CONFIDENTIAL

AN INVESTIGATION INTO HOW
STRATEGIC MARKETING IS DONE IN PRACTICE :

'Insights towards components of more
effective strategic marketing application'

JEMMA MACQUET

"An investigation into how strategic marketing is done in practice:

'Insights towards components of more effective strategic marketing application'"

A research report

Presented to

The Leadership Centre

University of KwaZulu-Natal

In partial fulfillment

of the requirements for the

Masters of Commerce degree

by

Jemma Macquet

2005

leadership centre

UNIVERSITY OF KWAZULU NATAL

Supervisor : Professor Rob Taylor

This whole thesis, unless specifically indicated to the contrary in the text,
is the original work of the author.

_____

Jemma Macquet

Abstract

This study seeks to engage in a discourse on the praxis of strategy and more specifically, marketing strategy. Within the confines of this study, an exploratory analysis is done looking at the difference between the theory and praxis of marketing, as motivated by concerns about the current emphasis and methodology in which marketing theory is taught and applied in practice.

The findings of the study showed that the majority of practitioners working in senior strategic marketing positions had not received specific marketing training. This suggests that marketing, in the current degree structure, is not reaching its desired target market. Although there was an acknowledgement of the value of theory as a frame for thinking, the majority of practitioners spoke to the need for compromise between the ideal and the 'practical-implementable'; the need to augment the strategic theory with practical, tactical skills and a dualistic approach to the dissemination of the theory. This approach should work firstly, to master the theory and/or theoretical model as designed and written and secondly, to enable creative use of the model in different contexts. The practitioners further pointed to the need for marketing and accountancy as core subjects in the Bachelor of Commerce degree, explaining that both subjects provide a meaningful platform for understanding how business works.

Practitioners expressed a lack of support for marketing in their organizations using ongoing internal education and feedback to massage a fundamental overhaul of current perceptions relating to the ineffectiveness of marketing. Practitioners suggested a lack of full utilization of marketing capacity explaining that their primary responsibility related to the promotion function only. Finally, they discussed the need for tools to assist in the management of marketing in a complex environment.

In terms of practitioner responses to theoretical constructs, it was suggested that strategy developed for the organisation and for marketing specifically did not follow a linear, traditional format, but was more flexible and adaptive working inclusively and consultatively to develop core objectives and issues used as a working frame. In terms of the measurement of implementation success, most of them alluded to the use of feedback as a monitoring mechanism, talking further about the benefit of communication, internal marketing, teams, education and learning as drivers of successful implementation.

Acknowledgements

The information contained within this report is confidential.

Table of Contents

LIST OF FIGURES

Chapter One	Problem conceptualization
	The first chapter is designed to orientate the reader with the context in which the research project is situated.
	It introduces the reader to the research process that has been followed.

1.1. Introduction

"Just as society was altered irrevocably in the transition from the agrarian to the industrial age, emerging events are changing the ways we interact with one another in our personal and professional lives. Rapid environmental changes are causing fundamental transformations.... that represent a shift from a traditional to a new paradigm" (Daft, 1999).

The context of contemporary business is a context of shifting paradigms shaped by real time information, globalization and more complex environmental and systemic dynamics. It is in this context that theoretical methodologies are morphing and adapting to enable the effective application and exploitation of opportunities. One such 'school' of methodologies is that of 'Strategic Marketing', a field charged with the task of directing businesses, through leveraged customer relationships and the satisfaction of customer needs and wants, to the achievement of greater profitability and sustained performance. The field is arguably, one of the cornerstones of successful business practice and as such, needs to be constantly challenged to ensure that it's methodologies and applications are most effective in assisting strategic marketers to achieve their desired results.

The business of marketing today is a far cry from the business of marketing at the turn of the 19th Century, just as marketing as it was taught in the booming 1960's is vastly different from marketing as it is taught today with the pressures of rapid innovation and change, global trading and perceptual influence, international communication and mobilization... a plethora of developmental options and the world as your stage.

This study explores marketing strategy as practiced in the business environment and as discussed in theory. Marketing practitioners and other practitioners, students of marketing and business management, lecturers and academics within the field of marketing may offer different and sometimes conflicting perspectives, but a common concern raised has related to a perceived gap between what happens in practice and what is taught about 'Strategic Marketing'. It is off this platform that this study has been conceptualized. The study uses a part systems approach to investigate this perception.

This chapter introduces the reader to marketing as explained within the 'three level ladder of learning.' As such, the following section discusses the principles of marketing, marketing management and the area of focus of this study, strategic marketing. This understanding is intended to situate the problem and purpose statements and scope of the study.

1.2. Strategic Marketing

In textbooks, strategic marketing is generally positioned as a more advanced facet of the study of marketing. Mark Peters (2005) , Senior Marketing lecturer at WITS Business School explains this positioning as follows, "There are 3 levels that you could potentially learn marketing on (in terms of outcomes-based education). There is the 'Principles' level, which is very much an introduction. There is 'Core Subject : Marketing Management' and then there is the 'Strategic' level. We all use different terms, but they are the 'three level ladder of learning'. There is a fourth level where one could go and do their specialists on : retailing, marketing of property, services marketing etc". (It should be noted that in the South African tertiary context, although strategy and marketing might be core subjects in the same course, and students would consequently sit in on both courses, they are perceived as stand-alone subjects. As a generalization then, marketing and strategy syllabi are compiled and taught without mutual consultation, with the effect that students do not necessarily make the connections that should be made or glean synergistic benefit between the subjects. Although it could be argued that it is the role of the student to link knowledge together, it is a concern of the author. Consequentially, this matter might emerge in the strategic conversation-based interview process).

The rest of the discussion relating to marketing will be explained within the 'three level ladder of learning' (as discussed above) with a critique of strategic marketing introduced towards the end of the discussion.

(i) Marketing introduced (principles of marketing)

Marketing originated from the initial concept of the marketplace where buyers and sellers would come together to conduct transactions (or exchanges) for their mutual benefit. As such, its ideological foundations are 'deeply rooted in the principles which govern the functioning of the market economy' (Lambin,2000). As a field of study, marketing came into prominence in the early 1900's following the rise of the Industrial Revolution and the need to translate produced units into sold goods. It has since evolved through different philosophical phases showing the development of a customer-centric philosophy which places emphasis on the needs of the customer as the driver of business growth. These phases can be seen from the following table :

Concept	Philosophy behind the concept
Production concept	Consumers favour products that are available and highly affordable. Marketers need to focus on improving production and distribution
Product concept	Consumers favour products that offer the most quality, performance and innovative features
Selling concept	Consumers will only buy products if the company sells or promotes these products
Marketing concept	Marketers need to focus on the needs and wants of the target markets in order to deliver satisfaction better than their competitors
Societal Marketing concept	Marketers need to focus on the needs and wants of the target markets in order to deliver superior value in accordance with the greater well-being of society

Figure 1 : Evolution of Marketing Philosophies
Source : adapted from Kotler (1999)

The implicit assumption at the root of the marketing concept is that satisfying buyers' needs is the main objective of the firm, not because of altruism, but because it is the best way for the firm to achieve its own profit and/or growth objectives. As such, marketing can be conceptualized as both a business philosophy and an action-oriented process, playing a role in society by matching economic supply and demand, while at the same time using strategic and operational marketing to enable profitability and growth for the organisation.

It is evident then, that traditional marketing thought has been grounded in the *economic* theory of the firm (Egan,2001). This has created a much critiqued normative emphasis which looks to develop prescriptions about what firms should do if they wish to survive and prosper in a competitive environment. Webster (2005) describes the marketing concept as "an expression of organizational culture, a normative statement that the firm should always put customers' interest first. It is a management philosophy asserting that the existence and legitimacy of the firm ultimately depends on satisfying customer needs... despite its inherent moral appeal, the marketing concept has several basic weaknesses."

(i) These prescriptions are scientific in nature, making predictions on the basis of clearly stated assumptions. The result of this approach is an 'out clause' for marketers who, like the economists with their latin phrase *'ceteris parabus'* (meaning 'all things being equal') are able to explain exceptions to the rule. These exceptions can be further explained using the *social science* base of marketing (economics, psychology, sociology, cultural anthropology) which can accommodate exceptions to the rule without necessarily breaking the rule. The result is the creation of a business methodology which addresses what firms should do without considering the organisational constraints which could prevent the implementation of rational choices. Consideration of these constraints necessitates the tandem inclusion of *behavioural* theories of the firm (Steenkamp,2005). Such considerations are embodied within later definitions and discussions of strategic marketing.

(ii) More notably, the marketing concept can be critiqued for its lack of strategic content, giving no insight into how the firm should compete. "This lack of strategic focus was a major reason why many firms brought marketing under the influence of strategic planning departments" (Webster,2005).

The concerns raised in the above paragraph relating to the marketing concept will be indirectly explored in chapter two. They point to a need for more strategic focus and fuller consideration of organizational resources and constraints.

Arguably, the two most widely used definitions for marketing are as follows :
(i) 'Marketing is the management process which identifies, anticipates, and supplies customer requirements efficiently and profitably' (UK Chartered Institute of Marketing).
(ii) 'Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchange and satisfy individual and organizational objectives' (American Marketing Association).

The commonalities between these definitions highlight the following factors :
- Marketing can be understood as a central part of the management process.
- Marketing can be understood as a scientific, systematic and structured methodology (in that it is conceptualized as a process).
- Marketing places emphasis on the concept of mutual gain wherein the customer benefits through the satisfaction of his/her needs and the organisation benefits through the realization of their objectives.
- Marketing places emphasis on the 'creation' of exchange, introducing the strategic notion of managing the present while shaping the future.

(Adapted from Egan,2001).

These definitions are conceptually similar and have been used, in some capacity, by marketing authors such as McCarthy and Perreault (1990) and Kotler (1991). This said, Littler (1995) challenges the adequacy of these definitions pointing to their ineptness in delineating what is and is not 'marketing' and their emphasis on marketing as a 'functional process conducted by the marketing department' in the face of increased literature positioning marketing theory as an organizational philosophy or 'an approach to doing business' (Wilson,2005).

Definitions supporting this critique can be found in the writing of McDonald (1989) who extends the processual definition as follows 'Marketing is a management process whereby the resources

of the whole organisation are utilized to satisfy the needs of the selected customer groups in order to achieve the objectives of both parties. Marketing, then, is first and foremost an attitude of mind rather than a series of functional activities.' This strategic orientation towards marketing is reiterated by Drucker (1973) who defines marketing as being 'so basic that it cannot be considered a separate function on a par with others such as manufacturing or personnel. It is first a central dimension of the entire business. It is the whole business seen from the point of view of its final result, that is, from the customer's point of view.'

With the extensive scope of marketing and the varying definitions of marketing, it could be argued that marketing is 'undefinable.' Wilson (1988) works around this contention favoring rather an identification of the essential requirements of marketing :

'(i) the *identification of consumer's needs* (covering what goods and services are bought, how they are bought, by whom they are bought, and why they are bought).

