



Source: Adapted from Shultz *et al.* (1993: 169)

In figure 4.3 it is clear that the main change from a brand-oriented to a market-oriented organisation in terms of structure is the focus on the customer or prospect and not on the brand. Thus, in a market-organised organisation the emphasis would be on how customers view the products, not on how the organisation manufactures them (Shultz *et al.* 1993: 169). According to Shultz *et al.* (1993: 170) the integrated marketing communications programme would be developed in the market segment group. They also illustrate the “team” approach to market segment marketing that is depicted in figure 4.4.

FIGURE 4.4: MARKET SEGMENT MANAGEMENT



Source: Adapted from Shultz *et al.* (1993: 170)

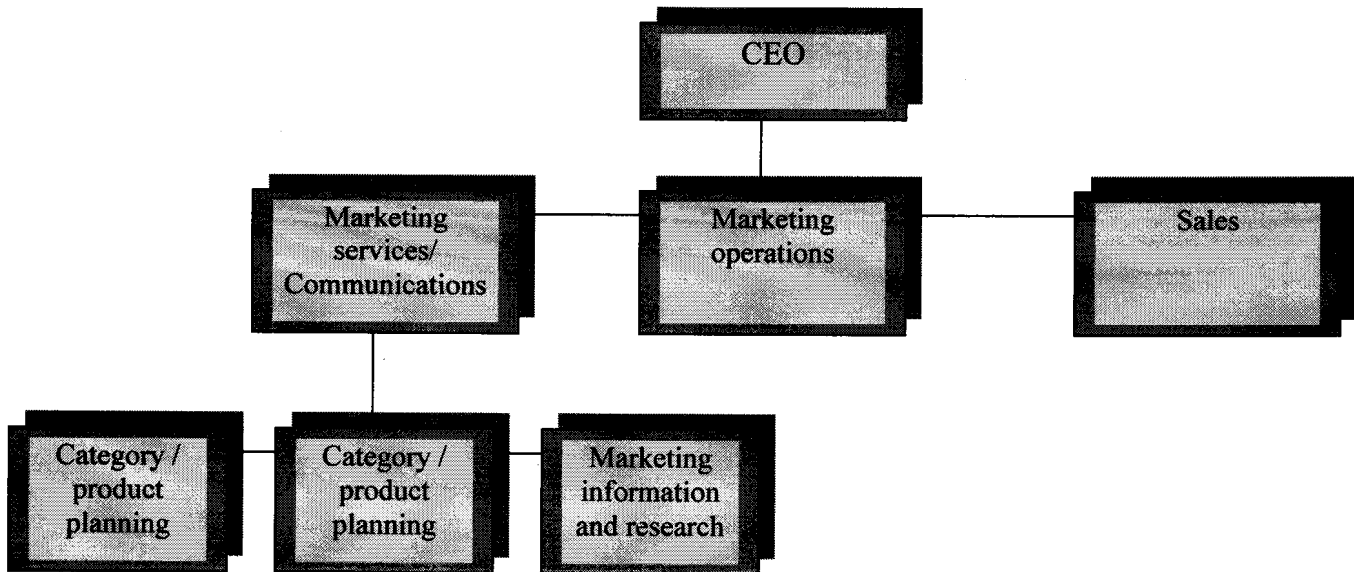
In figure 4.4 the team consists of a number of specialists who focus on a group of products. The specialists include all the functional specialists required to manage the brands that are in the market segment. Depending on the demands of the brands being managed, the group can be expanded or reduced to include other functional specialists as well. The rotating of the members of the team through the group rather than shifting from brand to brand or group to group represents the critical change in this approach. That way, team members can develop expertise in the market and brand. Although there is a marketing communication specialist, marketing communication is the responsibility of the group. The group therefore plans and co-ordinates all the marketing communications for the brands that it represents to all the markets it served.

The control lies within the group that is responsible for both external and internal communications and this approach can accommodate the use of outside functional expert groups such as advertising or public relations agencies (Shultz *et al.* 1993: 171).

(iii) Revision to brand management

Shultz *et al.* (1993: 171) propose a structure as an alternative to the brand management system depicted in figure 4.5.

FIGURE 4.5: REVISION TO BRAND MANAGEMENT



Source: Adapted from Shultz *et al.* (1993: 171)

In figure 4.5 all the middle management layers (division managers, group managers) have been eliminated. A direct relationship exists between the marketing managers and the CEO. The management team comprises of the managers of each group plus the CEO. Sales are responsible for the face-to-face contact and the selling of the product. Marketing operations are responsible for all manufacturing and production of the product. Marketing services/communications consist of three groups as shown in figure 4.5. In this type of structure the category/product planning is responsible for long-term planning and strategic development of the brand.

The product implementation group is responsible for the ongoing day-to-day marketing and communications activities and the research group is responsible for all market, consumer, and retail information that the group needs. All three groups work together to develop the annual marketing and communications plan. All marketing activities, including all types of communication are centralised in the implementation group. They are therefore able to develop IMC programmes and since the groups are focused on categories, it will result in the necessary Outside-In view.

Pettegrew (2000) also explored certain conditions that must be present for IMC to be adopted effectively by an organisation and made certain recommendations for the adoption process to be effective.

- The IMC concept must be implemented systematically and simultaneously at all levels and functions of an organisation.
- The CEO must voice direct support for adopting IMC.
- Structural and functional issues must become a critical component of any effective IMC programme. The establishment of a communications czar is necessary to be the conscience of the IMC implementation effort (agrees with Schultz *et al.* (1993).
- Any IMC programme must be adapted to the unique character of a particular organisational culture. An IMC programme must reflect the unique culture in which it operates as a “one-size-fits-all” approach does not work.
- Traditional business’s narrow IMC successes must not be used as examples as they failed to exemplify country-wide integration.

Instead of a definition, Pettegrew (2000) also offer “conditions” that must be met in order for an organisation to accurately reflect the practices of IMC, namely:

- It must speak to all stakeholders with a “single consistent” voice.
- It must assume the consumer’s point of view.
- Its strategic communications disciplines must be internally integrated.
- It must have a clear and consistent message that is more efficient and effective than competing messages.
- Its message must cut through the increasingly cluttered commercial landscape.
- It must foster a two-way dialogue between consumers and itself.
- It must build bonds that lead to long-term consumer-to-brand relationships.
- It must not place excellent marketing ahead of corporate reputation.

From the above discussions on barriers and solutions to IMC implementation it can be surmised that it is a complex issue to integrate all communication efforts in an organisations and one needs to have a holistic approach.

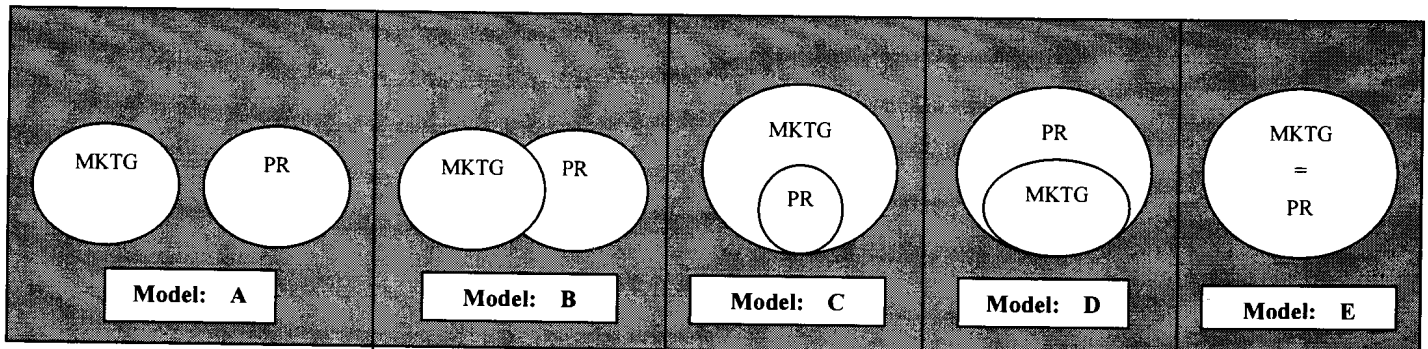
Schultz *et al.* (1993) proposed three organisational structural changes that can be used to enable organisations to practice IMC. Based on the three solutions certain factors that will apply to this research study needs to be highlighted. Figure 4.2 emphasised the role and responsibility of a central communication authority needed to integrate communication. Schultz *et al.*'s (1993) structure again excludes the other important stakeholders. They include employees and the media but leave out the others. Pettegrew (2000) also proposed valuable conditions needed for IMC but again focus more on the consumer although he mentions that IMC must speak to all stakeholders. Certain limitations still exist in the solutions proposed to an IMC structure so far. Other models therefore need to be explored.

Various well-known authors on the topic of IMC and IC have proposed different models. It is the primary objective of the research to propose a framework for structuring the communication function to encourage integration and it is therefore necessary to evaluate each model. The models were constructed to explain the integration of communication in an organisation. Earlier models by Kotler and Mindak (1978) tried to explain the relationship between marketing and public relations. Kotler and Mindak (1978: 15) were among the first to address the relationship between marketing and public relations. Before the discussion on the models of IMC and IC a brief overview will be given of the earlier models of Kotler and Mindak (1978) as they will be tested in the empirical part of the study.

- **Kotler and Mindak's (1978) models of public relations and marketing**

Kotler and Mindak (1978: 15) first analysed the evolution of the two functions before they conceived five different models for viewing the relationship between marketing and public relations. Kotler and Mindak (1978: 17) developed five different models for viewing the relationship between marketing and public relations illustrated in figure 4.6

FIGURE 4.6: MODELS OF POSSIBLE RELATIONSHIP BETWEEN MARKETING AND PUBLIC RELATIONS



Source: Adapted from Kotler and Mindak (1978: 17)

Model A: Separate but equal functions

This model represents the traditional view of the two functions because they are different in their perspectives and capacities. Marketing exists to sense, serve, and satisfy customer needs at a profit. Public relations exists to produce goodwill with the organisation's various publics so that these publics do not interfere in the organisation's profit-making ability (Kotler and Mindak, 1978: 17).

Model B: Equal but overlapping functions

Another school of thought is represented in this model that states that while marketing and public relations are important and separate functions, they share some common terrain. The common terrains identified by Kotler and Mindak (1978: 17) are product publicity and customer relations.

Model C: Marketing as the dominant function

According to Kotler and Mindak (1978: 18) some marketers advance the view that corporate public relations should be placed under the control of the corporate marketing department. The marketers argue that public relations exists essentially to make it easier for the organisation to market its products and argues that public relations is unable to measure its contribution in terms of profit.

Model D: Public relations as the dominant function (D)

According to Kotler and Mindak (1978: 18) in some quarters marketing can also be viewed as being a sub function of public relations. The argument revolves around the fact that the organisation's future depends critically on how it is viewed by its key publics, including stockholders, financial institutions, unions, employees, community leaders as well as customers. The task of the organisation is therefore to satisfy these publics as much as possible. Satisfying the customer is seen as just one part of the task.

Model E: Marketing and public relations as the same function (E)

In this last model the two functions are viewed as rapidly converging in concepts and methodologies. They are both concerned with publics and markets, and recognise the need for market segmentation; acknowledge the importance of market attitudes, perceptions, and images in formulating programmes; and the primacy of a management process consisting of analysis, planning, implementation, and control (Kotler and Mindak, 1978: 18).

Kotler and Mindak (1978: 1) concluded that the divisions separating marketing and public relations are breaking down. The best way to solve a marketing problem might be through public relations activities and the best way to solve public relations problems might be through the disciplined orientation that marketing provides. Marketing and public relations have managed to establish themselves as essential corporate functions. As organisations undergo increased regulation and pressure from interest groups and government agencies, new patterns of operation and interrelation can be expected to appear in these functions (Kotler and Mindak, 1978: 20). Their models will be tested in the empirical part of this study to determine South African organisations' viewpoint on the relationship between marketing and public relations.

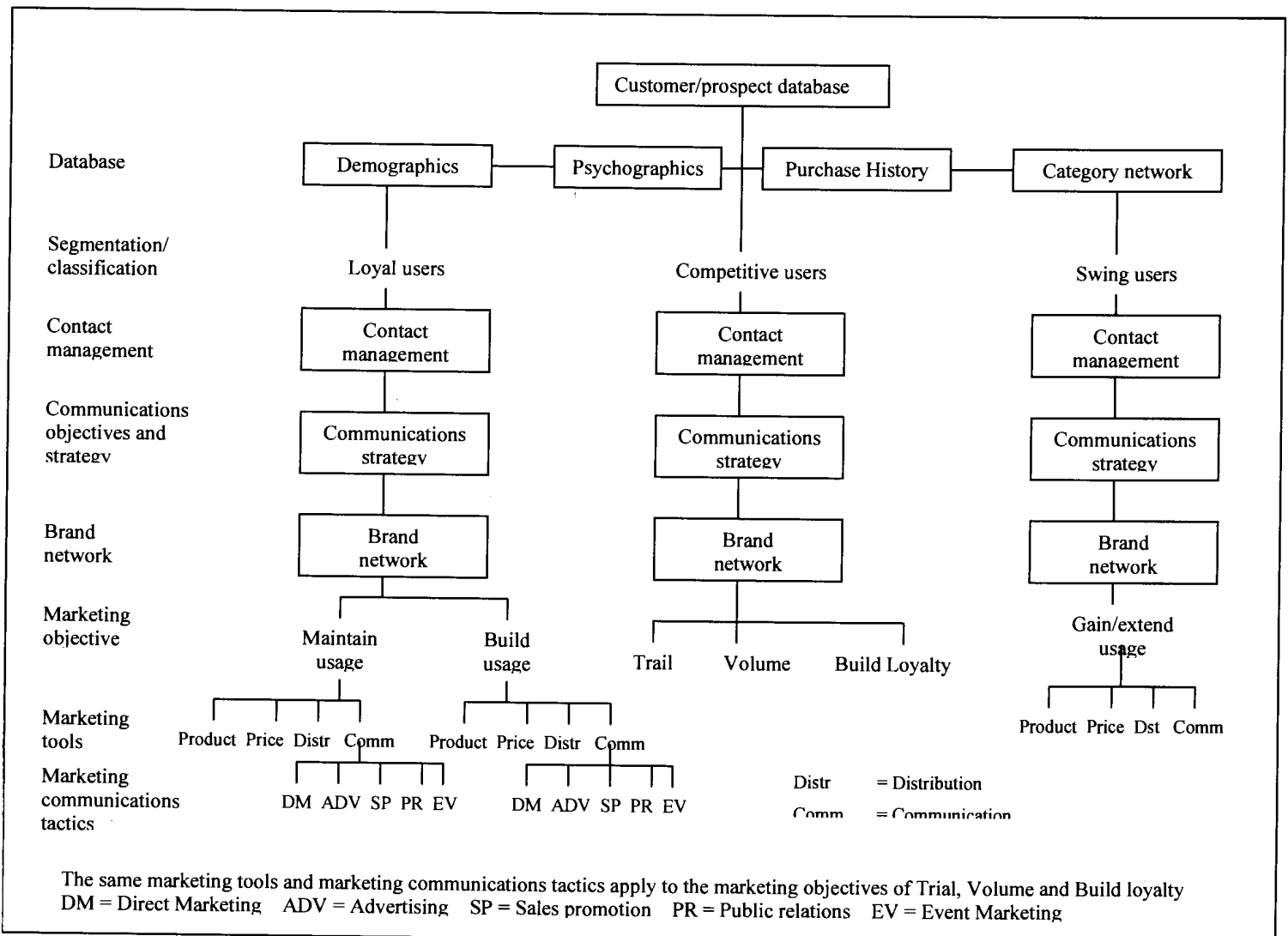
The integration of marketing communication illustrates that the prediction made by Kotler and Mindak (1978) on the break down of divisions has become a reality. The various models of IMC and IC will be discussed in the next section.

4.3.3 Models of IMC and IC

(a) The Integrated Marketing Communications Planning Model – Schultz *et al.* (1993)

Schultz *et al.* (1993: 50) based the effectiveness of an integrated marketing communications programme on the planning model illustrated in figure 4.7.

FIGURE 4.7: INTEGRATED MARKETING COMMUNICATIONS PLANNING MODEL



Source: Schultz *et al.* (1993: 50)

Schultz *et al.* (1993: 50) build their model upon the usage of a database. They call the model “idealised” because not all organisations have reached this point in database analysis. As depicted in figure 4.7 the database should contain data such as demographics, psychographics, and purchase history. Schultz *et al.* (1993: 50) see attitudinal information such as the customer’s category network and how consumers associate the products they use, as vital for a solid integrated marketing communications approach. They view their model as being different from other models proposed because it focuses on the customer, consumer, or prospect and not on sales and profit goals.

Another way in which their model differs from the rest is that they use customer and prospect behaviour whenever possible as a first segmentation approach. The next step in their planning model is contact management. It is based on the idea of finding a time, place, or a situation in which the customer/prospect can be communicated with. They believe that because of information overload and marketing communication clutter, the most critical variable in the process is how and when contact can be made (Schultz *et al.* 1993: 51).

Next follows the development of a communications strategy. It involves the message that is to be delivered given the context (contact management) in which it will appear. The objectives of communication are stated and based on these specific marketing objectives for the integrated marketing communications, plans are defined. The next step is then to determine which of the marketing tools should be used to achieve the marketing objectives. The last step will be to select the various marketing communications tactics that will help achieve the communication goals set earlier. Schultz *et al.* (1993: 51) are of the opinion that the key ingredient in their integrated marketing communication planning approach is that all forms of communication are designed to achieve agreed upon objectives. Because of this, they conclude that they have turned all forms of marketing into communication and all forms of communication into marketing and in the process they have integrated all their messages and goals.

Schultz *et al.* (1993: 51) conclude that the real value of their integrated marketing communications process is that it is circular in nature.

The responses of the groups of customers or prospects need to be measured and therefore ensuring a commitment to two-way communication. The responses are then stored in the database where they can be evaluated. In the next planning cycle these responses can be used to adjust the next plan. Thus the marketer develops the communications programme, the customer responds, information is generated, the marketer adapts to the customer's needs and wants and the cycle starts again. Schultz *et al.* (1993: 52) see it as “relationship marketing at its best” where integrated marketing communications develops a win-win situation for the marketer and the customer or prospect.

An element that adds value to the model is the use of database marketing to manage information about customers. The database is becoming more important to communication managers faced with an ever-growing amount of information they have to deal with. The model does not however support the two-way symmetrical view of communication in the sense that the communication process is portrayed as one-sided, i.e. one side transmits signals (messages) and the other side receives these. The authors emphasise, though, that integration means “eliciting a response, not just conducting a monologue”. This does not make the communication process symmetrical: the communication is now seen as the process through which the participants achieve mutual understanding and not just responding to communication.

The use of a database to manage information will be considered in addressing the primary objective. The usage of a database will however be expanded to include all the stakeholders of an organisation.

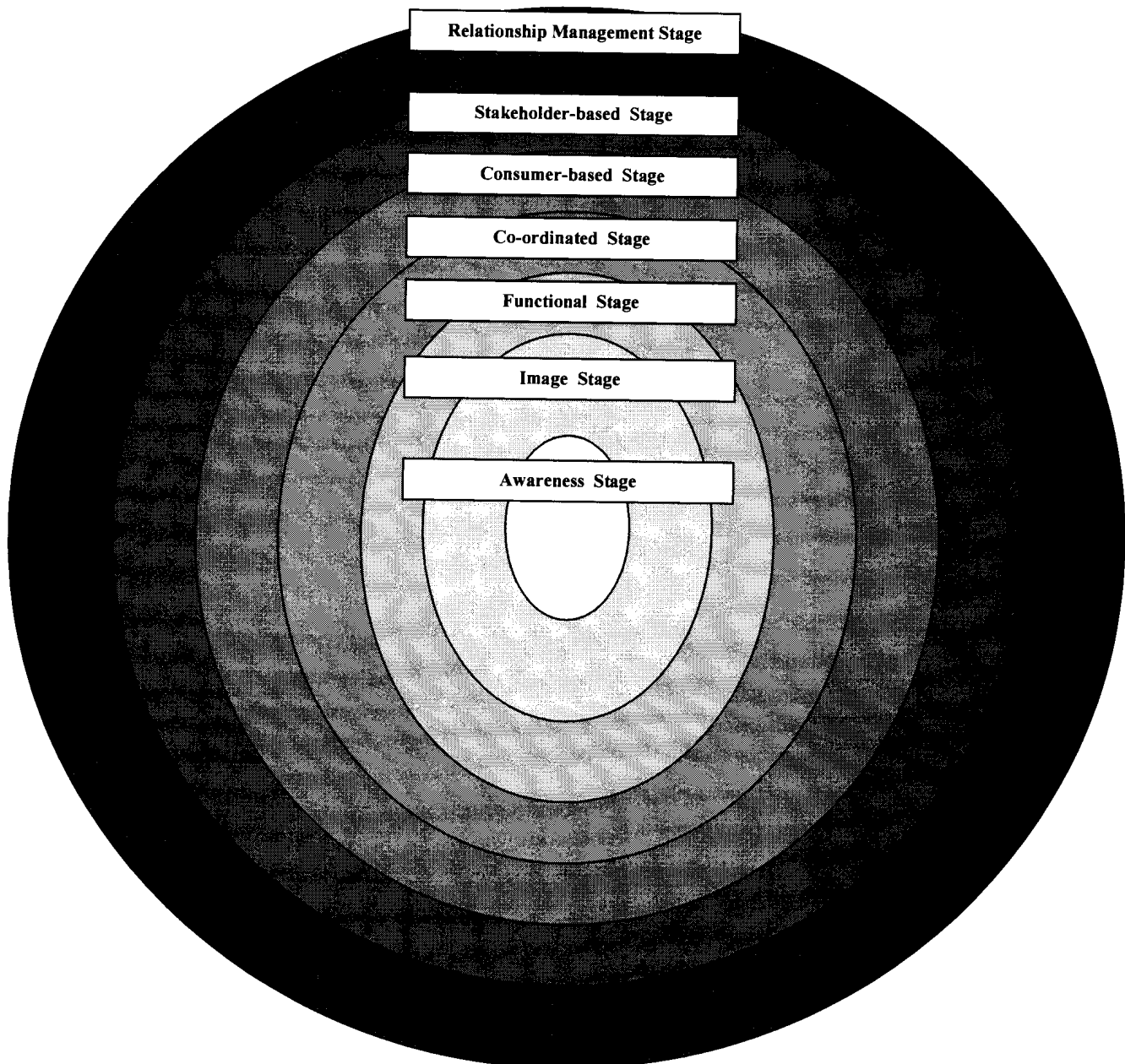
The next model of Duncan and Caywood (*in* Thorson & Moore, 1996) takes on a different approach by focusing on the different stages of IMC.

(b) Evolutionary Integrated Communications – Duncan and Caywood (*in* Thorson & Moore, 1996)

Duncan and Caywood (*in* Thorson & Moore, 1996:22) use circles to emphasise the equal nature of each stage as opposed to the other. It is a more realistic model in the sense that it does not focus on the “ideal situation” but bridge the gap between the present and the ideal by providing ideas of how to get there.

They are of the opinion that IMC begins with awareness and may advance through various stages and visualise the model by using a set of concentric circles where it moves progressively from the first stage of awareness to the final stage of “general management integration”. The model is illustrated in figure 4.8.

FIGURE 4.8: EVOLUTIONARY INTEGRATED COMMUNICATIONS



Source: Adapted from Duncan and Caywood (*in* Thorson & Moore, 1996:22)

The model depicted in figure 4.8 is circular and not a pyramid indicative of the perception that one stage is superior to another. Instead, each stage of integration may build on the experience of the previous stage and each organisation finds the stage that best fits its current management, market, and environmental situation. Duncan and Caywood (*in* Thorson & Moore, 1996:23) conceived the stages of integration to be the following:



1. Awareness.
2. Image integration .
3. Functional integration.
4. Coordinated integration
5. Consumer-based integration
6. Stakeholder-based integration.
7. Relationship management integration.

At each stage the communications strengths and weaknesses of advertising, promotions marketing, direct response marketing, marketing public relations, and corporate public relations are weighed and balanced to create the right mix (Duncan & Caywood, *in* Thorson & Moore, 1996:23). They are of the opinion that a fully integrated strategy will permit each form of communications to contribute to the success of the corporate mission. Each stage identified by Duncan and Caywood (*in* Thorson & Moore, 1996:23) will now be discussed.

(i) Stage 1: Awareness

New business systems have to respond to the market due to demand created by the awareness of the changing business, social, technological, political, and cultural environments. According to Duncan and Caywood (*in* Thorson & Moore, 1996:23) in the awareness stage it is assumed that change will reinforce the opportunity for developing a integrated marketing and management system.

(ii) Stage 2: Image Integration

The value of having a consistent message, look, and feel for an organisation is highlighted in this stage. The contend that although not a full range of marketing communications is needed for all market challenges, the visual and verbal consistency might prove to be an important stage in developing internal co-operation among advertising, sales, public relations, and other areas of communications.

(iii) Stage 3: Functional Integration

A greater degree of involvement among the separate areas of communications responsibilities is emphasised. The strengths and weaknesses of each of the functional communications areas are strategically analysed in the beginning of this stage (Duncan & Caywood *in* Thorson & Moore, 1996:26). A wider range of services on offer are permitted in this stage through the “cross-selling” of services among agencies providing public relations, advertising, sales promotions, or direct marketing.

(iv) Stage 4: Coordinated integration

In this stage the potential of all communications functions is equal in contributing to the marketing effort. The previous negativity or positivism associated with each field has been reduced. The opportunity for each of the communications functions to drive the communications effort will depend on the marketing goals and objectives. Each functional speciality must co-operate in the development of a communications programme and shared budgets, shared performance measures, and outcomes rule the process. The emergence of a database might also be observed at this stage. Initially it may only consist of simple contact information such as names, addresses, phone numbers, but the database will continuously be extended through marketing-driven contacts (Duncan & Caywood *in* Thorson & Moore, 1996:29).

(v) Stage 5: Consumer-based integration

The elements are starting to work together at each mastered step of integration. Now, only the fully targeted customers are reached with the strongest and most effective media. Marketing is being planned from the outside in and both customers and prospective customers are the focus. Customers’ contact points with the brand and the organisation are uncovered through research and all contacts are considered to be a form of marketing communications. The consumer-orientations of marketing can now be fulfilled with an integrated strategy that focuses on the communications-stimulated behaviour of the customer (Duncan & Caywood *in* Thorson & Moore, 1996:30).

(vi) Stage 6: Stakeholder-based integration

The successes of each stage may lead to new dimensions in the next stage according to the evolution of integration. Numerous other stakeholders beyond customers and the consumer also have a stake in the outcome of the success or failure of an organisation. At this stage the scope is extended beyond a merely profitable promotional and sales-driven orientation. Integrated marketing communications move to a more broadly defined integrated communications as it expands the communications to other stakeholders. The element of equity suggests that the strongest elements of social responsibility that drives the organisation to broaden its communications emerges in a more matured integration programme. The starting point of integrated communications is stakeholder identification. The process then demands monitoring and tracking of their actions that will be relevant to the organisation. During the first five stages the full role of public relations might have been limited but the sixth stage demands a fully integrated corporate communications function. Communications at the corporate stage of integration must include employees, the media, community leaders, investors, vendors, suppliers, competitors, and government (Duncan & Caywood *in* Thorson & Moore, 1996:32).

(vii) Stage 7: Relationship Management Integration

The development of a fully integrated communications strategy to reach customers and all stakeholders brings communications professionals into direct contact with the full range of management functions in businesses and other complex organisations. Integration implies that communications be regarded as a strong element in the total management process. The process has therefore become a full range of relationship management, internally and externally. The role of communications professionals in a fully integrative model changes from staff to management (Duncan & Caywood *in* Thorson & Moore, 1996:33).

The value of the model for South African organisations lies in the evolutionary stages of the model. This model will help these organisations to re-design their processes to be able to meet the challenges of integration. This model also places more emphasis on the other stakeholders

and not just the customers. Customers are very important stakeholder groups but the value of other stakeholders is also emphasised.

In managing communications with all relevant stakeholder groups the use of databases becomes more important. Duncan and Caywood (*in* Thorson & Moore, 1996:33) argue strongly for such databases that represent not only marketing databases but rather stakeholder databases, storing information about a company's stakeholder groups. Emphasis is placed on the whole organisation to regard integrated communications as a central element in the management process.

In proposing a framework for structuring integrated communication the emphasis in this study will be mostly on stage 6 and stage 7 in the above model. Stages 1-5 serve as good reference to organisations that want to move progressively towards integrated communication. The proposed framework will however assume that organisations have already moved through the stages and are now ready for the stage of stakeholder-based integration and relationship managed integration.

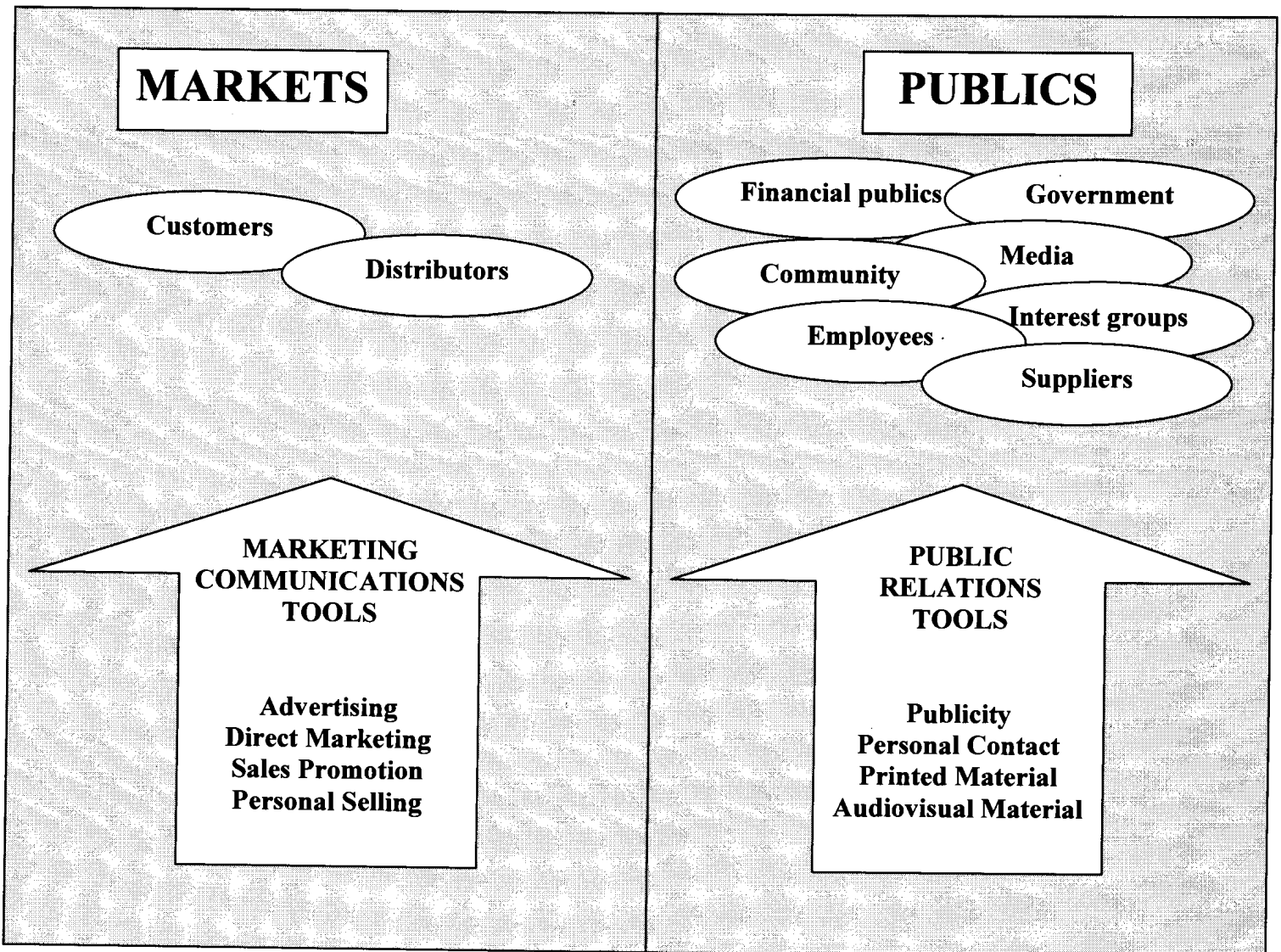
Gronstedt's (1996) proposed stakeholder relations model takes the idea of stakeholder orientation even further.

(c) A Stakeholder Relations Model: (Gronstedt in Thorson & Moore, 1996).

Gronstedt (*in* Thorson & Moore, 1996:287) first discusses the areas of overlap between marketing communications and public relations and then proposes an integrated approach to these functions.

To put the relationship between marketing communications and public relations into perspective Gronstedt (*in* Thorson & Moore, 1996:287) reviews and critiques how the two functions traditionally have been defined and distinguished. Figure 4.9 is a schematic depiction of the distinction between public relations and marketing communications.

FIGURE 4.9: THE TRADITIONAL MODELS OF MARKETING COMMUNICATIONS AND PUBLIC RELATIONS



Source: Adapted from Gronstedt (in Thorson & Moore, 1996:291)

Gronstedt (in Thorson & Moore, 1996:288) is of the opinion that the two defining traits of public relations are that it addresses publics by using public relations tools, such as news releases, annual reports, and newsletters, and that public relations practitioners have traditionally relied on publicity and uncontrolled media in their communication to publics but that hard sell marketing methods are normally considered inappropriate in public relations.

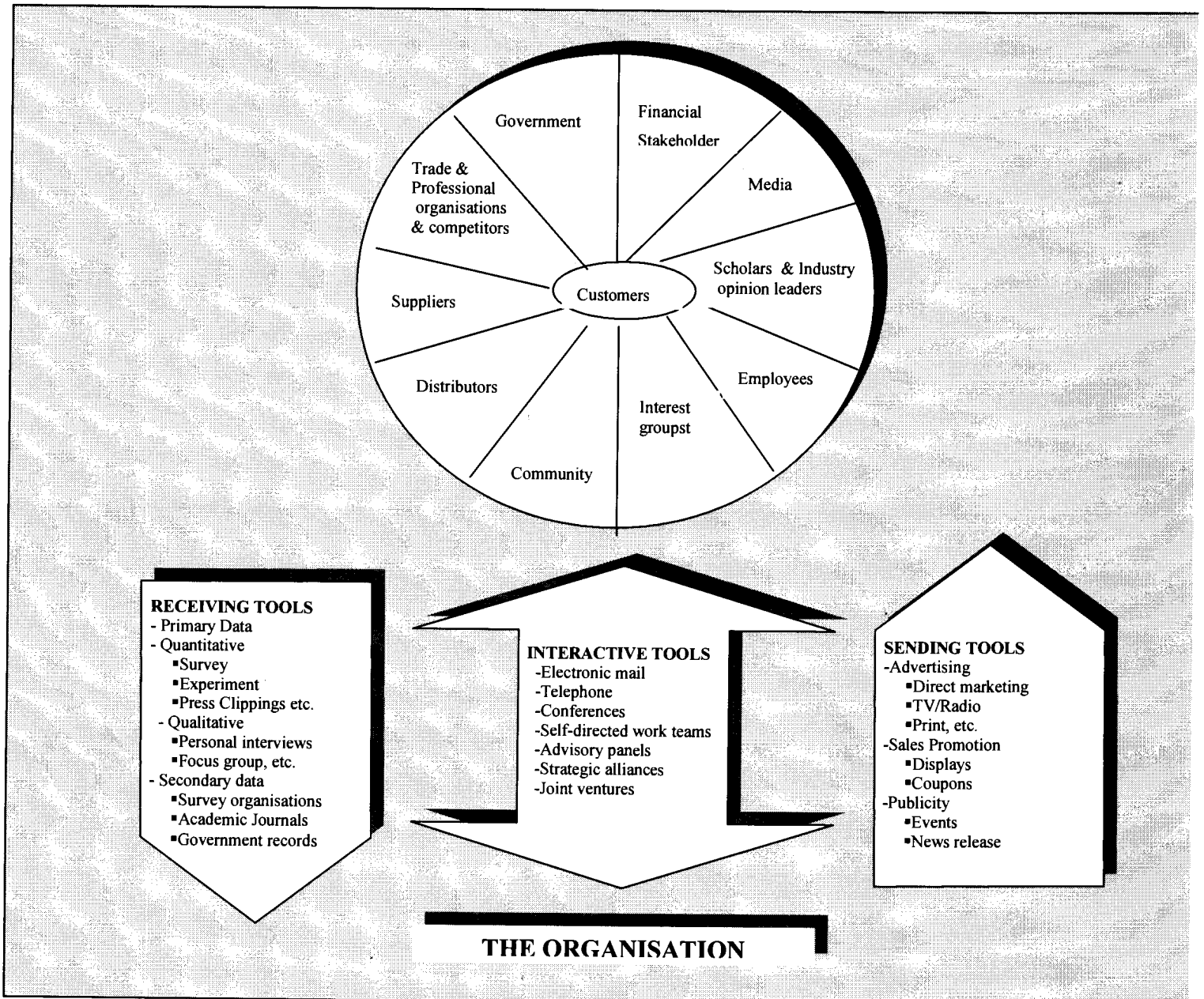


Marketing communications on the other hand was conventionally defined in similar sender-receiver terms. A few audiences consisting of markets are addressed with a limited set of communication tools such as paid mass media outlets, sales promotion, and personal selling.

Gronstedt (in Thorson & Moore, 1996:289) offers critique on the traditional models and base his thinking and his “stakeholder relations” model on the criticism that “the divisionalising of the communications responsibilities into narrow disciplines has created communication technocrats.” Gronstedt (in Thorson & Moore, 1996:289) bases his first critique on the traditional views illustrated in figure 4.9 on the argument that markets and publics are interacting and overlapping systems that cannot be treated in isolation. His second critique highlights the cross-over between the communicative tools of public relations and marketing. He concludes that the boundaries between public relations and marketing communications are eroding and that public relations is evolving from a press-agentry publicity role into a managerial communications function just as marketing is evolving from a sales function to a strategic marketing management discipline. The distinction between the two functions is also blurring because of the broadening of definitions in the sense that public relations practitioners are addressing markets and marketers are addressing publics.

Gronstedt (in Thorson & Moore, 1996:291) presents a model that explains and unites the main dimensions of public relations and marketing communications and offers an approach to integrated communications. The model is illustrated in figure 4.10.

FIGURE 4.10: A PROPOSED INTEGRATED COMMUNICATIONS MODEL



Source: Adapted from Gronstedt (in Thorson & Moore, 1996:291)

In figure 4.10 the circle is representative of the merger of public relations' target audiences of publics and the marketing audiences of markets. The arrows illustrate the joining of the sending tools (marketing and public relations), the receiving or research tools, and interactive tools.

Gronstedt (in Thorson & Moore, 1996:292) uses the following working definition to represent the integrated communications model:

Integrated communications uses an appropriate combination of sending, receiving, and interactive tools drawn from a wide range of communication disciplines to create and maintain mutually beneficial relations between the organization and its key stakeholders, including the customers.

The component parts of the model illustrated in figure 4.10 will now be entertained:

(i) Stakeholders

The circle is representative of the fact that every organisation is linked to a complex system of interrelated individuals and organisations who have a stake in the organisation. Gronstedt (in Thorson & Moore, 1996:292) uses the definition of Freeman (1984) to define stakeholders, namely “any group or individual who can affect or is affected, by the achievement of an organization’s purpose”. Gronstedt (in Thorson & Moore, 1996:292) places the customers in the centre of the circle as he sees good relationships with customers as the essence of any successful performance by an organisation. In the model in figure 4.9 all other “generic categories” of stakeholders are attached to the customer to illustrate the point that all the stakeholder groups “have consequences for the customer”. The integrated communications approach treats the communication with each stakeholder in the outer circle as an integral part of the customer communication because the customer can be addressed through communication with other stakeholders.

Gronstedt (in Thorson & Moore, 1996:295) argues that all stakeholders are interdependent and that their action or inaction has consequences for other stakeholders, hence it is likely that changes in one group of stakeholders will trigger changes in others. Bearing this in mind, he emphasises that “the integrated communications approach builds on this interdependency by co-ordinating communication activities with the entire web of stakeholders.”

Stakeholders do not only interact with each other, in many cases they overlap. Apart from that, multiple stakeholder roles are becoming increasingly common. This observation requires a re-conceptualisation of the traditional notions of a target market. Instead of simply defining a target audience based on demographic data, the communicator is responsible for establishing and maintaining relationships with *other* important stakeholders

(ii) Integration of the receiving tools

Gronstedt (in Thorson & Moore, 1996:295) is of the opinion that a dialogue approach is required to be able to integrate communications activities with all the stakeholders where they are recognised as receivers as well as senders of information. Through the use of receiving tools, depicted in the left arrow of figure 4.9, the stakeholders can be treated as senders of information. Multi-methodological research tools are necessary due to the diverse nature of the audiences and the sending tools employed in integrated communications. The integrated communicator can use research tools to evaluate the stakeholder's perceptions of the organisation, and the integrated communicator is therefore interested in the insights into the thoughts and behaviours of stakeholders and not just to "fine tune their single communicative tool's ability to manipulate a single target audience" (Gronstedt in Thorson & Moore, 1996:296).

(iii) Interactive tools

Examples of the tools are shown in the middle two-way arrow in figure 4.9 and represent tools from both marketing and public relations that facilitate a two-way dialogue between the organisation and its stakeholders. Interactive tools facilitate a two-way dialogue between an organisation and its stakeholders, which are active, interactive, and equal participants of a continuous communication process. The goal of such communication processes is to establish lasting relationships (Gronstedt, in Thorson & Moore, 1996:297).

