

**RELATIONSHIP MARKETING STRATEGIES EMPLOYED BY THE
AFRIKAANS DAILY NEWSPAPERS IN THE MEDIA 24 GROUP FOCUSING
ON CUSTOMER SERVICE**

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DECLARATION OF INDEPENDENT WORK**DECLARATION WITH REGARD TO
INDEPENDENT WORK**

I, ALIDA ROUX née WEYDEMAN, identity number 790810 0006 086 and student number 9803157, do hereby declare that this research project submitted to the Central University of Technology for the Degree MAGISTER TECHNOLOGIAE: MARKETING, is my own independent work; and complies with the Code of Academic Integrity, as well as other relevant policies, procedures, rules and regulations of the Central University of Technology and has not been submitted before to any institution by myself or any other person in fulfilment (or partial fulfilment) of the requirements for the attainment of any qualification.

**SIGNATURE OF STUDENT**15/6/07**DATE**

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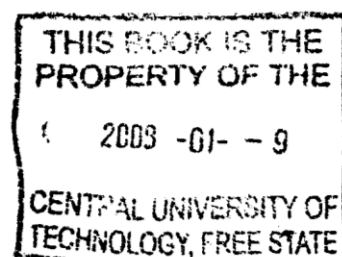
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SUMMARY

A study was done to determine the effectiveness of relationship marketing strategies at all the Afrikaans Daily Newspapers in South Africa. A comparative study regarding each Afrikaans Daily Newspaper published by Media 24 has been done to determine the effectiveness of the relationship marketing strategy of each. A literature study regarding the concept of relationship marketing was compiled to determine the factors that have played a role in the effective application and implementation of these strategies at the Afrikaans Daily Newspapers. The importance of customer service and the maintenance of a loyal customer base at each daily newspaper have also been investigated. The report has questioned whether the daily newspapers are taking full advantage of its database to build customer relationships. After the literature and research methodology chapters the results of the empirical study to determine the effectiveness of relationship building processes within the different Afrikaans Daily Newspapers were described. It was finally determined that relationship marketing strategies at the Afrikaans Daily Newspapers were not effective and different suggestions were given to help improve these strategies in the future.

OPSOMMING

'n Navorsingstudie is gedoen om die effektiwiteit van verhoudingsbemarking tussen al die verskillende Afrikaanse Dagblaaie in Suid-Afrika te toets. 'n Vergelykende studie is gedoen van elke Afrikaanse Dagblad wat deur Media 24 gedruk word om die effektiwiteit van elkeen se verhoudingsbemarking te bepaal. 'n Literatuurstudie rakende die konsep van verhoudingsbemarking is gedoen om die faktore te bepaal wat 'n rol gespeel het in die effektiewe aanwending en implementering van hierdie strategieë by die Afrikaanse Dagblaaie. Die belangrikheid van kliëntediens en die behoud van 'n lojale kliëntebasis van elke Afrikaanse Dagblad is ook ondersoek. Die studie bevraagteken dit of die Afrikaanse Dagblaaie ten volle gebruik maak van hul kliëntebasis om kliënte verhoudinge op te bou. Na die literatuur en navorsingsmetodologie-hoofstukke is die empiriese resultate van die navorsing bespreek om die effektiwiteit van verhoudingsopbouing prosesse tussen die verskillende Afrikaanse Dagblaaie te bepaal. Laastens is bevind dat die verhoudingsbemarkingstrategieë van die Afrikaanse Dagblaaie nie effektief is nie en verskeie voorstelle word gedoen om hierdie strategieë in die toekoms te verbeter.

CHAPTER 1

BACKGROUND AND SUMMARY OF THE RESEARCH PROJECT

1.1 INTRODUCTION

In the first chapter several aspects concerning relationship marketing to improve customer service are discussed. Firstly, the reason for the study has been discussed and some background information was given. The problem was stated and the primary and secondary objectives based on the problem statement of the study were outlined. An explanation of the research methodology has also been provided. Finally, a detailed outline of the main components of the research project has been presented.

1.2 BACKGROUND

This research project focused on relationship marketing as the different sections of the Afrikaans Daily Newspapers in the Media 24 Group practise it. *Volksblad* is the Afrikaans daily newspaper for the Free State and Northern Cape, while the *Beeld* covers the Gauteng region and *Die Burger* the Cape Town region. A comparative study about the different contributions of each paper has also formed the basis of the problem statement in order to determine if the current relationship marketing strategies improve customer service.

1.2.1 Relationship marketing

Relationship marketing is as much about keeping the customer as it is about getting them in the first place. It is the development, maintenance and enhancement of customer relationships. In this respect it is a reinforcement of building ongoing customer relationships (Bridgewater and Egan, 2002 : 7).

Relationship marketing refers to the analysing, organising, planning and controlling of the firm's resources, policies and activities with a view to satisfy the needs and wants of chosen customer groups at a profit (Christopher, Payne and Ballantyne, 2002 : 2).

The marketing tactics or activities in building loyal customers are varied and involve informational and financial exchange, interactions, risk, customer service and satisfaction. The more the organisation learns about attitudes and concerns, the higher the organisation's satisfaction will be, and also the growth of commitment levels (Rentschler, Radbourne, Carr and Rickard, 2001 : 122).

It is emphasised that services can be used to meet customer requirements, get more of their business and enhance profits. Existing services should be assessed as to their value and cost. The basic package should be limited to those services which are valued highly by the customers in particular segments (Bridgewater and Egan, 2002 : 7).

Acquisition marketing gets the most attention, the higher priority and the lion's share of the marketing budget in the vast majority of cases. Marketers understand that in order to grow, they need to win new customers. Often, however, marketers forget that it is important to avoid losing existing customers as well (Hespos, 2003 : 1).

Customer retention is perceived as offering significant advantages, particularly in saturated markets. Some of the benefits of customer retention are that existing customers are less expensive to retain than to recruit and secure a customer's loyalty over time produces superior profits (Egan, 2001 : 53).

Customers' loyalty can lead to the fact that customers want sophisticated solutions which means that winning accounts can be very costly. The retaining of customers, which require ongoing investment, is critical in achieving long-term profitability. The logical extension of this consumer-driven scenario is co-operation between all organisations delivering value in the flow of supply to the consumer. The concept of adding value is significant (McDonald, Rodgers and Woodburn 2000 : 13).

Personnel must learn about the organisation's needs and plans. This will lead to opportunities for an interdependent relationship and organisational development where needs of customers could be identified. A marketing-orientated philosophy is built on relationships rather than transactions. This is the essence of relationship marketing (Rentschler *et al*, 2001 : 123).

"The objective of relationship marketing is to turn new customers into vocal advocates for the company thus playing an important role as a referral source" (Blois, 1996 : 172).

Relationship marketing is therefore primarily a concept, which adds customer service and quality to the traditional marketing mix of product, price, promotion and place. The aim of relationship marketing is to convince customers that you still provide a better value proposition when compared to your competitors.

For the purpose of the study it was important to look at the background regarding Media 24. The information has provided a better picture of the competitive advantage each daily newspaper has over the other. This has also provided information regarding a competitive analysis.

1.2.2 Media 24

The Daily Newspaper's mission is to create a personal reference world of information and entertainment, which can be accessed no matter where you are. It is also important to enrich the communities in which they operate by being useful.

Media 24 offers entertainment, information and education twenty-four hours a day. The company is a relatively new entity, which came into being during a major restructuring programme by the leading media giant Naspers, in July 2000. This resulted in the merger of a number of the company's media interests, including newspapers, magazines, printing works, distribution businesses and related Internet

businesses, to form Media 24 with its own executive, vision and operational strategies. Media 24 is owned only by Naspers and constitutes five business units, namely Media 24 Nasnews, Media 24 Magazines, e-Media 24 (Internet), NND 24 and Media 24 Printers (www.media24.co.za, Newspapers, [n.d] : online).

1.2.2.1 Newspapers

The four Media 24 Nasnews Daily Newspapers are the *Beeld*, *Die Burger*, *Volksblad* and *The Natal Witness*, which give countrywide news coverage. The Sunday papers *Rapport*, *City Press* and *Sunday Sun* are distributed nationally.

All seven newspapers are market leaders. Nasnews also compiled a group of English and Afrikaans regional and community newspapers concentrated in specific areas: the Western Cape, Eastern Cape, Free State, Northern Cape, Vaal Triangle and Northwest (www.media24.co.za, Newspapers, [n.d] : online).

Volksblad is the biggest Afrikaans daily newspaper in the Free State and Northern Cape (www.media24.co.za, Newspapers, [n.d] : online). The circulation department's drivers travel about 18 500 kilometers a day to distribute the newspaper. *Volksblad* is distributed as far as Hanover and Kakamas in the Northern Cape.

Die Burger is the biggest daily in the Western and Eastern Cape. Separate editions are published for the Western and Eastern Cape. Drivers travel about 25 000 km a day to deliver newspapers as far as Alexander Bay, Upington and East London.

Beeld is the only Afrikaans daily newspaper in Gauteng, Mpumalanga and KwaZulu-Natal.

The Afrikaans Daily Newspapers include the following supplements:

- ◆ Joernaal: An arts and entertainment supplement;
- ◆ Motors: A supplement for car enthusiasts on Thursdays;
- ◆ Sake-Volksblad: A daily business newspaper with extensive, up-to-date coverage of developments in the economy and business - locally and internationally;
- ◆ Sake-Burger: A national business daily in Afrikaans, with local, national and international business news and the latest market figures;
- ◆ Sake-Beeld: The Afrikaans business Daily with local and international news;
- ◆ Bonus: An entertaining supplement for culture, outdoors and travel enthusiasts;
- ◆ Jip: A supplement for teenagers on Monday; and
- ◆ Snuffelgids: Thousands of classified advertisements daily.

1.2.2.2 Media 24 Magazines

Media 24 Magazines is the dominant player in the South African magazine industry and offers more than sixty percent of the country's total circulation. It publishes more than thirty titles and its philosophy is to be the market leader in every sector in which it does business. Some of Media 24 magazines such as *You*, *Fairlady* and *True Love*, are sold as far as Kenya (www.media24.co.za, Newspapers, [n.d] : online).

1.2.2.3 NND 24

NND 24 is a national distribution organisation for Media 24's magazines and certain newspapers. The company's infrastructure comprises the head office in Johannesburg, South Africa, twenty-four branches countrywide, three hundred and eighty five vehicles, nine hundred and seventy-eight permanent employees, eight hundred and twenty-two contract workers and eighty-six private contractors providing ancillary services and jobs for another six hundred and six workers (www.media24.co.za, Newspapers, [n.d] : online).

NND 24 also handles the selling of Telkom telephone cards and MTN cellphone cards and the home delivery of various products

1.2.2.4 Media 24 Printers

Media 24 Printers comprises, amongst others, large, modern newspaper printing works in Johannesburg, Bloemfontein, Cape Town, Port Elizabeth, Pietermaritzburg and Paarl. There is also commercial printing in Potchefstroom and on the West Coast. Media 24 printing works is currently the biggest in South Africa (www.media24.co.za, Newspapers, [n.d] : online).

1.2.2.5 E-Media 24

E-Media 24 is the electronic publishing arm of leading publisher Media 24 of the Newspaper group of companies. E-media seeks to leverage and add value to the

Media 24 stable of brands by providing an additional channel for communicating and providing services to consumers. Working off the well-established 24.com brand platform, e-Media 24 aims to dominate the highest niches within the South African online media environment, including News, Motoring, Health, Property and Food (www.media24.co.za, Newspapers, [n.d] : online).

Content, services and commerce combine to create compelling consumer offerings, leading development of strong, vibrant online communities centered on common consumer needs. These provide the ideal context for advertisers and e-commerce players to reach sizeable audiences in appropriate niches with highly targeted messages and offers.

For the purpose of this study the focus has been on the Afrikaans Daily Newspapers only. These three Afrikaans Daily Newspapers are the biggest in the Naspers group and are therefore considered to be an appropriate basis for the study.

1.3 PROBLEM STATEMENT

The application of relationship marketing strategies at the Afrikaans Daily Newspapers is expected to be not effective. A comparative study regarding each Afrikaans Daily Newspaper published by Media 24 has been done to determine the effectiveness of the relationship marketing strategy of each.

1.4 OBJECTIVES OF THIS SURVEY

The primary objective of this research project is:

- ♦ To determine the effectiveness of relationship marketing strategies as applied by the Afrikaans Daily Newspapers to improve customer service.

Secondary objectives are as follows:

- ♦ A literature study regarding the concept of relationship marketing that has determined the factors that played a role in the effective application and implementation of these strategies at Afrikaans Daily Newspapers.
- ♦ The importance of customer service and the maintenance of a loyal customer base at each daily newspaper have been investigated.
- ♦ The report has questioned whether the daily newspapers are taking full advantage of its database to build customer relationships.

1.5 RESEARCH METHODOLOGY

The research methodology has primarily focused on the method of data collection, the pilot study, respondents, the method of systematising and analysis of data.

1.5.1 Research strategy

According to Smit (1995 : 3) scientific research can be defined as "a critical and purposeful action to collect data and new facts, and provide the correct and lasting interpretation of such data and facts." There are different types of scientific research such as basic, applied or programme-evaluating research.

Applied research is systematic research to expand knowledge with the emphasis on its practical value and /or application. It is aimed at solving problems and entails the practical implementation of research findings. The aim of applied research is developing and exploiting existing knowledge in order to gain new knowledge (Smit, 1995 : 4).

According to the above-mentioned the researcher will implement the research because it will be of the greatest value to gain new knowledge on a customer's buying problems and to expand the researcher's knowledge on customer retention strategies.

1.5.2 Data collection

The data to be utilised for the research project has been both from primary and secondary sources. The secondary data comprised of information which currently exists and is outlined in the reference list. The "ebshost" has also been contacted via the Internet for relevant secondary data.

The primary data comprised of data collected from marketing and market-related practitioners employed by the daily newspapers. Questionnaires were handed out to the personnel on the basis of a non-probability sampling method.

Primary data has also been collected via in-depth interviews and questionnaires, which have included both socio-economic data and data relating to the research objectives.

It has been decided to concentrate only on the different Afrikaans Daily Newspapers to collect the most accurate information for the purpose of the study. The reason is due to the fact that these three Afrikaans Daily Newspapers are the biggest in the Naspers group and the best information can be gathered for completeness, accuracy and consistency.

1.5.3 Method of data collection

Consultants at each daily newspaper were asked to distribute the questionnaire to different clients. A sample of clients was taken from each Daily Newspaper to ensure the most accurate information (See 1.5.6 p. 13 for sampling method). Questionnaires were handed out to clients that were identified through the sampling.

The questionnaire contained multiple-choice questions, open-ended questions and scale ratings and was structured in such a way as to cover the objectives of the proposed study.

The questions in the questionnaire addressed several aspects such as to obtain more clarity on how the customer-based relationship marketing is understood and practiced by the respondents.

The questions also focused on customer loyalty and satisfaction. Returned questionnaires have been evaluated for completeness, accuracy and consistency.

1.5.4 Pilot study

A pilot study, to detect any ambiguous questions and problem areas in the questionnaire, were carried out. To conduct the pilot study, the researcher made use of a non-probability sampling method, such as convenience sampling. This method was used because respondents were selected on the basis of convenience or availability.

The results were used to structure the final questionnaire so that possible problem areas could be eliminated, to prevent any ambiguity in the questionnaire, as well as the refining of the instruments that were used later on in the main study.

1.5.5 Respondents

The total population of this survey included the clients of each Daily Newspaper as mentioned in 1.5.3 above.

The main focus of this study was on the advertising clients that were serviced by the consultants of each Daily Newspaper.

1.5.6 Sampling method

A probability sampling was taken from each Daily Newspaper to ensure the most accurate information. The clients of each Daily Newspaper were nominated by the simple random sampling approach. Thus, each client had an equal probability of being selected. The simple random sampling was done by a random-number table, the researcher can start anywhere in the table. The reason is stipulated in paragraph 5.5.3 (p. 116).

1.5.7 Method of systematising and analysis of data

After the questionnaire or interview responses have been obtained, the researcher was then able to analyse the data. This was done after editing the data, evaluating the data for accuracy, coding the responses and variables, categorising the variables and lastly keying the data into the computer.

The researcher used appropriate statistical methods to process the survey data. This was done with the aid of SPSS/PC+ computer package to generate frequencies, chi-square analysis and cross-breaks. It will also produce tables and graphs.

1.6 CHAPTER LAYOUT AND WORKPLAN

CHAPTER ONE outlined the background and summary of the research project. Information regarding Media24 was given and the objectives of the survey were stated.

CHAPTER TWO comprises a literature chapter concerning Relationship Marketing. The essence of relationship marketing is the supplier's creation of commitment and trust between itself and a customer. All the aspects regarding this issue will be described in this chapter.

CHAPTER THREE focuses on the importance of customer service, loyalty and retention. It was important to question whether the Afrikaans Daily Newspapers were taking full advantage of its database to build customer relationships. The core of this issue was indispensable in the discussion of this research study.

CHAPTER FOUR provides information regarding the development of relationship marketing in the broadcast and print media.

CHAPTER FIVE describes all the information about the research methodology used in this study. The method of data collection and the pilot study form part of this discussion.

CHAPTER SIX contains the empirical study. Tables and figures are laid out in this chapter, which in turn will give a clear indication of the purpose of this study.

CHAPTER SEVEN gave the results and recommendations of the problem statements at hand. It is now clear that Relationship Marketing formed part of the daily functions of the Afrikaans Daily Newspapers.

1.7 CONCLUSION

There's an old saying - 'Give a man a fish, and you feed him for a day. Teach a man to fish and you feed him for life'.

In most companies a great deal of effort and expenditure is focused on getting customers and little attention is paid to keeping them. It is thus important to question whether organisations are taking full advantage of their resources to build relationships with their customers.

The researcher is of the opinion that this project makes an important contribution to the application of effective relationship marketing strategies in the media industry with the main focus on the Afrikaans Daily Newspapers.

CHAPTER 2

RELATIONSHIP MARKETING

2.1 INTRODUCTION

“Relationship marketing is the on-going process of identifying and creating new value with individual customers and then sharing the benefits of this over a lifetime of association. It involves the understanding, focusing and management of on-going collaboration between suppliers and selected customers for mutual value creation and sharing through interdependence and organisational alignment” (Convergence Management Consultants, 2006 : 1).

2.2 RELATIONSHIP MARKETING DEFINED

Relationship marketing is a rather complex concept and can be defined as follows:

2.2.1 Definitions

Relationship marketing is the analysing, organising, planning and controlling of the firm’s customer-relating resources, policies, and activities with a view to satisfying the needs and wants of chosen customer groups at a profit (Christopher, Payne and Ballantyne, 2002 : 2).

Another definition stated by Gummesson (2002 : 3) is : Relationship marketing is marketing based on interaction within networks of relationships. Customer

relationship marketing, another relationship approach, is the values and strategies of relationship marketing, with particular emphasis on customer relationships, turned into practical application.

Relationship marketing should be introduced as a modern concept in marketing. This new approach should be defined as attracting, maintaining and enhancing customer relationships (Egan, 2001 : 20).

The mentioned definitions lead to a summary definition that can be used as a basis for the research:

Relationship marketing is a process with the objective of transforming new customers into regular advocates for the organisation. For the purpose of the study it is also important to investigate the analysing, organising, planning and controlling of the firm's customer-related resources, policies and activities to identify if Afrikaans Daily Newspapers are satisfying the needs and wants of the customer groups at a profit (Egan, 2001 : 20).

2.2.2 Explaining the definition

Relationship marketing goes back to the basics of determining what customers need and want, but goes beyond the traditional approach to look at the development of ongoing relationships with these customers (Bridgewater and Egan, 2002 : 7).

A business relationship is clearly different from a personal relationship. In the buyer-seller context, a relationship is formed by the exchange of money for goods or services. A key relationship extends beyond this basic transaction, at least to repetition, and it often features a degree of mutual trust and dependency which is reflected in relationship continuity or longevity (McDonald, Rogers and Woodburn, 2000 : 48).

A number of interesting aspects can be extracted from these definitions:

- ◆ new customers, once attracted, must be converted into regulars;
- ◆ loyal customers will become attractive referral sources;
- ◆ satisfied customers can develop a sense of ownership towards the organisation;
- ◆ customer relationships must be enhanced and not simply maintained;
- ◆ quality, people involvement and keeping of promises are critical success factors in relationship marketing;
- ◆ usually long-term relationships are formed to the benefit of all parties and;
- ◆ strengthening of the relationship is the responsibility of the seller (Donaldson and O'Toole, 2002 : 7).

The relationship can be strengthened through conscious management by the seller of critical success factors such as quality and people involvement, resulting in a mutually beneficial and profitable relationship between all parties involved. This implies that relationship marketing is a creator of value.

A major distinguishing characteristic between types of exchange is to assess whether it is based on a market transaction or relationship exchange.

The nature of these exchanges, their creation, maintenance and termination, is of crucial importance to the understanding of strategic market relationships (Donaldson and O'Toole, 2002 : 7).

Relationship marketing is often presented as the opposite to transaction marketing. In transaction marketing, the fact that a customer has bought a product does not forecast the probability for a new purchase, not even if a series of purchases have been made.

2.3 RELATIONSHIP MARKETING VERSUS TRANSACTIONAL MARKETING

Due to high switching costs a customer can use the same supplier repeatedly, without feeling committed to the supplier or wanting to be involved in a closer relationship. History and past experience can be lacking by transactions which involve the choice of a certain supplier (Gummesson, 2002 : 17).

Table 2.1 The differences between relationship marketing and transaction marketing

Relationship Marketing	Transaction Marketing
♦ Partnership focus ♦ Collaboration ♦ Co-operation ♦ Value in partnership ♦ Buyer as active participant ♦ Firm as part of the process ♦ Boundary-less ♦ Long-term focus ♦ Dependence and network-led	♦ Transaction focus ♦ Competition ♦ Firm-induced ♦ Value to the firm ♦ Buyer passive ♦ Firm as focus for control ♦ Firm as boundary ♦ Short-term focus ♦ Independent

Adapted from: Donaldson and O'Toole, (2002 : 8)

In Table 2.1 the relationship model seems more appropriate where there is a high degree of interaction, exchange of information, investments in stock and a resultant high cost to the buyer in switching suppliers. Where the buyer and seller are independent, very often satisfied with each other, a degree of inertia builds up.

Should the supplier fail to deliver and perform as expected in the model under relationship marketing, the buyer may seek alternatives. From a supplier's perspective, companies with different types of customers face great difficulty in a consistent strategy as they attempt to make optimum decisions over short and long-term horizons simultaneously (Donaldson and O'Toole, 2002 : 8).

If companies are to compete successfully in domestic and global markets, they must implement stronger bonds with their stakeholders, including customers, distributors, suppliers, employees, unions, governments, and other critical players in the environment. Common practices such as pushing suppliers for better prices, dictating terms to distributors, and treating employees as a cost rather than an asset are not conducive to building relationships. Companies must move from a short-term transaction-orientated goal to a long-term relationship-building goal (Christopher, *et al*, 2002 : 78).

Managing the various relationship types, traditional and strategic relationships, may place an emphasis on managerial style and associated organisational culture. Companies using a variety of methods in dealing with one supplier might find it a challenge to change to a relationship approach (Christopher, *et al*, 2002 : 78).

The conventional approach which focus on an independent mode, will work only in certain situations and contexts. It involves adopting a proactive stance where the emphasis is placed on:

- Identifying customer needs and requirements;
- Anticipating future trends and monitoring environmental forces;
- Emphasis on adversary;
- Ensuring that the company will be profitable in the future (Donaldson and O'Toole, 2002 : 9).

Instead of simply producing and distributing goods and services in mass quantities with no choices in features, a market segment can be found and be dominated through relationship marketing. This mindset enables a company to create products that closely fit the needs of a particular customer set.

In order to leverage relationship marketing, marketers need to move from monologue to dialogue with customers (Allen, Kania and Yarckel, 2001 : 5).

2.3.1 Important principles of relationship marketing

Some important principles of relationship marketing as described by Allen, Kania and Yarckel, (2001 : 5) are:

- Owning the market through relationship marketing and dominating the market;
- Define which entire market segment is covered and dominate it. Develop products and services to serve that market specifically. Define the standards in that market and deepen relationships with customers;
- Using knowledge-based marketing techniques to integrate the customer into the product and service designing process to guarantee that the product is tailored to the customer's needs, desires and strategies. Generate niche thinking - use the company's knowledge of channels and markets to identify market segments that can be owned and develop an infrastructure of suppliers, vendors, partners and users that help sustain and support a competitive edge in the market segment;

- Experience-based marketing techniques involve spending time with customers. It also involves monitoring competitors and developing feedback analysis that turns information about markets and competition into product intelligence; and
- Using adaptive marketing techniques: These techniques include
 - Sensitivity - communications and feedback channels;
 - Flexibility - organisational structure and operational style that take advantage of the new opportunities feedback and;
 - Resiliency - learning from mistakes
 (Allen, *et al*, 2001 : 5).

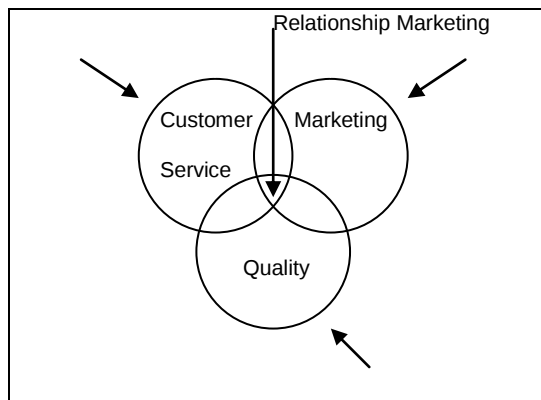
Marketing is concerned with the exchange of a relationship between the organisation and its customer, and quality and customer service are pillars in this relationship.

2.4 RELATIONSHIP MARKETING: INTEGRATING QUALITY, CUSTOMER SERVICE, RETENTION AND MARKETING

It is important to see the need for continuous collaboration in an organisation and with the role of marketing in aligning quality, customer service and marketing activity into single market-oriented purpose.

The relationship of quality, customer service and marketing is illustrated in the following figure:

Figure 2.1: Integrating quality, customer service and marketing



Adapted from: Christopher, Payne and Ballantyne, (2002 : 150)

The illustrated elements will subsequently be addressed in detail.

2.4.1 Quality

The first pillar of relationship marketing concerns quality.

Quality management can be approached externally from the market or internally from the organisation. Together, these two approaches constitute total quality management. External orientated quality management is market driven, in contrast to internally orientated quality management, which is actually technology or system driven. The drivers in the market are found among a supplier's existing customers, those customers who buy from the competition, future customers who have not yet purchased, and existing and potential competitors (Gummesson, 2002 : 192).

Quality management concentrates on the continuous improvement of quality, whereas quality assurance is essentially a quality audit that does not require

continuous improvement. Everyone in the company needs to understand that customer value, or any improvements in relationship development, will be compromised by the cost of lost customers (Christopher, Payne and Ballantyne, 2002 : 152).

The quality of services sold is determined in large measure by skills and work attitudes of the personnel producing the services. Labour-intensive service firms can use marketing to attract, keep and motivate quality personnel, improve the organisation's capability to offer quality services (Payne, *et al*, 1998 : 72).

Management must view quality in the same light as customers, otherwise resources may be wasted on irrelevant actions. Quality therefore is what the customer perceives it to be.

Quality management has spread across all industries as a reasoned and disciplined approach to continuously improve work processes. It has also been spread across all functions within companies as a way of meeting customer requirements at the 'least cost'. Quality assurance alone does not guarantee that customers receive quality (Christopher, *et al*, 2002 : 2).

Quality may take a variety of forms, depending on individual customers' perceptions at the time. It is clearly the marketing manager's responsibility to monitor and interpret customers' perceptions of quality, but the marketing discipline has tended to drive the concept of company-wide collaboration in quality management away (Christopher, *et al*, 2002 : 2).

It is vital for any organisation to understand which dimensions customers perceive as important, to underlie differences in quality. A few dimensions were identified as product- and service quality respectively.

A brief description of the Baldrige Award will give an idea of the structure of quality prizes. The Baldrige Award offers seven categories of criteria. A total of 1000 points are divided between the following categories. The list represents the criteria for a complete company audit for quality, as indicated by Gummesson (2002 : 193):

- Leadership (110 points)
- Strategic Planning (80)
- Customer and Market Focus (80)
- Information and Analysis (80)
- Human Resource Development and Management (100)
- Process Management (100)
- Business Results (450)

The list shows that quality cannot be achieved unless all activities inside a company are directed towards quality; it points to interfunctional and interhierarchical interaction. This does not mean that the quality concept has taken over management, only that quality development requires contributions from each and everyone. It would be surprising if badly managed internal work would turn out to be quality excellence (Gummesson, 2002 : 193).

Just over half of the points indicated in the list concern activities and the rest are business results. The points cover both internal activities and those directed toward the market and society. The link between quality and relationships is emphasized.

According to Payne, et al, (1998 : 196) service quality is a measure of how well the service level delivered matches customer expectations. Delivering quality service means conforming to customer expectations on a consistent basis.

One of the most important conclusions of the quality concept, and which has vast implications for marketing, is the following: "Quality management in its modern form fortifies the relationship between operations management and marketing management" (Gummesson, 2002 : 194).

Table 2.2 Total quality management through internal and external management

TOTAL QUALITY MANAGEMENT



Internal quality management/ Production orientation	External quality management/ Marketing orientation
- Do things right - Technical and systems knowledge - Conformance to requirements - Specifications and drawings - Prototypes - Tests	- Do the right things - Marketing knowledge - Fitness for use - Needs and wants - Customer satisfaction - Value for the customer - Customer perceived quality

Adapted from: Gummesson, (2002 : 194)

The external part of quality management starts with customer perceived quality and market needs. Most contributions are expressed in terms of needs, need satisfaction and satisfied customers. The quality concept from service research are externally orientated toward customers and revenue (Gummesson, 2002 : 194).

By satisfying the needs of its internal customers, both the employees and the organisation as a whole may be better positioned to satisfy the requirements of its external customers. Quality impact plays a vital role in an organisation.

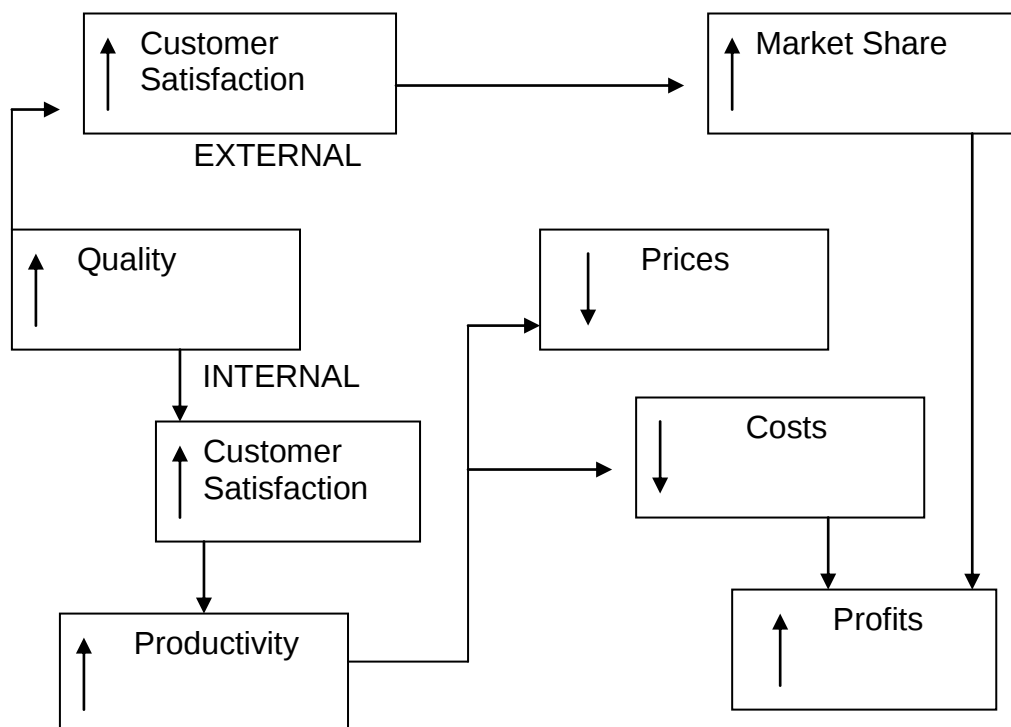
2.4.1.1 Quality impact

Technical quality provides a technical solution for the customer, whereas functional quality represents those additional elements that impact on the customer's experience at the supplier-customer interface. Employees are part of the internal market who must deliver excellent service. Failing to deliver could jeopardize an organisation's service quality and has a negative impact on future expectations and perceptions among customers concerning the product or service offering. The internal marketing concept states the assumptions that employee and customer satisfaction is inextricably linked. The higher the degree of internal customer satisfaction, the greater the chance of external customer satisfaction and customer retention (Barnes, Fox and Morris, 2004 : 595).

Quality is determined from the perspective of the customer based on regular research and monitoring. The total quality concept can influence the process elements (e.g. managing the 'moments of truth' in the customer encounter)

associated with the marketing (or more strictly the relationship marketing) concept and it is thus important to look at links between quality, productivity and customer satisfaction (Egan, 2001 : 122).

Figure 2.2: Links between quality, productivity and customer satisfaction



Adapted from: Barnes, *et al*, (2004 : 596)

You cannot satisfy customers with dissatisfied employees. It is critical to enhance internal quality service delivery and thus increase the degree of internal customer satisfaction. Therefore quality impacts on the likelihood of external customer satisfaction and thus customer retention (Barnes, *et al*, 2004 : 596).

Retaining customers involve delivering value through fulfilling promises. Efforts within the firm to integrate quality, customer service and marketing competencies should aim to keep valuable customers as well as persuading potential customers to do business with the firm. It is even more important to retain international customer service since the cost of gaining their business in the first place is much higher than that of local customers (Barnes, *et al*, 2004 : 596). Quality service delivery is therefore even more important in the international arena.

The second pillar of relationship marketing is customer service. The demand for quality service delivery leads to the development of a new vision for customer service.

2.4.2 Customer service

Traditionally much of the emphasis of customer service has been directed towards the obtaining of customers. The ongoing process of managing the buyer/seller interface will lead to continued customer satisfaction. A complete discussion of customer service follows in Chapter 3 (p. 59).

Customer service is regarded, in the relationship marketing literature, as a separate though related concept to service marketing (Clark, 2000 : 213). Whereas service marketing is seen as embracing all aspects relating to services industries, customer service is seen as wider in application, but narrower in focus, being directly and intimately connected to the customer service process. Although definitions of customer service vary, what the definitions all have in common is that customer

service is concerned with relationships at the buyer-seller interface (Clark, 2000 : 213).

The provision of high levels of customer service involves understanding what (and how) a customer buys and determining how additional value can be added to differentiate these habits from competing offers (Clark, 2000 : 212).

Customer service is often seen as 'customer care', but this is a limited and partial perspective. There are technical outcomes and interactive aspects to the service experience that contribute to customers' perceptions of the service quality and to their satisfaction. Many companies that have invested in 'service excellence' programmes, have failed to see a real return on their investment, because they did not make the necessary changes to the processes that affect the customer. Customer service is not a departmental responsibility. The ways in which service is delivered require a deep understanding of what drives customer satisfaction (Christopher, *et al*, 2000 : 151).