(ii) the definition of *target market segments* (by which customers are grouped according to common characteristics – whether demographic, psychological, geographic etc).

(iii) the creation of *differential advantage* within target segments by which a distinct *competitive position* relative to other companies can be established, and from which profit flows.'

Many marketing textbooks (Kotler,1999;McDonald,1989;Blythe,2003) support the theory that this differential advantage and positioning is created using McCarthy's early 1960's concept of the 'four P's of marketing' (product, price, place and promotion), otherwise known as the 'marketing mix.' This mix can be understood as a set of levers which, when manipulated together, create the desired differential advantage and positioning in the marketplace. The four P's were later expanded to account for the 'softer elements required' by the growing services sector. This expansion contained three additional elements : people, physical evidence and process management as seen in the following figure :

Fig 2 : The elements of the marketing mix

Source : Wilson,2005

5
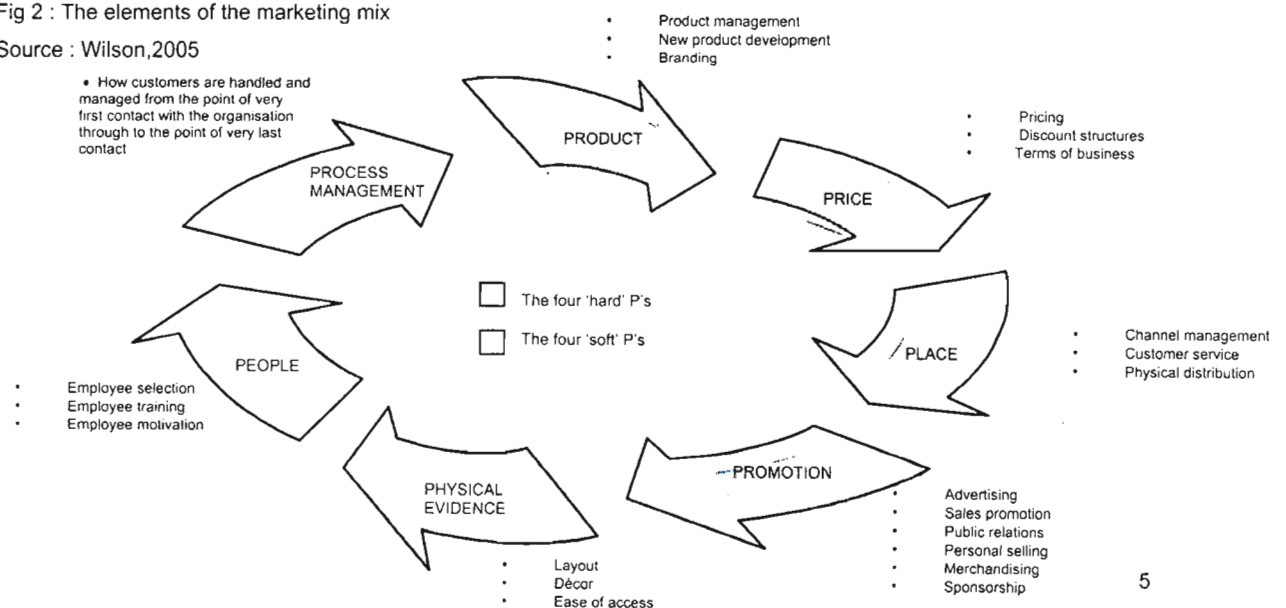
The marketing mix has been challenged (Hunt,1974) on the grounds that it does not provide an all-inclusive home for many elements of marketing, for example 'where does social marketing or efficiency of marketing systems or comparative marketing belong?' This said, it still serves as a primary platform in the development of marketing tactics which exist as part of the strategic marketing process.

(ii) Marketing Management

Marketing management relates to the practice of management which can be defined as 'the process whereby human, financial, physical and information resources are employed in order to reach the goals of the organisation' (Cronje,2004). Marketing management is strongly guided by the traditional management functions of plan, organize and control. Within this frame, the development of the strategy is seen as a dimension of 'planning', 'organizing' is used to mobilize resources to implement the plan and 'control' is used to check that the plan stays on track (Kotler,1999).

Marketing management (as it is traditionally conceptualized), therefore, goes through a linear process of plan, implement and control in order to create a degree of predictability & order designed to consistently produce defined key results expected by various stakeholders. It all begins with a strategy, a marketing strategy which defines the planned set of actions to be implemented and controlled. An example of the core components of marketing strategy to be contained in the marketing plan can be seen in the following figure :

ORGANIZATIONAL MISSION, GOALS AND CORPORATE STRATEGY

ORGANIZATIONAL OPPORTUNITIES AND CAPABILITIES
Environmental scanning; Customer and competitor analysis
Marketing opportunities; Capabilities and resources

STRATEGIC OBJECTIVES
Intense growth; Diversified growth
Integrated growth ;Maintenance

TARGET MARKET STRATEGY, BRAND POSITIONING AND DIFFERENTIAL ADVANTAGE
Market segmentation; Prioritization of target markets
Brand positioning; Differential or competitive advantage

MARKETING OBJECTIVES

MARKETING PROGRAMMES FOR IMPLEMENTATION
Marketing mix tactics; Operational controls and processes

PERFORMANCE ASSESSMENT AND MONITORING

Figure 3 : Core components of marketing strategy
Source : Dibb,2001

Within this model, marketing strategy is contextualized within the broader organizational strategic frame, as can be seen from the consideration of organizational objectives and corporate strategy. In order to clarify this further, the above guide for marketing strategy is seen to exist as part of the business strategy, the strategy in existence for a Strategic Business Unit (SBU), looking at how it can most appropriately achieve corporate objectives. These objectives would be contained in the corporate strategy, the 'overarching strategy that stretches across all SBU's to create future direction and purpose for the organisation' (Du Plessis,2005).

The marketing strategy plan is discussed as a separate entity from the activities of implementation and planning, or put differently, once the plan is formulated, the plan is implemented and then controlled. This can be seen in Craven's conceptualization of the marketing strategy process where implementation and management are seen as the fourth stage in the cycle :
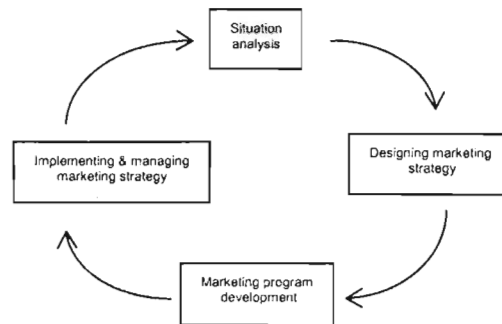
Figure 4 : Marketing strategy process
Source : Cravens,2000

Although not directly represented in the model, the model does suggest a lesser acknowledgement of the processes of implementation and control relative to the processes of planning. This phenomenon is seen in many organizations where senior managers formulate the strategy and then look to determine how to make the strategy work using lower management levels to execute the strategy. In this way, marketing implementation is seen as a process or project, and not as a matter of structural realignment and administrative direction. The success of marketing implementation is monitored using control systems, such as that shown in the following exhibit :

	INPUT	PROCESS	OUTPUT	
FORMAL CONTROL MECHANISMS	Actions taken prior to Implementation eg Recruitment & selection procedure. Training programmes	Actions taken during Implementation eg Evaluation & compensation system, Hierarchy,, Internal communication programmes	Actions taken after Implementation eg Performance standards. Marketing audits	Initiated by Marketing Manager
INFORMAL CONTROL MECHANISMS	Employee Self-control Individualized Control eg Job satisfaction, Organisational commitment	Employee Social control Small-group Control eg Shared organizational values, Social & behavioural norms	Employee Culture control Culture of entire organisation eg Organisational culture, stories, rituals & legends	Unwritten controls initiated by Employees

Figure 5 : Framework for marketing control
Source : Ferrell 1999

The linear conceptualization of the marketing strategy process has contributed to growing dissatisfaction about the contribution that marketing is making to organizational profitability and increasing evidence of lip-service to marketing strategy as a business enabler. As a result of this dissatisfaction, there are emergent observations of practitioners moving away from the traditional use of marketing strategy towards a more contemporary application which interweaves the components and activities defined within traditional marketing strategy in a unique format that becomes the complex demands of the marketing environment.

It is on these grounds that the effectiveness of the traditional view of marketing strategy will be further investigated and challenged to ascertain whether this theory encourages meaningful, direct application in practice or not.

(iii) The Strategic level of Marketing

The strategic level of marketing generally pertains to the more detailed study of tools and framework within the study of Marketing Strategy. This study is sometimes extended into the study of Strategic marketing, a model of thought that includes Marketing Strategy as part of a broader philosophy of complete organizational support for internal and external marketing. Although widely interpreted and consequently differently defined, strategic marketing can be understood (in the opinion of the author) to be about "the direction of organizations, and most often, business organizations," (Rumelt,1991) as evidenced through a pattern of present and planned objectives, resource developments, and environmental interactions (Walker,2003).

Strategic marketing differs from marketing management as follows :

POINT OF DIFFERENCE	STRATEGIC MARKETING	MARKETING MANAGEMENT
Time—frame	Long range i.e. decisions have long-term implications	Day-to-day i.e. decisions have relevance in a given year
Orientation	Inductive and intuitive	Deductive and analytical
Decision process	Primarily bottom-up	Mainly top-down
Relationship with environment	Environment considered ever-changing and dynamic	Environment considered constant with occasional disturbances
Opportunity sensitivity	Ongoing to seek new opportunities	Ad hoc search for new opportunities
Organisational behaviour	Achieves synergy between different components of the organisation, both horizontally & vertically	Pursues interests of the decentralised unit
Nature of job	Requires high degree of creativity & originality	Requires maturity, experience & control orientation
Leadership style	Requires proactive perspective	Requires reactive perspective
Mission	Deals with that which organisation has to emphasize	Deals with running a delineated business

Figure 6 : Difference between strategic marketing and marketing management
Source : Du Plessis,2005

The practice of marketing management is often extended into the strategic level of marketing (the third level on the marketing 'ladder of learning'). It is discussed in the form of strategic marketing management, a methodology that extends the principles of marketing management to embrace a more strategic focus, looking to direct activities for long-term growth and benefit. Strategic marketing encompasses the philosophy of strategic marketing management (to be more clearly defined in chapter two) and further broadens its scope to match and leverage the internal and external environments to create maximum mutual benefit. In this way, the focus of marketing is extended beyond the marketing department to the whole organisation. The implications of this approach are extensive and require a radical re-conceptualisation of the practice of marketing in organizations. Although many organisations acknowledge the imperative of such an approach, the change dynamics involved in such an endeavour are overwhelming. Therefore, while some organizations may support the theory as it is written on paper, and buy into the constructs of the theory, they may not be applying the theory in practice, as a result of organizational constraints. In order to massage such constraints, the literature review will attempt to suggest beneficial strategic initiatives that could empower and better mobilize the success of strategic marketing efforts.