(iv) Integration of the sending tools

The appropriate sending tools can be selected once the integrated communicator has identified the key stakeholders and establish communication objectives for each group of stakeholders. An optimal mix of sending tools for each identified group of stakeholders is required for effective communications. The tools may be drawn from any communication discipline and examples are illustrated in the right arrow in figure 4.9. Once a mix of sending tools has been selected, the next step is to apply them together based on the three key elements of integrated communication: consistent message and image, common creative elements, and co-ordinated *timing*. Gronstedt (in Thorson & Moore, 1996:298) argues that, “integrating messages, creative elements, and timing will cause the sending tools to enforce each other synergistically. The totality will have a better effect than the sum of the discrete events.”

Gronstedt (in Thorson & Moore, 1996:302) summarises the need for an integrative approach to communications as follows:

The theory of integrated communications recognizes that organizational communication is too complex and interactive to be fractionalised into insular disciplines. This interdisciplinary theory inserts the various communication disciplines into a holistic perspective, drawing from the concepts, methodologies, crafts, experiences, and artistries of marketing communications and public relations. Specialists in certain communicative tools will still be in demand, but instead of being solo performers, they will find themselves being instrumentalists in an orchestra, under the conductorship of the integrated communicator.

First, the central idea to this model is that a manager will use that tool that promises the highest success in a given situation, i.e. that tool with which the set goals and objectives can best be reached. It is of no importance whatsoever to which function such a tool would traditionally be attributed.

Second, a stakeholders' perspective is emphasised. To stakeholders it is irrelevant where a message originated from they will attribute the message to the sender, in this case the organisation.

The value of the Duncan and Caywood model (section 4.3.3b) and the Gronstedt model lies in combining the two. Organisations can first determine where they are in terms of integrating their communications efforts by applying the Duncan and Caywood model and then apply the stakeholder relations model of Gronstedt.

Hunter also reviewed various models and theories of integrated communications before proposing his own framework.

(d) Hunter's models for integrated communications

Hunter (1997) did an extensive investigation into the issues surrounding the corporate implementation of an IC structure, and developed a five stage model for integration, namely

1. Co-ordination and co-operation between public relations and marketing.
2. Public relations and marketing are perceived as equally important by members of the organisation, especially by top management, regardless of their organisational relationship.
3. Marketing communications is moved from the marketing department to the public relations department, which will be known as the communications department. The communications department will consist of three subdivisions: marketing communications, corporate communications, and internal communications.
4. Communications and marketing are placed on a hierarchical level immediately below the CEO, and both functions have their senior officer in the dominant coalition.
5. Integration of the communications function into the relationship management approach as proposed by integrated communication (IC) scholars such as Tom Duncan and Clarke Caywood. Consulting relationship should exist between the marketing department and the subdivision for marketing communication.

Stage one and two lays the foundation for the organisational culture that is essential for the implementation of stage three. In stage one it is assumed that public relations and marketing are organised in two distinct departments. This stage encourages the two functions to work together in serving the organisation's communication needs (Hunter, 1997: 179). In stage two Hunter (1997: 179) contends that, "public relations is usually hardly regarded as a profession nor as a strategic management function and will not be regarded as equally important by members of the organisation". He therefore suggests that in order to progress successfully to stage two public relations practitioners must achieve the status of skilled communication managers that have a basic knowledge of marketing and management.

Hunter (1997: 179) discusses in stage three that the marketing communications responsibilities must be handed over to the public relations department. The marketing department will in the process no longer control advertising and direct marketing but would focus more on analysing consumer-markets and engage in long-term strategic planning. The new division would be called the communications department consisting of three subdivisions, namely marketing communications, internal communications and corporate communications. Hunter (1997: 180) is proposing a matrix organisation where marketing communicators would be responsible for fulfilling the interests of both the marketing and the communications department. Internal communication in this case refers to all the communication activities within an organisation, horizontal within a department, vertical between management and employees, communication between departments, and any other forms of communication in an organisation. Hunter (1997: 180) proposes that there needs to be a matrix relationship also with the human resources department.

Stage four requires that marketing and communications departments are placed on the same hierarchical level and that both functions have their senior officer in the dominant coalition. Marketing and communications will therefore be equally represented in management decision-making. Stage four builds on the completion of stage two, where marketing and public relations are being viewed as equally important elements in the fulfilment of the organisation's strategic mission (Hunter 1997: 183).

Finally, Hunter (1997: 185) suggests that the communications departments should implement the relationship management processes put forward by Duncan and Caywood (discussed in section 4.3.3b). This stage also recognises the need for the integrated communications department to develop relationships with the other organisational functions such as manufacturing and human resources to create a totally integrated organisation. He emphasises that experts of the various specialised fields of communication need to work together in selecting the tools that promises the highest degree of effectiveness for synergies to be created so that the total communications effect can be higher than the sum of its parts.

Hunter (1997) however revised his initial model of 1997 discussed above, in a further study by stating the following:

What does the term "integrated communications" refer to today? It refers to an approach to communication management that no longer separates or divisionalises the communication function. Viewed from the stakeholders' perspective, such a separation is irrelevant. The average stakeholder could not care less whether a communication originated in a public relations or an advertising department. He or she will merely recognise that the organisation is attempting to engage in some form of communicative interaction.

The above statement represents the first characteristic of IC that Hunter (2000) identified.

The characteristics of IC identified by Hunter were discussed in chapter 1 section 1.7.2. The characteristics will form an important part of this study and will therefore be mentioned briefly.

The second characteristic of IC is a stakeholder's orientation. Organisations need to look at stakeholders and determine what kind of communication they might need to satisfy the stakeholder's interests. The integrated communicator must then manage communication in such a way that it will adhere to the expectation of the stakeholders in terms of communication. To do so an integrated communicator must use the instruments that promise the most success in reaching this goal, which is the third important characteristic of IC.

Hunter (2000) is however of the opinion that IC is too complex for managers to remember the information gathered on their stakeholders. He proposes a solution to the problem in the form of a stakeholder database, similar to a customer database.

An example of a basic type of database is a simple list of names and addresses of media contacts. Hunter (2000) compares this to a customer databases in the sense that the most basic form of a stakeholder database will contain demographic data such as the names and addresses of stakeholders.

In proceeding to the next level of a stakeholder database an organisation might store information on the communications that it has engaged in with stakeholders, the date on which these communications took place and an assessment of the result of this interaction. This will eliminate duplication of communications. On a more advanced level it will provide managers with an additional analysis and evaluation instrument at their disposal, enabling them to easily re-trace previous interactions with stakeholders and the results of these interactions (Hunter, 2000).

Research on stakeholders' attitudes and behaviours can be used to further enrich the data stored in such a database. The database, if updated regularly, can be used as a tool that will enable them to compare changes in stakeholders' attitudes and behaviours to communication programmes and other interactions (Hunter 2000).

Hunter (2000) is of the opinion that a well-managed stakeholder database enables communication managers to communicate individually with every single member of a stakeholder group.

Before planning a communicative interaction with a stakeholder group, managers can now consult their database and check the attitudes and behaviours of the members of the stakeholder group in question. The value of a database lies in the identification of several different sub-categories of individuals within a stakeholder group for which individualised tactics need to be designed.

Hunter (2000) concludes by pointing out the two main advantages of stakeholder databases. First, it helps managers to cope with the vast amount of information available on stakeholders and which is crucial to an organisation's success in a globalised and highly competitive environment. Second, databases enable communication managers to design their communications in a more personalised fashion than would otherwise be possible, thus meeting the demands of the various stakeholders more closely and consequently increasing their level of attention.

Hunter's model provides valuable insights into the use of databases to manage communication effectively. His characteristics of integrated communication can be useful for organisations in their integration efforts.

To extend the usage of a customer database to other stakeholders provides a valuable tool to communication managers in building relationships. The database proposed by Hunter (2000) will enable an organisation to "customise" their communication to satisfy the communication needs of various stakeholders just as marketing use it to "customise their product/service offering to fulfil customer needs. "Marketing" principles such as market segmentation, market research, need fulfilment, and customisation can be applied to communication by "segmenting" stakeholders. An organisation will then fulfil their communication needs by "customising" communication and conducting research with all the stakeholders to determine communication needs, perceptions and attitudes towards the organisation. This will enable the organisation to build better relationships with all stakeholders.

Another model is proposed by Grunig and Grunig (1998). They criticised various authors viewpoints on IMC and proposed a model that supports the view that marketing communication should be co-ordinated by the public relations department.

(e) Integration through the Public Relations Function – (Grunig & Grunig, 1998).

Grunig and Grunig (1998: 146) are of the opinion that there are merits in integrating all marketing communication functions but they critique the narrow view of public relations held by supporters of IMC. Most supporters of IMC, according to them, see public relations as a

technical support function and not as a management function, consider public relations to be press agency or product publicity alone, and deal solely with customer publics.

Grunig and Grunig (1998: 147) review Duncan and Caywood's model [discussed in section 4.3.3 (b)] and conclude that the last two stages – stakeholder-based integration and relationship management integration – closely resemble the integration of communication through the public relations function, which they propose. Grunig and Grunig (1998: 147) also reviewed Gronstedt's model [discussed in section 4.3.3c)] but disagree with the placement of the customer in the centre as being the most important stakeholder. They posit that an equally good case can be made that employees or investors are the most important stakeholders and that different publics are more or less strategic for different kinds of organisations. The major difference between the integration they propose and that of IMC theorists (previously discussed) is that they do not suggest moving integration upward through the marketing communication function but rather to begin at the highest level of integration, incorporating marketing communication and communication programmes for other stakeholders into the public relations function. To strengthen their argument they quote Drobis, the CEO of Ketchum Public Relations Worldwide in declaring the following:

Integrated marketing communication is dead. It died because we never could decide if it was a tool to help sell advertising and public relations agency services or if it was a true, complete communications discipline. As a result, the term integrated marketing communications was frequently abbreviated to “integrated communications” and came to stand for a many things, but nothing in particular. Admittedly, integrated marketing communications as it was originally conceived, seemed to stand for the blending of multiple forms of marketing communications.

Still, given its potential for greatness, the discipline withered under the chronic stress of being misunderstood by public relations professionals, many of whom consider the role of public relations in “integrated marketing communications” too narrow. Let's just call its cause of death unknown.

He went on to say that IC must go beyond marketing to encompass employee and labour relations, investor relations, government affairs, crisis and risk management, community affairs, customer service and just about any other facet of management where effective communications is a critical success factor. He concludes that public relations practitioners are in the best position to manage the integrated communications process, because unlike any other communications discipline, they are involved in every facet of the organisation. It is their job to listen and to respond to the full range of important stakeholders.

Grunig and Grunig (1998: 157) conclude that the excellence study (1992) provides evidence in support of separate marketing and public relations functions and of integrating communication programmes through the public relations department or by co-ordinating a set of specialised public relations departments. They have developed a list of criteria that must be satisfied in order for public relations to remain excellent within an integrated communications framework. The list of criteria has already been discussed in section 1.6 in chapter 1.

Grunig and Grunig (1998: 157) are of the opinion that public relation theorists and marketing communication theorists conceptualise communication in a different way to the effect that integrated communication programmes apply marketing communication theory rather than public relations theory. In conclusion Grunig and Grunig (1998: 157) describe differences in the two types of theories and identify characteristics of marketing communication theory that differ from their public relations approach.

Markets consist of individuals making individual choices whereas publics are groups trying to change organisational behaviour. Marketing strategies aimed at individuals will be of little use in dealing with activist groups. They criticise the over generalisation of the importance of marketing or of communication with statements such as “everything is marketing and marketing is everything” or “all communication is marketing and all marketing is communication”. Grunig and Grunig (1998: 158) believe that there is more to marketing than communication and more to communication than marketing.

Grunig and Grunig (1998: 158) also criticise phrases such as “speaking with one voice” because they believe all members of organisations should be encouraged to speak and listen to many members of publics and markets in many voices so that they obtain new ideas and innovate.

Grunig and Grunig (1998: 158) opine that public relations is an ongoing process built into the organisational structure in which the ideas of publics are brought into the decision-making processes of management. Thus, to define two-way communication as a response to a message rather than a reciprocal and continuous process of listening and dialogue do not support their strategic theory.

Grunig and Grunig (1998: 158) also criticise the overemphasis on the behaviour of publics and the underemphasize on the behaviour of management. The purpose of public relations according to them is to “contribute to organisational decision making so that the organisation behaves in ways that publics are willing to support rather than in ways that publics oppose with their own behaviours”.

According to Grunig and Grunig (1998: 158) marketing communication concepts – identity, image, brand, and reputation – suggest that reputation can be managed through the production and distribution of symbols. In their view however, the reputation of an organisation consists of the behaviours of the organisation that publics can recall. The best way to manage reputation or brand image is by using two-way symmetrical communication to help manage the organisational behaviours that produce a bad reputation and to develop a trusting relationship with both consumer markets and publics.

Grunig and Grunig (1998) use the excellence theory to develop their model of integrated communication. Although it might appear that the Grunig and Grunig (1998) model and the model proposed by Duncan and Caywood (1996) have a different focus, (public relations oriented versus a more marketing oriented approach) the two models do however overlap and complement each other. Stage seven of Duncan and Caywood’s (1996) model emphasises the management role of communication professionals and move the focus to all stakeholders of

an organisation which in turn supports Grunig and Grunig's (1998) argument that communication professionals must be part of top management.

Wightman (1999) reviewed the Hunter (1997) model and the Grunig and Grunig (1998) model and offered some criticisms.

- **Criticism of the Hunter (1997) and Grunig and Grunig (1998) models**

Wightman (1999: 24) is of the opinion that public relations has not proven itself to the degree necessary to take over the crucial role of managing all the communications within an organisation. Marketing already views public relations as a subservient function and will not be willing to allow public relations to take over most of their major communication responsibilities: marketing has developed expertise in areas such as database marketing and advertising. Wightman (1999: 24) also contends that public relations does not have the experience in managing marketing communications and is just beginning to move from tactician to manager. He states:

Most public relations practitioners leaving school today have only a very limited understanding of marketing and the overarching principles that the profession upholds. Public relations practitioners generally view themselves as communicators and not as managers. They are great at writing press releases but not as working on the bottom-line results crucial to the dominant coalition”.

Wightman (1999: 24) finally concludes that a massive change in organisational thinking would have to occur before the Hunter five-stage model could be implemented. He is of the opinion that the model offers the most promise for the successful IC organisation of the future but will need skilled communicators to integrate it.

It is true that a skilful integrated communicator will be needed to integrate all communication successfully in an organisation. The question however, arises whether South African organisations view public relations as having the management competency to be part of top management decisions or do they also view public relations mostly as a technical function.

The viewpoints of South African organisations will be tested in the empirical part of the study and will influence the proposed framework for integration of the communication function.

Gronstedt proposed a stakeholder relations model in section 4.3.3 (c) but has since advanced his thinking on integrated communication and proposes his newest model, namely three dimensional integrated communication.

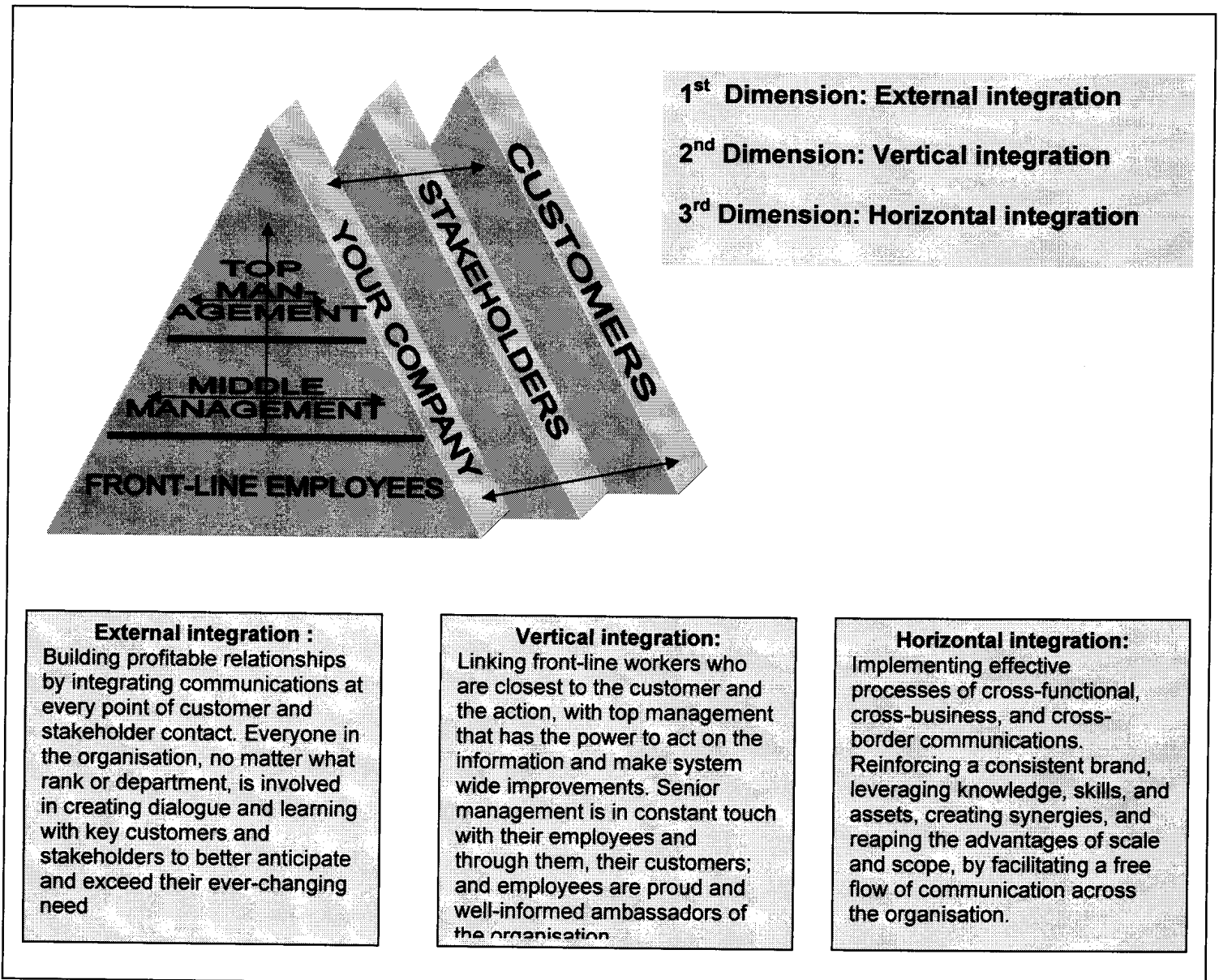
(f) Three dimensional integrated communication – (Gronstedt 2000)

Gronstedt (2000: 5) defines integrated communications as being “the strategic management process of facilitating a desired meaning of the company and its brands by creating unity of effort at every point of contact with key customers and stakeholders for the purpose of building profitable relationships with them”.

It is a “strategic management” process that must permeate through the entire organisation and it involves other stakeholders as well. Gronstedt (2000: 5) is of the opinion that customer and stakeholder relationships are the only source of truly sustainable competitive advantage in what he calls “the customer century”.

Gronstedt (2000: 17) proposes a “three dimensional “model for integrated communications. The model is illustrated in figure 4.10.

FIGURE 4.11 THE THREE DIMENSIONS OF INTEGRATED COMMUNICATIONS



Source: Adapted from Gronstedt (2000: 18)

The first triangle depicted in figure 4.11 represents the organisation with senior management at the top, middle management in the middle, and front-line employees (anyone below middle management who is adding direct value directly or indirectly to the customer) at the bottom. The triangle behind represents stakeholders, such as the local community, the media, investors, and government regulators.

The last triangle is the customers. Gronstedt (2000: 17) illustrated the groups as overlapping triangles to show that “Customer Century” organisations need to involve people from all ranks and from every department in ongoing dialogues with customers and other stakeholders.

The model illustrated in figure 4.11 represents three dimensions. The first dimension of *external integration* is the process of involving everyone in the organisation in both inbound and outbound communications with customers and stakeholders. Senior management therefore needs to train, empower, and support frontline employees through a process of *vertical integration*.

The second dimension of *vertical integration* focuses on two-way communication among senior management, middle management, and employees. The vertical silos of functions and business units may however hamper integration.

Horizontal integration is therefore necessary. The third dimension integrates communication among people working at different business units, departments and countries. Gronstedt (2000: 17) contends that the three dimensions illustrate that integrated communications needs to take place throughout the organisations (external integration), ranks (vertical integration), and functions, business units and regions (horizontal integration). He is of the opinion that all three dimensions need to be in place to reap the full benefits of integrated communications in the Customer Century.

Gronstedt’s new model makes an interesting distinction between the three separate levels of integration. He also includes the brand and a stakeholder orientation as the guiding principles of integrated communication. These principles seem to be an important element in any integrated communication effort and will be tested in the empirical part of the study.

Various models of integrated marketing communications (IMC) and integrated communication (IC) have been reviewed and commented upon. A summary of the most important comments follows.

Schultz *et al.*'s (1993: 52) model added value by emphasising the use of database marketing to manage information about customers. The database is becoming more important to communication managers in changing environments. However the model does not support the two-way symmetrical view of communication because the communication process is portrayed as one-sided. The idea of using a database to manage information will be considered in addressing the primary objective. The usage of a database will be expanded to include all the stakeholders of an organisation.

Duncan & Caywood (*in* Thorson & Moore, 1996:22) are of the opinion that IMC begins with awareness and may advance through various stages and visualised the model by using a set of concentric circles where it moves progressively from the first stage of awareness to the final stage of "general management integration". The value of the model for South African organisations lies in the evolutionary stages of the model. South African organisations might be in the beginning stages of integration only (this will be investigated in the empirical part of this research). This model will help them re-design their processes to be able to meet the challenges of integration, and place more emphasis on the other stakeholders, not just the customers.

In proposing a framework for structuring integrated communication the emphasis will be mostly on stage 6 and stage 7 in this model. Stages 1-5 serves as a good reference point to organisations that would like to move progressively towards integrated communication. The proposed framework will however assume that organisations have already moved through the stages and are now ready for the stage of stakeholder-based integration and relationship managed integration.

Gronstedt (1996) proposed stakeholder relations model takes the idea of stakeholder orientation even further. The central idea to this model is that a manager will use that tool that promises the highest success in a given situation, i.e. that with which the goals and objectives can best be reached. It is of no importance whatsoever to which function such a tool would traditionally be attributed. Gronstedt also emphasised a stakeholders' perspective.

The value of the Duncan and Caywood model and the Gronstedt model lies in combining the two where organisations can first determine where they are in terms of integrating their communications efforts by applying the Duncan and Caywood model and then apply the stakeholder relations model of Gronstedt.

Emphasis placed on stakeholders will depend on the organisation. Every organisation will have different strategic stakeholders and the framework that will be proposed must make provision for this. Flexibility and adaptability are therefore essential. The Internet and the Web will also be included in the final framework for integrating communication in an organisation.

Hunter also reviewed various models and theories of integrated communications before proposing his own framework. The database proposed by Hunter (2000) will enable an organisation to “customise” their communication to satisfy the communication needs of various stakeholders just as marketing use it to “customise their product/service offering to fulfil customer needs. “Marketing” principles such as market segmentation, market research, need fulfilment, and customisation can be applied to communication by “segmenting” stakeholders. An organisation will then fulfil their communication needs by “customising” communication and conducting research with all the stakeholders to determine communication needs, perceptions and attitudes towards the organisation. This will enable the organisation to build better relationships with all stakeholders.

Grunig and Grunig (1998) use the excellence theory to develop their model of integrated communication. Although it might appear that the Grunig and Grunig (1998) model and the model proposed by Duncan and Caywood (1996) have a different focus, (public relations oriented versus a more marketing oriented approach) the two models do however overlap and complement each other. Stage seven of Duncan and Caywood’s (1996) model emphasises the management role of communication professional and move the focus to all stakeholders of an organisation which in turn supports Grunig and Grunig’s (1998) argument that communication professionals must be part of top management.

Gronstedt (2000: 5) views IC to be a “strategic management” process that must permeate through the entire organisation and it involves other stakeholders as well. He is of the opinion that customer and stakeholder relationships are the only source of truly sustainable competitive advantage in what he calls “the customer century” and proposed a “three dimensional “model for integrated communications.

Gronstedt’s new model makes a distinction between the three separate levels of integration. He also includes the brand and a stakeholder orientation as the guiding principles of integrated communication. These principles seem to be an important element in any integrated communication effort and will be tested in the empirical part of the study.

The concept of integrated marketing communications (IMC) stresses the amalgamation of the practices of public relations, marketing, advertising and promotion and thus integration. Integrated communication (IC) is seen as the advanced state of IMC because it focuses on all of an organisation’s stakeholders and not just on its customers. But as indicated by Gronstedt (2000) the brand has also become an increasingly important element of integrated communication in recent years.

Duncan and Moriarty (1997) on the other hand proposed a model where they focused on integrated marketing (IM) as being essential for effective brand relationships. Their model will be discussed next to provide insight into the concept of integrated marketing (IM).

(g) Integrated marketing – (Duncan and Moriarty, 1997)

Duncan and Moriarty (1997:xi) are of the opinion that the management of two way interactivity (brand relationships) is becoming more important than products. Brand value will therefore be determined by how well organisations create, retain and grow their brand relationships. This means that the production-based value chain needs to be replaced by an interactive value field – a brand relationship environment containing many stakeholder groups (e.g. employees, shareholders, suppliers, the media, as well as customers), extensive brand contact points, aftermarket support, the reputation of the organisation, customer recourse and many other relationship-sensitive factors.

Duncan and Moriarty (1997:xi) quote a McKinsey report in saying: “Some marketing practices are certain to need reform. One approach is to treat marketing as a process rather than a department. Here the organisation is not divided by function – into marketing, sales, and production – but by its core processes, such as brand development and delivery system fulfilment. In the last two decades, marketing departments have generated few new ideas. True, they have helped to execute the necessary structural changes arising from developments in globalisation, information and communication technology, strategic planning and organisational design. But when we look for new marketing frameworks, or for fresh approaches that will help build the long-term relationships that manufacturers most need today, the examples are few.”

Duncan and Moriarty (1997:xii) propose an integrated marketing (IM) business model for developing brand value for both organisations and their customers and other stakeholders. They base IM on the fact that everything an organisation does, and doesn’t do sends a message. Every brand message has one of three effects: it strengthens relationships by adding value; reconfirms current relationships; or weakens brand relationships by reducing brand value.

Duncan and Moriarty (1997:xii) also identify the primary differences between integrated marketing and the traditional marketing concepts as:

- Shifting the emphasis from acquiring customers to retaining and growing them
- Communicating *with* rather than just *to* customers and other stakeholders, and
- Expanding the “marketing” responsibility beyond the marketing department (e.g. making marketing less a function and more a philosophy of doing business).

The fact that IM is designed to increase brand value by strengthening relationships, implies that it can also be applied to any type of business – packaged goods, services, business-to-business, retail, industrial, and nonprofits (Duncan and Moriarty 1997:xii).

Duncan and Moriarty (1997:xii) are of the opinion that to have a process for managing brand relationships is critical because relationships are the components of brand equity. They

conclude that in essence brand equity is determined by the quality of a brand's relationships with its customers and other key stakeholders.

Duncan and Moriarty (1997:xiii) emphasise the fact that building long-term profitable brand relationships require more than just the "one voice, one look" integration of integrated marketing communications. They see the "one voice, one look" as being a logistical challenge whereas the creating and nourishing of brand relationships present a strategic challenge that starts with how an organisation is organised.

According to Duncan and Moriarty (1997:xiv) the responsibility for creating, retaining and growing profitable brand relationships cannot be assigned to a single department, as it is not a function. They therefore view IM as being a cross-functional process that involves all key business activities and takes into consideration all stakeholders. Marketing communications is only a part of building successful brand relationships. Increasing the number of successful relationships require more than just IMC. It requires a cross-functional process that has a corporate focus, a new type of compensation system, core competencies, a database management system that tracks customer interaction, strategic consistency in all brand messages, marketing of the organisation's mission and zero-based marketing planning. They see IMC as being "only the tip of the integration iceberg and what is needed is a total re-integration of marketing in order to have a cost-effective relationship building process".

Duncan and Moriarty (1997:4) predict that organisations will change its primary priority from focusing on goods and services to managing stakeholder relationships that determine brand equity. This is because brand equity will often have a greater value than the physical assets of an organisation.

They contend that the efficient way to build brands is no longer through the traditional 4Ps of marketing as it was not meant to be just about product, pricing, place, and promotion but rather to create long-term profitable brand relationships.

Duncan and Moriarty (1997:9) define IM as follows:

Integrated marketing is a cross-functional process for managing profitable brand relationships by bringing people and corporate learning together in order to maintain strategic consistency in brand communications, facilitate purposeful dialogue with customers and other stakeholders, and market a corporate mission that increases brand trust.

The essence of this view of integration is the brand and relationships. Any relationship – personal or commercial – is being driven by communication. They emphasise that “real” communication means listening as well as speaking and consequently argue for a purposeful two-way communication between an organisation and its stakeholders. Figure 4.12 illustrates the driving force of communication in the brand management process.

FIGURE 4.12 THE BRAND EQUITY EQUATION

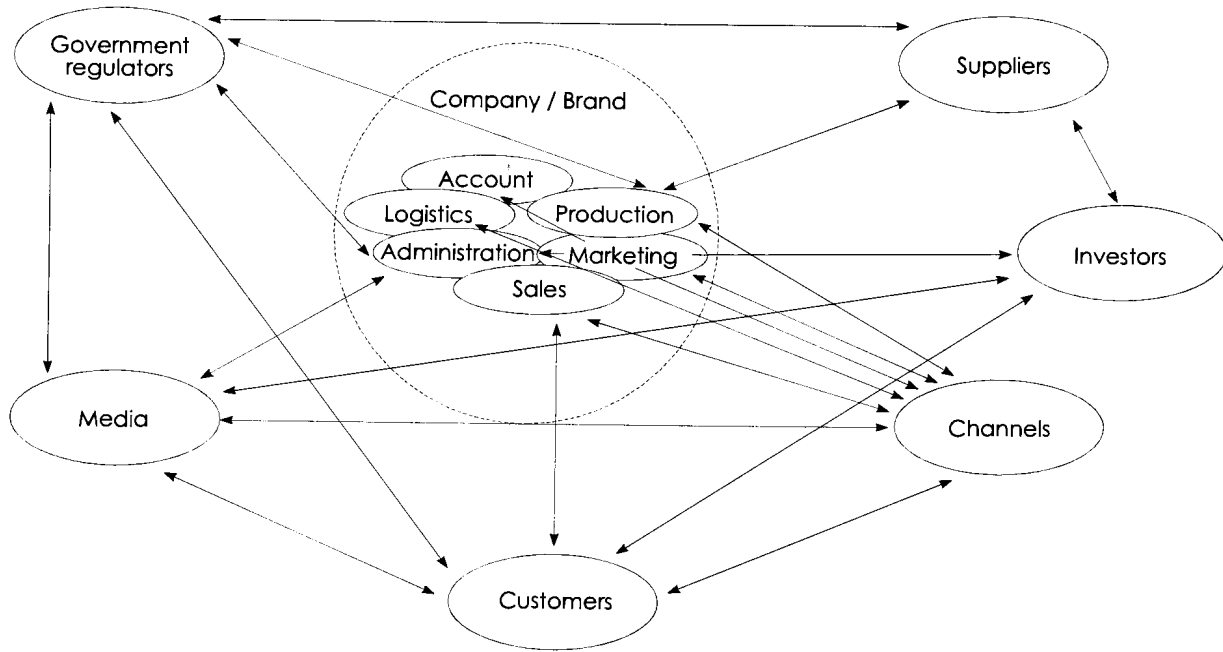


Source: Adapted from Duncan and Moriarty (1997:10)

Duncan and Moriarty (1997:12) introduced the *value field* to understand how brand relationships and brand equity are created and best managed. The value field replaces the traditional concept of the value chain as the latter does not recognise the interactive nature of all the various relationships. The value chain is linear and describes a series of value-added, sequential steps that link the supply side to the demand side.

As shown in figure 4.13, a brand typically exists within a field of stakeholder interactions. The organisation may or may not be involved in all the interactions, and yet these interactions can greatly influence its brand relationships and brand equity (Duncan and Moriarty 1997:12).

FIGURE 4.13: VALUE FIELD



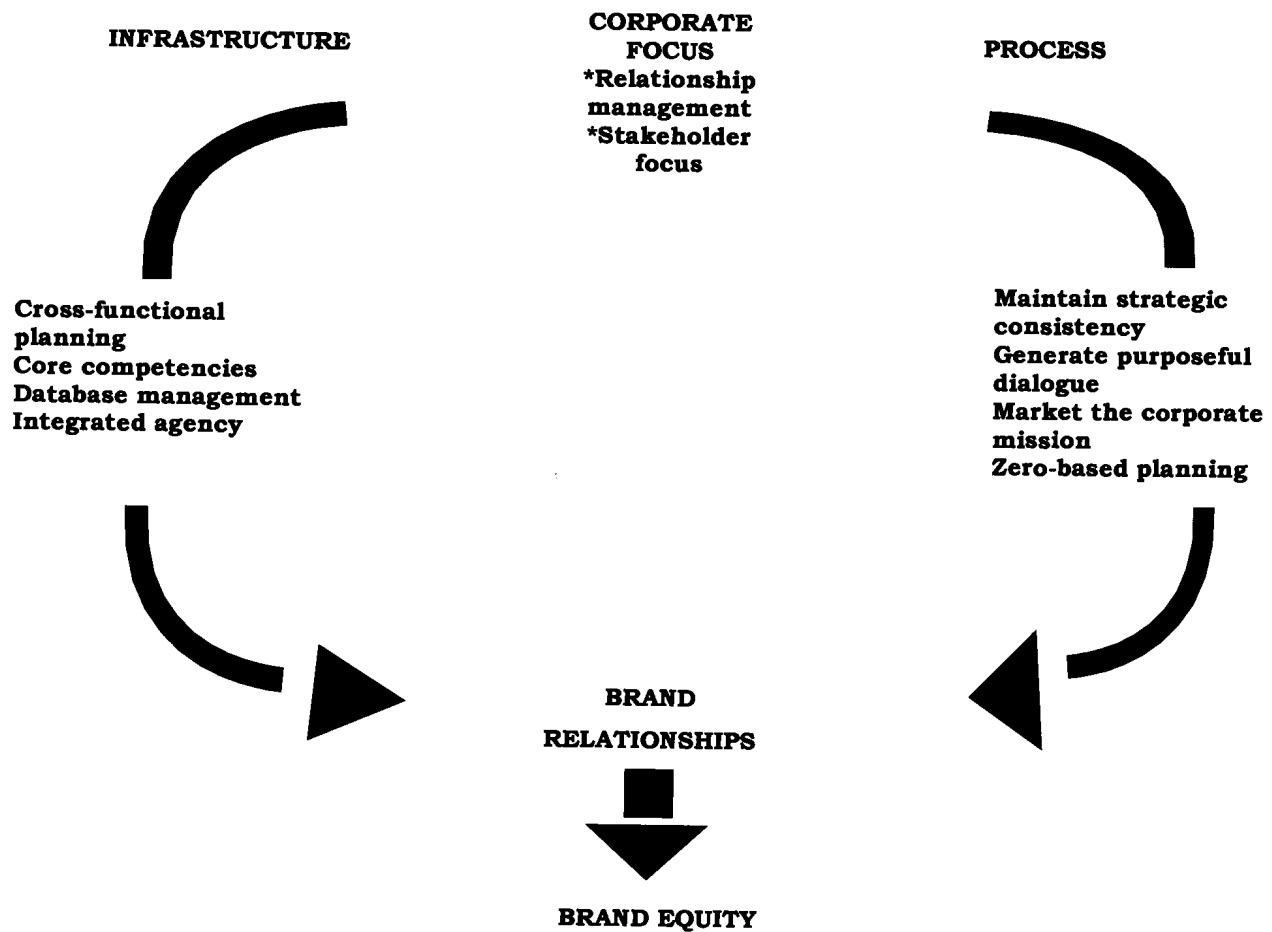
Source: Adapted from Duncan and Moriarty (1997:13).

Figure 4.13 illustrates that a customer is receiving brand inputs from various sources other than the organisation. In order to maintain a customer focus it is necessary to manage relationships with all key stakeholders as they impact on customer attitudes and behaviour.

Duncan and Moriarty (1997:15) identified ten brand relationship drivers that organisations who have benefited from IM, have used. They stress the importance of considering integration as a continuum. It is therefore not necessary to have all ten drivers in place before an organisation can benefit from integration.

As illustrated in figure 4.14 Duncan and Moriarty (1997:13) divided the drivers into three categories with two of them relating to a corporate focus – creating and nourishing relationships and focusing on the stakeholder.

FIGURE 4.13: DRIVERS OF BRAND RELATIONSHIPS



Source: Adapted from Duncan and Moriarty (1997:16)

The first category stresses the importance of driving integrated marketing from the top. This requires top management to be convinced that focusing on relationships is more important than focusing on transactions. Furthermore, top management has to realise that stakeholders overlap and their management has to be integrated.

The second category includes the four process drivers – strategic consistency, purposeful interactivity, mission marketing, and zero-based planning – representing the operational processes on which integrated marketing is based.

The third category consists of the four organisational drivers – cross-functional management, core competencies, data-driven marketing, and working with an integrated agency. These

organisational strategies are needed to create the corporate infrastructure that must be in place to support the process drivers.

The ten drivers identified by Duncan and Moriarty (1997:16) and illustrated in figure 4.14 are as follows:

- **Creating and nourishing relationships rather than just making transactions.** It costs more to acquire a new customer than to keep a current customer. Organisations will therefore benefit more by investing in growing their current customers. Organisations must get to know their customers and use that information in their communication with their customers, thus enhancing their credibility.
- **Focusing on stakeholders rather than just customers or shareholders.** Brand equity is determined by the quality of relationships not only with the customers but also with all the stakeholders. Gaining the support of key stakeholders in the short-term generates profits for investors in the long-term, and therefore reaching the objective of shareholders equity.
- **Maintaining strategic consistency rather than independent brand messages.** It is important to recognise the communication dimensions of all brand contacts and the sources of these messages as they impact positively or negatively on customers and other stakeholders' behaviour. The more a brand's position is strategically integrated into all the brand messages, the more consistent and distinct a company's identity and reputation will be.
- **Generating purposeful interactivity rather than just a mass media monologue.** Interactivity is a form of integration and a balance between mass, personalised, and interactive media is necessary to enrich feedback from customers as well as reach them. The facilitation of customer feedback and dialogue will ensure better integration of the customer into the organisation's planning and operations.
- **Marketing a corporate mission rather than just product claims.** A mission will only make a positive contribution to the organisation when it is integrated into everything an organisation does - from planning to execution. A mission programme needs to be focused in order for the organisation to develop a distinct presence rather than a fragmented one.

- **Using zero-based planning rather than tweaking last year's plan.** The process of planning an IM campaign starts with a SWOT analysis that takes into consideration all the brand relevant internal strengths and weaknesses as well as external opportunities and threats. The findings are then prioritised and addressed by the marketing communication functions that can effectively execute the function. Zero-based planning means that all communication objectives and strategies must be justified in terms of what needs to be done to better manage relationships and not just adjusting last year's programmes.
- **Using cross-functional rather than departmental planning and monitoring.** Internal groups, such as sales, marketing, and customer service, must interact more frequently in order to ensure integration through the sharing of expertise and customer information to enhance consistency. A cross-functional management process provides a link to specialist departments and functions therefore eliminating their isolation but maintaining their specialisation.
- **Creating core competencies rather than just communication specialisation and expertise.** Marketing managers must have a basic understanding of the strengths and weaknesses of major marketing communications functions. The strengths and weaknesses must then be evaluated objectively and applied in a mix that will maximise the cost-effectiveness of each function. Experts are needed for the production of materials but communication generalists are needed to plan and manage an integrated communication programme.
- **Using an integrated agency rather than a traditional full-service agency.** Such an agency takes the responsibility for co-ordinating a brand's total communication programme. It handles the planning as well as routine executions internally and has relationships with other specialist agencies when necessary. The integrated agency will monitor the work of these specialised agencies and ensure that they stay focused on strategy and implement at the required level of quality.
- **Building and managing databases to retain customers rather than just acquiring new customers.** Information is an integral part of integration. How an organisation collects, organises, and shares customer information determines whether or not

shareholders' interactions and transactions are being stored in order to personalise communication.

Duncan and Moriarty (1997) emphasise communication with all stakeholders and not only customers as being essential in integrated marketing. They move away from the “one voice one look” idea of integrated marketing communications and focus on building long-term profitable brand relationships. They also emphasise the cross-functional nature of IM that takes into account all business activities and all key stakeholders. This viewpoint shows similarities with the viewpoints on integrated communication namely, that all stakeholders are included and that major business functions need to co-ordinate activities in a cross-function approach. The difference however, is that Duncan and Moriarty (1997) see brand equity as the outcome of managing stakeholder relations. They place the emphasis on the brand and brand communication. This could however mean that the broad appeal typical to the management of public relations to create mutual understanding between an organisation and its stakeholders, might be blurred.

4.4 Summary

Marketing is considered to be one of the dynamic fields within the management arena and organisations have to respond to challenges in the marketplace. Marketing has also grown in its orientation and focus over the years to accommodate the changing environment. The marketing orientation has changed from a production orientation to a societal marketing orientation and thus supporting the two-way symmetrical model of communication.

The focus of marketing has also changed from being mass oriented to focusing on relationships. Mass marketing focused on mass produced products and mass media led to mass marketing and mass consumption. Relationship marketing however, can be seen as the successor to mass marketing and is based on the logical evolution of marketing thought. The shift to relationship marketing was also based on the changing view of marketing as a function to that of a business philosophy.