2.4.2.1 Roles of customer service

Customer service can be seen as playing an important role in the realisation of relationship marketing strategies. The influence at the macro level is complemented by its importance at the micro level of individual relationships and interactions. At this point customer service may be seen as being concerned with the building of relationships through the management of an ongoing sequence of episodes. Episodes are those specific interactions between customers and the firm's

employees that are especially satisfying or especially dissatisfying (Egan, 2001 : 122).

Customer service plays a critical connecting role in the pre-sale, sale and post-sale interactive phases of value exchanges. If the sale is seen as the outcome of the interaction, customer service is the relationship development part. A business that shifts the marketing emphasis towards relationships may find that, in the course of customer service interactions, opportunities emerge when working together with customers to co-create value. The supplier and the customer can create unique value, either through mutually improved benefits or reduced costs (Christopher, *et al*, 2002 : 154).

Customer service levels should be determined by research-based measurement of customer needs and competitors' performance, and in recognition of the needs of different market segments (Egan, 2001 : 122).

While customer service obviously plays a role in winning new customers, it is perhaps the most potent weapon in the marketing armoury for retaining customers. It is therefore obvious that customer retention is one of the main objectives of customer service.

2.4.3 Customer retention

Customer retention, as a function of customer service, is important because retained customers are more profitable than new customers for the following reasons:

- The cost of acquiring new customers can be substantial. A higher retention rate implies that fewer customers need be acquired more cheaply;
- Established customers tend to buy more;
- Regular customers place frequent, consistent orders and, therefore, usually cost less to serve;
- Satisfied customers often refer new customers to the supplier at virtually no cost;
- Satisfied customers are often willing to pay premium prices for a supplier they know and trust and;
- Retaining customers makes market entry or share gain difficult for competitors (Christopher, *et al*, 2002 : 8).

Customer service is critically important in cementing relationships (Christopher, *et al*, 2002 : 8).

The service offering development process is highly integrated. Accessibility, interaction and customer participation should be taken into account when a new supporting service is added. The successful implementation of service can be a

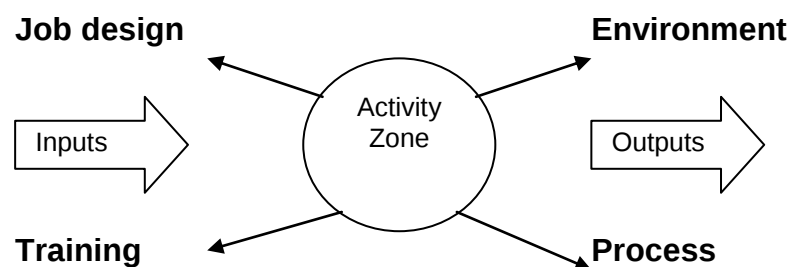
powerful source of competitive advantage and a useful tool in establishing long-term relationships with customers (Christopher, *et al*, 2002 : 8).

Service variability has an impact on the quality of customer service and therefore also on customer retention. It is thus important to look at the impact that the managing of service variability has on customer service.

2.4.3.1 *Managing service variability*

Very often no one really knows why a routine procedure was established the way it was, why jobs are organised the way they are, or why the physical work environment was designed the way it is. Companies find that, what at first seems impossible to change, can actually be changed, once the assumptions about the nature and purpose of the underlying cross-functional process are made visible (Christopher, *et al*, 2002 : 182).

Figure 2.3: Diagnostic model: Find the structural constraints



Adapted from: Christopher, *et al*, (2002 : 182)

Figure 2.3 represents one useful approach to consider any service system as having four structural levels. Using this diagnostic model as a guide, businesses can consider whether to remove constraints in the service environment (service shape), process flow (sequential activity links), job design (who does what), or in employee training (skills and empowerment) (Christopher, *et al*, 2002 : 182). It is important to understand the way that jobs are organised the way they are to relate to the management of service variability.

This kind of analysis opens up service design and redesign possibilities. Each structural level is part of the total value delivery where all parts are interrelated. These possibilities should not be seen as mutually exclusive but as threads that relates in different ways into the total design of the company.

The environment, or service-scape, in which the customer encounters the service provider, is critical to the perceived quality of service.

Service variability plays a vital role in the relationship marketing process. Factors which influence service variability (and which should be managed) are:

2.4.3.1.1 Environmental setting

The environment plays a critical part in the influence of service variability. The situational variables are often overlooked. The physical aspect is obviously a major component of environmental design but there are emotional and psychological features as well.

A service company earns its reputation for good service by consistently delivering what customers' expect of it. Jobs often develop haphazardly with little regard for customers concerns. When customers receive the quality that they expect it will contribute to the relationship between the customer and the service company.

2.4.3.1.2 Job design

People often tend to take job designs for granted, and assume that poor performance in the job must be the worker's fault. Badly-designed jobs often conceal defects in the environment and the design of processes. Staff is motivated to perform well if they have good working conditions and a sense of their own worth in an organisation. Companies can create this environment by designing jobs where tasks are clear, where there is some autonomy and variety and where cross-functional linkages are transparent (The Marketing Review, Anon., 2002 : 198). These efficiently designed jobs reduce services variability.

Redesign of services includes changing the way a firm sequences its external (interactive) processes and manages its internal (service support) processes. Happy workers manifest a happy environment, which contributes to relationship marketing.

2.4.3.1.3 Processes

Exchanges between an organisation and its relationships happen through processes, particularly the supply and demand chains of a company. Relationships

are about processes that are combinations of products, services and other interactions (The Marketing Review, Anon., 2002 : 198).

Process design also has an impact on service variability. The following suggestions may help to enhance service standardisation:

- Select a critical customer service issue that needs attention;
- Identify the external and internal processes that might connect to the particular customer service issue;
- Record the steps in the external process next as well as the time cycle of service as experienced by a typical customer;
- Identify which steps in the cycle contribute to customer value and which do not. This is best handled by a team-based diagnostic review, using whatever service quality is available;
- Identify which internal service support processes critically connect with the external sequence already identified above. Record all the steps, end to end, for any internal process that seems to impact critically on the particular external process review; and
- Identify which steps in the process contribute value and eliminate or modify the rest. The fishbone technique can also be used as a brainstorming aid in generating some possible solutions to process problems. Changes might be made to job design and environmental setting, as well as the process under review. Thus, a process problem can end up having a job design solution (Christopher, *et al*, 2002 : 184).

Relationship marketing can be seen as a paradigm shift from transactional marketing, distinguished by an emphasis on mutually beneficial exchange transactions as isolated episodes (Palmer, 2000 : 689). As earlier stated (p. 37), process design has an impact on service variability which in turn has an impact on relationship marketing.

The sequence of events in services marketing is different from product marketing. A service is typically 'sold' before it is produced or consumed. This in effect has an impact on service variability. Unlike manufacturing systems, the operations processes cannot be isolated from customers and staff, as both these groups may contribute to the service performance. The interactions of customers and staff transform the service production and delivery system from static to dynamic. This presents both problems and opportunities for marketers (Christopher, *et al*, 2002 : 186).

2.4.3.1.4 Training

Training can reduce service variability.

Personnel find the job they do and the training they receive motivating when they have a goal that clearly relates to producing customer value. They respond to opportunities to test their personal limits and, in doing so, contribute to the customer relationship and the organisation's success.

Some organisations are tempted to focus too closely on training in their plan to improve service quality. Each structural element is embedded in the other and each is part of the key to effectively designing or redesigning the service.

2.4.4 Marketing

Marketing, the third pillar of relationship marketing, has been perceived traditionally as a process of perceiving, understanding, stimulating and satisfying the needs of specially selected target markets by channeling an organisation's resources to meet those needs.

The basis for relationship marketing is the marketing-related and customer-centered approach to marketing.

According to Christopher, *et al*, (2002 : 2) marketing is the analysing, organising, planning and controlling of the firm's customer-related resources, policies, and activities with a view to satisfying the needs and wants of chosen customer groups at a profit.

Marketing was traditionally the process of perceiving, understanding and stimulating the needs of specially selected target markets, and channelling resources to satisfy those needs. Relationship marketing is concerned with the dynamic relationships between a company's products and services, the customer's wants and needs and the activities of the competition.

The strategic importance of intra-organisational collaboration is vital to the success of firms embarking on the process of relationship marketing. The customer interface is much broader, involving a large number of staff involved in different functions. Internal marketing is needed to ensure support of non-marketing people (Problems and perspectives in management, Anon., 2004 : 113).

In relationship marketing the whole business can be seen from the point of view of its final result, that is, from the customer's point of view. The essence of the marketing concept is understanding customer needs and wants. If a company offers goods and services that satisfy needs and create value for the customer, customer satisfaction and the right customer perceived quality, the company stands the best chance of being successful (Christopher, *et al*, 2002 : 2).

The marketing-oriented and customer-centered approach is in opposition to production orientation, according to which the customer is obliged to buy what is available or not to buy at all. The marketing concept is popularly expressed as "customer-in-focus" (Gummesson, 2002 : 14).

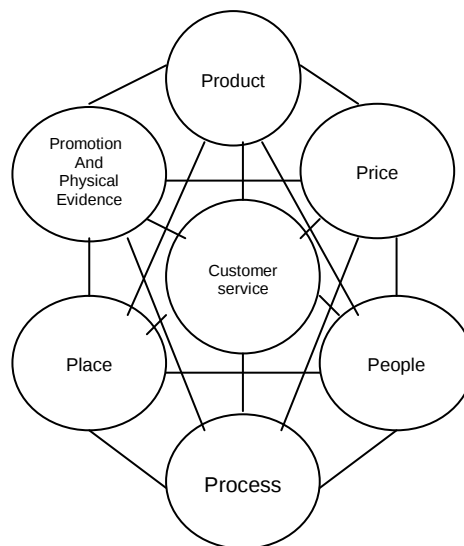
Conventional marketing proposes that a company manages and co-ordinates a number of critical elements - commonly known as 'the marketing mix' - in order to achieve the business objectives (Christopher, *et al*, 2002 : 9).

The marketing mix concept has become widely accepted. It has been simplified into the known 4 Ps. The 4 Ps comprise:

- Product the product or service being offered
- Price the price charged and the terms associated with the sale
- Promotion advertising, promotional and communication activities
- Place the distribution and logistics of processes involved in fulfilling demand.

Each of the 4 Ps is a collection of sub-activities. The 4 Ps model tends to oversimplify the complex process of winning and keeping customers (Christopher, *et al*, 2002 : 10).

Figure 2.4 Marketing mix for services businesses



Adapted from: Christopher, *et al*, (2002 : 10)

Companies should consider four elements when formulating a marketing programme:

- Product planning
- Pricing
- Distribution
- Promotion (Communication)

Customer service, quality and marketing work in harmony. A successful company must anticipate and respond to customer needs, and thereby sustainable returns will be assured. Management must lead the organisation to a success (Christopher, *et al*, 2002 : 154).

To implement a relationship culture, requires an outward orientation. For co-operation all the partners in the decision making process must be involved.

2.5 THE CORE PRINCIPLES OF RELATIONSHIP MARKETING STRATEGY PLANNING

When planning a relationship marketing strategy, the following principles must be taken into account:

2.5.1 Interdependence

All stages of the process are influenced by the interdependence of parties for successful outcomes in the relationship planning cycle. A relationship planning scenario means working on partner outcomes and sometimes involving them in the planning process. The relationship planning model incorporates partners as an

active component. The dual role of planning for different partners brings a dimension to the planning process (Donaldson and O'Toole, 2002 : 197).

2.5.2 Longer term horizons

Co-operative relationships are characterised by long-term rather than single transactions. Firms can maximise value over repeated interactions rather than in a single one. The temporal horizon permits organisations to take risks with other partners that they would otherwise not do. A buyer, for example, might pay a slightly higher price today for a benefit or deal in the future with a particular supplier. This decision is possible as it is informed by a history of past behaviour which is expected to continue in the future (Donaldson and O'Toole, 2002 : 198).

With the possible exception of genetic kinship theories, co-operation is an aberration which only arises in societies where individuals learn that giving up some immediate self-benefit may over the longer term improve their chances of self-preservation (Palmer, 2000 : 689).

2.5.3 Analysing interaction

The interaction between an organisation and its customers, suppliers and other partners needs to be analysed to contribute to relationship marketing and is an added dimension to planning. The assumption is that the success of one stakeholder is dependent on the other (Donaldson and O'Toole, 2002 : 198).

2.5.4 Values and images

Mass consumer markets have always posed a significant challenge for relationship proponents. Relationships depend on values, often ethical, with which partners can identify and in which they can make trusting decisions. The designing of a set of values for partner relationships becomes critical in relationships where you cannot take direct action. Values are related to the images of a company and its brands (Donaldson and O'Toole, 2002 : 198).

2.5.5 People and process

Two more key elements in strategic relationship planning are people and process. Relationships are socially constructed – people interact with others across organisations and with consumers. The planning of a company's human capital in a relationship and the value it adds is part of relationship planning. Exchanges between an organisation and its relationships happen through processes, particularly in the supply and demand chains of a company. Relationships are about processes that are combinations of products, services and other interactions (Donaldson and O'Toole, 2002 : 199).

2.5.6 Networks

The final principle of relationship planning is the network. An organisation has a series of connected relationships that in turn are connected to other relationships. Analysing the total network to which an organisation is part of, is a task in

relationship planning. Network connections are often visible through alliances such as those in the global telecommunications markets, but the strength of network ties are represented in patterns of trading consummated over long term periods which are usually from the structure of the industry itself (Donaldson and O'Toole, 2002 : 199).

Relationship planning without implementation is a waste of time. Therefore implementation needs attention.

2.6 IMPLEMENTATION AND ORGANISATIONAL ISSUES OF RELATIONSHIP MARKETING

Action plans provide the means by which the organisation's ideas are turned into reality by being given a structure and format through which they can be implemented. The action plan is the blueprint through which the objectives are realised. As with the objectives, there is a need to disseminate information to employees, suppliers, customer and strategic partners (Egan, 2001 : 212).

The role of marketing in the firm, under the new paradigm of relationship marketing, is more challenging than ever before. Now marketing has to take responsibility for implementing specific plans for different markets, including relationship marketing strategies. Once the organisation as a whole has decided how it wants to compete and what value propositions it wants to deliver, marketing has to identify and link the key process strategies together to achieve corporate goals.

The types of skills and breadth of knowledge required to make this philosophy succeed are quite different from those inherent in the traditional functional management model. Continuous management development in areas such as cross-functional process management and leadership skills will be critical (Christopher, *et al*, 2002 : 210). Specifically when dealing with relationship marketing strategies.

A relationship marketing strategy will ultimately have to be implemented in each of a company's functional areas, for example, in marketing and human resources management practice. Implementation is associated with processes that link an organisation to its partner. The day-to-day task of relationship marketing implementation is adding or subtracting from these processes. The key dimensions of the 5S framework are presented in table 2.3 (p.47) and comprise of structure, staff, style, systems and schemes. Each of these dimensions has a role to play in the day-to-day or operational management of relationship marketing strategies (Donaldson and O'Toole, 2002 : 205).

Table 2.3: The 5S framework for relationship implementation

Dimension	Description
1. Structure	Organisation structure for relationships, for example, team-based structures such as key account management
2. Staff	People dimension of a relationship. Managing the social structure of a relationship. From engineers to customer service personnel. Training is critical here.
3. Style	Everything managers say and do. Beliefs and actions of managers determine the overall philosophy and direction of a relationship
4. Systems	Setting-up relational systems such as sales and services process, supply chain management system, relationship performance scorecards, order fulfillment system
5. Schemes	Programmes that support relationship implementation, for example, investment and adaption patterns, loyalty and retention programmes, relational communication

Adapted from: Donaldson and O'Toole (2002 : 205)

Each of the dimensions for the 5S Framework will be shortly described.

A structure must be put in place to manage a relationship. Managing an entity that is boundary-less requires considerable skill. The main difficulty with the structure is the need to combine skills from a variety of functions like marketing, finance and operations. Relationship ties are processed-driven, which does not suit a functional approach to structure that leaves each functional department to act in isolation (Donaldson and O'Toole, 2002 : 206).

Staff or people are the communication channels in a relationship. Bonds can be at many levels in the organisation, which require careful planning as they can personalise a relationship and create meaningful social interaction. People always have been a central part in managing services organisations, due to their front line role. The human factor needs to be emphasised in relationship management. Training and support that allows for openness and flexibility of people to force them to make policy changes is important in developing relationships. Any employee in contact with the relationship becomes an asset in managing the relationship (Donaldson and O'Toole, 2002 : 206).

Through repeated interactions, trust between the parties develops, leading to commitment to each other. Commitment has been seen as defining characteristic of an ongoing buyer-seller relationship (Palmer, 2000 : 690).

Managerial style in relationships at all levels of management, especially middle management, is vital to the successful implementation of a relationship strategy.

The role of management is crucial to the shaping of perspectives. All of an organisation's programmes and policies, including how they reward managers, has to be geared towards relationships. Everything managers say and do about their relationships is infused into the organisation as other employees take their cues from managers' beliefs and actions. That is why it is difficult to change a relationship strategy or to copy another organisation. Managers' beliefs and actions are resistant to change (Donaldson and O'Toole, 2002 : 206).

In this philosophy relationships are processes that require systems to be designed around their structure. From a marketing perspective the sales and customer service systems must be built around relationships. From an operations management perspective the system of supply chain management is another area with relationship management implications. Relationships can also be supported by financial systems – an organisation can continue to reward on the basis of sales targets, taking no relationship performance measures such as customer retention into account (Donaldson and O'Toole, 2002 : 207).

Finally, schemes or tactical relationship acts are often used as guides in the relationship implementation phase. Investment in schemes should be designed to create a meaningful switching cost that is making it difficult to switch to another relationship. The result should be that parties want to rather stay in the relationship than switch. Loyalty and retention programmes like the use of loyalty cards are stapled to most organisation's relationship programmes (Donaldson and O'Toole, 2002 : 207).

These schemes are designed to integrate a customer's experience across the pre, during and after elements of the transaction process. They can provide a process-based attempt at managed interaction.

For the purpose of the study it is also important to look at the role of database marketing in relationship marketing.

2.7 THE ROLE OF DATABASE MARKETING IN RELATIONSHIP MARKETING

Database marketing is an excellent tool to build customer relationships.

As long as the database is used to personalise encounters to promote customer retention, increase the efficiency of communications, or increase the frequency, range, or value of customer purchase, it is adding value.

Database marketing can be described as follows:

2.7.1 Definitions

“Direct marketing and database marketing is a strategic way of marketing in the sense that it incorporates the analysis, planning, implementation and control elements of marketing management” (International Journal of Nonprofit and Voluntary Sector Marketing, Editorial, 2004 : 336).

There are two approaches to successful database marketing: cognitive and behavioural analysis. Marketers can picture a clear understanding of what customers and prospects look like (cognitive) and how they act (behavioural) (Pitta, 1998 : 12).

Whenever there is or can be information known about a customer – the significance of which the provider of the service knows far better than the customer – there is likely to be an opportunity to promote satisfaction proactively.

When market share begins to fall, more information needs to be gathered about the market. Surveys or focus groups are viewed as the first step along the road toward understanding the customer. Rather than starting with primary research, businesses should consider using databases to provide a wealth of information upfront. Customer database analysis can be a useful starting point when marketing questions arise. The database can help define the problem and possibly alter the scope of required survey research (Database Marketing Research, Anon., 2000 : 35).

2.7.2 Methods of data capturing

2.7.2.1 *Database marketing through the e-mail*

Every piece of communication, whether a traditional direct mail piece, newspaper advertisement or newsletter should include a question or direct the consumer online to ask the customer if they would like to receive periodic offers via e-mail. Periodic

means no more than once a week. If they answer yes, they have given permission to become part of the database by providing their e-mail address (Reaching out to customers through e-mail and database marketing, Editorial, 2004 : 16).

2.7.2.2 Point-of-purchase data capture

More and more point-of-purchase data capture machines are visible at the retailer location. These mechanisms represent efforts to develop relationships with retail customers. Preferred cards help encourage loyalty and help the retailer capture in-depth information about each customers' purchase history. Applications for such cards require an increasing amount of information to help the retailer know the customer beyond behavioural data (Understanding consumer database marketing, Editorial, 1997 : 19).

2.7.2.3 Surveys as a method to capture data

Marketers using relationship marketing strategies can attempt to link the customer's purchase history database with survey results, to explain how various marketing elements impact on sales. Linking surveys and databases proves invaluable in many areas:

- It can evaluate and guide promotion development;
- It can aid in assessing advertising accountability, helping to interpret purchase impact of measures such as likeability, believability and persuasion on strategic elements, awareness and recall;

- It can determine when and how well purchase intent predicts buying;
- It can be used with customer satisfaction studies to show how dissatisfaction affects customer retention; and
- It can help evaluate and refine the various components in the marketing mix, such as coupons, pricing and in-store displays (Database Marketing Research, Anon., 2000 : 40).

2.7.2.4 *Telephone interviews*

Some employers use phone calls to pre-screen candidates before offering in-person interviews. Some also conduct interviews by telephone; they formally schedule the telephone interview in advance.

During a telephone conversation the tone of voice carries a lot of weight. There is no facial expressions, body language and non-verbal elements coming through in a phone conversation (Telephone Interviews of Career Services, [n.d]: online).

Face-to-face and telephone interviews are generally more successful with respondents whose reading levels are low in comparison with the complexity of the questions (United States General Accounting Office, Using Structured Interviewing Techniques, [n:d]: online).

The telephone interview and the face-to-face interview enable the interviewer to establish rapport with the respondents. Individuals who would ignore mail questionnaires entirely or who would not answer certain questions on themselves

can be persuaded to provide truthful answers in a telephone or face-to-face interview. A well-trained interviewer can be recognised when a respondent is having a problem understanding or interpreting a question and can employ the proper techniques to assist the interviewee without jeopardizing the integrity of the interview (United States General Accounting Office, Using Structured Interviewing Techniques, [n:d]: online).

2.7.2.5 Face-to-face interviews

In comparison with the telephone interview, the face-to-face interview gives the interviewer the opportunity to observe as well as listen. If it is required or desired that the interviewee's living arrangements be noted, the face-to-face interview would be the choice. Also, more complex questions can be asked in a face-to-face interview than in a telephone interview. Twenty to 30 minutes is the usual limit for telephone interviews, while face-to-face interviews can last up to an hour (United States General Accounting Office, Using Structured Interviewing Techniques, [n:d]: online).

2.7.3 Personalisation

The main aim of database marketing is to personalise. Personalisation has emerged as one way to send the right message to the right person at the right time. This becomes a powerful relationship building tool.

Businesses face the challenge of making appropriate information available at all customer contact points while protecting privacy at the same time. Training must occur at all levels of the organisation. An organisation could have good privacy policies, but it only takes one bad interaction to lose a customer. Personalisation benefits all involved, company, customer and supplier. It gives the organisation a way to serve the customer better. Better service means better customer retention (The ethics of database marketing, Anon., 2002 : 42).

2.7.4 Benefits that database marketing provide for relationship marketing

“Quite often, the silver bullet mentality, when applied to technology, leads to false expectations as people within an organisation think that installing a piece of software will correct fundamentally non-technical problems with the way business is done. Business is about people and how they relate to each other. Trust is part of the customer relationship. Trust is the relationship” (The ethics of database marketing, Anon., 2002 : 42).

Table 2.4 Benefits anticipated by retailers adopting a database-driven relationship marketing approach

- ◆ Increase knowledge about customers, allowing for more informed decisions.
- ◆ Ability to track customer buying patterns and understand their motivations.
- ◆ Ability to target marketing efforts only to prospects likely to be interested.
- ◆ Ability to offer varied messages to different customers.
- ◆ Ability to customize promotions, prices and services to individual consumers.
- ◆ Ability to create long-term customer relationships.
- ◆ Opportunity to achieve business growth by maintaining current customers.
- ◆ Opportunity to reduce marketing costs and increase profits in the long run.
- ◆ Ability to coordinate the delivery of multiple services to the same customer.
- ◆ Minimization of communication errors and breakdowns with customers.
- ◆ Ability to augment core offerings with valued incentives.
- ◆ Ability to personalise dialogue encounters as appropriate.
- ◆ Ability to increase customer awareness and sales.

Adapted from: Davis, (1997 : 33)

Given the justifications for a database-oriented relationship marketing approach, retailers who adopt this concept may anticipate certain gains. These benefits suggest that organisations which adopt the approach gain significant competitive advantages compared with organisations that do not (Davis, 1997 : 33).

2.7.5 Compiling data

The corporate needs analysis revealed basic types of data needed for the database marketing system. The specific data must be outlined. The key user groups must be identified, and each of the users must be involved in the determination of specific data needs. The marketer responsible for developing and testing promotions, the accountant responsible for tracking accounts receivables, and the customer service representative responsible for providing up to the minute information to customers all have specific data needs which must be considered (Peppers and Rodgers, 1997 : 2). These are all needs for relationship marketing.

Generally the information will come from primary and secondary data sources. Types of internal data include customer names, addresses, phone numbers, key demographic variables, past purchasing history and payment history. The complete database also includes data from external sources including compiled data, behavioural data and modelled data (Peppers and Rodgers, 1997 : 4).

2.8 SUMMARY

Earning long-term business means customers must have confidence in the organisation as an organisation in the future. This means that the organisation must learn customer's true and underlying needs by being close to them.

Visit, observe and listen - then react to meet those needs. It is the organisation's skills at anticipation of the market, which adds real value and secures their lifetime relationships with the customer.

The idea behind this organisation is to make the invisible visible and to acquire new frames of reference, to imagine. The organisation is looked at through new lenses, and a new business logic for entrepreneurship and renovation of existing companies emerge (Gummesson, 2002 : 257).

According to Peppers and Rodgers, (1997 : 4), database marketing is not something to ponder on for sometime in the future – it is a necessity today to maintain customer loyalty and to remain competitive. So build the database but do it carefully and thoughtfully remembering at all times why is it done and what wants to be achieved.

The relationship building process starts with good customer service. Good customer service impact on customer equity, customer satisfaction, customer acquisition, customer retention and ultimately customer loyalty. These aspects will be discussed in Chapter 3.

CHAPTER 3

CUSTOMER SERVICE

3.1 INTRODUCTION

The nature of service affords many firms the opportunity to customise the relationship. By learning about the specific characteristics and requirements of individual customers, and then capturing these data for use as needed, businesses can more precisely tailor service to the situation at hand. The organisation provide customers with an incentive to remain customers rather to change to a new organisation (Payne, *et al*, 1998 : 68). Therefore it can be said that customer service forms a critical part of relationship marketing.

3.2 CUSTOMER SERVICE

Good customer service can be that friendly smile or general attitude of helpfulness. It can also be an immediate response to an e-mail, selling only what a customer needs, being proactive, or providing quality merchandise at a low price.

3.2.1 Description of customer service

3.2.1.1 Definition of customer service

Brooks (2002 : 96) defines service as "... a promise and an activity, but there is often a gap between what we promise and what we do. A high level and long-term

customer satisfaction is attainable if a company focuses on it, if it is responsive to customer demands and constantly innovative.”

According to Allen, *et al*, (2001 : 22) when an online customer takes the time to tell the business what the customer needs and wants, that customer has an investment in the service. As long as personalised service provides the customer with value, that customer will do business with the company more often and will carefully consider the consequences before switching to a competitor.

Service and support are part of the product offering in nearly every transaction, whether it is personal or commercial. One benefit provided by service and support is that customers can use their time more effectively. Money is often in greater supply than time for busy working people (Cram, 2001 : 149).

3.2.1.2 Internal and external customer service

Organisations have been forced to increase their emphasis on service quality due to the hyper-competitive business environment in the new millennium. Companies have to ensure that customers are entirely satisfied and to secure a position in the market (Aschner, 1999 : 45). Focusing on internal customer service can enhance this objective.

Internal customer service involves service to other individuals or departments within the same organisation. Internal customer service might involve co-ordination with

other departments, such as the financial department and marketing (Sanchez and Fraser, 1999 : 479).

The basic assumption is that businesses strive to provide their internal customers with better service, and then the external customers will receive higher quality service. Internal customers evolved from two perspectives:

- Process management which entails practices that emphasise the processes of an operation, rather than the actual results; and
- Continuous improvement such as future changes, must be recognised by organisations to ensure future competitiveness regardless of current success (Aschner, 1999 : 45).

Internal customer service can serve as a useful framework for implementing a process approach to quality management. The advantages of good internal customer service culminates in the following statement by Raina, (1998 : 75), “take care of the internal customers: they will take care of the external customers”.

External customer service involves service to those who are not part of the organisation. External service might involve dealing with the general public, with outside distributors and vendors, or with potential or current clients (Sanchez and Fraser, 1999 : 479).

Speed and accuracy have always been measures of quality service, but today's customers expect immediate answers and to be in the format that is most useful to

the customer. Library and information services will have to be purely and totally customer focused. New customers do not know the old ways of doing business – and they do not care. They care about whether the organisation is willing to adapt the products and services to fit the needs of the external customer (St Clair, 1997 : 40).

In a typical day a manager may alternate between interactions with internal and external customers on a regular basis. Customer service can therefore be summarised as a key activity within the larger marketing strategy, which deals with the development of exchange relationship between customers and personnel. Customer service programmes may therefore improve customer satisfaction that results in customer equity and loyalty.

3.2.1.3 Customer attitude to services offered

Businesses must consider whether services offered are essential, expected or optional in the opinion of the customer (Lewison, 1997 : 534).

Customers do not want to hear the word no. They are looking for solutions, not problems. A business may not always have the solutions the customer is seeking, but there is always something that can be done. The best way to change people's attitude is to change their behaviour. Procedures and processes should be set up that require staff to do certain aspects differently (Brooks, 2002 : 77).

The above-mentioned influence the choice of services by the business. Attention must be directed to the development of different schemes for services. If the correct mixture of services can be identified, customer acquisition will be enhanced.

3.2.2 Objectives of customer services programmes

The ultimate aim of customer service is to build a long-term relationship with customers. Therefore the objectives of customer service programmes can be described as (Terblanche, 1998 : 260):

- ◆ Building an image of integrity by providing guarantees, product quality and return and exchange policies to customers;
- ◆ Providing comfort and convenience to customers such as convenient parking, extended store hours, waiting and rest rooms and mail- and phone order services;
- ◆ Ensuring a pleasant shopping environment by providing parking facilities, décor and lighting, fitting-room privacy, music and credit account confidentiality; and
- ◆ Rendering personal shopping services such as knowledgeable sales personnel, merchandise availability and information on products.

Terblanche (1998 : 261) states that the above-mentioned service objectives can be related to differentiation (competitive edge), image creation (known for superior service delivering and quality products) and market positioning, and are aimed at maximising the opportunities to increase the retailer's turnover. It is now important to look at the role of customer equity in creating customer satisfaction.

3.3 CUSTOMER EQUITY

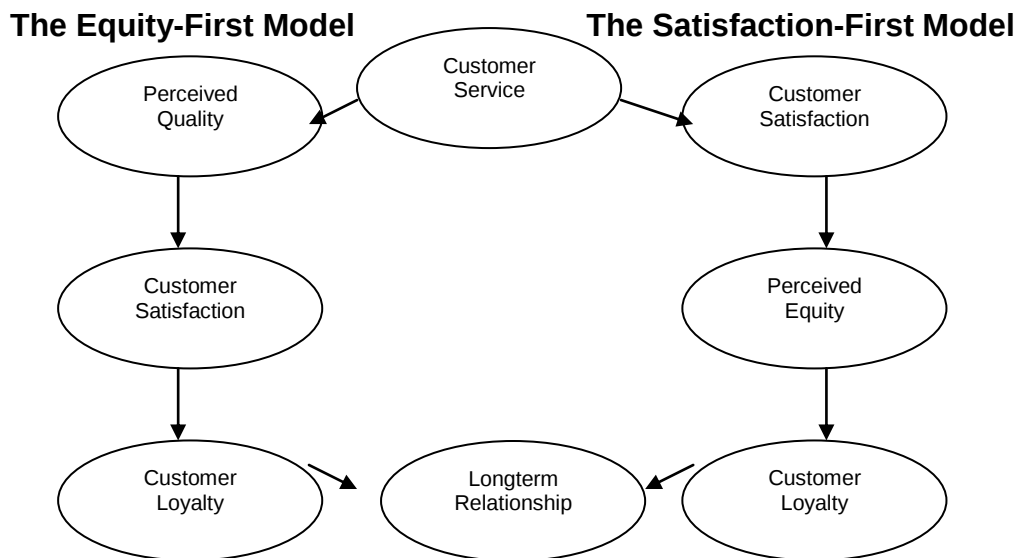
The basis for customer equity lies in good customer service. As long as customers are relatively satisfied with the goods and services that they purchase and consume, the evaluation of customer satisfaction serves as an anchor to a top-down evaluation process.

Perceived quality is no longer the starting point in the customer satisfaction evaluation process. Equity helps to bridge the gap between customer satisfaction and repurchase decisions. Equity is closer and more relevant to the consideration of one's behavioural intentions in the context of cumulative evaluations (Johnson 1998 : 128). As shown on the left side of Figure 3.1 (p. 65), equity affects satisfaction, which in turn affects loyalty. Organisations can benefit from customer equity as a marketing system because:

- The asset value of customers must be computed to make informed decisions regarding investments in acquisitions, retention and add-on selling;
- Marketing investment levels must be adjusted as customer relationships move through their dynamic life cycles;
- Processes and structures must be organised according to acquisition, retention and add-on selling to maximise the profitability in each stage of the customer life cycle;
- The customer as a total human being must be addressed as the customer that buys and uses a broad range of services and products; and

- Utilise customer interactions to reinforce relationships and acquire new customers (Blattberg, Getz and Thomas, 2001 : 4).

Figure 3.1 Competing equity, satisfaction and loyalty models



Adapted from: Anderson and Fornell, (1995 : 128)

According to Anderson and Fornell (1995 : 128) the distributive equity in driving satisfaction and loyalty depending on the transaction-specific versus the cumulative nature of the involved construct is expected to play a different role. Loyalty is a behavioural intentions construct. Transaction-specific equity is a more bottom-up evaluation. Customers put forth so much to get so much. This input versus output or perceived equity is evaluated as the service unfolds. Satisfaction is a post-hoc evaluation. Thus, satisfaction should be directly influenced by perceived quality (Anderson and Fornell, 1995 : 128).

At the right side of Figure 3.1, equity mediates the effect of satisfaction on loyalty, which is called the satisfaction-first model. Cumulative satisfaction is a reflective,

attitude-type construct. It is the customer's overall evaluation of his purchase and consumption experience that relate to a product or service provider (Anderson and Fornell, 1995 : 128).

The equity-first model may be more universally applicable to dissatisfied customers with a reason to complain, whereas the satisfaction-first model may be more applicable to the satisfied customer with no reason to complain.

3.4 CUSTOMER SATISFACTION

Good customer service plays an undeniable role in creating customer satisfaction. Customer satisfaction is different from customer loyalty but essential to it. Loyal customers may not be satisfied, but satisfied customers tend to stay loyal.

3.4.1 Customer satisfaction defined

A satisfied customer has little incentive to change brand, thereby making it costly for a competitor to challenge that loyalty. Increased customer satisfaction should lead to a higher level of loyalty (Methlie and Nysveen, 1999 : 377). Loyalty is a building block for a long-term relationship with a customer.

According to Gronholdt, Martensen and Kristensen (2000 : 159), customer satisfaction is a key issue for every business wishing to increase customer loyalty and thereby create a better business performance.