1.3. Marketing as an academy and a profession

The marketing theory discussed in the previous section is (subjectively) representative of the general presentation of marketing theory as found in marketing textbooks. Gummeson (2002) critiques this presentation saying that "these books claim to be general, complete and up-to-date, although the base of "textbook theory" is consumer goods mass marketing, a minority of all marketing if compared to services and B-to-B marketing. Seminal developments over the pas decades in services marketing, quality management, relationship marketing and customer relationship marketing (CRM) are treated as special cases although they intervene in all types of marketing." It is off this platform that Gummeson claims that "marketing management has become stereotyped on a derelict foundation in commodity-like textbooks."

Although this critique takes a strong stand which could be debated, it does beg the question "Is current marketing theory, as published, relevant to the needs of marketing practitioners?" Hill (1998) points out the difficulties in translating marketing theory into effective marketing practice. He relates some of the barriers to a lack of specific marketing competencies. This view supports the perspective offered above by Gummeson.

These debates are housed within a broader debate of the divide between theory and practice, a debate not confined to the marketing domain alone (Cox, 2005; Garavan, 2004). In talking to the divide in relation to marketing, Levy (2002) says that "the two debates about the domain of marketing and the division between theory and practice are old, recurring and endless. Nevertheless, it is indubitable that marketing pervades society whether or not the critics like the idea of it or the troubling form it takes. Similarly, the differences between theoreticians and practitioners are – like parts of a tree – also inevitable as they think differently, have different roles to play, have different languages and feel superior to each other. Those who are blind to these facts create the debates instead of realizing that is the way and making the best of it.." Brownlie (1995) suggests an alternative approach to dealing with the debate : he suggests that embracing the divide might be of benefit to the marketing academy as it encourages them to strive to develop the science. This said, he cautions that it will only hold if marketers don't get " trapped in the aspic of its own prejudices."

In looking at how marketing can be rethought (as is the focus of this paper), Hunt (1994) contends that " rethinking marketing should start with three questions : Why has our discipline made so few contributions to the strategy dialogue? Why have we focused on dysfunctional, rather than functional, relationships, i.e. on unsuccessful marketing practice rather than successful marketing practice? Why do qualitative studies lack acceptance in marketing?" He

continues to suggest that " the fact that marketing has viewed itself as an "applied discipline" has significantly contributed to our making so few original contributions to the strategy dialogue.. (and) to our focusing on dysfunctional and unsuccessful rather than functional and successful relationships." Hunt encourages a time for " reasoned rethinking" which embraces qualitative methods.

1.4. Problem Statement

I am a lecturer with a passion for strategy and more specifically strategic marketing. Following the completion of my Honours Degree in Strategic Marketing, I became involved in a variety of marketing roles in the corporate and small, medium and micro enterprise (SMME) sectors. During this time, I worked as a part-time lecturer where I was schooled in the halls of traditional lecturing, teaching undergraduate students on campus. I later moved into the domain of what I call 'corporate lecturing,' wherein the lecturer modifies theoretical syllabi to meet the context-specific needs of the organization concerned. Through the process of engaging with many organizations, large and small, I have noticed distinct challenges related to sustainability in a new economy defined by rapid change and global competition. Few organizations seem to exude levels of strategic flexibility necessary to deal with these mercurial business dynamics.

Through informal discussions with colleagues involved in strategic marketing, a common theme of conversation is the constant and driving pressure to perform better, to generate better bottom-line results, to develop more meaningful relationships and to better satisfy customers. Many colleagues, both those who have formally studied marketing and those who have not, have commented on the need for targeted, context-specific, relevant literature and training in the field of strategic marketing, to assist them in their daily challenges. They have further questioned the practical application of much of the written theory on the praxis of marketing and have at times introduced cynicism about the usefulness of the material. Few of these practitioners have been clear of the textbook distinctions between marketing, marketing strategy and strategic marketing with the effect that the three terms were not seen to represent separate (but interconnected) bodies of theory which could consequently, hold separate critiques. Many students, hoping to work as strategic marketers one day have raised the same queries, but their queries are more specifically related to the issue of whether or not they will be adequately equipped to successfully operate as strategic marketers following the education that they have received.

The tension between the academy and the practitioners is an age-old phenomena evidenced across many disciplines. It can be seen in a perceived distinction between theory and practice. Baker (2001) writes the "divide" in marketing is 'enshrined to the effect that : "Those who can, do;

those who cannot, teach" and " It is all very well in theory but, in practice..." On these grounds, he argues that the marketing academy cannot be held responsible for the original perception of a "divide" between academic theorizing and the "real" world of practice, but acknowledges that the "divide" has held enough relevance to the marketing community to be the subject of numerous international conferences. No such conference, to the knowledge of the author, has been held in South Africa, however the same distinctions permeate the marketing environment in the country.

1.5. Purpose statement

There is an arguably generic syllabus used in the teaching of strategic marketing, which generally includes scientific processes, models and plans all directed at achieving marketing success in the organization. Textbooks have been written as resource aids in this process and academic journals publish new thinking and research and applications of new principles. There are a plethora of marketing gurus, academics and practitioners who have published books proposing the practice of marketing in a defined, often structured way.

It is clear that within the realm of strategic marketing, there is no shortage of material to assist the student and practitioner, but I question the following :

i. Does this material adequately equip the strategic marketing student to confidently enter the strategic marketing workplace?
ii. Are the theories still relevant?
iii. Are they being used in the workplace?
iv. Is the theory meaningfully expressed to allow easy application?
v. Are the theories sufficiently flexible to allow for more contemporary dynamics of change, innovation and globalization?
vi. Does the contemporary writing on strategy have relevance on the praxis of Marketing Strategy?

The purpose of this study is to explore these questions in an exploratory and inductive way using qualitative methodologies within an emergent design to flexibly assist in generating the most valuable, valid and reliable information possible. As will be later seen, these six questions are not directly asked, but placed within a broader frame of questions where-from the above insights could naturally and indirectly emerge. Put more clearly, the study was initially conceptualized around these six questions which were used, not as a frame, or as a guide, but as a basis for exploration. In order to assist in the extrapolation of emergent insights, three questions were directly asked of the respondents in the interview process. These questions can be found in Appendix Six. Once the respondent data was gathered a retrospective analysis of the literature

was conducted to assist in the process of looking at the existence of a gap between the theory and practice.

The study will include a literature review of strategic marketing from as many perspectives as possible. I am aware that it is not feasibly possible to look through all of the material available, that the selection and range of material will be influenced by my access to material and by my personal biases and interpretations. It is for this reason that I have looked through at least 12 strategic marketing syllabi of leading universities in the world and have (as far as has been practically possible), accessed their prescribed and suggested resource material. I have further spent time looking through local and international bookshops (that are accessible through the world wide web) to get a sense of the range of material presented and available to the strategic marketing student, practitioner or lecturer.

It is my intention to use this platform of strategic marketing understanding as a foundation for a series of interviews with key informants in the field of marketing to find out 'What it is that they actually do and how close or far removed these activities are from those described in the theory.' As discussed above, the interviews will explore insights into the above questions in a non-descript way, with sufficient flexibility to allow broader contextual insights and understandings to be shared.

Due to time and budgetary constraints, only ten key informants will be interviewed within a sector of an industry sector, namely retail banking. (It should be mentioned that, in light of the sample chosen (being retail banking), specialist marketing knowledge relating to financial services marketing might be drawn upon to assist in understanding and interpreting the information gathered in the study). In order to contrast and enlighten these interviews a further five interviews will be done within the marketing education and broader financial services sectors.

I have selected interviewing as my method of data collection. These interviews will be conducted in an unstructured format encouraging the informant to describe his/her experience and providing the requisite flexibility to illicit rich, unstructured information within the contexts chosen. Although, more difficult to analyse, the method marries well with certain philosophical dimensions and paradigms underpinning this study, more specifically the idea of allowing for emergence of information within each unique context, as discussed within the complexity writings on strategic conversation. (It should be noted that this study is painted and influenced by concepts within the domain of systems thinking. For this reason, the methodology of the study (fifth chapter) will introduce the concepts and explain their relevance to the study at hand). Although scientific researchers could critique the use of a qualitative methodology on the grounds of validity and

reliability, through a process of verification and testing of ideas with informants, this critique could be countered and defensibly argued.

I would like for this paper to make a difference, of any magnitude, to all students, practitioners and lecturers in the field of strategic marketing. I would like to bring attention to the deficiencies and strengths within the current body of theory and inspire any parties to take the research further, extending the scope of research and concretizing and further challenging some of the assumptions made within this study.

1.6. Scope of the study

This study is intended as an exploratory study to be followed up more rigorously by further researchers. It does not pretend to be comprehensive in its conclusions or observations, only to open awareness to possible avenues of further investigation. The study can be seen as a pilot study for a larger study or as a speculative study giving insight into related areas of research.

1.7. Assumptions of the study

The scope of the study is based on several assumptions which need to be surfaced for the purposes of transparency for the reader and researcher. These assumptions are as follows :

1. Lecturers, students and practitioners of marketing, marketing strategy and strategic marketing are sufficiently interested in resolving the tensions of the perceived difference between the theory and practice of their subjects to motivate a study of this nature.
2. It is possible to explore the perceived difference between the theory and practice of strategic marketing to motivate a study of this nature.
3. The development of insight into the theory and practice of strategic marketing will have value in the creation of more successful educational and business organizations.
4. Educational and business organizations seek to improve their current strategic marketing related performance.
5. No definitive study of this nature has been done in South Africa to date.

1.8. Plan of the study

At the end of each of the first four chapters, the five core questions emerging out of the chapter will be summarized in a table entitled 'Twenty Questions.' These questions will be developed retrospectively (once the interview process has been completed) serving as a thread of questioning guiding the development of conversation around the findings in chapter six. As the

twenty questions are developed retrospectively, they are not included within the chapters, but follow on from the chapters.

In terms of the plan of the study, the next three chapters will engage in a literature review of Strategic Marketing, looking to inform the reader of the definition and nature of strategic marketing, critiquing the practice in order to introduce more innovative strategic thought. The fifth chapter outlines the research methodology used and gives an explanation of the process of conducting the practitioner study, the findings of which are analyzed in the sixth chapter. Emergent recommendations and further areas of research are suggested in the final chapter, chapter seven.

Twenty questions

Chapter One

1. Within the traditional frame of marketing strategy, marketers should work through the core components of marketing strategy. Do they use the core components of marketing strategy? Are they in charge of all of these core components?

2. The traditional model of marketing strategy has been critiqued for its linear conceptualization; the way that it separates planning and implementation and the fact that it gives lesser acknowledgement to the processes of implementation and control. Are these critiques justified? What happens in practice?

3. Are practitioners moving away from the traditional use of marketing strategy towards a more contemporary application which interweaves the components and activities defined within traditional marketing strategy in a unique format that becomes the complex demands of the marketing environment?