Some practitioners and academics are defining public relations as relationship management and this led to the existing confusion between these two functions. Various authors offered viewpoints on how the relationship between these two functions should be.

Some of the marketing authors view public relations as an essential marketing tool. Other authors distinguish between marketing public relations and corporate public relations to clarify the confusion. Based on all the discussions it seems inevitable that marketing and especially the elements of the marketing communication mix, are moving closer to public relations.

This integration is best explained by the concept of integrated marketing communication (IMC) that evolved because of the need for a more holistic approach. Certain trends and changes are identified that led to the adoption of integrated marketing communication. There have however been barriers to integration that needs to be resolved before IMC can be implemented effectively. In order to overcome these barriers certain solutions have been proposed and explored.

Various models have been proposed to clarify the issue of implementing integrated marketing communication and integrated communication effectively. The integrated marketing communications planning model stressed the use of a database to manage information as being important in the successful implementation of IMC but portrays communication as being one-sided. The evolutionary integrated communications model focuses on different stages of IMC. The model is represented in a circular form to move away from the idea that one stage is more important than the other. Instead each stage may build on the experience of the previous stage and each organisation finds the stage that best fits its current situation.

The stakeholder relations model proposes an integrated approach to communication by uniting the main dimensions of public relations and marketing communications. The central idea to the model is that a manager will use the marketing or public relations tool that promises the highest success in a given situation. Hunter's models for integrated communication are based on the revision of previous models. The first model identified five stages necessary for integration. The second model stressed however, that divisionalisation of

the communication function is not effective and various characteristics of integrated communication are proposed. The second model also emphasises the database as being essential in integrated communication.

Another model, integration through the public relations function, offers some criticism of the previous models and emphasises the importance of integrating all the communication efforts through the public relations department. The excellence study is used as a reason why marketing and public relations should be separated and all communication should be coordinated through the public relations department.

The three dimensional model of integrated communication illustrates that integrated communication is a strategic management process that must involve the whole organisation. The model represents three dimensions that need to be in place before an organisation can survive in the customer century.

The integrated marketing model focuses on the development of brand value for organisations, customers and other stakeholders. The model focuses on building long-term profitable brand relations as well as the cross-functional approach needed to take into account all the stakeholders and not just the customers. This focus on relationships illustrates the evolution marketing went through over the years.

An extensive literature review was conducted in chapters 1, 2, 3 and 4. The literature together with the empirical findings will be used to develop a framework for structuring the communication function in South African organisations to encourage integration. Chapters 5 and 6 will focus on the research process that was followed in the empirical part of this study.

CHAPTER 5

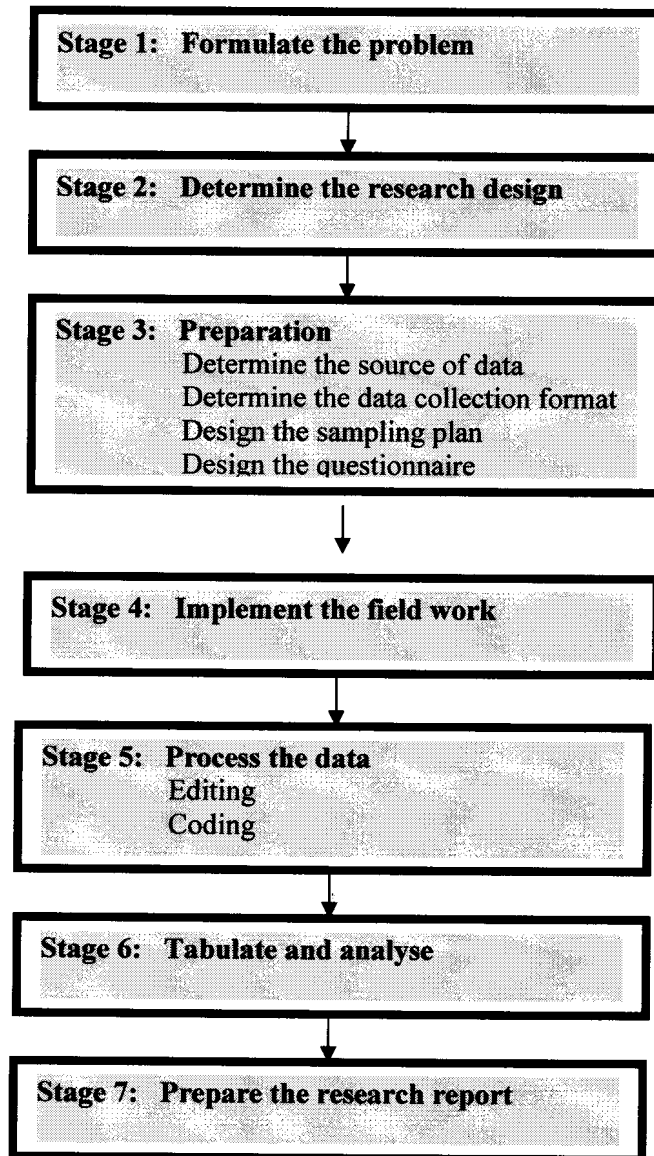
DEFINING THE PROBLEM AND DEVELOPMENT OF PROPOSITIONS

5.1 Introduction

An extensive literature review was undertaken in chapters 1-4. Chapter 5 and 6 will therefore specifically focus on the research process. The research process can be defined as a sequence of stages that provides a general framework to follow when implementing a research study (Dillon, Madden & Firtle, 1993: 24). Although various research textbooks use different formats to describe the research process (Dillon et al, 1993, Churchill, 1996, Cooper and Schindler, 1998), the basic steps to be followed are the same. The headings and discussion in chapter 5 and chapter 6 will however follow the research process identified in Dillon *et al.* (1993: 24).

Figure 5.1 provides a summary of the stages in the research process. Stage 1 of the research process depicted in figure 5.1 will be discussed in chapter 5. Stage 2 –7 will be highlighted further in chapter 6.

FIGURE 5.1: THE RESEARCH PROCESS



Source: Dillon et al (1993: 24)

5.2 Problem formulation

Stage one of the research process is to formulate the problem. The definition of the problem to be researched is therefore the most important step in a research project (Martins, Loubcher & van Wyk, 1996: 82) and also one of the most difficult (and least discussed) aspects of research (Trochim, 1997).

Problem definition, according to Malhotra (1996: 36) involves stating the general problem and identifying the specific components of the research problem. Only then can the research be designed and conducted properly. Malhotra (1996: 36) is also of the opinion that inadequate problem definition is a leading cause in the failure of research projects.

The end result of problem formulation, according to Dillon, Madden & Firtle (1993: 25), should be a precise statement of the objectives of the research to be conducted and a set of research questions. The first fundamental derivative resulting from problem definition is the research objective, which provides the focus of everything to follow. The second component is made up of a set of research questions that immediately flow from the objective and will be answered by the research to be conducted.

The problem statement was derived from the background discussion in the chapter 1 making it clear that future organisations need to structure themselves to gain an advantage in the new competitive landscape by revising standard management thinking and rethinking strategic actions and organisation structure.

The background discussion in chapter 1 also highlighted the fact that disagreement might still exist about the structural architecture of the public relations functions. Although suggestions have been made as to how the communication function should be structured to be most effective, the lack of agreement on a viable organisational structure has been identified as one of the issues derailing integrated marketing communication. It has therefore been given a new life as the concept of integrated communication.

The various issues identified in the background discussion were used to formulate the research problem. Organisations need to re-evaluate the way in which the communications function was previously organised and structured and focus on a more integrated approach that will ensure maximum effectiveness. No framework exists which incorporates all communication in an organisation as no research has been done and published that investigated organisations in South Africa with regard to the integration of communication.

It is therefore necessary to investigate the concept of integrated communication further and then propose a framework for structuring integrated communication that can be applied by different organisations.

The rest of this chapter will focus on the research objectives as well as the propositions that were derived from the objectives.

5.3 Objectives of the study

5.3.1 *The primary objective of this study is:*

To investigate empirically how successful South African organisations are addressing the issue of integrated communication in terms of organisational structures. This, together with the extensive investigation into the relevant literature, will be used to develop a framework for structuring the communication function within South African organisations to encourage integration and enhance organisational effectiveness.

5.3.2 *The secondary objectives of this study are:*

- (a) To ascertain whether there is a dominant public relations model (advanced by Grunig & Hunt 1982) favoured by most of successful South African organisations;
- (b) To establish what the relationship is between the marketing and public relations function in successful South African organisations;
- (c) To determine the viewpoints of marketing and communication managers on integrated communications in successful South African organisations;
- (d) To investigate how public relations/communication departments compare with the criteria prescribed by Grunig and Grunig (1998) for public relations to remain excellent within the IC framework.
- (e) To ascertain how successful South African organisations are using their corporate websites for communications purposes.

- (f) To determine if successful South African organisations integrate dialogic public relations, that is needed to build relationships with publics, through their websites.

5.4 Research propositions

As mentioned in chapter 1 the study will not test hypothesis. The study will comprise of exploratory research with the purpose to propose a framework based on the literature review and the research findings that can be applied by managers, practitioners, academics and scholars.

Cooper and Schindler (1998: 43) define a research proposition as “...a statement about the concepts that may be judged as true or false if it refers to observable phenomena”. The study will therefore only test propositions due to the exploratory nature. The following research propositions were derived from the objectives and formulated in chapter 1 and will be explained further in the next section:

5.4.1 Proposition 1

Proposition 1 address the primary objective (5.3.1) as well as the following secondary objective.

5.3.2d. To investigate how public relations/communication departments compare with the criteria prescribed by Grunig and Grunig (1998) for public relations to remain excellent within the IC framework.

Grunig and Grunig (1998: 141-162) have developed a list of the criteria that must be satisfied in order for public relations to remain excellent within an integrated communications framework. The list contains four principles:

- The public relations function should be located in the organisational structure so that it has ready access to key decision makers of the organisation – the dominant coalition – and thereby contributing to the strategic management processes of the organisation.

- All communication programmes should be integrated into or coordinated by the public relations department.
- Public relations should not be subordinated to other departments such as marketing, human resources or finance.
- Public relations departments should be structured horizontally to reflect strategic publics for it to be possible to reassign people and resources to new programmes as new strategic publics emerge and other publics cease to be strategic.

With regard to these criteria, Grunig and Grunig (1998) make the statement that “all communication functions should be integrated or coordinated by the public relations department.”

Based on these criteria the following proposition was formulated:

Proposition 1: There is a single integrated communication department in successful organisations in South Africa [Supportive to objective 5.3.1 and 5.3.2 (d)].

5.4.2 Proposition 2

Proposition 2 addresses the following secondary objective:

5.3.2a. To ascertain whether there is a dominant public relations model (advanced by Grunig & Hunt 1982) favoured by most of successful South African organisations;

Grunig (1992c) was based partially on the work of Peters and Waterman (1982) and other studies in the field to derive a set of characteristics of excellently managed public relations programmes and departments. These characteristics were identified as applying at the programme, departmental and organisational levels (Grunig 1992a).

A number of the important characteristics that will apply to the proposed study is summarised below:

- Public relations programmes should be managed strategically.
- There should be a single integrated public relations department.
- Public relations should report directly to senior management.
- Public relations should be a separate function from marketing.
- **Communications should adhere to the two-way symmetrical model.**
- The senior public relations practitioner should be a member of, or have access to the organisation's dominant coalition.
- The organisation's "world view" of public relations should reflect the two-way symmetrical model.

Grunig and Hunt (1984: 21) identified four models to describe the different public relations practices that have evolved throughout history:

- press agency;
- public information;
- two-way asymmetrical; and
- two-way symmetrical public relations.

Grunig and Hunt (1984) were the first to define four typical ways in which public relations is practiced – four models of public relations. Since then the four models have been the objects of various research studies by public relations scholars. Grunig and Grunig (*in Grunig 1992b*) reviewed the type of research being done on the models.

They also included in their study the history of the models, the validity and reliability of how public relations is actually being practiced as well as the internal and external conditions that can provide an explanation for this. Based on this review Grunig and Grunig (*in Grunig 1992b*) stated the following proposition:

The two-way symmetrical model of communication is a real as well as a normative model. It is a model that an organisation can use, but often do not use because an authoritarian dominant coalition sees this approach as a threat to its power.

Two-way symmetrical public relations, however, epitomises the professional public relations and reflects the growing body of knowledge in the field. This ethical approach also contributes to organisational effectiveness more than other models of public relations. The two-way symmetrical model as refined here, therefore, is a major component of excellence in public relations and communications management”.

The following proposition was formulated in the context of the view as described above:

Proposition 2: Successful South African organisations practice the two-way symmetrical model of communication. [Supportive to objective 5.3.2 (a)].

5.4.3 Proposition 3

Proposition 3 addresses the following secondary objective.

5.3.2d. To investigate how public relations/communication departments compare with the criteria prescribed by Grunig and Grunig (1998) for public relations to remain excellent within the IC framework

Proposition 1 also addressed secondary objective 5.3.2d but focused only on one of the criteria namely, all communication programmes should be integrated into or coordinated by the public relations department. Proposition 3 addresses most of the criteria identified by Grunig and Grunig for public relations to remain excellent within the IC framework. The criteria addressed by proposition 3 are listed below.

- The public relations function should be located in the organisational structure so that it has ready access to key decision makers of the organisation – the dominant coalition – and thereby contributing to the strategic management processes of the organisation.
- All communication programmes should be integrated into or coordinated by the public relations department.

- Public relations should not be subordinated to other departments such as marketing, human resources or finance.

Based on these criteria the following proposition was formulated:

Proposition 3: Successful South African organisations conform to the criteria prescribed by Grunig and Grunig for public relations to remain excellent within the IC framework.

5.4.4 Proposition 4

Proposition 4 addresses the primary objective as well as the following secondary objective:

5.3.2b To establish what the relationship is between the marketing and public relations function in successful South African organisations;

Kotler & Mindak (1978) postulated five possible models to describe the organisational function between marketing and public relations:

- separate but equal functions;
- separate but overlapping functions;
- marketing as the dominant function;
- public relations as the dominant function; and
- public relations and marketing as the same function.

They predicted that the divisions separating these two functions would continue to break down towards the movement along the path of closer convergence.

The following research proposition was formulated based on the relationship between marketing and public relations:

Proposition 4: The relationship between marketing and public relations in successful South African organisations differ from theoretical models [Supportive to objective 5.3.1 and 5.3.2 (b)].

5.4.5 Proposition 5

Proposition 5 addresses the primary objective as well as the following secondary objective:

5.3.2c. To determine the viewpoints of marketing and communication managers on integrated communications in successful South African organisations;

Hunter (2000b) views integrated communications as follows: “distinctions between the various functions (marketing, internal and corporate communication) of managed communication perpetuate the traditional separation between them; a separation that does not make sense. If we were to follow this strictly in the reality of corporate life, we would end up with structurally and functionally separate silos, each with its own set of tools, goals and objectives”.

Based on his research Hunter (2000b) proposes the following characteristics of IC:

- IC refers to an approach to communication management that no longer separates or divisionalises the communication function and viewed from the stakeholders’ perspective, such a separation is irrelevant.
- A second important characteristic of IC is a stakeholder’s orientation. Organisations need to look at stakeholders and determine what kind of communication they might need to satisfy their interests. The integrated communicator must then manage communication in such a way that it will adhere to the expectation of the stakeholders in terms of communication.
- To do so an integrated communicator must use the instruments that promise the most success in reaching this goal.

Other viewpoints regarding integrated communications were discussed in section 4.3. Based on the discussion on IC the following proposition was formulated:

Proposition 5: Marketing and communication managers in successful South African organisations have different viewpoints with regards to integrated communication [Supportive to objective 5.3.2 (d)].

5.4.6 Proposition 6

Proposition 6 addresses the following secondary objective:

5.3.2e. To ascertain how successful South African organisations are using their corporate websites for communications purposes.

Carroll (2000) conducted a content analysis study on the corporate websites of the top 500 Irish organisations. The core objective was to determine how these organisations used the Internet as a communications tool. Carroll (2000) concluded that the Internet has opened a realm of new communications opportunities for organisations with various stakeholders. It offers a medium, which the organisation has direct control over, is minimal in cost compared to other mediums, and allows stakeholders to interact directly with the organisation and thereby improving relationships with them. These advantages therefore make the Internet a medium, which should be exploited. At present however, organisations have failed to exploit the potential to its fullest.

Based on the above the following proposition was formulated:

Proposition 6: Successful South African organisations' do not exploit the full communication potential provided by their websites. [Supportive to objective 5.3.2 (e)]

5.4.7 Proposition 7

Proposition 7 addresses the following secondary objective:

5.2.2f. To determine, if successful South African organisations integrate dialogic public relations, that is needed to build relationships with publics, through their websites.

The question arises how organisations can use their websites to facilitate more equitable relationships with publics. Kent and Taylor (1998) suggest that organisations should design websites to facilitate real dialogue, as dialogic communication created by the strategic use of the Web is one way for organisations to build relationships with publics. In order to successfully integrate dialogic public relations into the Web, Kent and Taylor (1998) proposed five principles that offer guidelines for the successful integration, namely the dialogic loop, the usefulness of information, the generation of return visits, the intuitiveness/ease of interface, and the rule of conservation of visitors.

Based on these five principles the following proposition was formulated:

Proposition 7: Successful South African Organisations do not create dialogic relationships with their stakeholders through their websites.
[Supportive to objective 5.3.2 (f)]

5.4 Conclusion

The chapter focused on the problem statement and the proposed propositions. This will form the basis of the empirical study to follow. The research design and procedures will be discussed in the next chapter.

CHAPTER 6

RESEARCH METHODOLOGY

6.1 Introduction

The term methodology, according to the Collins Dictionary (1995), refers to “the system of methods and principles used in a particular discipline”, which in the case of this study are the methods and principles used in the research. The term methodology is also closely related to the term epistemology, which stems from the Greek word *epistēmê*, which, is their term for knowledge and is the philosophy of how we come to know.

While methodology is also concerned with how one comes to know, it is much more practical in nature and is focused on the specific ways or the methods that one can use to understand the world better. “Epistemology and methodology are intimately related: the former involves the philosophy of how we come to know the world and the latter involves the practice” (Trochim, 1997).

This chapter aims to provide an insight into the practical ways and methods that will be employed in gathering the information for the empirical part of this study. First, the research design and methodology will be discussed. The last part of the chapter concerns the data processing, analysis and proposed evaluation of results.

6.2 The research design

After formulating the problem, the researcher must determine an appropriate research design (Dillon *et al.*, 1993: 30). A research design is a framework for conducting a research project (Malhotra, 1996: 86). Churchill (1996: 114) sees it as the blueprint that is followed in the completion of a study. It explains in detail the procedure necessary for obtaining the information needed to solve the research problem. A research design therefore lays the foundation for conducting the research (Malhotra, 1996: 86).

According to Malhotra (1996: 86) a typical research design involves the following tasks:

- Define the information needed.
- Design the exploratory, descriptive, or causal phase of the research.
- Specify the measurement and scaling procedure.
- Construct and pre-test a questionnaire or an appropriate form for data collection.
- Specify the sampling process and sample size.
- Develop a plan of data analysis.

Each task will be discussed further in the rest of the chapter. The research design and different types of designs first need further explanation. Section 6.2.1 provides an overview of the different classifications of research designs, whereas section 6.2.2 highlights exploratory research. The rest of the tasks identified by Malhotra (1996: 86) will be discussed from section 6.3 onwards. The tasks identified by Malhotra (1996: 86) and the stages in the research process depicted in figure 5.1 are the same although the sequence differs. The discussion in this chapter will focus on the tasks and stages identified but will not necessarily follow Dillon *et al.* (1993: 24) or Malhotra's (1996: 86) chronological approach.

6.2.1 Classification

Malhotra (1996: 86) classifies research design as either being exploratory or conclusive. The primary objective of exploratory research is to provide insights into and an understanding of the problem confronting the researcher. Exploratory research is used in cases when the problem must be defined more precisely, relevant courses of action must be clarified or additional insights must be gained before an approach can be developed.

Exploratory research may consist of personal interviews with industry experts. The sample, selected to generate maximum insights, is small and non-representative. The primary data is qualitative in nature and are analysed accordingly. The findings of exploratory research should therefore be regarded as tentative or as an input to further research. Such research is then typically followed by further exploratory or conclusive research (Malhotra, 1996: 88).

The insights gained from exploratory research might be verified by conclusive research because the objective of conclusive research is to test specific hypotheses and examine specific relationships (Malhotra, 1996: 88).

Conclusive research is therefore more formal and structured than exploratory research. It is based on large representative samples, and the data obtained are subjected to quantitative analysis. The findings of this kind of research (conclusive research) are considered to be conclusive in nature and are used as input into managerial decision-making (Malhotra, 1996: 88).

The differences between exploratory and conclusive research are summarised in table 6.1.

TABLE 6.1 DIFFERENCES BETWEEN EXPLORATORY AND CONCLUSIVE RESEARCH

	Exploratory	Conclusive
Objective:	To provide insight and understanding	To test specific hypotheses and examine relationships
Characteristics:	Information needed is defined loosely Research process is flexible and unstructured Sample is small and nonrepresentative Analysis of primary data is qualitative	Information needed is clearly defined Research process is formal and structured Sample is large and representative Data analysis is quantitative
Findings/results:	Tentative	Conclusive
Outcome:	Generally followed by further exploratory or conclusive research	Findings used as input into decision making

Source: Malhotra (1996: 87)

Based on the previous discussion in this section it can be stated that this research will be of an exploratory nature where the primary objective is to provide insights into and an understanding of the research problem. The insights gained from this research will then be used to compile a framework, which can be tested by conclusive research in future studies. Cooper and Schindler (1998: 130) also made it clear that exploratory research relies on loose structures and the immediate purpose is to develop hypotheses or questions for further research (in the case of this research, a framework).

The exploratory nature of this research necessitates a further investigation in section 6.2.2 into exploratory research designs.

6.2.2 Exploratory research

The objective of exploratory research is meaningful in any situation where the researcher does not have enough understanding to proceed with the research project (Malhotra, 1996: 88). Cooper and Schindler (1998: 134) contend that exploration is useful when there is a lack of a clear idea of the problem. Researchers can then, through exploration, develop concepts more clearly, establish priorities, develop operational definitions, and improve the final research design. Exploratory research is characterised by flexibility and versatility with respect to the methods because formal research protocols and procedures are not employed. It rarely involves structured questionnaires, large samples, and probability sampling plans (Malhotra, 1996: 88).

Researchers are rather alert to new ideas and insights as they proceed. Once a new idea or insight is discovered, they may redirect their exploration in that direction. That new direction is pursued until its possibilities are exhausted or another direction is found. For this reason, the focus of the investigation may shift constantly as new insights are discovered. Exploratory research also benefits from methods such as, survey of experts; pilot surveys; analysis of secondary data and qualitative research (Malhotra, 1996: 88).

Churchill (1996: 118) summarises the purposes of exploratory research as follows:

- Formulating a problem for more precise investigation
- Developing hypotheses as a result of the initial investigation
- Establishing priorities for further research
- Gathering information about the practical problems of carrying out research on particular issues
- Increasing the analyst's familiarity with the problem
- Clarifying concepts

According to Churchill (1996: 119) literature searches, experience surveys, focus groups, and the analysis of selective cases are productive in conducting exploratory research. Cooper and Schindler (1998: 135), after considering the scope of qualitative research, propose several approaches that are adaptable for exploratory investigations, namely in-in-depth interviewing, participant observation, videotaping, projective techniques, case studies, street ethnography, elite interviewing, document analysis and proxemics and kinesics. They combine these approaches and focus on four exploratory techniques that support those identified by Churchill, namely, secondary data analysis; experience surveys; focus groups and two-stage designs.

The discussion in section 6.2.2 highlighted the exploratory nature of the research study. This research study adheres to the purposes identified by Churchill (1996) in formulating a framework for testing in other studies and in doing so establish priorities for future research. Furthermore by undertaking an extensive literature survey, information was gathered about the research problem in order to increase readers' familiarity with the problem and to clarify concepts.

Other approaches undertaken to gather more information will be in-depth interviewing of experts and document analysis in the form of a content analysis of organisations' websites. The methodology will be discussed in detail in the next section.

6.3 Methodology

Section 6.2 highlighted stage 2 in the research process (figure 5.1), identified by Dillon *et al.* (1993:24), namely, determining the research design. Section 6.3 will concentrate on stage 3 in the process namely source of data, data collection, design of the sampling plan and the design of the questionnaire.

6.3.1 Source of data

Information sources available to the researcher can be classified as primary or secondary data (Dillon *et al.*, 1993: 78).

(a) Secondary data

According to Cooper and Schindler (1998: 135) the first step in an exploratory study is a search for secondary data. Secondary data involve already published data collected for purposes other than the specific research need at hand. Secondary data may be further classified as either internal or external secondary data. Internal data is the information available within the organisation, whereas external data are those generated outside the organisation. The data exist in the form of published material, on-line databases, or information made available by syndicated services (Malhotra, 1996; Dillon, *et al.*, 1993; and Cooper & Schindler, 1998).

Churchill (1996: 192) views the most significant advantage of secondary data to be savings in time and money. It is therefore necessary to start with secondary data and then proceeds to primary data. Secondary data might however not fit the research problem as it was collected for other purposes. Also, the accuracy of secondary data might be questionable as there are a number of possible sources of error (Churchill, 1996: 196). This needs to be kept in mind when using secondary data sources. However, data from secondary sources, according to Cooper & Schindler (1998: 135), can be used in deciding what needs to be done as well as in formulating the hypotheses or propositions.

An extensive literature study was therefore done as part of the exploration stage of the study. Various authors' viewpoints were explored as well as a vast array of Internet sources. Based on the literature review various objectives were identified from which the propositions were derived.

(b) Primary data

Dillon *et al.* (1993: 132) view primary data as "...data collected from potential customers in relevant target markets in cases where secondary and syndicated sources are not sufficient to solve the marketing research problem at hand".

According to Malhotra (1996: 116) a researcher originates primary data for the specific purpose of addressing the problem at hand. Malhotra's (1996: 116) comparison between primary and secondary data is depicted in table 6.2.

TABLE 6.2 A COMPARISON OF PRIMARY AND SECONDARY DATA

	Primary Data	Secondary Data
Collection purpose	For the problem at hand	For other problems
Collection process	Very involved	Rapid and easy
Collection cost	High	Relatively low
Collection time	Long	Short

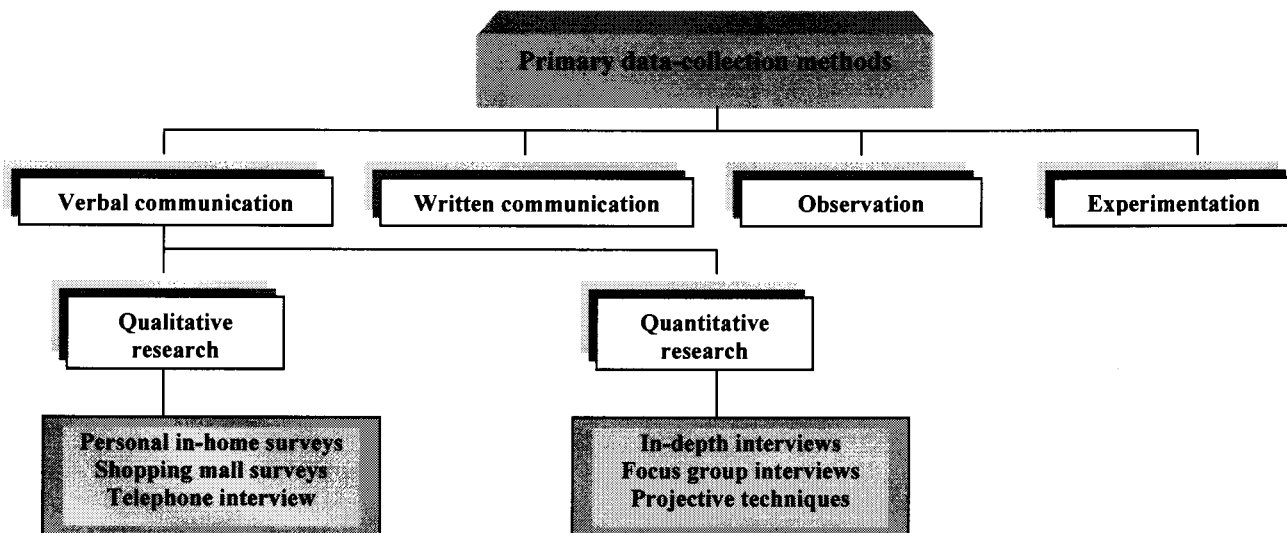
Source: Malhotra (1996: 117)

Primary data still needs to be collected from respondents to address the problem at hand. Section 6.3.2 will therefore investigate the various data collection methods further.

6.3.2 Data collection format

Martins *et al.* (1996: 123) provide a break down of primary data collection methods and this is illustrated in figure 6.1.

FIGURE 6.1 PRIMARY DATA COLLECTION METHODS



Source: Martins *et al.* (1996: 123)

Primary data may be qualitative or quantitative in nature as depicted in figure 6.1. Qualitative research provides insights and standing of the problem setting, where quantitative research seeks to quantify the data and apply some form of statistical analysis.

The research will mostly be qualitative in nature. The empirical part of the study can be divided into three methods: a questionnaire; in-depth interviewing; and content analysis. In-depth interviewing and content analysis are qualitative in nature whereas the questionnaire represents the quantitative part of this study. The questionnaire will however only be used because time and money prohibited the researcher from conducting in-depth interviews with all the organisations identified. It was therefore decided to distribute questionnaires to the organisations but because of the exploratory nature of this study a number of open questions will be used to gain more insight into the research problem. Qualitative and quantitative research will now be discussed further.

(a) Qualitative research

The primary objective of the research, namely, how successful South African organisations are addressing the issue of integrated communication in terms of organisational structures to develop a framework for structuring the communication function within South African organisations to encourage integration, compels the researcher to make use of qualitative research to obtain the needed information. It will be difficult to obtain accurate information from merely structured and quantitative questions.

In-depth interviewing will be used to obtain various expert opinions and a content analysis will be executed to gain insight into two of the research propositions. These two methods will now be elaborated further.

(i) In-depth interviews

According to Malhotra (1996: 174) an in-depth interview is an unstructured, direct, personal interview in which a single respondent is probed by a highly skilled interviewer to uncover underlying motivations, beliefs, attitudes and feelings on a topic.

In-depth interviews attempt to, according to Dillon *et al.* (1993: 143), uncover the content and intensity of respondents' feelings and motivations beyond straightforward or simplistic responses to structured questions. In-depth interviews can therefore uncover greater in-depth of insight than focus groups and can attribute the response directly to the respondent. It results in a free exchange of information that might not always be possible in focus groups (Malhotra 1996: 174).

The lack of structure however, makes the results of in-depth interviews susceptible to the interviewer's influence, and the quality and completeness of the results depend heavily on the interviewer's skills. Data obtained are difficult to analyse and interpret. The length and cost of an in-depth interview also limits the amount of interviews for a specific project (Malhotra 1996: 174). These objections proved to be limitations to the study at hand.

In-depth interviews, despite their limitations have some valuable applications. The primary use of in-depth interviews is to gain insights and understanding through exploratory research. According to Malhotra (1996: 177) they can be effectively employed in special situations such as the following (1, 2, 4 and 5 are applicable to this research):

1. Detailed probing of the respondent.
2. Discussion of confidential, sensitive or embarrassing topics.
3. Situations where strong social norms exist and where the respondent may be easily swayed by group response.
4. Detailed understanding of complicated behaviour.
5. Interviews with professional people.
6. Interviews with competitors, who are unlikely to reveal the information in a group setting.
7. Situations where the product consumption experience is sensory in nature, affecting states and emotions.

(ii) Content Analysis

Content analysis is used in various types of communication research, such as the analysis of mass media content, transcripts of group discussion, or in organisational communication by analysing memos, electronic mail, transcripts of meetings and policy documents (Du Plooy, 2001: 191).

A common use of content analysis is to record the frequency with which certain symbols or themes appear in messages. Content analysis can use the following units of analysis (Du Plooy, 2001: 191):

- Physical units, such as the medium of communication, the number of pages, size and space in print media, time duration in broadcast media and nonverbal codes in interpersonal communication.
- Syntactic units, such as paragraphs, sentences, phrases, clauses or words.
- Thematic units, which are repeating patterns of propositions or ideas related to issues such as sex, violence and AIDS.
- Propositional units, such as questions, answers, statements, assertions or arguments.

Another application for content analysis that has emerged is to apply it to the Web. Content analysis will be done on the organisations' websites that participated in this study.

McMillan (2000) analysed nineteen studies that applied content analysis to the World Wide Web and concluded that such a stable research technique can indeed be applied to the dynamic environment of the Web. McMillan (2000) suggests to future researchers that want to apply content analysis techniques to the Web to consider five primary research steps.

The steps are: formulating the research question and/or hypotheses, sampling, data collection and coding, training coders and checking the reliability of their work, and analysing and interpreting the data.

- **Formulating the research question.** The Web differs from print media because it combines text, audio, still images, animation and video. These characteristics may lead to unique research questions. In some fundamental ways the first step in the research process remains similar and should build on earlier theoretical and empirical work in defining their web-based research. Two secondary objectives based on the literature review were formulated for this research (see section 5.3.2(e) and (f)).
- **Sampling.** A key concern in sampling is that each unit must have the same probability as all other units to be represented. One challenge for the researcher might be to identify the units to be sampled. A researcher has two primary sources from which to develop a sampling frame - offline and online sources. In determining the sample units the researcher must be driven by the research questions. The same sampling frame and sampling units used for the completion of the questionnaire will be used for the content analysis part of this research.
- **Data collection and coding.** The fast-based Web demands that data be collected in a short time frame in order for all the coders to analyse the same content. Web-based analysis must therefore specify the time frame of the analysis. Researchers must also be careful in defining the units of analysis. In this study use will be made of a code sheet to specify the units of analysis. A glossary of the content analysis instrument will be used to explain the units that were analysed. The coding sheet was developed by adapting the instrument used by Carrol (2000) (This instrument was used to conduct a content analysis of the top 500 Irish organisations corporate websites).
- **Training coders and checking the reliability** of their work will not apply to this study as the researcher will be the only coder of the websites and the need to test for inter-coder reliability will not be necessary.
- **Analysing and interpreting the results.** The Web poses no new challenges to this part of content analysis. The elements identified on the coding sheet will be analysed and percentages will be reported.

In applying content analysis the specified procedure followed must be systematic, validity must be ensured, the content must be quantified as numeral values or percentage frequencies and the meaning has to be interpreted in the context in which the research problem originated

(Du Plooy, 2001: 192). This research study adheres to these requirements because a systematic procedure will be followed, inter-code reliability will be addressed and the percentages and frequencies will be reported in chapter 7.

The distributed questionnaire represents the quantitative research part of this study and will be entertained further.

(b) Quantitative research

Some of the proposed propositions will be tested statistically. A structured approach to data gathering and analysing will therefore be followed. The survey method of obtaining information is such an approach and will be discussed further.

The survey method of obtaining information is based on the questioning of respondents. Respondents are asked a variety of questions regarding their behaviour, intentions, attitudes, awareness, motivations, and demographic and lifestyle characteristics. Questions may be asked verbally, in writing, or via computer. The questions are typically structured and in this type of research a formal questionnaire is used and the questions are asked in a pre-arranged order (Malhotra, 1996: 197).

In a structured direct survey the most popular data collection involves the administering of a questionnaire. Most of the questions are fixed-response alternative questions that require the respondent to select from a predetermined set of responses. In a survey the questionnaire is simple to administer and the data obtained are reliable because responses are limited to the alternatives stated.

The use of fixed-response questions reduces the variability in the results that may be caused by the differences in interviewers. It also simplifies the coding, analysis, and interpretation of data. Respondents may however, be unable or unwilling to provide the desired information if the information requested is personal and sensitive. Fixed-response alternatives may also result in loss of validity of certain data such as beliefs and feelings (Malhotra 1996: 197).

Researchers' choices of survey techniques can change over time. According to Dillon *et al.* (1993: 154), the two data-collection methods used most often were telephone surveys and mall-intercept surveys. The use of the Internet has however changed that. Sheehan & Hoy (1999) are of the opinion that the Internet's potential for academic and applied research has recently begun to be acknowledged and assessed. They contend that the growth rate of the Internet presents on-line users and researchers with a growing potential for interaction. The Internet offers both web page based surveys and e-mail for researchers to use in their data collection.

The empirical part of this study consisted of a structured questionnaire distributed via e-mail. E-mail as a data collection method however, has its advantages as well as disadvantages. Sheehan & Hoy (1999) have identified certain advantages and limitations to the use of e-mail namely:

1. **Penetration of e-mail.** As many as 100 million people world wide have access to e-mail (Sheehan & Hoy, 1999). This number of individuals using the media and the ease and frequency with which they can be contacted makes e-mail a viable research method. All the top organisations in South Africa (sample of study) have web pages, and therefore access to e-mail.
2. **Accessibility of names.** A lack of a national directory of e-mail addresses could be seen as a limitation to this study. Although the organisations that form part of the sample have e-mail addresses available through the Share Date website, some of them are outdated or does not give the researcher the right contact person for this specific study (Sheehan & Hoy, 1999).
3. **Anonymity and confidentiality.** E-mail surveys can guarantee anonymity through the use of encryption technology, and confidentiality can be guaranteed through confidentiality assurances (Sheehan & Hoy, 1999).
4. **Identifying duplicate responses and non-response.** E-mail presents a benefit over postal mail since e-mail can be tracked and previous respondents can be eliminated from follow-up e-mail. It also allows the researcher to develop a profile of non-respondents (Sheehan & Hoy, 1999).
5. **Cost benefits.** Cost savings, compared to traditional mail and telephone surveys, are based on low transmission costs and the elimination or reduction of paper costs.

6. **Ease and flexibility of responding.** When respondents perceive new technology as easy to use, they seem more likely to respond. All the organisations that form part of this study have access to e-mail. An inference can therefore be drawn that all the respondents are familiar with the use of new technologies such as e-mail (Sheehan & Hoy, 1999).
7. **Response rate.** According to Sheehan & Hoy (1999), the evidence on whether new technologies produces a higher response rate or not is still unclear. Niewenhuizen (2000) however, indicated in his unpublished Masters Dissertation that he sent out 100 questionnaires via e-mail and only 19 responded. This could pose as a possible limitation to this study.
8. **Response time benefits.** Data can be collected more quickly using e-mail than with postal mail methods (Sheehan & Hoy, 1999).

The above discussion highlighted the advantages as well as the disadvantages of using the Internet as a data collection method. Section 6.3.1 and 6.3.2 focused on the sources of data and data collection methods. Section 6.3.3 will provide an insight into the design of the sampling plan.

6.3.3 Sampling plan

Martins *et al.* (1996: 252) identified five distinctive steps in sampling, namely:

- Step 1: Defining the population
- Step 2: Identifying the sample frame
- Step 3: Selecting the sample method
- Step 4: Determining the sample size
- Step 5: Selecting the sample elements

These five steps as applied to the research study will now be discussed further.

(a) Defining the population

The first step in the sampling process is defining the universe (Sudman & Blair, 1998: 334). The universe or population is the total group that is studied (Blankenship & Breen, 1993: 167) and is the aggregate of all the elements (Martins *et al.*, 1996: 251).

According to Sudman & Blair (1998: 334), the first step in defining the population is to define the population units. Trochim (1997) notes that it is very important to define the unit of analysis, which refers to the major entity that the researcher is analysing in the study. According to him, the analysis one does in the study determines what the unit is and not the sample one is selecting.

Martins *et al.* (1996: 251) define a population in terms of elements, sample units, time, and size. In context of this research scope these are specified as follows:

Element: Financial Mail's top performers
Sample unit: Financial Mail's top performers
Time: 2001
Size: Organisations listed on the Johannesburg Securities Exchange in South Africa

The top organisations in South Africa were chosen on the assumption that these organisations are likely to have a communication (PR) and/or a marketing department. Due to the exploratory nature of the study the researcher envisaged to explore the current de facto situation at top South African organisations regarding communication practices.

To compile a list of the top South African organisations, the Financial Times' 2001 survey on top organisations were used. The Top Performers table in this survey is being regarded as the most meaningful measure - the table ranks organisations on a five-year return to shareholders. The Market Value Added (MVA) and Economic Value Added (EVA) tables indicate shareholder returns and whether or not organisations are adding value for shareholders. It must be kept in mind however, that historical performance is not a predictor of the future as too many of the Top Performers have failed to reproduce their five-year performance.

The list compiled on the 2001 survey was based on the Top Performers table. To qualify for this ranking, organisations need to be listed for at least five years. The long-standing size-based criteria used in past surveys have fallen away. Previously, organisations had to be of sufficient substance to qualify for the Top Performers ranking based on total assets and had to have a market capitalisation of at least R100m. This has however allowed a surfeit of "small cap" organisations to qualify for the Top Performers ranking. The only contenders excluded from the Top Performers sample for 2001 were investment trusts, property trusts, property loan, stock organisations and cash organisations (Hasenfuss 2001).

The new criteria for 2001 produced a sample of 250 organisations, which is more than double the sample size of the previous two years. The universe or population is the total group that is studied: thus the 250 organisations identified in the 2001 survey as the top performers. An alphabetical list of the organisations based on the 2001 survey is included in Appendix 3.

(b) Identify the sample frame

Once the population is defined, the next step is to obtain a frame of the population (Sudman & Blair, 1998: 338). "This is a record of all the sample units available for selection at a given stage of the sampling process" (Martins *et al.*, 1996: 252).

The availability of a sampling frame is one of the most critical factors in determining a sample design. "If such a frame is available, the task of sample selection is significantly reduced. If no frame is available, researchers will essentially need to construct their own frames, a difficult, costly, and time-consuming task" (Sudman & Blair, 1998: 338).