Heskett (2001 : 355) suggests that while customer satisfaction and loyalty provide a foundation for high levels of customer lifetime value, the organisation supports a range of customer behaviours with varying values, characterised by loyalty (repeat purchase), commitment (willingness to refer others to a product or service), similar behaviour (willingness to convince other to use a product or service) and ownership (willingness to recommend product or service improvements).

If the factors that influence customer satisfaction can be determined, it would be easier to identify these customers that are advocates of the business.

3.4.2 Determinants of satisfaction in service exchange

The most common determinants of satisfaction is price and service quality.

3.4.2.1 *Price as a determinant of customer satisfaction*

According to Voss, Glenn and Parasuraman, (1998 : 46) price fluctuations is likely to result in price-performance combinations that vary widely due to the many service industries that implement demand-oriented pricing, combined with the inherent heterogeneity of service performance.

The level of price-performance consistency in a service exchange moderates the relationship between performance expectations and subsequent performance and satisfaction judgements. When price and performance are consistent, expectations have an assimilation effect on performance and satisfaction judgements; when price

and performance are inconsistent, expectations have no effect on performance and satisfaction judgements (Voss, *et al*, 1998 : 47).

Price is only one component of value, and business leaders who ignore the larger picture of benefits and other costs will justify their prices on the basis of their own cost structure. It is almost impossible to convince your customers that costs are as low as it can possibly be. It is a dangerous strategy to compete on price alone unless the organisation can be the lowest cost supplier. Discounting the price, means discounting the profit (Brooks, 2002 : 40). Price plays a dominant role in customer satisfaction together with service quality.

3.4.2.2 Service quality as determinant of satisfaction

There can be little doubt that quality is among the most critical aspects for strategic management of customer service. Customer satisfaction and loyalty – secured through high-quality products and services providing value for money for the customer – are essential for long-term survival (Robledo, 1998 : 22).

Service quality comprises of communication effectiveness, technical quality and functional quality and is discussed accordingly.

3.4.2.2.1 Communication effectiveness

The first component of service quality is effective communication. Effective communication must include both the formal and informal contact between the

business and the customer, therefore the sense of reliability and trust comes across in all forms of communication whether written or spoken. If communication is not effective, service quality is influenced in a negative way. This study focuses on Media 24. Since the relationship with a client is intensive, personal and long-term, Media 24 must pay attention to the way the personnel communicates with individuals as Media 24 execute corporate communications in the form of advertising, direct marketing or public relations (Sharma and Patterson, 1999 : 11).

3.4.2.2.2 Technical quality

The second component of service quality refers to technical quality (the core service of what is delivered). Technical quality relates to actual outcomes or the core service as perceived by the customer. Technical quality can be described as the competency of the adviser in achieving the best financial goals. This is the core or promised service in financial planning. Many customers will be unable to confidently evaluate technical outcomes, customers who earn high returns and have assurance that their funds are invested in secure options will have higher perceptions of service quality (Sharma and Patterson, 1999 : 11).

3.4.2.2.3 Functional quality

The third fundamental component of service quality, functional quality, is concerned not with what is delivered, but rather refer to processes of how the core or technical service is delivered. Functional quality claims that the interaction between the provider and recipient of service is assessed in a highly subjective manner. It is

viewed as critical to customer perceptions of overall service quality, especially since many service firms find it difficult to differentiate themselves on their core service alone.

Functional quality is conceptualised as the responsive and courteous delivery of the core service. It is concerned with the courtesy and friendliness shown to the customer, making efforts towards understanding his/her circumstances, displaying empathy, giving prompt service, responding to queries and complaints in a responsible, courteous and timely manner (Sharma and Patterson, 1999 : 11).

3.4.3 Profitability of satisfied customers

A growing number of businesses have discovered that improved customer satisfaction do not necessarily translate into increased profits. A direct relationship between satisfaction and sales cannot be proven in all cases. Cost-revenue-satisfaction profiles have to be built for each targeted customer segment. The main objectives of any organisation are not only to increase customer satisfaction, but also the more efficient use of funds in the calculation of customer profitability (Journal of Targeting, Anon., 2002 : 211).

3.5 CUSTOMER ACQUISITION

Good customer service plays a key role in customer acquisition.

Customers that are identified as potentially long-term customers must be moved from awareness to adoption in the buying process and eventually to a loyal customer base with a relationship with the business. After a targeted customer has received and responded to an initial message, it is a businesses' responsibility to ensure that the customer is impressed with services delivered. The customer is interested in the services, and the organisation must act before that interest wanes even slightly (Freker, 1999 : 36).

According to Blattberg, Getz and Thomas, (2001 : 66), there are two ways to define customer acquisition. The acquisition transaction perspective says that customer acquisition ends with a customer's first purchase. The acquisition process perspective states that acquisition includes the first purchase as well as other non-purchase encounters, until the customer makes a repeat purchase. The process perspective is positive because it includes the initial bonding and development stage in the customer-organisation relationship. Therefore it is essential that customer retention start during the acquisition phase.

3.6 CUSTOMER RETENTION

After the customer acquisition phase is successfully completed, the business should focus in retaining the customer and eventually build a long-term relationship with the customer. A key factor in customer retention is good service delivery.

Retention, like acquisition, is difficult to define. One possible definition of retention, according to Blattberg, Getz and Thomas (2001 : 67), is that the customer continues

to purchase the product or service over a specified time period. Short and long purchase cycles are defined as follows:

- For products with short purchase cycles: The customer continues to purchase the product or service over a specified time period.
- For products with long purchase cycles: The customer indicates the intention to purchase the product or service at the next purchase occasion (Blattberg, *et al*, 2001 : 68).

Retaining customers is critical because of the high cost of acquisition. It begins with the initial contact with the customer. It means taking proactive steps to build customer loyalty and making customers feel valued, thus decreasing customer defection. The business must ensure that the customer has no reason to consider the competition, which can be done through customer service management and loyalty programmes (Freker, 1999 : 36). To achieve this objective, good customer service is a vital supporting factor.

3.6.1 Improving customer service to enhance retention

The improvement of customer service plays a vital role in customer satisfaction and therefore in customer retention. Businesses must always strive to perform better services to clients in order to continue to be market leaders. The improvement of customer service will lead to higher levels of retainment of customers.

Some suggestions for improving customer service (Grugulis and Willmot, 2001 : 204):

- Pay attention to customers who leave. To improve your business and to keep customers from leaving, always ask unhappy customers what the business has done wrong and how to improve it;
- It is important to talk about the aspects that work. Praise a service representative for a job well done, the whole department will benefit from the experience;
- Learn what not to say to customers. Improve communication with customers by avoiding words that turn customers off;
- Positive word-of-mouth advertising must be generated. The endorsement of a happy customer is worth the while;
- Develop a top 10 customer service quality checklist. Hire the best candidates for the customer service position; and
- Start a cost of poor service worksheet. Calculate how much your company can lose due to poor customer service.

3.6.2 Focusing on the most valuable customers

Retention of the most valuable customers is critical for a business from a profit perspective.

When it comes to the advertising revenue that, for example, readership for newspapers generates, some readers are worth more than others. Therefore the focus of customer service and retention should be on the most valuable customers. This fact is clearly demonstrated in the following quotation. “How much are your readers worth to your business? Love them and respect them, but how much

money do you gain or lose when they disappear or reappear?” (Daily Revenue, www.newsandtech.com, [n.d]: online). The first variable is the money you take from the cover price. Another factor that makes it essential to understand the value of the readers is the inter-relationship between readers and the advertisement revenue they attract. Advertisement revenue is proportionate to the size of a newspaper’s circulation.

Given the high costs of subscription generation, customer service, household distribution and marketing, many newspapers actually lose money on circulation management since the revenue generated is less than the cost of its generation.

3.7 CUSTOMER LOYALTY

The next time the client use a loyalty card at the supermarket checkout, one aspect to be considered is that it is six times more expensive to recruit new customers, than it is to retain existing ones. Customer loyalty makes definite business sense. It creates base revenue – the longer customers are retained, the more money they will spend or invest. Loyal customers cost less to serve. There is also the fact of incalculable benefits of referrals (Methlie and Nysveen, 1999 : 376). Loyal customers will always return to your business, customer service must underline this statement. A good customer service programme is important in building a loyal customer base, which in turn is one of the building blocks of relationship marketing.

3.7.1 Customer loyalty defined

According to Cram (2001 : 17) loyalty is often misunderstood in organisations. The tendency to repurchase from a current supplier is not the same as loyalty. Some purchasers will continue to buy through indifferences or doubts about alternatives, but none of the patterns should be identified as loyalty. *Loyalty is an emotional bonding – a willingness to associate with and support a relationship.* It is an effective influence that is based on respect and trust.

Heskett (1997 : 355) suggests that customer loyalty has been regarded as the most important part of an effective business strategy. It is an integral element in the relationships that make up what is known as the service profit chain. There is a wide range of customer behaviours and lifetime values associated with loyalty.

3.7.2 The value of loyal customers

Customers that return provide an anchor of certainty in a changing world. Their presence provides an intangible emotional reassurance. The commercial benefits of loyal customers are substantial. There are five values that can be provided by loyal customers:

Figure 3.2 Value from loyal customers

- ◆ Satisfied customers buy more
- ◆ Businesses can reduce the costs of serving known customers
- ◆ Loyal customers share their market knowledge with the business
- ◆ Well-served customers may pay a premium price
- ◆ Satisfied customers recommend

Adapted from: Cram (2001 : 40)

The value of customer loyalty lies in the fact that returning customers tend to buy more than first-time purchasers do. The tendency of repeat buyers to increase the value, volume and frequency of purchases plays a vital role in relationship marketing.

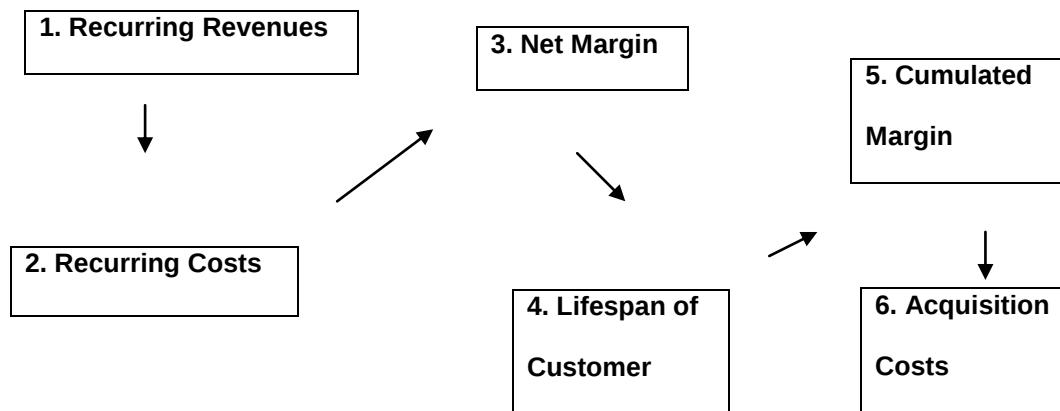
According to Brooks (2002 : 35) the following summarises value:

- Creating value is a key factor in doing business. The more the business understand value, the more it will be able to understand the customer's business;
- The more the business focuses all of the business activities and all of the people on creating value, the more successful it will be;
- Value is both subjective and variable. Only the customer can define the value. It varies from person to person, situation to situation and from time to time;

- Value = Benefits – Costs. The customers are getting value when they consider that the benefits they derive from the products and services outweigh the cost they pay;
- Benefits are not the same as features because not all the features will be seen as benefits. Only those features that solve the customer's problem can be regarded as benefits;
- There are many costs that customers pay. Price is only one, whereas costs of ownership, and the effort and time and exposure to risk are some others.
- To increase the value the business provide increase the benefits it offers or decrease the costs customers pay; and
- Avoid falling into the price trap. It can be dangerous to compete on cost alone. A price trap involves the decision to buy the lowest price product and not to consider the value of the product.

As costs go down and revenues go up, profits increase as a third-order effect of loyalty. This provides the resources to invest in better employee compensation and in new activities that further enhance the value delivered to customers.

Customer lifetime value is a controversial concept among business specialists. Customer lifetime value consists of taking into account the total financial contribution, revenues minus costs, over the entire life of a customer's business relationship with a company.

Figure 3.3 Process to measure customer lifetime value

Adapted from: Payne, *et al*, (1998 : 236)

Revenues and market share grow as the most valuable customers are persuaded to repeat sales and act as referrals. The most valuable customers are those who have the highest loyalty because they understand and buy into the company's value proposition. They are the company's best assets because of their lifetime value, which can only be realised if a long-term relationship exists (Payne, *et al*, 1998 : 236).

3.7.3 Advantages of loyal customers

It is often assumed that all the advantages of loyalty lie with the business. According to Cram (2001 : 90) the following benefits arise from loyal customers.

The customer saves time. No need exists to seek alternative suppliers or outlets. Customers do not have the time to compare different organisations with each other.

Faster briefings can be made because loyal organisations readily understand the business or personal needs of the customer. This makes it easier for the customer to relate to the organisation instantly.

The fact that specifications are understood makes sure that the organisation reduces any misunderstandings. Specifications are very important to every customer and must be understood by the organisation.

The customer and the organisation share risk through the fact that the supplier knows that the loyal customer will return for more purchasing. There is a possibility of joint developments between the customer and the organisation.

The customer knows certainty of supply. The ability to construct long-term schedules together can be done easily. This enables a trust between the organisation and the customer (Cram, 2001 : 90).

Priorities can be organised between the customer and the organisation, in the case of shortages. The customer therefore knows beforehand when supplies are not readily available and can make arrangements according to the notification.

Help is readily available. Make sure to know the person that can be asked when there is a shortage of knowledge. In a long-term relationship customers are familiar with the employee to contact in case of shortages or if extra information is needed.

The customer can trust advice available. Information on market trends that is available can put the customer at ease. This involves the role of the business in giving advice.

Resources to draw on. The organisation can support the customer in dealing with difficult customers of your own.

Benchmarking is a possibility. A loyal supplier can be a useful benchmarking partner when it comes to the branding of certain products (Cram, 2001 : 91). Finding new customers that count is vital for continuity and growth. Not every potential customer can be a future best customer.

3.7.4 Evaluating the duration of customer loyalty

The duration of customer-business relationships is difficult to measure in the present economic environment, characterised as it is by unpredictability and rapid change. Many businesses use historical data about the past behaviour of their customers, identifying specific segments and analysing the behaviour of these segments in the future. This method can be used successfully only in relatively stable market environments because it assumes that:

- customers will repeat their past behaviour in the future; and
- market conditions will not change significantly (Journal of Targeting, Anon., 2002 : 203).

The duration and intensity of customers' loyalty is determined and influenced by customer satisfaction. It can be assumed, according to Gurau (2002 : 203), that as long as a business's offering satisfies a customer's need, that the customer will be loyal to the firm. The measurement of customer satisfaction can therefore provide a platform for calculating, predicting and increasing customer profitability.

A possible source of error is the way the firm defines a satisfied customer. If the business is not aware of customers' real needs and wants, the criteria for measuring satisfaction will be biased from the start.

3.7.5 Acknowledgement of loyal customers

There are many ways of acknowledging customers that are loyal and therefore valuable to the business. These need to be matched to the type of business and to the characteristics of the customers. The following are ways to show appreciation:

Early warning by the supplier to the customer is a very important method to acknowledge a loyal customer with advance information. Ability to operate at the last minute must be available to customers that are valuable to the business.

Private access must be available to make the customer feel at ease and welcomed in the organisation. Priority information services make it easy for the customer if any information is requested.

Customised services are a must for a valuable customer and simpler systems makes it easier for the customer to obtain access.

Additional personal services at all times will ensure a customer to return to the organisation at any time. Support in difficult times and celebration in good times develop a personal relationship between the organisation and the customer.

Recognition of landmarks and pleasant surprises are also important to acknowledge the organisation's most valuable customer.

Certain prices and better prices enable a customer to return in the future to the organisation (Cram, 2001 : 187).

It is clearly important to acknowledge the importance of valued customers through preferential treatment. Customers that are valuable should be able to be appreciated on some external signs. The phrase "thank you for your business" is more powerful in gaining future customers than the word "please". The perception of the customer should be "I am glad that they think I am worth it" (Cram, 2001 : 192).

3.7.6 Building a case for loyalty

The primary driver is selecting a programme that meets audience expectations with a viable cost structure. This underlines the production and presentation on quality performances. By putting on quality performances, there is the potential to attract larger audiences, which in turn results in increased income and facilitates increased

income from the private sector. Success in this area results in the generation of an operating surplus, which then provides the basis for a repetition of a cycle of success (Rentschler, *et al*, 1998 : 121).

The marketing tactics or activities in building loyal audiences are varied and involve information and financial exchange, interactions, risk, customer service and satisfaction, the establishment of trust, commitment and interdependence. The more the organisation learns about and monitors the patrons' needs, preferences, attitudes and concerns the more customers' satisfaction and commitment levels grow. The more the patron learns about the organisation's needs and plans, the more opportunities for an interdependent relationship and organisational development are identified. A marketing-oriented management is built on relationships rather than transactions (Rentschler, *et al*, 1998 : 123).

3.7.7 Customer retention and loyalty

Customer retention improve profitability, by reducing costs. The prime objective is zero defections of profitable customers. One conceptualisation of loyalty is envisaged as an interaction between two components: Firstly, the relative attitude that a customer has towards a company or brand and secondly, the intention to repurchase that brand from the company. The loyalty of a consumer is therefore determined by the strength of the relationship between attitude and behaviour. It is vital to note that repurchase alone is not an indicator of loyalty (Journal of Financial Services Marketing, Editorial, 2003 : 72).

3.8 SUMMARY

Successful customer service does not just happen, it must be managed. The creation of a customer-centered organisation requires the management process to bring about extraordinary customer service. Shifting the central focus to customers means that extraordinary customer relations and service will become a natural operating procedure for the organisation. When a customer feels that they are the central and primary concern of an organisation they tend to buy more from the organisation. Competitive advantage will be gained through customer service management when implemented as an approach to centering the organisation on creating and maintaining customers (Jones, 2000 : 31).

The development of relationship marketing in the print media plays a vital role for the research of the study and will be discussed in the next chapter.

CHAPTER 4

THE DEVELOPMENT OF RELATIONSHIP MARKETING IN THE PRINT MEDIA

4.1 INTRODUCTION

Building a relationship with clients is very important for every business. This chapter is about how newspapers (as print media) can develop relationships with customers (readers) and clients (advertisers).

4.2 DEFINITION OF RELATIONSHIP MARKETING

Relationship marketing is the on-going process of identifying and creating new value with individual customers and then sharing the benefits of this over a lifetime of association. It involves the understanding, focusing and management of on-going collaboration between suppliers and selected customers for mutual value creation and sharing through interdependence and organisational alignment (Convergence Management Consultants Ltd, www.converge.on.ca, [n.d] : online).

Relationship marketing is a process, not a programme. As such, its work is never done as long as the customer has money to spend, a willingness to spend it, and a supplier that can profit from the expenditure. Customers want value from their suppliers as a pre-condition for a relationship. If a company talks of relationships as a way to avoid price competition, they may have missed the point. Relationships derive from working with customers to create new value. Relationships in business,

like those more personally, are weakened unless they are continuously refreshed (Convergence Management Consultants Ltd, www.converge.on.ca, [n.d] : online).

It is important to look at the role of advertising in relationship building. Advertising is a method of communication that is “paid” for and “non-personal”. The message is delivered through mass media – as opposed to face-to-face, or voice-to-voice. The medium the businesses choose for carrying the message is critical to the success of advertising (Online Women’s Business Centre, www.onlinewbc.gov, [n.d] : online).

According to McNamara (1999 : 1) “Advertising is bringing a product (or service) to the attention of potential and current customers. Advertising is typically done with signs, brochures, commercials, direct mailings or e-mail messages.”

According to an article from Restaurant Hospitality, Editorial (2004 : 90), publicity plants the seed, promotion fertilises the seed, advertising ripens the crop, and personal selling harvests the crop.

Advertising involves mass communication via newspapers, radio, television and other media or through direct communication at each business-to-business customer or ultimate customer. Both ways of advertising are paid for, but are considered to be non-personal because the sponsoring firm is simultaneously communicating with multiple receivers (Shimp, 2000 : 4).

4.3 THE IMPORTANT ROLE OF RELATIONSHIP MARKETING IN THE NEWSPAPER INDUSTRY

The relationship marketing process is important to the newspaper industry due to the following reasons:

The newspaper wants to establish continued interaction between the customer and the client. The client will advertise more regularly if a relationship exists between the two parties involved. The same goes for the customer that will only buy a specific Afrikaans Daily Newspaper due to the existing relationship. Interaction will eventually lead to better communication. This strengthens the relationship building process and creates a long-term relationship.

The relationship marketing process also creates awareness for the different Afrikaans Daily Newspapers. Awareness is very important for the newspaper industry to build a long-term relationship with the customer and the client. Awareness also helps the customer and client to make an informed decision regarding the different newspapers.

Relationship marketing plays a fundamental role in the existence of the organisation as an organisation of the future in order to retain most valuable customers. The newspaper industry must make sure that they invest in customer service. It is also very important that the organisation knows the needs and wants of their advertisers. It is important to know that loyalty is built on the basis of trust and respect. These two aspects contribute highly towards a relationship.

Now that the importance of relationship marketing for newspapers is stated, the methods used to build a relationship can be discussed.

4.4 RELATIONSHIP BUILDING METHODS USED BY NEWSPAPERS

The Afrikaans Daily Newspapers make use of different methods to build relationships aimed at the reader and eventually at the advertiser. These methods are also used as relationship building tools to boost the profitability of the company.

It is clearly necessary to engage all the newspapers in relationship building activities. These activities can be divided in methods aimed at readers and methods aimed at advertisers.

4.4.1 Relationship building methods aimed at readers

The following methods aimed at readers are used as relationship building tools to boost profitability.

4.4.1.1 *Distribution of free community newspapers*

The distribution of community newspapers lead to more loyal Afrikaans Daily Newspapers readers because the link between the free community newspapers and the daily newspapers are clearly promoted in the community newspapers. Thus, an affinity is built up by the community newspapers due to the hard local news and content, the fact that they support community projects (for example the Reach for a

Dream Project Nationally) and the free distribution of some of their community newspapers flows over to the daily newspapers. All of these attract more readers and eventually more advertisers.

There are an amazing total of nineteen community newspapers that are distributed at, for example, Hermanus, Stellenbosch and Port Elizabeth. Media 24 is Africa's biggest publishing group and offers entertainment, information and education 24 hours a day. The daily, weekly, Sunday and community newspapers of Media 24 Newspapers provide countrywide news coverage. Nearly 120 million newspapers are printed annually (www.media24.co.za, Newspapers, [n.d] : online). This number of community newspapers contributes to the confidence that the advertisers have in Media 24 due to the quality news and availability countrywide. All of these contribute to the relationship building process.

The printorder of the community newspapers, in the Free State and Northern Cape, is now nearly 270 000 (2006) which indicates that the readers are important and relationship building plays a vital role in the existence of the Volksblad (www.media24.co.za, Newspapers, [n.d] : online). There are eleven community newspapers in the Free State as far as Sasolburg, Vanderbijlpark and Vereeniging. Again these community newspapers contribute to the confidence that the advertisers have in Media 24 because of their sympathetic local community content. Therefore community newspapers can be seen as a relationship method for Daily Newspapers.

4.4.1.2 *Competitions in newspapers*

Competitions in newspapers are held to attract new readers which eventually will lead to more advertisers. Competitions like the Volksblad “Pryslyn” boost the circulation on a Tuesday. This means that more people will buy the newspaper on a Tuesday in an attempt to win a prize, which means that more people see the advertisements that appear in the newspaper on a Tuesday. The fact that readers must buy the newspaper on a regular basis to be able to compete, leads eventually to a habit, which flows over into a relationship between the advertiser, reader and newspaper (www.media24.co.za, Newspapers, [n.d] : online).

4.4.1.3 *Supporting of charities and events*

One of the biggest charity events supported by the Volksblad, the “Volksblad Christmas Fund”, has caught the attention of people in the Free State and Northern Cape. Readers saw the newspapers support this amazing fund to help raise money for underprivileged people. People realise that newspapers also give back to the community and therefore become more loyal (long-term affinity).

The “Volksblad Art Festival” is another example of the newspaper’s support to the community. This “Art Festival” hosts a lot of upcoming young as well as well-known artists. The Burger hosts the yearly “Burger Spontaan” competition which has grown to be a huge attraction for young artists. The “Spontaan” competition is now, on a smaller scale, hosted by the Volksblad as well. The Afrikaans Daily Newspapers support arts, therefore the readers will rather support these newspapers than others

that do not contribute to the community (www.media24.co.za, Newspapers, [n.d] : online).

4.4.1.4 *Internet*

The freshest news of the Afrikaans Daily Newspapers is available early every day on the Internet. This includes the main section of the paper as well as the classified section.

The relationship between the customer and newspaper are personalised, thus since it is one to one, it can be a method to build relationships. Due to the fact that newspapers are also available on the Internet, the advertising opportunities of the Internet can be investigated.

Advertising on the Internet can be found in many different forms. Firstly, there were banner advertisements at the top of websites enticing users to click the banner and receive some type of reward. The banner advertisement has been referred to as an “unmitigated failure” (Online Women’s Business Centre, www.onlinewbc.gov, [n.d] : online). Due to the fact that the Internet is less targeted, other methods to support the Internet marketing campaign must be used, to direct the right people to the webpage. A relationship starts when people visit websites on the Internet, due to the fact that it is personal. Relationship building may take place via the Internet therefore advertisers must make sure that access is user friendly to improve the relationship.

Secondly, pop-up advertisements were introduced. Pop-up advertisements are little windows that proliferate across the screen when certain sites are visited. Many users or customers of the Internet claimed that pop-up advertisements were deeply annoying, hence destroying relationships. These pop-up advertisements may vary in size, shape, irritation and advertisement. Some of the advertisements pop-up in a small window, while other advertisements take over the whole screen. Pop-ups can also have bright pictures and flashing icons to attract attention and make that particular advertisement unique. After the pop-up advertisements the pop-under advertisements appeared on the Internet. Again actions were taken to make sure that relationship building grows and contribute to the future confidence of advertising on the internet. Pop-up advertisements changed because it was destroying the relationship. Here it is visible that relationship building plays a vital role (Online Women's Business Centre, www.onlinewbc.gov, [n.d] : online).

The pop-under advertisements open behind the original window allowing the user to maintain full view of the desired page. The point of these advertisements is to get the user to click on the advertisement and see what it is about. The fact that it is user friendly and more convenient for the user means that it does not destroy the relationship that starts through the personal environment on the Internet.

Examples of pop-up and pop-under advertisements most likely include: credit cards, electronics and computers. Pop-up advertisements have been directly related to commercials, but the main difference is that the viewer can turn the television off when unwanted commercials appear (Online Women's Business Centre,

www.onlinewbc.gov, [n.d] : online). The fact that it stays visible contributes to the personal relationship. Again relationship building starts to take place.

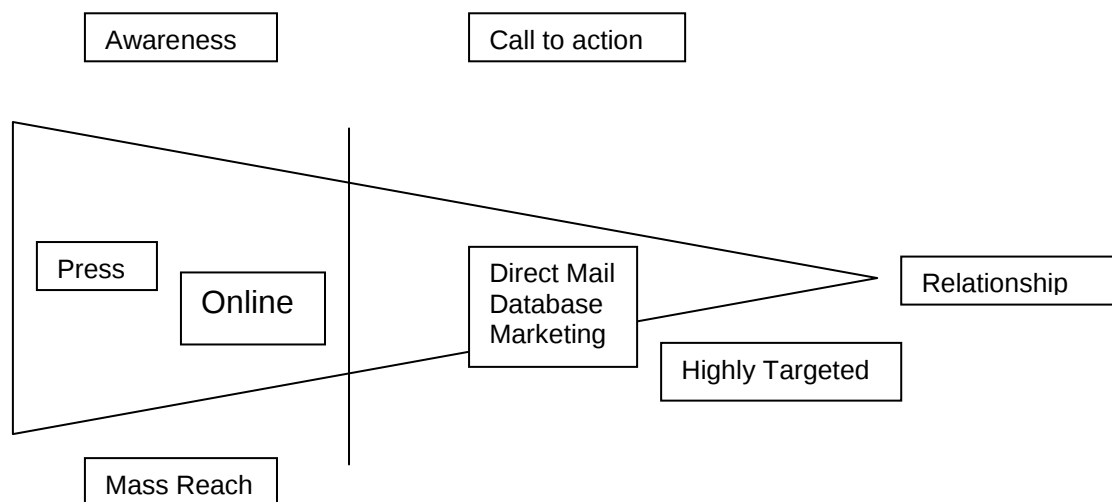
To be successful at Internet marketing, you must understand the essential secrets of Internet marketing. These secrets can allow you to achieve success by finding the right audience, communicating your message properly, and leading consumers down the path to purchase. These secrets include website directory listings, generating traffic, marketing pages, testimonials, creating a compelling over developing trust and providing a guarantee (Attard Communication Inc, www.businessknowhow.com, [n.d] : online).

4.4.1.4.1 Profitability of Internet Advertising

According to numerous analysts, the Internet Advertising industry will continue to grow, despite the removal of many forms of online advertisements. Therefore it is essential that newspapers exploit this medium to support their relationship marketing programme. Internet Advertising was sold at such a successful rate, because it was thought to be an instantly accountable medium. Advertisers were told that they could judge the effectiveness of their campaigns immediately by the number of people who responded to their advertisements by visiting the sites. With such a guaranteed tracking chart, many advertisers jumped at the chance to improve their awareness statistics (Online Women's Business Centre, www.onlinewbc.gov, [n.d] : online).

Below is a diagramme of how the press accompanied with Internet marketing can increase awareness of relationship and have a call to action. By using multiple methods of advertising, it is more likely that the consumer will purchase the product or build purchase intent. This combination can lead to a positive attitude by the advertisers towards the newspapers culminating in a relationship that in the end support the newspaper to increase profits. When a call to take action takes place the relationship building process starts to grow (Online Women's Business Centre, www.onlinewbc.gov, [n.d] : online).

Figure 4.1 Traditional forms of medium can increase awareness and have a call to action



Adapted from: Online Women's Business Centre, www.onlinewbc.gov, [n.d] : online.

4.4.2 Relationship building methods aimed at advertisers

Myths lead to unrealistic expectations. If a newspaper can get rid of the following myths, good relations are enhanced.

4.4.2.1 *Getting rid of advertising myths*

Advertising is a tool that, if used correctly, can be very powerful. Advertising is very good for creating an image, for getting a consistent message out to many people at one time, or for showing how one product differs from another. The myths of advertising can hamper building a long-term relationship with advertisers and must therefore be managed by the newspapers.

4.4.2.1.1 Myth 1: If a product is not selling well, advertise it

Advertising – even the most clever, funniest, most expensive advertising – cannot make people buy something they do not want. It can create an awareness of a product, it can get people to come and see the product. If people know they do not need the product, advertising will not help to sell it. Always advertise the best items, the product leaders that will attract new customers. Maybe some of the older merchandise will be seen and picked up at no further expense to the business. Product leaders that cause people to return will eventually build long-term relationships. Newspapers must build relationships through clearly explaining where the real worth of advertising lies and not to create exaggerated expectations. If a clear understanding exists, relationships are enhanced (Online Women's Business Centre, www.onlinewbc.gov, [n.d] : online).

Many people judge newspaper advertising on the look and feel of the advertisement. In fact, one of the mysteries of the modern world is having advertising awards for appealing advertisements. It does not matter how good your

advertisement looks. What counts is how much money you made from the advertisement (Ezine Articles, www.ezinearticles.com, [n.d] : online).

4.4.2.1.2 Myth 2: Advertising can create sales

Some people think that advertising is marketing or that advertising is selling. Advertising is one way to teach people about the product. Businesses can use it to communicate what a product is, how it will fill a need or enhance life, what the price is and where the buyer can get it. It can be used to differentiate a product or develop an image. Advertisers should understand this. That will reduce friction between advertisers and the newspaper and enhance trust and eventually lead to relationship building.

Good advertising can create traffic, interest or an image for the business. It can position the business's product in relation to the competition. By itself, advertising cannot create a sale (Online Women's Business Centre, www.onlinewbc.gov, [n.d] : online).

You cannot ever hope to get a good response to your advertising if you do not give people a reason to respond. This means that your advertisement needs to be full of information. Contrary to popular belief an advertisement crammed full of relevant and well-written copy always substantially wins over an advertisement without lots of copy (Ezine Articles, www.ezinearticles.com, [n.d] : online).

People may have heard an advertisement of a product they may want, but they will not purchase it unless they:

- Can afford the price;
- Find the place where it can be purchased;
- Like the product.

People, who order a product just because of an advertisement on television, will still go through an evaluation of the product, once they receive it. If the product does not fulfil their needs they will return the product. It is important when building relationship marketing to identify needs which may eventually lead to a long-term relationship. Advertisements must enhance confidence and in return a relationship building process starts to develop (Online Women's Business Centre, www.onlinewbc.gov, [n.d] : online).

4.4.2.1.3 Myth 3: Advertising can manipulate people to buy

If this myth was true, then some advertising executives would have the secret to success. If a secret to success exists, then 80 percent of new products cannot still fail. People have needs for products and services, but they have their own idea of how to fulfil these needs. Confidence must grow through the advertisements and relationships will be enhanced.

Managing these advertising myths can eventually be used as a building block in long-term relationships. It is important for newspapers to get rid of these advertising myths in order to build long-term relationships.

4.4.2.2 *Special attention to most valuable customers*

It is important for the Afrikaans Daily Newspapers to determine their top 50 client base due to the fact that these clients have the highest advertising budget to spend. These loyal customers must be given special attention so that they remain loyal. The most valuable customers are responsible for a large part of the income, therefore good relations ensure a confirmation of this profitable support.

A club can be started for this client base, where important newsletters are being posted to them or special competitions are held especially for them. This helps with the relationship building for future advertising (Online Women's Business Centre, www.onlinewbc.gov, [n.d] : online).

Successful customer relationship management starts by fully understanding the lifetime value of your customers. At most companies, 20 percent of the customers generate more than 80 percent of the revenues and profit. Yet company resources are often skewed toward interacting with customers who are the biggest or easiest to find. This means companies not only bear the direct cost of these low-value interactions, but they also, more importantly, bear the opportunity cost of not spending time with high-value customers (Advisor Media Inc, www.advisor.com, [n.d] : online).

4.4.2.3 *Testing and measuring*

It is absolutely essential that advertisers test and measure all of their advertising. This will contribute to the relationship marketing outcome of the organisation, through the fact that if the advertisements work effectively, advertisers will return and invest in the relationship. The newspaper can test and measure advertising on behalf of clients, thus supporting them and build goodwill which culminates in good relationships. People preparing advertising, publicity and sales promotion strategy and tactics are seldom members of the target audience and strategy desirability must be judged in terms of what a target audience might like, dislike or understand (Belch and Belch, 2004 : 1).

Advertisers use an existing formula to test and measure advertising and it is well worth remembering. The formula is AIDA. To create attention, interest, the desire and action to buy a product, all form part of building a long-term relationship. This formula can be used as a building tool in relationship marketing. If this formula is followed in every advertisement, the chance of success is increased.

Attention – The first aspect an advertisement needs to do is to get the reader's attention. The headline is very important.