4. Do marketing practitioners apply the model of Marketing Strategy and extend it into a broad philosophy of complete organizational support for internal and external marketing. Are they placing emphasis on the direction of organizations as evidenced through a pattern of present and planned objectives, resource dependencies, and environmental interactions? Are they looking to garner full organizational support for their activities?

5. Do practitioners support the theory on paper, but pay lip service to it in practice? If so, is this related to organizational constraints?

Chapter Two	Strategic Marketing explained
	The second chapter forms the first part of the Literature Review. It is intended to introduce the reader to the nature of strategic marketing, offering critical insights into strategic marketing. The chapter will attempt to provide an impartial rendition of different perspectives on the theory offered and will conclude with a section drawing together the perspectives and how they relate to strategic marketing. This section will be dialogic and could be interpreted as biased in that there is a measure of researcher interaction. In light of the fact that the paper is guided by an action research methodology, it should be noted that this section is purposely written to show the evolutionary development of thought guiding the researcher in the later data collection stages of the study. The remainder of the literature review will follow the same format.

2.1. Introduction

'There is a lovely logic to many marketing principles, one that is so easy to demonstrate that the subject and its teachers often come under attack for being peddlers of common sense or for enjoying the 'benefit' of hindsight. In contrast, the essence of strategic marketing management is to deploy the skills of foresight, competencies which are grounded in marketing and strategic marketing models, methods and frameworks' (Egan,2001). This chapter introduces the reader to the nature of strategic marketing specifically : what it is, how it evolved and how it can be critiqued to yield rich insights into the betterment of the practice and study.

This critique is motivated by growing evidence of practitioner dissatisfaction with the marketing toolbox and its ability to create effective and efficient outcomes for customers and organizations alike. During the 1950s and 1960s, it was thought that adopting a marketing philosophy would automatically lead to business success. This has since been challenged as many marketing-oriented firms have failed, while others, lacking the marketing concept have succeeded. This may not mean that the customer orientation is dead, it may simply mean that marketers need to rethink the problem. In rethinking this problem, insights into the context of marketing will be looked into, as will the process and content of marketing strategy, drawing on insights from contemporary strategy.

2.2. The development of strategic marketing

This section will track the development of strategic marketing as a platform for a more critical examination of strategic marketing, how it could potentially be re-conceptualised and the implications for strategic marketers.

of the marketing approach has been discussed in the previous chapter, it is unlike the evolution of the strategic approach which began in the 1800s when entrepreneurs opened small-scale businesses. These businesses grew as the entrepreneurs leveraged off their intuitive understanding of local markets and customer needs, expanding geographically using multiple-product mixes. The developments necessitated the formation of divisions within the organisation, which ultimately forced the entrepreneurs to create more formal organizational structures and policies. With the advent of World War II, the complexity of such structures came under siege forcing a re-look at the way in which divisions and functions within the organization could be better organized to combat the changing environment and rising competition. This was the start of strategy development and implementation, described over the years by various terms such as budgeting, long-range planning, strategic planning, strategic management, and strategic market management. Although these terms are often used interchangeably (due to the perceived similarity in meaning), it is possible, upon closer inspection, to see how they differ. This can be seen in the following table :

	Budgeting	Long-range planning	Strategic planning	Strategic market management
Management Emphasis	Control deviations & manage complexity	Anticipate growth & manage complexity	Change strategic thrust & capability	Cope with strategic surprises & fast-developing threats/opportunities
Assumption	The past repeats	Past trends will continue	New trends & discontinuities are predictable	Planning cycles are inadequate to deal with rapid changes
Process	Periodic			Real time
Time period associated with system	From 1900s	From 1950s	From 1960s	From mid-1980s

Fig 7 : Evolution of Strategic Systems
Source : Aaker,1998

The evolution from strategic planning to strategic market management came most strongly in the early 1990s, a time of relatively strong growth. It was at this time, that 'a realization began to emerge that there was a missing link in the planning process,' (Du Plessis,2005) which tended to be static and couldn't deal with the rapid rate of change in the external environment. It was off this platform that strategic market management was born. Strategic market management was designed as a proactive methodology intended to respond to a changing environment with real-time decisions that were 'externally oriented, timely, entrepreneurial, global, implementable, and appropriate for a long term horizon' (Aaker,1998). It has been defined by the UK Chartered Institute of Marketing as "the process of defining, anticipating and creating customer needs and of organizing all the company's assets and resources to satisfy them for the greater profit of the customer and the firm." Egan (2001) describes strategic marketing management as having three broad dimensions : strategy, context and process. Process refers to how marketing strategies

are formulated, strategy refers to the content of the strategy and context refers to the environment in which and for which these strategies are developed.

Strategic marketing management was found lacking in its ability to best match internal resources and capabilities with external opportunities and to cope with the more complex demands of the business context. Consequently, strategic marketing was born, under separate cover from strategic marketing management, to highlight the fact that its philosophy demanded greater organizational buy-in to marketing and what it is capable of, with the effect that every employee would be encouraged to adopt the marketing approach as a methodology to doing business. Strategic marketing builds bridges between internal and external environments developing and empowering internal resources to maximize external opportunities. In the South African context, this approach is of growing importance, as explained by Du Plessis (2005) :

- The battle for market share is intensifying – strategic marketing can provide extra leverage in share battles.
- Deregulation in many industries is mandating a move to strategic marketing.
- Competition in world markets is fast becoming fierce. To cope with worldwide competition, renewed emphasis on marketing strategy achieves significance. The global village is a reality and borders have become seamless.
- The fragmentation of markets is causing market segments to become smaller in terms of unique needs and increased demand for customization. The competitive realities of fragmented markets require strategic marketing capability to identify unserved segments.
- There is a diversity of needs and requirements in South Africa. The concept of one-on-one marketing demands new thinking in terms of strategy formulation.
- Shortening product life cycles and ease of accessibility to technology will increase the importance of getting to market quickly.
- Organisations will need to conceive and create new competitive space. Imagination and expeditionary strategies are the keys that unlock new markets. Organisations should think about needs and functionalities instead of conventional customer-product matrices, discard traditional price/performance assumptions, and lead customers rather than follow them. To cross these chasms, organizations will need strategic marketing.
- Demographic shifts in South African society have created a new environment. More than 50% of the population are under 24 years old; the segments in the 50+ bracket are getting larger; about a third of the population earns less than R1500 per month; and more than 50% are female.
- Implications of new and converging technologies, advances in telecommunications, and the Internet need to be considered. The explosion of information technology and the implications for organizations have opened up opportunities that have only the imagination as a ceiling.
- Organisational structures have been redesigned.
- The focus has shifted to an integrated focus on marketing performance measurements.
- The AIDS pandemic places particular strain on organisations' resources and can change the business landscape in South Africa. Strategic utilization of resources, with due consideration of the changing social fabric of the customers and employees, will have to be one of the issues in strategic marketing.
- The advent of the New Economy has radically influenced the strategic management of an organisation, especially considering the changing role of consumers in this environment.
- Planning cycles are insufficient to deal with the accelerated rate of environmental change. Organisations must incubate the strategic marketing decision-making capability outside the planning cycle to handle the complexity of changing environmental trends and avoid the element of surprise.

This section has discussed the evolution of strategic marketing as driven by a need to more actively respond to the complexities of the contemporary business context. The relevance of strategic marketing to South Africa in particular was discussed in the final paragraph demonstrating the relevance of effective strategic marketing and in so doing, supporting the tenets of this study which looks to encourage more effective application of strategic marketing. The following section will look more critically at strategic marketing as discussed in theory.

2.3. A critical examination of strategic marketing

Strategic Marketing has been described by Cravens (2000) as 'a market-driven process of strategy development that takes into account a constantly changing business environment and the need to achieve high levels of customer satisfaction'. As discussed in the introductory chapter, strategic marketing encompasses the activities of strategic marketing management, but holds a broader focus in that it looks to increase organizational performance by **linking** the organisation with the environment. In so doing, strategic marketing forces an internal-external fit which places marketing as an entire business responsibility rather than as a specialized function.

If marketing is a responsibility of the entire organisation, then does it make sense to see strategic marketing as a separate activity from the practice of marketing or do they merge into one and the same thing? Jean-Jacques Lambin (2000) takes a segmented approach to the practice of marketing, dividing marketing up into strategic marketing and operational marketing (the two faces of marketing). The following figure summarises the perceived differences :

STRATEGIC MARKETING	OPERATIONAL MARKETING
An analysis-oriented process	An action-oriented process
↓	↓
NEEDS ANALYSIS	TARGETING EXISTING SEGMENTS
Definition of the reference market	
↓	↓
MARKET SEGMENTATION	MARKETING PLAN
Strategic business units and segments	Objectives, Positioning, Tactics
↓	↓
BUSINESS OPPORTUNITY ANALYSIS	MARKETING MIX
Market potential and product life cycle	Product, Distribution, Price, Communication
↓	↓
COMPETITION ANALYSIS	MARKETING BUDGET
Search for competitive advantage	
↓	↓
DESIGN OF A DEVELOPMENT STRATEGY	IMPLEMENTATION AND CONTROL

Fig 8 : The two faces of marketing
Source : Lambin,2000

The interplay of strategic and operational marketing and their integration with other activities in the firm can be seen in the following figure :
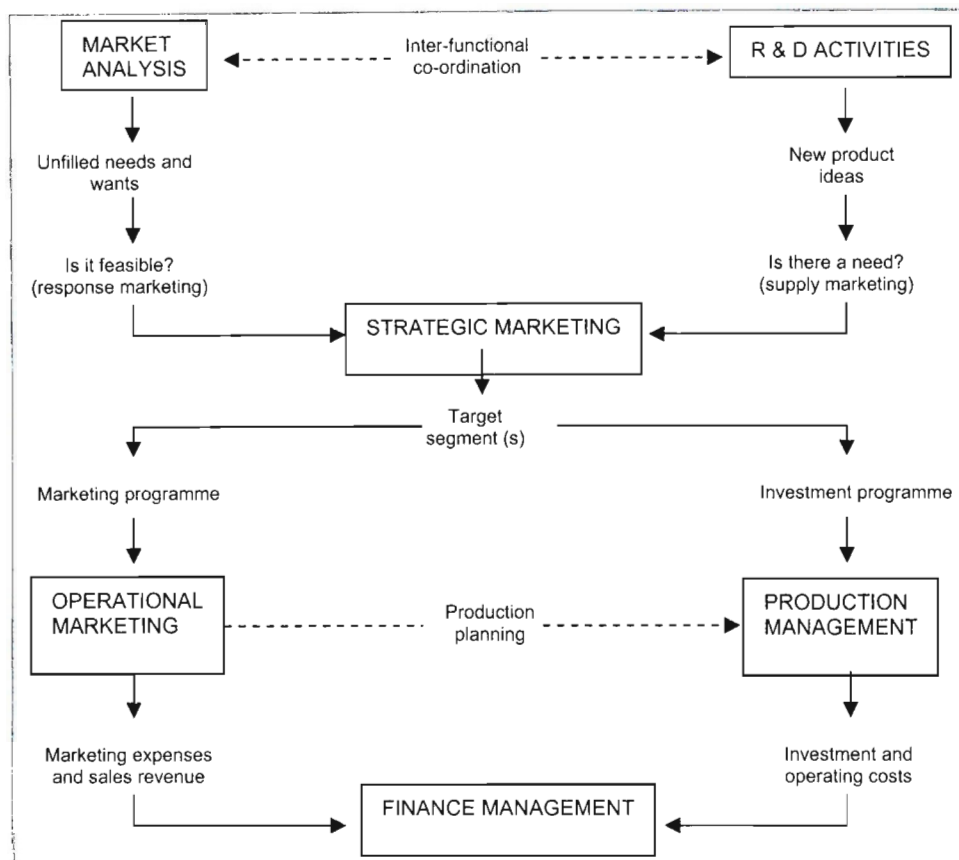
Fig 9 : The role of marketing in the firm
Source : Lambin,2000

According to Lambin (2000), strategic marketing needs to engage in 'a systematic and continuous analysis of the needs and requirements of key customer groups and the design and production of a product or service package that will enable the company to serve selected groups or segments more effectively than its competition.' Operational marketing, by contrast, is the more dramatic and visible aspect in the discipline of marketing, using its *tactical means* related to the product, distribution (place), price and communication (promotion) decisions (the four Ps, or the marketing mix) to inform potential buyers (target markets) and to promote the distinctive qualities of the product while containing costs. In this way, it can be seen as far more action-oriented working with short-to-medium term planning only.