The sample frame that will be used in this study is the organisations listed as the Financial Mail's 2001 Top Performers. A list was compiled that contained the names of these organisations. The researcher used Sharedata, the electronic version of the top selling Profile's JSE Handbook, South Africa's leading JSE reference to gain access to the organisations' general information. An e-mail request was sent to the e-mail addresses provided for general questions. The researcher requested details of the necessary contact person(s). From the responses the researcher then compiled a list of contact people, telephone numbers, fax

numbers and e-mail addresses, based on this information. Some of the e-mail addresses gave an error message and a fax with the same wording as the e-mail was sent to the organisation's fax number. A follow-up was also done in the form of a telephone enquiry.

(c) Selection of the sampling method and sample size determination

Martins *et al.* (1996: 253) divide sampling methods into two broad categories: probability and non-probability sampling. In a probability sample every element has a known non-zero probability of being selected. It is unnecessary to have an equal chance of being selected, but each element must have a chance and that chance must be known so that the sampling results can be applied to the universe (Martins *et al.*, 1996: 253). In non-probability sampling the samples are chosen based on the judgement of the researcher and are only as representative as the researcher's luck and skill permit. In non-probability sampling there is no way of estimating the probability that any element will be included in the sample, and therefore there is no method of finding out whether the sample is representative of the population (Martins *et al.*, 1996: 253).

Probability and non-probability sampling are however used where the population size exceeds 500 elements. If the population size is 500 elements or less, Hair, Bush and Ortinau (2000: 343) advocate that a census should be done of the population elements rather than estimating the correct sample size. The population identified in section 6.3.3(a) comprised the 250 organisations identified as the top performers in Financial Mail's 2001 survey. A census was therefore done of the population elements and all 250 organisations were included in this study.

After identifying the source and collection of data and designing the sampling plan the questionnaire must be designed. An insight is however needed into the different measurement scales available to the researcher before the process of questionnaire design can be further explained. Measurement and measurement scales will therefore be entertained in section 6.3.4.

6.3.4 Measurement and measurement scales

Cooper and Schindler (1998: 159) contend that measurement is the assigning of numbers to empirical events in compliance with a set of rules. Dillon *et al.* (1993: 302) describe it as a process of assigning numbers to objects to represent quantities of attributes.

(a) Measurement scales

Cooper and Schindler (1998: 160) characterise the most accepted base for scaling as follows:

- Numbers are ordered. One number is greater than, less than or equal to another number.
- Differences between numbers are ordered. The difference between any pair of numbers is greater than, less than, or equal to the difference between any other pair of numbers.
- The number series has a unique origin indicated by the number zero.

Cooper and Schindler (1998: 161) summarise the classification of measurement scales as follows in table 6.3:

TABLE 6.3: CLASSIFICATION OF MEASUREMENT SCALES

<i>Types of Data</i>	<i>Characteristics of Data</i>	<i>Basic Empirical Operation</i>
Nominal	No order, distance or origin	Determination of equality
Ordinal	Order but no distance or unique origin	Determination of greater or lesser values
Interval	Both order and distance but no unique origin	Determination of equality of intervals or differences
Ratio	Order, distance, and unique origin	Determination of equality of ratios

Source: Cooper and Schindler (1998: 161)

Sudman & Blair (1998: 448) classify scale types as follows:

- *Ratio scale* variables have properties of order among scale points, equal distances among all adjacent scale points, and an absolute zero.

- *Interval scale* variables do not have the property of an absolute zero but have the properties of order among scale points and equal distances among scale points.
- *Ordinal scales* variables have only the property of order among scale points.
- *Nominal scales* are simply names for the categories and do not have the property of order among them.

The scale types used in a survey will affect the applicability of the various summary measures as described in table 6.4.

TABLE 6.4: SCALE TYPES

Scale type	Mathematical Properties	Applicable Summary Statistics
Nominal	None	Mode
Ordinal	Order	Median
Interval	Order, equal intervals	All (mean, median, mode, variance, standard deviation, interquartile range)
Ratio	Order, equal intervals, absolute zero	All

Source: Adapted from Sudman & Blair (1998: 460)

Cooper and Schindler (1998: 184) define scaling as “...a procedure for the assignment of numbers (or other symbols) to a property of objects in order to impart some of the characteristics of numbers to the properties in question”. Cooper and Schindler (1998: 186) differentiate between rating and ranking scales. Only rating scales and open-ended questions will be used in the questionnaire for this research. The rating scales used in the questionnaire will be discussed next.

- **The multiple choice, single response scale:** Appropriate when there are multiple options and only one answer is sought. The primary alternatives should encompass 90 percent of the range with the “other” category completing the respondent’s list. This scale produces *nominal data*.

- **The Likert scale:** This scale is the most frequently used variation of the summated rating scale. Summated scales consist of statements that express either a favourable or unfavourable attitude toward the object of interest. The respondent is asked to agree or disagree with each statement. Each response is given a numerical score to reflect its degree of favourableness. This scale produces *interval* data.

Cooper and Schindler (1998: 190) however, also highlight the problems that need to be considered as possible sources for errors. They identified three of the most common tendencies to cause errors namely, the errors of leniency, central tendency, and halo effect. The **error of leniency** occurs when a respondent is an “easy rater” or a “hard rater”. **Central tendency** can occur if a respondent is reluctant to give extreme judgements. The **halo effect** can occur when a rater introduces systematic biases by carrying over a generalised impression of the subject from one rating to the other (Cooper and Schindler, 1998: 191).

A standard five-point Likert-scale, which is often referred to as a summated-ratings scale (Churchill, 1992: 405), will be used in some of the questions of the research at hand to ensure consistency and ease of completion. A nominal scale will be used for the questions on demographics of the organisations, which were in the form of multiple-choice questions with single answers.

Open-ended (unstructured) questions will also be used to investigate the respondents’ personal views in regards to certain aspects. Each question will be discussed in detail in section 6.3.5 under questionnaire design and testing.

6.3.5 Questionnaire design and testing

Dillon *et al.* (1993: 302) contend that question wording is a crucial element in maximising the validity of survey data. They therefore propose three general guidelines to keep in mind when constructing a questionnaire.

- Specific questions must only be written down after the research objectives and propositions have been thought through.

- When working on the questionnaire one needs to refer back to the objectives and propositions.
- Consider how the information obtained from response will help answering the research objectives and propositions before a question is formulated.

(a) Response formats

Dillon *et al.* (1993: 309) identified two response formats, namely open-ended and close-ended questions. Both response formats will be used in the questionnaire and will therefore be discussed further.

(i) Open-ended questions

The respondent is allowed to choose any appropriate response within the limits implied by the question (Dillon *et al.*, 1993: 309). Reasons for using open-ended questions that apply to the research include the fact that it is useful to check and/or corroborate the results of quantitative or closed-ended questions. Open-ended questions may also be used to develop a wider range of response than is possible using quantitative or structured questions (Dillon *et al.*, 1993: 310).

Limitations associated with open-ended questions that the researcher should keep in mind are the fact that open-ended questions are not well suited for self-administered questionnaires and answers to open-ended questions may only be more of an indication of the respondents' knowledge about or interest in the issue being investigated. Interview bias can also be a serious problem with the use of open-ended questions and they must be coded or categorised for analysis, which can be a tedious task laden with ambiguities (Dillon *et al.*, 1993: 310).

(ii) Itemised (close-ended) questions

This kind of question requires respondents to select from specified numbers or descriptions the one that best describes their feelings. The obvious advantages of close-ended question format according to Dillon *et al.* (1993:310) relate to their ease of use in the field, their ability to reduce interview bias, and their ability to reduce bias based on differences in how articulate respondents are.

(b) Constructing the questionnaire

The questionnaire was divided into six sections as can be observed in the final questionnaire on pages 1 – 7 in Appendix 1:

- **Section A:** Classification questions.
- **Section B:** Business environment questions.
- **Section C:** Questions related to the communication function in an organisation.
- **Section D:** Viewpoints on integrated communications.
- **Section E:** The relationship between marketing and public relations.
- **Section F:** Open questions related to integration of communications.

(i) Questions in Section A

Question 1 is a classification question formulated to be able to distinguish between marketing and communication managers as well as to determine if one person is responsible for both.

(ii) Questions in section B

Questions 2-3 were included to distinguish between the various industries and sizes of communication and marketing departments for the formulation of hypotheses to test in a future study.

(iii) Questions in Section C

Question 4 was formulated to determine how communications (PR and marketing communications) were structured in the organisation. Question 5 also relates to structuring approaches followed.

Question 6 is an open-ended question to determine if an organisation follows a completely different approach with regard to structuring policies. Question 5 and 6 were included to address the primary objective of structuring in the organisation. Question 7 relates to the different models of public relations identified by Grunig and Hunt (1984). Statements were derived from the descriptions in the literature that focused on the models. Question 8 relates to ways in which organisations communicate to all stakeholders and also address the primary objective (as databases might form part of the proposed framework).

(iv) Questions in Section D

Question 9 is a probing question to determine the familiarity of the respondents with the concept of integrated communications. Explanations on the concepts and terms used are given after the question to eliminate bias. Question 10 aims to test the viewpoints of the respondents on integrated communications in general and not how it is performed in their organisation. Statements were again extracted from the literature discussion on integrated communications. Question 11 attempts to establish if the respondent's organisation integrates their communication efforts. Question 12 and 13 are open-ended questions endeavouring to determine the approach used to integrate all communications.

(v) Questions in Section E

Question 14 is based on the models of Kotler and Mindak (1978) where they attempt to explain the relationship between marketing and public relations. Although the models might be dated they still describe the essence of the debate centring on the relationship between these two functions. Question 15 is an open-ended question and might indicate if the models are totally dated and whether respondents have a completely different perception on the relationship.

(vi) Questions in Section F

Question 16 and 17 (and question 6 previously mentioned in Section C) are open-ended questions formulated to gain a deeper insight into how marketing and communication managers view integrated communication in terms of reporting structure and responsibility.

According to Sudman & Blair (1998: 300), however, there is always a possibility that some questions in a questionnaire could cause problems and questionnaire testing is needed to identify and eliminate these problems.

- **Testing of the questionnaire**

The questionnaire was tested by distributing a copy of the questionnaire to 10 respondents in different fields ranging from academics to communication and marketing managers. Interviews were personally conducted afterwards with the respondents to determine the underlying weaknesses of the questioning and how to go about correcting them. The questionnaire was adapted after the pilot phase and some statements, which proved to be unclear, were deleted.

The findings and recommendations based on the questionnaire and the interviews will be discussed in chapter 7.

(vii) Code sheet

A similar code sheet used by Carroll (2002) to do a content analysis of the top 500 Irish organisations' corporate websites will be employed in this research (Appendix 2). The code sheet was tested and can be used to replicate the study. The codes in categories 1-7 and 12 were based on the codes used by Carroll (2002). The codes in categories 8-11 were based on the five principles identified by Kent and Taylor (1998) that offer guidelines for the successful integration of dialogic public relations via the Web.

Category 9 on the coding sheet that addresses the responses sent by an organisation was included to determine if organisations have organisational members who are trained to respond to electronic communication. Trained members are necessary to ensure the completeness of the dialogic loops incorporated into the organisations' web sites.

A glossary of the content analysis document was also compiled to explain the coding used and to ensure that the study could be replicated (Appendix 2).

Table 6.5 indicates the linkage between the questions, research objectives and research propositions.

TABLE 6.5: THE LINKAGE BETWEEN THE QUESTIONS, RESEARCH OBJECTIVES AND PROPOSITIONS

Questions linked to secondary objectives		Questions
(a)	To ascertain whether there is a dominant public relations model (advanced by Grunig & Hunt 1982) favoured by most of successful South African organisations.	7
(b)	To establish what the relationship is between the marketing and public relations function in successful South African organisations.	14,15
(c)	To determine the viewpoints of marketing and communication managers on integrated communications in successful South African organisations.	1, 9, 10, 16 & 17
(d)	To investigate how public relations/communication departments compare with the criteria prescribed by Grunig and Grunig (1998) for public relations to remain excellent within the IC framework.	4, 11, 12 & 13
(e)	To ascertain how successful South African organisations are using their corporate websites for communications purposes.	Code Sheet
(f)	To determine if successful South African organisations integrate dialogic public relations, that is needed to build relationships with publics, through their websites.	Code Sheet
Questions linked to propositions		Questions
Proposition 1:	There is a single integrated communication department in successful organisations in South Africa [Supportive to objective (d) & primary objective].	4, 5, 6, 8, 11, 12 & 13
Proposition 2:	Successful South African organisations practice the two-way symmetrical model of communication. [Supportive to objective (a) & primary objective].	4, 5, 6, 7, 8, 11, 12 & 13
Proposition 3:	Successful South African organisations conform to the criteria prescribed by Grunig and Grunig for public relations to remain excellent within the IC framework. [Supportive to objective (d) & primary objective].	4, 5, 6, 8, 11, 12 & 13
Proposition 4:	The relationship between marketing and public relations in successful South African organisations differ from theoretical models [Supportive to objectives (b) & primary objective].	4, 5, 6, 8, 11, 12 & 13
Proposition 5:	Marketing and communication managers have different viewpoints with regards to integrated communication in successful South African organisations [Supportive to objective (c)].	1, 9, 10, 11, 16 & 17
Proposition 6:	Successful South African organisations' do not exploit the full communication potential provided by their websites. [Supportive to objective (e)]	Code sheet: Categories 1 - 11
Proposition 7:	Successful South African organisations do not create dialogic relationships with their stakeholders through their websites.[Supportive to objective (f)]	Code sheet: Categories 7, 8, 9, 10, 11

Table 6.6 illustrates the linkage between the sections, questions, question formats and the different scale types used in the questionnaire.

TABLE 6.6: THE LINKAGE BETWEEN THE SECTIONS, QUESTIONS, QUESTION FORMATS AND DIFFERENT SCALE TYPES

Section	Question	Question format	Scale type
Section A	1	Closed-ended	-
Section B	2	Open-ended	
	3	Closed-ended	
Section C	4	Open-ended	-
	5	Closed-ended	-
	6	Open-ended	-
	7	Closed-ended	3 point Likert scale
	8	Open-ended	-
Section D	9	Closed-ended	5 point Likert scale
	10	Closed-ended	5 point Likert scale
	11	Closed ended	
	12	Open-ended	
	13	Open-ended	
	14	Closed-ended	
Section E	15	Open-ended	
	16	Open-ended	
Section F	17	Open-ended	

It is eminent from table 6.6 that a great deal of open-ended questions were included in the questionnaire. This can be attributed to the exploratory nature of the study.

After the data has been collected the data must be analysed and interpreted. The data analysis used in this study will be discussed in the next section.

6.4 Data Analysis

Due to the exploratory nature of this study, exploratory data analysis will be used. An important attribute of this type of data analysis lies in its flexibility to respond to the patterns revealed by successive iterations in the discovery process (Cooper & Schindler, 1995: 426).

The first step however in data analysis is to edit the raw data. Before discussing the data analysis techniques used in this study editing and coding will first be explored.

6.4.1 Editing and coding

According to Martins *et al.* (1996: 295) “*editing entails a thorough and critical examination of a completed questionnaire in terms of compliance with the criteria for collecting meaningful data and in order to deal with questionnaires not duly completed*”. All questionnaires, once received, will be edited and checked for completeness and accuracy. Although it is quite legitimate for an editor to complete a missing answer (Martins *et al.* 1996: 298) in this empirical study the researcher will not complete any incomplete answers as it could bias the responses.

Coding refers to the process whereby codes are assigned to the answers of respondents (Martins *et al.*, 1996: 299). A coding frame was drawn up where every answer will be coded in order to simplify the capturing of the data. Numerical values were assigned to the close-ended questions during questionnaire design. Responses to open-ended questions will be written down and grouped together according to categories.

6.4.2 Data processing, basic analysis and evaluation of results

The responses from the questionnaire will be directly captured from the questionnaire using software packages at the Department of Statistics at the University of Pretoria. Some basic calculations will be made to check the reliability of the data.

Finally, the data will be imported into the statistical software programme where the final analysis will be made. The answers from the coding sheet used in the content analysis part of this research will be captured in Microsoft excel and basic calculations will be done. The personal interviews will be recorded and interpreted. The results from the questionnaire and content analysis as well as the interpretations from the personal interviews will be discussed in chapter 7.

This study does not attempt to test hypotheses and adopts a descriptive focus. With a descriptive focus the aim is to provide a summary picture of the sample in terms of the variables of interest. Descriptive statistics are used to undertake a descriptive analysis (Diamantopoulos & Schlegelmilch, 2000: 65).

In descriptive statistics the starting point is the construction of a frequency distribution for each variable of interest. Absolute (simple counts) or relative (percentage) terms are used to show how often the different values are encountered in the sample. This indicates how “popular” the different values of the variable are among the units of analysis. Absolute (simple counts) and relative (percentages) frequencies can be used to describe the data. Cumulative frequency distributions can also be constructed with ordinal-, interval- and ratio-level variables. Cumulative frequencies result in the adding of the frequencies associated with a particular value to the sum of the frequencies corresponding to all preceding values. (Diamantopoulos & Schlegelmilch, 2000: 65).

Due to the exploratory nature of this study frequency distribution will mostly be used to describe the data resulting from both the questionnaire and the coding sheet. The frequency distribution used will provide a summary picture of the sample in terms of the variables of interest and will be used to address the various propositions formulated.

Proposition 5 however, involve comparing different groups across the same measure variable and non-parametric testing in the form of a Kruskal-Wallis one-way ANOVA test will be used to address this proposition. Non-parametric testing will be explored further in the next section.

(a) Nonparametric tests

Nonparametric tests are used to test propositions with nominal and ordinal data. The relatively small sample size of this study necessitates the use of nonparametric tests as they have fewer and less stringent assumptions. Normally distributed populations or homogeneity of variance are not a requirement.

Nonparametric tests are also the only tests usable with nominal data and are the only technically correct tests to use with ordinal data, although parametric tests are sometimes employed (Cooper & Schindler, 1995: 479).

Proposition 5 requires that different groups are being compared across the same measure. Three groups will be compared on an interval scale through the Kruskal-Wallis one-way ANOVA. This nonparametric test will therefore be entertained further.

(i) Kruskal Wallis one-way ANOVA

A Kruskal Wallis one-way analysis of variance (ANOVA) will be used in comparing an ordinal variable across three or more independent groups. The test statistic associated with the K-W one-way ANOVA is based on an approximation of the chi-square distribution with $k-1$ degrees of freedom, where k is the number of groups compared (Diamantopoulos & Schlegelmilch, 2000: 65).

The Kruskal-Wallis test is appropriate for data that are collected on an ordinal scale or for interval data that do not meet F-assumptions, that cannot be transformed, or that for some other reason prove to be unsuitable for a parametric test. K-W is a one-way analysis of variance by ranks. It assumes random selection and independence of samples, and an underlying continuous distribution. Data are prepared by converting ratings or scores to ranks for each observation being evaluated.

The ranks range from the highest to the lowest of all data points in the aggregated samples. The ranks are then tested to decide if they are samples from the same population (Cooper & Schindler, 1995: 501). The Kruskal Wallis test will be used by comparing the groups identified in question 1 with the statements in question 10 to address proposition 5. The interpretation of the test results will be presented in chapter 7.

6.5 Summary

This chapter provided a description of the research methodology used in this study. This research study can be classified as exploratory research in order to provide insights into the research problem. In proposing a framework for structuring integrated communication, priorities for future research will be identified. The literature review increased the understanding and familiarity with the concepts identified and discussed. The researcher will make use of secondary and primary data as a source of data. The data collection was divided into a questionnaire, in-depth interviews and a content analysis of organisations' websites. The population to be researched consists of the top South African organisations identified by the Financial Mail. Various measurement scales will be used in the questionnaire. Open-ended questions will also be used as a way of collecting more information. The various questions in the questionnaire were discussed and explained. The coding sheet used for the content analysis was also discussed.

The study does not aim to test hypothesis and descriptive statistics will mainly be used. Due to the sample size and the exploratory nature of this study frequency distribution will be used to describe the data resulting from the questionnaire and the data sheet. The frequency distribution provides a summary picture of the sample in terms of the variables of interest and will be used to address the various propositions formulated. A Kruskal-Wallis one-way analysis of variance (ANOVA) will be used to address proposition 5 as it involved the comparison of different groups among the same measure variable.

The next chapter will provide a discussion on the results and interpretation thereof together with the outcomes of the different research propositions as formulated in the introductory chapter and substantiated in chapter five.

CHAPTER 7

RESEARCH RESULTS AND INTERPRETATION

7.1 Introduction

Chapter 6 encompassed a detailed discussion on the research methodology applicable to the empirical research phase of this study. Results on the distributed questionnaire, the content analysis of the websites and the personal interviews will be presented and interpreted in this chapter. The questionnaire will first be reported on, followed by the content analysis of the websites. Next the interviews will be interpreted and commented upon.

Results from the questionnaire and the content analysis will be presented and interpreted on a question-by-question and code-by-code basis. The results of each individual question in the questionnaire will start with the wording of the questions as formulated in the final questionnaire (Appendix 1). Results from the content analysis will also start with the questions in the categories as formulated in the final code sheet (Appendix 2). Results from both the questionnaire and the content analysis will be presented in a table format. The discussion of each question and code will include a descriptive analysis of frequencies, where after statistical techniques will be applied where necessary to draw inferences from the data.

The presentation of results and interpretation will be concluded with a summary of the major findings and possible support for the various research propositions.

7.2 Realisation rate

A census of the population elements as described in chapter 6 was obtained from the Financial Times' 2001 survey on top organisations.

The fieldwork was conducted in Pretoria on the questionnaires by a fieldworker from May to July 2002. E-mail as a data collection instrument (as indicated in section 6.3.2) did prove to be limiting to the study. The organisations targeted did not initially respond to the e-mailed questionnaires. The data collector subsequently phoned all the organisations and enquired whether they were willing to participate. If affirmative the questionnaire was again e-mailed. A follow-up was done through reminder e-mail two weeks later. Another follow-up was done in the form of a telephone call to remind potential respondents again. Finally, after the phone calls, e-mails and reminder faxes a total of 34 of the organisations responded.

The realisation rate from the sample frame is depicted in table 7.1.

TABLE 7.1: THE REALISATION RATE

Total Top Performers (Population)	250
Reasons for not participating	
No marketing or communication department (“Holding company”)	76
No telephone number	12
Department is not located in South Africa	4
Organisation has closed down	3
Other reasons	8
Total that could participate	147
Total that indicated they had no time to participate	18
Total that indicated that a questionnaire can be sent	129
Total participants	34

The reasons for the low overall realisation rate depicted in table 7.1 are:

- A large number of organisations were holding companies and did not have a marketing or public relations/communication department (that disqualified them from this study). This is a factor that should be kept in mind in future studies focusing on the top organisations in South Africa.

- A number of people indicated in the initial call made to them that they are willing to participate. A questionnaire was sent to all the contact people. Thereafter two reminders were sent in the form of e-mail and a personal call. Again they indicated that they would participate and would return the questionnaire but failed to do so.
- The time-factor also played a role in people's decision to participate. Some of the people contacted indicated from the start that they did not have the time at all to complete a questionnaire. Again this should be kept in mind by future studies focusing on top organisations. It is surmised that the top organisations are prone to "research-fatigue".
- Some of the organisations identified in the sample frame as being part of the top organisations in South Africa based on their financial performance for a given period, could however not maintain that position and were forced to close their doors. That disqualified them from the research although the researcher did not know it at the time of the data collection phase.

7.3 The representativeness, validity and reliability of the results.

Before a question-by-question exposition of the results will be reported, it is important to describe the representativeness, validity and reliability of the results. This is necessary to provide the right context in which the results can be interpreted and conclusions can be drawn.

- **Representativeness of the results**

The aim of the research was to conduct exploratory research among successful South African organisations to develop a framework for structuring the communication function within South African organisations to encourage integration. These organisations were chosen because their financial performance served as an indicator for their successfulness. No previous research has focused on integrated communication in South African organisations and exploratory research was necessary to gain a better understanding of how successful organisations operate in terms of communication and structuring of their communication.

The 2001 survey of the financial times produced a total of 250 organisations that were identified as “top performers”. All 250 organisations were included in this research by means of a census done on the population elements. The 250 organisations can therefore be seen as representative of successful South African organisations as all 250 organisations were initially included. However, as depicted in table 7.1 only 147 could participate eventually and only 34 of the successful organisations in South Africa participated in the research. The nett effective response rate was therefore 23% ($34/147$). Reasons for the low response rate were given in section 7.2. The sample is relatively small and scientific representativeness cannot be claimed – the results should therefore be interpreted accordingly.

- **Validity of the results**

As the research design for this study is of an exploratory nature, the questionnaire was designed from the literature and tested in successful South African organisations with a low sample realisation rate as depicted in table 7.1. Based on this the validity and reliability cannot be proven statistically, but the validity can be evaluated based on the face value of the questionnaire. Validity is the extent to which differences in observed scale scores reflect true differences among objects on the characteristics being measured, rather than systematic or random errors (Malhotra, 1996: 240).

The content validity approach was used by the researcher to measure the validity of the results obtained during this study by determining whether questions in the measurement instrument used, measured the characteristic it was supposed to measure. The questionnaire was validated in the pre-testing phase as described in section 6.3.5.

The content of the measures in the questionnaire originated from previous studies reported in the literature review and was regarded to be sufficient to address the objectives of this study formulated in chapter 1.

Results on the questionnaire, content analysis and in-depth interview will be explored further in the next section.

7.4 Results of the questionnaire on a question-by-question basis

The researcher will report the results on the questionnaire by using a frequency distribution for each variable of interest. Absolute (simple counts) or relative (percentage) terms were used to show how often the different values were encountered in the sample. Due to the small realised sample, decimals do not contribute to a more detailed interpretation of the results, and therefore, no decimals will be used in presenting the relative terms (percentages).

7.4.1 Section A

The purpose of question 1 in section A was to serve as a classification question to be able to distinguish between marketing and communication managers as well as to determine if one person is responsible for both. The following results (illustrated in table 7.2) provided the information necessary for the Kruskal-Wallis one-way ANOVA test later in the analysis (section 7.4.4).

a) Question 1

Your responsibilities are mainly:

TABLE 7.2: CLASSIFICATION OF RESPONSIBILITIES

	Frequency	Percent	Cumulative Frequency	Cumulative percent
Communication related	11	32	11	32
Marketing related	5	15	16	47
Combination	18	53	34	100

As illustrated in table 7.2, the majority (53%) of respondents' responsibilities were a combination of marketing and communication, 15% indicated that their responsibilities are mainly marketing related and 32% said that it is mainly communication related. A comparison will be drawn between the identified three groups' viewpoints on integrated communication by using the Kruskal-Wallis one-way ANOVA test (section 7.4.4).

(A1) The main finding from question 1 as depicted in table 7.2 is that the majority (53%) of the respondents who participated in this study indicated that their responsibilities are a combination of marketing and communication.

7.4.2 Section B

The purpose of section B was to distinguish between the various industries and sizes of departments for the formulation of hypotheses to test in a future study.

(a) Question 2

Industry classification:

An open question was used to determine what the industry classification was of the organisations that participated and the results are depicted in table 7.3.

TABLE 7.3: INDUSTRY CLASSIFICATION

SIC Classification	Frequency	Percent	Cumulative Frequency	Cumulative percent
PRIMARY	4	12		
1. Agriculture, forestry and fishing	1	3	1	3
2. Mining and Quarrying	3	9	4	12
SECONDARY	13	38		
3. Manufacturing	8	23	12	35
4. Construction	5	15	17	50
TERTIARY	17	50		
5. Wholesale and retail	6	18	23	68
6. Transport, storage and communication	2	6	25	74
7. Finance, insurance and business services	9	26	34	100

Industry classification can serve as a categoriser to draw comparisons and formulate hypotheses. In the case of this research the sample realisation rate was too small to compare the three sectors.

(B1) The main finding derived from question 2 and depicted in table 7.3 is that half (50%) of the organisations that participated formed part of the tertiary sector. The primary sector was represented by 12% of the organisations and the secondary sector by 38%.

(b) Question 3

The number of full-time employees in the marketing and communication/PR department is:

Question 3 was included to determine the size of the marketing and communication department in the top South African organisations. The results of this question are illustrated in table 7.4.

TABLE 7.4: NUMBER OF EMPLOYEES IN THE MARKETING (M) AND THE COMMUNICATION/PR (C) DEPARTMENT

Number of Employees	Frequency		Percent		Cumulative Frequency		Cumulative percent	
	M	C	M	C	M	C	M	C
1-10	14	22	54	73	14	22	54	73
11-20	5	5	19	17	19	27	73	90
21-30	4	2	15	7	23	29	88	97
31-40	-	-	-	-	-	-	-	-
41-50	-	-	-	-	-	-	-	-
More than 50	3	1	12	3	26	30	100	100

(B2) The main findings from table 7.4 is that 54% of the organisations had 1-10 employees in their marketing department and 73% had 1-10 employees in their communication department. Only 12% of the organisations had more than 50 employees in their marketing department and only 3% of the organisations had more than 50 employees in their communication department. Thirty-four percent had between 11-30 employees in their marketing department and 24% had between 11-30 employees in their communication department.

7.4.3. Section C

The purpose of section C was to gain a better understanding of communication in the top organisations with regards to structuring, the models of public relations followed and the usage of databases in communication.

Question 4 was used to gain a better understanding of the communication activities in organisations in terms of responsibility, names of departments, the corporate hierarchy, if it is a line or a staff function, the job title of the senior officer and the job title of the person the senior officer reports to.

(a) Question 4

Please indicate your organisation's organising/structuring policy regarding communications by completing the following table.

Respondents were asked to complete a table for question 4. The table format was used to reduce the number of questions and make it easier for the respondents to complete. Not all the respondents however completed all the aspects of the table thus making it difficult to analyse and interpret the results. The organisations that formed part of this research were too complex and different to use a table in a structured questionnaire. An in-depth analysis was necessary in each organisation to determine the way they structure and why they do it. Section 7.6 will reflect on the in-depth interviews conducted with six of the organisations. However, researchers sometimes have to rely on structured questionnaires because of time and money restrictions to gain insight into a specific matter.

Table 7.5 was partly used for question 4 and various other tables (table 7.6 to 7.10) will be used to address the results, which were derived from the answers to the open question posed in the table of question 4. The main findings of each table will be given and will be used to address the propositions in section 7.8.

TABLE 7.5: RESPONSIBILITY FOR FUNCTION/ACTIVITY

Function \ Responsibility	PR	Adv	SP	DM	PS	S	EC	IR
1. Outsourced	6	17	3	3	1	1	1	-
%	18	50	9	9	3	3	3	-
2. In House	18	8	16	21	25	21	29	2
%	53	23	47	62	74	62	85	100
3. Combination	10	5	5	1	-	2	4	-
%	29	15	15	3	-	6	12	-
4. Don't do	-	4	10	9	8	10	-	-
%	-	12	29	26	23	29	-	-
TOTAL	34	34	34	34	34	34	34	2

Public relations = PR; Advertising = Adv; Sales promotion = SP; Direct marketing = DM; Personal selling = PS; Sponsorships = S; Employee communication = EC; Investor relations = IR

Table 7.5 provides the following insights:

- Public relations are done by all the organisations. Eighteen percent of the organisations outsource it, 53% do it in-house and 29% use a combination of in-house and outsourcing.
- Fifty percent of the organisations outsource their advertising, 23% do it in-house, 15% use a combination of in-house and outsource and 12% do not use any advertising.
- Twenty-nine percent of the organisations do not engage in sales promotions activities at all, 9% outsource it, 47% do it in-house and 15% use a combination of outsourcing and in-house.
- Direct marketing is outsourced by 9% of the organisations, 62% do it in-house, 3% use a combination of outsourcing and in-house and 26% do not engage in direct marketing activities at all.
- Personal selling is not used at all by 23% of the organisations, 3% outsource it and 74% are responsible in-house for it.
- Sponsorships form part of the in-house responsibilities of 62% of the organisations, 3% outsource it, 6% use combinations of outsource and in-house and 29% do not do it at all.

- Internal/employee communication form part of the in-house responsibilities of 85% of the organisations, 3% outsource it and 12% use a combination of outsourcing and in-house.
- Two organisations indicated that investor relations is another function and both are responsible for it in-house.

(C1) The main finding derived from table 7.5 is that the majority of organisations perform public relations (53%), sales promotions (47%), direct marketing (62%), personal selling (74%), sponsorships (62%) internal/employee communication (85%) and investor relations (100%) in-house. Advertising is outsourced by 50% of the organisations.

The department name was treated as an open question in the table and codes were assigned to the different answers. In table 7.6 the percentages will reflect the number of organisations who indicated certain functions and the department responsible for those functions

TABLE 7.6 DEPARTMENT NAME

Function	PR (A)	Adv (B)	SP (C)	DM (D)	PS (E)	S (F)	EC (G)	IR (H)
Department								
1. Marketing	11	12	16	17	15	14	10	-
%	42	63	89	94	71	70	36	-
2. Agencies	1	3	-	-	-	-	1	-
%	4	16	-	-	-	-	4	-
3. Communication/PR	10	2	1	-	1	4	9	-
%	38	11	6	-	5	20	32	-
4. Human Resources	-	-	-	-	-	-	2	-
%	-	-	-	-	-	-	7	-
5. Business unit/lines	-	-	1	-	4	-	1	-
%	-	-	6	-	19	-	4	-
6. Finance	-	-	-	-	-	-	-	1
%	-	-	-	-	-	-	-	50
7. Combination of marketing and PR	3	1	-	1	1	1	2	-
%	12	5	-	6	5	5	7	-
8. Combination of Marketing and Human Resources	-	-	-	-	-	-	2	-
%	-	-	-	-	-	-	7	-
9. Secretariat	1	1	-	-	-	1	1	1
%	4	5	-	-	-	5	4	50
TOTAL	26	19	18	18	21	20	28	2

It will be observed that the responses for the various functions do not correspond exactly with the number of organisations in table 7.5 (some respondents omitted to answer certain open-ended questions). The percentages should be treated in context of the number of respondents indicated by the “total” row. Because of the diversity of department names some of the names were classified under a category i.e. marketing.

Two of the criteria identified in chapter 1 that must be satisfied for public relations to remain excellent within an IC framework are that all communication programmes should be integrated into or coordinated by the public relations department and that public relations should not be subordinated to other departments such as marketing, human resources or finance. This part of the table serves as an indication whether communication activities form

part of the public relations department and if public relations is a separate department or part of another.

Table 7.6 provides the following insights:

- The department name of public relations is marketing related in 42% of the organisations (A1), communication/public relations related is 38% (A3) and 12% uses a combination of marketing and public relations (A7).
- Advertising's department name is marketing related in 63% of the organisations (B1) and communication/PR related in 11% of the organisations (B3).
- Sales promotion is part of a marketing related department in 89% of the organisations (C1) and communication/PR related in 6% (C3).
- Direct marketing is part of a marketing related department in 94% of the organisations (D1).
- The department name for personal selling is marketing related in 71% of the organisations (E1) and communication/PR related at 5% (E3).
- The department name for sponsorships is marketing related in 70% of the organisations (F1) and communication/PR related in 20% (F3).
- Employee/internal communication is part of a marketing related department in 36% of the organisations (G1) and part of a communication/PR related department in 32% (G3). In 7% of the organisations (G4) it is part of a human resource department and 7% use a combination of marketing and human resources (G8).
- Investor relations form part of a finance related department in one of the organisations (H6) and at another the secretariat is responsible for it (H9).

(C2) The main finding derived from table 7.6 is that most of the following communication functions/activities' department names are marketing related: advertising (63%), sales promotion (89%), direct marketing (94%), personal selling (71%), sponsorships (70%). Employee/internal communication is part of a marketing related department in 36% of the organisations and public relations in 42%.

Another one of the criteria identified in chapter 1 that must be satisfied for public relations to remain excellent within an IC framework is that it should be located in the organisational

structure so that it has ready access to key decision makers of the organisation – the dominant coalition – and thereby contributing to the strategic management processes of the organisation. This part of the table (in the questionnaire) was therefore included to determine if communication activities, specifically public relations, are part of lower, middle or senior management. Some organisations indicated a combination of the management levels and codes were assigned to their answers and are depicted in table 7.7.

TABLE 7.7: CORPORATE HIERARCHY

Function	PR (A)	Adv (B)	SP (C)	DM (D)	PS (E)	S (F)	EC (G)	IR (H)
Hierarchy								
1. Lower (L)	1	-	-	-	1	1	2	-
%	3	-	-	-	5	6	7	-
2. Middle (M)	3	3	3	2	5	3	8	-
%	10	15	18	11	26	18	29	-
3. Senior (S)	19	13	11	10	9	10	15	2
%	66	65	65	56	47	59	53	100
4. Combination L, M, & S	3	2	1	1	2	1	2	-
	10	10	6	6	11	6	7	-
5. Combination M & S	3	2	2	4	1	2	1	-
%	10	10	12	22	5	12	4	-
6. Combination L & M	-	-	-	1	1	-	-	-
%	-	-	-	6	5	-	-	-
TOTAL	29	20	17	18	19	17	28	2

It will be observed that the responses for the various functions do not correspond exactly with the number of organisations in table 7.5 (some respondents omitted to answer certain open-ended questions). The percentages should be treated in context of the number of respondents indicated by the “total” row.

Table 7.7 provides the following insights:

- Public relations forms part of senior management in 66% of the organisations (A3), part of middle management in 10% (A2) and part of lower management in 3% of the organisations (A1).

- Advertising is part of senior management in 65% of the organisations (B3) and in 15% it is part of middle management (B2). In none of the organisations is it treated as part of lower management (B1).
- Sixty-five percent of the organisations consider sales promotion to be part of top management (C3) and 18% as middle management (C2).
- Direct marketing is considered to be part of top management by 56% of the organisations (D3) and by 11% as part of middle management (D2).
- Forty-seven percent of the organisations consider personal selling as part of top management (E3), 26% as middle management (E2) and 5% as lower management (E1).
- Sponsorships are regarded as part of top management by 59% of the organisations (F3), as middle management by 18% (F2) and as lower management by 6% (F1).
- In 53% of the organisations internal/employee communication form part of top management (G3), in 29% as middle management (G2) and in 7% as lower management (G1).
- Both the organisations that answered on investor relations consider it to be part of top management (H3).

(C3) A main finding from table 7.7 is that the majority of organisations consider their communication activities to be part of top management: Public relations (66%), advertising (65%), sales promotion (65%), direct marketing (56%), personal selling (47%), sponsorships (59%), internal/employee communication (53%) and investor relations (100%).

In the pre-testing phase of the questionnaire it was indicated that the reporting relationship and management hierarchy would be influenced by whether the communication function/activity is considered to be a line or a staff function. A cross tabulation could however not be performed due to the small sample size and disparity of answers given. The results will therefore be reported and interpreted in this context in table 7.8.

TABLE 7.8: LINE OR STAFF FUNCTION

Function \ Line or Staff	PR (A)	Adv (B)	SP (C)	DM (D)	PS (E)	S (F)	EC (G)	IR (H)
1. Line	12	7	4	5	3	7	9	2
%	63	50	33	42	21	58	47	100
2. Staff	6	6	8	7	10	5	8	-
%	32	43	67	58	71	42	42	-
3. Combination	1	1	-	-	1	-	2	-
%	5	7	-	-	7	-	11	-
TOTAL	19	14	12	12	14	12	19	2

It will be observed that the responses for the various functions do not correspond exactly with the number of organisations in table 7.5 (some respondents omitted to answer certain open-ended questions). The percentages should be treated in context of the number of respondents indicated by the “total” row.

Table 7.8 provides the following insights:

- Public relations is considered to be a line function by 63% of the organisations (A1), as a staff function by 32% (A2) and as a combination of a line and a staff function by 5% of the organisations (A3).
- Fifty percent of the organisations indicated that advertising is a line function (B1) and 43% as staff function (B2).
- Sales promotion is considered to be a staff function by 67% of the organisations (C2) and as line function by 33% (C1).
- Direct marketing is seen by 58% of the organisations as a staff function (D2) and by 42% as a line function (D1).
- Seventy-one percent of the organisations consider personal selling to be a staff function (E2) and by 21% as a line function (E1).
- Sponsorships are considered a line function by 58% of the organisations (F1) and a staff function by 42% (F2).
- Forty-seven of the organisations indicated internal/employee communication to be a line function (G1) and 42% (G2) to be a staff function.

- Both the organisations who responded on this function considered investor relations as line function (H1).

(C4) The main finding derived from table 7.7 is that the majority of organisations consider public relations (63%), advertising (50%), sponsorships (58%), internal/employee communication (47%) and investor relations (100%) to be line functions and sales promotion (67%), direct marketing (58%), and personal selling (71%) to be staff functions.

Table 7.9 and 7.10 are indications of the reporting relationships of the different communication functions/activities. These two tables are also used to address two of the criteria previously identified that should be met, namely, (1) public relations should not be subordinated to other departments such as marketing, human resources or finance and (2) the public relations function should be located in the organisational structure so that it has ready access to key decision makers of the organisation. By asking the job title of the senior officer responsible for the function it can be determined if public relations is subordinated to any function/activity. The job title of the person, which the senior officer reports to, serves as an indication whether public relations and the other communication activities/functions in an organisation have access to key decision makers in an organisation. Again both these tables were derived from the answers to the open questions posed in the initial table. The answers were categorised, i.e. marketing related, and codes were assigned to the various categories.