Interest – Once the attention is there, an interest in the product must be created.

Desire – There is a big difference between being interested in a product or service and desiring it. The feeling of desire must develop into taking action.

Action – Desiring a product or service is not enough. Action must be taken to purchase the product or to make that call (Online Women's Business Centre, www.onlinewbc.gov, [n.d] : online).

Relationship building methods used by newspapers were discussed. It is important to see if print media is the preferred choice as advertising medium, therefore the newspaper's advantages will be investigated.

4.5 PRINT MEDIA AS A PREFERRED ADVERTISING MEDIUM

Advertising is an investment in your business's future. And like any investment, it is important to find out as much as you can before you make a decision. Every advertising medium has characteristics that give it natural advantages and limitations (The Entrepreneurship Resource Center, www.zeromillion.com/business/sales-marketing/advertising, n.d] : online).

Each advertisement message or advertisement campaign should be considered separately. Just because a medium makes sense for one message does not mean it is the best medium all the time.

The following advantages are reasons for advertisers to choose newspapers as the appropriate advertising medium to support relationship marketing. It depends on the message, target audience, objective and budget (Online Women's Business Centre, www.onlinewbc.gov, [n.d] : online). Since this study focuses on newspapers, the researcher only investigates the advantages and disadvantages of newspapers.

4.5.1 Newspaper advantages

The following are some of the main advantages:

- Newspapers are still the number one media for local advertisers in terms of where advertising funds are spent. Again relationship building must take place to ensure that this statement continues in the future;
- Daily Newspapers reach a broad and diverse audience;
- The audience is locally or regionally concentrated;
- Consumers often look for advertisements in the newspapers due to the fact that it is easily obtainable and available daily, in turn their mood may already be more receptive to the message;
- Newspapers deliver timely messages due to an established, regular publishing schedule such as daily, weekly or monthly. The message can thus be tailored to current events. Relationship marketing can help newspapers to keep abreast of what events are important to advertisers.
- The immediacy of a daily newspaper's news will cause readers to pick it up within a predictable time frame (i.e. Tuesday's paper is usually read on Tuesday) so that advertisers know when readers receive their messages;
- Copy space is unlimited in newspapers. Long, explanatory copy or a few bulletin lines can be written;
- Technology is improving newspapers' capabilities to create clear photos, better colours and to use new techniques such as scented inks; and
- Readers are actively involved in reading the newspaper. The fact that the newspaper must be held and pages turned produces a higher level of

attention. With relationship marketing the close relationship with advertisers can help to direct the attention to what the advertisers see as important (Online Women's Business Centre, www.onlinewbc.gov, [n.d] : online).

4.5.2 Newspaper disadvantages

To eliminate unrealistic expectations from advertisers, the disadvantages of using newspapers must also be communicated. If advertisers understand what the newspaper cannot do for them, it will eliminate misunderstandings and enhance relationships. The following are the most important disadvantages:

- Newspapers limit specific audience targeting. The advertisement covers the entire area of distribution and not only a specific audience;
- Reproduction of photos has been considered a disadvantage to using newspapers as an advertising medium, although technology has allowed great improvements.
- Many advertisers consider newspapers the best medium for local reach. Heavy competition can be created inside the paper for local business. This is referred to as a "clutter";
- Newspapers are not always popular with all age groups. Newspapers introduce pages and sections designed for young adults, teens and kids;
- Newspapers are static and two-dimensional. Electronic newspapers can change this in the future (Online Women's Business Centre, www.onlinewbc.gov, [n.d] : online);
- Newspapers usually are read once and stay in the house for just a day; and

- The print quality of newspapers isn't always the best, especially for photographs. So use simple artwork and line drawings for best results (The Entrepreneurship Resource Center, www.zeromillion.com/business/sales-marketing/advertising, n.d] : online).

It is important for an organisation to have faith in the effectiveness of advertising. Therefore it is important to investigate the functions of advertising in order to establish a relationship building process.

4.6 ADVERTISING FUNCTIONS

Advertising is valued because it is recognised as performing a variety of critical communication functions for the organisation. If advertisers are convinced about the effectiveness of advertising in newspapers, they will use it on a regular basis.

According to Shimp, (2000 : 261), it is important to look at the following communication functions in an organisation:

Informing the customers of an organisation makes them aware of new brands, educates them about brand features and benefits and facilitates the creation of positive brand images. Advertising is an effective way of communication and is capable of reaching mass audiences at a relatively low cost, facilitates the introduction to new brands and increases demand for an existing brand. Informed customers are less likely to become dissatisfied because they are familiar with what to expect. Satisfied customers are a building block in the relationship enhancement

process. The fact that the audience is convinced that it knows what to expect and the fact that a mass audience are reached through newspapers come to show the effectiveness of newspapers as an effective medium.

Customers must be persuaded to test advertised products and services through effective advertising. This form of influencing primary demand can create a demand for an entire product category. Influencing a customer to use an entire product category leads to building a long-term relationship with the organisation, through the fact that it creates confidence in a specific supplier. The fact that newspapers provide the functions of testing and measuring advertisements shows again the effectiveness of newspapers as an effective medium (Shimp, 2000 : 262).

Advertising reminds customers and keeps an organisation's brand fresh in the consumer's memory. When a need arises that is related to the advertised product, a previous advertisement makes an impact on the consumer's mind as a purchase candidate. Reminding stimulates customers to do business with the newspaper repeatedly, helping the relationship building process, and ultimately become the preferred supplier to the customer. Newspapers remind consumers on a consistent basis and this contributes to newspapers being an effective medium of advertising. Three basic ways for organisations to add value to their offerings are innovating, improving quality or altering customer perceptions. Advertising adds value to brands by influencing customers' perceptions. According to Shimp (2000 : 320) innovation without quality is a mere novelty. These basic ways to add value all contribute to advertising functions that stimulate relationship building.

Advertising sometimes accomplishes goals by itself. Other times advertising's primary role is a helping hand that facilitates different company efforts in the marketing communication process. A crucial role of advertising is to assist sales representatives. Advertising plays a vital role in an organisation and provides sales people with valuable introductions prior to their personal contact with prospective customers. The advertisement gives information regarding the specific outcome that the organisation wants to reach. The role contributes eventually to relationship building and the enhancement of relationship marketing in the future, due to the fact that advertising contributes to the needs of the organisation.

The current circulation model is an investment in reaching a defined audience who appeals to advertisers. If 20 percent of the readers account for 80 percent of the advertisement revenues, then the rest of the readers can be seen as overhead. In such a case the business should determine if the current form of distribution contributes to reaching the more valuable customers.

The move from broadsheet to tabloid has failed to improve the fortunes of the newspaper. What readers and advertisers want is not a change in format, they want more relevance for less time and money. If readers can be offered more of what they want, when they want it and advertisers can be offered more of what they want with less wastage, then newspapers will be around for a long time to come, whatever the format (Daily Revenue, www.newsandtech.com, [n.d]: online).

The basis of this lies in good customer service. Customer service contributes to relationship building which in the long-term will contribute to satisfied customers and advertisers.

It is thus important to fulfill in the needs of the reader and the advertiser to ensure the success of newspapers in the future. This leads to the successful building of relationships with clients and the development of a long-term relationship between the client and the organisation.

4.7 SUMMARY

Effective campaigns may differ in their creative strategy, rational versus emotional appeals and the presence of a brand-differentiating message. It is suggested that the differences in advertising arose from differences in the marketplace and cultural environment (Journal of Marketing Communication, Editorial, 2002 : 149).

Advertising, however tasteless and excessive it sometimes may seem, is nonetheless a dissemination of information as to who is producing and selling what product, for what reason, and at what price. So long as a predominantly free enterprise economy is preserved, the allocation of resources in large measures will be made through numerous private economic decisions. The free flow of commercial information is indispensable (Comm and Poly, 2002 : 161).

Successful advertising implant in the customer's minds a clear meaning of what the product is and how it compares to competitive offerings. With effective positioning

an organisation must be fully aware of its competition and exploit competitive weaknesses. There are no best products. All that exist in the world of marketing are perceptions in the minds of the customer or prospect. The perception is the reality. Everything else is an illusion (Shimp, 2000 : 321).

In the next chapter the research methodology used during the study will be discussed.

CHAPTER 5

RESEARCH METHODOLOGY

5.1 INTRODUCTION

The following chapter describes the research methodology that was used for the empirical research as described in Chapter 1 (p. 9). A questionnaire was handed out to advertising clients of the *Volksblad*, *Beeld* and *Die Burger* newspapers.

5.2 IDENTIFICATION OF INFORMATION SOURCES

The data utilised for the research project was both from primary and secondary sources. The secondary data comprised of information which currently exists and which is outlined in the reference list. The "ebshost" has also been contacted via the Internet for relevant secondary data.

The primary data comprised of data collected from marketing and market-related practitioners employed by the Afrikaans Daily Newspapers. Questionnaires were handed out to the personnel of these newspapers to distribute to the clients on the basis of a probability sampling method (see page 110).

Primary data has also been collected via in-depth interviews and questionnaires, which included both socio-economic data and data related to the research objectives.

It has been decided that the study will concentrate only on the different Afrikaans Daily Newspapers of Media 24 to collect the most accurate information for the purpose of the study. The reason is due to the fact that these three Afrikaans Daily Newspapers are the biggest in the Naspers group and the best information can be gathered for completeness, accuracy and consistency. Media 24 print over 120 million newspapers annually, which include *Volksblad*, *Beeld* and *Die Burger*. Several methods can be used, for example personal interviews, telephone surveys, mail questionnaires and observation. The questionnaires were sent by internal post to the different areas due to cost and time constraints. Consultants involved in the different departments handed the questionnaires out to the specific clients.

5.3 METHODS OF DATA COLLECTION

Questionnaires were handed out to the personnel of each Afrikaans Daily Newspaper and were asked to distribute the questionnaire to their clients that were drawn through the probability sampling method (see 5.5.3 p. 117).

5.3.1 The questionnaire

The questionnaire that was handed out, was structured and no disguised questions appeared in the questionnaire. Questions were developed after the literature research was conducted and were related to the problem statement.

The questionnaire contained multiple-choice questions, open-ended questions and scale ratings and was structured in such a way as to cover the objectives of the proposed study.

The questions in the questionnaire addressed several aspects such as to obtain clarity on how the customer-based relationship marketing is understood and practiced by the respondents.

The aspects include the following departments:

- Artists;
- Proofreaders; and
- Accounts.

5.3.1.1 Design and layout

Multiple-category and multiple-choice questions with single answers as well as a 4-point Likert scale consisting of “very satisfied” to “very dissatisfied” questions were used. There is also a 3-point Likert-scale consisting of “very important”, “important” and “not important” options. These scales were used to keep the questionnaire understandable and help the respondent to complete the questionnaire.

Questions addressed several aspects regarding how relations were understood and practised by nominated clients.

Questionnaires were delivered via internal post of Media24 to Johannesburg and Cape Town and clients were asked to complete the questionnaire within fifteen days. In order to increase the response rate questionnaires were delivered personally. The physical layout was done with ease for the respondent to answer. Completed questionnaires have been verified for completeness, accuracy and consistency. A pilot study was done in Bloemfontein with 15 respondents to test the completeness, accuracy and consistency. The pilot study is discussed later in the chapter.

5.3.1.2 Validation of questionnaire

When a researcher measures an attitude, validity is established if a test indicates that the instrument measures what it is supposed to measure. If this is the case, then differences in attitude scores will reflect among the objects or individuals on the characteristic being measured. Criterion validity is more defensible, for it is based on empirical evidence that the attitude measure correlates with other criterion variables. It is important to take note that validity was tested and measured in the questionnaire. Validity refers to whether the questionnaire or survey measures what it intends to measure. While there are very detailed and technical ways of proving validity that are beyond the level of this discussion, there are some concepts that are useful. The biggest principle of validity is that it focuses on how a questionnaire is used. Reliability is a characteristic of the instrument itself, but validity comes from the way the instrument is employed (www.evensenwebs.com. Questionnaire Validity, [n.d] : online).

If the two variables are measured at the same time, concurrent validity is established. If the attitude measure can predict future events, then predictive validity has been established. A measure of brand preference or buying intentions is valid if it can be shown through sales records to predict future sales. This is the most important type of validity for decision-making purposes, for the very nature of decisions requires predictions of uncertain future events (Kumar, Aaker and Day, 1999 : 293).

Again it is vital to state that the questionnaire was tested and measured for validity. Each question in the questionnaire asked the respondent to determine the relationship marketing strategies employed by the Afrikaans Daily Newspapers of Media 24. Validity was measured using the content validity approach in respect of the questionnaire designed for the respondents. Respondents of the different Afrikaans Daily Newspapers of Media 24 had not been surveyed regarding the relationship that exists between the newspapers and their advertisers. This method therefore determined whether the question items provided adequate coverage of the topic under discussion.

Concurrent and predictive validity provide necessary evidence of overall validity. In predictive validity, the operationalisation's ability is assessed to predict something it should theoretically be able to predict, while concurrent validity assesses the operationalisation's ability to distinguish between groups that it should theoretically be able to distinguish between ([www. Socialresearchmethods.net](http://www.Socialresearchmethods.net), Measurement Validity Types, [n.d] : online).

The characteristic of these approaches is that they provide evidence on convergent validity. Thus an attitude measurement can adequately represent a characteristic or variable if it correlates or converges with other supposed measures of that variable. It is important to note that this was done when the questionnaire was tested and measured for validation. This is stipulated later in the chapter under the pilot study (p. 115).

Construct validity can be considered only after discriminated and convergent validity have been established. It is achieved when a logical argument can be advanced to defend a particular measure. The argument aims firstly to define the concept or construct and then to show that the measurement logically connects the empirical phenomenon to the concept (Kumar, *et al*, 1999 : 293).

Returned questionnaires were evaluated for completeness, accuracy and consistency according to the above-mentioned aspects.

5.3.1.3 *Coding of questionnaire*

Reliability can be classified according to whether the organisation measures stability of results over time or internal consistency of items in an attitude scale. Repeating the measurement with the same instrument and the same respondents at two points in time and correlating the results assess stability over time. The equivalence approach to assess reliability is appropriate for attitude scales composed of multiple items that presumably measure the same underlying one-dimensional attitude (Kumar, *et al*, 1999 : 294).

A pilot study was conducted to ensure no misunderstanding of questions in the questionnaire will occur.

5.3.2 Interviews

Interviews were held with the different respondents identified to take part in the survey. The personnel of Media 24 who handled the survey made use of different methods to complete the questionnaires.

5.3.2.1 Methods used during interviews

The questionnaires for *Beeld* and *Die Burger* were mainly handled via telephone interviews. Respondents were asked to complete the questionnaire in only a few minutes. Telephone interviews were chosen due to the fact that some consultants were not available to deliver the questionnaires. Due to validity and coding it was important to rather make use of telephone interviews.

For the *Volksblad* mainly personal interviews were used. Consultants of *Volksblad* were asked to have personal interviews with the decision-maker that handles the placement of advertisements. In both telephone and personal interviews the same questionnaire were used and only the method of contacting the respondents differ.

5.3.2.2 Validation of interviews

It is important to test the validity of the interviews to ensure consistency and accuracy. Concurrent and predictive validity provide the necessary evidence of overall validity. As stated in 5.3.1.2 (p. 111), an attitude measure can adequately represent a characteristic or variable that correlates or converges with other supposed measures of that variable.

5.4 PILOT STUDY

A pilot study, to detect any ambiguous questions and problem areas in the questionnaire, was carried out. To conduct the pilot study, the researcher made use of a non-probability sampling method, such as convenience sampling. This method was used because respondents were selected on the basis of convenience or availability. The sample of the survey was carried out with respondents situated in Bloemfontein, who are advertisers in *Volksblad*. Fifteen respondents completed the questionnaire. Changes were made to some of the questions that were not understood, and questions that were not relevant to the sample group.

Five questionnaires were handed out again to test the validity. After the final pilot study was completed, the questionnaires were completed by the mentioned sample group.

5.5 SCOPE OF THE RESEARCH

The scope of the research consists of the research population, respondents and the sampling method.

5.5.1 Research population

The main newspaper departments of the *Beeld*, *Die Burger* and *Volksblad* newspapers were approached to take part in the survey. Questionnaires were handed out to the consultants at each Afrikaans Daily Newspaper and they were asked to distribute the questionnaire to the clients. Fifty respondents were identified at each Afrikaans Daily Newspaper out of a possible two hundred (see page 117). The number of advertisers is nearly the same at all three Afrikaans Daily Newspapers.

5.5.2 Respondents

The total population of this survey included the clients that were nominated through the probability sampling and as mentioned in 5.5.1 above.

The main focus of this study was on the advertisers of each Afrikaans Daily Newspaper. The respondents had the chance to express their feeling regarding the different departments in the newspapers, which made it difficult for effective relationship marketing. Problem areas were therefore identified via the questionnaire.

Fifty advertisers of each Afrikaans Daily Newspapers were identified to complete the questionnaires and take part in the research. Of the fifty advertisers thirty-five of *Volksblad*, thirty-seven of *Beeld* and thirty-eight of *Die Burger* returned the questionnaires.

5.5.3 Sampling method

A probability sample was taken from each Afrikaans Daily Newspaper to ensure the most accurate information. Probability sampling involves four considerations. The target population – the group about which the information is being sought – must be specified. This was done by using a sampling approach. The method for selecting the sample needs was developed. The sample size was determined on the accuracy needs, the variation within the population, and the cost. The non-response problem was addressed by incorporating telephone interviews as well (Kumar, *et al*, 1999 : 376).

The simple random sampling approach was used, because each client had an equal probability of being selected. The random-number table consists out of a table of random numbers and is very practical. In the case of *Beeld* and *Die Burger* a sample of five numbers were used due to the reason that the clients consists of more than two thousand. In the case of *Volksblad* a sample of two numbers were used because there are only 500 advertising clients. From a table of random numbers every fifth number was used to select the sample. All the clients were listed in alphabetical order from one to two thousand for *Beeld* and *Die Burger*. A sample was selected to determine the respondents that received a questionnaire.

Clients of *Volksblad* were also listed in alphabetical order from one to five hundred. A sample of two numbers was used to determine the respondents that received a questionnaire. Therefore each client had an equal probability of being selected. The simple random sampling was done by a random-number table, the researcher can start anywhere in the table.

5.6 METHOD OF SYSTEMATISING AND ANALYSIS OF DATA

After the questionnaire or interview responses have been obtained, the researcher was then able to analyse the data. This was done after editing the data, evaluating the data for accuracy, coding the responses and variables, categorising the variables and lastly keying the data into the computer.

The researcher made use of appropriate statistical methods to process the survey. The data analysis was done on the database namely, frequency tables, bar charts, cross tabulations with chi-square (X^2) tests, means and standard deviations.

The findings of the research are represented in the form of a tabular (frequency tables) and/or graphical (bar and/or pie charts) representation of all the values in the set of data and their corresponding frequencies.

5.6.1 Cross tabulations

Cross tabulations were calculated on specific variables, which can contribute towards reaching the research objectives. The “Totals” row and column always

show the number of answer sheets on which the answer value appeared – that is, the number of times the answer actually appeared. The body of the table shows the number of times each column answer value appeared for each row value.

5.6.2 Chi-square

The data collected from the questionnaires was processed by means of a computer programme known as the Statistical Programme for Social Studies (SPSS). As the study was meant to prove or disprove the relationship between the different Afrikaans Daily Newspapers and the advertisers, a Chi-square test was an appropriate method of data processing. The study provided a comparison between the Afrikaans Daily Newspaper and their advertisers, therefore a Chi-square test of two independent samples was utilised.

Chi-square is a non-parametric test of statistical significance for tabular analysis. Any appropriately performed test of statistical significance gives the degree of confidence in accepting or rejecting a hypothesis. The hypothesis tested with Chi-square is whether or not two different samples (of people or text) are different enough in some characteristic or aspect of their behavior that it can be generalised from samples that the populations from which samples are drawn are also different in the behavior or characteristic. A non-parametric test, like Chi-square, is a rough estimate of confidence. It accepts less accurate data as input than parametric tests (like t-tests and analysis of variance, for example) and therefore has less status in the pantheon of statistical tests. The limitations are also its strengths, because Chi-

square is more reliant in the data it will accept, it can be used in a wide variety of research contexts (Chi Square Tutorial, www.georgetown.edu, [n.d] : online).

Chi-square (X^2) was used in the cross tabulations in order to test whether or not two categorical variables are dependent. The data for the chi-square test is usually arranged in a table including sums for each row and/or column. Large values of X^2 ($p > 0.5$) mean that on the whole, the observed frequencies are far from the expected ones. Small values of X^2 ($p < 0.5$) mean the opposite. On the whole, the observed frequencies are closer to the expected ones. So X^2 does give a measure of the distance between the observed and the expected frequencies.

5.7 CONCLUSION

Research methodology refers to the methods whereby the data will be collected, analysed and interpreted by the researcher. Researchers are required to make decisions in relation to the types of data, data collection methods and the means utilised to analyse the collected data. Imperative within the decision-making process is the research problem and sub-problems identified. All research methodology to be employed must assist the creation of a solution to the research problem.

The results and analysis of the data collected will be fully addressed in the following chapter.

CHAPTER 6

RESULTS OF THE EMPIRICAL STUDY

6.1 INTRODUCTION

The practical application of the research was done on the principle of frequency tables, bar charts, cross tabulations with chi-square (X^2) tests, means and standard deviations. There were two separate groups identified, namely the different Afrikaans Daily Newspapers and the advertisers. Respondents who did not complete the questionnaire were contacted telephonically. Responses were marked on the questionnaire and entered directly into the computer system.

The findings of the research are presented in the form of tabular (frequency table) and/or graphical (bar and/or pie charts) representation of all the values in the set of data and their corresponding frequencies.

Any test of significance (P-value) can only deal with the question of whether it is just a chance variation or if the difference is real. The test is not designed to see whether the difference is important or not. The P-value of a test depends on the sample size. With a large sample, even a small difference can be statistically significant. This does not necessarily make it important. A statistically significant difference between how the respondents from the different Afrikaans Daily Newspapers responded to that particular variable is represented by ($p < 0.5$). A statistically highly significant difference between how the respondents from the different Afrikaans Daily Newspapers responded to that particular variable is represented by ($p < 0.01$).

A total of 108 individual responses were obtained from a sample of 150, therefore a response rate of 72 percent has been obtained. The respondents included advertisers of the different Afrikaans Daily Newspapers. The sample of 150 respondents consist out of advertisers of different advertising budget spend per annum. Responses were entered directly into the computer. Frequency tables, tables and graphs and means and standard deviations were used to analyse the data.

Mean and standard deviation were calculated on these group questions. The standard deviation measured to what degree scores dispersed around the mean. The mean provides information about the general level of a set of scores. The standard deviation provided more information about the degree to which responses differed in relation to a particular question variable. Firstly an analysis was done of all newspapers combined and then each Afrikaans Daily Newspaper separately.

6.2 FREQUENCY TABLES AND GRAPHS OF ALL NEWSPAPERS COMBINED

As the questionnaire existed of group questions, the individual subsections response rates are of little importance. A total of 108 questionnaires were completed by respondents. Some returned questionnaires did not indicate certain specific information, for example the questions regarding budget, maybe due to the sensitivity of the question.

Relationship indicators are used in table 6.1 to determine what customers expect in their relationship with Media 24.

Table 6.1 Customer expectations in their relationship with Media 24

Relationship indicators	Very Important		Important		Not important		Total	
	%	n	%	n	%	n	%	n
Calling on clients	36.1%	39	60.2%	65	3.7%	4	100%	108
Solving of problems	43.5%	47	55.6%	60	0.9%	1	100%	108
Response time	69.8%	74	30.2%	32	0.0%	0	100%	106
Friendliness	55.7%	59	44.3%	47	0.0%	0	100%	106

The importance of customer expectations in their relationship with Media 24 were measured by measuring the importance of calling on clients to determine their satisfaction, solving of problems on payment slips, response time to a problem and friendliness and supportiveness offered by salespeople.

Clients view all four criteria tested for customer expectations regarding their relationship with Media 24 as important to very important with response time and friendliness rated 100 percent in the above-mentioned categories and problem solving 99.1 percent and calling on clients 96.3 percent. The most predominant role of a consultant from the Afrikaans Daily Newspapers is to give fast and efficient service to a client and make sure that they know what the client expect from them and the company.

In question 2 of the questionnaire (Appendix B, p. 249) the respondents were asked to indicate if they agree or disagree with given statements. The statements are indicators of customer retention and relationship marketing. These indicators can assist the different Afrikaans Daily Newspapers to improve certain areas for example quality service and building a confidence in the organisation for the future.

Table 6.2 Indicators of customer retention

Indicators of customer retention	Strongly Agree		Agree		Disagree		Strongly Disagree		Total	
	%	n	%	n	%	n	%	n	%	n
Customer bought	22.2%	24	71.3%	77	5.6%	6	0.9%	1	100%	108
Supplier Fails	59.8%	64	39.3%	42	0.9%	1	0.0%	0	100%	107
Quality service	62.0%	67	36.1%	39	1.9%	2	0.0%	0	100%	108
Confidence in organisation	53.7%	58	46.3%	50	0.0%	0	0.0%	0	100%	108
Customers recommend	43.4%	46	56.6%	60	0.0%	0	0.0%	0	100%	106
Pay premium price	18.1%	19	69.5%	73	11.4%	12	1.0%	1	100%	105

These statements were given to measure the importance of the probability of a new purchase, should a supplier fail to deliver, the quality of service sold and confidence in the organisation as an organisation of the future. The predominant number of respondents agreed (71.3 percent) to the fact that if a customer has bought a product, it does not forecast the probability of a new purchase. A total of 59.8 percent of the respondents strongly agree that should a supplier fail to meet the demand of a client they will seek alternative suppliers. Clients also want confidence

in the organisation as an organisation of the future (53.7 percent). Respondents respectively strongly agree to the statements that if a supplier should fail to deliver (59.8 percent), the quality of services sold is determined in a great extend by skills and work attitudes (62 percent). Only 22.2 percent of respondents strongly agrees to the fact that a customer has bought a product does not forecast the probability for a follow-up purchase.

In Question 3 of the questionnaire (Appendix B, p. 249) the respondents were asked to rate the importance of customer service to advertisers.

Table 6.3 Customer service to advertisers

Customer service indicators	Very Important		Important		Not important		Total	
	%	n	%	n	%	n	%	n
Friendly Smile	38.9%	42	60.2%	65	0.9%	1	100%	108
High Satisfaction	53.7%	58	46.3%	50	0.0%	0	100%	108
Responsive	70.4%	76	29.6%	32	0.0%	0	100%	108
Innovative	61.1%	66	38.0%	41	0.9%	1	100%	108
Comfort and Convenience	40.2%	43	57.9%	62	1.9%	2	100%	107
Personal Attention	44.9%	48	54.2%	58	0.9%	1	100%	107
Response time	36.4%	39	60.7%	65	2.8%	3	100%	107

The importance of customer service is determined by measuring different service indicators as mentioned in the first column of table 6.3. Responsiveness (70.4 percent) was rated as very important, thus the service aspect that deserves special attention by the Afrikaans Daily Newspapers. The predominant number of

respondents (61.1 percent) stated that innovations are very important when it comes to advertising. Consultants must be innovative when visiting a customer, not only with their advertisement, but also with creative ideas. The response time (60.7 percent) plays a vital role in customer service. Customers must be serviced frequently and as soon as possible when required. It is also clearly stated that friendliness (60.2 percent) is very important for clients. Personal attention plays a vital role when building relationships.

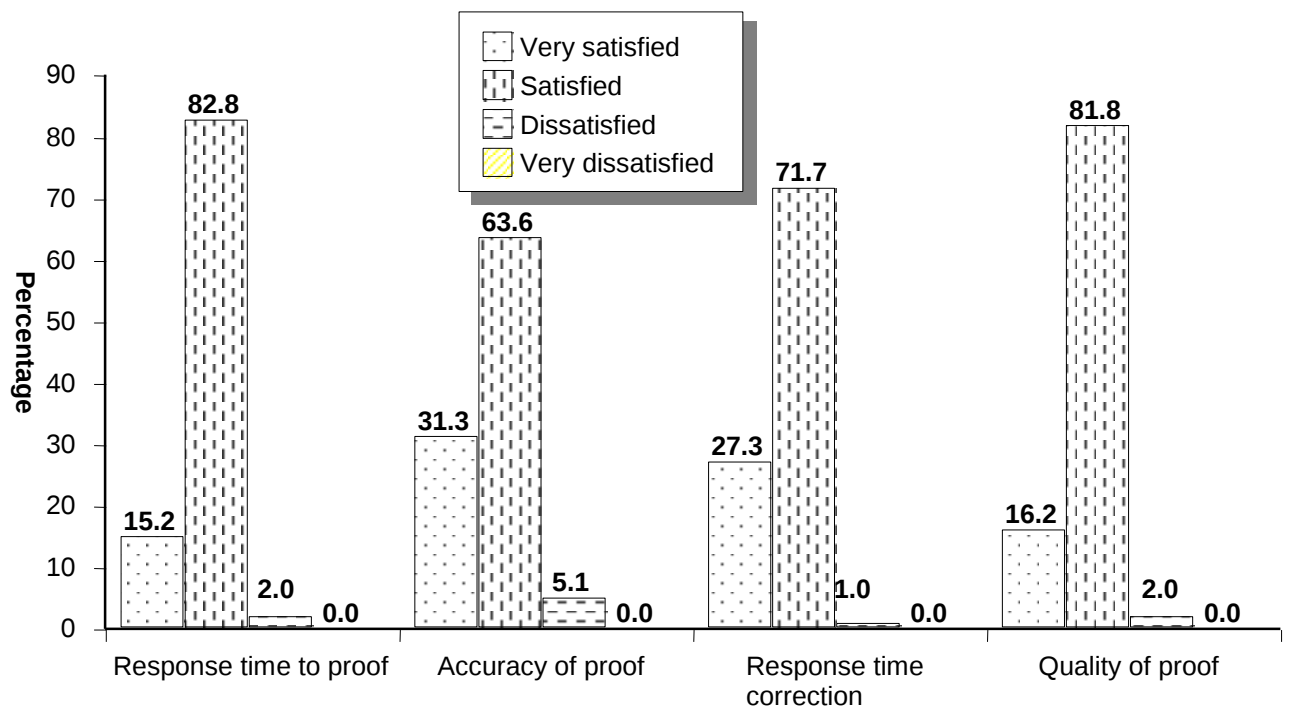
Customer loyalty plays a vital role in relationship marketing. The respondents were asked in Question 4 of the questionnaire (Appendix B, p. 249) to either agree or disagree with given statements.

Table 6.4 Customer Loyalty indicators

Loyalty Indicators	Strongly Agree		Agree		Disagree		Strongly Disagree		Total	
	%	n	%	n	%	n	%	n	%	n
Emotional bonding	14.2%	15	70.8%	75	13.2%	14	1.9%	2	100%	106
Affective Influence based on trust and respect	34.6%	37	65.4%	70	0.0%	0	0.0%	0	100%	106
Advertise more	65.1%	69	31.1%	33	3.8%	4	0.0%	0	100%	106
Repeat Behaviour	46.2%	48	51.0%	53	2.9%	3	0.0%	0	100%	104
Customers recommend	43.4%	46	56.6%	60	0.0%	0	0.0%	0	100%	106
Pay premium price	18.1%	19	69.5%	73	11.4%	12	1.0%	1	100%	105

According to table 6.4 (p. 126) two of the customer loyalty indicators were 100 percent strongly agreed or agreed on which include affective influence based on trust and respect and satisfied customers recommend. Loyalty as an affective influence based on respect and trust and the fact that satisfied customers will recommend. Respect and trust along with satisfied customers all contribute to the relationship building process. It is very likely that the domain of marketing will be defined around the concept of repeated market transactions (European Journal of Marketing, Anon., 1996 : 8).

Graph 6.1 Satisfaction of service delivery levels by the artists' department of Media 24

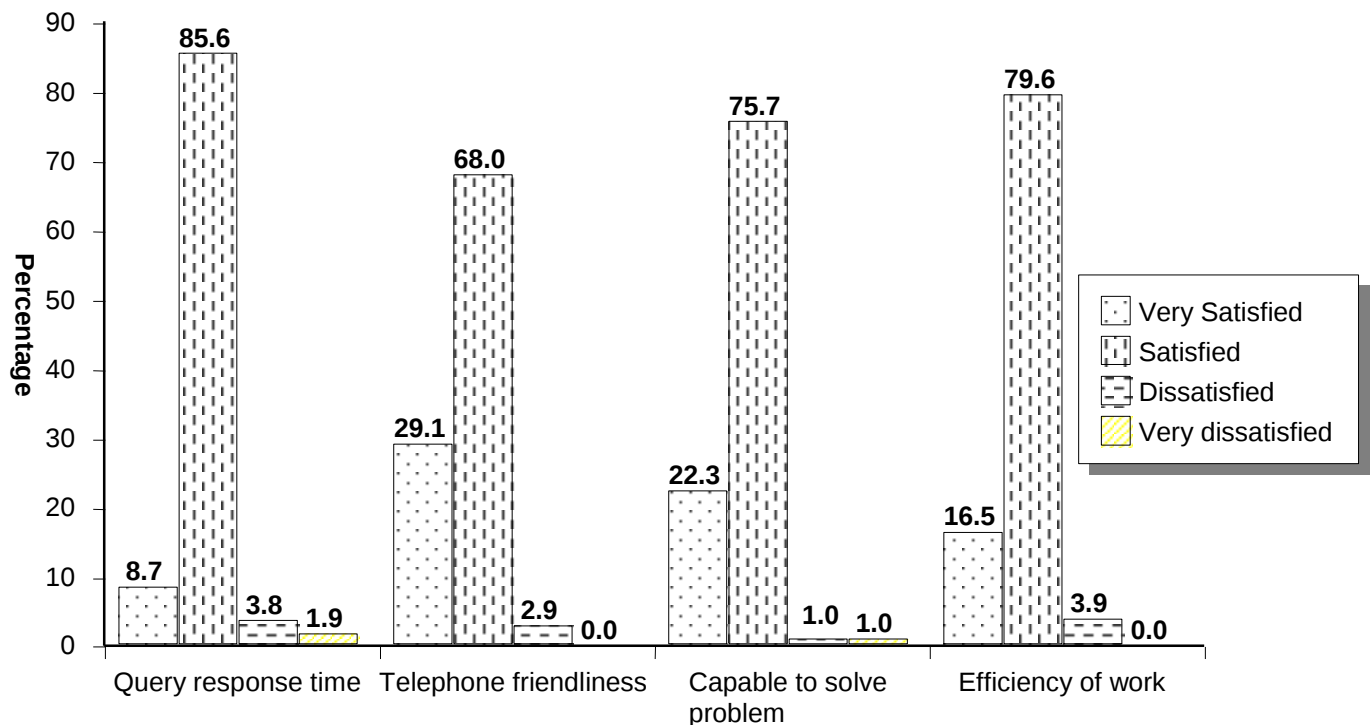


Response time for corrections of proofs (99 percent) plays the predominant role of satisfied and very satisfied clients when it comes to placing an advertisement. A small percentage of the respondents (5.1 percent) were dissatisfied with the accuracy of the proof that they received as stated in graph 6.1. Customer service

and need satisfaction play a vital role with advertisers to fulfil their needs. It is therefore important to make sure that customers are satisfied when receiving their proof of the advertisement in order to retain customers for the future.