Therefore, because operational marketing contains the action-related component of strategy, it can be seen as that part of marketing that does the strategic implementation. If this holds, then the implementation of the strategy and the formulation of the strategy are seen as separate activities.

Although intended to create effective implementation of the marketing strategy, the one-way cause-effect relationship created by the succession of formulation and implementation has been shown, by Du Plessis (2005) to be flawed in that :

- the maximization of core competencies and resources in the strategy is limited as a result of limited thought about the unique capabilities and constraints of the organisation.
- marketing implementation plans are often not aligned with operational plans as changing dynamics within the inner workings of the organisation are not insufficiently considered.
- commitment across internal boundaries towards the effective implementation of the marketing strategy is limited as due cognizance wasn't taken of the functional and organizational interest groups, organizational politics and negotiation infrastructure within the organisation (Vigar-Ellis,2005).

Viewing strategic marketing formulation and implementation iteratively creates the following advantages :

- the generation of more opportunities as time-based marketing strategies increase the likelihood of first mover advantage created by quick implementation of plans.
- increased capability to deal with shorter windows of opportunity due to global competition, rapid diffusion of technology, and the ability of competitors to imitate successful strategies.
- the development of a sustainable source of competitive advantage as a result of the organizations ability to learn, create and improve implementation skills.

In drawing together the insights of the sections to date, it can be seen that strategic marketing has emerged in response to an active, morphing business environment. Although designed to match internal resources and capabilities with external opportunities and enhance operative effectiveness through an organization-wide acceptance of a marketing approach, a key criticism leveled at strategic marketing is that strategic formulation and implementation are done iteratively as seen in a gap between intended and realized strategy. This gap is fuelled by top management belief that there is one correct way to implement a given strategy; a good marketing strategy will implement itself and that lower-level managers and front-line employees will be excited about the marketing strategy and motivated to implement it.

In looking at how strategic marketing formulation and implementation can be done iteratively, two aspects will be discussed : firstly, iterative planning and implementation and secondly, evaluation and control as drivers of effective planning and implementation.

(a) Iterative planning and implementation

Du Plessis (2005) offers the following frame as a guide for effective strategy implementation, cautioning that the pillars and foundations suggested for effective implementation, need to be contained within an iterative formulation-implementation process.   Du Plessis discusses the development of strategy which has taken into account the implementation obstacles, as well as the general inputs required for the development of strategy.
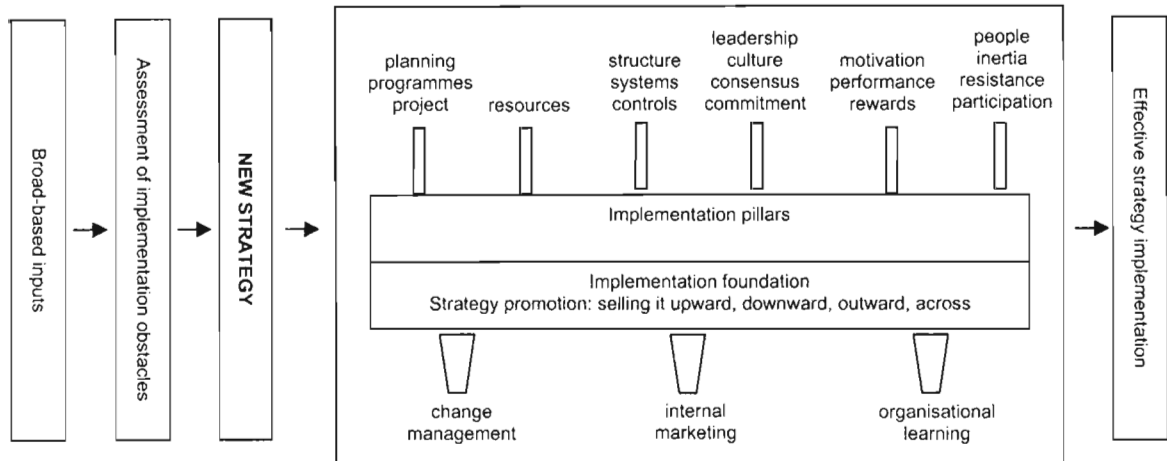
Fig 10 : Elements for effective strategy implementation
Source : Du Plessis,2005

(b) Evaluation and control as drivers of effective planning and implementation

The discussion so far has delved into the interplay of planning and implementation only, having little regard for the third element in the traditional strategic marketing management cycle : evaluation and control. Evaluation and control is generally regarded as a feedback mechanism designed to keep the strategy on target and show when adjustments are needed. As such, it is integral to the process of effective strategic marketing. Furthermore, if strategic evaluation and control is ineffectively done, the gap between realized and intended strategy could increase. Therefore, although not discussed directly by Ferrell at the onset of the chapter, it remains an imperative and central part of strategic marketing. Ferrell (1999) acknowledges this as follows :
'Obviously, the best way to handle implementation problems is to recognize them in advance. However, no manager can successfully recognize all of the subtle and unpredictable warning signs of implementation failure. The best way to prevent implementation problems is to have a system of marketing evaluation in place.'

Such a system can be seen as a 5-stage process, as follows :

> STEP 1 : Conduct strategic marketing audit.
> STEP 2 : Set performance standards by selecting the appropriate criteria and measures.
> STEP 3 : Obtain and analyse the data.
> STEP 4 : Evaluate feedback data : explaining the performance gap.
> STEP 5 : Take necessary corrective action to eliminate the gap.
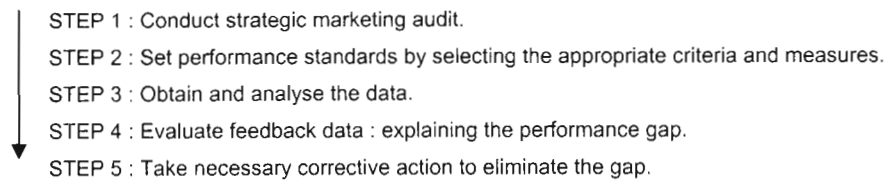
Although shown in linear format above, contemporary critics of strategic evaluation point to the necessity of constant, systemic evaluation (in other words, evaluation is seen as an ongoing system in which the components affect one another and are impacted by planning and implementation changes). In this light then, although strategic evaluation is seen to be the last stage in the marketing strategy process, it can be seen to be the starting point in the process, as strategic evaluation feeds ongoing monitoring and control information into the strategic marketing planning process. This said, strategic marketing plans set the direction and guidelines for the evaluation and control process. In this way, the two activities can be seen as interconnected. Furthermore, strategic evaluation, by virtue of its vigilant nature of continuously tracking and analyzing information, works hand-in-hand with implementation, guiding actions taken to keep results on track or revise strategies because of changing conditions (Cravens,2000).

2.4. Summary of findings and implications for the study

This chapter has suggested that strategic marketing has been found to be flawed in the way that it allows planning and implementation to be done in isolation. This creates limited maximization of capabilities and resources; mal-alignment of operational and implementation plans and limited internal commitment to the successful implementation of marketing strategy. These effects can be seen in a gap between realized and intended strategy. In response to this gap, strategic marketers can be encouraged to engage in :

- the development and increased use of strategic evaluation as a real-time feedback mechanism informing the system of where and when it needs to adjust.
- a re-conceptualisation of the traditional strategic marketing process away from linearity towards interconnectedness. Planning and implementation need to be considered systemically, acknowledging their interconnectedness ie that while the content of the marketing plan determines how it will be implemented, the implementation of the marketing strategy can also determine the content of the marketing plan. Furthermore, because of the call in marketing to constantly adapt to changing customer needs, marketing strategy and marketing implementation (as interrelated components), need to exhibit the requisite flexibility to both change constantly.

The above-mentioned concepts of feedback and interconnectedness marry directly with the defining components of a system and therefore with a systems approach which conceptualises complex situations in terms of systems comprised of many interacting agents which are interconnected and consequently impact on one another. On these grounds, it could be argued that contemporary marketers need to adopt a systems approach to their activities.

From a broader level of analysis, an interconnected approach to strategic marketing implies that
- every member of the organisation needs to have marketing-related core competencies, which creates a major demand for marketing education, education that is practical and relevant
- any organizational initiatives and strategic marketing models developed would need to support the perspective that all activities and agents in the system are interconnected parts working together to achieve organizational success

These findings are by no means conclusive but provide food for thought in relation to the problem statement. If strategic marketing is taught as a linear process where strategic formulation and implementation are separated, it could be argued that strategic marketers are inadequately equipped for the workplace as the theories are challenging to implement and offer limited responsiveness to organizational and environmental change. The counter-argument that could be presented is that the latter writings offered in relation to iterative formulation and implementation have not been adequately challenged to offer a definitive solution to this quandary.

2.5. Conclusion

This chapter has introduced the concept of strategic marketing and has motivated the importance of a strategic approach to business in South Africa. It has further pointed to evidence of growing organizational disenchantment with strategic marketing, suggesting that poor strategic marketing performance could be related to the use of models that are limited in their ability to engage with our modern context. These insights encourage a re-conceptualization of current thinking around strategic marketing towards an inclusive, interconnected model of strategy which pulls together and gets to work together the processual elements of strategic marketing management : planning, implementation and control. In order to further explore potential components to assist in the development of such a model, thinking related to planning and implementation will be discussed in the following chapter, with thinking relating to control forming the basis of the fourth chapter.

1. Do strategic marketing and operational marketing differ in their foci and should they be conceptualized as separate functions within marketing? Does operational marketing contain the action-related component of strategy related to marketing implementation and strategic marketing contain the formulation component of strategy related to marketing planning? If so, does this support the critique of the inherent flaws in a model which separates planning and implementation?