TABLE 7.9: JOB TITLE OF SENIOR OFFICER

Function Job title	PR (A)	Adv (B)	SP (C)	DM (D)	PS (E)	S (F)	EC (G)	IR (H)
1. Marketing related %	10 33	16 67	16 89	17 89	14 70	13 68	9 31	- -
2. Communication/PR related %	16 53	6 25	1 6	- -	- -	5 26	12 41	1 50
3. Combination of marketing and HR %	2 7	- -	- -	- -	- -	- -	- -	- -
4. Human Resources %	- -	- -	- -	- -	- -	- -	3 10	- -
5. Finance %	- -	- -	- -	1 5	1 5	- -	- -	- -
6. General management %	2 7	2 8	1 5	1 5	2 10	- -	3 10	1 50
7. Operations related %	- -	- -	- -	- -	3 15	- -	- -	- -
8. Secretariat %	- -	- -	- -	- -	- -	1 5	- -	- -
9. Combination of marketing and human resources %	- -	- -	- -	- -	- -	- -	2 7	- -
TOTAL	30	24	18	19	20	19	29	2

It will be observed that the responses for the various functions do not correspond exactly with the number of organisations in table 7.5 (some respondents omitted to answer certain open-ended questions). The percentages should be treated in context of the number of respondents indicated by the “total” row.

Table 7.9 provides the following insights:

- Public relations reports in 53% of the organisations to a senior officer with a communication/PR-related job title (A2), in 33% of the organisations to someone

- with a marketing-related job title (A1) and in 7% of the organisations to someone with a general management related job title (A6).
- In 67% of the organisations, advertising reports to someone with a marketing-related job title (B1), in 25% of the organisations to someone with a communication/PR related job title (B2) and in 8% of the organisations to someone with a general management related job title (B6)..
 - Sales promotion report to someone with a marketing-related job title in 89% of the organisations (C1), to someone with a communication/PR related job title in 6% (C2) and to someone with a general management related job title in 5% (C6).
 - Direct marketing reports in 89% of the organisations to a senior officer with a marketing related job title (D1), in 5% to a senior officer with a finance-related job title (D5), and to someone with a general management related job title in 5% of the organisations (D6).
 - Personal selling reports to someone with a marketing-related job title in 70% of the organisations (E1), to a senior officer with a operations-related job title in 15% of the organisations (E7), and to someone with a general management related job title in 10% of the organisations (E6).
 - In 68% of the organisations, sponsorships report to a senior officer with a marketing related job title (F1), to a senior officer with a communication/PR related job title in 26% (F2), and to the secretariat in 5% of the organisations (F8).
 - Internal/employee communication reports in 31% of the organisations to a senior officer with a marketing related job title (G1) and in 41% of the organisations to someone with a communication/PR related job title (G2). In 10% of the organisations to someone with a human resource related title (G4), in 10% of the organisations to someone with a general management related job title (G6), and in 7% of the organisations to someone with a combination of marketing and human resource job title (G9).
 - In one of the organisations investor relations reports to a senior officer with a communication/PR related job title (H2) and in the other organisation it reports to someone with a general management job title (H6).

(C5) A main finding from table 7.9 is that in the majority of organisations, advertising (67%), sales promotion (89%), direct marketing (89%), personal selling (70%) and sponsorships (68%) report to a senior officer with a marketing related job title. Public relations report to a senior officer with a communication/PR related job title in 53% of the organisations and internal/employee communication in 41% of the organisations. In only 7% of the organisations the public relations function reports to a senior officer with a combination of marketing and public relations job title.

Table 7.10 is an indication of the reporting relationships of the different communication functions/activities. The job title of the person the senior officer reports to serve as an indication if public relations and the other communication activities/functions in an organisation have access to key decision makers in an organisation.

TABLE 7.10: JOB TITLE OF PERSON WHICH THE SENIOR OFFICER REPORTS TO

Function Job title	PR (A)	Adv (B)	SP (C)	DM (D)	PS (E)	S (F)	EC (G)	IR (H)
1. Marketing related %	5 16	7 28	5 28	5 26	4 20	7 37	6 20	- -
2. Communication/PR related %	1 3	- -	- -	- -	- -	- -	- -	- -
3. CEO %	23 74	15 60	11 61	10 53	11 55	10 53	21 70	2 100
4. General management %	- -	- -	1 6	1 6	2 10	- -	- -	- -
5. Operations related %	- -	1 4	1 6	2 11	3 15	- -	- -	- -
6. Secretariat %	1 3	1 4	- -	- -	- -	1 5	2 7	- -
7. Logistics %	1 3	1 4	- -	1 5	- -	1 5	1 3	- 1
TOTAL	31	25	18	19	20	19	30	2

It will be observed that the responses for the various functions do not correspond exactly with the number of organisations in table 7.6 (some respondents omitted to answer certain open-ended questions). The percentages should be treated in context of the number of respondents indicated by the “total” row.

Table 7.10 provides the following insights:

- The senior officer responsible for public relations reports to a marketing related person in 16% of the organisations (A1) and to the CEO in 74% of the organisations (A3).
- In 60% of the organisations, the senior officer in advertising reports to the CEO (B3) and in 28% of the organisations to a marketing related person (B1).
- The senior officer responsible for sales promotions reports in 61% of the organisations to the CEO (C3) and in 28% to a marketing related person (C1).
- In 53% of the organisations, the senior officer responsible for direct marketing reports to the CEO (D3) and in 26% of the organisations to a marketing related person (D1).
- The senior officer responsible for personal selling reports to the CEO in 55% of the organisations (E3).
- In 53% of the organisations, the senior officer responsible for sponsorships reports to the CEO (F3) and in 37% of the organisations to a marketing related person (F1).
- The senior officer responsible for internal/employee communication report in 70% of the organisations to the CEO (G3).
- Both the organisations’ senior officers responsible for investor relations reports to the CEO (H3).
- In a few cases the senior officer responsible for public relations (3% - A7), advertising (4%- B7), direct marketing (5% - D7), sponsorships (5% - F7) and employee communication (3%-G7) report to someone in logistics.
- The senior officer of sales promotion, (6% - C4), direct marketing (6% - D4), and personal selling (10% - E4) reports to someone with a general management related job title.

- In a few cases the senior officer of advertising (4% - B5), sales promotion (6% - C5), direct marketing (11% - D5), and personal selling (15% - E5) reports to someone with a operations-related job title.

(C6) A main finding derived from table 7.10 is that in the majority of organisations, the senior officer responsible for communication activities/functions reports to the CEO: Public relations (74%), advertising (60%), sales promotion (61%), direct marketing (53%), personal selling (55%), sponsorships (53%), internal/employee communication (70%) and investor relations (100%).

(b) Question 5

Please indicate the approach followed by your organisation when structuring and organising functions/departments.

Respondents were asked to indicate the approach followed by their organisations in the structuring and organising of functions/departments by choosing one alternative. The primary objective of this research is to propose a framework for structuring integrated communication and question 5 was included to gain an understanding of methods used by successful South African organisations. Answers to question 5 are depicted in table 7.11.

TABLE 7.11: STRUCTURING AND ORGANISING FUNCTIONS/DEPARTMENTS

	Frequency	Percent	Cumulative Frequency	Cumulative percent
Clear functional	6	18	6	18
Multifunctional team	11	32	17	50
Functional with project teams	13	38	30	88
Different approach	4	12	34	100

It is clear from table 7.11 that 18% of the organisations follow a clear functional approach (hierarchical and departmental) in the structuring and organising of functions/departments, 32% follows a multifunctional team approach, 38% combines a functional approach with project teams for ad hoc situations and 12% follows a different approach.

(C7) A main finding derived from table 7.11 is that the majority of the organisations that participated in this study (38%) follow a functional approach but uses teams for ad hoc situations.

(c) Question 6

If you indicated in question 5 that you follow a different approach, please explain the approach.

An option was also included in the questionnaire for those organisations that follow a different approach. Question 6 was an open-ended question that provided the opportunity for respondents who indicated that they follow a different approach to explain the approach. Four organisations indicated in question 5 that they follow a different approach than indicated by the researcher. Table 7.12 provides a summary of the responses to open question 6.

TABLE 7.12: DIFFERENT APPROACHES IN STRUCTURING/ORGANISING FUNCTIONS/DEPARTMENTS

	Frequency	Cumulative Frequency
1. Complex matrix system	1	1
2. Focused and singular	1	2
3. Multitasking and project teams	1	3
4. Flatter and Narrower structures	1	4

Four organisations from the 34 organisations indicated that they follow a different approach. An inference can be made that a complex matrix system and a multi-tasking and project team approach might be similar to a functional approach with project teams (table 7.11), and a focused and singular approach might be similar to a clear functional approach (table 7.11). Table 7.12 therefore only serves as a summary of responses given to open question 6.

(d) Question 7

Please indicate (on a 3 point scale) to what extent your organisation engage in the following communication activities

Respondents had to indicate using a three-point scale; to what extent their organisation engaged in certain communication activities. The aim of the question was to determine the model of public relations applied by the organisations that participated.

Press Agency/Publicity model: Statements 1-3
Public information: Statements 1-4
Two-way asymmetric: Statements 5-8
Two-way symmetric: Statements 9-12

The answers to question 7 are illustrated in table 7.13.

TABLE 7.13: MODEL OF COMMUNICATION USED

	Always	%	Sometimes	%	Never	%
1. One way communication is used only to inform stakeholders (From source to receiver)	6	18	25	74	3	9
2. Research is conducted to determine the communication needs of customers/consumers	8	24	22	65	4	12
3. Research is conducted to determine the communication needs of all the other stakeholders	6	18	19	56	9	26
4. Research is limited to informal observations of whether publicity material has been used by the media.	2	6	16	47	16	47
5. Communication is used only to persuade	1	3	21	62	12	35
6. Two-way communication is used to communicate with stakeholders	8	24	24	71	2	6
7. Research is conducted to determine the attitudes, views and behaviours of our customers/consumers	7	21	23	68	4	12
8. Research is conducted to determine the attitudes, views and behaviours of all the other stakeholders	2	6	26	76	6	18
9. Communication is used to reach mutual understanding between the organisation and the stakeholders/publics	11	32	20	59	3	9
10. Research is conducted to determine what consequences the organisation's actions and decisions will have on the stakeholders.	4	12	19	56	11	32
11. Research is conducted to measure whether a public relations effort has improved the understanding of publics/stakeholders towards the organisation	3	9	20	59	11	32
12. Evaluative research is used to measure whether a public relations effort has improved management's understanding of its publics/stakeholders	2	6	16	47	16	47
13. Databases are used to manage information about stakeholders	11	32	18	53	5	15

Table 7.13 provides the following insights:

- One-way communication is always used only to inform stakeholders by 18% of the organisations, is sometimes used by 74% of the organisations and is never used by 9% of the organisations.
- Research is always conducted to determine the communication needs of customers/consumers by 24% of the organisations, is sometimes conducted by 65% of the organisations and is never conducted by 12% of the organisations.
- Research is always conducted to determine the communication needs of all the other stakeholders by 18% of the organisations, is sometimes conducted by 56% of the organisations and is never conducted by 26% of the organisations.
- Research is always limited to informal observations of whether publicity material has been used by the media by 6% of the organisations, is sometimes limited to informal observations by 47% of the respondents and is never limited by 47% of the respondents.
- Communication is always used only to persuade by 3% of the organisations, is sometimes used by 62% of the organisations and is never used by 35% of the organisations.
- Two-way communication is always used to communicate with stakeholders by 24% of the organisations, sometimes used by 71% of the organisations and never used by 6% of the organisations
- Research is always conducted to determine the attitudes, views and behaviours of customers/consumers by 21% of the organisations, is sometimes conducted by 68% of the respondents and is never conducted by 12% of the organisations.
- Research is always conducted to determine the attitudes, views and behaviours of other stakeholders by 6% of the organisations, is sometimes conducted by 76% of the organisations and is never conducted by 18% of the organisations.
- Communication is always used to reach mutual understanding between the organisation and stakeholders by 32% of the organisations, is always used by 59% of the organisations and is never used by 9% of the organisations.

- Research is always conducted to determine what consequences the organisation's actions and decisions will have on the stakeholders by 12% of the organisations, is sometimes conducted by 56% of the organisations and is never used by 32% of the organisations.
 - Research is always conducted to measure whether a public relations effort has improved the understanding of stakeholders toward the organisation by 9% of the organisations, sometimes conducted by 59% and is never conducted by 32% of the organisations.
 - Evaluative research is always used to measure whether a public relations effort has improved management's understanding of the its stakeholders by 6% of the organisations, is sometimes used by 47% of the organisations and is never used by 47% of the organisations.
- (C8) A main finding derived from statements 1-3 is that the majority of organisations sometimes use one-way communication to inform stakeholders (74%), conduct research sometimes to determine the communication needs of customer/consumers (65%) and all other stakeholders (56%).**
- (C9) A main finding derived from statement 4 is that an equal number of organisations sometimes (47%) and never (47%) limits their research to informal observations of whether publicity material has been used by the media.**
- (C10) A main finding derived from statements 5-8 is that the majority of organisations sometimes use communication to persuade (62%) and use two-way communication to communicate with stakeholders (71%). The majority of organisations sometimes conduct research to determine the attitudes views and behaviours of customers/consumers (68%) and of other stakeholders (76%).**
- (C11) A main finding derived from statements 9-12 is that again the majority of organisations sometimes use communication to reach a mutual understanding between the organisation and the stakeholders (59%), conduct research sometimes to determine what consequences the organisation's actions and**

decisions will have on stakeholders (56%) and measure sometimes whether a public relations effort has improved the understanding of stakeholders towards an organisation (59%). An equal number of organisations sometimes (47%) and never (47%) use evaluative research to measure whether a public relations effort has improved management's understanding of its stakeholders.

The problems that need to be considered as possible sources for errors were identified in section 6.3.4. From the findings above it can be deduced that the error of **central tendency** occurred, where the raters were reluctant to give extreme judgements and chose the “sometimes” option as the “save” route. The **halo effect** when a rater introduces systematic biases by carrying over a generalised impression of the subject from one rating to the other could also serve as an explanation of the tendency to choose the “sometimes” option.

Statement 13 in question 7 was included to determine if organisations use databases to manage information about stakeholders. In question 8 the respondents had to indicate the main purpose of the database. In the literature review some authors indicated the necessity of using databases in building effective relationships with stakeholders. Although the models of public relations do not explicitly state that usage of databases is necessary in practicing any of the models of public relations, the statement was included because of the role it plays in integrated communication. The researcher wanted to explore the role and usage of databases further as it will form part of the proposed framework for integrated communication.

From statement 13 in question 7 (table 7.13) the following insight was provided:

- Databases are always used to manage information about stakeholders by 32% of the organisations, are sometimes used by 53% of the organisations and are never used by 15% of the organisations.

(e) Question 8

If your organisation uses databases to manage information about stakeholders, please indicate for what purpose it is mainly used.

The use of databases becomes more important in managing communications with all relevant stakeholder groups. Duncan & Caywood (*in* Thorson and Moore, 1996) argued strongly for such databases that represent not only marketing databases but also stakeholder databases for storing information about a company's stakeholder groups. The question regarding the purposes of the databases was addressed by an open question in a table format (question 7). Answers were categorised into categories and codes were assigned to each category. The results of this question are depicted in table 7.14

TABLE 7.14: PURPOSE OF DATABASE

Stakeholder	Cust./ Cons.	Gov.	Med.	FS.	Emp.	Distr.	Supp.
Purpose	(A)	(B)	(C)	(D)	(E)	(F)	(H)
1. Only recording information %	3	2	4	4	6	3	7
	10	20	22	21	26	25	39
2. Recording and dissemination of information %	8	2	5	6	6	4	3
	28	50	39	32	22	8	11
3. Recording, dissemination and relationship building %	11	5	7	6	5	1	2
	38	50	39	32	22	8	11
4. Business planning %	4	-	1	2	2	2	3
	14	-	6	11	9	17	17
5. Don't know the purpose %	3	1	1	1	4	2	3
	10	3	6	6	17	17	17
TOTAL	29	10	18	19	23	12	18

Customers/consumers = Cust/Cons; Government = Gov; Media = Med; Financial stakeholders = FS Employees = Emp; Distributors = Distr; Suppliers = Supp.

Table 7.13 provides the following insights:

- Of the twenty nine organisations (85%) that use databases to manage information about their customers/consumers, 10% use it only to record information (A1), 28% use it to record and disseminate information (A2), 38% use it to record, disseminate, and build relationships (A3), 14% use it for business planning (A4) and 10% uses it but do not know the purpose of the database (A5).
- Ten organisations (29%) use databases to manage information about the government of which 20% use it to only record information (B1), 20% use it to record and disseminate (B2), 50% use it to record, disseminate and build relationships (B3), nobody uses it for business planning (B4) and 3.45% do not know the purpose (B5).
- Databases are used by eighteen organisations (53%) to manage information about the media of which 22% use it to only record information (C1), 28% use it to record and disseminate (C2), 39% use it to record, disseminate and build relationships (C3), 6% use it for business planning (C4) and 6% use it but do not know the purpose (C5).
- Of the nineteen organisations (56%) that use databases to manage information about their financial stakeholders, 21% use it for recording purposes only (D1), 32% use it to record and disseminate (D2), 32% use it to record, disseminate and build relationships (D3), 11% use it for business planning (D4), and 6% do not know the purpose (D5).
- Databases to manage information about employees are used by twenty-three organisations (68%) of which 26% use it for recording purposes only (E1), 26% use it for recording and dissemination purposes (E2), 22% use it for recording, dissemination and relationship building (E3), 9% use it for business planning (E4) and 17% do not know the purpose (E5).
- Only twelve organisations (35%) use databases to manage information about distributors of which 25% use it to only to record information (F1), 33% use it to record and disseminate (F2), 8% use it to record, disseminate and build relationships (F3), 17% use it for business planning (F4) and 17% do not know the purpose (F5).

- Eighteen (53%) organisations use databases to manage information about their suppliers of which 39% use it for recording purposes only (G1), 17% for recording and dissemination (G2), 11% for recording, dissemination and relationship building (G3), 17% use it for business planning (G4) and 17% do not know the purpose (G5).

Two main findings can be derived from table 7.14

(C12) Eighty-five percent of organisations use databases to manage information about customers/consumers, followed by employees (68%), financial stakeholders (56%), the media (53%), suppliers (53%), distributors (35%) and the government (29%).

(C13) Of the organisations that use databases to manage information about stakeholders, databases are used to record, disseminate and build relationships with customers at 38%, the government at 50%, the media at 39%, and financial stakeholders at 32%. An equal percentage of organisations use their employee databases to only record (26%) and record and disseminate (26%) information. Distributors databases are mainly used to record and disseminate information (33%) and suppliers databases to record information (39%).

7.4.4 Section D

The purpose of section D was to determine the familiarity of the respondents with the concept of integrated communications, to test the viewpoints of the respondents on integrated communications in general and to establish if and how organisations integrate their communication efforts.

(a) Question 9

How familiar are you with the concept of integrated communications?

Question 9 was included to test respondents' familiarity with the concept of integrated communications before probing their viewpoints on integration (question 10) further. The results are illustrated in table 7.15.

TABLE 7.15: FAMILIARITY WITH INTEGRATED COMMUNICATIONS

	Frequency	Percent	Cumulative Frequency	Cumulative percent
1. Totally unfamiliar	2	6	2	6
2. Slightly familiar	6	18	8	24
3. Have heard of it	6	18	14	41
4. Familiar with it	8	24	22	65
5. Totally familiar with it	12	35	34	100

(D1) A main finding derived from table 7.15 is that the majority of respondents (59%) are either familiar (24%) or totally familiar (35%) with the concept of integrated communications.

(b) Question 10

Please indicate your agreement/disagreement with the following statements reflecting your viewpoint, regarding an organisations policy on integrating communications: (1 indicating total disagreement and a 5 is total agreement).

Respondents were asked to indicate the extent to which they agreed or disagreed with statements concerning views regarding an organisation's policy on integrated communications. This is illustrated in table 7.16.

TABLE 7.16: VIEWPOINTS ON INTEGRATED COMMUNICATIONS

	Mean	Standard Deviation	Min	Median	Max
1. Communications should be conducted from the viewpoint of the stakeholder (outside – in approach)	3.79	0.86	2	4	5
2. Customers are the most important stakeholder when it comes to communication	3.67	1.09	1	4	5
3. Research is necessary to gain insight into thoughts and behaviours of each stakeholder regarding their communication needs	4.30	0.73	2	4	5
4. Effective communication requires an optimal mix of sending tools for each identified group of stakeholders (tools may be drawn from any communication discipline)	4.42	0.56	3	4	5
5. The communication vehicle that will prove to be the most successful in a given situation should be used irrespective of where it has traditionally been located	4.03	0.73	2	4	5
6. Stakeholders should be the focus of integrated communication	4.39	0.66	3	4	5
7. All communication functions should be integrated and coordinated through the public relations department	3.18	1.31	1	3	5
8. Communication departments should be structured horizontally according to the most strategic stakeholders for an organisation	3.12	0.89	1	3	5
9. People and resources should be reassigned to new communication programmes when new strategic stakeholders appear and others decline in influence (a team approach)	3.85	0.83	1	4	5
10. The relevant situation should dictate the resources needed for a given communication programme	4.36	0.65	2	4	5
11. All public relations/corporate communication functions should be integrated into a single department rather than to subordinate them under other departments	3.91	1.16	1	4	5

Three main findings can be derived from table 7.16, namely that:

- (D2) **Effective communication requires an optimal mix of sending tools for each identified group of stakeholders (tools may be drawn from any discipline) was the statement most agreed with as shown by a mean value of 4.42. Respondents also mostly agreed with the statement that stakeholders should be the focus of integration (mean value of 4.39) and the relevant situation should dictate the resources needed for a given communication program (mean value of 4.36).**
- (D3) **Respondents least agreed with, or being undecided about the view that communication departments should be structured horizontally according to the most strategic stakeholder of an organisation (mean value of 3.12).**
- (D4) **The standard deviation for the statement that effective communication requires an optimal mix of sending tools for each identified group of stakeholders was the lowest (0.56) for all the statements, leading to the conclusion that the respondents were most homogeneous on this viewpoint. The statement that all communication functions should be integrated and co-ordinated through the public relations department (statement 7) had the highest standard deviation (1.31), indicating that responses to this viewpoint were the most heterogeneous.**

- **Kruskall-Wallis one-way analysis of variance test results**

A Kruskal Wallis one-way analysis of variance (ANOVA) was performed on the different statements on integrated communications in question 10. It was deemed necessary to compare an ordinal variable (different statements) across three independent groups. Question 1 was used to categorise the respondents based on their responsibilities into three groups (communication related, marketing related or a combination). The 11 statements depicted in table 7.16 were subjected to a Kruskal Wallis one-way analysis of variance to determine whether the three groups differ in their views on the statements. Each statement in table 7.16 is depicted and interpreted separately (tables 7.17 to 7.27).

In a Kruskal Wallis one-way analysis of variance (ANOVA) the null hypothesis is rejected if Z_{stat} is larger than the critical value Z_C , where $1 - \Phi(Z_C) = \alpha / (K(K-1))$. Φ is the cumulative standard normal distribution function, α is the overall significance level, and K is the number of groups compared.

With three groups, the critical Z values are:

2.13 for overall alpha of .10

2.39 for overall alpha of .05

TABLE 7.17: Statement 1: Communications should be conducted from the viewpoint of the stakeholder (outside – in approach)

Group	Frequency	Rank Sum	Comparisons	ZSTAT	DIF	SE
1. Communication	11	191.5	*1 - *2	1.67	8.01	4.80
2. Marketing	5	47.0	*1 - *3	0.45	-1.56	3.45
3. Combination	17	322.5	*2 - *3	2.11	-9.57	4.53
Kruskall-Wallis Test Statistic = 4.50						
P-Value = 0.1054						

The p-value depicted in table 7.17 is bigger than the significance level (α) of 0.05, leading to the conclusion that the mean score of the three groups on statement 1 does not differ significantly.

TABLE 7.18: Statement 2: Customers are the most important stakeholder when it comes to communication

Group	Frequency	Rank Sum	Comparisons	ZSTAT	DIF	SE
1. Communication	11	166.0	*1 - *2	0.50	-2.51	4.97
2. Marketing	5	88.0	*1 - *3	0.83	-2.97	3.57
3. Combination	17	307.0	*2 - *3	0.10	-4.46	4.69
Kruskall-Wallis Test Statistic = 0.72						
P-Value = 0.6987						

The p-value depicted in table 7.18 is bigger than the significance level (α) of 0.05, leading to the conclusion that the mean score of the three groups on statement 2 does not differ significantly.

TABLE 7.19: Statement 3: Research is necessary to gain insight into thoughts and behaviours of each stakeholder regarding their communication needs

Group	Frequency	Rank Sum	Comparisons	ZSTAT	DIF	SE
1. Communication	11	182.0	*1 - *2	0.20	-0.95	4.69
2. Marketing	5	87.5	*1 - *3	0.18	-0.60	3.37
3. Combination	17	291.5	*2 - *3	0.08	0.35	4.43
Kruskall-Wallis Test Statistic = 0.05						
P-Value = 0.9746						

The p-value depicted in table 7.19 is bigger than the significance level (α) of 0.05, leading to the conclusion that the mean score of the three groups on statement 3 does not differ significantly.

TABLE 7.20: Statement 4: Effective communication requires an optimal mix of sending tools for each identified group of stakeholders (tools may be drawn from any communication discipline)

Group	Frequency	Rank Sum	Comparisons	ZSTAT	DIF	SE
1. Communication	11	190.0	*1 - *2	1.28	5.87	4.58
2. Marketing	5	57.0	*1 - *3	0.36	-1.20	3.28
3. Combination	17	314.0	*2 - *3	1.64	-7.07	4.32
Kruskall-Wallis Test Statistic = 2.70						
P-Value = 0.2593						

The p-value depicted in table 7.20 is bigger than the significance level (α) of 0.05, leading to the conclusion that the mean score of the three groups on statement 4 does not differ significantly.

TABLE 7.21: Statement 5: The communication vehicle that will prove to be the most successful in a given situation should be used irrespective of where it has traditionally been located

Group	Frequency	Rank Sum	Comparisons	ZSTAT	DIF	SE
1. Communication	11	194.0	*1 - *2	1.52	7.04	4.64
2. Marketing	5	53.0	*1 - *3	0.25	-0.83	3.33
3. Combination	17	314.0	*2 - *3	1.80	-7.87	4.38
Kruskall-Wallis Test Statistic = 3.32						
P-Value = 0.1900						

The p-value depicted in table 7.21 is bigger than the significance level (α) of 0.05, leading to the conclusion that the mean score of the three groups on statement 5 does not differ significantly.

TABLE 7.22: Statement 6: Stakeholders should be the focus of integrated communication

Group	Frequency	Rank Sum	Comparisons	ZSTAT	DIF	SE
1. Communication	11	188.5	*1 - *2	1.78	8.34	4.69
2. Marketing	5	44.0	*1 - *3	0.65	-2.19	3.37
3. Combination	17	328.5	*2 - *3	2.38	-10.52	4.43
Kruskall-Wallis Test Statistic = 5.66						
P-Value = 0.0591						

The p-value depicted in table 7.22 is slightly bigger than the significance level (α) of 0.05, leading to the conclusion that the mean score of the three groups on statement 6 does not differ significantly.

TABLE 7.23: Statement 7: All communication functions should be integrated and coordinated through the public relations department

Group	Frequency	Rank Sum	Comparisons	ZSTAT	DIF	SE
1. Communication	11	288.0	*1 - *2	0.70	3.53	5.02
2. Marketing	5	86.0	*1 - *3	1.72	6.20	3.60
3. Combination	17	247.0	*2 - *3	0.56	2.67	4.47
Kruskall-Wallis Test Statistic = 2.96						
P-Value = 0.2273						

The p-value depicted in table 7.23 is bigger than the significance level (α) of 0.05, leading to the conclusion that the mean score of the three groups on statement 7 does not differ significantly.

TABLE 7.24: Statement 8: Communication departments should be structured horizontally according to the most strategic stakeholders for an organisation

Group	Frequency	Rank Sum	Comparisons	ZSTAT	DIF	SE
1. Communication	11	213.5	*1 - *2	0.31	1.51	4.85
2. Marketing	5	89.5	*1 - *3	1.22	4.23	3.48
3. Combination	17	258.0	*2 - *3	0.59	2.72	4.58
Kruskall-Wallis Test Statistic = 1.54						
P-Value = 0.4639						

The p-value depicted in table 7.24 is bigger than the significance level (α) of 0.05, leading to the conclusion that the mean score of the three groups on statement 8 does not differ significantly.

TABLE 7.25: Statement 9: People and resources should be reassigned to new communication programmes when new strategic stakeholders appear and others decline in influence (a team approach)

Group	Frequency	Rank Sum	Comparisons	ZSTAT	DIF	SE
1. Communication	11	195.0	*1 - *2	1.10	4.93	4.47
2. Marketing	5	64.0	*1 - *3	0.01	-0.04	3.21
3. Combination	17	302.0	*2 - *3	1.18	-4.96	4.22
Kruskall-Wallis Test Statistic = 1.5						
P-Value = 0.4698						

The p-value depicted in table 7.25 is bigger than the significance level (α) of 0.05, leading to the conclusion that the mean score of the three groups on statement 9 does not differ significantly.

TABLE 7.26: Statement 10: The relevant situation should dictate the resources needed for a given communication programme

Group	Frequency	Rank Sum	Comparisons	ZSTAT	DIF	SE
1. Communication	11	179.5	*1 - *2	0.58	2.62	4.55
2. Marketing	5	68.5	*1 - *3	0.64	2.09	3.27
3. Combination	17	313.0	*2 - *3	1.10	4.71	4.29
Kruskall-Wallis Test Statistic = 1.31						
P-Value = 0.5190						

The p-value depicted in table 7.26 is bigger than the significance level (α) of 0.05, leading to the conclusion that the mean score of the three groups on statement 10 does not differ significantly.

TABLE 7.27: Statement 11: All public relations/corporate communication functions should be integrated into a single department rather than to subordinate them under other departments

Group	Frequency	Rank Sum	Comparisons	ZSTAT	DIF	SE
1. Communication	11	220.0	*1 - *2	1.23	6.10	4.97
2. Marketing	5	69.5	*1 - *3	1.13	4.03	3.56
3. Combination	17	271.5	*2 - *3	0.44	-2.07	4.68
Kruskall-Wallis Test Statistic = 1.95						
P-Value = 0.3777						

The p-value depicted in table 7.27 is bigger than the significance level (α) of 0.05, leading to the conclusion that the mean score of the three groups on statement 11 does not differ significantly.

The overall summation of the viewpoint on integrated communication is depicted in table 7.28.

TABLE 7.28: Summation of question 10 results: overall viewpoint on integrated communication

Group	Frequency	Rank Sum	Comparisons	ZSTAT	DIF	SE
1. Communication	11	216.0	*1 - *2	1.74	9.04	5.20
2. Marketing	5	53.0	*1 - *3	0.66	2.46	3.73
3. Combination	17	292.0	*2 - *3	1.34	-6.58	4.90
Kruskall-Wallis Test Statistic = 3.03						
P-Value = 0.2193						

The p-value depicted in table 7.28 is bigger than the significance level (α) of 0.05, leading to the conclusion that the mean score of the three groups based on all the statements in question 10 does not differ significantly.

(D5) A main finding derived from question 10 is that there is not a significant difference in the mean score of the three groups (mainly marketing, mainly communication and a combination of marketing and communication) based on the statements reflecting the respondents' viewpoints regarding an organisation's policy on integrated communications.

(c) Question 11

Does your organisation practice some form of integrated communication?

The results of question 11 are illustrated in table 7.29.

TABLE 7.29: INTEGRATED COMMUNICATION PRACTICES

	Frequency	Percent	Cumulative Frequency	Cumulative percent
1. Yes	24	75	24	75
2. No	8	25	32	100

Two of the respondents omitted to answer this question and percentages are treated in the context of the 32 respondents that did answer this question.

(D6) The main finding derived from table 7.29 is that the majority of organisations (75%) do practice some form of integrated communication.

(d) Question 12

If your organisation centralised all the communications functions in one department to integrate communications, what is the name of the department?

If respondents indicated in question 11 that they do integrate their communication they had to complete question 12. Some authors believe that all communication programmes should be integrated into or coordinated by the public relations department (discussed in section 1.6) for integrated communication to be successful. The question was therefore included to determine through which department South African organisations integrate their communication functions/activities. An open-ended question was used, answers were categorised and codes were assigned. The results are given in table 7.30.

TABLE 7.30: NAME OF INTEGRATED COMMUNICATION DEPARTMENT

	Frequency	Percent	Cumulative Frequency	Cumulative percent
1. Marketing	14	58	14	58
2. Communication	7	29	21	87
3. Combination of Marketing and Communication	2	8	23	95
4. Combination of Marketing and Investor Relations	1	4	24	100.00

(D7) A main finding derived from table 7.30 is that the majority of organisations (58%) integrate their communication through a department with a marketing related name, 29% integrate their communication through a department with a communication-related name, 8% integrate through a department that combines marketing and communication and 4% integrate communication through a department that combines marketing and investor relations.

(e) Question 13

If communication still forms part of several departments how do you integrate all the communications efforts?

If respondents indicated in question 11 that they do not practice some form of integrated communication they had to complete question 13. Table 7.31 serves as a summary of all the answers given to the open-ended question posed in question 13.

TABLE 7.31: WAYS TO INTEGRATE COMMUNICATION

	Frequency	Cumulative Frequency
1. Do not	1	1
2. Try to but not entirely centralised yet	2	3
3. Co-operation working structures, managed forums	1	4
5. Focused goals understood by everyone	1	5
6. Through determination of needs and meetings	1	6
8. Do not and feel certain communication functions should remain the responsibility of certain departments	1	7
9. Workshops with representatives from each department	1	8

Table 7.31 merely serves as a summary for the answers given to question 13. No main finding will be derived, as table 7.31 will only serve as input to address the primary objective of this research, namely to develop a framework for structuring the communication function in South African organisations to encourage integration and enhance organisational effectiveness.

7.4.5 Section E

The purpose of section E was to determine the relationship between marketing and public relations in successful South African organisations. The following results provide the necessary information on this relationship.

(a) Question 14

Please choose the statement that best describes the relationship between public relations and marketing in your organisation.

Respondents had to choose one statement that described the relationship between marketing and public relations in their organisations the best. Statements included in question 14 were derived from the description of the five different models conceived by Kotler and Mindak (1978) for viewing the relationship between marketing and public and discussed in section 4.3.2. The definition of the statements was illustrated in the questionnaire (Appendix 1). The results of the respondents' answers are shown in table 7.32.

TABLE 7.32: THE RELATIONSHIP BETWEEN MARKETING AND PUBLIC RELATIONS

	Frequency	Percent	Cumulative Frequency	Cumulative percent
1. Equal but separate	4	12	4	12
2. Equal and separate but overlapping	11	32	15	44
3. Marketing as dominant	6	18	21	62
4. Public relations as dominant	1	3	22	65
5. Are the same	7	21	29	85
6. Combative function	-	-	-	-
7. Other relationship	5	15	34	100.00

(E1) A main finding derived from table 7.32 is that 32% of organisations view the relationship between marketing and public relations in their organisation as equal and separate but with overlapping functions (both important and separate functions but share some terrain, e.g. product publicity as shown in the questionnaire in Appendix 1). None of the respondents viewed the relationship as combative and only 3% of the respondents regard public relations as the dominant function (if PR builds relationships with all key stakeholders then programmes to build relationships with customers would be a subset of PR).

An open-ended response was included in the question to determine if a different relationship than any of the relationships mentioned existed in top South African organisations. Five organisations completed this option. A summary of the different responses is given in table 7.33.

TABLE 7.33: A DIFFERENT RELATIONSHIP BETWEEN MARKETING AND COMMUNICATION

	Frequency	Percent	Cumulative Frequency	Cumulative percent
1. Marketing is the dominant function and they are the same as PR, is unexplored, and mostly outsourced	2	40	2	40
2. Separate and overlapping but with marketing still as the dominant function	1	20	3	60
3. PR is a tool of marketing. Marketing define the what and PR the how	1	20	4	80
4. Did not specify the different relationship	1	20	5	100

(E2) A main finding derived from table 7.33 is that only five (15%) respondents indicated that a different relationship existed between marketing and public relations. Four of the five respondents indicated that in some way marketing is the dominant function.

(b) Question 15

What would the ideal situation be of how the marketing and public relations function should be organised?

Question 15 was included as an open question to determine the respondent's viewpoints on what the ideal situation should be on how the marketing and public relations function must be organised. Codes were assigned to their answers and are depicted in table 7.34.

TABLE 7.34: THE IDEAL SITUATION BETWEEN MARKETING AND PUBLIC RELATIONS

	Frequency	Percent	Cumulative Frequency	Cumulative percent
1. Marketing and Communication, both strategic functions that run parallel and report to MD. Have access to all levels for information purposes and have points of convergence with marketing just as investor relations will have with finance	1	3	1	3
2. Should remain separate functions	4	13	5	16
3. Equal and separate with overlap and cross-functional communication	7	23	12	39
4. Functions, needs and objectives are too disparate	1	3	13	42
5. Marketing as the dominant function	3	10	16	52
6. Team with specialists to handle special stakeholder needs, drawing resources from a broader pool of non-specialist assistants	1	3	17	55
7. Use specialists to focus on strengths	1	3	18	58
8. Integration Totally integrated Should be aligned, messages must be the same	6	19	24	77
9. Under one umbrella managed in one department	1	3	25	81
10. Driven by needs of company, not boxed, could be the same or separate	2	6	27	87
12. PR should report to marketing and work hand in hand	1	3	29	90
13. Integrated with a senior person either a strong background in marketing or PR or both	1	3	29	94
14. Integrated public relations managed by cross-functional team	1	3	30	97
15. Fall under marketing but keep it separate with own team	1	3	31	100

(E3) A main finding derived from table 7.34 is that 23% of the respondents view the ideal situation between marketing and public relations as equal and separate with overlap and cross-functional communication. Integration (totally integrated, should be aligned, messages must be the same) as the ideal situation is suggested by 19% of the respondents.

7.4.6 Section F

The purpose of section F was to gain a deeper insight, through open-ended questions, into how marketing and communication managers view integrated communication in terms of reporting structures and responsibility.

(a) Question 16

If all communications in an organisation are integrated, who should, in your opinion, be responsible for it?

Question 16 was an open-ended question to determine who should be responsible for integrated communications in organisations. Codes were assigned to the various answers and are depicted in table 7.35.

TABLE 7.35: RESPONSIBILITY FOR INTEGRATED COMMUNICATIONS

	Frequency	Percent	Cumulative Frequency	Cumulative percent
1. Communication	9	27	9	27
2. Marketing	14	42	23	70
3. Combination of marketing and communication	2	6	25	76
4. Person responsible for the bottom line	1	3	26	79
5. CEO who is responsible for brand and reputation management	1	3	27	82
6. Corporate communication under the umbrella of marketing	1	3	28	85
7. Corporate communication integrated with senior executive responsible	1	3	29	88
8. Not a good idea	1	3	30	91
9. Company secretary	1	3	31	94
10. Needs of company will determine	1	3	32	97
11. Cross-divisional team	1	3	33	100

(F1) A main finding derived from table 7.35 is that 42% of the respondents suggested that marketing should be responsible for integrated communications in an organisation, 27% of the respondents believed integrated communications should be the responsibility of the communication department and 6% believed it should be the responsibility of marketing and communication.

(b) Question 17

To whom should that function report to? (Flowing from question 16)

Question 17 was also an open-ended question to determine to whom, according to the respondents, the integrated communications function should report to. The results are summarised in table 7.36.

TABLE 7.36: REPORTING RELATIONSHIP OF INTEGRATED COMMUNICATION FUNCTION

	Frequency	Percent	Cumulative Frequency	Cumulative percent
1. CEO/MD	25	76	25	76
2. Person responsible for bottom line	2	6	27	82
3. Chairman of board of directors	1	3	28	85
4. Marketing Manager	3	9	31	94
5. Board of directors	1	3	32	97
6. Depends on needs of organisation	1	3	33	100

(F2) A main finding derived from table 7.36 is that the majority of respondents (76%) proposed that the integrated communications function should report to the CEO/MD of the organisation.

7.5 Content analysis of websites

A content analysis was done on the websites of the 34 organisations that participated in this study. The 34 websites were analysed and results on the content analysis of the websites will be reported by using a frequency distribution for each code of interest. Absolute (simple counts) or relative (percentage) terms were used to show how often the different values were encountered.

Categories 1-11 (Code sheet - Appendix 2) were used to ascertain how organisations are using their corporate websites for communications purposes, whereas categories 7-11 focused more on dialogic public relations and if successful South African organisations integrate dialogic public relations that is needed to build relationships with stakeholders, through the World Wide Web. Category 12 focuses specifically on the stakeholders targeted by web communications.

7.5.1 Codes in category 1: Operations

The purpose of the first category was to determine the operation ability of the organisations' websites.

Questions addressed by the codes in category 1:

Did the organisations have websites, were the websites operational, and was specialised software needed to view the sites.

The findings of the results are depicted in table 7.37.

TABLE 7.37: WEB PRESENCE

Operations	Yes		No		TOTAL
	Frequency	Percent	Frequency	Percent	
1. Website?	34	100	-	-	34
2. Operational?	33	97	1	3	34
3. Specialised software needed to view website?	2	6	31	94	33

(G1) A main finding that can be concluded from the findings presented in table 7.37 is that all the organisations (100%) had a web presence. Of the thirty four organisations only one organisation's website was not operational and only two organisations required specialised software to view their website.

7.5.2 Codes in category 2: Advertising/organisation specific

This category of the coding sheet focused specifically on advertising with regard to the organisation.

Questions addressed by the codes in category 2:

Did the organisation display their logo and in doing so communicated their corporate identity, did they communicate basic corporate information (i.e. structure, divisions etc.) by including an "about us" section, did they trace the development of organisation (history), were links

provided to internal departments (divisional), and did the organisations communicate about opportunities available within the organisation (careers).

The information is given in table 7.38.