A total of 10.1 percent of the respondents were dissatisfied with the given statements in Graph 6.1 (p. 127). The service delivery indicators in the artists department therefore need attention in order to build relationships and nurture customers.

Graph 6.2 Satisfaction of service delivery levels by the accounts department of Media 24



In graph 6.2 the main findings were that there was a severe percentage difference regarding the dissatisfaction of service delivery levels by the accounts department. The satisfaction levels differ from 68 percent to 85.6 percent. Some of the

respondents (3.8 percent) were dissatisfied with the response time to a query that they might have had with their account and some (1.9 percent) were very dissatisfied with this particular service delivery. Only 8.7 percent were very satisfied. Also 3.9 percent of the respondents were dissatisfied with the efficiency of work delivered. There is room for improvement to a quicker response time when a query may occur.

Later in this chapter (p. 189) the different Afrikaans Daily Newspapers were analysed separately to see why some respondents were dissatisfied. The Afrikaans Daily Newspapers' respondents are overall satisfied with the query to response time (85.6 percent), capability to solve problems (75.7 percent) and the efficiency to getting the job done (79.6 percent).

Question 7 in the questionnaire (Appendix B, p. 249) was grouped together to determine the level of satisfaction delivered by the artist and accounts department, to determine the quality of service of the marketing functions and the indication of the importance of the environmental functions in order to build a long-term relationship.

Table 6.5 Department indicators

Department Indicators	Satisfaction of advertisement and accounts departments							
	Low		Medium		High		Total	
	%	n	%	n	%	n	%	n
Earlier Advertisement Proofs	2.9%	3	72.5%	74	24.5%	25	100%	102
Accounts Department handle clients more professionally	4.8%	5	69.2%	72	26.0%	27	100%	104

There are two departments that have an influence on the relationship building process. These departments include the artist- and accounts departments. According to table 6.5 (p. 129), it is clear that the indicators are showing that more attention should be given to the accounts and artists departments. A total of 2.9 percent and 4.8 percent of respondents feel that these departments can improve. These two departments play a vital role in the relationship building process due to the fact that quality proofs and accurate accounts all contribute to relationship building.

Table 6.6 Marketing functions

Marketing Functions	Quality of service delivery of marketing functions							
	Low		Medium		High		Total	
	%	n	%	n	%	n	%	n
Consultant Response	2.8%	3	65.1%	69	32.1%	34	100%	106
Build Loyalty	6.6%	7	56.6%	60	36.8%	39	100%	106
Identify customer needs	14.3%	15	49.5%	52	36.2%	38	100%	105
Use client database	11.4%	12	61.0%	64	27.6%	29	100%	105

According to the marketing functions, urgent attention is needed to improve relationship building. A total of 36.2 percent of respondents feel that more attention must be given to proactive steps to identify customer needs and requirements and 27.6 percent felt that the client database must be used to full advantage.

Table 6.7 Environmental functions

Environmental Functions	Indication of the importance of environmental functions							
	Low		Medium		High		Total	
	%	n	%	n	%	n	%	n
Customers that leave	23.8%	25	52.4%	55	23.8%	25	100%	105
Future trends	2.8%	3	66.0%	70	31.1%	33	100%	106
Monitor environment	9.1%	3	42.4%	14	48.5%	16	100%	33
Market owned	2.0%	2	68.6%	70	29.4%	30	100%	103

The environmental functions show a need for attention. A total of 23.8 percent of respondents feel that more attention must be given to customers that leave. The reasons why customers leave can be used to the advantage of the Afrikaans Daily Newspapers and to build relationships.

Table 6.8 Advertising budget of clients per annum

Advertising budget	Frequency	Percentage
0 – 100 000	25	37.3%
100 001 – 200 000	33	49.3%
200 001 and more	9	13.4%
Total	67	100.0

A total of 108 questionnaires were completed by respondents. Only 67 respondents reacted to the question regarding the advertising budget of clients per annum. Some returned questionnaires did not indicate the specific information, maybe because of the sensitivity of the question.

The respondents that took part in the survey spent mostly between R100 001 – R200 000 per annum (49.3 percent) on advertising. The second highest advertising budget was between R0 – R100 000 (37.3 percent). Only 13.4 percent fell within the group of R200 001 and more. A cross tabulation between advertising budget and given questions in the questionnaire will be described later in the research.

6.3 MEANS AND STANDARD DEVIATIONS ALL NEWSPAPERS

Mean and standard deviation were calculated on these group questions. The standard deviation measured to what degree scores dispersed around the mean, while the variance was calculated to better analyse the results. Mean scores were calculated on figures loaded in the response categories in questions, which were contained within the grouped table questions. The mean provides information about the general level of a set of scores. The standard deviation provided more information about the degree to which responses differed in relation to a particular question variable. Firstly an analysis was done of all newspapers combined and then each Afrikaans Daily Newspaper separately.

The mean is the average of the same answer of each question and the standard deviation how much they differ. The bigger the standard deviation the more the variation is evident between answers. The standard deviation is kind of the "mean of the mean," and often can help to find the story behind the data (Niles, 2006 : 1).

Table 6.9 Customer expectations in their relationship with Media 24

In Question 1 of the questionnaire (Appendix B, p. 249) the responses indicated what the customers expect in their relationship with Media 24. A higher standard deviation means that the variation between the different answers becomes bigger.

Questions	Mean	Standard Deviation
Calling on clients	1.68	0.54
Solving of problems	1.57	0.52
Response time	1.30	0.46
Friendliness	1.44	0.50

Answers to the first question of the questionnaire were on average more or less the same for all the newspapers. It is evident that there was not a big difference between the variations of the answers given by the respondents of the Afrikaans Daily Newspapers. The respondents from the different Afrikaans Daily Newspapers expect mostly the same in their relationship with Media 24.

In Question 2 of the questionnaire (Appendix B, p. 249) the respondents were asked to indicate how they agree or disagree regarding the given statements of quality indicators. As stated on p. 132, the standard deviation measured to what degree scores dispersed around the mean. The mean provides information about the general level of a set of scores.

Table 6.10 Quality indicators

Questions	Mean	Standard Deviation
Customer bought	77.09	18.09
Supplier fails	89.49	13.75
Quality of service	89.58	14.95
Confidence	88.43	12.52

According to table 6.10, the analysis shows a high variation of answers. Respondents from the Afrikaans Daily Newspapers reacted differently to questions about quality indicators. It is important to fulfil in the needs of the respondents due to the fact that they differ in their opinion regarding quality indicators. Later in the chapter (p. 187) each newspaper will be discussed separately to see what the big differences in opinions are.

Question 3 of the questionnaire (Appendix B, p. 249) indicates the aspects of customer service and the degree importance to the respondents. As stated on p. 132, the standard deviation measured to what degree scores dispersed around the mean. The mean provides information about the general level of a set of scores.

Table 6.11 Customer service to advertisers

Questions	Mean	Standard Deviation
Friendly	1.62	0.51
High satisfaction	1.46	0.50
Responsive	1.30	0.46
Innovative	1.40	0.51
Comfort and convenience	1.62	0.53
Personal attention	1.56	0.52
Response time	1.66	0.53

Respondents of the Afrikaans Daily Newspapers feel the same about what they expect from customer service. The analysis of the question does not show a big variation in answers. The standard deviation and mean are nearly the same. The clients want personal attention, a friendly smile together with innovation and personal attention. These aspects can contribute to relationship building in the future.

Question 4 of the questionnaire (Appendix B, p. 249) covers the aspects of loyalty indicators. These aspects can contribute to long-term relationship building with the different Afrikaans Daily Newspapers. As stated on p. 132, the standard deviation measured to what degree scores dispersed around the mean. The mean provides information about the general level of a set of scores.

Table 6.12 Loyalty indicators

Questions	Mean	Standard Deviation
Emotional bonding	70.54	22.51
Affective influence	83.64	11.95
Advertise more	89.39	17.23
Repeat behaviour	85.10	16.16
Customers recommend	85.85	12.45
Pay premium price	73.10	21.25

According to table 6.12 a high variation in answers are evident because of the fact that the standard deviation is higher. The different Afrikaans Daily Newspapers expect different outcomes of loyalty indicators. Some respondents will advertise more, pay a premium price and recommend customers if they are satisfied with the level of customer service and some may not. Bonding is an increasing marketing strategy in which marketers seek to establish long-term bonds with customers so that current ones can be obtained (Stern, 2001 : 10).

Question 5 of the questionnaire (Appendix B, p. 249) indicates the satisfaction of service delivery by the artists department of Media 24. As stated on p. 132, the standard deviation measured to what degree scores dispersed around the mean. The mean provides information about the general level of a set of scores.

Table 6.13 Satisfaction of service delivery levels by the artists' department of Media 24

Questions	Mean	Standard Deviation
Response time to proof	77.78	11.79
Accuracy of proof	80.30	17.23
Response time corrections	81.31	12.55
Confidence	78.03	11.99

Question five of the questionnaire (Appendix B, p. 249) has also a high variation between the three different newspapers evident in the given answers. When a client is frustrated or annoyed with the artist department it may lead to placing fewer advertisements and in the end a decrease in profit. It is important to make sure that the client receives the best service possible. This can lead to relationship building in the future.

Question 6 of the questionnaire (Appendix B, p. 249) indicates the satisfaction of service delivery by the accounts department of Media 24. As stated on p. 132, the standard deviation measured to what degree scores dispersed around the mean. The mean provides information about the general level of a set of scores.

Table 6.14 Satisfaction of service delivery levels by the accounts department of Media 24

Questions	Mean	Standard Deviation
Query response time	73.82	16.02
Telephone friendliness	80.83	14.94
Capability to solve problems	79.38	14.13
Efficiency of work	77.18	14.05

There is a high variation with the accounts department of each Afrikaans Daily Newspaper, due to the higher standard deviation. The different newspaper experiences this specific department different from each other. It was earlier stated (p. 130) that the respondents want to be treated more professionally. This department can eventually also lead to a loss of profit if concerns are not addressed efficiently. The high standard deviation may also indicate that clients of some newspapers may be satisfied with the accounts department, while the clients of another newspaper may not be satisfied.

Question 7 of the questionnaire (Appendix B, p. 249) focused mainly on department indicators, as well as marketing and environmental functions. As stated on p. 132, the standard deviation measured to what degree scores dispersed around the mean. The mean provides information about the general level of a set of scores.

Table 6.15 Department indicators, marketing and environmental functions

Questions	Mean	Standard Deviation
Advertisement proof	2.22	0.48
Accounts department	2.21	0.52
Consultant response time	2.29	0.52
Build loyalty	2.30	0.59
Customers that leave	2.00	0.69
Identify customer needs	2.22	0.68
Use client database	2.16	0.61
Future trends	2.28	0.51
Monitor environment	2.39	0.66
Market owned	2.27	0.49

According to table 6.15 there is not a high variation between the given answers received from the different newspapers because of the lower standard deviation. Respondents from the different Afrikaans Daily Newspapers expect more or less the same from the given statement.

All of the respondents want their advertisement proof a bit earlier if possible, they want to be treated more professionally by the accounts department and they want proactive steps to be taken to build customer loyalty. Respondents feel that more attention must be given to customers that leave and that it is important that customer needs and requirements must be identified. The newspapers must also pay more attention to their client database and future trends that can have an impact on customers.

6.4 CROSS TABULATIONS BY NEWSPAPER

Cross tabulations were tested on specific variables, which can contribute towards reaching the research objectives. Chi-square (X^2) was used in the cross tabulations in order to test whether or not two categorical variables are independent. Statistically significant difference between how the respondents from the different groups responded to that particular variable is represented by ($p < 0.05$). A statistically highly significant difference between how the respondents from the different groups responded to that particular variable is represented by ($p < 0.01$). If $p > 0.05$, then it is accepted that there is no relationship between the answer received from the two different variables.

Table 6.16 Customer expectations in their relationship with Media 24 – Calling on clients

Q1i

Newspaper counts	Calling on clients		
	Very important	Important	Not important
Volksblad n = 35	69%	29%	3%
Beeld n = 35	29%	66%	6%
Burger n = 38	13%	84%	3%
Average	36%	60%	4%
P-value	0.000		

According to table 6.16 (p.140) the respondents of *Volksblad* indicated that they find it very important that the consultants must make sure that they are satisfied with the customer service (69 percent). The consultants from *Volksblad* specifically must pay attention to this fact in order to build relationship marketing strategies in the future.

Furthermore a chi-square test yielded a p-value of 0.000. It can be said with 95% certainty that all newspapers and the visitation of clients are related.

Table 6.17 Customer expectations in their relationship with Media 24 – Solving of problems

Q1ii

Newspaper counts	Solving of problems		
	Very important	Important	Not important
Volksblad n = 35	60%	37%	3%
Beeld n = 35	20%	80%	0%
Burger n = 38	50%	50%	0%
Average	44%	56%	1%
P-value	0.004		

There is a statistically high significant difference between the answers of the given statement ($p \approx 0.004$). The respondents from *Volksblad* find it very important that solving of problems on their payment slips must be taken care of (60 percent). The respondents from Beeld find this statement only as important (80 percent). If the

respondents experience difficulty with the accounts department action must be taken to prevent this in the future in order to build relationships.

A chi-square test yielded a p-value of 0.004, which means that the different newspapers and the solving of problems are significantly related.

Table 6.18 Customer expectations in their relationship with Media 24 – Response time to solve the problem

Q1ii

Newspaper counts	Response time		
	Very important	Important	Not important
Volksblad n = 35	80%	20%	0%
Beeld n = 33	79%	21%	0%
Burger n = 38	53%	47%	0%
Average	70%	30%	0%
P-value	0.016		

The respondents from the different Afrikaans Daily Newspapers, *Volksblad* (80 percent), *Beeld* (79 percent) and *Die Burger* (53 percent) find it very important that there must be a quick response if problems occur. There is a significant difference between the answers of the Afrikaans Daily Newspapers.

A chi-square test yielded a p-value of 0.016, which means that there is a significant relation between the different newspapers and the response time to solving problems.

Table 6.19 Customer expectations in their relationship with Media 24 – Friendliness and supportiveness by salespeople

Q1ii

Newspaper counts	Friendliness		
	Very important	Important	Not important
Volksblad n = 35	74%	26%	0%
Beeld n = 33	58%	42%	0%
Burger n = 38	37%	63%	0%
Average	56%	44%	0%
P-value	0.005		

The respondents from *Volksblad* provided a high response rate of 74 percent in table 6.19 regarding the friendliness and supportiveness offered by salespeople. The respondents from *Volksblad* finds this statement very important with 74 percent towards the 58 percent of *Beeld* and only 37 percent of *Die Burger*. There is a high significant difference visible in table 6.19.

The chi-square test yielded a p-value of 0.005, which implies a significant relation between the different newspapers and the friendliness and supportiveness offered by salespeople.

Chi-square was used again in the cross tabulations in order to test whether or not two categorical variables are dependent. For example in table 6.20 a chi-square test implies the relation between the different Afrikaans Daily Newspapers and the probability of future purchases by customers, thus if the two categorical variables are dependent or not.

Table 6.20 The probability of a new purchase

Q2i

Newspaper counts	Probable future purchases by customers			
	Strongly agree	Agree	Disagree	Strongly disagree
Volksblad n = 35	23%	60%	14%	3%
Beeld n = 35	29%	69%	3%	0%
Burger n = 38	16%	84%	0%	0%
Average	22%	71%	6%	1%
P-value	0.054			

According to table 6.20, *Volksblad's* clients that participated in the sampling again differ from these that have participated from other Afrikaans Daily Newspapers regarding the statement that the fact that a customer has bought a product does not

forecast the probability of a purchase in the future. The respondents from *Volksblad* either disagree (14 percent) or strongly disagree (3 percent) with the statement. The respondents from *Die Burger* show a higher emphasis on agreement (84 percent) and none of the respondents provided a response of disagreement of probable future purchases by customers.

The chi-square test yielded that the p-value is 0.054, which means that there is not a significant relation between the different newspapers and the probability of future purchases by customers.

Table 6.21 Confidence in the organisation

Q2iv

Newspaper counts	Client has confidence in organisation		
	Strongly agree	Agree	Disagree
Volksblad n = 35	86%	14%	0%
Beeld n = 35	54%	46%	0%
Burger n = 38	24%	76%	0%
Average	54%	46%	0%
P-value	0.000		

A chi-squared test yielded a p-value of 0.000, which means that the different Afrikaans Daily Newspapers and the statement that a client must have confidence in the organisation as an organisation of the future are significantly related. A total

of 86 percent of *Volksblad's* respondents strongly agree to the given statement and 76 percent of *Die Burger's* respondents agree.

Table 6.22 Customer service to advertisers – Friendly smile

Q3i

Newspaper counts	Friendly smile		
	Very important	Important	Not important
Volksblad n = 35	63%	37%	0%
Beeld n = 35	34%	66%	0%
Burger n = 38	21%	76%	3%
Average	39%	60%	1%
P-value	0.004		

The chi-square test yielded a p-value of 0.004, which means that the different Afrikaans Daily Newspapers and customer service through a friendly smile are significantly related. The respondents of the different newspapers find this given statement important, only 3 percent of *Die Burger's* clients implies that it is not important.

Table 6.23 Service to advertisers – Level of customer satisfaction

Q3ii

Newspaper counts	Importance of a high level of satisfaction		
	Very important	Important	Not important
Volksblad n = 35	86%	14%	0%
Beeld n = 35	49%	51%	0%
Burger n = 38	29%	71%	0%
Average	54%	46%	0%
P-value	0.000		

The chi-square test yielded a p-value of 0.000, which means that the different Afrikaans Daily Newspapers and the importance of a high level of customer satisfaction are significantly related.

The respondents either find the given statement as very important or important. A total of 86 percent of the respondents from *Volksblad* find it very important, towards 71 percent of the respondents from *Die Burger* that implies this statement as important.

Table 6.24 Customer service to advertisers – Personal attention

Q3vi

Newspaper counts	Personal attention		
	Very important	Important	Not important
Volksblad n = 35	57%	40%	3%
Beeld n = 34	44%	56%	0%
Burger n = 38	34%	66%	0%
Average	45%	54%	1%
P-value	0.167		

According to table 6.24 the different Afrikaans Daily Newspapers reacted more or less the same to the given statement. No statistically significant difference between answers is visible.

A chi-square test yielded a p-value of 0.167, which means that the different Afrikaans Daily Newspapers and customer service through personal attention are not significantly related.

Table 6.25 Customer service to advertisers – Response time

Q3vii

Newspaper counts	Response time		
	Very important	Important	Not important
Volksblad n = 35	74%	26%	0%
Beeld n = 34	29%	68%	3%
Burger n = 38	8%	87%	5%
Average	36%	61%	3%
P-value	0.000		

There is a statistically high significant difference between the answers of the response time of a consultant regarding customer service ($p < 0.01$). The respondents from *Volksblad* differ in the answer as 74 percent of respondents find the statement as very important towards only 29 percent from *Beeld* and 8 percent of *Die Burger*.

The chi-square test yielded a p-value of 0.000, which means that there is a significant relation between the different newspapers and customer service through the response time.

Table 6.26 Loyalty indicators – Emotional bonding

Q4i

Newspaper counts	Emotional bond as an indicator of loyalty			
	Strongly agree	Agree	Disagree	Strongly disagree
Volksblad n = 34	32%	56%	12%	0%
Beeld n = 34	12%	71%	18%	0%
Burger n = 38	0%	84%	11%	5%
Average	14%	71%	13%	2%
P-value	0.003			

A statistically high significant difference is visible between the given answers of the Afrikaans Daily Newspapers ($p < 0.01$). The respondents from *Die Burger* differ in the answers due to the fact that 0 percent of the respondents strongly agree with the statement that loyalty is an emotional bonding. Still 84 percent of these respondents agree with the statement.

The chi-square test yielded a p-value of 0.003, which means that the different newspapers and emotional bonding as an indicator of loyalty are significantly related.

Table 6.27 Loyalty indicators – Satisfied customers recommend

Q4iv

Newspaper counts	Customers recommend as an indicator of loyalty		
	Strongly agree	Agree	Disagree
Volksblad n = 34	62%	38%	0%
Beeld n = 34	35%	65%	0%
Burger n = 38	34%	66%	0%
Average	43%	51%	0%
P-value	0.032		

There is a statistically significant difference between the given answers. The highest number of respondents is from *Volksblad* and they strongly agree to the given statement regarding the fact that satisfied customers will recommend (62 percent). A different solution can be applied to each Afrikaans Daily Newspaper in order to ensure that satisfied customers recommend that can lead to a higher customer database.

The chi-square test yielded a p-value of 0.032, which means that there is a significant relation between the newspapers and customers recommended as an indicator of loyalty.

Table 6.28 Loyalty indicators – Satisfied customers will pay a premium price

Q4iv

Newspaper counts	Pay premium price			
	Strongly agree	Agree	Disagree	Strongly disagree
Volksblad n = 33	18%	61%	21%	0%
Beeld n = 34	21%	71%	6%	3%
Burger n = 38	16%	76%	8%	0%
Average	18%	70%	11%	1%
P-value	0.317			

No statistically significant difference visible between the given answers ($p < 0.317$). Respondents from the Afrikaans Daily Newspapers indicated that they will pay more just to feel respected and trust the person that they do business with. This will eventually lead to long-term relationship building between the customer and the company.

As shown in the table there is not a statistically significant difference between the given answers. The chi-square test yielded a p-value of 0.317, which implies no significant relation between the different newspapers and a premium price.

**Table 6.29 Satisfaction of service delivery levels by the accounts
department of Media 24 – Response time to a query**

Q6i

Newspaper counts	Response time to queries			
	Very Satisfied	Satisfied	Dissatisfied	Very dissatisfied
Volksblad n = 33	12%	79%	9%	0%
Beeld n = 34	12%	79%	3%	6%
Burger n = 37	3%	97%	0%	0%
Average	9%	86%	4%	2%
P-value	0.081			

The differences that are visible in table 6.29 is the fact that 9 percent of the respondents from *Volksblad* are dissatisfied with the response time towards a query together with the 3 percent from *Beeld* that are dissatisfied and 6 percent that are very dissatisfied. It is important that these factors are given attention in order to build relationships.

The chi-square test yielded a p-value of 0.081, which implies no significant relation between the newspapers and response time to queries.

**Table 6.30 Satisfaction of service delivery levels by the accounts
department of Media 24 – Telephone friendliness**

Q6ii

Newspaper counts	Telephone friendliness		
	Very Satisfied	Satisfied	Dissatisfied
Volksblad n = 33	24%	67%	9%
Beeld n = 33	33%	67%	0%
Burger n = 37	30%	70%	0%
Average	29%	68%	3%
P-value	0.142		

According to table 6.30 there is not a statistically significant difference between the answers of the Afrikaans Daily Newspapers ($p < 0.142$). Friendliness over the telephone is an important role that needs to be fulfilled by a professional company. The response indicates that 9 percent of the respondents from *Volksblad* are dissatisfied with the telephone friendliness of the accounts department. The chi-square test yielded a p-value of 0.142, which implies no significant relation between the different newspapers and telephone friendliness.

**Table 6.31 Satisfaction of service delivery levels by the accounts
department of Media 24 – Efficiency of work**

Q6iv

Newspaper counts	Efficiency of work		
	Very Satisfied	Satisfied	Dissatisfied
Volksblad n = 33	24%	70%	6%
Beeld n = 33	21%	73%	6%
Burger n = 37	5%	95%	0%
Average	17%	80%	4%
P-value	0.081		

It is clear that a number of respondents from *Volksblad* and *Beeld* are dissatisfied with the efficiency of work delivered by the accounts department. These factors need attention to sustain relationship building. The chi-square test yielded a p-value of 0.081, which means that there is no significant relation between the different newspapers and satisfaction of service delivery levels through the efficiency of work by the accounts department.

Table 6.32 Department indicators, marketing and environmental functions – Advertisement proof

Q7i

Newspaper counts	Quicker delivery of advertisement proof		
	Low	Medium	High
Volksblad n = 31	6%	61%	32%
Beeld n = 33	3%	64%	33%
Burger n = 38	0%	89%	11%
Average	3%	73%	25%
P-value	0.047		

A statistically significant difference occur with the statement that respondents feel that the proof can still be delivered a bit quicker as currently ($p < 0.047$). The importance to make sure that customers receive their proofs as soon as possible must be emphasized in order to deliver the highest quality of service and satisfaction. In the end this will lead to long-term relationships with different customers.

Table 6.33 Department indicators, marketing and environmental functions
– Accounts department

Q7ii

Newspaper counts	Professionalism of accounts department		
	Low	Medium	High
Volksblad n = 32	6%	47%	47%
Beeld n = 34	9%	68%	24%
Burger n = 38	0%	89%	11%
Average	5%	69%	26%
P-value	0.002		

A statistically significant difference occurred with the given answers of the different Afrikaans Daily Newspapers ($p < 0.002$). According to table 6.33 it is visible that the respondents from *Volksblad* feel that the accounts department can handle them more professionally (47 percent).

The chi-square test yielded a p-value of 0.002, which means that the different Afrikaans Daily Newspapers and the professionalism of the accounts department are significantly related.

Table 6.34 Department indicators, marketing and environmental functions – Consultant response time

Q7iii

Newspaper counts	Consultant response time must be faster		
	Low	Medium	High
Volksblad n = 35	3%	40%	57%
Beeld n = 33	6%	64%	30%
Burger n = 38	0%	89%	11%
Average	3%	65%	32%
P-value	0.000		

A statistically high significant difference occurred with the statement that respondents felt that the consultant must react faster after a call was made previously ($p < 0.000$). According to table 6.34 a number of respondents from *Volksblad* feel that the response time can be a bit quicker (57 percent) towards only 30 percent from *Beeld* and 11 percent from *Die Burger*.

The chi-square test yielded a p-value of 0.000, which means that the different newspapers and the response time from consultants are significantly related.

Table 6.35 Department indicators, marketing and environmental functions
– Build customer loyalty

Q7iv

Newspaper counts	Pro-active steps must be taken to build customer loyalty		
	Low	Medium	High
Volksblad n = 35	6%	29%	66%
Beeld n = 33	9%	52%	39%
Burger n = 38	5%	87%	8%
Average	7%	57%	37%
P-value	0.000		

It is visible that a statistically high significant difference appears in table 6.35 ($p < 0.000$). Again the biggest difference in the above table that stands out is the fact that 66 percent of the respondents feel that proactive steps must be taken to build customer loyalty towards 39 percent from *Beeld* and eight percent from *Die Burger*.

The chi-square test yielded a p-value of 0.000, which implies that there is a significant relation between the different newspapers and the fact that pro-active steps must be taken to build customer loyalty.

Table 6.36 Department indicators, marketing and environmental functions
– Attention to customers that leave

Q7v

Newspaper counts	Attention to customers that leave		
	Low	Medium	High
Volksblad n = 35	20%	60%	20%
Beeld n = 32	9%	41%	50%
Burger n = 38	39%	55%	5%
Average	24%	52%	24%
P-value	0.000		

It is important to investigate why certain customers decide to leave or not to advertise anymore. This can eventually contribute towards the profit of the company as well as long-term relationship building and to establish a loyalty towards the company. A statistically high significant difference is visible regarding the fact that more attention must be given towards the fact why customers leave ($p < 0.000$). The highest number of respondents from *Beeld* (50 percent) reacted highly to the statement.

Table 6.37 Department indicators, marketing and environmental functions
– Identify customer needs

Q7vi

Newspaper counts	Identify customer needs and requirements		
	Low	Medium	High
Volksblad n = 35	14%	31%	54%
Beeld n = 33	9%	42%	48%
Burger n = 37	19%	73%	8%
Average	14%	50%	36%
P-value	0.000		

Volksblad's respondents felt highly towards the specific statement (54 percent). Again a statistically high significant difference between the answers occurs ($p < 0.000$). Only eight percent of the respondents from *Die Burger* reacted highly to the statement.

The chi-square test yielded a p-value of 0.000, which means that the different Afrikaans Daily Newspapers and the identification of customer needs and requirements are significantly related.

Table 6.38 Department indicators, marketing and environmental functions
– Use client database

Q7vii

Newspaper counts	Use client database to full advantage		
	Low	Medium	High
Volksblad n = 35	17%	49%	34%
Beeld n = 32	12%	47%	41%
Burger n = 38	5%	84%	11%
Average	11%	61%	28%
P-value	0.007		

It is important that the company invests in the total client base that exists. There is a statistically high significant difference between the given answers ($p < 0.007$). Again a small number of respondents from *Die Burger* reacted highly to the statement (11 percent) in contrast to 34 percent from Volksblad and 41 percent from *Beeld*.

The chi-square test yielded a p-value of 0.007, which implies a significant relation between the different Afrikaans Daily Newspapers and the use of a client database to full advantage.

Table 6.39 Department indicators, marketing and environmental functions
– Future trends

Q7viii

Newspaper counts	Importance that future trends must be anticipated		
	Low	Medium	High
Volksblad n = 35	6%	40%	54%
Beeld n = 33	3%	64%	33%
Burger n = 38	0%	92%	8%
Average	3%	66%	31%
P-value	0.000		

Future trends must be investigated by the company which can contribute to the customers' decision towards advertising and eventually lead to long-term relationship building between the customer and the organisation. This specific statement shows a significant high difference in given answers ($p < 0.000$). Future trends investigation can show economical features that can occur and early decisions can be taken that can contribute positively towards the company. Again a small number of respondents from *Die Burger* reacted to the statement.

The chi-square test yielded a p-value of 0.000, which means that there is a significant relation between the different newspapers and the fact that future trends must be anticipated.

Table 6.40 Department indicators, marketing and environmental functions – Relationship marketing

Q7x

Newspaper counts	The importance that the market is owned through relationship marketing		
	Low	Medium	High
Volksblad n = 32	3%	44%	53%
Beeld n = 32	3%	66%	31%
Burger n = 38	0%	92%	8%
Average	2%	69%	29%
P-value	0.001		

A statistically high significant difference occurs with the given statement ($p < 0.001$). Again only a small number of respondents from *Die Burger* reacted highly to the given statement towards 53 percent from *Volksblad* and 31 percent of *Beeld*. It is clear that relationship marketing plays a vital role in the market and when decisions are made by customers.

The chi-square test yielded a p-value of 0.001, which indicates a significant relation between the different Afrikaans Daily Newspapers and the importance that the market is owned through relationship marketing.

Table 6.41 Hypothesis through chi-square: Advertising budget of clients per annum

Q8

Newspaper counts	Advertising budget		
	0 - 100 000	100 001 - 200 000	200 001 and more
Volksblad n = 28	36%	32%	32%
Beeld n = 19	58%	42%	0%
Burger n = 20	20%	80%	0%
Average	37%	49%	13%
P-value	0.000		

The respondents from *Volksblad* give more or less the same response of 32 percent to 36 percent. At *Beeld* the highest response is 58 percent from 0 – 100 000, while at *Die Burger* the highest response is 80 percent between 100 001 – 200 000.

The chi-square test yielded a p-value of 0.000, which means that there is a significant relation between the different newspapers and their advertising budget.

Cross tabulations by budget will be discussed to interpret the relationship building process.

6.5 CROSS TABULATIONS BY BUDGET

In order to determine whether a significant difference exists between the responses of the different newspapers and budget of the different newspapers it is important to look at the cross tabulations by budget. Cross tabulations were calculated on specific variables by budget, which can contribute towards reaching the research objectives.

The answers derived from the statistical calculations will be presented in one comprehensive table. The different questions in the questionnaire will be handled in a separate table. A cross tabulation was done with each question and the advertising budget per annum. The X^2 - test statistic and p-value were calculated and used to determine the relation. In this manner it is possible to compare calculated values with the relevant value derived from the relevant statistical tables.

Table 6.42a Cross tabulations by budget: Customer expectations in their relationship with Media 24

CALLING ON CLIENTS	Very Important	Important	Not important	X^2 - test statistic	P-value
Not answered	22%	73%	5%	19.184	0.004
0 – 100 000	52%	48%	0%		
100 001 – 200 000	27%	67%	6%		
200 001 and more	89%	11%	0%		
SOLVING OF PROBLEMS	Very Important	Important	Not important	X^2 - test statistic	P-value
Not answered	41%	59%	0%	11.344	0.078
0 – 100 000	44%	56%	0%		
100 001 – 200 000	45%	55%	0%		
200 001 and more	44%	44%	11%		

RESPONSE TIME	Very Important	Important	Not important	X ² - test statistic	P-value
Not answered	63%	37%	0%	4.008	0.261
0 – 100 000	62%	38%	0%		
100 001 – 200 000	78%	22%	0%		
200 001 and more	89%	11%	0%		
FRIENDLINESS	Very Important	Important	Not important	X ² - test statistic	P-value
Not answered	39%	61%	0%	9.686	0.021
0 – 100 000	62%	38%	0%		
100 001 – 200 000	62%	38%	0%		
200 001 and more	89%	11%	0%		

The cross tabulations with each question and advertising budget will be presented in one comprehensive table. The X² - test statistics and p-values were used to interpret the tabulations.

Table 6.42b Hypothesis through chi-square: Customer expectations in their relationship with Media 24

Hypothesis through chi-square: Customer expectations in their relationship with Media 24					
Test	Relation	N-value	X ² - test statistic	P-value	Conclusion
1	Calling on clients to determine their satisfaction and budget	108	19.184	0.004	A relation between the calling on clients and budget exists because $p < 0.01$
2	Solving of problems on payment slips and budget	108	11.344	0.078	There is no relation between the solving of problems on payment slips and budget
3	Response time to your problem	108	4.008	0.261	Response time to problems and

4	and budget Friendliness and supportiveness offered by salespeople and budget	108	9.686	0.021	budget has no relation There is a small relation between friendliness and supportiveness and budget $p < 0.05$
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Test 1: Cross tabulations by budget were used to determine the significant difference between the given answers. According to table 6.42 it is evident that there is a statistically high significant difference between the given answers ($p < 0.01$). There is a possibility to conclude that customers in the higher advertising budget groups expect consultants to make more frequent calls.

Test 2: According to the question of solving problems on payment slips, the different respondents reacted more or less the same regarding their advertising budget. No relation exists between the solving of problems and advertising budget.

Test 3: There is no statistically significant difference in the given answers ($p < 0.261$). Therefore no relation exists between response time to problems and advertising budget.

Test 4: There is a statistically significant difference visible regarding the cross tabulations of the advertising budget and friendliness and supportiveness offered by salespeople. A conclusion can be made that the highest advertising budget group of R200 001 expect that salespeople must be friendly and supportive when making calls.

Table 6.43a Cross tabulations by budget: Quality indicators

PROBABILITY FOR NEW PURCHASE	Strongly agree	Agree	Disagree	X² - test statistic	P-value
Not answered	20%	73%	5%	8.965	0.441
0 – 100 000	24%	68%	8%		
100 001 – 200 000	24%	76%	0%		
200 001 and more	22%	56%	22%		
SUPPLIER FAILS TO DELIVER	Strongly agree	Agree	Disagree	X² - test statistic	P-value
Not answered	42%	58%	0%	11.151	0.084
0 – 100 000	68%	32%	0%		
100 001 – 200 000	70%	27%	3%		
200 001 and more	78%	22%	0%		
SKILLS AND WORK ATTITUDES	Strongly agree	Agree	Disagree	X² - test statistic	P-value
Not answered	61%	34%	5%	9.708	0.137
0 – 100 000	44%	56%	0%		
100 001 – 200 000	76%	24%	0%		
200 001 and more	67%	33%	0%		
CONFIDENCE IN ORGANISATION	Strongly agree	Agree	Disagree	X² - test statistic	P-value
Not answered	29%	71%	0%	19.525	0.000
0 – 100 000	76%	24%	0%		
100 001 – 200 000	58%	42%	0%		
200 001 and more	89%	11%	0%		

The cross tabulations with each question and advertising budget will be presented in one comprehensive table. The X² - test statistics and p-values were used to interpret the tabulations.