2. How many marketers view strategy formulation and implementation iteratively? Do they see the components of strategic marketing as working systemically, affecting each other by virtue of their interconnectedness? Are these components constructed to exhibit the requisite flexibility to change constantly? Are they supported by organizational initiatives, systems and marketing-related core-competence rich employees?

3. Are organizations constructing a foundation for implementation using the three tools described by Du Plessis as : change management, internal marketing and organizational learning?

4. Do practitioners view evaluation and control as a feedback mechanism used to keep the strategy on target and show when adjustments are needed? Can support be found for the contemporary view on evaluation and control, namely that there needs to be constant systemic evaluation?

5. Why is there growing dissatisfaction in organizations around the effectiveness of marketing? How can this dissatisfaction be seen? What measures are marketers taking to address this dissatisfaction? How many marketers measure the effectives of their activities? Do they use customer metrics?

Chapter Three	Strategic insights for Strategic Marketers
	The third chapter forms the second part of the Literature Review, looking to investigate further insights towards current perceptions of poor performance by strategic marketers and to develop strategic planning related insights for the potential re-conceptualisation of strategic marketing.

There is a need to re-conceptualize current strategic marketing theory and practice. Such is a contended output from the previous chapter which challenged traditional models of strategic marketing and strategy on the grounds of their reductionist, linear approach which limits the ability of the strategic marketer to cope with complex, changing situations. This chapter looks to explore strategic planning thought inputs for a potential re-conceptualization of strategic marketing. This exploration is developed through insights from thinking in the realms of postmodernism and strategy.

In terms of the structure of this chapter, rather than presenting the summary of the findings at the end of the chapter, a summary of the findings will be presented at the end of the postmodernist and strategy sections respectively.

3.1. Thoughts from post-modernism for the re-conceptualisation of strategic marketing

The re-conceptualisation of strategic marketing carries many challenges in that the 'thought inputs' emerging in response to the call for re-conceptualisation are so varied. In order to provide a contextual contrast, insights from the postmodernist perspective (the opposing perspective to the modernist perspective in existence at the time that the marketing concept was developed) will be shared. The modernist philosophy holds that the world is progressing towards something, that there are objective truths and laws which can be discovered, and that the world can be divided into convenient areas for study (Blythe,2003). This is in contrast to the postmodernist philosophy which maintains that the concept of progression is not applicable to the world, that there are probably not any universal truths to be discovered, and that the distinctions between different areas of study are blurred.

The tenets of the postmodernist philosophy are introduced on the following page, giving insights into what they mean for strategic marketing :

Feature	Explanation	Implication for Strategic Marketing
Chronology	The forward-looking, progress-oriented attitude of modernism is replaced by a backward-looking perspective which sees that the world is not progressing towards anything: everything happens in the 'now" and that time is often reversed, for example, the latest model might be based on an old design.	If all that exists is the now, then the corporate strategy which seeks to build for the future is unrealistic. Postmodernism implies an adherence to the ad-hocracy familiar in some organizations. In organismic organisations, this may be a perfectly acceptable and realistic way forward – the chaos becomes the strategy.
Pastiche	Nothing is new : everything has already been written and we're only recombining old ideas in different ways.	Postmodernists would use existing knowledge and attitudes within the organisation to develop a strategy.
Anti-foundationalism	Antipathy towards the 'establishment' specifically that in search of universal truths and objective knowledge	A tendency to criticize the past is probably healthy in terms of strategic planning, but care should be taken not to dismiss earlier policies simply because they represent earlier thinking
Acceptance of disorder & chaos	Unlike modernists, postmodernists accept that chaos is a natural concomitant of change, as opposed to modernists who seek to create order out of chaos.	Acceptance of disorder is a healthy attitude for organismic organizations, but is of course the death knell for hierarchies. If disorder is acceptable to staff, though, the strategy need not be rigid and should not be overly-prescriptive
Fragmentation	There is an omnipresence of disjointed moments and experiences in life and sense of self, as evidenced by the disintegration of political stability and social organisation, of mass market economies, and of the media The world is dynamic, and therefore people cannot be permanently assigned to groups : people shift attitudes, behaviour and intentions too frequently.	If society is indeed fragmenting, then segmentation strategy (predicated by mass-production drivers) may not be reliably feasible. The organisation is unlikely to be able to develop long-term relationships with individuals, since the consumption behaviour exists only as a fragmentary experience, which could explain why relationship marketing has not been very successful in consumer markets
De-differentiation	There is an erosion of established hierarchies and a blurring of boundaries between what was once clear-cut entities (eg between science and art)	The distinction between strategy and tactics is already seriously blurred, as is the difference between planning and action – sometimes actions are undertaken then justified afterwards.
Hyperreality	There is a loss of a sense of authenticity and confusion between the borders of simulations and reality	If the world is hyperreal, corporate visions may also be hyperreal, as successfully demonstrated by the hyperreal strategies of the dot.com companies, some valued in excess of real-asset owning companies.
Emphasis on form & style rather than content	Meaning is determined by the form rather than the content.	Many mission statements, use flowery rhetoric with little substance behind it. In some cases, the corporate vision should be expressed in hyperreal tones giving something to aim for a laid down expected outcome.
Pluralism	The acceptance of difference in styles and culture without making judgements	As a result of pluralism, stereotypes are unlikely to be helpful in determining product use.
Reversal of consumption and production	There is a reversal of production and consumption, where we are defined by what we consume rather than what we produce	If consumers define themselves by what they consume, this has implications for advertising strategy in term of modeling products (and potentially for staffing and motivation policies).

Figure 11 : The features of postmodernism and the implications for strategic marketing
Source : Blythe,2003 and 2001

In assessing the contribution that postmodernist thinking can make to the development of strategic marketing, two opposing views are explored.

On the one hand, a strong case can be made for postmodernism : modern organizations show fewer formal barriers to communication, an erosion of boundaries between divisions, flattening organizational structures with less hierarchy, greater cross-fertilization between departments, multi-skill and cross-expertise skill-development programmes and less differentiation between strategy and operations, tactics and strategic planning. Brand Pretorius, CEO of McCarthy Limited in South Africa said at a conference in 2005 that "The conclusion one can come to is that the marketing world we used to know, almost doesn't exist anymore. The future is definitely not an extension of the past. Yesterday's success won't guarantee the market share of tomorrow." If these trends hold and postmodernists are right, and current society does exhibit a desire to experience the moment and live in the present (Firat,1997), the implication is that strategic planning is really a total waste of time (Blythe,2001).

On the other hand, it needs to be said that although we cannot predict things with 100% accuracy, there are some factors that we can predict with reasonable certainty. Steve Burgess (2005), Professor at UCT Business School questions the postmodernist approach viewing the notion of inherent chaos as a sellable concept that has become overvalued as an influence on success and is part of the reason why marketing has lost its place. His take is that 'with new technology things do change, but they change incrementally and business can only adapt at that rate. If the firm is business-oriented, they should be adapting all the time anyway, collecting information regularly and working to break down the silo effect and create integrated business' (Burgess,2005).

The first view suggests that strategic planning is a waste of time as explained by the existence of inherent chaos which prevents predictability. The second view contends that it is possible to predict many factors with reasonable certainty and that marketing overvalues this influence – rather there should be marketing focus on responsiveness and integration within the business.

Sondhi (2005) offers a refreshing model which combines planning and uncertainty contending that without some planned direction a marketer can get caught in the pattern of 'any direction will do if you don't know where you want to get to.' On these grounds, he advocates a process for strategic decision making as follows :
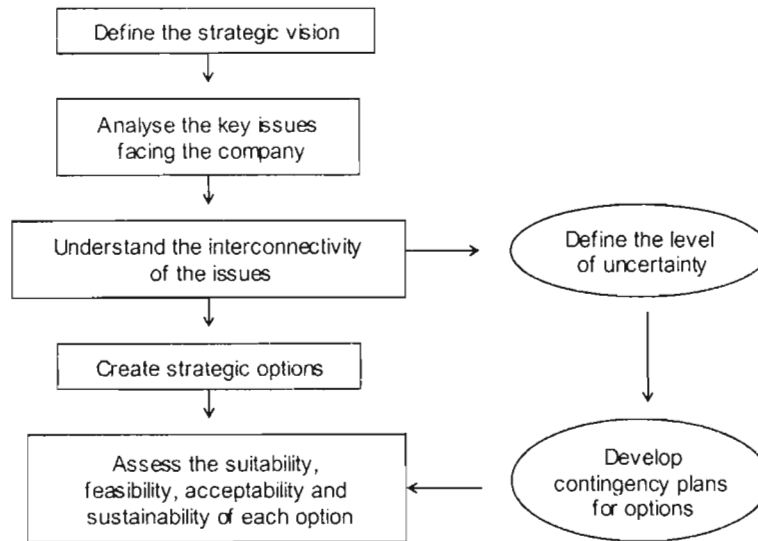
Figure 12 : Strategic decision making process
Source : Sondhi, 2005

As can be seen from the above figure, although some processes traditionally associated with planning has been done, Sondhi places these elements within a process of strategic decision making which takes into account uncertainty and interconnectedness. These decisions then need to be implemented and Sondhi (2005) contends that 'good management and team communications are essential in the successful implementation of the decision which is still the only good acid test as to how good a decision actually is.'

In looking at how these findings can offer value to the study, they encourage an analysis of the levels of uncertainty in the environment and an assessment of how rigorously planning is done in relation to a planning-related process which measure the success of the decisions in relation to the success of the implementation. The following section will continue to explore the ideas raised in this section but from the perspective of strategy.

3.2. Thoughts from strategy for the re-conceptualisation of strategic marketing

This section draws insights for the potential re-conceptualization of strategic marketing from the theoretical domain of 'strategy,' as motivated by an assumption that strategic marketing has been strongly guided in the past by developments in the afore-mentioned field of study and practice. The section will be discussed in three sub-sections which will represent the evolution of thinking about strategy. The implications of this evolution of thought for strategic marketing will be presented at the end of the section.