TABLE 7.38: ADVERTISING/ORGANISATION SPECIFIC

Advertising/organisation specific	Yes		No		TOTAL
	Frequency	Percent	Frequency	Percent	
1. Logos	33	100	0	0	33
2. About us	31	94	2	6	33
3. History	17	52	16	48	33
4. Divisional buttons	30	91	3	9	33
5. Careers	7	21	26	79	33

(G2) A main finding derived from table 7.38 is that all the organisations (100%) displayed their logos on their websites. The majority of organisational websites had an “about us” section (94%) and provided links to internal departments (91%). More than half (52%) of the organisations traced the development of the organisation (history). Only 21% of the websites had a career section that communicated about opportunities available within the organisation.

7.5.3 Codes in category 3: Advertising/product

Category 3 provided information about advertising that relate to the products/services of an organisation.

Questions addressed by the codes in category 3:

Did the organisation provide pages and/or links to product/services offered through product list buttons offered, were there pages and/or links to the organisation’s brands (brands), did the organisation provide information to the nearest dealer through reseller/ retailer contact information, and did they display current prices for the product/services offered (prices).

The results are illustrated in table 7.39.

TABLE 7.39: ADVERTISING/PRODUCT

Advertising/product specific	Yes		No		TOTAL
	Frequency	Percent	Frequency	Percent	
1. Product list buttons	26	79	7	21	33
2. Brands	25	76	8	24	33
3. Nearest dealer	22	67	11	33	33
4. Prices	9	27	24	73	33

(G3) A main finding derived from table 7.39 is that the majority of organisations provided links to product/services offered (79%), to their various brands (76%) and to the nearest dealer through reseller information (67%). Only 27% displayed current prices for the products/services offered.

7.5.4 Codes in category 4: Direct Marketing

Category 4 provided information relating to the organisation's direct marketing activities. An e-commerce perspective was adopted in the coding sheet under the heading of direct marketing. Codes were not included to address the usage of the tools of direct marketing (discussed in section 4.3.1).

Questions addressed by the codes in category 4:

Did the website offer customer support or product/service information (customer service), did the website include a full descriptions of products/services offered (catalogues), was personal customer information available (online account information), was it possible to purchase/order via the Internet (online ordering), and was it possible to track delivery of product via the Internet (online tracking)

The results are given in table 7.40.

TABLE 7.40: DIRECT MARKETING

Direct Marketing	Yes		No		TOTAL
	Frequency	Percent	Frequency	Percent	
1. Customer service	18	55	15	45	33
2. Catalogues	25	76	9	27	33
3. Online account information	15	45	18	55	33
4. Online ordering	15	45	19	58	33
5. Online tracking	15	45	19	58	33

(G4) The results presented in table 7.40 led to the main finding that the majority of organisations (76%) included a full descriptions of products/services offered (catalogues), however it was possible to order online and track account information on only 45% of the organisational websites.

7.5.5 Codes in category 5: Sales Promotion

Category 5 provided information regarding the sales promotion activities of the organisations on their websites. Sales promotions on a website are used as a method of generating excitement. It can include free gifts, games and competitions and coupons (discussed in section 4.3.1).

Questions addressed by the codes in category 5:

Were there any specific advertised promotions of products/services (general promotions), free material available (free gifts), an opportunity for a viewer to enter competitions (games and competitions), coupon promotions (coupons) or any product/service promotion through advertising by external companies (unrelated advertising) on the websites of the organisations involved in this study.

The results are illustrated in table 7.41.

TABLE 7.41: SALES PROMOTION

Sales promotion	Yes		No		TOTAL
	Frequency	Percent	Frequency	Percent	
1. General promotions	4	12	29	88	33
2. Free gifts	4	12	29	88	33
3. Games and competitions	4	12	29	88	33
4. Coupons	3	9	30	91	33
5. Unrelated advertising	4	12	29	88	33

(G5) A main finding derived from table 7.41 is that the majority of websites did not offer general promotions (88%), free gifts (88%), games and competitions (88%), coupons (91%), and product/service promotion through advertising by external companies - unrelated advertising (88%).

7.5.6 Codes in category 6: Public relations

Category 5 was included to get an overview of the organisations' public relations activities on their websites as the Internet can be regarded as a useful medium for conducting public relations activities such as media relations, annual reports and corporate social responsibility.

Questions addressed by the codes in category 6:

Were any organisation related articles (news related), unrelated news articles (news unrelated), and press releases placed online. Was the organisation's annual report available online. Was there any other related shareholder information (other shareholder) available online and did the organisation provide links to the organisation's current stock price (stock quotes). Did the organisation provide information on corporate causes and initiatives (causes), the sponsorship initiatives of the organisation (sponsors), information that can be useful for educational purposes (educational), and information regarding interactions/initiatives with the local community (community related information)? Did the organisation provide information on their corporate environmental policy (environmental policy) by just making a statement or through a detailed discussion?

In table 7.42, codes 1-3 relate to the media relations of an organisation. *Press releases* and *news related* are not the same in the sense that *news related* included all relevant news articles

published on the organisation's website and *press releases* referred to a section on the website allocated specifically to *press releases* for the use of the media. Codes 4-6 represent investor relations on the website and 7-10 social responsibility. The main findings based on table 7.42 will be presented accordingly.

TABLE 7.42: PUBLIC RELATIONS

Public relations	Yes		No		TOTAL
	Frequency	Percent	Frequency	Percent	
1. News related	28	85	5	15	33
2. News unrelated	16	48	17	52	33
3. Press releases	25	76	8	2	33
4. Annual reports	25	76	8	24	33
5. Other shareholder	26	79	7	21	33
6. Stock quotes	15	45	18	55	33
7. Causes	16	48	17	52	33
8. Sponsors	9	27	24	73	33
9. Educational	18	55	15	45	33
10. Community related information	16	48	17	52	33

Three main findings can be derived from table 7.42, namely:

- (G6) The majority of organisations placed organisation related (news related) articles (85%) and press releases (76%) online. Unrelated news articles (news unrelated) were placed online by only 48%.
- (G7) The majority of organisations made their annual reports available online (76%) and provided other related shareholder information (79%). Only 45% of the organisations provided links to the organisation's current stock price (stock quotes).
- (G8) The majority of the organisations did not provide information on corporate causes and initiatives (52%), the sponsorship initiatives of the organisation (73%), and interactions/initiatives with the local community (52%). Most of the organisations did provide information that can be useful for educational purposes (55%).

Code 11 also forms part of the organisation’s social responsibility and is depicted in table 7.43.

TABLE 7.43: ENVIRONMENTAL POLICY

11. Environmental Policy information	Frequency	Percent
1. Statement	4	12
2. Detailed	13	39
3. None	16	48
TOTAL	33	100

(G9) A main finding derived from table 7.43 is that less than half of the organisations (48%) did not provide any information on their corporate environmental policy, 39% provided a detailed description of their policy and 12% only made a statement regarding their environmental policy.

7.5.7 Codes in category 7: Web site/issues

Category 7-11 provides information on dialogic public relations that needs to be integrated into The Web in order to build relationships with stakeholders. Kent and Taylor (1998) proposed five principles (discussed in section 3.5.1) that offer guidelines for the successful integration. The codes in category 7-11 were based on these principles.

Questions addressed by the codes in category 7:

Did the website provide a keyword search facility (search), content map, indicating type and location of information (sitemap), an explanation of buttons (help section), and was the content of the website available in languages other than English (language variations).

Category 7 relates to principle four, The Intuitiveness/Ease of Interface (Kent & Taylor, 1998). According to this principle visitors should find websites easy to figure out and understand. Tables of contents can be useful and should be well organised and hierarchical. Visitors should not have to follow seemingly “random links” to discover what information a site contains and where links will lead. The results are shown in table 7.44.

TABLE 7.44: WEBSITE ISSUES

Web site issues	Yes		No		TOTAL
	Frequency	Percent	Frequency	Percent	
1. Search	23	70	10	30	33
2. Site maps	32	97	1	3	33
3. Help section	4	12	29	88	33
4. Language variations	4	12	29	88	33

(G10) A main finding derived from table 7.44 is that the majority of organisations (70%) provided a keyword search facility (search) and a sitemap (97%) on their websites. An explanation of buttons (help section) and other language options were provided by only 12% of the organisations.

7.5.8 Codes in category 8: Website/two-way communications

Category 8 was based on principle one, the dialogic loop and principle two, the usefulness of information (Kent & Taylor, 1998).

Questions addressed by the codes in category 8:

Did the organisation provide an opportunity to contact the organisation via e-mail (e-mail/contact us) and were all of the organisation's staff contact details (staff e-mail/phonebook) available. Was any e-mail newsletters or briefings available from the organisation (e-mail newsletters offering) either on the website or via a subscription. Did the organisation present an opportunity to sign up for mailing lists (to receive newsletter and other information) and/or discussion groups? Code 5 in category 8 (will be presented in table 7.46, p 284) was included to determine the contact information shown in terms of: provision of information to contact the information technology department (webmaster), the provision of contact details for the head office (head office), the provision of contact details for different organisational departments (department address), the telephone and fax details of the organisation, provision of contact details for all of the company's offices & locations (all outlets), and provision of contact details for all of the company's resellers from where their product/service can be purchased (agents/sales reps/resellers).

The dialogic loop from principle one enables stakeholders to send through queries and it provides organisations with the opportunity to respond to questions, concerns and problems. It is however, imperative for organisations that wish to create dialogic communication through the Internet to train the organisational members who respond to electronic communication as well as ensure the completeness of the dialogic loops incorporated into Web sites. Category 9 (presented in table 7.47 and 7.48) was included to test the completeness of the dialogic loop. According to principle two making information available to publics is the first step involved in developing a relationship. Information that can be distributed automatically is also more desirable than information that must be solicited. Web sites that offer stakeholders an opportunity to sign-up for mailing lists and discussion groups will gain an advantage over competitors that require publics to come to their site and “request” information.

Category 8 will be presented in two tables (tables 7.45 and table 7.46).

TABLE 7.45: WEBSITE/TWO-WAY COMMUNICATIONS

Web site/two-way communications	Yes		No		TOTAL
	Frequency	Percent	Frequency	Percent	
1. E-mail/contact us	32	97	1	3	33
2. Staff e-mail/phonebook directory	22	70	10	30	33
3. E-mail newsletter offering	9	27	24	73	33
4. Signups/Registration	12	36	21	64	33

(G11) A main finding derived from table 7.45 is that the majority of organisations (97%) did provide an opportunity to contact the organisation via e-mail (e-mail/contact us) and provided staff contact details (70%). Only 27% of the organisations however had any e-mail newsletters or briefings available either on the website or via a subscription. The majority of organisations (65%) also did not present an opportunity to sign up for mailing lists (to receive newsletter and other information) and/or discussion groups.

Table 7.46 represents the contact information shown in terms of: provision of information to contact the information technology department (webmaster), the provision of contact details for the head office (head office), the provision of contact details for different organisational departments (department address), the telephone and fax details of the organisation, provision of contact details for all of the company's offices & locations (all outlets), and provision of contact details for all of the company's resellers from where their product/service can be purchased (agents/sales reps/resellers).

TABLE 7.46: CONTACT INFORMATION

Contact information shown	Frequency	Percent
1. Web master	6	18
2. Department address	31	94
3. Phone and fax detail	33	100
4. Head office	33	100
5. All outlet locations	28	85
6. Agents/sales reps	18	55
n = 33		

(G12) A main finding derived from table 7.46 is that contact details for the head office (100%) as well as telephone and fax details (100%) were provided by all the organisations on their websites. Only 18% however provided information to contact the information technology department.

7.5.9 Codes in category 9: Response

Questions addressed by the codes in category 9:

When an enquiry was sent, did it go through to the respondent or did it give an error message (E-mail address is correct), did the organisation respond to the enquiry sent (E-mail response received) and how long did it take the organisation to respond (number of days to response)

A dialogic loop enables publics to send through queries and it provides organisations with the opportunity to respond to questions, concerns and problems. If an opportunity is provided to pose questions or send through queries it is imperative for the organisation to respond to those questions and queries and in doing so ensure the completeness of the dialogic loop incorporated into their Web site.

An e-mail enquiry was sent to the different contact e-mails provided on the websites to determine if the contact e-mail was correct and if organisations will respond. Two questions were asked in the e-mail namely, what department is responsible for managing the website and do the organisation have an intranet to communicate with employees. The answers to these questions are depicted in table 7.49 and table 7.50. The details of the responses are given in table 7.47.

TABLE 7.47: RESPONSE

Response	Yes		No		TOTAL
	Frequency	Percent	Frequency	Percent	
1. E-mail address is correct	28	88	4	13	32
2. E-mail response received	14	50	14	50	28

(G13) A main finding derived from table 7.47 is that 97% of the organisations had contact e-mails and the majority of e-mails were correct (88%). Fifty percent of the organisations did not however respond to the e-mailed question.

The number of days it took the organisations to respond to the e-mailed question sent is depicted in table 7.48.

TABLE 7.48: NUMBER OF DAYS (RESPONSE)

Number of days to response	Frequency	Percent
1. A day	14	100
2. 2-3 days	-	-
3. 4-5 days	-	-
4. 6-7 days	-	-
5. More that a week	-	-

Of the fourteen responses received, two were automatic responses received. Two stated that the relevant person will answer the question in due time but did however, not do so. One organisation responded with another contact e-mail address to the person that will be able to answer the question. The question was again sent to the new e-mail address but no response to the question from the contact person was however received.

(G14) A main finding from table 7.48 is that all the organisations that responded to the sent e-mail did so within a day albeit not all with the answer to the questions.

The answers to the e-mailed question are depicted in table 7.49 and table 7.50.

TABLE 7.49: RESPONSIBILITY OF MANAGING WEBSITE

Responsible for managing website	Frequency	Percent
1. Marketing Department	5	45
2. Corporate affairs/corporate communication	2	18
3. Managed in another country	1	9
4. Media department	1	9
5. E-business department	1	9
6. By each relevant division e.g. investor relations by investor relations dept.	1	9
n = 11		

From table 7.49 it is clear that in 45% of the organisations (45%), who responded to the question indicated that the marketing department is responsible for managing the website of the organisation. The majority of organisations (91%) have an Intranet to communicate with employees as illustrated in table 7.50.

TABLE 7.50: USAGE OF INTRANET

Intranet	Frequency	Percent
1. Yes	10	91
2. No	1	9
n = 11		

7.5.10. Codes in category 10: Website/interactive-customised

Category 10 and 11 were based on principle three, the generation of return visits and principle five, the rule of conservation of visitors (Kent & Taylor, 1998).

Questions addressed by the codes in category 10:

Did the organisations make use of any research such as customer surveys (surveys) on their websites, did they use quizzes to increase interaction with potential audiences (quizzes), were discussion forums held on any related topic (forums) and was there an opportunity to pose a question and then receive an answer (Option to pose open question)

The results are summarised in table 7.51.

TABLE 7.51: WEBSITE/INTERACTIVE-CUSTOMISED

Web site/interactive-customised	Yes		No		TOTAL
	Frequency	Percent	Frequency	Percent	
1. Surveys	9	27	24	73	33
2. Quizzes	2	6	31	94	33
3. Forums	6	18	27	82	33
4. Option to pose open question	28	85	5	15	33

In order to generate return visits (principle three) features such as updated information, changing issues, special forums, new commentaries, on-line question and answer sessions, and on-line experts to answer, questions are needed on the sites to make them attractive. Only updating information and trying to include “interesting” content represents a one-way model of communication. Interactive strategies that include forums, question and answer formats

and experts such as featuring the organisation's President, CEO, or Department Head on the site once or twice a month, lead to relationship building between an organisation and its publics and are therefore more desirable. Other tools for repeat visits include: formats for frequently asked questions (FAQs), easily downloadable or mailed information; technical or specialised information that can be requested by regular mail or electronic mail; and referral services or links to local agencies or information providers.

The survey format of eight of the nine organisations (depicted in table 7.51) that used surveys on their websites was limited to asking respondents for any comments, complaints, queries or suggestions that they had to send to the organisation via a contact e-mail. Only one of the organisations did a client survey in the form of a questionnaire to be completed online.

(G15) A main finding derived from table 7.51 is that the majority of organisations did not make use of any research such as customer surveys (surveys) on their websites (73%), did not use quizzes to increase interaction with potential audiences (94%), and did not hold any discussion forums on related topics (82%). An opportunity to pose a question on their website and then receive an answer was however provided by 85% of the organisations.

7.5.11. Codes in category 11: Repeat Visits

Category 11 was also based on principle three, the generation of return visits and principle five, the rule of conservation of visitors discussed in section 7.5.10.

Questions addressed by the codes in category 11:

Did the website contain content that had been recently updated (what's new section), did the website feature the CEO or Department head for discussions or comments (experts for discussion), was there a section devoted to frequently asked questions (FAQ), could any technical or specialised information be requested via regular or electronic mail (technical/specialist information), were there web page links available to other external sites (links to other sites), and did the links have a clearly marked path for visitors to return to site (easy to return).

The rule of conservation of visitors (principle five) require that organisations should be careful to include links on their Web pages that can lead visitors astray. Web Sites should only include “essential links” with clearly marked paths for visitors to return to the site. The results are depicted in table 7.52.

TABLE 7.52: REPEAT VISITS

Repeat visits	Yes		No		TOTAL
	Frequency	Percent	Frequency	Percent	
1. What's new section	4	12	29	88	33
2. Experts for discussion	11	33	22	67	33
3. FAQ	7	21	26	79	33
4. Technical/specialised information	23	70	10	30	33
5. Links to other sites	17	52	16	48	33
6. Easy to return	17	100	0	0	17

(G16) A main finding from table 7.52 is that the majority of organisations' websites did not contain content that had been recently updated (88%), did not feature the CEO or Department head for discussions or comments (67%), and did not devote a section to frequently asked questions (79%). Technical or specialised information could be requested via regular or electronic mail (technical/specialist information) on 70% of the websites and on 52% of the websites' web page links were available to other external sites (links to other sites). All the websites that provided links had a clearly marked path for visitors to return to the site (easy to return).

7.5.12. Codes in category 12: Websites targeted audiences

Dialogic communication created by the strategic use of the WWW is one way for organisations to build relationships with stakeholders. Category 12 was therefore included to determine who the stakeholders targeted by organisational websites, are.

Questions addressed by the codes in category 12:

Was any of the website content targeted towards the local community of the organisation (any information on initiatives/interactions with local community), potential employees graduates / prospective employees (career opportunities in the organisation), the existing employees (presence of an Intranet), the improvement and facilitation of investor relations (shareholders / investors/Stock Exchange), the organisation's supply chain members (suppliers/distributors), towards potential/existing customers (customers), the improvement and facilitation of media relations (media).

The results of category 12 are illustrated in table 7.53.

TABLE 7.53: WEBSITE TARGETED AUDIENCES

Websites targeted audiences	Frequency	Percent
1. Local community	16	48
2. Graduates/Prospective employees	7	21
3. Employees	22	67
4. Shareholders/Investors/Stock exchange	28	85
5. Suppliers	8	24
6. Distributors/Wholesalers/Retailers	10	30
7. Customers	29	88
8. Media	28	85
n = 33		

(G17) A main finding derived from table 7.53 is that the three main targeted stakeholders on organisations' websites are customers (88%), the media (85%), and shareholders/investors/stock exchange (85%). Graduates/prospective employees (21%), suppliers (24%) and distributors/wholesalers/retailers (30%) are the least targeted stakeholders.

7.6 Interpretation of the interviews

In-depth interviews were used in the third phase of data collection in this study in an attempt to uncover the content and intensity of respondents' feelings and motivations beyond

straightforward or simplistic responses to structured questions. The interviews will be interpreted and commented upon in this section.

The limitations of in-depth interviews namely, cost and length as well as time constraints, identified in section 6.3.2 applied to the research. In-depth interviews were used to probe the respondents further and to obtain an understanding of the complicated nature of organisations. Due to the limitations only a limited number of interviews were carried out. Every fifth organisation from the 34 that participated was chosen and produced a total of six organisations. The six interviews were conducted by using guideline questions.

7.6.1 Interview 1: Organisation A

Organisation A combines global technology and manufacturing techniques to offer the finest quality one-stop ceramic shop. Their main goal is to be the preferred supplier of ceramic tiles and sanitary ware. They also constantly seek ways of enhancing their product quality, style and service. In their manufacturing they adhere to international standards and consist of five specialist manufacturing operations that have developed a comprehensive range of complementary products.

This interview was conducted with the marketing and sales director. He has a B.Com (Law) degree and did marketing on a first year level only.

The organisation does not have a separate communication department. Public relations and advertising are outsourced to agencies, as the organisation does not employ expertise in these fields. A public relations agency is used for technical aspects such as the year-end function. One specific agency is used for all the technical aspects of public relations but no one is responsible for strategic communication.

The organisation follows a multifunctional team approach and does not have hierarchical levels as they believe in empowerment. Team approaches are followed for projects where expertise is combined with an internal co-ordinator. An example of a project would be the composition of their sales catalogue and the team would consist of designers, technical people and an internal co-ordinator. The organisation has a lean structure that consists of only three

levels. The organisation believes that by employing fewer layers in their organisation, decision-making becomes more flexible and time efficient.

The organisation uses mostly personal selling as their main communication method to their customers. Seventeen people form part of the sales force. Communication is easier to coordinate and is executed interpersonally and via the telephone and e-mail. Employee communication is the responsibility of the marketing department and is administered through e-mail.

The organisation does have a website but no formal research is conducted with their stakeholders. Research is limited to informal research through interpersonal communication. They believe in relationship driven sales in an industrial market with their core group of 300-400 clients. Personal contact is more effective and strengthens the relationship. Letters and e-mail do not work that well as communication distortion can occur.

Communication and relationship building revolves around the client as the main stakeholder. In their business-to-business environment the client is also the distributor of their products to the end-user. Corporate advertising does not play a role, as they are not into brand building. Other stakeholders such as the government are not that important and their lawyers handle legislations. The annual report is a summary of all their activities and is distributed to their clients. They do take their clients to visit their factories but wait for the clients to approach them.

Crisis communication (stock-out) forms part of the responsibilities of sales representatives. Clients are informed and relationships are based on openness and honesty. The line of communication must be kept as short as possible and confusion must be eliminated. The main perception in the market place is that salespeople are dishonest and only profit and sales driven. By employing a sales force where a specific sales person is responsible for managing his/her accounts, a long-term relationship is created that eliminates misperceptions.

Suppliers sometimes form part of executive meetings and in doing so they encourage trust through transparency, as it makes them strong and more competitive. They do practice some

form of integrated communication but relationship building with their clients is their most important focus. Marketing is the dominant function in this organisation and they believe that integrated communication should be the responsibility of marketing and sales.

They empower their sales people and believe that they should be multi-skilled to add value for the client. Educating the client on how to display their product is seen as value-added public relations. Research information is generated through interpersonal relationships with the client and builds total trust.

Public relations forms part of marketing in this organisation and marketing is seen to be the strategic function that gives direction to sales and public relations. Public relations and sales are also totally integrated and the one cannot function without the other in this organisation.

The marketing and sales director do not believe in employing people with a marketing qualification as they tend to think too strategic and forget about the basics of satisfying the needs of the client first. The sales force must be able to align the needs of the client with the ability of the organisations. Relationship building serves as a tool in managing expectations of the client. Expectations of the client might be too high and should be managed accordingly.

Relationship selling in this organisation incorporates that the sales person is responsible for managing the account effectively, the client only talks to one person and communication is kept simplistic. An organisation cannot become internationally competitive if the organisation takes too long to make decisions. Flatter structures are therefore needed without the fear of encroachments.

The organisation do have a website but did not respond to the e-mailed question.

Interview 1 provided the following insights:

- Public relations is reduced to a technical function and is outsourced
- Fewer management levels and multi-skilling form part of their competitive strategy

- No formal communication research is done to determine the communication needs and perceptions of stakeholders but they do rely on interpersonal communication for informal research.
- The client is considered to be the main stakeholder
- Relationship building forms an integral part of their business approach.
- Marketing is seen as the dominant function as well as the co-ordinator of all communication
- It can be deduced from the interview that the organisation favours the two-way assymetrical model of communication identified in section 3.2.1(a)

7.6.2 Interview 2: Organisation B

Organisation B is a process-oriented engineering contractor providing innovative solutions to the natural-resource industry in the areas of minerals and metals, oil, gas and water and engineered technologies. The interview was conducted with the corporate communications manager who has a doctorate in chemical engineering.

The organisation employs a very complicated matrix system in their organising approach. Some structures represent their interface their clients, others indicate the expertise in the organisation such as engineers that execute projects with the help of appropriate teams. There are also structures in the system that represent services such as communication and finance.

The organisation operates in a very technical environment. The person responsible for communication should therefore be able to understand the terminology hence the chemical engineering degree. He is basically responsible for the technical aspects of communication and public relations and does not form part of top management decision-making. He is the only person in the corporate communication department as the environment is too technical and specialised for just anybody to become part of it and chemical know-how is needed. There is therefore not a great deal of people with a communication qualification with the ability to assist in such an environment. No research is being conducted as the environment is too complex and too many levels exist within the organisation. Disagreement exists with top

management to keep at least the visual aspects consistent in their communication material. Communication responsibilities mainly revolve around the annual report.

He is not sure about the marketing in his organisation as each business unit is responsible for its own marketing. Communication is mostly one-way communication to inform only. Research is not conducted to determine the communication needs of customers or other stakeholders as it is too complex and too many levels exist. Their offices are located around the world and they are basically process oriented. Their contracts and projects are mostly secured by specialists such as chemical engineers. The annual report is therefore their most important way of communicating with their various stakeholders. The organisation do have a website but did not respond to the e-mailed question.

Interview 2 provided the following insights:

- The organisation is very complex and follows a complex matrix approach in organising.
- Communication/public relations is reduced to a technical function and does not form part of the strategic planning of the organisation.
- Research is not conducted to determine the communication needs and perceptions of the various stakeholders, as the organisation is too complex with too many levels and operations.
- Communication in this organisation is mostly one-way communication with the intent to inform only. The organisation therefore favours the public information model of public relations as identified in section 3.2.1 (a)

7.6.3 Interview 3: Organisation C

Organisation C focuses on a broad spectrum of consumers - firstly targeting the mass consumer market through its financial services chains and secondly the upper market through its value retail brands. The nationwide network of household brand name stores aim to provide consumers with quality furniture, bedding and appliances and superior service. Complementing this, its service division offers TV and household appliance repairs throughout the country. Its financial services division offers a range of products designed for the mass consumer market.

This organisation operates a total of 563 retail stores comprising of 87 value retail stores, 476 credit chain stores, 89 service depots and 102 in-store micro loan kiosks. The Group employs a total of nearly 7 600 people and are listed on the Johannesburg Securities Exchange.

The interview was conducted with the marketing manager who has a B.Com degree in industrial psychology and a diploma in marketing. Public relations is outsourced to agencies and falls under the umbrella of marketing. The technical aspects of public relations are outsourced and it does not form part of the strategic planning of the organisation. Group marketing is located at the head office and every division of the organisation is responsible for its own marketing to enhance their brand. Sponsorships and community projects are therefore the responsibility of each division of the organisation. Each marketing department's employees report to the MD of that brand and not to the group-marketing manager.

The information technology department is responsible for their website and they did respond to the e-mailed question. The CEO is the main co-ordinator of media relations and is the only person that is allowed to talk to the media. Employee communication is the responsibility of the marketing department with working relationships with the human resource department. Internal communication is limited to recognition of performance. A Traders Association is responsible for government relations. The financial department is mostly responsible for investor relations as well as the CEO.

This organisation does not engage in any communication research with other stakeholders but conducts research with consumers to a certain extent. Consumer research is conducted from time to time but not continuously, as it is seen as being too expensive. A call centre, as part of the marketing department, is responsible for determining customer satisfaction with a purchase. These results are used as an input for their consumer databases. Suppliers are treated to a supplier dinner once a year to provide an overview of the organisation's financial situation. One person in the organisation is responsible for the suppliers but do not have much contact with marketing.

Internal communication is conducted via an internal newsletter or video, executed by the marketing manager. A total of 7600 employees complicates communication and influences the time taken to communicate, as a video can take too long to produce.

Marketing is responsible for strategic planning. Technical public relations such as publications, is outsourced and marketing is responsible to ensure a consistent image. The organisation tries to conduct communication research but is not very successful. They mainly use their own experience to interpret how to communicate with stakeholders. The Marketing department is responsible for co-ordinating communication in this organisation.

Interview 3 provided the following insights:

- Marketing is seen as the dominant function in this organisation.
- Public relations is reduced to a technical function that is outsourced.
- No research is undertaken to determine the communication needs and perceptions of the various stakeholders other than the consumer/customer.
- Consumer research is conducted to determine satisfaction with purchases.
- Marketing is responsible for strategic planning and co-ordinating of communication.
- Communication in this organisation is mostly one-way communication with the intent to inform only. The organisation therefore favours the public information model of public relations as identified in section 3.2.1 (a)

7.6.4 Interview 4: Organisation D

Organisation 4 is one of South Africa's leading selected services hotel chains and places the emphasis on quality accommodation, homely ambience and friendly service that are the hallmarks of the group. Commitment to service excellence from a highly motivated and dedicated staff is a common thread throughout the group's hotels which have developed a loyal clientele of both business and leisure travellers over the past years.

The interview was conducted with the marketing co-ordinator with an IMM qualification in marketing and has only been exposed to business communication (writing) in his diploma.

Public relations, specifically media relations, is outsourced. This organisation does not have a public relations or communication department but has a working relationship of ten years with the contracted agency. This organisation is organised according to the different business functions and communication takes place across these functions. Internal communication also reports to the marketing director and the marketing co-ordinator.

Communication research is not conducted on the various stakeholders. Quantitative marketing research is however, conducted among customers. Customer databases are compiled for people that make reservations on the organisation's web site. The financial director is responsible for investor relations. The marketing department is responsible for sending out marketing related information to employees and the human resource department is responsible for other internal communication. The organisation does not see the necessity for a separate communication department, as marketing forms part of strategic planning and communication does not.

The outsourced agency however, has access to the organisation's strategic plans but focuses mainly on media relations. The interviewee was not sure what was meant by stakeholders and asked if the interviewer meant stockholders. The organisation views media relations to be the most important function in public relations. Marketing should be the main function and public relations a part of it. Crisis communication is done on a reactive basis by the outsourced agency. No research is done to determine communication needs of other stakeholders. The customer is viewed as the main stakeholder by this organisation as return on investment is generated from marketing and not from public relations. They do have a website and they did respond to the e-mailed question. The marketing department is also responsible for managing this organisation's website and the organisation does not have an Intranet for communicating with internal employees.

Interview 4 provided the following insights:

- Public relations is seen as mainly media relations and is outsourced.
- Communication research is not conducted with the various stakeholders other than the customer.

- Quantitative research is conducted among customers.
- The main stakeholder in this organisation is the customer and customer databases are compiled.
- Marketing is seen as dominant and part of strategic planning.
- Communication in this organisation is mostly one-way communication with the intent to inform only. The organisation therefore favours the public information model of public relations as identified in section 3.2.1 (a)

7.6.5 Interview 5: Organisation E

Organisation E holds the position of being the largest fast moving consumer goods organisation in Africa and is among the largest food distribution operations in the world.

The South African operations of organisation E comprise the group's businesses in the Gauteng denominated area (and includes Namibia, Swaziland and Lesotho). These include cash and carry (C&C) outlets as well as conventional distribution operations, with the group's share of the wholesale market in South Africa estimated at around 35%. The domestic operations comprise 148 C&C stores.

The interview was conducted with the marketing director with a B Com qualification in general auditing. This organisation does not have a separate communication department and an external organisation is used for press releases on a limited scale. The marketing department is the co-ordinator for marketing related communication, whereas a financial analyst is responsible for investor relations and conducts all the financial communication.

There are two sides to communication in this organisation as the shareholders require different communication and have different needs than customers, and therefore different concerns need to be addressed by information. Top management, such as the CEO and corporate directors, have a person responsible for investor relations that reports directly to the CEO. Investor relations is relatively new to this organisation. Press releases that are not consumer related, will be co-ordinated with investor relations as there is a need for uniformity concerning the communicated message.

All communication is however, not co-ordinated by marketing and investor relations, because communication to the customer is the responsibility of marketing and does not really concern investor relations. Communication to the customer is mostly via advertising material. Research is conducted informally to establish when and how they want to receive advertising material. Customer perceptions are tested continuously. Investor relations test perceptions of investors informally through general discussions with the investors. The organisation's viewpoint on investor relations is very positive. Employee communication is the responsibility of the human resource department.

This organisation has structures in place for the day-to-day business operations but makes use of a committee made up of various disciplines in the organisation to address general ad hoc marketing and communication issues. The organisation consists of 6 000 employees and the organisational culture determines how issues will be addressed.

This organisation considers itself to be the leader concerning consumer databases. A card is needed by retailers, trader customer and single customers to enter a store and all information is recorded on a magnetic strip. Information is then stored in a data warehouse and can be analysed in detail. About 1 million customers' information is stored and communication material is sent when spending exceeds a certain level. These customers are then classified as active customers.

The annual financial report is considered to be the integration of all communication and a consolidation of everything. The marketing department is the co-ordinator of the report and it is distributed automatically to the investors. The report is also left at the front desk for employees to read. Public Relations is considered to be part of marketing. They realise the importance of proper media relations but do not do it. The manager gave an example of a reporter that only prints negative information about the organisation because of a personal agenda. Another example was of stakeholder relations that were not managed properly and that led to a decrease in their share prices. In his opinion a person dealing with the public at large needs to be multi-skilled. The organisation do have a website but did not respond to the e-mailed question.

Interview 5 provided the following insights:

- Public relations is reduced to a technical function and is outsourced.
- Investors and customers are seen as the main stakeholders.
- Informal research is conducted with customers and investors.
- No formal research is conducted to determine the perceptions and needs of the other stakeholders.
- Marketing is the dominant function and is responsible for co-ordinating communication.
- Communication in this organisation is mostly one-way communication with the intent to inform only. The organisation therefore favours the public information model of public relations as identified in section 3.2.1 (a)

7.6.6 Interview 6: Organisation F

Organisation F is Africa's largest and most diversified packaging manufacturer, with the major market share in South Africa and manufacturing facilities in eight other countries in Africa. They export packaging from their South African operations to 56 countries around the world.

This organisation produces a wide variety of packaging products from primary packaging raw materials – metals, paper, plastic and glass. The diversity of offerings from this organisation is unique, establishing them as one of the few organisations in the world that can offer a total packaging solution to their customers.

In addition to packaging, they are also South Africa's largest manufacturer of tissue paper products and hold a substantial share of the paper merchandising market.

The interview was conducted with the marketing co-ordinator who has a marketing qualification. This organisation does not have a separate corporate communication department. The marketing department is responsible for communication in general. Financial relations is the responsibility of the group secretary and the human resource department is responsible for internal communication.

Public relations is reduced to a technical function in this organisation and resorts under marketing. All the divisions that are part of the organisation use a different external public relations organisation. They however, are starting to realise the importance of the integration of communication. A need has been identified for a central external public relations organisation to provide all services and integrate all efforts with a facilitator in the organisation as the link.

This organisation follows a functional approach with regard to structuring. No research is conducted on stakeholders to determine communication needs or perceptions of stakeholders. The organisation also has no public relations plan but is moving towards it. They want an integrated agency that can provide the full range of technical services related to public relations as well as conduct research on their stakeholders.

The separate divisions in the organisation that use public relations focus mainly on media relations although research on the media is not conducted. The organisation therefore, does not have a communication strategy but wants to move towards a more strategic and integrated function. The organisation's newsletter to employees and their annual report to customers and suppliers are the main communication material distributed.

They are also busy with the revamping of investor relations that will also be mostly driven by marketing. The main focus in the organisation is on return on investment and public relations is done on an ad hoc basis when the need arises for technical aspects such as the year-end function and annual report. This organisation do have a website and did respond to the e-mailed question. The marketing department is responsible for managing the website and they do have an Intranet.

Interview 6 provided the following insights:

- Public relations is reduced to a technical function that is outsourced.
- Marketing is the dominant function.
- No research is conducted to determine the perceptions and communication needs of the various stakeholders.

- Investor relations will become more important and will be marketing driven in this organisation.
- Organisation F recognised the need for integration of communication and will pursue it.
- Communication in this organisation is mostly one-way communication with the intent to inform only. The organisation therefore favours the public information model of public relations as identified in section 3.2.1 (a)

7.6.7 Main findings from interviews

The following main findings can be derived from the insights provided on the six interviews conducted:

- (H1) Marketing is seen as the dominant function by all the organisations that were interviewed.**
- (H2) Public relations is reduced to a technical function that is outsourced by all the organisations that were interviewed.**
- (H3) No research is conducted by any of the organisations to determine the communication needs and perceptions of stakeholders other than the customer/consumer.**
- (H4) The customer/consumer is regarded as the most important stakeholder by the majority organisations' interviewed.**
- (H5) None of the organisations interviewed practices the two-way symmetrical model of communication identified in section 3.2.1 (a).**

7.7 Main findings

A number of main findings can be derived from the research. Although these findings were highlighted throughout the chapter, they will be consolidated in this section to form the main findings of this study. The findings listed below will be used as a basis to either accept or reject the propositions that were formulated in chapter 5.

- (A1) Fifty-three percent of the respondents who participated in this study indicated that their responsibilities are a combination of marketing and communication (Section 7.4.1, p 230).
- (B1) Fifty percent of the organisations that participated formed part of the tertiary sector. The primary sector was represented by 12% of the organisations and the secondary sector by 38% (Section 7.4.2, p 231).
- (B2) Fifty-four percent of the organisations had 1-10 employees in their marketing department and 73% had 1-10 employees in their communication department. Only 12% of the organisations had more than 50 employees in their marketing department and only 3% of the organisations had more than 50 employees in their communication department. Thirty-four percent had between 11-30 employees in their marketing department and 24% had between 11-30 employees in their communication department (Section 7.4.2, p 232).
- (C1) The majority of organisations perform public relations (53%), sales promotions (47%), direct marketing (62%), personal selling (74%), sponsorships (62%), internal/employee communication (85%), and investor relations (100%) in-house. Advertising is outsourced by 50% of organisations (Section 7.4.3, p 235).
- (C2) Most of the following communication functions/activities' department names are marketing related: advertising (63%), sales promotion (89%), direct marketing (94%), personal selling (71%), sponsorships (70%). Employee/internal communication is part of a marketing related department in 36% of the organisations and public relations in 42%, (Section 7.4.3, p 237).
- (C3) The majority of organisations consider their communication activities to be part of top management: public relations (66%), advertising (65%), sales promotion (65%), direct marketing (56%), personal selling (47%), sponsorships (59%), internal/employee communication (53%) and investor relations (100%) (Section 7.4.3, p 239).

- (C4) The majority of organisations consider public relations (63%), advertising (50%), sponsorships (58%), internal/employee communication (47%) and investor relations (100%) to be line functions and sales promotion (67%), direct marketing (58%), and personal selling (71%) to be staff functions (Section 7.4.3, p 241).
- (C5) In the majority of organisations, advertising (67%), sales promotion (89%), direct marketing (89%), personal selling (70%) and sponsorships (68%) report to a senior officer with a marketing related job title. Public relations report to a senior officer with a communication/PR related job title in 53% of the organisations and internal/employee communication in 41% of the organisations. In only 7% of the organisations the public relations function reports to a senior officer with a combination of marketing and public relations job title (Section 7.4.3, p 244).
- (C6) In the majority of organisations, the senior officer responsible for communication activities/functions reports to the CEO: public relations (74%), advertising (60%), sales promotion (61%), direct marketing (53%), personal selling (55%), sponsorships (53%), internal/employee communication (70%) and investor relations (100%) (Section 7.4.3, p 246).
- (C7) Thirty-eight percent of the organisations that participated in this study follow a functional approach but uses teams for ad hoc situations (Section 7.4.3, p 247).
- (C8) The majority of organisations sometimes use one-way communication to inform stakeholders (74%), conduct research sometimes to determine the communication needs of customer/consumers (65%) and all other stakeholders (56%) (Section 7.4.3, p 250).
- (C9) An equal number of organisations sometimes (47%) and never (47%) limits their research to informal observations of whether publicity material has been used by the media (Section 7.4.3, p 250).
- (C10) The majority of organisations sometimes use communication to persuade (62%) and use two-way communication to communicate with stakeholders (71%). The majority of organisations sometimes conduct research to determine the attitudes views and behaviours of customers/consumers (68%) and of other stakeholders (76%) (Section 7.4.3, p 250).
- (C11) The majority of organisations sometimes use communication to reach a mutual understanding between the organisation and the stakeholders (59%), conduct research

sometimes to determine what consequences the organisation's actions and decisions will have on stakeholders (56%) and measure sometimes whether a public relations effort has improved the understanding of stakeholders towards an organisation (59%). An equal amount of organisations sometimes (47%) and never (47) use evaluative research to measure whether a public relations effort has improved management's understanding of its stakeholders (Section 7.4.3, p 250).

- (C12) Eighty-five percent of organisations (85%) use databases to manage information about customers/consumers, followed by employees (68%), financial stakeholders (56%), the media (53%), suppliers (53%), distributors (35%) and the government (29%). (Section 7.4.3, p 254).
- (C13) Of the organisations that use databases to manage information about stakeholders, databases are used to record, disseminate and build relationships with customers at 38%, the government at 50%, the media at 39%, and financial stakeholders at 32%. An equal percentage of organisations use their employee databases to only record (26%) and record and disseminate (26%) information. Distributors' databases are mainly used to record and disseminate information (33%) and suppliers databases to record information (39%) (Section 7.4.3, p 254).
- (D1) The majority of respondents (59%) are either familiar (24%) or totally familiar (35%) with the concept of integrated communications (Section 7.4.4, p 255).
- (D2) Effective communication requires an optimal mix of sending tools for each identified group of stakeholders (tools may be drawn from any discipline) was the statement most agreed with. Respondents also mostly agreed with the statement that stakeholders should be the focus of integration and the relevant situation should dictate the resources needed for a given communication programme (Section 7.4.4, p 257).
- (D3) Respondents least agreed with, or being undecided about the view that communication departments should be structured horizontally according to the most strategic stakeholder of an organisation (Section 7.4.4, p 257).
- (D4) The standard deviation for the statement that effective communication requires an optimal mix of sending tools for each identified group of stakeholders was the lowest for all the statements, leading to the conclusion that the respondents were most homogeneous on this viewpoint. The statement that all communication functions

should be integrated and co-ordinated through the public relations department had the highest standard deviation, indicating that responses to this viewpoint were most heterogeneous (Section 7.4.4, p 257).