Table 6.43b Hypothesis through chi-square: Quality indicators

Hypothesis through chi-square: Quality indicators					
Test	Relation	N-value	χ^2 - test statistic	P-value	Conclusion
5	The fact that a customer has bought a product does not forecast the probability for a new purchase and budget	108	8.965	0.441	No relation is evident between a customer has bought a product, does not forecast the probability for a new purchase and budget because $p \approx 0.441$
6	Should the supplier fail to deliver and perform as expected, the buyer may seek alternatives and budget	108	11.151	0.084	There is no relation between should the supplier fail to deliver and budget
7	The quality of services sold determined in large measure by skills and work attitudes of the personnel producing the services and budget	108	9.708	0.137	No relation exists between the quality of services sold by skills and work attitudes of the personnel producing the services and budget because $p \approx 0.137$
8	Earning long-term business means customers must have confidence in the organisation as an organisation of the future and budget	108	19.525	0.000	A relation between earning long-term business means customers must have confidence in the organisation as an organisation of the future and budget exists, $p < 0.01$.

Test 5: There is no statistically significant difference between the statement that a customer has bought a product in the past does not forecast that he will buy the product in the future and the advertising budget. Therefore no relation exists between the cross tabulation.

Test 6: No relation exists between should the supplier fail to deliver and perform as expected; the buyer may seek alternatives and budget because the probability value is not smaller than 0.01.

Test 7: There is no significant difference between the quality of services sold is determined in large measure by skills and work attitudes of the personnel producing the service and the advertising budget. Therefore no relation exists between the cross tabulation.

Test 8: There is a statistically high significant difference between the answers regarding the fact that earning long-term business means that the customer must have confidence in the organisation as an organisation of the future and advertising budget. It is possible to conclude that the higher advertising budget group must have confidence and trust in the organisation, that is why they spend more with the company regarding their advertising.

Table 6.44a Cross tabulations by budget: Customer service to advertisers

FRIENDLY SMILE	Very important	Important	Not important	X² - test statistic	P-value
Not answered	32%	68%	0%	10.024	0.124
0 – 100 000	36%	60%	4%		
100 001 – 200 000	39%	61%	0%		
200 001 and more	78%	22%	0%		
HIGH LEVEL SATISFACTION	Very important	Important	Not important	X² - test statistic	P-value
Not answered	49%	51%	0%	5.296	0.151
0 – 100 000	56%	44%	0%		
100 001 – 200 000	48%	52%	0%		
200 001 and more	89%	11%	0%		
RESPONSIVE TO DEMANDS	Very important	Important	Not important	X² - test statistic	P-value
Not answered	73%	27%	0%	5.559	0.135
0 – 100 000	52%	48%	0%		
100 001 – 200 000	79%	21%	0%		
200 001 and more	78%	22%	0%		
HIGHLY INNOVATIVE	Very important	Important	Not important	X² - test statistic	P-value
Not answered	54%	44%	2%	3.500	0.744
0 – 100 000	64%	36%	0%		
100 001 – 200 000	70%	30%	0%		
200 001 and more	56%	44%	0%		
COMFORT AND CONVENIENCE	Very important	Important	Not important	X² - test statistic	P-value
Not answered	32%	65%	2%	7.878	0.247
0 – 100 000	52%	48%	0%		
100 001 – 200 000	39%	61%	0%		
200 001 and more	44%	44%	11%		
CUSTOMER ATTENTION	Very important	Important	Not important	X² - test statistic	P-value
Not answered	28%	72%	0%	11.041	0.087
0 – 100 000	56%	44%	0%		
100 001 – 200 000	52%	45%	3%		
200 001 and more	67%	33%	0%		

RESPONSE TIME	Very important	Important	Not important	X ² - test statistic	P-value
Not answered	22%	72%	5%	11.593	0.072
0 – 100 000	44%	56%	0%		
100 001 – 200 000	36%	61%	3%		
200 001 and more	78%	22%	0%		

The cross tabulations with each question and advertising budget will be presented in one comprehensive table. The X^2 - test statistics and p-values were used to interpret the tabulations.

Table 6.44b Hypothesis through chi-square: Customer service to advertisers

Hypothesis through chi-square: Customer service to advertisers					
Test	Relation	N-value	X ² - test statistic	P-value	Conclusion
9	A friendly smile and budget	108	10.024	0.124	There is no relation between a friendly smile and budget
10	A high level and long-term customer satisfaction and budget	108	5.296	0.151	Long-term customer satisfaction and budget shows no relation
11	Responsive to customer demands and budget	108	5.559	0.135	Responsive to customer demands and budget has no relation
12	Be highly innovative and budget	108	3.500	0.744	Innovation and budget has no relation
13	Providing comfort and convenience to customers and budget	108	7.878	0.247	Providing comfort and convenience to customers and budget shows no relation
14	Personal customer attention and budget	108	11.041	0.087	No relation between personal customer attention and budget
15	Response time from consultant and budget	108	11.593	0.072	Because $p \approx 0.072$ there is no relation between response time from consultant and budget

Test 9: There is no relation between a friendly smile from a consultant and budget. To draw a conclusion, a friendly smile will not make customers spend more.

Test 10: A high level and long-term customer satisfaction shows no relation with budget.

Test 11: There are no signs visible of statistically significant differences between the different answers received. Responsive to customer demands and budget has no relation.

Test 12: There are no signs visible of statistically significant difference between the given answers about the fact that innovation forms part of customer service. Innovation and budget has no relation.

Test 13: According to the hypothesis through chi-square in table 6.44b (p. 173), there is no relation between providing comfort and convenience to customers and budget.

Test 14: No signs of statistically significant differences available between the given answers. Personal customer attention and budget shows no relation when cross-tabulation is done.

Test 15: There are also no statistically significant difference between given answers. Response time from consultant and budget has no relation.

Table 6.45a Cross tabulations by budget: Loyalty indicators

EMOTIONAL BONDING	Strongly agree	Agree	Disagree	Strongly disagree	X² - test statistic	P-value
Not answered	10%	69%	18%	3%	10.255	0.330
0 – 100 000	12%	76%	8%	4%		
100 001 – 200 000	12%	76%	12%	0%		
200 001 and more	44%	44%	11%	0%		
RESPECT AND TRUST	Strongly agree	Agree	Disagree	Strongly disagree	X² - test statistic	P-value
Not answered	38%	62%	0%	0%	0.878	0.831
0 – 100 000	32%	68%	0%	0%		
100 001 – 200 000	36%	64%	0%	0%		
200 001 and more	22%	78%	0%	0%		
ADVERTISE MORE	Strongly agree	Agree	Disagree	Strongly disagree	X² - test statistic	P-value
Not answered	68%	30%	2%	0%	8.206	0.223
0 – 100 000	48%	44%	8%	0%		
100 001 – 200 000	78%	22%	0%	0%		
200 001 and more	56%	33%	11%	0%		
REPEAT PAST BEHAVIOUR	Strongly agree	Agree	Disagree	Strongly disagree	X² - test statistic	P-value
Not answered	38%	62%	0%	0%	10.618	0.101
0 – 100 000	43%	48%	9%	0%		
100 001 – 200 000	59%	41%	0%	0%		
200 001 and more	44%	44%	11%	0%		
CUSTOMERS RECOMMEND	Strongly agree	Agree	Disagree	Strongly disagree	X² - test statistic	P-value
Not answered	38%	62%	0%	0%	1.983	0.576
0 – 100 000	48%	52%	0%	0%		
100 001 – 200 000	42%	58%	0%	0%		
200 001 and more	62%	38%	0%	0%		
PAY A PREMIUM PRICE	Strongly agree	Agree	Disagree	Strongly disagree	X² - test statistic	P-value
Not answered	15%	78%	8%	0%	9.742	0.372
0 – 100 000	20%	68%	12%	0%		
100 001 – 200 000	19%	69%	9%	3%		
200 001 and more	25%	38%	38%	0%		

The cross tabulations with each question and advertising budget will be presented in one comprehensive table. The X^2 - test statistics and p-values were used to interpret the tabulations.

Table 6.45b Hypothesis through chi-square: Loyalty indicators

Hypothesis through chi-square: Loyalty indicators					
Test	Relation	N-value	X^2 - test statistic	P-value	Conclusion
16	Loyalty is an emotional bonding and budget	108	10.255	0.330	No relation is evident because $p \approx 0.330$
17	Loyalty is an affective influence that is based on respect and trust and budget	108	0.878	0.831	There is no relation between loyalty as an affective influence and budget
18	Satisfied customers advertise more and budget	108	8.206	0.223	No relation is evident between satisfied customers that advertise more and budget
19	Satisfied customers will repeat there past behaviour in the future and budget	108	10.618	0.101	No relation is evident because $p \approx 0.101$
20	Satisfied customers recommend and budget	108	1.983	0.576	Satisfied customers recommend and budget shows no relation
21	Well-served customers may pay a premium price and budget	108	9.742	0.372	Well-served customers may pay a premium price and budget has no relation

Test 16: There is no statistically significant difference between answers. Loyalty is an emotional bonding has no relation with budget.

Test 17: Also no statistically significant difference between the cross tabulations by budget regarding the fact that loyalty is an effective influence that is based on respect and trust. Therefore no relation exists between loyalty as an affective influence and budget.

Test 18: According to the cross tabulations done no relation exists between satisfied customer advertise more and budget.

Test 19: Satisfied customer will repeat their past behaviour in the future. No statistically significant differences visible. Therefore there is no relation between the cross-tabulation.

Test 20: The fact that satisfied customers recommend and budget shows no relation. There is no statistically significant difference visible.

Test 21: Satisfied customers will pay a premium price and budget shows no significant difference. There is no relation between the cross-tabulation because $p \approx 0.372$.

Table 6.46a Cross tabulations by budget: Satisfaction of service delivery levels by the artists department of Media 24

RESPONSE TIME	Very satisfied	Satisfied	Dissatisfied	X^2 - test statistic	P-value
Not answered	21%	79%	0%	6.526	0.367
0 – 100 000	13%	87%	0%		
100 001 – 200 000	12%	81%	6%		
200 001 and more	0%	100%	0%		
ACCURACY OF PROOF	Very satisfied	Satisfied	Dissatisfied	X^2 - test statistic	P-value
Not answered	32%	68%	0%	9.088	0.169
0 – 100 000	39%	48%	13%		
100 001 – 200 000	25%	72%	3%		
200 001 and more	33%	50%	17%		
RETURNED CORRECTIONS	Very satisfied	Satisfied	Dissatisfied	X^2 - test statistic	P-value
Not answered	37%	63%	0%	20.270	0.002
0 – 100 000	30%	70%	0%		
100 001 – 200 000	19%	81%	0%		
200 001 and more	0%	83%	17%		
OVERALL QUALITY	Very satisfied	Satisfied	Dissatisfied	X^2 - test statistic	P-value
Not answered	16%	84%	0%	2.058	0.914
0 – 100 000	13%	83%	4%		
100 001 – 200 000	19%	78%	3%		
200 001 and more	17%	83%	0%		

The cross tabulations with each question and advertising budget will be presented in one comprehensive table. The X^2 - test statistics and p-values were used to interpret the tabulations.

Table 6.46b Hypothesis through chi-square: Satisfaction of service delivery levels by the artists department of Media 24

Hypothesis through chi-square: Satisfaction of service delivery levels by the artists department of Media 24					
Test	Relation	N-value	χ^2 - test statistic	P-value	Conclusion
22	Response time to proof and budget	108	6.526	0.367	There is no relation between the given answers $p \approx 0.367$
23	Accuracy of proof received and budget	108	9.088	0.169	Accuracy of proof received and budget has no relation
24	Response time when proof is returned for corrections and budget	108	20.270	0.002	Response time when proof is returned for correction and budget has a relation because $p < 0.01$.
25	Overall quality of proof received and budget	108	2.058	0.914	No relation between overall quality of proof received and budget

Test 22: There is no statistically significant difference between the cross tabulation done with the statement about the response time required to receive the proof. Therefore no relation exists between the cross-tabulation.

Test 23: No statistically significant difference between the given answers regarding the accuracy of the proof cross tabulated to the budget being spent. To draw a conclusion no relation exists between the accuracy of proof and budget.

Test 24: There is a statistically high significant difference between the cross tabulations of the response time to correction done on a proof and the advertising

budget being spent. Therefore a relation is visible between the response time to corrections done and budget.

Test 25: No statistically significant difference visible because $p \approx 0.914$. Therefore no relation exists between overall quality of proof received and budget.

Table 6.47a Cross tabulations by budget: Satisfaction of service delivery levels by the accounts department of Media 24

QUERY RESPONSE TIME	Very satisfied	Satisfied	Dissatisfied	Very dissatisfied	X ² - test statistic	P-value
Not answered	12%	85%	2%	0%	5.649	0.774
0 – 100 000	8%	79%	8%	4%		
100 001 – 200 000	6%	87%	3%	3%		
200 001 and more	0%	100%	0%	0%		
FRIENDLINESS	Very satisfied	Satisfied	Dissatisfied	Very dissatisfied	X ² - test statistic	P-value
Not answered	38%	62%	0%	0%	8.178	0.225
0 – 100 000	26%	70%	4%	0%		
100 001 – 200 000	29%	65%	6%	0%		
200 001 and more	0%	100%	0%	0%		
CAPABILITY TO SOLVE	Very satisfied	Satisfied	Dissatisfied	Very dissatisfied	X ² - test statistic	P-value
Not answered	20%	80%	0%	0%	7.111	0.626
0 – 100 000	17%	78%	0%	4%		
100 001 – 200 000	26%	71%	3%	0%		
200 001 and more	33%	67%	0%	0%		
EFFICIENCY OF WORK	Very satisfied	Satisfied	Dissatisfied	Very dissatisfied	X ² - test statistic	P-value
Not answered	20%	80%	0%	0%	5.973	0.426
0 – 100 000	22%	70%	9%	0%		
100 001 – 200 000	10%	84%	6%	0%		
200 001 and more	11%	89%	0%	0%		

The cross tabulations with each question and advertising budget will be presented in one comprehensive table. The X^2 - test statistics and p-values were used to interpret the tabulations.

Table 6.47b Hypothesis through chi-square: Satisfaction of service delivery levels by the accounts department of Media 24

Hypothesis through chi-square: Satisfaction of service delivery levels by the accounts department of Media 24					
Test	Relation	N-value	X^2 - test statistic	P-value	Conclusion
26	Response time towards query on account and budget	108	5.649	0.774	There is no relation evident because $p \approx 0.774$
27	Friendliness over telephone and budget	108	8.178	0.225	There is no relation between friendliness over the telephone and budget
28	Capability to solving the problem and budget	108	7.111	0.626	Capability to solving the problem and budget also shows no relation
29	Efficiency of working directly with client and budget	108	5.973	0.426	The efficiency of working directly with client and budget has no relation

Test 26: There is no statistically significant difference between the fact that the respondents are satisfied with the response time to a query on their account and the advertising budget being spent. Therefore there is no relation evident.

Test 27: There is also no statistically significant difference evident because $p \approx 0.225$. Friendliness over the telephone and budget has no relation.

Test 28: There is no statistically significant difference between the cross tabulation of the fact that the accounts department are capable to solve a problem on an account and the advertising budget. To draw a conclusion no relation exists between the cross-tabulation.

Test 29: No relation exists between the efficiency of working directly with the client and budget. There is also no statistically significant difference between the answers given.

Table 6.48a Cross tabulations by budget: Department indicators, marketing and environmental functions

ADVERTISEMENT PROOF	Low	Medium	High	X ² - test statistic	P-value
Not answered	3%	79%	18%	1.896	0.929
0 – 100 000	4%	71%	25%		
100 001 – 200 000	3%	68%	29%		
200 001 and more	0%	67%	33%		
ACCOUNTS DEPARTMENT	Low	Medium	High	X ² - test statistic	P-value
Not answered	5%	78%	18%	4.741	0.577
0 – 100 000	9%	61%	30%		
100 001 – 200 000	3%	69%	28%		
200 001 and more	0%	56%	44%		
RESPONSE TIME AFTER A CALL	Low	Medium	High	X ² - test statistic	P-value
Not answered	5%	70%	25%	6.575	0.362
0 – 100 000	4%	54%	42%		
100 001 – 200 000	0%	73%	27%		
200 001 and more	0%	44%	56%		

BUILD CUSTOMER LOYALTY	Low	Medium	High	X² - test statistic	P-value
Not answered	8%	62%	30%	8.399	0.210
0 – 100 000	4%	46%	50%		
100 001 – 200 000	6%	67%	27%		
200 001 and more	11%	22%	67%		
ATTENTION TO CUSTOMERS	Low	Medium	High	X² - test statistic	P-value
Not answered	25%	52%	22%	6.872	0.333
0 – 100 000	9%	61%	30%		
100 001 – 200 000	36%	42%	21%		
200 001 and more	11%	67%	22%		
NEEDS AND REQUIREMENTS	Low	Medium	High	X² - test statistic	P-value
Not answered	12%	58%	30%	8.585	0.198
0 – 100 000	17%	46%	38%		
100 001 – 200 000	16%	53%	31%		
200 001 and more	11%	11%	78%		
CLIENT DATABASE	Low	Medium	High	X² - test statistic	P-value
Not answered	8%	70%	22%	5.235	0.514
0 – 100 000	9%	57%	35%		
100 001 – 200 000	15%	52%	33%		
200 001 and more	22%	67%	11%		
FUTURE TRENDS	Low	Medium	High	X² - test statistic	P-value
Not answered	2%	72%	25%	11.461	0.075
0 – 100 000	4%	50%	46%		
100 001 – 200 000	3%	79%	18%		
200 001 and more	0%	33%	67%		
ENVIRONMENTAL FORCES	Low	Medium	High	X² - test statistic	P-value
Not answered	0%	58%	42%	10.212	0.116
0 – 100 000	0%	62%	38%		
100 001 – 200 000	25%	25%	50%		
200 001 and more	20%	0%	80%		

MARKET ARE OWNED	Low	Medium	High	X^2 - test statistic	P-value
Not answered	2%	72%	25%	13.855	0.031
0 – 100 000	4%	57%	39%		
100 001 – 200 000	0%	84%	16%		
200 001 and more	0%	25%	75%		

The cross tabulations with each question and advertising budget will be presented in one comprehensive table. The X^2 - test statistics and p-values were used to interpret the tabulations.

Table 6.48b Hypothesis through chi-square: Department indicators, marketing and environmental functions

Hypothesis through chi-square: Department indicators, marketing and environmental functions					
Test	Relation	N-value	X^2 - test statistic	P-value	Conclusion
30	Advertisement proofs can be delivered earlier than requested and budget	108	1.896	0.929	No relation is evident between advertising proofs delivered earlier and budget
31	Accounts departments handle clients more professionally and budget	108	4.741	0.577	There is no relation because $p \approx 0.577$
32	Response time from consultants are faster after a call is made and	108	6.575	0.362	There is no relation between response time from consultants are faster

	budget				and budget
33	Pro-active steps are taken to build customer loyalty and budget	108	8.399	0.210	No relation is evident between answers because $p \approx 0.210$
34	More attention are payed to customers that leave and budget	108	6.872	0.333	Again there is no relation between more attention are payed to customers that leave and budget because $p \approx 0.333$
35	Customers needs and requirements are identified and budget	108	8.585	0.198	Customers needs and requirements are identified and budget shows no relation
36	Daily newspapers take full advantage of their client database and budget	108	5.235	0.514	There is no relation between answers because $p \approx 0.198$
37	Future trends are anticipated and budget	108	11.461	0.075	Also no relation between future trends anticipated and budget
38	Environmental forces are monitored and budget	108	10.212	0.116	No relation because $p \approx 0.116$
39	The market is owned through relationship marketing and budget	108	13.855	0.031	A relation is evident because $p < 0.05$

Test 30: It is clear in table 6.48b that there are no signs evident about statistically significant differences between answers. There is no relation between advertising proofs can be delivered earlier and budget.

Test 31: There is no statistically significant difference between the cross tabulation by budget regarding the statement of the fact that the accounts department can handle the clients more professionally and advertising budget. Therefore no relation exists between the cross-tabulation.

Test 32: Still there is not a statistically significant difference between the answers. Response time is faster after a call is made and budget shows no relation because $p \approx 0.362$.

Test 33: No statistically significant differences in the probability sampling taken because $p \approx 0.210$. Therefore no relation exists between proactive steps are taken to build loyalty and budget.

Test 34: No statistically significant difference between answers evident because $p \approx 0.333$. Therefore no relation exists between more attention is payed to customers that leave and budget.

Test 35: No statistically significant difference between the answers evident because $p \approx 0.198$. No relation evident between customer needs and requirements are identified and budget.

Test 36: Daily newspapers take full advantage of their client database and budget has no relation. There is no statistically significant difference evident between the given answers because $p \approx 0.514$.

Test 37: The cross tabulation shows no statistically significant difference between answers because $p \approx 0.075$. There is no relation between future trends are anticipated and budget.

Test 38: There is no statistically significant difference in the table above because $p \approx 0.116$. Therefore no relation exists between environmental forces are monitored and budget. Environmental forces can determine the advertising budget that advertisers spend with the company.

Test 39: There is a statistically significant difference between the cross tabulation done on the statement that the market is owned through relationship marketing and budget because $p < 0.05$. To draw a conclusion there is a relation between the market is owned through relationship marketing and budget.

Table 6.49a Cross tabulations by budget: Advertising budget of clients per annum

MARKET ARE OWNED	Volksblad	Beeld	Burger	X ² - test statistic	P-value
Not answered	17%	39%	44%	29.889	0.000
0 – 100 000	40%	44%	16%		
100 001 – 200 000	27%	24%	48%		
200 001 and more	100%	0%	0%		

The cross tabulations with each question and advertising budget will be presented in one comprehensive table. The X^2 - test statistics and p-values were used to interpret the tabulations.

Table 6.49b Hypothesis through chi-square: Advertising budget of clients per annum

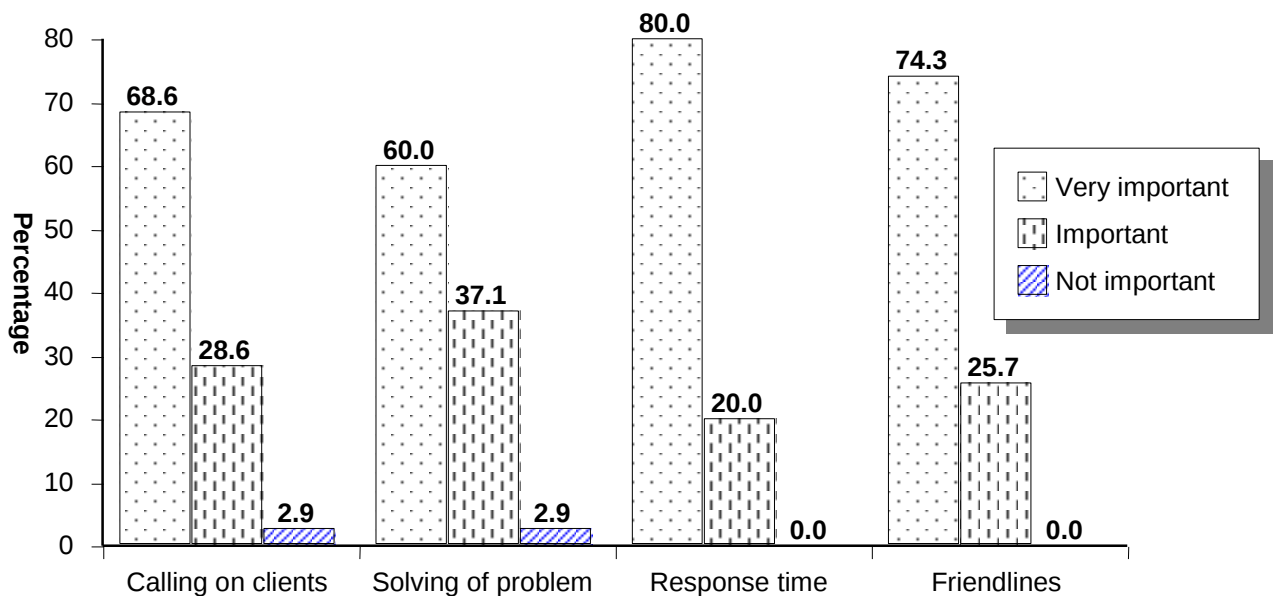
Hypothesis through chi-square: Advertising budget of clients per annum					
Test	Relation	N-value	X^2 - test statistic	P-value	Conclusion
40	Advertising budget per annum and the Afrikaans Daily Newspapers	108	29.889	0.000	There is a relation evident between the advertising budget per annum and the Afrikaans Daily Newspapers because $p < 0.01$.

Test 40: There is a statistically high significant difference between the different Afrikaans Daily Newspaper of Media 24. According to the cross tabulation by budget the probability of the sampling is $p < 0.01$. This shows a high significant difference and that a relation is visible between the advertising budget per annum and the Afrikaans Daily Newspapers.

6.6 FREQUENCY TABLES – VOLKSBLAD

A total of 35 respondents out of the 108 questionnaires were completed by respondents from the Volksblad. Some returned questionnaires did not indicate certain specific information, maybe due to the sensitivity of the question. These tables and graphs are used for analysis and the totals depicted at the bottom of each table or graph represent how many times each individual subsection was answered. As the questionnaire consisted of group questions the individual subsections response rates are of little importance.

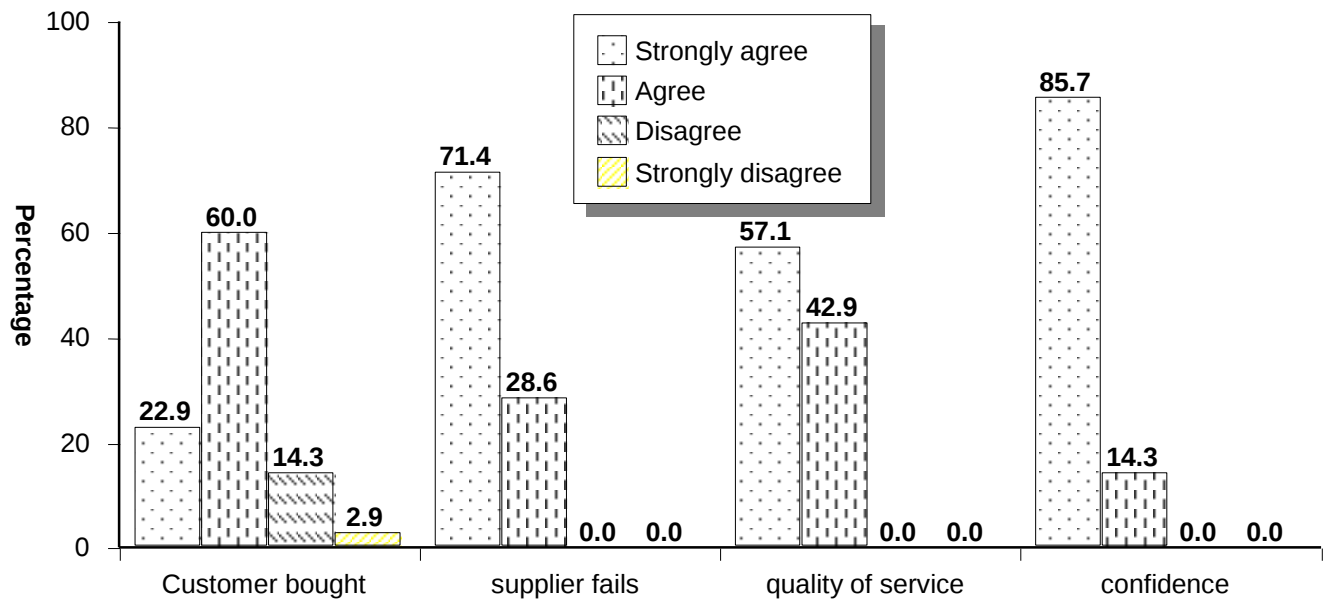
Graph 6.3 Customer expectations in their relationship with *Volksblad*



According to question 1 of the questionnaire (Appendix B, p.249) from the questionnaire the most important aspect to the respondents of the *Volksblad* is the

response time to a problem that may occur (80 percent). The respondents feel that this particular aspect is very important to their placing of an advertisement.

Graph 6.4 Quality indicators



According to question two of the questionnaire (Appendix B, p.249) the respondents strongly agree to the fact that long-term business will be earned if the customers have confidence in the organisation as an organisation of the future (85.7 percent). Respondents will spend their money with confidence if they feel safe and secure in the organisation.

Table 6.50 Customer service to advertisers

Customer service indicators	Very Important		Important		Not important		Total	
	%	n	%	n	%	n	%	n
Friendly Smile	62.9%	22	37.1%	13	0.0%	0	100%	35
High Satisfaction	85.7%	30	14.3%	5	0.0%	0	100%	35
Responsive	80.0%	28	20.0%	7	0.0%	0	100%	35
Innovative	71.4%	25	28.6%	10	0.0%	0	100%	35
Comfort and Convenience	48.6%	17	48.6%	17	2.9%	1	100%	35
Personal Attention	57.1%	20	40.0%	14	2.9%	1	100%	35
Response time	74.3%	26	25.7%	9	0.0%	0	100%	35

The respondents of *Volksblad Afrikaans Daily Newspaper* feel that customer service must be at a high level and long-term customer satisfaction (85.7 percent) in order to build relationships. According to table 6.50 the respondents also feel that the statement of customer service is responsive to customer demands is very important (80 percent). Customer service is thus experienced as a high level of customer satisfaction, which will be a long-term relationship that is responsive to customer demands.

Table 6.51 Loyalty indicators

Loyalty indicators	Strongly Agree		Agree		Disagree		Strongly Disagree		Total	
	%	n	%	n	%	n	%	n	%	n
Emotional bonding	32.4%	11	55.9%	19	11.8%	4	0.0%	0	100%	34
Affective Influence	40.0%	14	60.0%	21	0.0%	0	0.0%	0	100%	35
Advertise more	58.8%	20	35.3%	12	5.9%	2	0.0%	0	100%	34
Repeat Behaviour	39.4%	13	57.6%	19	3.0%	1	0.0%	0	100%	33
Customers recommend	61.8%	21	38.2%	13	0.0%	0	0.0%	0	100%	34
Pay premium price	18.2%	6	60.6%	20	21.2%	7	0.0%	0	100%	33

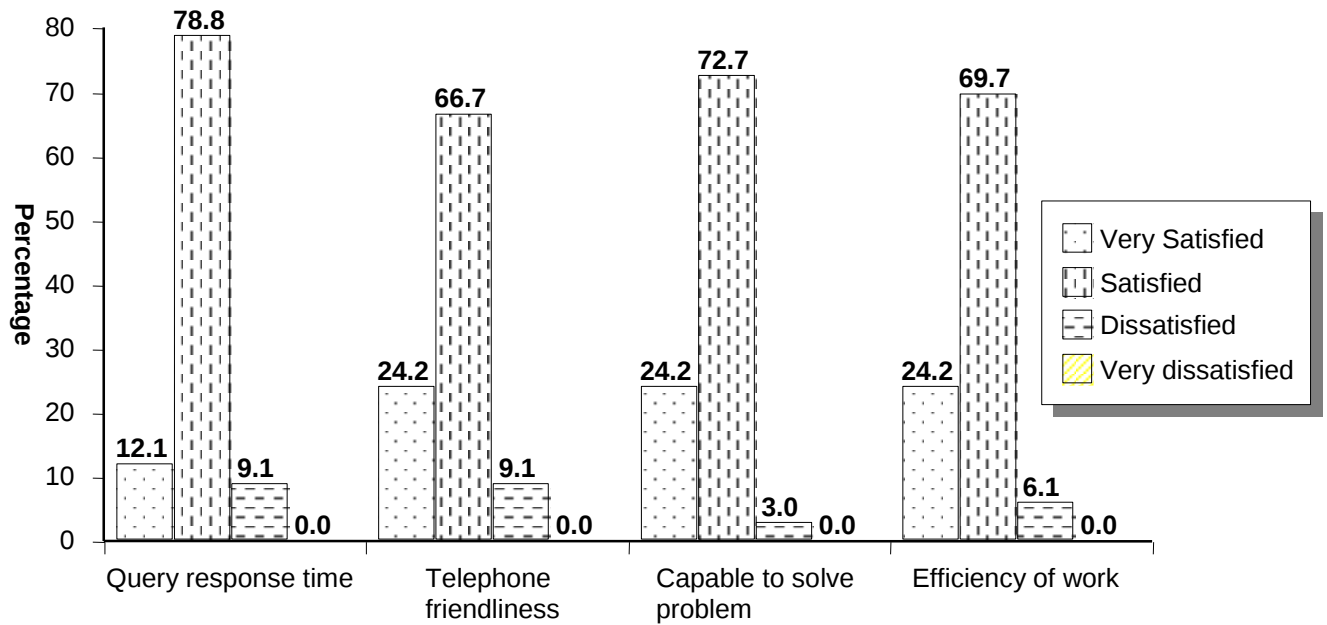
According to table 6.51 it is clear that the respondents will recommend the organisation if they are satisfied with the service that they receive (61.8 percent). The specific respondents also agree that they will pay a premium price if they are satisfied with the service (60.6 percent). A total of 21.2 percent of the respondents disagree with the fact that they will pay a premium price when well-served. This draws a conclusion that price will still play a role when it comes to advertising.

Table 6.52 Satisfaction of service delivery levels by the artists department of *Volksblad*

Artist department indicators	Very satisfied		Satisfied		Dissatisfied		Very dissatisfied		Total	
	%	n	%	n	%	n	%	n	%	n
Response time to proof	17.9%	5	75.0%	21	7.1%	2	0.0%	0	100%	28
Accuracy of proof	25%	7	64.3%	18	10.7%	3	0.0%	0	100%	28
Response time for corrections	21.4%	6	75.0%	21	3.6%	1	0.0%	0	100%	28
Quality of proof	21.4%	6	78.6%	22	0.0%	0	0.0%	0	100%	28

A high percentage of the respondents (75 percent) from *Volksblad* mentioned that they were satisfied with the service delivery of the artist department (78.6 percent). There is still room for improvement with the quality of the proof that they receive, where a percentage of the respondents mentioned that they were dissatisfied (7.1 percent and 10.7 percent).

Graph 6.5 Satisfaction of service delivery levels by the accounts department of *Volksblad*



The highest percentage of respondents (78.8 percent) mentioned that they were satisfied by the response time of the accounts department if a query must be resolved (78.8 percent). Still it is visible in graph 6.5 that there is also room for improvement with the response time and the friendliness over the telephone (9.1 percent).

Table 6.53 Department indicators

Department Indicators	Satisfaction of advertisement and accounts departments							
	Low		Medium		High		Total	
	%	n	%	n	%	n	%	n
Advertisement Proof	6.5%	2	61.3%	19	32.3%	10	100%	31
Accounts Department	6.2%	2	46.9%	15	46.9%	15	100%	32

There is still room for improvement regarding the delivery time of the advertisement proof as well as the professionalism of the accounts department, because a high number of respondents mentioned that a advertisement proof can be delivered quicker (32.3 percent) and the accounts department can handle clients more professionally.