The word 'strategy' is derived from the ancient Greek word *strategos,* meaning 'the leader of an army.' In the first century AD, Frontinus suggested that strategy is 'everything achieved by a commander, be it characterized by foresight, advantage, enterprise, or resolution' (Du Plessis,2005). Formal definitions of strategy differ tremendously, but concur in an emphasis towards action (sometimes through a process or plan) necessary to achieve objectives

In 2001, Richard Whittington published a text entitled ' What is strategy – and does it matter?' The text questions the ' toolbox' approach of most strategic management texts, through an examination of four approaches to strategy, each offering a different set of answers as to what strategy is. These approaches were mapped out against processes and outcomes which differentiate the types of strategy. This differentiation is extended to recommend suitable strategic choice in different contexts. The figure below shows the process/outcome mapping and the suggested context applications :

OUTCOMES
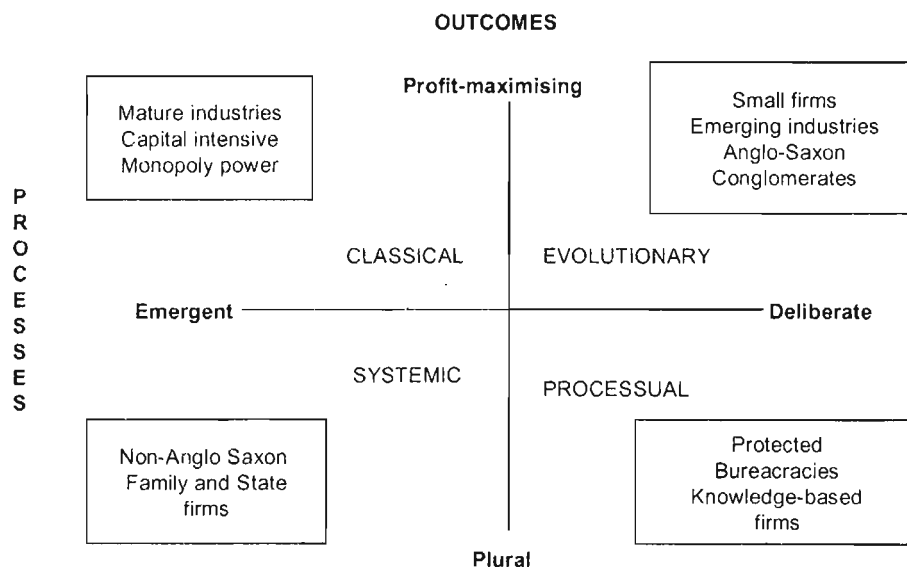
Figure 13 : Contexts for strategy
Source : Blythe,2003

The *Classical* approach implies rationality, calculated-ness and long-range focus. It uses rational planning methods and environmental analysis to respond to environmental shifts and to make long-term decisions and plans. Whittington challenges the appropriateness of classical strategic planning as the only way forward, contending that there are often better strategic options.

The Evolutionary approach by contrast, believes that the environment is too unpredictable for the effective use long-range planning, and that the development of an ineffective strategy will, by virtue of natural selection, lead to organizational failure. Only the fittest survive! Effective

strategy adapts to the environment and develops ad-hoc solutions in response to environmental pressures.

The *Processualists* concur with the evolutionaries in that they see strategy as being largely outside of the control of managers, who simply react to outside forces. For processualists however, the world is largely imperfect making planning very difficult (as desired by the Classicists) and markets (and organizations) more difficult to placate (as desired by the Evolutionists). Strategy is seen rather as a bottom-up process developed by learning from mistakes and responding to the exigencies of the situations faced by the firm.

The *Systemic approach* is markedly different from the above three in that strategy is seen as embedded in the context of the social environment and system, so for example, profit maximization will only have relevance if seen as a strong factor in strategic planning by the social system in which it is generated. Companies therefore follow policies which are predicated by their local social constraints rather than by strict business considerations.[1]

The discussion relating to strategy has offered an explanation of different perspectives around strategic marketing thinking. Although not referred to directly in the remainder of this section, the perspectives will serve as a platform for extended discourse on different perspectives of strategy. These perspectives will show how thinking has evolved with time moving from a classical approach which prized the development of a deliberate strategy to a more emergent approach which advocated a strategy that emerged over time and could be defined retrospectively. The complexity school explains this emergence as happening through co-evolution where all of the agents in the system work together, whittingly or not, to craft a path forward.

(a) Deliberate Strategy : The Classical Approach

The Classical approach is most defined by its fervent adoption of the rational paradigm using planning and strategic planning as its primary methodology. Planning was first introduced in the 1930's as the generic name for a series of 'tools for foresight' (De Geus, 1997). The use and location of planning morphed over the decades that followed until it settled as a specialized intellectual realm directed at strategic decision making towards the development of a "strategy." By the 1970's strategy was largely conceptualized as "strategic planning." Strategic planning was defined using a rational approach wherein strategic formulation followed a sequential process of setting objectives, analyzing the external environment, identifying the company's strengths and

---

[1] *It should be noted that the systemic approach discussed within this model reflects only a portion of the systems approach drawn on as a methodology in this paper.*

weaknesses and those of its competitors, generating a number of possible strategies, selecting what was perceived to be the most suitable course of action and implementing it (Cronje,2004; Mintzberg, 1998).

This rational paradigm is underpinned by several tacit assumptions :

(i) The purpose of strategy is to find the right answer
The first assumption made within the planning school is that there is one right answer and that the purpose of strategy and the strategist is to engage, on behalf of the entire organization, to get as close to that answer as possible (van der Heijden, 1996). The quest is characterized by a predictable environment which will afford sufficient constancy in dynamic to ensure successful implementation of the plan. This raises two issues which have contributed to the long-term ineffectiveness of the paradigm. The first being that of predictability and certainty and the second being the delineation of thought and action. These will be discussed later in the chapter.

(ii) Analysis will provide synthesis
The second assumption underpinning the "rationalist" planning paradigm is the mechanistic supposition that if you produce each of the components according to the above-mentioned formula and assemble them according to the blueprint, your strategy will be a certain outcome. The paradigm assumes that if you meticulously engage in the demarcated process of strategic planning, and break the generic strategy into sub-strategies (Steiner, 1979), then the implementation will be a success. "This" will lead to "that" (cause-effect) and analysis will provide synthesis (Mintzberg, 1998). This process of breaking a generic strategy down into parts and analyzing those parts individually is known as reductionism which, according to scientists, has shaped our thinking for centuries. Scientists explain that the "Old Science" or "Newtonian" thinking followed a reductionist approach, which means that issues were looked at in isolation and in the most simple form.

Reductionist paradigms can be traced back to the writings of Plato, who introduced the concept of absolutism (or complete certainty), and the philosophies of Aristotle with his logic of inclusion/exclusion (de Bono,1997). This logic introduced dualist thinking, wherein we could be different people in different places, and encouraged a reductionist strategy of divide and conquer. Reason and Goodwin (1999) explain this as 'dividing the world into constituent systems whose parts are simple enough to allow prediction, and hence to exert control over their activity.' The reductionist language induces a conditioned tendency to view situations in isolation with insufficient regard for the broader implications.

The challenge to the rationalist and reductionist paradigms

Although beneficial in its ability to create well-defined responsibilities, force consideration of strategic uncertainties, maximize limited resource utilization, frame large firm or complex change and providing a strategic background for opportunist or incremental decision making (Aaker,1998), strategic planning came under scrutiny in the early 1980's, when organizations found themselves challenging :

a) a methodology that is founded on a precondition of certainty and predictability in the environment.

b) a paradigm which embraces the use of specifically appointed strategic thinkers to formulate a plan which separately codifies thinking and action

c) the conception that strategy formulation needs to be closed-ended and convergent and implementation open-ended and divergent.

d) a linear process which assumes that issues can best be understood "as if a clock-like mechanism composed of separate parts acting upon one another with precise, linear laws of cause and effect" (Hock, 1996).

Organisations questioned the validity of these principles in an operating reality which was becoming increasingly defined by reasonably predictable short-term futures and unknowable long-term ones (Stacey, 1996). They noted that the linear model of strategic planning does not pay (Mintzberg,1994) and how "few of the supposedly brilliant strategies concocted by planners were successfully implemented" (Mintzberg, 1998).

It should be noted that although many authors discuss the shortcomings of the rational approach to strategy, very few can substantiate their claims using hard quantitative data. Most ascribe their perspective to a common observation of declining profitability in companies that used the rational approach to strategy. Furthermore, the extent of rejection of the approach varies among writers, specifically complexity writers (complexity will be introduced and explained later on in the chapter). Stacey, a prominent author on complexity explicitly rejects the significance of analytical methods. Other writers simply ignore the topic, suggesting rather that 'managers who realize the importance of creativity in a world of complexity will have concerns for which analysis is an irrelevance.' (Rosenhead,2001). Such dismissal of analytical methods can be countered by Rozyn (2005) who acknowledges the value of strategic planning. Rozyn takes the discussion a step further seeing strategic planning (described as a left-brain, data-driven, information processing system) as one part of a dichotomy of strategic management. Rozyn refers to the 'other part' of strategic management as strategic thinking (involving 'creating and testing the parameters of existing thought systems). Of interest in this study is his model of strategic thinking

(in that it incorporates systems thinking), and his introduction of strategic thinking as the complementary to strategic planning :
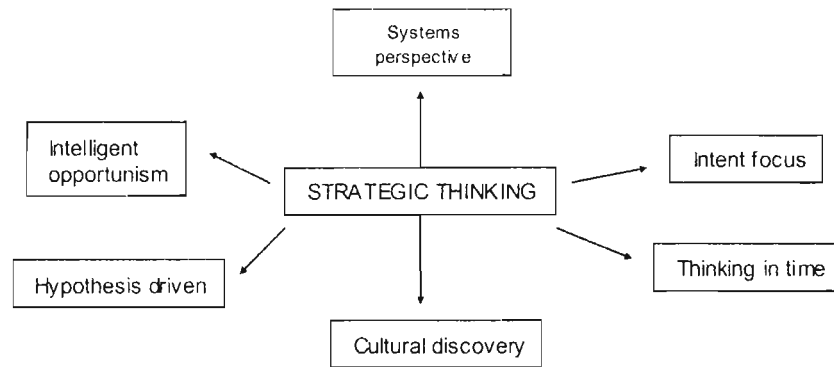
Figure 14 : Dimensions of strategic thinking
Source : Rozyn,2005

None of the tenets of this model will be discussed in detail save to note that Rozyn conceptualizes strategic thinking as being the complement of a number of factors and that systems thinking is used in the processes of strategic thinking and not strategic planning. The authors to be discussed in the following discourse on strategy do not talk directly to strategic management but rather to how strategy can be developed. According to Rozyn's assertion, this mentality could be critiqued in that it falls short of linking strategy into the broader processes of management. This omission could be representative of a vital cog in the meaningful conceptualization of strategic marketing.

(b) From deliberate to emergent strategy

This section discusses the shifts in thinking in response to questioning of the absolute appropriateness of the classical, rational approach to strategy. The section tracks the move from the quantum to chaos to complexity movements and how these have influenced strategy thinking. The motivation for this discussion is aptly explained by Lewis (2004) as follows :

"Where once the world was viewed as linear and mechanistic, where simple cause and effect solutions were expected to explain the complex phenomena of nature, managers now realize that much of their world is non-linear and organic, characterized by complexity, uncertainty and unpredictability... It amazes Lewin and Regine how far we have been able to take the linear model for understanding the world, both in science and in business; but in the new economy the limitations of the mechanistic model are becoming starkly apparent. A new way of thinking, a new paradigm is required to make sense of business in a complex world which, for the first time, allows complex processes to be studied... The realization that much of the world dances to non-linear

tunes has given birth to the new science of complexity whose mid-wife was the power of modern communication."