- (D5) There is not a significant difference in the mean score of the three groups (mainly marketing, mainly communication and a combination of marketing and communication) based on the statements reflecting the respondents' viewpoints regarding an organisation's policy on integrated communications (Section 7.4.4, p 264).
- (D6) Seventy-five percent of the organisations practise some form of integrated communication (Section 7.4.4, p 264).
- (D7) Fifty-eight percent of the organisations integrate their communication through a department with a marketing related name, 29% integrate through a department with a communication-related name, 8% integrate through a department that combines marketing and communication and 4% integrate communication through a department that combines marketing and investor relations (Section 7.4.4, p 265).
- (E1) Thirty-two percent of the organisations view the relationship between marketing and public relations in their organisation as equal and separate but with overlapping functions (both important and separate functions but share some area, e.g. product publicity as shown in the questionnaire in Appendix 1). None of the respondents viewed the relationship as combative and only 3% of the respondents regard public relations as the dominant function (if PR builds relationships with all key stakeholders then programmes to build relationships with customers would be a subset of PR). (Section 7.4.5, p 267).
- (E2) Only five respondents (15%) indicated that a different relationship existed between marketing and public relations. Four of the five respondents (80%) indicated that to some extent marketing is the dominant function (Section 7.4.5, p 268).
- (E3) Twenty-three percent of the respondents view the ideal situation between marketing and public relations as equal and separate with overlaps and cross-functional communication. Integration (totally integrated, should be aligned, messages must be the same) as the ideal situation is suggested by 19% of the respondents (Section 7.4.5, p 270).

- (F1) Forty-two percent of the respondents suggested that marketing should be responsible for integrated communications in an organisation, 27% of the respondents believed integrated communications should be the responsibility of the communication department and 6% believed it should be the responsibility of marketing and communication (Section 7.4.6, p 271).
- (F2) Seventy-six percent of the respondents proposed that the integrated communications function should report to the CEO/MD of the organisation (Section 7.4.6, p 272).
- (G1) All the organisations had a web presence. Of the 34 organisations only one organisation's website was not operational and only two organisations required specialised software to view their website (Section 7.5.1, p 273).
- (G2) Hundred percent of the organisations displayed their logos on their websites. The majority of organisational websites had an "about us" section (94%) and provided links to internal departments (91%). More than half (52%) of the organisations traced the development of the organisation (history). Only 21% of the websites had a career section that communicated about opportunities available within the organisation (Section 7.5.2, p 274).
- (G3) The majority of organisations provided links to product/services offered (79%), to their various brands (76%) and to the nearest dealer through reseller information (67%). Only 27% displayed current prices for the products/services offered (Section 7.5.3, p 275).
- (G4) Seventy-six percent of the organisations included full descriptions of products/services offered (catalogues): however, it was possible to order online and track account information on only 45% of the organisational websites (Section 7.5.4, p 276)
- (G5) The majority of websites did not offer general promotions (88%), free gifts (88%), games and competitions (88%), coupons (91%), and product/service promotion through advertising by external companies - unrelated advertising (88%) (Section 7.5.5, p 277).
- (G6) The majority of organisations placed organisation related (news related) articles (85%) and press releases (76%) online. Unrelated news articles (news unrelated) were placed online by only 48% (Section 7.5.6, p 278).
- (G7) The majority of organisations made their annual reports available online (76%) and provided other related shareholder information (79%). Only 45% of the organisations

- provided links to the organisation's current stock price (stock quotes) (Section 7.5.6, p 278).
- (G8) The majority of the organisations did not provide information on corporate causes and initiatives (52%), the sponsorship initiatives of the organisation (73%), and interactions/initiatives with the local community (52%). Most of the organisations provided information that can be useful for educational purposes (55%) (Section 7.5.6, p 278).
- (G9) Less than half of the organisations (48%) did not provide any information on their corporate environmental policy, 39% provided a detailed description of their policy and 12% only made a statement regarding their environmental policy (Section 7.5.6, p 279).
- (G10) The majority of organisations (70%) provided a keyword search facility (search) and a sitemap (97%) on their websites. An explanation of buttons (help section) and other language options were provided by only 12% of the organisations (Section 7.5.7, p 280).
- (G11) The majority of organisations (97%) provided an opportunity to contact the organisation via e-mail (e-mail/contact us) and provided staff contact details (70%). Only 27% of the organisations however, had any e-mail newsletters or briefings available either on the website or via a subscription. The majority of organisations (65%) did not present an opportunity to sign up for mailing lists (to receive newsletter and other information) and/or discussion groups (Section 7.5.8, p 281).
- (G12) All the organisations provided contact details for the head office as well as telephone and fax details. Only 18% however provided information to contact the information technology department (Section 7.5.8, p 282).
- (G13) Ninety-seven percent of the 33 organisations had contact e-mails and the majority of e-mails were correct (88%). Fifty percent organisations did not however, respond to an e-mailed question (Section 7.5.9, p 283).
- (G14) All the organisations that responded to the sent e-mail did so within a day - albeit not all with the answer to the questions (Section 7.5.9, p 284).
- (G15) The majority of organisations did not make use of any research such as customer surveys (surveys) on their websites (73%), did not use quizzes to increase interaction with potential audiences (94%), and did not hold any discussion forums on related

- topics (82%). An opportunity to pose a question on their website and then receive an answer was however, provided by 85% of the organisations (Section 7.5.10, p 286).
- (G16) The majority of organisations' websites did not contain content that had been recently updated (88%), did not feature the CEO or Department Head for discussions or comments (67%), and did not devote a section to frequently asked questions (79%). Technical or specialised information could be requested via regular or electronic mail (technical/specialist information) on 70% of the websites and on 52% of the websites web page links were available to other external sites. All the websites that provided links had a clearly marked path for visitors to return to the site (easy to return) (Section 7.5.11, p 287).
- (G17) The three main targeted stakeholders on organisations' websites are customer (88%), the media (85%), and shareholders/investors/stock exchange (85%). Graduates/prospective employees (21%), suppliers (24%) and distributors/wholesalers/retailers (30%) are the least targeted stakeholders (Section 7.5.12, p 288).
- (H1) Marketing is seen as the dominant function by all the organisations that were interviewed (Section 7.6.7, p 301).
- (H2) Public relations is reduced to a technical function that is outsourced by all the organisations that were interviewed (Section 7.6.7, p 301).
- (H3) No research is conducted by any of the organisations to determine the communication needs and perceptions of stakeholders other than the customer/consumer (Section 7.6.7, p 301).
- (H4) The customer/consumer is regarded as the most important stakeholder by the majority of the organisations interviewed (Section 7.6.7, p 301).
- (H5) None of the organisations interviewed practices the two-way symmetrical model of communication identified in section 3.2.1 (a) (Section 7.6.7, p 301).

7.8 Acceptance or rejection of propositions formulated for this study

The propositions applicable to this study (formulated in chapter 5) will again be listed in this section for convenience purposes and will, based on the main findings from this study, either be accepted or rejected.

7.8.1 Proposition 1

1. There is a single integrated communication department in successful organisations in South Africa.

The results from the empirical research, based on question 4, 11 and 12 will be considered when accepting or rejecting proposition 1.

The following could be concluded from question 4, 11 and 12.

Question 4: According to main finding C2 (p 237) most of the different communication functions/activities, public relations (42%), advertising (63%), sales promotion (89%), direct marketing (94%), personal selling (71%), sponsorships (70%) and employee/internal communication (35.71%) are part of a department with a marketing related name.

Question 11: Based on main finding D6 (p 264) 75% of the organisations do practise some form of integrated communication.

Question 12: Main finding D7 (p 265) states that 58% of the organisations integrate their communication through a department with a marketing related name, 29% integrate through a department with a communication-related name, 8% integrate through a department that combines marketing and communication and 4% integrate communication through a department that combines marketing and investor relations.

If the results above are collectively viewed it can be concluded that the majority of organisations practice *some form* of integrated communication that is co-ordinated through the marketing department. Proposition 1 cannot be conclusively accepted or rejected.

7.8.2 Proposition 2

Successful South African organisations practice the two-way symmetrical model of communication.

Research findings from question 7 of the questionnaire address proposition 2.

Statements 9-12 represent the two-way symmetrical model of communication. The main finding C11 (p 250) derived from statements 9-12 states that the majority of organisations sometimes use communication to reach a mutual understanding between the organisation and the stakeholders, conduct research sometimes to determine what consequences the organisation's actions and decisions will have on stakeholders and measure sometimes whether a public relations effort has improved the understanding of stakeholders towards an organisation. An equal number of organisations sometimes and never use evaluative research to measure whether a public relations effort has improved management's understanding of its stakeholders.

Following an analysis from the main findings of the questionnaire mentioned above it cannot be concluded with certainty that successful South African organisations do or do not practise the two-way symmetrical model of communication. Main finding H5 (based on the in-depth interviews) however, state that none of the organisations interviewed practices the two-way symmetrical model of communication identified in section 3.2.1 (a) (Section 7.6.7, p 301).

Proposition 2 cannot therefore be conclusively accepted or rejected because of the mixed results on the questionnaire but can however be rejected based on the in-depth interviews conducted.

7.8.3 Proposition 3

Successful South African organisations conform to the criteria prescribed by Grunig and Grunig for public relations to remain excellent within the IC framework.

Proposition 3 is addressed by question 4 and 12 of the questionnaire.

The first criterion states that the public relations function should be located in the organisational structure so that it has ready access to key decision makers of the organisation – the dominant coalition – and thereby contributing to the strategic management processes of the organisation.

According to main finding C3 (p 239) the majority of organisations consider public relations to be part of top management (66%). Main finding C5 (p 244) state that in 53% of the organisations public relations report to a senior officer with a communication/PR related job title and main finding C6 (p246) state that in 74% of the organisations the senior officer with a communication/PR related job title reports to the CEO in 74% of the organisations.

Based on the findings presented it can be concluded that public relations in successful South African organisations are located in the organisational structure to have ready access to key decision makers of the organisation.

According to the second criterion all communication programmes should be integrated into or coordinated by the public relations department.

Main finding C2 (p 237) concluded that most of the different communication functions/activities, public relations (42%), advertising (63%), sales promotion (89%), direct marketing (94%), personal selling (71%), sponsorships (70%) and employee/internal communication (36%) are part of a department with a marketing related name.

Main finding D7 (p 265) states that 55% percent of the organisations integrate their communication through a department with a marketing related name, 32% integrate communications through a department with a communication-related name, 9% integrate it through a department that combines marketing and communication and 5% integrate communication through a department that combines marketing and investor relations.

Based on main findings C2 and D7 it can be concluded that successful South African organisations do not integrate all communication functions/activities through the public relations department.

The third criterion states that public relations should not be subordinated to other departments such as marketing, human resources or finance.

According to main finding C2 (p 237) in most of the organisations public relations (42%) is part of a department with a marketing related name.

It can therefore be concluded that successful South African organisations subordinate public relations to other departments such as marketing.

Based on the collective research findings it can be concluded that proposition 3 should be rejected.

7.8.4 Proposition 4

The relationship between marketing and public relations in successful South African organisations differ from theoretical models

Proposition 4 is addressed by questions 14 and 15 of the questionnaire.

From question 14 it can be concluded that the majority of organisations view the relationship between marketing and public relations in their organisation as equal and separate but with overlapping functions (both important and separate functions but share some terrain, e.g. product publicity) (Main finding E1, p 267). This viewpoint is supportive to one of Kotler and Mindak's (1978) five proposed models to describe the organisational relationship between marketing and public relations, namely separate but overlapping functions.

Question 15 produced the main finding that only five respondents (15%) indicated that a different relationship existed between marketing and public relations (Main finding E2, p 268).

Considering the main findings above it can be concluded that Proposition 4 should be rejected.

7.8.5 Proposition 5

Marketing and communication managers in successful South African organisations have different viewpoints with regards to integrated communication

Questions 1, 10, 16 and 17 addressed proposition 5.

Question 16 and 17 produced the following main findings: The majority of the respondents suggested that marketing should be responsible for integrated communications in an organisation (Main finding F1, p 271). Seventy-six percent of the respondents proposed that the integrated communications function should report to the CEO/MD of the organisation (Main finding F2, p 272).

Statistical tests could however not be performed to compare the viewpoints of the different groups on question 16 and 17 because of the disparity of answers given to the open-ended questions.

Statistical tests were however performed on the different statements in question 10 to determine if a significant difference exists between viewpoints on integrated communication between the three groups identified in question 1. From the statistical tests it can be concluded that there is not a significant difference in the mean score of the three groups based on the statements reflecting the respondents' viewpoints regarding an organisation's policy on integrated communications (Main finding D5, p 264).

Based on these tests it can therefore be concluded that proposition 5 should be rejected.

7.8.6 Proposition 6

Successful South African organisations' do not exploit the full communication potential provided by their websites.

Proposition 6 is addressed by the codes in categories 1-11 of the code sheet (Appendix 2).

It can be deduced from category 1 that all the organisations realised the importance of having a web presence as a communication medium (Main finding G1, p 273). From category 2 it is clear that organisations utilise the Web for advertising that relates to the organisation *except for communication about career opportunities in the organisation* (Main finding G2, p 274).

Organisations do use the Web to advertise their product/services (category 3) but in most cases *do not display current prices for the products/services offered* (Main finding G3, p 275). In terms of direct marketing (category 4) the majority of the organisations included a full descriptions of products/services offered (catalogues). However, it was possible to order online and track account information on only 45% of the organisational websites (Main finding G4, p 276). *Sales promotion (category 5) on a website is used to generate excitement but it was found that the majority of websites did not make use of this marketing communication method* (Main finding G5, p 277).

In terms of their public relations activities (category 6) the majority of organisations used their websites to distribute information to the media via organisation related articles and press releases. *Unrelated news articles (news unrelated) were placed online by only 48% of the organisations* (Main finding G6, p 278). The majority of organisations also addressed financial relations effectively by making their annual reports available online and by providing other related shareholder information. *Only 45% of the organisations however, provided links to the organisation's current stock price* (Main finding G7, p 278). *The Web is not used to communicate effectively about the corporate social responsibility of organisations except for providing information that can be useful for educational purposes* (Main finding G8 p 280). *The corporate environmental policy of organisations is also not represented on the websites of the majority of organisations* (Main finding G9 (p 279).

The majority of organisations provided a keyword search facility (search) and a sitemap on their websites. *An explanation of buttons (help section) and other language options were not properly addressed on the websites* (Main finding G10, p 280). Two-way communication was addressed (category 8) by providing an opportunity to contact the organisation via e-mail (e-mail)/contact us) and by providing staff contact details. *E-mail newsletters or briefings and an opportunity to sign up for mailing lists were however not available at the majority of websites* (Main finding G11, p 281). The organisations had contact e-mails that were correct *but only half responded to the e-mailed question* (Main finding G13, p 283).

Organisations *did not use their websites as an interactive medium* (category 10) except for providing an opportunity to pose a question and then receive an answer (Main finding G15, p 286). *Organisations did not endeavour to generate repeat visits* except for providing an opportunity to request technical or specialised information via regular or electronic mail and web page links to other external sites that had a clearly marked path for visitors to return to site (Main finding G16, p 287).

If the results from all the main findings are collectively viewed in terms of how the organisations used and did not use their websites for communication then proposition 6 can be accepted.

7.8.7 Proposition 7

Successful South African Organisations do not create dialogic relationships with their stakeholders through their websites.

Proposition 7 is addressed by the codes in categories 7, 8, 9, 10, 11 of the code sheet (Appendix 2).

Five principles were identified that offered guidelines for the creation of dialogic relationships with stakeholders. Principle four states that visitors should find websites easy to figure out and understand. The majority of organisations provided a keyword search facility (search) and

a sitemap on their websites. An explanation of buttons (help section) and other language options were however not properly addressed on the websites (Main finding G10, p 280).

Principle one's dialogic loop enables stakeholders to send through queries and provides the organisations with the opportunity to respond to questions, concerns and problems. Organisational members should however be trained to respond to electronic communication to ensure the completeness of the loop. Two-way communication was addressed (category 8) by providing an opportunity to contact the organisation via e-mail (e-mail)/contact us) and by providing staff contact details (Main finding G11, p 281). According to principle two, information that can be distributed automatically is more desirable than information that must be solicited. E-mail newsletters or briefings and an opportunity to sign up for mailing lists were however not available at the majority of websites (Main finding G11, p 281). The organisations had contact e-mails that were correct but only half responded to the e-mailed question (Main finding G13, p 283)].

Principle three state that in order to generate return visits, features such as updated information, changing issues, special forums, new commentaries, on-line question and answer sessions, and on-line experts to answer questions are needed on sites to make them attractive. Organisations did not use their websites as an interactive medium (category 10) except for providing an opportunity to pose a question and then receive an answer (Main finding G15, p 286).

Other tools for repeat visits include: formats for frequently asked questions (FAQs), easily downloadable or mailed information, technical or specialised information that can be requested by regular or electronic mail, and referral links to local agencies or information providers. The rule of conservation of visitors (principle five) require that organisations be careful to include links on their web pages that can lead visitors astray. Organisations did not endeavour to generate repeat visits except for providing an opportunity to request technical or specialised information via regular or electronic mail and web page links to other external sites that had a clearly marked path for visitors to return to site (Main finding G6, p 278).

Based on all the findings presented above proposition 7 can conclusively be accepted.

7.9 Summary

Chapter 7 provided the research findings obtained from 34 organisations that participated in this research project.

Findings were recorded throughout the discussion, forming the main findings from the empirical research-phase of this study. The main findings were then used to either accept or reject the propositions formulated for this study.

Propositions 1 and 2 could not be conclusively accepted or rejected by the findings and proposition 3, 4 and 5 were rejected. Proposition 6 and 7 were accepted based on the main findings.

The final chapter, chapter 8 will conclude this research study by providing conclusions and implications of the findings as well as proposing a framework for structuring integrated communication in South African organisations based on the literature review and the main findings recorded from the empirical research-phase of the study. Limitations of this study will be given and directions for future research will be offered.

CHAPTER 8

CONCLUSIONS, IMPLICATIONS AND RECOMMENDATIONS

8.1 Introduction

The research results were presented and main findings reported in chapter 7. This chapter will conclude this research study by providing conclusions and implications of the findings as well as proposing a framework for structuring integrated communication in South African organisations based on the literature review and the main findings recorded from the empirical research-phase of the study. Chapter 8 will be concluded by offering direction for future research.

A number of conclusions and implications from the literature research and the results from the empirical research can be drawn. The major findings, implications and recommendations of the empirical research will first be presented in section 8.2.1, followed by the major deductions, implications and recommendations of the literature review in section 8.2.2. The proposed framework for structuring integrated communication will be based on these major findings and will be presented in section 8.3.

8.2 Major findings, conclusions and implications

The primary objective of this study, as documented in Chapter 1 was to investigate empirically how *successful* South African organisations are addressing the issue of integrated communication in terms of organisational structures. This, together with an extensive investigation into the relevant literature, will be used to develop a framework for structuring the communication function within South African organisations to encourage integration and enhance organisational effectiveness.

Following the literature review and the results from the empirical research, a number of conclusions and implications based thereon can be drawn. This section will list the major findings (derived from the literature review and the main findings), draw a conclusion from each finding and provide the implication/recommendation of the finding. In section 8.3 the conclusions, findings and implications will be used to compile a framework for structuring integrated communication in South African organisations.

8.2.1 Findings based on the empirical research

Following the results from the empirical research a number of conclusions, implications and recommendations based thereon, can be drawn. This section will list the major findings from the study, draw a conclusion from each finding and provide the implication of the finding.

(a) Major finding 1

There is not a dominant public relations models (advanced by Grunig and Hunt, 1982) favoured by most of the successful South African organisations.

It could be seen from main finding C8 (p 250) that the majority of organisations sometimes use one-way communication to only inform stakeholders, and conduct research sometimes to determine the communication needs of customer/consumers and all other stakeholders. In addition to this, main finding C9 (p 250) states that an equal number of organisations sometimes and never limits their research to informal observations of whether publicity material has been used by the media.

It is also clear from main finding C10 (p 250) that the majority of organisations sometimes use communication to persuade, and use two-way communication sometimes to communicate with stakeholders. The majority of organisations sometimes conduct research to determine the attitudes, views and behaviours of customers/consumers and of other stakeholders. The majority of organisations based on main finding C11 (p 250) sometimes use communication to reach a mutual understanding between the organisation and the stakeholders. They conduct research sometimes to determine what consequences the organisation's actions and decisions

will have on stakeholders and measure sometimes whether a public relations effort has improved the understanding of stakeholders towards an organisation. An equal number of organisations sometimes and never use evaluative research to measure whether a public relations effort has improved management's understanding of its stakeholders.

In addition to the main findings from the quantitative research some main findings from the in-depth interviews state that public relations is reduced to a technical function that is outsourced by all the organisations that were interviewed (main finding H2, p 301). Also, no research is conducted by any of the organisations to determine the communication needs and perceptions of stakeholders other than the customer/consumer (main finding H3, p 301) and that none of the organisations interviewed practices the two-way symmetrical model of communication identified in section 3.2.1 (a) (main finding H5, p 301).

The **main conclusion** is that managers in successful South African organisations who were surveyed are not entirely sure what is done in terms of communication management with stakeholders (other than the customer/consumer). However, after a more detailed probing of some of the respondents it became clear that they do not practice the two-way symmetrical model of communication.

The **implication** is that managers in South African organisations should view the two-way symmetrical model as the ideal to strive for in terms of communication management in their organisation.

Recommendation: Managers should realise that they need to reach mutual understanding between the organisation and its stakeholders through managing their communication properly. Research must be used to manage conflict, improve understanding and build relationships with stakeholders. It is recommended that South African organisations familiarise themselves with the two-way symmetrical model of communication and apply the appropriate strategies in their communication functions.

(b) Major finding 2

Marketing and public relations are mostly considered to be equal and separate but with overlapping functions in successful South African organisations although it was indicated that marketing should play the dominant role.

Main finding A1 (p 230) is indicative of the overlapping nature of marketing and public relations to the extent that the majority of the respondents who participated in this study indicated that their responsibilities are a combination of marketing and communication.

In addition, main finding E1 (p 267) states that 32% of the organisations view the relationship between marketing and public relations in their organisation as equal and separate but with overlapping functions (both important and separate functions but share some area, e.g. product publicity as shown in the questionnaire in Appendix 1). None of the respondents viewed the relationship as combative and only 3% of the respondents regard public relations as the dominant function (if PR builds relationships with all key stakeholders then programmes to build relationships with customers would be a subset of PR).

It can also be seen from main finding E3 (p 270) that 23% of the respondents view the ideal situation between marketing and public relations as equal and separate with overlap and cross-functional communication. Integration (totally integrated, should be aligned, messages must be the same) as the ideal situation is suggested by 19% of the respondents.

The indication that marketing should be the dominant function was derived from main finding F1 (p 271) which postulates that 42% of the respondents suggested that marketing should be responsible for integrated communications in an organisation, 27% of the respondents believed integrated communications should be the responsibility of the communication department and 6% believed it should be the responsibility of marketing and communication. It also became clear from the personal interviews that marketing is seen as the dominant function by all the organisations that were interviewed (main finding H1, p 301), public relations is reduced to a technical function that is outsourced by all the organisations that were

interviewed (H2, p 301) and the customer/consumer is regarded as the most important stakeholder by the majority organisations' interviewed (H4, p 301).

The **main conclusion** is that respondents are in favour of integration between marketing and public relations but still view marketing as the dominant function.

The **implication** is that organisations should revisit their current function of public relations and marketing, and structure it to have a balanced view of communication.

Recommendation: Managers should strategise their communication function in terms of stakeholders' needs and structure communication activities as an integrated function to address stakeholder needs.

(c) Major finding 3

Marketing and communication managers in successful South African organisations are to some extent familiar with the concept of integrated communication and do not differ significantly in their viewpoints of integrated communication.

Fifty-nine percent of the respondents are either familiar or totally familiar with the concept of integrated communications based on finding D1 (p 255) and seventy-five percent of the organisations do practise some form of integrated communication according to finding D6 (p 264).

Adding to the above main findings, main finding D2 (p 257) state that effective communication requires an optimal mix of sending tools for each identified group of stakeholders (tools may be drawn from any discipline) was the statement most agreed with by the respondents. They also mostly agreed with the statement that stakeholders should be the focus of integration and the relevant situation should dictate the resources needed for a given communication programme.

In terms of structuring, the respondents least agreed with, or being undecided about the view that communication departments should be structured horizontally according to the most strategic stakeholder of an organisation (Main finding D3, p 257). Respondents were also the most homogeneous on the statement that effective communication requires an optimal mix of sending tools for each identified group of stakeholders and the most heterogeneous on the statement that all communication functions should be integrated and co-ordinated through the public relations department (Main finding D4, p 257). According to main finding F1 (p 271) 27% of the respondents suggested that communication should be responsible for integrated communications in an organisation and 42% of the respondents suggested that marketing should be responsible.

Finally: according to main finding D5 (p 264) there is not a significant difference in the mean score of the three groups (mainly marketing, mainly communication and a combination of marketing and communication) based on the statements reflecting the respondents' viewpoints regarding an organisation's policy on integrated communications.

The **main conclusion** is that there was not a significant difference between the respondents in their viewpoints on integrated communication, although the statement that all communication functions should be integrated and co-ordinated through the public relations department led to the most discrepancies in the answers given.

The **implication** is that a mind shift is necessary to embrace the concept of integrated communication.

Recommendation: Marketing and communication managers need to focus on the stakeholder as the starting point of integration of communication and work together to ensure a true stakeholder orientation. The term public relations might have a negative connotation as being only technical and an alternative term can be use such as integrated communication or stakeholder relations.

(d) Major finding 4

Public relations/communication departments do not conform to the criteria prescribed by Grunig and Grunig for public relations to remain excellent within the IC framework.

Public relations/communication departments conform to the first criterion that the public relations function should be located in the organisational structure for it to have ready access to key decision makers of the organisation – the dominant coalition – and thereby contributing to the strategic management processes of the organisation. Based on main findings C3 (p 239), C5 (p 244), and C6 (p 246), it can be concluded that public relations in successful South African organisations are located in the organisational structure to have ready access to key decision makers of the organisation.

Public relations/communication departments do not however, conform to the other criteria. According to the second criterion all communication programmes should be integrated into or coordinated by the public relations department. Based on main findings C2 (p 237) and D7 (p 265) it can be concluded that successful South African organisations do not integrate all communication functions/activities through the public relations department.

The third criterion states that public relations should not be subordinated to other departments such as marketing, human resources or finance. According to main finding C2 (p 237) in 42% of the organisations public relations is part of a department with a marketing related name and it can therefore be concluded that successful South African organisations subordinate public relations to other departments, such as marketing.

The **main conclusion** is that public relations/communication departments report to top management, but all communication programmes are not co-ordinated by public relations/communication department and public relations is subordinated to other departments such as marketing.

The **implication** is that South African organisations might not be ready for the integrative and strategic role that public relations can play in an organisation.

Recommendation: Managers should consider the possibility of public relations/communication fulfilling a more integrative and strategic role and not merely as a tool that can be used on an ad hoc basis. They should realise that true integration and a stakeholder orientation is an ongoing process that can add value to an organisation and its stakeholders.

(e) Major finding 5

Successful South African organisations do not use the full communication potential of their websites and in the process do not integrate dialogic public relations, that is needed to build successful relations through their websites.

It can be deduced from category 1 that all the organisations realised the importance of having a web presence as a communication medium (Main finding G1, p 273). From category 2 it is clear that organisations utilise the Web for advertising that relates to the organisation *except for communication about career opportunities in the organisation* (Main finding G2, p 274).

Organisations use the Web to advertise their product/services (category 3) but in most cases *do not display current prices for the products/services offered* (Main finding G3, p 275). In terms of direct marketing (category 4) the majority of the organisations included a full description of products/services offered (catalogues). However, it was possible to order online and track account information on only 45% of the organisational websites (Main finding G4, p 276). *Sales promotion (category 5) on a website is used to generate excitement but it was found that the majority of websites did not make use of this marketing communication method* (Main finding G5, p 277).

In terms of their public relations activities (category 6) the majority of organisations used their websites to distribute information to the media via organisation related articles and press releases. *Unrelated news articles (news unrelated) were placed online by only 48% of the organisations* (Main finding G6, p 278). The majority of organisations also addressed financial relations effectively by making their annual reports available online and by

providing other related shareholder information. *Only 45% of the organisations however, provided links to the organisation's current stock price (Main finding G7, p 278). The Web is not used to communicate effectively about the corporate social responsibility of organisations except for providing information that can be useful for educational purposes (Main finding G8, p 278). The corporate environmental policy of organisations is also not on the websites of the majority of organisations [Main finding G9 (p278).*

The majority of organisations provided a keyword search facility (search) and a sitemap on their websites. *An explanation of buttons (help section) and other language options were not properly addressed on the websites (Main finding G10, p 280). Two-way communication was addressed (category 8) by providing an opportunity to contact the organisation via e-mail (e-mail)/contact us) and by providing staff contact details. E-mail newsletters or briefings and an opportunity to sign up for mailing lists were however not available at the majority of websites (Main finding G11, p 281). The organisations had contact e-mails that were correct but only half responded to the e-mailed question (Main finding G13, p 283).*

Organisations *did not use their websites as an interactive medium (category 10) except for providing an opportunity to pose a question and then receive an answer (Main finding G15, p 286). Organisations did not endeavour to generate repeat visits except for providing an opportunity to request technical or specialised information via regular or electronic mail and web page links to other external sites that had a clearly marked path for visitors to return to the site (Main finding G16, p287).*

The **main conclusion** is that successful South African organisations utilise some of the communication opportunities that the Web provides but not all of it.

The **implication** is that there is a gap for improvement. The Web and managing it effectively should therefore become a priority.

Recommendation: Organisations should use the full potential of the Web to enable its integrative communication efforts. Effective management and monitoring of the Web are necessary to ensure that it becomes a competitive tool and not just a communication medium.

The main findings from the empirical part of this research were used to address the secondary objectives and manifested in some of the major findings. The major findings from the literature as well as the empirical part will be used in section 8.3 to address the primary objective.

8.2.2 Findings based on the literature review

Due to the exploratory nature of this study an extensive literature review was undertaken in chapter 1-4. Since the primary objective of the research will be addressed by the literature as well as the empirical findings it is also necessary to focus on the findings from the literature review.

(a) Major deduction from literature review (1)

A deduction from the presentation of theoretical arguments in the literature review regarding *structuring*, can be inferred, namely:

Organisations must structure themselves to have fewer layers and function better holistically in order to be more flexible to gain a competitive advantage in the changing business environment of the future.

From the discussions in chapter 1 it became clear that future organisations need to structure themselves to gain an advantage in the new competitive landscape. They will have to revise standard management thinking and rethink strategic actions and organisation structure. Boundaries must be made more permeable for the organisation to function more effectively holistically. The structures in successful organisations are viewed as being more permeable and flexible. This allows for the free flow of information and ideas from one part of the organisation to the other.

Chapter 2 proposed that future organisations will be structured to be more flexible and adaptable. Organisations who have changed their managerial hierarchies and self-managed teams are seen as the answer for improved quality. The use of teams has been successful in a variety of organisations and has therefore gained increased attention as being the foundation for successful organisations in the future. Teams are also considered as important building blocks for competitive advantage.

A new model of organisation is necessary for survival in the 21st century. The boundaries of the new model are permeable and the organisation consists of fewer layers to respond more rapidly to change. Managers need to understand the new model in order to take action in today's organisation. Organisations who intend to contribute to long-run effectiveness must focus on flexibility and anticipatory abilities to enable them to adapt to changes in the environment.

The **implication** is that current structures are not conducive to ensure flexibility and integration.

Recommendation: Since structure plays such an important role in the strategic planning of organisations, managers should revise current thinking on structures to determine if these structuring methods are still valid in today's business environment, and will be valid in future business environments. Integration is needed in order for the organisation to synergistically function better as a whole and be more flexible.

(b) Major deduction from literature review (2)

The second major deduction was based on the literature review of *public relations*.

Strategic communication/public relations which reports to top management should focus on the stakeholders of an organisation in order to create a stakeholder orientation implemented throughout the whole organisation.

In chapter 3 the discussion highlighted the fact that modern public relations is still a relatively young discipline compared to other disciplines and are still evolving. Public relations from its modern beginnings has suffered from an identity crisis because of the limitless scope of activities taken on by public relations professionals. The short history of modern public relations has produced various definitions. The contents of the many definitions however, emphasised certain common notions such as the fact that public relations is a planned sustained programme, and that public relations is the relationships that exist between an organisation and its various stakeholders. Three elements namely management, organisation and stakeholders are also common in the definitions. Public relations should therefore report to top management but is often subordinated to advertising, marketing, legal or human resources.

Another conclusion that can be drawn from chapter 3 is that the stakeholders of an organisation should be the focus of structuring communication in an organisation. Building and maintaining excellent relationships with stakeholders is therefore essential in contributing to the effectiveness of the organisation. New communication technologies such as the Web and Internet can provide the organisation with many opportunities to build mutually beneficial relationships with key stakeholders. In order to facilitate more equitable relationships with stakeholders, organisations should use their websites to facilitate real dialogue.

The **main implication** is that managers, and more specifically South African managers, need to recognise that communication have to fulfil a more strategic role in their organisations and that a stakeholder orientation is necessary to do so. Using technology effectively can contribute to building effective relationships with stakeholders.

Recommendation: Managers need to determine if corporate communication/public relations is seen as a strategic contributor or merely as an outsourced technical support function. Once this has been established, managers must consider the contribution that strategic corporate communication (that focuses on the stakeholders of an organisation) can make to an organisation's competitive position. Managers also have to evaluate if current methods to build relationships are effective, or whether technology such as the Web and the Internet, should fulfil a more important enabling function in relationship building.

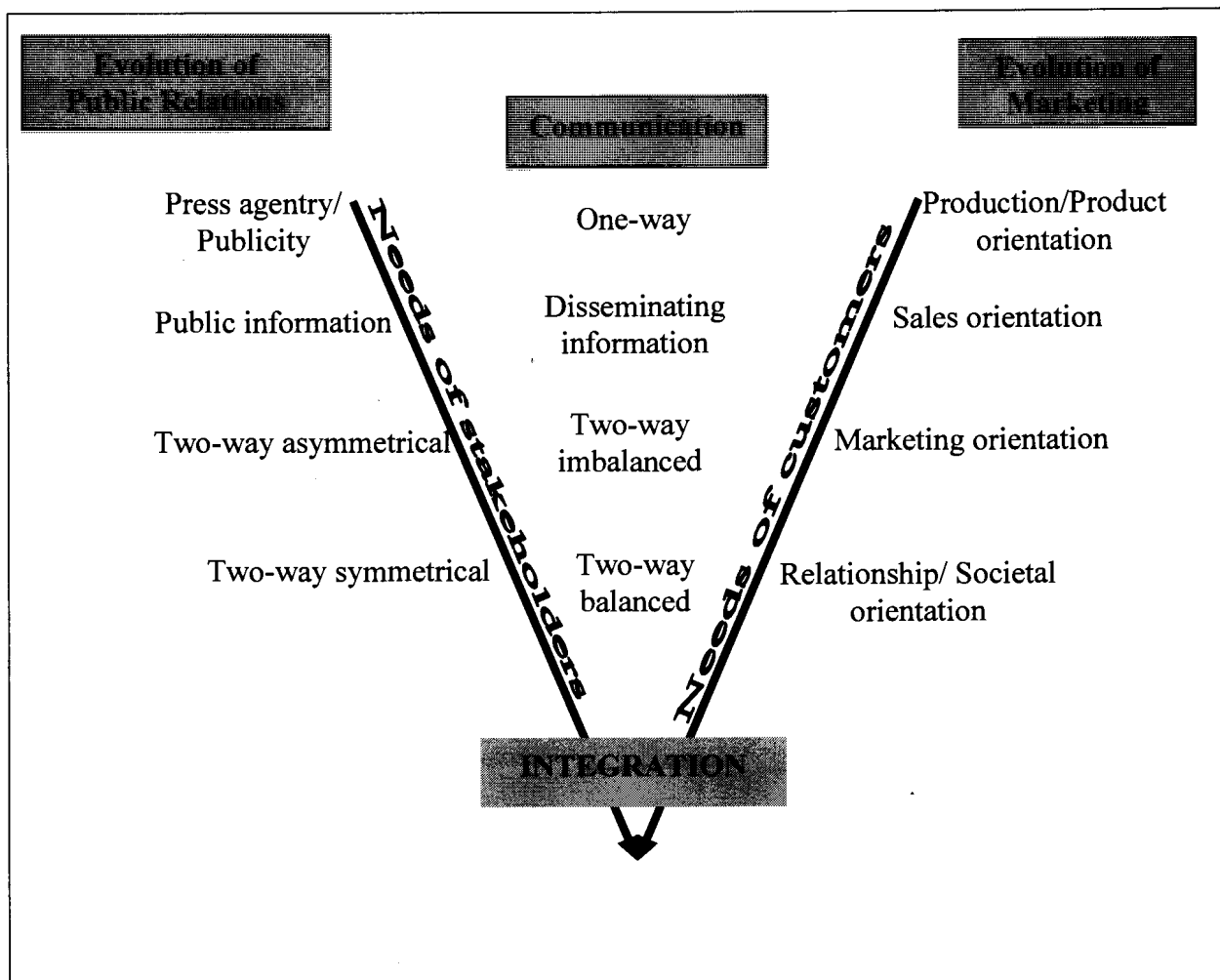
(c) Major deduction from literature review (3)

A major deduction can be drawn from the literature on *public relations* (presented in chapter 3) and *marketing* (presented in chapter 4).

Marketing and public relations have evolved in such a way that integration is inevitable.

Figure 8.1 represents the evolution of marketing and communication drawn from the literature of section 3.2 and section 4.2.1

FIGURE 8.1: THE EVOLUTION OF MARKETING AND PUBLIC RELATIONS



A funnel was used in figure 8.1 to explain the stages in the evolution of public relations and marketing. The funnel illustrates how the focus on the needs of stakeholders and customers

has increased with each stage. As the needs became more important so did the communication when it moved from one-way to two-way communication with a balanced effect.

The stages in the evolution process of marketing and public relations as depicted in figure 8.1 will be elaborated further.

Stage 1: Press agency/publicity versus Production/Product orientation

In the first evolution stage of both marketing and public relations communication was one-way. In the press agency/publicity stage (section 3.2.1) propaganda was the purpose and was executed through distorted, one-way and incomplete communication. Communication was viewed as telling and not listening. In the production/product orientation the focus was on internal production processes to make superior products and little or no customer input was required: thus one-way communication.

Stage 2: Public information versus Sales orientation

Communication in the second stage in the evolution of public relations and marketing was typified by dissemination of information. In the public information stage, organisations disseminated information but did not conduct research on stakeholders, and research, if any, was confined to readability tests. Communication was again telling and not listening. The sales orientation phase was based on the premise that aggressive sales techniques will ensure that products are bought and again the aim was to sell what the organisation can make rather than make what the market wants: therefore only disseminating information.

Stage 3: Two-way asymmetrical versus Marketing orientation

Communication in stage 3 can be regarded as two-way communication but with an imbalanced effect. Asymmetrical communication is being regarded as a way of obtaining what the organisation wants without changing its behaviour or without compromising. This translates that the organisation is trying to change the behaviour of its stakeholders without changing the behaviour of the organisation. In the two-way asymmetrical phase organisations

use research to develop messages that are most likely to persuade stakeholders to behave as the organisation wants. In the marketing orientation phase, more emphasis is being placed on the needs of the customer/consumer. Target markets need to be identified and tailored marketing programmes are developed. Communication is two-way but also with an imbalanced effect and although marketers focus on the needs of the customer/consumer through research, they still regard the organisation as the most important entity.

Stage 4: Two-way symmetrical versus relationship/societal orientation

Communication in this stage of the evolution of public relations and marketing is two-way but with a balanced effect. The goal with communication in this stage of public relations is to reach mutual understanding between the organisation and its stakeholders. Research is used to manage conflict, improve understanding and build relationships with stakeholders. The societal marketing concept holds that the organisation's task is to determine the needs of the target market and then to deliver the desired satisfactions in such a way that it preserves or enhances the consumer's and the society's well-being. Relationship marketing is also seen as communicating interactively in order to develop long-term relationships, which are mutually beneficial. The emphasis on relationship marketing from a marketing perspective is however, on the customer/consumer whereas public relations focuses on all the stakeholders. Communication in this stage of the marketing evolution is therefore also two-way with a balanced effect.

The **implication** of the above discussion is that as the focus on the needs of the stakeholders and customers/consumers increases in importance, there is a concurrent increase in the need for two-way communication with a balanced effect. This implies that to truly practice two-way communication with a balanced effect, total integration of communication is necessary.

Recommendation: Managers will have to focus on making integration a reality by using a different mindset to consider current practices and investigate new structures and methods to integrate communication.

(d) Major deduction from literature review (4)

Major finding 4 was drawn from the literature on *integrated communication* discussed in chapter 4.

The existing models for integrated marketing communication and integrated communication have some applications but also limitations to be borne in mind to develop a new framework for integrated communication.