Table 6.54 Marketing functions

Marketing Functions	Quality of service delivery of marketing functions							
	Low		Medium		High		Total	
	%	n	%	n	%	n	%	n
Consultant Response	2.9%	1	40.0%	14	57.1%	20	100%	35
Build Loyalty	5.7%	2	28.6%	10	65.7%	23	100%	35
Identify customer	14.3%	5	31.4%	11	54.3%	19	100%	35
Use client database	17.1%	6	48.6%	17	34.3%	12	100%	35

According to table 6.54 the respondents from *Volksblad* rate the fact that proactive steps must be taken by the organisation to build customer loyalty as very high (65.7 percent). More attention must also be given to customers that leave in order to build future relationships with clients (60.0 percent).

Table 6.55 Environmental functions

Environmental Functions	Indication of the importance of environmental functions							
	Low		Medium		High		Total	
	%	n	%	n	%	n	%	n
Customers that leave	20.0%	7	60.0%	21	20.0%	7	100%	35
Future trends	5.7%	5	40.0%	11	54.3%	19	100%	35
Monitor environment	14.3%	2	28.6%	4	57.1%	8	100%	14
Market owned	3.1%	1	43.8%	14	53.1%	17	100%	32

A total of 85.7 percent (28.6 percent and 57.1 percent) of the respondents reacted that the environmental forces must be monitored in order to make informative decisions regarding advertising. 96.7 Percent (43.8 percent and 53.1 percent) of the respondents feel that the market is owned by relationship marketing.

Table 6.56 Advertising budget of clients per annum

Advertising budget	Frequency	Percentage
0 – 100 000	11	57.9%
100 001 – 200 000	8	42.1%
200 001 and more	0	0.0%
Total	19	100%

Only nineteen respondents answered the question regarding their advertising budget. It is clear in the table above that the highest group falls in to the R0 – R100 000 advertising budget.

6.7 MEANS AND STANDARD DEVIATIONS - *VOLKSBLAD*

The means and standard deviations of *Volksblad* will be discussed next. The mean is the average of the same answer of each question and the standard deviation how much they differ. The bigger the difference of the standard deviation the more the variation is evident between answers. The standard deviation measured to what degree scores dispersed around the mean. The mean provides information about the general level of a set of scores. The standard deviation provided more information about the degree to which responses differed in relation to a particular question variable.

In table 6.57 respondents must indicate what they expect in their relationship with Media24. Question 1 of the questionnaire (Appendix B, p. 249) gives different statements to rate according to importance. As stated on p. 132, the standard deviation measured to what degree scores dispersed around the mean. The mean provides information about the general level of a set of scores. From table 6.57 onwards it is clear that the bigger the difference of standard deviation, the more the variation is evident between answers.

Table 6.57 Customer expectations in their relationship with *Volksblad*

Questions	Mean	Standard Deviation
Calling on clients	1.34	0.54
Solving of problem	1.43	0.56
Response time	1.20	0.41
Friendliness	1.26	0.44

There is not a high variation evident in table 6.57 because of the lower standard deviation. The respondents felt more or less the same about what they expect from the Afrikaans Daily Newspaper. Calling on clients, solving of problems on payment slips, response time to a problem and friendliness and supportiveness by salespeople are all equalled as important factors that respondents expect.

In Question 2 of the questionnaire (Appendix B, p. 249) the respondents were asked whether or not they agree or disagree with given statements regarding quality indicators. As stated on p. 132, the standard deviation measured to what degree scores dispersed around the mean. The mean provides information about the general level of a set of scores.

Table 6.58 Quality indicators

Questions	Mean	Standard Deviation
Customer bought	71.46	25.75
Supplier fails	92.86	11.46
Quality of service	89.29	12.55
Confidence	96.43	8.88

According to table 6.58 there is a high variation regarding the probability of a new purchase, should a supplier fail to deliver and the quality of the service. The respondents from *Volksblad* stated that the fact that a customer has bought a product does not forecast a purchase in the future. This could typically indicate that the respondents seek strong customer service with each purchase.

The importance of customer service was rated in table 6.59. Different statements were given in Question 3 of the questionnaire (Appendix B, p. 249) to determine the importance to the advertisers. As stated on p. 132, the standard deviation measured to what degree scores dispersed around the mean. The mean provides information about the general level of a set of scores.

Table 6.59 Customer service to advertisers

Questions	Mean	Standard Deviation
Friendly	1.37	0.49
High satisfaction	1.14	0.36
Responsive	1.20	0.41
Innovative	1.29	0.46
Comfort and convenience	1.54	0.56
Personal attention	1.46	0.56
Response time	1.26	0.44

There is not a high variation between the answers according to table 6.59. The respondents reacted more or less the same to the different answers that were stated. The respondents were asked to rate customer service and all of the aspects that were of importance and it is visible that the different factors are rated the same.

Customer service plays a vital role in the building of a long-term relationship between the client and organisation.

In Question 4 of the questionnaire (Appendix B, p. 249) the respondents were asked to either agree or disagree with statement regarding loyalty indicators. Table 6.60 indicates the responses that were compiled.

Table 6.60 Loyalty indicators

Questions	Mean	Standard Deviation
Emotional bonding	77.21	22.50
Affective influence	85.00	12.43
Advertise more	86.76	19.69
Repeat behaviour	83.33	16.14
Customers recommend	90.44	12.33
Pay premium price	68.94	25.02

There is a high variation between the answers evident according to table 6.60. The respondents from *Volksblad* reacted differently to the importance of loyalty indicators. Some will advertise more, pay a premium price and recommend customers and some may not. It is important to understand these loyalty indicators in order to build a sustainable relationship.

In order to determine and fully understand the relationship marketing strategies employed by *Volksblad*, the respondents were asked to rate the satisfaction with the artists' and accounts departments of the newspaper. Question 5 and Question 6 of the questionnaires (Appendix B, p. 249) cover these aspects. As stated on p. 132, the standard deviation measured to what degree scores dispersed around the mean. The mean provides information about the general level of a set of scores.

Table 6.61 Satisfaction of service delivery levels by the artists' department of *Volksblad*

Questions	Mean	Standard Deviation
Response time to proof	75.89	17.32
Accuracy of proof	75.89	20.95
Response time corrections	78.57	14.77
Confidence	80.36	10.45

There is a high variation evident between the answers of table 6.61. Attention should be given to the response time to proof and accuracy of proof according to the respondents from *Volksblad* in order to retain these customers. The quality and response time to proofs play a vital role in the relationship strategies between the advertiser and the newspaper.

As earlier stated on the previous page, question 6 of the questionnaire (Appendix B, p. 249) covers the satisfaction of the service delivery levels of the accounts department. As stated on p. 132, the standard deviation measured to what degree scores dispersed around the mean. The mean provides information about the general level of a set of scores.

Table 6.62 Satisfaction of service delivery levels by the accounts department of Volksblad

Questions	Mean	Standard Deviation
Query response time	73.48	17.61
Telephone friendliness	76.52	19.70
Capability to solve problems	79.55	14.60
Efficiency of work	78.03	17.41

A high variation occurs between the given answers of table 6.62. Respondents from *Volksblad* agreed differently to given statements of the accounts department. Action should be given to the capability to solve problems from the accounts department to retain a long-term relationship.

Professionalism from the accounts department plays an extremely vital role in relationship building between the client and the newspaper.

Question 7 of the questionnaire (Appendix B, p. 249) covers aspects regarding department indicators as well as marketing and environmental functions. As stated on p. 132, the standard deviation measured to what degree scores dispersed around the mean. The mean provides information about the general level of a set of scores.

Table 6.63 Department indicators, marketing and environmental functions

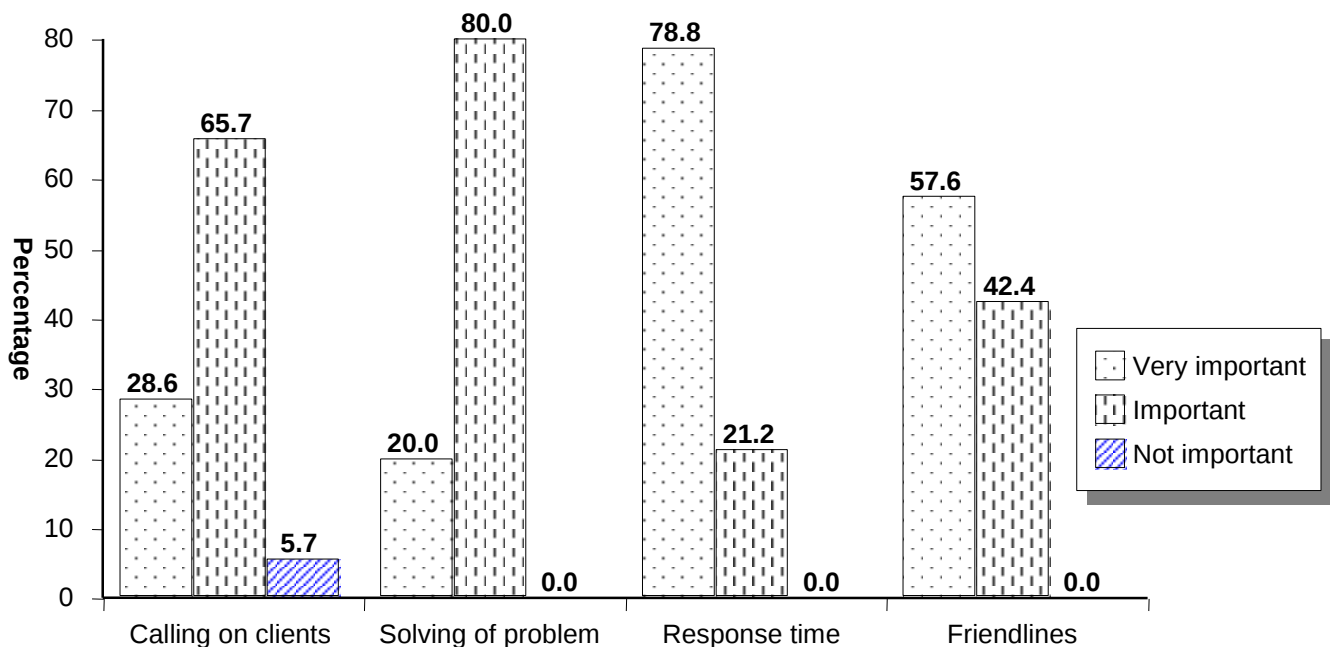
Questions	Mean	Standard Deviation
Advertisement proof	2.26	0.58
Accounts department	2.41	0.61
Consultant response time	2.54	0.56
Build loyalty	2.60	0.60
Customers that leave	2.00	0.64
Identify customer needs	2.40	0.74
Use client database	2.17	0.71
Future trends	2.49	0.61
Monitor environment	2.43	0.76
Market owned	2.50	0.57

There is not a high variation evident between the answers of table 6.63. The respondents rated the different statements more or less the same according to the table above.

6.8 FREQUENCY TABLES – *BEELD*

A total of 37 respondents out of the 108 questionnaires were completed by respondents from *Beeld*. Some returned questionnaires did not indicate certain specific information, maybe due to the sensitivity of the question. These tables and graphs are used for analysis and the totals depicted at the bottom of each table or graph represent how many times each individual subsection was answered. As the questionnaire existed of group questions the individual subsections response rates are of little importance.

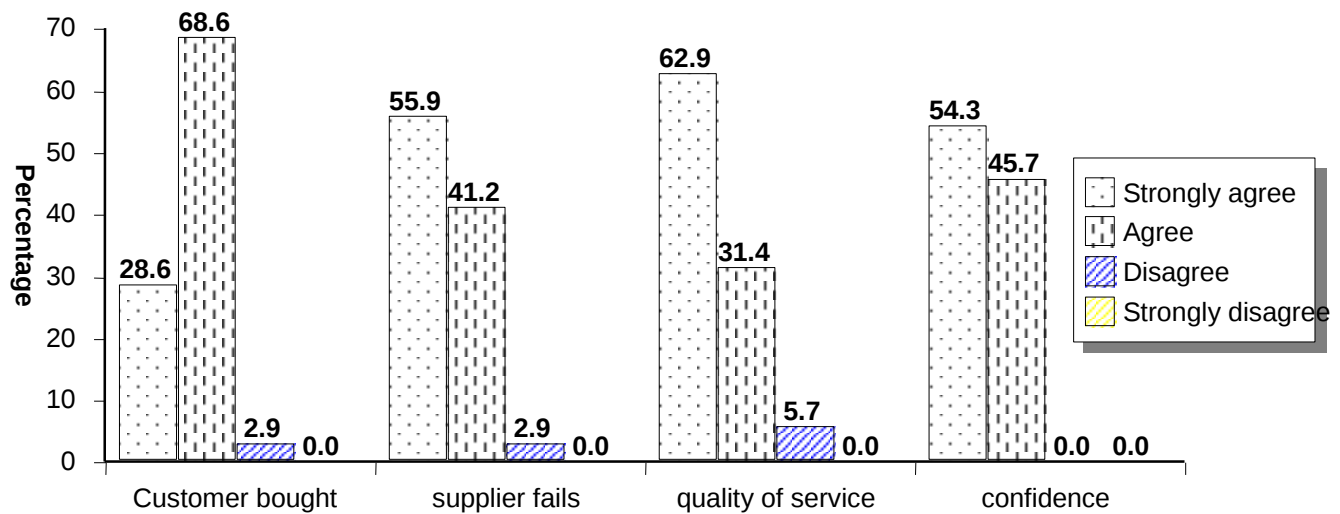
Graph 6.6 The importance of customer expectations in their relationship with *Beeld*



According to graph 6.6 the highest percentage of respondents (80 percent) agreed to the fact that that the solving of problems on their payment slips is very important.

A high percentage of respondents (78.8 percent) also agreed that the response time to their problem is very important.

Graph 6.7 Quality indicators



Out of the total of respondents that reacted to question two, a percentage of respondents (68.6 percent) agreed to the statement that the fact that a customer has bought a product does not forecast the probability of a new purchase. A high percentage (62.9 percent) also strongly agrees to the statement that the quality of service solids determined in large measure by skills and work attitudes of personnel producing the services.

Table 6.64 Customer service to advertisers

Questions	Very Important		Important		Not important		Total	
	%	n	%	n	%	n	%	n
Friendly Smile	34.3%	12	65.7%	23	0.0%	0	100%	35
High Satisfaction	48.6%	17	51.4%	18	0.0%	0	100%	35
Responsive	65.7%	23	34.3%	12	0.0%	0	100%	35
Innovative	54.3%	19	42.9%	15	2.9%	1	100%	35
Comfort and Convenience	38.2%	13	58.8%	20	2.9%	1	100%	34
Personal Attention	44.1%	15	55.9%	19	0.0%	0	100%	35
Response time	29.4%	10	67.6%	23	2.9%	1	100%	35

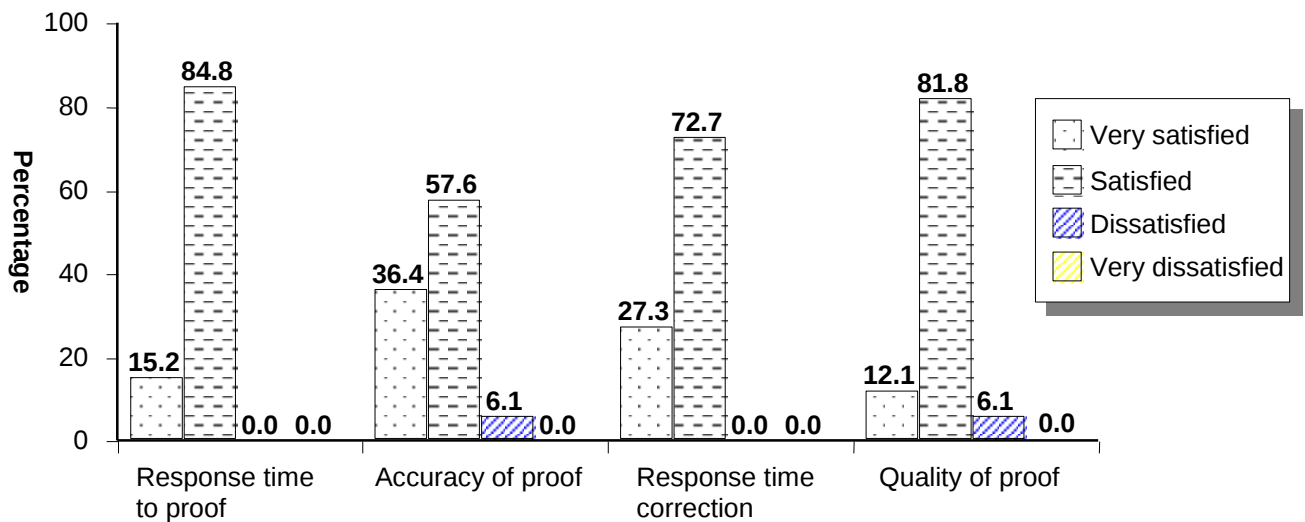
The highest percentage of respondents (67.6 percent) felt that the response time from consultants is important. A percentage of 65.7 percent of the respondents from the Afrikaans Daily Newspaper felt that customer service is responsive to customer demands. The same percentage also felt that a friendly smile also contributes to customer service.

Table 6.65 Loyalty indicators

Questions	Strongly Agree		Agree		Disagree		Strongly Disagree		Total	
	%	n	%	n	%	n	%	n	%	n
Emotional bonding	11.8%	4	70.6%	24	17.6%	6	0.0%	0	100%	34
Affective Influence	41.2%	14	58.8%	20	0.0%	0	0.0%	0	100%	34
Advertise more	61.8%	21	32.4%	11	5.9%	2	0.0%	0	100%	34
Repeat Behaviour	48.5%	16	45.5%	15	6.1%	2	0.0%	0	100%	33
Customers recommend	35.3%	12	64.7%	22	0.0%	0	0.0%	0	100%	34
Pay premium price	20.6%	7	70.6%	24	5.9%	2	2.9%	1	100%	34

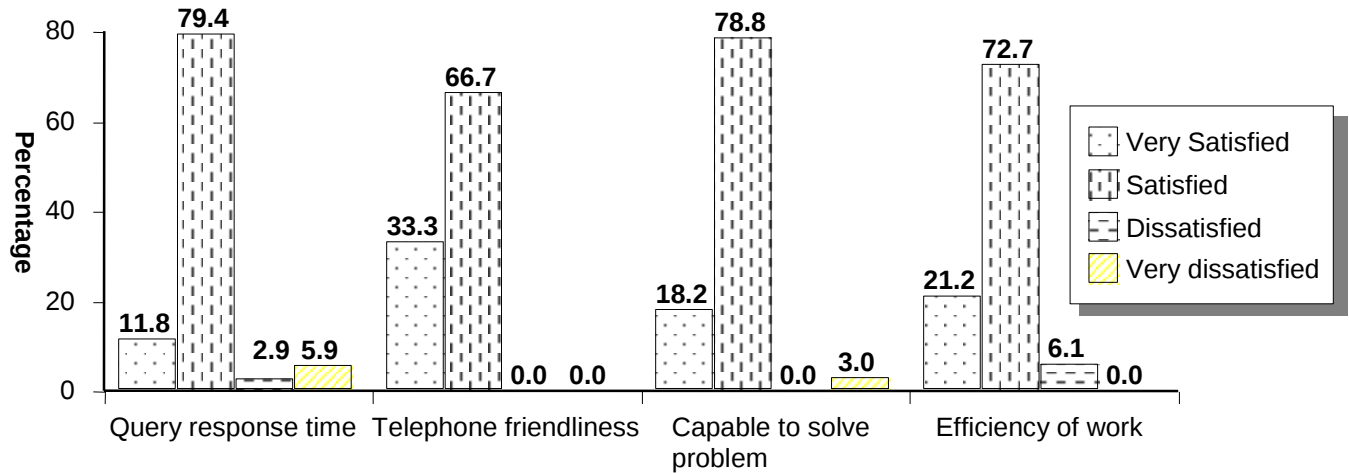
According to table 6.65 a total of 70.6 percent of the respondents agreed to the statements that loyalty is an emotional bonding and that well-served customer will pay a premium price. A percentage of 64.7 percent also agree to the statement that satisfied customers will recommend. Emotional bonding, the fact that they are willing to pay a premium price and that they will recommend customers show again that the respondents from *Beeld* agree that customer service plays a vital role in their commitment with the Afrikaans Daily Newspaper.

Graph 6.8 Satisfaction of service delivery levels by the artists' department of *Beeld*



A total of 84.8 percent of the respondents according to graph 6.8 agreed that they are satisfied with their response time to their proofs received and a total of 81.8 percent of the respondents agreed that they are also satisfied with the quality of the proofs that they receive. A total of 6.1 percent of the respondents were dissatisfied with the accuracy of the proof as well as the quality. As a whole it is clear that the Afrikaans Daily Newspaper, *Beeld*, is satisfied with the artist department. It is important that the response time, accuracy and quality of proofs must improve to the fact where respondents agree that they are very satisfied.

Graph 6.9 Satisfaction of service delivery levels by the accounts department of *Beeld*



According to graph 6.9 a percentage of respondents (78.4 percent) agreed that they are satisfied with the accounts department with reacting time towards a query on their account. A total of 78.8 percent and 72.7 percent agreed that they were satisfied with the capability and efficiency of the work respectively delivered by the accounts department.

Table 6.66 Departmental indicators

Department Indicators	Satisfaction of advertisement and accounts departments							
	Low		Medium		High		Total	
	%	n	%	n	%	n	%	n
Advertisement Proof	3.0%	1	63.6%	21	33.3%	11	100%	33
Accounts Department	8.8%	3	67.6%	23	23.5%	8	100%	34

A total of 67.6 percent of respondents rated the statement that the accounts department can handle their clients more professionally as medium importance. Advertisement proofs can also be delivered earlier than currently (63.6 percent).

Table 6.67 Marketing functions

Marketing Functions	Quality of service delivery of marketing functions							
	Low		Medium		High		Total	
	%	n	%	n	%	n	%	n
Consultant Response	6.1%	2	63.6%	21	30.3%	10	100%	33
Build Loyalty	9.1%	3	51.5%	17	39.4%	13	100%	33
Identify customer	9.1%	3	42.4%	14	48.5%	16	100%	33
Use client database	12.5%	4	46.9%	15	40.6%	13	100%	32

Response time from consultants must be given attention as well as the fact that proactive steps must be taken to build customer loyalty.

Table 6.68 Environmental functions

Environmental Functions	Indication of the importance of environmental functions							
	Low		Medium		High		Total	
	%	n	%	n	%	n	%	n
Customers that leave	9.4%	3	40.6%	13	50.0%	16	100%	32
Future trends	3.0%	1	63.6%	21	33.3%	11	100%	33
Monitor environment	7.7%	1	53.8%	7	38.5%	5	100%	13
Market owned	3.1%	1	65.6%	21	31.2%	10	100%	32

Similar to the respondents from *Volksblad*, the respondents from *Beeld* also mentioned that future trends must be anticipated and more attention must be given to the monitoring of the environment.

Table 6.69 Advertising budget of clients per annum

Advertising budget	Frequency	Percentage
0 – 100 000	11	57.9%
100 001 – 200 000	8	42.1%
200 001 and more	0	0.0%
Total	19	100%

The highest percentage of respondents that completed the questionnaires were in the advertising budget group of R0 – R100 000 (57.9 percent).

6.9 MEANS AND STANDARD DEVIATIONS – *BEELD*

Next the means and standard deviations of *Beeld* will be discussed. The mean is the average of the same answer of each question and the standard deviation how much they differ. The bigger the difference of the standard deviation the more significant the analysis is. The standard deviation measured to what degree scores dispersed around the mean. The mean provides information about the general level of a set of scores. The standard deviation provided more information about the degree to which responses differed in relation to a particular question variable.

In table 6.70 respondents must indicate what they expect in their relationship with Media24. Question 1 of the questionnaire (Appendix B, p. 249) gives different statements to rate according to importance. As stated on p. 132, the standard deviation measured to what degree scores dispersed around the mean. The mean provides information about the general level of a set of scores.

Table 6.70 Customer expectations in their relationship with *Beeld*

Questions	Mean	Standard Deviation
Calling on clients	1.77	0.55
Solving of problem	1.80	0.41
Response time	1.21	0.42
Friendliness	1.42	0.50

According to table 6.70 there is not a high variation evident between the given answers of the respondents. Most of the respondents reacted more or less the same towards the question asked.

In Question 2 of the questionnaire (Appendix B, p. 249) the respondents were asked whether or not they agree or disagree with given statements regarding quality indicators. As stated on p. 132, the standard deviation measured to what degree scores dispersed around the mean. The mean provides information about the general level of a set of scores.

Table 6.71 Quality indicators

Questions	Mean	Standard Deviation
Customer bought	80.71	14.96
Supplier fails	87.50	16.57
Quality of service	87.86	19.53
Confidence	88.57	12.64

According to question two the situation seems to differ. A high variation is evident according to table 6.71. Respondents felt that some aspects tend to be more important than others. Attention should be given to the quality of service sold.

The importance of customer service was rated in table 6.72. Different statements were given in Question 3 of the questionnaire (Appendix B, p. 249) to determine this aspect.

Table 6.72 Customer service to advertisers

Questions	Mean	Standard Deviation
Friendly	1.66	0.48
High satisfaction	1.51	0.51
Responsive	1.34	0.48
Innovative	1.49	0.56
Comfort and convenience	1.65	0.54
Personal attention	1.56	0.50
Response time	1.74	0.51

There is not a high variation between the answers of table 6.72. Respondents felt the same towards the importance of each given statement. The response rate indicates that the mean and standard deviation has a low rating.

In Question 4 of the questionnaire (Appendix B, p. 249) the respondents were asked to either agree or disagree with statement regarding loyalty indicators. Table 6.73 indicates the responses that were compiled.

Table 6.73 Loyalty indicators

Questions	Mean	Standard Deviation
Emotional bonding	69.12	22.24
Affective influence	85.29	12.49
Advertise more	87.50	19.70
Repeat behaviour	84.09	19.58
Customers recommend	83.83	12.13
Pay premium price	75.03	21.21

A high variation is evident according to table 6.73. Respondents reacted differently towards emotional bonding and the fact that satisfied customers will pay a premium price. These aspects all play a vital role in the relationship building between the client and the organisation.

In order to determine and fully understand the relationship marketing strategies employed by *Beeld*, the respondents were asked to rate the satisfaction with the artists' and accounts departments of the newspaper. Question 5 and Question 6 of the questionnaires (Appendix B, p. 249) cover these aspects. As stated on p. 132, the standard deviation measured to what degree scores dispersed around the mean. The mean provides information about the general level of a set of scores.

Table 6.74 Satisfaction of service delivery levels by the artists' department of *Beeld*

Questions	Mean	Standard Deviation
Response time to proof	78.79	9.10
Accuracy of proof	81.06	18.78
Response time corrections	81.82	11.31
Confidence	75.00	15.31

There is a high variation evident between the answers of table 6.74. Some of the respondents felt satisfied with the accuracy and quality of their proof and some felt that there are still room for improvement and attention should be given to help with relationship building.

As earlier stated on the previous page, question 6 of the questionnaire (Appendix B, p. 249) covers the satisfaction of the service delivery levels of the accounts department. As stated on p. 132, the standard deviation measured to what degree scores dispersed around the mean. The mean provides information about the general level of a set of scores.

Table 6.75 Satisfaction of service delivery levels by the accounts department of *Beeld*

Questions	Mean	Standard Deviation
Query response time	72.12	21.79
Telephone friendliness	83.33	11.97
Capability to solve problems	77.30	16.82
Efficiency of work	77.27	16.96

Regarding the accounts department of the *Beeld* Afrikaans Daily Newspaper it is evident that there is a high variation between the answers according to table 6.75. Again some of the respondents were satisfied with the capability and efficiency of the mentioned department, but some stated that there is still room for improvement.

Question 7 of the questionnaire (Appendix B, p. 249) covers aspects regarding department indicators as well as marketing and environmental functions. As stated on p. 132, the standard deviation measured to what degree scores dispersed around the mean. The mean provides information about the general level of a set of scores.

Table 6.76 Department indicators, marketing and environmental functions combined

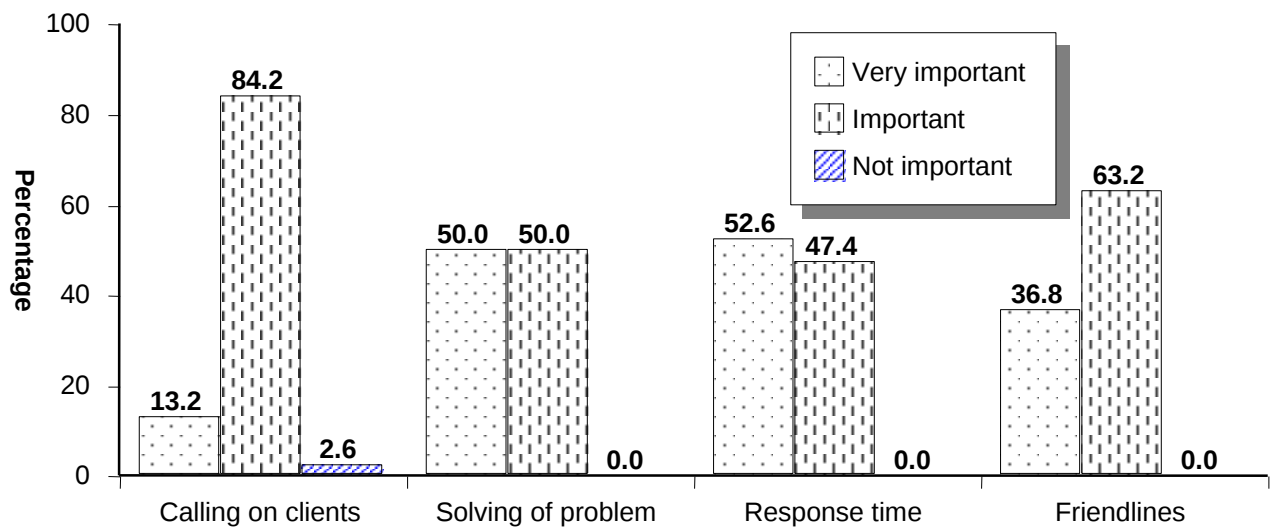
Questions	Mean	Standard Deviation
Advertisement proof	2.30	0.53
Accounts department	2.15	0.56
Consultant response time	2.24	0.56
Build loyalty	2.30	0.64
Customers that leave	2.41	0.67
Identify customer needs	2.39	0.66
Use client database	2.28	0.68
Future trends	2.30	0.53
Monitor environment	2.31	0.63
Market owned	2.28	0.52

There is not a high variation between the given answers. Respondents rated some statements as low, medium and high value. Overall the respondents rated the same importance level of the different statements.

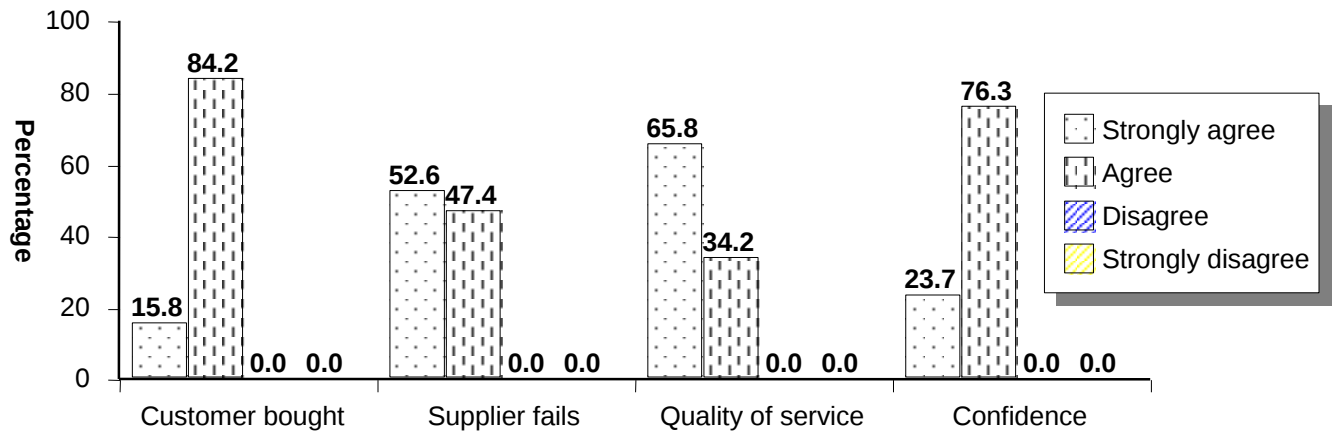
6.10 FREQUENCY TABLES – *DIE BURGER*

A total of 38 respondents out of the 108 questionnaires were completed by respondents from *Die Burger*. Some returned questionnaires did not indicate certain specific information, maybe due to the sensitivity of the question. These tables and graphs are used for analysis and the totals depicted at the bottom of each table or graph represent how many times each individual subsection was answered. As the questionnaire existed of group questions the individual subsections response rates are of little importance.

Graph 6.10 The importance of customer expectations in their relationship with *Die Burger*



According to graph 6.10 the solving of problems, response time to problems and friendliness are all rated 100 percent important or very important. It shows that the importance of customer expectations in their relationship with Media 24 plays a vital role.

Graph 6.11 Quality indicators

Respondents from *Die Burger* agree or strongly agree to the importance of probability of a new purchase, should a supplier fail to deliver they will seek alternative, the quality of service sold and confidence in the organisation as an organisation of the future. Again the quality of service received plays a vital role when building a relationship.

Table 6.77 Customer service to advertisers

Questions	Very Important		Important		Not important		Total	
	%	n	%	n	%	n	%	n
Friendly Smile	21.1%	8	76.3%	29	2.6%	1	100%	38
High Satisfaction	28.9%	11	71.1%	27	0.0%	0	100%	38
Responsive	65.8%	25	34.2%	13	0.0%	0	100%	38
Innovative	57.9%	22	42.1%	16	0.0%	0	100%	38
Comfort and Convenience	34.2%	13	65.8%	25	0.0%	0	100%	38
Personal Attention	34.2%	13	65.8%	25	0.0%	0	100%	38
Response time	7.9%	3	86.8%	33	5.3%	2	100%	38

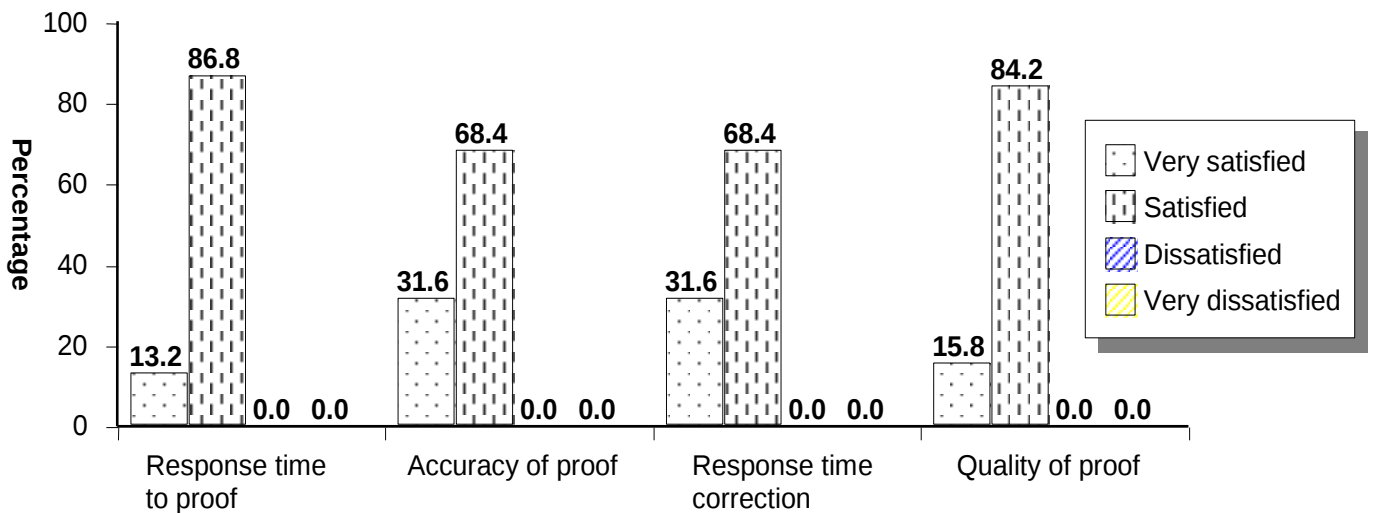
According to table 6.77 the response time from a consultant (5.3 percent) and a friendly smile (2.6 percent) are rated as not important to the respondents from *Die Burger*. The respondents rated the fact that customer service must be responsive to customer demands as very important (65.8 percent).