The integration between marketing and communication is best explained by the concept of integrated marketing communication (IMC) that evolved because of the need for a more holistic approach. Certain trends and changes (identified and discussed in section 4.3.2, p 130) led to the adoption of integrated marketing communication. There have however been barriers to integration that needs to be resolved before IMC can be implemented effectively. In order to overcome these barriers certain solutions have been proposed and explored [discussed in sections 4.3.2(a) and 4.3.2(b), p 132].

Various models have been discussed (section 4.3.3) to clarify the issue of implementing integrated marketing communication and integrated communication effectively. The application and limitations that will be used to compile a new framework will be highlighted further.

The integrated marketing communications planning model [Schultz *et al.*, 1993, discussed in section 4.3.3 (a), figure 4.7, p 143] stressed the use of a database to manage information as being important in the successful implementation of IMC but portrays communication as being one-sided, i.e. one side transmits signals (messages) and the other side receives these messages. This model focused only on the customer or prospect.

The evolutionary integrated communications model [Duncan & Caywood *in* Thorston and Moore, 1996, discussed in section 4.3.3 (b), figure 4.8, p 147] focuses on different stages of IMC. The model is represented in a circular form to move away from the idea that one stage is more important than the other. Instead, each stage may build on the experience of the

previous one and each organisation finds the stage that best fits its current situation. The value of the model for South African organisations lies in the evolutionary stages of the model. This model will help these organisations to re-design their processes to be able to meet the challenges of integration. This model also places more emphasis on the other stakeholders and not just the customers. Customers are very important stakeholder groups, but the value of other stakeholders is also emphasised.

In managing communications with all relevant stakeholder groups the use of databases becomes more important. Duncan and Caywood (*in* Thorston & Moore, 1996:33) argue strongly for such databases that represent not only marketing databases but rather stakeholder databases, which store information about an organisation's stakeholder groups. Emphasis is placed on the whole organisation to regard integrated communications as a central element in the management process.

In proposing a framework for structuring integrated communication the emphasis in this study will be mostly on stage 6 (stakeholder-based stage) and stage 7 (relationship management stage) in the above model. Stages 1-5 (awareness, image, functional, co-ordinated and consumer-based stage) serve as good reference to organisations that want to move progressively towards integrated communication. The proposed framework will however assume that organisations have already moved through the stages and are now ready for the stage of stakeholder-based integration and relationship managed integration.

The stakeholder relations model [Gronstedt *in* Thorston & Moore, 1996, discussed in section 4.3.3 (c), figure 4.10, p 154] proposes an integrated approach to communication by uniting the main dimensions of public relations and marketing communications. The central idea to the model is that a manager will use the marketing or public relations tool that promises the highest success in a given situation. A stakeholders' perspective is also emphasised. To stakeholders it is irrelevant where a message originated from: they will attribute the message to the sender, in this case the organisation. Emphasis placed on stakeholders will depend on the objectives of the organisation. The customer can be portrayed as the most important stakeholder in an organisation or other stakeholders can be more important because each

organisation may have different strategic stakeholders and the framework that will be proposed must make allowance for this. Flexibility and adaptability are therefore essential.

Hunter's models for integrated communication [Hunter, 1997 and 2000, discussed in section 4.3.3 (d), p 158] is based on the revision of previous models. The first model identified five stages necessary for integration. The second model stressed however, that divisionalisation of the communication function is not effective and various characteristics of integrated communication are proposed. The second model also emphasises the database as being essential in integrated communication. This model provides valuable insights into the use of databases to manage communication effectively and the characteristics of integrated communication can be useful for organisations in their integration efforts. To extend the usage of a customer database to other stakeholders provides a valuable tool to communication managers in building relationships. The database proposed by Hunter (2000) will enable an organisation to "customise" its communication to satisfy the communication needs of various stakeholders similar to marketing's use of it to "customise their product/service offering to fulfil customer needs".

Another model, integration through the public relations function [Grunig & Grunig, 1998, discussed in section 4.3.3(d), p 162], offers some criticism of the previous models and emphasises the importance of integrating all the communication efforts through the public relations department. The excellence study is used as a reason why marketing and public relations should be separated and all communication should be co-ordinated through the public relations department. The proposed framework for integrated communication will however focus on integration and does therefore not support the idea of separation.

The three dimensional model of integrated communication [Grondstedt, 2000, discussed in section 4.3.3 (e), figure 4.11, p168] illustrates that integrated communication is a strategic management process that must involve the whole organisation. The model represents three dimensions (external, vertical and horizontal integration) that need to be in place before an organisation can survive in the customer century. The brand and a stakeholder orientation are also included in this model as the guiding principles of integrated communication. This model

will form the basis of the proposed framework for structuring integrated communication together with the applications and limitations of other models already discussed.

The **implication** of the discussion on the existing models of IMC and IC is that it identified certain applications that can aid managers in their integration processes. Limitations and barriers of these models exist which must be borne in mind when contemplating the implementation of certain models.

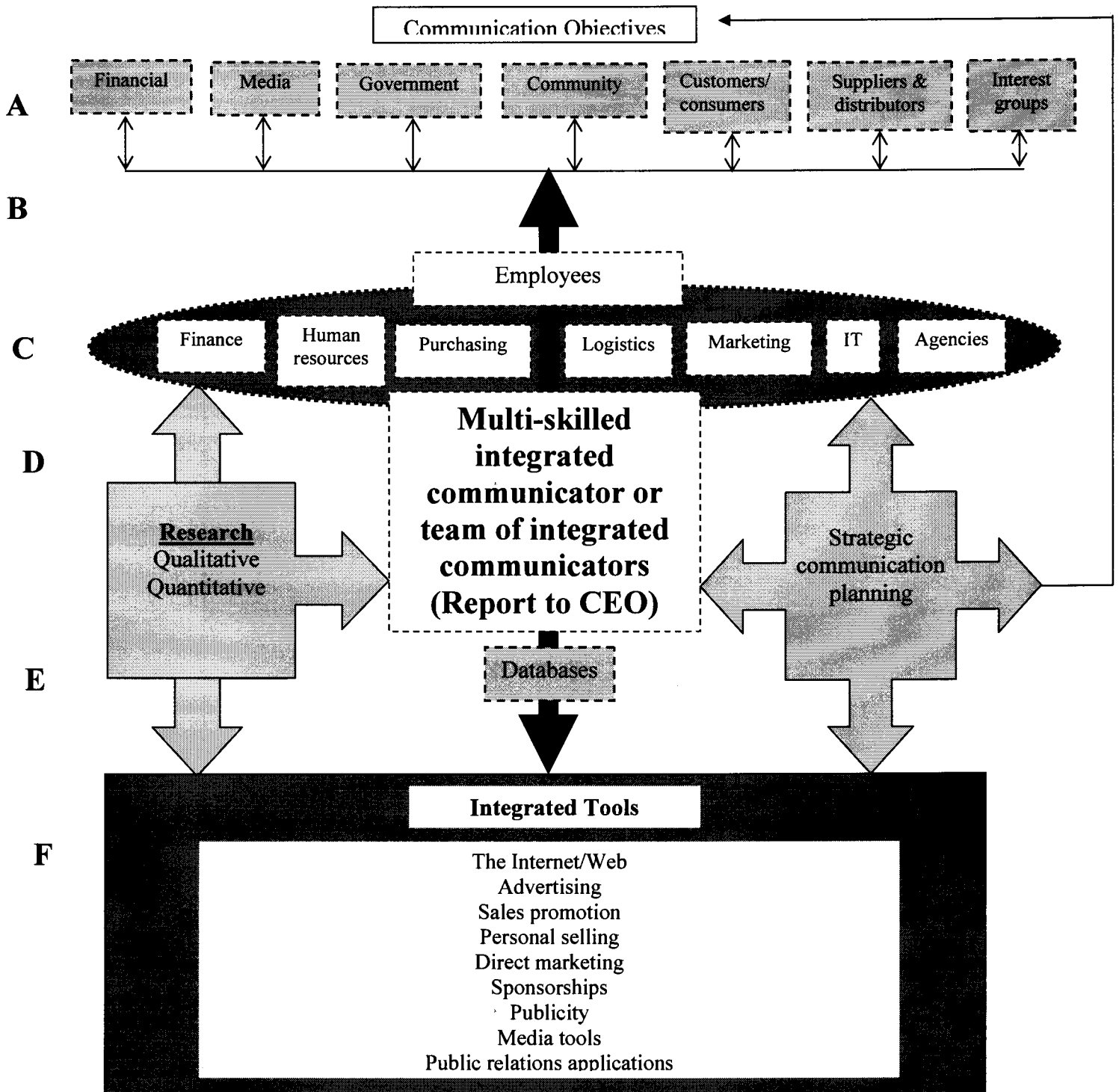
Recommendation: Based on the previous discussion it is recommended that a revised framework be developed for structuring integrated communication in organisations. This will be entertained in section 8.3.

8.3 A proposed framework for structuring integrated communication

The primary objective of this research was to investigate empirically how successful South African organisations are addressing the issue of integrated communication in terms of organisational structures. This, together with an extensive investigation into the relevant literature, will be used to develop a framework for structuring the communication function within South African organisations to encourage integration and enhance organisational effectiveness.

The proposed framework for structuring integrated communication in South African organisations is illustrated in figure 8.2.

FIGURE 8.2: A FRAMEWORK FOR STRUCTURING INTEGRATED COMMUNICATION



The framework presented in figure 8.2 was derived from the major findings, implications and recommendations discussed in section 8.2.

The following major findings, implications and recommendations formed the basis of the framework:

Symbol A indicates the various stakeholders of an organisation. According to the *recommendation based on major finding 2 (p 322)* managers should strategise their communication function in terms of stakeholders' needs and structure communication activities to address these needs. The *recommendation based on major finding 3 (p 323)* stresses the need for marketing and communication managers to focus on the stakeholder as the starting point of integration of communication.

Major deduction 2 (p 328) postulates that strategic communication/public relations, which reports to top management should focus on the stakeholders on an organisation in order to create a stakeholder orientation implemented throughout the organisation.

The various stakeholders of the organisation are illustrated by using a dotted line, symbolising the free flow of two-way communication between an organisation and its stakeholders that is needed to build effective relationships. According to the *implication of major finding 1 (p 320)*, managers in South African organisations should view the two-way symmetrical model as the ideal to strive for in terms of communication management in their organisation.

Symbol B encompasses the arrows used to illustrate the two-way relationship between an organisation and its stakeholders. The arrows are linked to the darker arrow in the centre that symbolises the link between the organisation with all its various functions and structures, the research needed to build relationships, the strategic communication planning, databases and all the tools that can be used to build relationships through effective communication. According to the *recommendation for major finding 1 (p 320)*, managers should realise that they need to reach mutual understanding between the organisation and its stakeholders through managing their communication properly. Research must be used to manage conflict, improve understanding and build relationships with stakeholders. It is recommended that

South African organisations familiarise themselves with the two-way symmetrical model of communication and apply the appropriate strategies in their communication functions.

Symbol C represents the organisation as a whole. Again dotted lines were used to illustrate that an organisation do not function in isolation or in functional silos. Stakeholders have an influence on the organisation and the organisation as a whole (not just marketing or public relations) influences the stakeholders (two-way symmetrical model of communication). The recommendation on *the major deduction from the literature review 2 (p 328)* states that integration is needed for the organisation to synergistically function better as a whole and be more flexible. The *implication of major finding 1 (p 320)* purports that managers in South African organisations should view the two-way symmetrical model of communication as the ideal to strive for in terms of communication management in their organisation. The employees of an organisation are also one of the stakeholder groups. Employees form part of the various functions in an organisation. The organisation however, does not function in isolation (as mentioned) and employees influence relationships with other stakeholders. Employees must therefore be the starting point of an organisation's integration process.

The team/s needed for the co-ordination of an organisation's communication efforts are indicated by **symbol D**. *The major deduction from the literature review 1 (p 327)* states that organisations must structure themselves to have fewer layers and function better holistically in order to be more flexible to gain a competitive advantage in the changing business environment of the future. By using a team to integrate communication (made up of experts of the various functional areas) layers are reduced and flexibility are ensured. It should be noted that the framework does not address the functional relationships and interfaces of the various disciplines or even the functions within marketing and communication such as corporate and marketing public relations and corporate publicity and marketing publicity in the organisation nor does it focus on the reporting lines and structures. This should however be addressed in future research.

The implication from major deduction from the literature review 2 (p 328) states that South African managers need to recognise that communication have to fulfil a more strategic role in their organisation. In order to be able to plan strategically research is needed (both qualitative

and quantitative). The research and strategic planning component are represented by multiple arrows in order to illustrate the involvement needed from the entire organisation as well as to explain the impact that research and strategic planning can have on an organisation. Communication objectives flow from the strategic planning process and will influence the communication focus for the various stakeholders.

The usage of databases is illustrated by **symbol E**. *The Major deduction from the literature review 4 (p 333)* suggests that the existing models for integrated marketing communication and integrated communication have some applications but also limitations to be borne in mind to develop a new framework for integrated communication. One of the applications that is integral to an integrated effort is the usage of databases. Information on the various stakeholders, collected through qualitative and quantitative research, is stored in the databases to aid in the planning and integration of communication in an organisation. The usage and application of databases to manage relationships with various stakeholders should be explored in further research.

Symbol F indicates the various tools an integrated communicator can use. Marketing communication and public relations tools were combined to eliminate the separation and focus on the integration. *A Major deduction from the literature review 3 (p330)* posits that marketing and public relations have evolved in such a way that integration is inevitable. *The recommendation from this deduction (p 332)* suggests that managers should focus on making integration a reality by using a different mindset to consider current practices and investigate new structures and methods to integrate communication. By combining “traditional” marketing and public relations tools, this can become a reality. The Web and Internet are tools that must be explored further. *Major finding 5 (p 325)* states that successful South African organisations do not use the full communication potential of their websites and in the process do not integrate dialogic public relations, that is needed to build successful relations through the Web. *The recommendation from this finding (p 326)* suggests that organisations should realise the important role that the Web can play in its integrative communication efforts. Its full potential should however be utilised and effective management and monitoring is necessary to ensure that it becomes a competitive tool and not just a communication medium.

To summarise the above findings, implications and recommendations that were used to develop the framework (illustrated in figure 8.2), the following can be concluded:

The various stakeholders of an organisation should be the starting point of structuring integrated communication in an organisation. Only the “generic” stakeholders were used in the framework and should be adapted to include every organisation’s different stakeholders.

A stakeholder orientation should be the guide to organisations in striving for excellence. Employees are also regarded as a stakeholder group but are included in the oval that represents the organisation. Employees should become part of the stakeholder orientation of the organisation. This can only be achieved if they are regarded as the stakeholder group that can influence interactions with other stakeholders. Employees therefore need to be informed, properly trained, empowered and motivated to assist in this quest.

Employees in the organisation form part of different expert areas in an organisation and true integration can only be possible if cross-functional relations exist between the various experts in an organisation. The oval represents the organisation as being a team comprised of various experts. A multi-skilled integrator with a total stakeholder focus (not just the customer/consumer) is needed to co-ordinate efforts. An integrator or a team of integrators (depending on the size of the organisation) can be responsible for the co-ordination. A bigger organisation is more complex and will need more team members with cross-functional relations of the different expert areas in the organisation. Leadership in the integrator team can vary based on the situation and the expertise required to deal with specific ad hoc cases.

Research is needed on a continuous basis to address the needs and manage the perceptions of the various stakeholders. Research includes quantitative as well as qualitative measures and can be adapted to suit each organisation. Employees can be used as research tools and can provide valuable input for strategic planning. An organisation’s website must also be utilised to exploit the research potential and not only be used for a question and answer section. Ongoing research on stakeholder perceptions and attitudes can be conducted by using the

interactive nature of the Internet. Immediate information and feedback can be collected and therefore enabling the organisation to be more flexible and competitive in its decision-making. Research involves the whole organisation and is represented by multiple arrows (D).

To ensure true integration that focuses on all stakeholders, it is imperative that integrated communication is part of the strategic planning process of an organisation. Integrated communicators therefore need to be multi-skilled to be able to contribute effectively to the strategic planning of an organisation. Strategic communication planning also encompasses the whole organisation and is therefore also represented by multiple arrows (D).

Databases were identified as being a central force in the integration process. Databases can be used to build effective relations with the different stakeholders. Information (collected from research and other sources) can be stored in the databases and used for more effective planning. The Web can also contribute in compiling databases to conduct better two-way relationships with stakeholders.

By combining “traditional” marketing communication tools and “traditional” public relations tools the integrator is provided with a vast array of tools to choose from. Different tools or a mix can be used for different stakeholders depending on what will be the most effective for a given situation. Again only the “generic” tools were listed, but it is important to realise that every “generic” tool comprises of different methods and applications to be used effectively. An example would be public relations applications that can include publications, corporate image, issues management, lobbying, event management, writing and production, and community involvement programmes.

It should be noted that the aim of the framework is to practice the two-way symmetrical communication model in building relationships with stakeholders. Also the “dotted-lines” used in the framework represent the permeability of boundaries, the free flow of information externally and internally, and the flexibility of the organisation to adapt to the environment in order to become more effective and competitive.

The framework represents a strategic direction that an organisation can follow, therefore ensuring effective external, vertical and horizontal integration of communication that provide value to the organisation's stakeholders.

8.4 Linking of questions and findings to the secondary research objectives

Following the results from this research, it is possible to link the secondary objectives formulated for this study (listed in chapter 1) and the questions portrayed in the questionnaire with the main findings (chapter 7). It should be noted that the primary objective was addressed by the major findings (derived from the literature in chapter 1- 4 and the main findings in chapter 7). Table 8.1 illustrates the linkage between the secondary objectives, the questions, and the main findings.

TABLE 8.1: LINKING OF SECONDARY RESEARCH OBJECTIVES, RESEARCH QUESTIONS AND MAIN FINDINGS

Secondary objectives	Propositions	Question/s	Main findings
(a) To ascertain whether there is a dominant public relations model (advanced by Grunig & Hunt 1982) favoured by most of successful South African organisations.	2	7	C8, C9, C10, C11
(b) To establish what the relationship is between the marketing and public relations function in successful South African organisations.	4	14,15	E1, E2
(c) To determine the viewpoints of marketing and communication managers on integrated communications in successful South African organisations.	5	1, 9, 10, 16 & 17	A1, D1, D2, D3, D4, D5, F1, F2
(d) To investigate how public relations/communication departments compare with the criteria prescribed by Grunig and Grunig (1998) for public relations to remain excellent within the IC framework.	1,3	4, 11, 12 & 13	C2, C3, C5, C6, D6, D7
(e) To ascertain how successful South African organisations are using their corporate websites for communications purposes.	6	Code Sheet	G1-G16
(f) To determine if successful South African organisations integrate dialogic public relations, that is needed to build relationships with publics, through their websites.	7	Code Sheet	G10-G16

It can be concluded that all the secondary objectives were addressed and satisfied by the various main findings.

8.5 Limitations

Specific limitations following the literature review and the empirical phase of the study should be noted.

8.5.1 Limitations based on the literature review

A number of limitations, based on the literature review can be listed namely:

- (a) Although abundant information could be found in the literature regarding integrated marketing communication and integrated communication, no literature could be found that focuses on South African organisations.
- (b) The aim with the literature research was to include all relevant literature on the topic. It is however possible that some empirical research on the concepts highlighted in the literature review may not have been published (and therefore excluded).

8.5.2 Limitations of the empirical research phase of the study

A number of limitations should be highlighted, following the empirical research phase of the study and the reporting of the results, namely:

- (a) The nature of the questionnaire did not allow the researcher to provide statistical proof of the reliability of the measurement instrument used in the empirical part of this thesis.
- (b) The study was limited to successful organisations in South Africa that led to a small population.
- (c) The final realised sample was small and results had to be analysed and interpreted in this context.
- (d) Successful organisations are research-fatigued and are not eager to participate in research studies. Researchers are however, dependent on the participation of these organisations and other creative ways of obtaining information must be explored.
- (e) Successful South African organisations are in some cases very complex and comprise a number of other divisions, business units and smaller organisations. The complexity made it difficult to gain a complete picture without a personal interview. Time and money constraints however limited the conducting of more in-depth interviews.
- (f) Several of the successful organisations were holding companies and did not have a marketing or communication department, limiting the population further.

- (g) The names and contact numbers of possible respondents were obtained but employees of organisations were sometimes in doubt who is responsible for certain functions in their organisation.
- (h) The three-point scale used in question 7 led to an error of central tendency. A five or seven-point scale should rather be used.

8.6 Recommendations for future research

This research was exploratory in nature and formed the basis for future South African research on the topic of integrated communication. A number of recommendations for future research can be made following the main and major findings, conclusions, implications, recommendations and limitations from this study. The recommendations are:

- 8.6.1 Research can focus on integrated communication at a cross section of 10 organisations in the primary, secondary and tertiary sector of the successful organisations in South Africa with different divisions and stakeholders. The integration of communication by those organisations can then be determined in depth. The perceptions of the stakeholders can then also be measured to compare the organisation's perception with that of the various stakeholders.
- 8.6.2 A comparative study can then be done by including other organisations that do not integrate communication. Differences in the perceptions of the stakeholders (organisation that integrate and organisation that do not integrate) can then be compared to determine if integrated communication makes a difference from the perspective of the stakeholders.
- 8.6.3 The communication expectations of various stakeholders of organisations in different industries can be measured to determine if the type of industry is a dependent variable.
- 8.6.4 The content analysis of the websites can be extended to include all the successful organisations in South Africa.
- 8.6.5 Stakeholders' perception and expectations on organisational websites can be measured and compared with the content analysis on the websites.
- 8.6.6 The proposed framework can be tested at various organisations to measure its viability and applicability.

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APPENDIX 1

Questionnaire

UNIVERSITY OF PRETORIA RESEARCH QUESTIONNAIRE

v1 1-3

SECTION A: Demographics

1. Your responsibilities are:

1. Mainly communication related	
2. Mainly marketing related	
3. Combination of marketing and communication	

v2
4

SECTION B: Business Environment

2. Industry classification:

v3 5-6

3. The total number of full-time employees in the marketing and communication/PR department is:

	Marketing	Communication/PR
1. 1 – 10		
2. 11 – 20		
3. 21 – 30		
4. 31 – 40		
5. 41 – 50		
6. More than 50		

v4 7
v5 8

SECTION C: The communications function

4. Please indicate your organisation's organising/structuring policy regarding communications by completing the following table.

Functions/ Activities	Responsibility for function/activity			Department name	Corporate hierarchy (Management level)			Line or staff function		Job title of senior officer responsible for functions	Job title of person the senior officer reports to
	Out- sourced	In house	Don't do		Lower	Middle	Senior	Staff	Line		
1. Public relations/ corporate communication/ investor relations media relations etc.											9-14
2. Advertising											15-20
3. Sales Promotion											21-26
4. Direct marketing											27-32
5. Personal selling											33-38
6. Sponsorships											39-44
7. Internal /employee communications											45-50
8. Other (specify)											51-56

5. Please indicate the approach followed by your organisation when structuring and organising functions/departments.

1. We follow a clear functional approach. (hierarchical and departmental)	
2. We follow a multifunctional team approach.	
3. We follow a functional approach but uses project teams for ad hoc situations.	
4. We follow a different approach (explain in Q6)	

6. If you indicated in question 5 that you follow a different approach, please explain the approach.

v7

58	
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7. Please indicate (on a 3 point scale) to what extent your organisation engage in the following communication activities:

Stakeholders – are the organisations’ constituents or publics (*groups who can affect or are affected by the organisation’s decisions*). *Example: Customers, consumers, government, media, financial stakeholders, employees, Internet groups, community, distributors, and suppliers*

Activities	Always Sometimes Never					
	1	2	3			
1. One way communication is used only to inform stakeholders (From source to receiver)				v8	59	
2. Research is conducted to determine the communication needs of customers/consumers				v9	60	
3. Research is conducted to determine the communication needs of all the other stakeholders				v10	61	
4. Research is limited to informal observations of whether publicity material has been used by the media.				v11	62	
5. Communication is used only to persuade				v12	63	
6. Two-way communication is used to communicate with stakeholders (Source to receiver, with feedback to the source)				v13	64	
7. Research is conducted to determine the attitudes, views and behaviours of our customers/consumers				v14	65	
8. Research is conducted to determine the attitudes, views and behaviours of all the other stakeholders				v15	66	
9. Communication is used to reach mutual understanding between the organisation and the stakeholders/publics (group to group with feedback).				v16	67	
10. Research is conducted to determine what consequences the organisation’s actions and decisions will have on the stakeholders.				v17	68	
11. Research is conducted to measure whether a public relations effort has improved the understanding of publics/stakeholders towards the organisation				v18	69	
12. Evaluative research is used to measure whether a public relations effort has improved management’s understanding of its publics/stakeholders				v19	70	
13. Databases are used to manage information about stakeholders				v20	71	

8. If your organisation uses databases to manage information about stakeholders, please indicate for what purpose it is mainly used.

Stakeholders	Purposes of the databases			
1. Customers/consumers		v21	72	
2. Government		v22	73	
3. Media		v23	74	
4. Financial stakeholders		v24	75	
5. Employees		v25	76	
6. Distributors		v26	77	
7. Suppliers		v27	78	
8. Other stakeholders (please specify)		v28-29	79-80	
		v30-31	81-82	

SECTION E
Integrated communications

9. How familiar are you with the concept of integrated communications?

1	2	3	4	5		
Totally unfamiliar with it	Am slightly familiar with it	Have heard of it	Are familiar with it	Are totally familiar with it	v32	83

“Integrated communications uses an appropriate combination of sending, receiving, and interactive tools drawn from a wide range of communication disciplines to create and maintain mutually beneficial relations between the organization and its key stakeholders, including the customers.”

Stakeholders: Customers, government, media, financial stakeholders, employees, Internet groups, community, distributors, and suppliers
Communication vehicles: Advertising (direct marketing, TV/radio, print etc.), sales promotion (displays, coupons etc.), and publicity (events, news releases etc.).

10. Please indicate your agreement/disagreement with the following statements reflecting your viewpoint, regarding an organisations policy on integrating communications:

Statements	Totally disagree	Disagree	Un-decided	Agree	Totally agree
	1	2	3	4	5
1. Communications should be conducted from the viewpoint of the stakeholder (outside – in approach)					
2. Customers are the most important stakeholder when it comes to communication					
3. Research is necessary to gain insight into thoughts and behaviours of each stakeholder regarding their communication needs					
4. Effective communication requires an optimal mix of sending tools for each identified group of stakeholders (tools may be drawn from any communication discipline)					
5. The communication vehicle that will prove to be the most successful in a given situation should be used irrespective of where it has traditionally been located					
6. Stakeholders should be the focus of integrated communication					
7. All communication functions should be integrated and coordinated through the public relations department					
8. Communication departments should be structured horizontally according to the most strategic stakeholders for an organisation					
9. People and resources should be reassigned to new communication programmes when new strategic stakeholders appear and others decline in influence (a team approach)					
10. The relevant situation should dictate the resources needed for a given communication programme					
11. All public relations/corporate communication functions should be integrated into a single department rather than to subordinate them under other departments					

v33	84	
v34	85	
v35	86	
v36	87	
v37	88	
v38	89	
v39	90	
v40	91	
v41	92	
v42	93	
v43	94	

11. Does your organisation practise some form of integrated communication?

1. Yes (go to question 12)	
2. No (go to question 13)	

v44	95	
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12. If your organisation centralised all the communications functions in one department to integrate communications, what is the name of the department?

v45	96	
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13. If communication it still forms part of several departments how do you integrate all the communications efforts?

v46	97-98		
v47	99-100		

SECTION E
Relationship between Marketing and Communication/Public Relations

14. Please choose the statement(s) that best describe the relationship between public relations and marketing in your organisation.

Statements	
1. Equal but separate functions (have different functions and perspectives)	
2. Equal and separate but overlapping functions (both important and separate functions, share some terrain, e.g. product publicity)	
3. Marketing is seen as the dominant function (marketing manages relationships with all publics in the same way as relationship with customers – “mega marketing”)	
4. Public Relations is seen as the dominant function (If PR builds relationships with all key stakeholders then programmes to build relationships with customers would be a subset of PR)	
5. Public Relations and marketing are the same function (they converge in concepts and methodologies and are managed in a single department)	
6. The relationship between marketing and public relations are combative (the two functions are at odds)	
7. A different relationship than any of the relationships mentioned above (please specify)	

v48	101		
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15. What would the ideal situation be on how the marketing and public relations function should be organised?

v49	102-103		
v50	104-105		

SECTION E
Open Questions

16. If all communications in an organisation are integrated, who should, in your opinion, be responsible for it?

v51	106-107		
v52	108-109		

17. To whom should that function report to?

v53	110-111		
v54	112-113		

THANK YOU VERY MUCH FOR YOUR CO-OPERATION IN COMPLETING THIS QUESTIONS



APPENDIX 2

Code Sheet and Glossary



Content Analysis Code Sheet

Ref No. _____

Name of Organisation _____
Core business _____
Industry _____
Website http://www. _____

		<i>Yes</i>	<i>No</i>
1.	Operations		
	1.Website?	<input type="radio"/>	<input type="radio"/>
	2.Is Website Operational?	<input type="radio"/>	<input type="radio"/>
	3.Is specialised software needed to view site	<input type="radio"/>	<input type="radio"/>
2.	Advertising/organisation-specific		
	1.Logos	<input type="radio"/>	<input type="radio"/>
	2.About us	<input type="radio"/>	<input type="radio"/>
	3.History	<input type="radio"/>	<input type="radio"/>
	4.Divisional buttons	<input type="radio"/>	<input type="radio"/>
	5.Careers	<input type="radio"/>	<input type="radio"/>
3.	Advertising/product		
	1.Product list buttons	<input type="radio"/>	<input type="radio"/>
	2.Brands	<input type="radio"/>	<input type="radio"/>
	3.Nearest dealer	<input type="radio"/>	<input type="radio"/>
	4.Prices	<input type="radio"/>	<input type="radio"/>
4.	Direct marketing		
	1.Customer service	<input type="radio"/>	<input type="radio"/>
	2.Catalogues	<input type="radio"/>	<input type="radio"/>
	3.Online account information	<input type="radio"/>	<input type="radio"/>
	4.Online ordering	<input type="radio"/>	<input type="radio"/>
	5.Online tracking	<input type="radio"/>	<input type="radio"/>
5.	Sales promotion		
	1.General promotions	<input type="radio"/>	<input type="radio"/>
	2.Free gifts	<input type="radio"/>	<input type="radio"/>
	3.Games and competitions	<input type="radio"/>	<input type="radio"/>
	4.Coupons	<input type="radio"/>	<input type="radio"/>
	5.Unrelated advertising	<input type="radio"/>	<input type="radio"/>
6.	Public relations		
	1.News related	<input type="radio"/>	<input type="radio"/>
	2.News unrelated	<input type="radio"/>	<input type="radio"/>
	3.Press releases	<input type="radio"/>	<input type="radio"/>
	4.Annual reports	<input type="radio"/>	<input type="radio"/>
	5.Other shareholder	<input type="radio"/>	<input type="radio"/>
	6.Stock quotes	<input type="radio"/>	<input type="radio"/>
	7.Causes	<input type="radio"/>	<input type="radio"/>
	8.Sponsors	<input type="radio"/>	<input type="radio"/>
	9.Educational	<input type="radio"/>	<input type="radio"/>
	10.Community related information	<input type="radio"/>	<input type="radio"/>
	11.Environmental policy information	<input type="radio"/>	<input type="radio"/>
	Statement O1 Detailed O2	None	O3



7. Web site/issues

- 1. Search |
- 2. Site maps |
- 3. Help Section |
- 4. Language variations |

8. Web site/two-way communications

- 1. E-mail/contact us |
- 2. Staff e-mail/phonebook directory |
- 3. E-mail newsletters offering |
- 4. Signups / Registration |
- 5. What contact information is shown?

Webmaster	O1	Department Address	O2	Phone & Fax Details	O3
Head Office	O4	All Outlet Locations	O5	Agents/ Sales Reps	O6

9. Response

- 1. E-mail address is correct |
- 2. E-mail response received |
- 3. Number of days to response

A day	O1	2-3 Days	O2	4-5 Days	O3	6-7 Days	O4	More than a week	O5
-------	-----------	----------	-----------	----------	-----------	----------	-----------	------------------	-----------

10. Web site/interactive-customized

- 1. Surveys |
- 2. Quizzes |
- 3. Forums |
- 4. Option to pose open question |

11. Repeat Visits

- 1. What's new section |
- 2. Experts for discussions |
- 3. FAQ |
- 4. Technical/specialised information |
- 5. Links to other sites |
- 6. Easy to return |

12. Websites Targeted Audiences

- | | | | |
|-----------------|-----------|--|-----------|
| Local Community | O1 | Graduates / Prospective Employees | O2 |
| Employees | O3 | Shareholders / Investors/ Stock Exchange | O4 |
| Suppliers | O5 | Distributors / Wholesalers / Retailers | O6 |
| Customers | O7 | Media | O8 |

13. Other Comments:



Glossary of Content Analysis Instrument

- 1. Operations**
 1. Website? On whether the organisation has a website or not
 2. Is Website Operational? On whether the website is active (ie. Possess content)
 3. Is specialised software required? On whether specialised software is needed to view any of the website content (Software such as “Shockwave”, “Flash”, “QuickTime”, “Acrobat” etc.)
- 2. Advertising/organisation-specific**
 1. Logos Corporate Identity & Logo Present
 2. About us Basic corporate information (ie. structure, divisions etc.)
 3. History Tracing the development of organisation
 4. Divisional Pages and/or links to internal departments
 5. Careers Opportunities available within company
- 3. Advertising/product**
 1. Product list buttons Pages and/or links to product/services offered
 2. Brands Pages and/or links to company’s brands
 3. Nearest dealer Reseller/ retailer contact information
 4. Prices Current prices for the product/services offered
- 4. Direct marketing**
 1. Customer service Availability of customer support or product/service information
 2. Catalogues Full descriptions of products/services offered
 3. Online account information Personal customer information available
 4. Online ordering Ability to purchase/order via the Internet
 5. Online tracking Ability to track delivery of product via the Internet
- 5. Sales promotion**
 1. General promotions Specific advertising promotions of products/services
 2. Free gifts Availability of free material
 3. Games and competitions Opportunity for viewer to enter competitions
 4. Coupons Availability of coupon promotions
 5. Unrelated advertising Product/Service advertising by external companies on site
- 6. Public Relations**
 1. News related Placement of any company related articles online
 2. News unrelated Placement of unrelated news articles online
 3. Press releases Placement of company’s press releases online
 4. Annual reports Availability of company’s annual report
 5. Other shareholder Other related shareholder information
 6. Stock quotes Links to current company stock price
 7. Causes Information on corporate causes & initiatives
 8. Sponsors Information on sponsorship initiatives of the company
 9. Educational Information useful educational purposes
 10. Community related information Information on interactions/initiatives with local community
 11. Environmental policy information Information on the corporate environment policy, do they just mention it or is it detailed information
- 7. Web site/issues**
 1. Search Keyword search facility
 2. Site maps Content map, indicating type and location of information
 3. Help section Explanation of buttons
 4. Language variations Availability of content in other languages other than English
- 8. Web site/two-way communications**
 1. E-mail/contact us Ability to contact the company via e-mail
 2. Staff e-mail/phonebook Availability of all the company’s staff contact details



3. E-mail newsletters offering	Availability of e-mail newsletters or briefings form the company
4. Signups	Opportunity to sign up for mailing lists and/or discussion groups
5. What contact information is shown?	
Webmaster	Ability to contact information technology dept.
Head Office	Provision of contact details for the head office
Department Address	Provision of contact details for different company departments
All Outlet Locations	Provision of contact details for all of the company's offices & locations
Agents/ Sales Reps/Resellers	Provision of contact details for all of the company's resellers from where their product/service can be purchased
9. Response	
1. E-mail address is correct	When enquiry was sent did it go through to the respondent or did it give an error message?
2. E-mail response received	Did the organisation respond to the enquiry send
3. Number of days to response	How long did it take the organisation to respond
10. Web site/interactive-customized	
1.Surveys	Use of research (ie. Customer Survey)
2.Quizzes	Use of quizzes to increase interaction with potential audiences
3.Forums	Discussion forums on any related topic
4.Option to pose open question	Is there an opportunity to pose a question and then receive an answer
11. Repeat Visits	
What's new section?	Content that has been recently updated
Experts for discussion	Featuring CEO or Department head for discussions or comments
FAQ	Frequently Asked Questions
Technical/specialist information	Technical or specialised information that can be requested via regular or electronic mail
Links to other sites	Availability of web page links other external sites
Easy to return	Does the links have a clearly marked path for visitors to return to site?
12. Websites Targeted Audiences	
Local Community	Website content targeted towards the local community of the organisation
Graduates / Prospective Employees	Website content targeted towards the potential employees
Employees	Website content targeted towards the existing employees,
Shareholders / Investors/ Stock Exchange	Website content designed to help improve and facilitate investor relations
Suppliers/Distributors/	Website content targeted towards the company's supply chain members
Customers	Website content targeted towards potential/existing customers
Media	Website content designed to help improve and facilitate the media relations



APPENDIX 3

Alphabetical list of organisations



**ALPHABETICAL LIST OF TOP PERFORMERS 2001 AS
IDENTIFIED BY THE FINANCIAL MAIL**

ORGANISATION	POSITION
ABI	53
Abil	25
Absa	96
Adcorp	22
Adonis	207
AECI	32
Af-&-Over	135
Aflife	63
Afr-Lease	38
Afrox	160
AHealth	111
Alacrity	192
Altech	55
Altron	165
Aludie	232
Anglo	71
Anglo Plat	9
Angold	117
Aries	215
Aspen	28
Ass-Mang	83
Assore	46
Autoquip	120
Avgold	214
AVI	233
Barplat	5
Barworld	137
Basread	151
Batepro	100
Bearman	212
Bell	95
Bidvest	69
BoE	60
Bowcalf	106
Brait	178
Brandco	136
Captall	19
Cargo	225
Caxton	213
Cemenco	195
Cenmag	247
Ceramic	16



ORGANISATION	POSITION
Charland	156
Chemserve	101
City Lodge	238
Clinics	196
Clyde	146
CMH	144
Comparex	17
Compass	105
Conafex	152
Confed	89
Control	217
Copi	64
Corohld	18
Corpcap	59
Corpgro	44
Crookes	122
C-Tech	222
CTP	110
Datatec	20
Dawn	243
De Beers	65
Delta	41
Didata	4
Distillers	107
Dorbyl	194
Dunlop	208
Ed L Bate	216
E-Dagga	24
Eerslng	245
Ellerine	133
Falcon	248
Fashaf	62
Fedsure	94
Fintech	142
FirstRand	29
Forim	167
Fortune	205
Foschini	237
Freddev	157
Furncap	223
Gefco	54
Gencor	21
Genoptic	163
GFields	116
Glodina	240



ORGANISATION	POSITION
Gold Reef	70
Grincor	166
Grintek	104
Group 5	235
Gubings	129
Gundle	158
Harmony	128
HCI	7
Hiveld	185
HLH	123
Hudaco	224
IFusion	149
Illovo	124
Imperial	92
Implats	15
Indfin	13
Inhold	35
Inmins	27
Integreat	228
Investec	39
Invicta	78
IProp	211
Iscor	189
Italtile	14
Jasco	246
JD Group	81
Jigsaw	23
Johncom	72
Johnnic	98
Kairos	239
Kelgran	244
Kersaf	143
KG Media	131
KTL	138
KWV Bel	118
Labat	154
LA-Group	87
Laser	161
Lenco	226
Lester	180
Liberty	147
Lib-Hold	140
Lonmin	37
M-&-F	84
Malbak	186



ORGANISATION	POSITION
Marcons	126
Marlin	231
Masonite	242
M-Cell	8
MDM Group	162
Medclin	99
Messina	36
Metair	176
Metcash	191
Metje & Z	141
Metlife	82
Metorex	204
MGX	48
Midas	193
MIHH	103
MLN Hold	230
M-Net	97
Monex	57
Mr Price	174
Msauli	79
Mt-Eagle	91
Nail	88
Namfish	190
Nampak	187
Naspers	125
Nedcor	47
NEI Afr	198
Newmin	241
Nictus	200
Ninian &	179
Northam	11
NUClicks	6
Nuworld	114
Oceana	77
Omnia	182
Oxbridge	127
Ozz	202
Palamin	109
Pals	108
PASDec	113
Pepkor	145
Petmin	134
Picknpay	76
Powtech	201
PPC	181



ORGANISATION	POSITION
Prime	169
Profurn	33
PSG	3
Putprop	68
RA Hold	12
RAI	40
Rangold	229
Relyant	210
Rentsur	52
Reunert	175
Rextrue	171
Richemont	34
RMBH	50
S&J Land	227
Saambou	56
SAB Plc	221
Sable	206
Sabvest	209
SAChrome	66
SA-Eagle	75
Sage Grp	155
Sallies	2
Santam	112
Sappi	130
Sasfin	43
Sasol	73
SBIC	80
Seardel	30
Seartec	234
Servest	220
Shoprite	74
Siltek	10
Simmers	188
Sisa	183
Softline	121
Sondor	173
Spanjaard	51
Spescom	164
Steers	119
Stilftn	61
Sub-N	139
Supr Group	45
Thabex	58
Tigbrands	184
Tiwheel	93



ORGANISATION	POSITION
Tongaat	172
Toyota	150
Tradek	203
Transpaco	49
Trencor	249
Trnshex	31
Unihold	102
Uniserv	26
Unitrans	170
Usko	218
Valauto	153
Valcar	168
Venfin	67
Village	85
Voltex	197
Wankie	148
WBHO	90
Wes-Areas	236
Wesco	177
Winbel	132
Winhold	115
Wooltru	159
Yorkcor	219
Zarara	250
Z-C-I	42
Pikwik	86
Tigon	1
Ventel	199
TOTAL	250