Table 6.78 Loyalty indicators

Questions	Strongly Agree		Agree		Disagree		Strongly Disagree		Total	
	%	n	%	n	%	n	%	n	%	n
Emotional bonding	0.0%	0	84.2%	32	10.5%	4	5.3%	2	100%	38
Affective Influence	23.7%	9	76.3%	29	0.0%	0	0.0%	0	100%	38
Advertise more	73.7%	28	26.3%	10	0.0%	0	0.0%	0	100%	38
Repeat Behaviour	50.0%	19	50.0%	10	0.0%	0	0.0%	0	100%	38
Customers recommend	34.2%	13	65.8%	25	0.0%	0	0.0%	0	100%	38
Pay premium price	15.8%	6	76.3%	29	7.9%	3	0.0%	0	100%	38

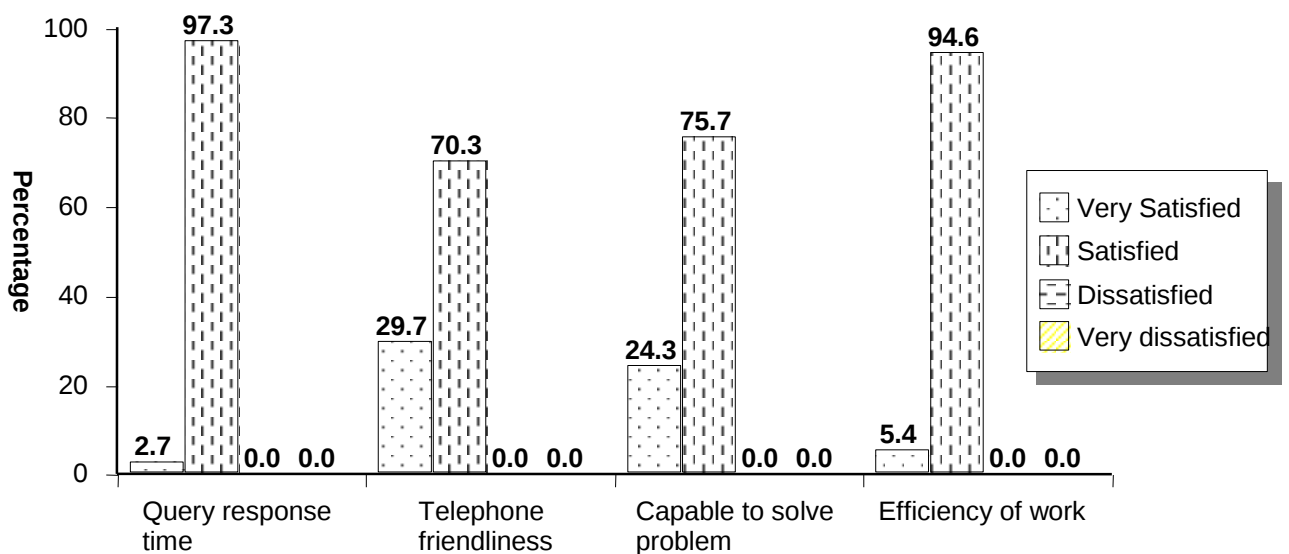
Some respondents disagree or strongly disagree to some loyalty indicators. A total of 15.8 percent of respondents disagreed to the statement that loyalty is an emotional bonding as well as 7.9 percent of *Die Burger's* respondents disagreed to the statement that well-served customers will pay a premium price.

Graph 6.12 Satisfaction of service delivery levels by the artists' department of *Die Burger*



The respondents from *Die Burger* were either satisfied or very satisfied with the different satisfaction of service delivery levels by the artists' department.

Graph 6.13 Satisfaction of service delivery levels by the accounts department of *Die Burger*



Again the respondents show no dissatisfaction levels towards the account department from *Die Burger*. Overall the respondents are satisfied with the query to

response time, telephone friendliness, capability to solve problems and the efficiency of work done.

Table 6.79 Department indicators

Department Indicators	Satisfaction of advertisement and accounts departments							
	Low		Medium		High		Total	
	%	n	%	n	%	n	%	n
Advertisement Proof	0.0%	0	89.5%	34	10.5%	4	100%	38
Accounts Department	0.0%	0	89.5%	34	10.5%	4	100%	38

According to table 6.79 more attention should be given to the delivery time of advertisement proofs and the professionalism of the accounts department.

Table 6.80 Marketing functions

Marketing Functions	Quality of service delivery of marketing functions							
	Low		Medium		High		Total	
	%	n	%	n	%	n	%	n
Consultant Response	0.0%	0	89.5%	34	10.5%	4	100%	38
Build Loyalty	5.3%	2	86.8%	33	7.9%	3	100%	38
Identify customer	39.5%	15	55.3%	21	5.3%	2	100%	38
Use client database	5.3%	2	84.2%	32	10.5%	4	100%	38

The respondents of *Die Burger* mentioned that more attention should be given to the response time from consultants, the fact that proactive steps must be taken to build loyalty, identify customers that leave and the fact that *Die Burger* must take full advantage of its database.

Table 6.81 Environmental functions

Environmental Functions	Indication of the importance of environmental functions							
	Low		Medium		High		Total	
	%	n	%	n	%	n	%	n
Customers that leave	39.5%	15	55.3%	21	5.3%	2	100%	38
Future trends	0.0%	0	92.1%	35	7.9%	3	100%	38
Monitor environment	0.0%	0	92.1%	35	7.9%	3	100%	38
Market owned	0.0%	0	50.0%	3	50.0%	3	100%	6

Future trends must be anticipated more according to table 6.81 and the fact that environmental forces must be monitored. These two aspects are highly rated by the respondents from *Die Burger*.

Table 6.82 Advertising budget of clients per annum

Advertising budget	Frequency	Percentage
0 – 100 000	4	20.0%
100 001 – 200 000	16	80.0%
200 001 and more	0	0.00%
Total	20	100%

The highest percentage of respondents that reacted to the questionnaires was between the advertising budget group of R100 001 – R200 000.

6.11 MEANS AND STANDARD DEVIATIONS – *DIE BURGER*

The means and standard deviations of *Die Burger* will be discussed next. The mean is the average of the same answer of each question and the standard deviation how much they differ. The bigger the difference of the standard deviation the more significant the analysis is. The standard deviation measured to what degree scores dispersed around the mean. The mean provides information about the general level of a set of scores. The standard deviation provided more information about the degree to which responses differed in relation to a particular question variable.

In table 6.83 respondents must indicate what they expect in their relationship with Media24. Question 1 of the questionnaire (Appendix B, p. 249) gives different statements to rate according to importance. As stated on p. 132, the standard deviation measured to what degree scores dispersed around the mean. The mean provides information about the general level of a set of scores.

Table 6.83 Customer expectations in their relationship with *Die Burger*

Questions	Mean	Standard Deviation
Calling on clients	1.89	0.39
Solving of problem	1.50	0.51
Response time	1.47	0.51
Friendliness	1.63	0.49

According to table 6.83 (p. 225) there is not a high variation evident between the given answers of the respondents. Most of the respondents reacted more or less the same towards the question asked.

In Question 2 of the questionnaire (Appendix B, p. 249) the respondents were asked whether or not they agree or disagree with given statements regarding quality indicators. As stated on p. 132, the standard deviation measured to what degree scores dispersed around the mean. The mean provides information about the general level of a set of scores.

Table 6.84 Quality indicators

Questions	Mean	Standard Deviation
Customer bought	78.95	9.24
Supplier fails	88.16	12.65
Quality of service	91.45	12.02
Confidence	80.92	10.77

There is a high variation evident between the given answers regarding the importance of the probability of a new purchase, should a supplier fail to deliver, the quality of service sold and confidence in the organisation as an organisation of the future. The standard deviation is higher according to table 6.84.

The importance of customer service was rated in table 6.85. Different statements were given in Question 3 of the questionnaire (Appendix B, p. 249) to determine this aspect.

Table 6.85 Customer service to advertisers

Questions	Mean	Standard Deviation
Friendly	1.82	0.46
High satisfaction	1.71	0.36
Responsive	1.34	0.48
Innovative	1.42	0.50
Comfort and convenience	1.66	0.48
Personal attention	1.66	0.48
Response time	1.97	0.37

Regarding the importance of customer service to advertisers there were not a high variation evident between the given answers of the respondents of *Die Burger*. Again the answers were more or less the same and the standard deviation is not high according to table 6.85.

In Question 4 of the questionnaire (Appendix B, p. 249) the respondents were asked to either agree or disagree with statement regarding loyalty indicators. Table 6.86 indicates the responses that were compiled. As stated on p. 132, the standard deviation measured to what degree scores dispersed around the mean. The mean provides information about the general level of a set of scores.

Table 6.86 Loyalty indicators

Questions	Mean	Standard Deviation
Emotional bonding	65.84	21.91
Affective influence	80.92	10.77
Advertise more	93.42	11.16
Repeat behaviour	87.50	12.67
Customers recommend	83.55	12.02
Pay premium price	75.00	17.44

The importance of loyalty indicators shows a high variation between the given answers. The respondents reacted differently between the different statements received. A number of respondents reacted differently towards emotional bonding and the fact that satisfied customers will pay a premium price.

In order to determine and fully understand the relationship marketing strategies employed by *Die Burger*, the respondents were asked to rate the satisfaction with the artists' and accounts departments of the newspaper. Question 5 and Question 6 of the questionnaires (Appendix B, p. 249) cover these aspects. As stated on p. 132, the standard deviation measured to what degree scores dispersed around the mean. The mean provides information about the general level of a set of scores.

**Table 6.87 Satisfaction of service delivery levels by the artists' department
of *Die Burger***

Questions	Mean	Standard Deviation
Response time to proof	78.29	8.56
Accuracy of proof	82.89	11.78
Response time corrections	82.89	11.78
Confidence	78.95	9.24

The satisfaction of service delivery levels by the artist department of *Die Burger* also showed a variation between the given answers by the respondents. Attention should be given to the accuracy and response time to proof.

As earlier stated on the previous page, question 6 of the questionnaire (Appendix B, p. 249) covers the satisfaction of the service delivery levels of the accounts department. As stated on p. 132, the standard deviation measured to what degree scores dispersed around the mean. The mean provides information about the general level of a set of scores.

**Table 6.88 Satisfaction of service delivery levels by the accounts
department of *Die Burger***

Questions	Mean	Standard Deviation
Query response time	75.68	4.11
Telephone friendliness	82.43	11.58
Capability to solve problems	81.08	10.87
Efficiency of work	76.35	5.73

The satisfaction of service delivery levels by the accounts department of *Die Burger* also showed a variation between the different answers. Respondents reacted more or less the same regarding the query to response time, telephone friendliness, capability to solve problems and the efficiency of work done, but some attention should be given to telephone friendliness and the capability to solve problems.

Question 7 of the questionnaire (Appendix B, p. 249) covers aspects regarding department indicators as well as marketing and environmental functions. As stated on p. 132, the standard deviation measured to what degree scores dispersed around the mean. The mean provides information about the general level of a set of scores.

Table 6.89 Departmental indicators, marketing and environmental functions

Questions	Mean	Standard Deviation
Advertisement proof	2.11	0.31
Accounts department	2.11	0.31
Consultant response time	2.11	0.31
Build loyalty	2.03	0.37
Customers that leave	1.66	0.58
Identify customer needs	1.89	0.52
Use client database	2.05	0.40
Future trends	2.08	0.27
Monitor environment	2.50	0.55
Market owned	2.08	0.27

The importance of department indicators, marketing and environmental functions also showed no variation between the answers that were given by the respondents of *Die Burger* according to table 6.89. Again the respondents reacted more or less the same regarding their answers.

In the next chapter the results and recommendations will be discussed according to the research methodology.

CHAPTER 7

RESULTS AND RECOMMENDATIONS

7.1 INTRODUCTION

In this chapter a short summary of the theoretical study, results of the empirical research, an overall conclusion, specific conclusion and recommendations will be described individually.

7.2 SUMMARY OF THE THEORETICAL STUDY

This research project focused on relationship marketing as the different sections of the Afrikaans Daily Newspapers in the Media 24 Group practise it. *Volksblad* is the Afrikaans daily newspaper for the Free State and Northern Cape, while *Beeld* covers the Gauteng region and *Die Burger* the Cape Town region. A comparative study about the different contributions of each paper has also formed the basis of the problem statement in order to determine if the current relationship marketing strategies improve customer service.

The problem statement mentioned that the application of relationship marketing strategies at the Afrikaans Daily Newspapers is not effective. A comparative study regarding each Afrikaans Daily Newspaper has been done to determine the effectiveness of the relationship marketing strategy of each.

The primary objective of this research project is to determine the effectiveness of relationship marketing strategies to improve customer service as applied by the Afrikaans Daily Newspapers. Secondary objectives involve a literature study regarding the concept of relationship marketing that has determined the factors that played a role in the effective application and implementation of these strategies at Afrikaans Daily Newspapers. The importance of customer service and the maintenance of a loyal customer base at each daily newspaper have been investigated. The report has questioned whether the daily newspapers are taking full advantage of its database to build customer relationships.

The second chapter (p. 16) describes relationship marketing and the role of database marketing in relationship marketing. To follow is some key points regarding relationship marketing.

Relationship marketing is the analysing, organising, planning and controlling of the firm's customer-relating resources, policies, and activities with a view to satisfying the needs and wants of chosen customer groups at a profit (Christopher, *et al*, 2002 : 2).

The role of marketing in the firm, under the new paradigm of relationship marketing, is more challenging than ever before. Marketing has to take responsibility for implementing specific plans for different markets, including relationship marketing strategies. Once the organisation as a whole has decided how it wants to compete and what value propositions it wants to deliver, marketing has to identify and link the key process strategies together to achieve corporate goals.

The types of skills and breadth of knowledge required to make this philosophy succeed are quite different from those inherent in the traditional functional management model. Continuous management development in areas such as cross-functional process management and leadership skills will be critical, specifically when dealing with relationship marketing strategies (Christopher, *et al*, 2002 : 210).

The main aim of database marketing is to personalise. Personalisation has emerged as one way to send the right message to the right person at the right time. This becomes a powerful relationship building tool.

Businesses face the challenge of making appropriate information available at all customer contact points while protecting privacy at the same time. Training must occur at all levels of the organisation. An organisation could have good privacy policies, but it only takes one bad interaction to lose a customer. Personalisation benefits the company, customer and supplier. It gives the organisation a way to serve the customer better. Better service means better customer retention (The ethics of database marketing, Anon., 2002, pp.42).

In the second literature chapter the role of customer service and customer equity were described. The nature of services affords many firms the opportunity to customise the relationship. By learning about the specific characteristics and requirements of individual customers, and then capturing these data for use as needed, businesses can more precisely tailor service to the situation at hand. The organisation provide customers with an incentive to remain customers of the business rather than to change to a new organisation (Payne, *et al*, 1998 : 68).

Therefore it can be said that customer service forms a critical part of relationship marketing.

The basis for customer equity lies in good customer service. As long as customers are relatively satisfied with the goods and services that they purchase and consume, the evaluation of customer satisfaction serves as an anchor to a top-down evaluation process.

Perceived quality is no longer the starting point in the customer satisfaction evaluation process. Equity helps to bridge the gap between customer satisfaction and repurchase decisions. Equity is closer and more relevant to the consideration of one's behaviour intentions in the context of cumulative evaluations (Johnson, 1998 : 128).

The development of relationship marketing in the print media was described in chapter 4 (p. 85). Building a relationship with clients is very important for every business. This chapter is about how the print media can develop relationships with customers (readers) and clients (advertisers).

The newspaper wants to establish continued interaction between the customer and the client. The client will advertise more regularly if a relationship exists between the two parties involved. The same goes for the customer that will only buy a specific Afrikaans Daily Newspaper due to the existing relationship. Interaction will eventually lead to better communication. This strengthens the relationship building process and creates a long-term relationship.

Successful advertising implant in the customer's minds, a clear meaning of what the product is and how it compares to competitive offerings. This helps to build a strong relationship.

7.3 SUMMARY OF THE RESULTS OF THE EMPIRICAL STUDY

Next the empirical study is summarised. Several points of the main findings of the empirical study are discussed.

- ♦ A number of factors regarding dissatisfaction in the artist department were noticed. Some of the respondents were dissatisfied with the accuracy of the proof that they received as stated in table 6.5 (p. 129), customer service and need satisfaction plays a very important role with advertisers. There is a statistically high significant difference between the cross tabulations of the response time to correction done on a proof and the advertising budget being spend. Therefore a relation is visible between the response time to corrections done and budget. According to table 6.52 (p. 193) the respondents from *Volksblad* mentioned that the quality of the proof delivered can be improved. Overall the respondents mentioned that the response time to corrections on proofs may be faster. All of these dissatisfaction factors may lead to a poor relationship between the client and the media.

- ♦ According to the results from the empirical study several factors regarding dissatisfaction were noticed in the accounts department. Some of the respondents were dissatisfied with the response time to a query that they may

have with their account and with the efficiency of work delivered. Table 6.33 (p. 157) shows that some of the respondents also mentioned that the accounts department can deal with clients more professionally. Graph 6.5 (p. 194) reflects that respondents from *Volksblad* indicate that there is also room for improvement with the response time and the friendliness over the telephone from the accounts department. Regarding the accounts department of *Beeld*, it is visible that there is a statistically significant difference between the answers according to graph 6.9 (p. 209). Some of the respondents were satisfied with the capability and efficiency of the mentioned department, but others stated that there is still room for improvement.

- ♦ The importance of customer expectations in their relationship with Media 24 was measured by determining the importance of calling on clients to evaluate their satisfaction, solving of problems on payment slips, response time to a problem and friendliness and supportiveness offered by salespeople. Clients view all four criteria tested for customer expectations regarding their relationship with Media 24 as important to very important. The most predominant role of a consultant from the Afrikaans Daily Newspapers is to give fast and efficient service to a client and make sure that he/she knows what the client expects of consultants and the company. It is evident in the empirical study (p. 149) that there is a statistically high significant difference between the answers of the response time of a consultant regarding customer service ($p < 0.01$). Training of consultants to provide a high level of customer service play a vital role.

- ◆ Different statements were given to measure the importance of the probability of a new purchase, should a supplier fail to deliver, the quality of service sold and confidence in the organisation as an organisation of the future. The predominant number of respondents agreed to the fact that if a customer has bought a product, it does not forecast the probability of a new purchase. A number of respondents strongly agree that should a supplier fail to meet the demands of a client, they will seek alternative suppliers. Clients also want confidence in the organisation as an organisation of the future. Respondents respectively strongly agree to the statements that if a supplier should fail to deliver, it will lead to the fact that respondents will seek other alternatives in the future. The quality of services sold is determined to great extend by skills and work attitudes and the fact that customers should have confidence in the organisation as an organisation of the future.

- ◆ Different statements were given to determine customer service and loyalty indicators. Some of the respondents mentioned that a friendly smile is important while others feel that the response time of a consultant plays a vital role. Overall the respondents felt that satisfied customers will recommend and eventually use the specific newspaper more as their preferred medium for advertising. In the empirical study (p. 151) it is evident that a different solution can be applied to each Afrikaans Daily Newspaper in order to ensure that satisfied customers recommend that can lead to a higher customer database. The chi-square test yielded a p-value of 0.032, which means that there is a significant relation between the newspapers and customers recommended as an indicator of loyalty.

7.4 CONCLUSION

An overall and specific conclusion will be discussed in order to explain the outcome of the research study. Recommendations will then be given that can be implemented by the different Afrikaans Daily Newspapers to support them in improving relationship marketing strategies.

7.4.1 Overall conclusion

The problem statement indicated that the application of relationship marketing strategies at the Afrikaans Daily Newspapers is not effective. A comparative study regarding each Daily Newspaper has been done to determine the effectiveness of the relationship marketing strategy of each.

According to the outcome of the empirical study it is clear that there is room for improvement regarding the relationship marketing strategies of the Afrikaans Daily Newspapers.

7.4.2 Specific conclusion

To draw a specific conclusion it is clear that the artist and accounts departments can make improvements to contribute to the relationship marketing strategies.

Some of the respondents feel that:

- Consultants could respond quicker after a call is made;
- The accuracy of the proof is not up to standard;
- Response time to make corrections can be faster;
- A quicker response time to accounts queries can be facilitated; and
- Accounts department can deal more professionally with clients.

Suggestions will be made in order to help improve these factors. The application of relationship marketing strategies at the Afrikaans Daily Newspapers is not effective. A comparative study regarding each Afrikaans Daily Newspaper published by Media 24 has been done to determine the effectiveness of the relationship marketing strategy of each.

It is important to note that the problem statement of the research study concluded that the relationship marketing strategies employed by the Afrikaans Daily Newspapers can be improved in order to ensure a long-term relationship between advertisers and the different newspapers.

The primary objective of this research project was to determine the effectiveness of relationship marketing strategies as applied by the Afrikaans Daily Newspapers to improve customer service. To determine this objective, relationship marketing was studied and a research questionnaire compiled information regarding the effectiveness. Customer service plays a vital role in order to sustain and improve long-term relationship building methods.

Secondary objectives include a literature study regarding the concept of relationship marketing that has determined the factors that played a role in the effective application and implementation of these strategies at Afrikaans Daily Newspapers.

- ◆ The importance of customer service and the maintenance of a loyal customer base at each daily newspaper have been investigated.
- ◆ The report has questioned whether the daily newspapers are taking full advantage of its database to build customer relationships.

7.5 RECOMMENDATIONS

7.5.1 Main recommendation

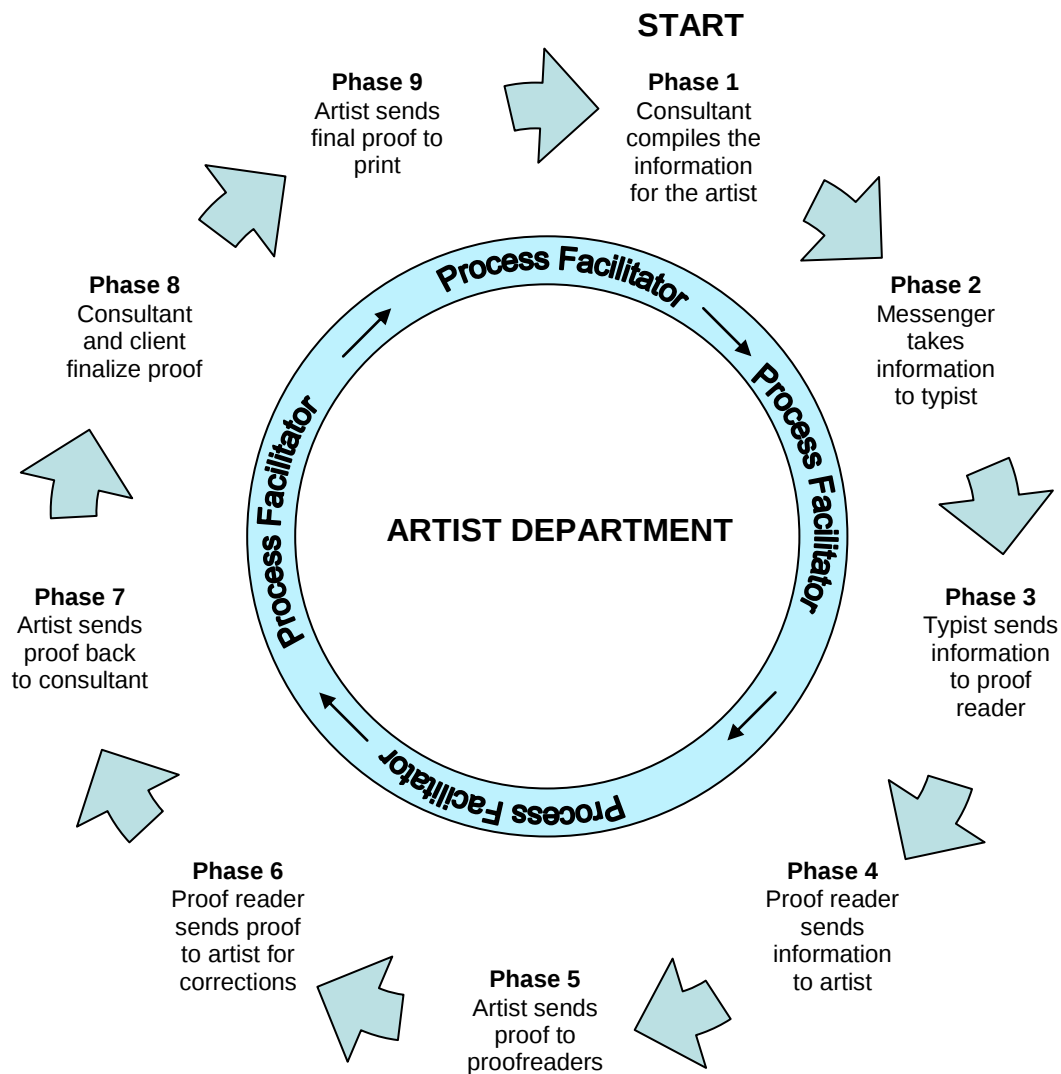
Recommendations are made to improve relationship marketing for both the artists' and accounts' departments.

7.5.1.1 *Recommendation for artists' department*

A flow chart is recommended for the artists' department and must be implemented according to the needs of the different Afrikaans Daily Newspapers. This module can improve relationship marketing strategies through faster response time from consultants as well as accurate and quality proofs.

Respondents will have more confidence in the artists department that will eventually lead to the fact that well-served customers may pay a premium price which contribute to higher future income.

Graph 7.1 Flow Chart – Artist department



Please note that the different phases must be implemented on a time table that suits the printing schedule of each Afrikaans Daily Newspaper. A process facilitator should be appointed who drafts the time schedule and oversees the effective adherence to it. The process facilitator should do quality assurance on fail points

(normally this would be phase deadlines) and should report back to the department manager on a daily basis as well as when failures occur.

Phase 1 – The consultant sells advertisement space and receives information from client for the advertisement. It is important that the consultant collects as much information as possible in order to give the artist a complete idea of the layout of the advertisement.

Phase 2 – The messenger must make regular turns to collect the information and deliver it to the typist. A fixed time schedule can be implemented.

Phase 3 – The typist types the necessary information and sends it to the proof readers in order to ensure accurate and quality proofs for the clients.

Phase 4 – The proof reader sends the information to the artist to start the layout of the advertisement.

Phase 5 – The artist starts with advertisement and sends the proof back to the proofreaders before the proof is ready to be taken to the client. Again this ensures that accuracy and quality become a vital part of the relationship building process.

Phase 6 – The artist receives the proof back to make final corrections and the proof is ready for the consultant to visit the client again.

Phase 7 – The consultant receives proof from the artist department.

Phase 8 – The consultant and the client finalise the proof and the proof is taken back to the artist to make corrections. If necessary a second proof can be taken to the client to ensure a high level of customer service.

Phase 9 – The artist sends the final proof to print.

7.5.1.2 Recommendation for accounts' department

It is important that the personnel are regularly sent on courses to improve their skills and make sure that they deliver the highest quality of work possible in their position.

Different courses are available at various private and public institutions to invest in the accounts department to ensure a higher level of professionalism. A short course in accounting can improve the efficiency of work delivered by the specific department. Telephone etiquette is very important to help improve the relationship building process.

A sampling must be done monthly on groups of advertisers to monitor the performance of these departments. This information can show problem areas that need more attention to ensure effective relationship building processes.

7.6 FINAL SUMMARY OF THE STUDY

The implementation of effective relationship marketing strategies ensures a long-term relationship between the Afrikaans Daily Newspapers and their advertisers. These advertisers will remain loyal to the organisation in the future.

Effective relationship marketing strategies with the focus on customer service means a stable income for the organisation and ensures the comfort to clients that the organisation is an organisation of the future.

As earlier stated in the study (p. 3), personnel must learn about the organisation's needs and plans. This will lead to opportunities for an interdependent relationship and organisational development where needs of customers could be identified. A marketing-orientated philosophy is built on relationships rather than transactions. This is the essence of relationship marketing (Rentschler *et al*, 2001 : 123).

It is emphasized again how important it is to identify the needs of customers and to developed relationship strategies accordingly. These opportunities will ensure the future success of the organization.

"The objective of relationship marketing is to turn new customers into vocal advocates for the company thus playing an important role as a referral source" (Blois, 1996 : 172).

In the empirical study (p. 124) it is visible that according to the responses of the respondents, 100% either strongly agree or agree that satisfied customers

recommend. It is evident that referral source this plays a vital role in relationship building strategies.

Relationship marketing is therefore primarily a concept, which adds customer service and quality to the traditional marketing mix of product, price, promotion and place. The aim of relationship marketing is to convince customers that you still provide a better value proposition when compared to your competitors. In conclusion, building long-term relationships with customers can ensure that the organisation is seen as an organisation of the future.

APPENDIX A
COVER LETTER



8 August 2005

Dear Sir/Madam

RELATIONSHIP MARKETING WITH FOCUS ON CUSTOMER SERVICE SURVEY

Relationship marketing employed by the Afrikaans Daily Newspapers plays an important role with the focus on customer service. When a customer is dissatisfied with the service he/she receives, there is little chance that he/she will advertise in the newspaper again.

In order to address this issue, Ms Alda Roux is currently undertaking a research project to collect information on the customer service activities employed by the different newspapers.

The envisaged title of the study is: "Relationship Marketing employed by the Afrikaans Daily Newspapers in the Media24 Group focusing on customer service."

Please complete the attached questionnaire as accurately as possible. Where possible, please answer all questions.

This questionnaire is confidential. The information from the questionnaires will only be used in a summary format. A copy of the results will be available on e-mail, if requested.

The questionnaire will be handed to you by a consultant or be faxed for your attention. Please complete this questionnaire and return it as soon as possible.

Your co-operation and assistance is much appreciated.

Yours sincerely

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APPENDIX B
CLIENT QUESTIONNAIRE

Relationship marketing strategies employed by the Afrikaans Daily Newspapers in the Media 24 group focusing on customer service

Please complete the questionnaire as accurately as possible.

1 Please indicate what you as customer expect in your relationship with Media24

1.1 Calling on clients to determine their satisfaction	very important	important	not important
1.2 Solving of problems on payment slips	very important	important	not important
1.3 Response time to your problem	very important	important	not important
1.4 Friendliness and supportiveness offered by the salespeople	very important	important	not important

2 Please indicate if you agree with the following statements:

2.1 The fact that a customer has bought a product does not forecast the probability for a new purchase	Strongly agree	Agree	Disagree	Strongly disagree
2.2 Should the supplier fail to deliver and perform as expected, the buyer may seek alternatives	Strongly agree	Agree	Disagree	Strongly disagree
2.3 The quality of services sold is determined in large measure by skills and work attitudes of the personnel producing the services	Strongly agree	Agree	Disagree	Strongly disagree
2.4 Earning long-term business means customers must have confidence in the organisation as an organisation in the future	Strongly agree	Agree	Disagree	Strongly disagree

3 Rate the following aspects of customer service

3.1 A friendly smile	very important	important	not important
3.2 A high level and long term customer satisfaction	very important	important	not important
3.3 Responsive to customer demands	very important	important	not important
3.4 Be highly innovative	very important	important	not important
3.5 Providing comfort and convenience to customers	very important	important	not important
3.6 Personal customer attention	very important	important	not important
3.7 Response time from consultant	very important	important	not important

4 Please indicate if you agree or not with the following statements:

4.1 Loyalty is an emotional bonding	Strongly agree	Agree	Disagree	Strongly disagree
4.2 Loyalty is an affective influence that is based on respect and trust	Strongly agree	Agree	Disagree	Strongly disagree
4.3 Satisfied customers advertise more	Strongly agree	Agree	Disagree	Strongly disagree
4.4 Satisfied customers will repeat there past behaviour in the future	Strongly agree	Agree	Disagree	Strongly disagree
4.5 Satisfied customers recommend	Strongly agree	Agree	Disagree	Strongly disagree
4.6 Well-served customers may pay a premium price	Strongly agree	Agree	Disagree	Strongly disagree

5 Please indicate how satisfied you are with the service delivery by the artists department of Media 24

5.1 Response time to proof	very satisfied	satisfied	dissatisfied	very dissatisfied
5.2 Accuracy of proof received	very satisfied	satisfied	dissatisfied	very dissatisfied
5.3 Response time when proof is returned for corrections	very satisfied	satisfied	dissatisfied	very dissatisfied
5.4 Overall quality of proof received	very satisfied	satisfied	dissatisfied	very dissatisfied

6 Please indicate how satisfied you are with the service delivery by the accounts department of Media 24

6.1 Response time towards query on account	very satisfied	satisfied	dissatisfied	very dissatisfied
6.2 Friendliness over telephone	very satisfied	satisfied	dissatisfied	very dissatisfied
6.3 Capability to solving the problem	very satisfied	satisfied	dissatisfied	very dissatisfied
6.4 Efficiency of working directly with client	very satisfied	satisfied	dissatisfied	very dissatisfied

7 How high do you value the following:

- 7.1 Advertisement proofs can be delivered earlier than requested
 7.2 Accounts departments handle clients more professionally
 7.3 Response time from consultants are faster after a call is made
 7.4 Proactive steps are taken to build customer loyalty
 7.5 More attention are payed to customers who leave
 7.6 Customer needs and requirements are identified
 7.7 Daily newspapers take full advantage of their client database
 7.8 Future trends are anticipated
 7.9 Environmental forces are monitored
 7.10 The market are owned through relationship marketing
 7.11 Others (specify) _____

Low	Medium	High
Low	Medium	High
Low	Medium	High
Low	Medium	High
Low	Medium	High
Low	Medium	High
Low	Medium	High
Low	Medium	High
Low	Medium	High
Low	Medium	High

8 Please indicate your advertising budget per annum

0 - 100 000
100 001 - 200 000
200 001 and more

Would you like a copy of the results of this survey?

yes	no
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If answered yes, please specify your e-mail address _____

Thank you for your co-operation

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