The first example of a shift in thinking from the above-mentioned linear, reductionist models can be found in the quantum movement in which scientists realized that light could be 'both' a particle 'and' a wave. In so doing it shifted scientific thinking from absolute certainty to possibility. This dynamic zone of possibility, otherwise known as the 'Edge of Chaos', embraces 'both' the stability of existing structures 'and' the chaos in the creation of new structures.

The 'Edge of Chaos' territory was discovered by Norman Packard, a physicist and mathematician, member of the Santa Cruz college and Chris Langton, a scientist at the University of Arizona (Ortegon-Monroy, 1999). It demonstrates 'a class of behaviours in which the components of the system never quite lock into place, yet never quite dissolve into turbulence either' (Battram,1999). Kauffman (1993) describes the 'Edge of Chaos' as a place where order and disorder are combined in such as way that the systems can readily dissolve inappropriate order and discover patterns that are appropriate to changing patterns (Reason,1999). The 'Edge of Chaos' rests central on a 'States of the System' continuum (Battram,1999). 'Stasis' sits at one polarity of the continuum embodying the notion of complete equilibrium. 'Chaos' sits at the other polarity embodying elements of random unpredictability, uncontrollability and sensitivity to initial conditions.

The 'chaos' movement was started by the French mathematician Poincare when he identified the strange attractor, which is now called chaos. The movement was furthered by the work of Edward Lorenz, a meteorologist at the Massachusetts Institute for Technology. Lorenz identified the 'butterfly effect' which observes the emergence of patterns which never follow the same path again. This is theoretically explained as 'sensitivity in initial conditions' wherein a small change in the initial condition can lead to unpredictable consequences. (Reason and Goodwin, 1999).

Further research confirmed the underlying interconnectedness that exists in apparently random events and spawned the development of complexity which acknowledges an integration of order and chaos through non-linear dynamics. While chaos theory operates mainly in the realm of mathematics and physics, complexity 'considers complex social systems which are able to evolve and change the rules of iteration' (Mitleton-Kelly, 1998).

Complexity theory conceptualizes human society as spontaneously emerging from non-linear dynamical systems and envisions intrapersonal (within the individual), interpersonal (between the individuals) and phenomenological complexity. From a complexity perspective, the world or reality can be treated as dynamic which means that 'we can conceive of both the phenomena that we

seek to understand or manage, as well as our own processes of perception and apprehension, as responsive to, and generative of changes' (Woog, 2003). These constructs are contained within the theoretical embodiment of Complex Adaptive Systems which recognize that people continually account for themselves to each other; people continually respond to what others are doing and try to persuade others to take the position they want. In this way, conversation organizes experience.

Complex Adaptive Systems and Strategy
Complex Adaptive Systems (CAS) emerged as a theoretical construct which looked to shift paradigms from linear, rationalist thinking to holistic, integrated thinking founded in a deep understanding of complexity and consequential non-linear dynamics. "Simply defined, these systems are composed of a diversity of agents that interact with each other, mutually affect each other and, in so doing, generate novel behaviour for the system as a whole" (Lewis,2004). The methodology suggests that by interacting with each other, diverse agents create mutual affect by challenging 'rules' according to which we normally behave. As agents adjust their behavior, uncertainty and unpredictability is created and agents self-organise to restore some sense of order. The ability to move, adjust and adapt indicate that CAS learn from the emergence of behaviour. Through ceaseless adaptation to environmental changes and continual learning from emergent, novel behaviour, the systems evolve.

Hock (1996) applies the concepts of CAS into organizations coining the term 'The Chaordic Organisation' by which he meant 'any *self-organising*, adaptive, nonlinear complex system, whether physical, biological, or social, the behaviour of which exhibits characteristics of both order and chaos or loosely translated into business terminology, cooperation or competition." Stacey (1996) defines successful organisations as operating 'in states of bounded instability, using positive and negative feedback to create new patterns of behaviour – innovations and new strategic directions'.

In order to more fully understand the above-mentioned discussion, the dynamics of CAS will be further explained. This explanation will be later applied to strategic marketing to assess the value that CAS could add in the re-conceptualisation of strategic marketing, in practice and in theory.

Rules and mutual affect
CAS are social systems with a complex nature, regarded as being adaptive, as agents within the system interact and on the basis of this interaction, modify their behaviour to create different patterns of behaviour. Ralph Stacey (2003) explains these behavioural adjustments as being

based on modifications to *rules*. 'Rules' can be simply defined as tendencies of behavior which can be mutually generated or imposed. In the organizational context, managers set the rules to create appropriate emergence. These rules can be imposed, as in the traditional framework of strategic development, or mutually generated(exposed). Where rules are exposed, alignment and teamwork are more easily stimulated.

Self-organisation

Any challenge to the rules of agents is characterized by uncertainty, unpredictability and a sense of formlessness. Lewin and Regine (2000) explain this phenomenon as follows "In a non-linear, dynamic world, everything exists only in relationship to everything else, and the interactions among agents in the system lead to complex, unpredictable outcomes. In this world, interactions, or relationships, among it's agents are the organizing principles." In other words, when rules are challenged, agents work to organize themselves to create emergent order. This defines the idea of self-organisation which was discussed by Aristotle when he said 'that the form is created by some organizing principle'. Capra (1996) asserts that the system's essential characteristics are determined by the patterns of organizations which are created by the configurations of relationships among system components.

Patterns of behaviour and attractors

This self-organisation induces patterns of behaviour which form from the bottom-up and are therefore not constant or directive, but novel and emergent in response to changes in the system's environment. These patterns of behaviour arise out of a combination of values which are called attractors. Examples of attractors are leadership, fear, love, power, trust and competition. Attractors can be identified through feedback and by recognizing the self-organising rules. Agents can move between attractors and can be nudged towards different attractors through, as examples, conversation, new rules or new relationships. It makes sense therefore, for empowered managers and leaders to direct strategic development through these mechanisms and to seek out a medium that will enable the nudging of attractors.

Strategy therefore, in the complexity view, is based on co-evolution, enabling mutual generation of rules, not competition. Strategy is not a static long-term endeavour, but a fluid process of continually judging where the organization is in relation to the "Edge of Chaos.' These judgements are made by studying the nature of the attractors at play and the potential for internal turbulence. By nudging the attractors, strategists can induce novel and evolving behaviour which can be massaged towards a specific vision.

The fact that CAS can move, adjust and adapt indicate that CAS learn from the emergence of behaviour. Two aspects of this statement need to be discussed. The first aspect relates to the concept of learning through adaptation. The dynamics of *learning* and adaptation distinguish Complex Systems from CAS which have the capacity to store and transmit information. Through ceaseless adaptation to environmental changes and continual learning from emergent, novel behaviour, the systems evolve. This aspect stresses the importance of feedback in nourishing the system and its ability to evolve and adapt.

The second aspect relates to the concept of *emergence*. Lewin (2000) says that 'More than anything, emergence captures the quintessence of CAS.' One of the key characteristics of emergence is that 'it cannot be explained by looking at the isolated behaviour of the individual parts of the system' (McBride, 2002). In science, the whole is greater than the sum of the parts, but also, the structure of each individual part is very different, therefore emergence can be expected. Simple rules of interaction may give rise to highly complex structures that were previously unconceived (Tsoukas, 1998). Therefore, small events can have large effects. In this way, strategy can be guided by small events, which in combination create a certain emergent quality and strategic outcome.

The above section has looked at complexity thinking and how this has yielded different thought inputs regarding the development of strategy. The latter concept of emergence has been applied differently by Henry Mintzberg in his conceptualization of 'emergent strategy.' This will be discussed in the following section.

(c) Emergent Strategy

Henry Mintzberg (1973) proposed emergent strategy as a more practical, experimental process which encouraged managers to focus on the actual strategic process rather than the hard content of the strategy itself. In 1985 in a book co-published with Waters, Mintzberg suggested that rational strategy (deliberate) and emergent strategy represent two ends of a continuum on which real-world strategies lie. Emergent strategy was developed out of the realized necessity to connect thinking and acting which in turn will connect implementation and formulation.

Mintzberg, in his latest publication "Strategy Safari" (1998) defines emergent strategy as being patterns of consistency in action. These patterns relate to the afore-mentioned discussion on complexity thinking, which contends that patterns are created when rules are challenged which leads to new self-organisation, and that patterns are influenced by attractors. Mintzberg differs however, saying that the patterns of behaviour are noted through retrospective sense-making

which constructs reality through constant engagement and interpretation with past experience. "When people talk about their strategy they will normally talk about something that has taken place in the past, a series of events that have retroactively been interpreted as a pattern, recognized as 'our strategy'" (Van der Heijden, 1996).

To summarise the two views of strategy expressed in the previous two sections :

- *Emergent strategy recognizes 'a strategy' as a series of events that have been retroactively been interpreted as a pattern.*

- *Strategy from a complexity perspective, is based on co-evolution. Therefore, the agents within the system generate the rules together to create new patterns which create an active strategy. This generation of rules happens continually in an active way and is influenced by attractors, which are values. In order to encourage the strategy in a specific direction, these attractors can be nudged.*

3.3. Discourse and application of postmodernist and strategy thinking to strategic marketing

The writings of this chapter to date have encompassed critical insights from postmodernism and strategy. What could be noted from the former was an echo of criticism presented in chapter two of the linearity and consequential limitations of existing strategic marketing models, guiding a re-work of these models to become more systemic in nature. This criticism was founded on the postmodernist contention that strategy needs to become more active through real-time thinking and flexible models. This criticism fell hard on the ears of the classicists in the strategy domain who saw strategy as occurring in a deliberate way in relation to a world of certainty and predictability. The classical approach to strategy was indicative of modernist attitudes as opposed to postmodernists who saw a world characterized by inherent chaos. This debate was briefly discussed in the section on postmodernism. It should be noted that the critique was leveled at an emphasis within postmodernism on the existence of chaos in the environment and whether this emphasis was strictly the case. The critique did not discuss the suitability of process-based models and linear formats used in the development of strategies (as suggested by the classicists).

The section written up on the classical approach to strategy did not speak directly to the suitability of the rational approach to strategy for strategic marketing. In talking to this subject, critics have suggested that the linear, process-driven models fall short in their ability to respond to the nature of marketing and the operating environment in which marketing occurs as this environment is heavily affected by consumer dynamics, globalization and more accessible marketplaces offering

a plethora of opportunities which require resourcefulness. As these dynamics change, strategy needs to change and schools of thought, such as the classical school might be challenged in their support of a static methodology. This said, complete dismissal of the methodology might mean that aspects of the methodology that could be successfully applied (although not necessarily in the format that they were initially conceptualized) might be lost. An inclusive paradigm advocating multi-methodology is supported by the postmodernists as part of their drive to encourage active, flexible strategy.

Although not related to multi-methodology, the postmodernist contention of flexibility in strategy, was further echoed in the latter discussions on thinking around strategy where recognition of the mutual affect of agents within the system and the power of collective effort pointed to the makings of a fundamental shift in thinking around organizational and strategy development. It should be noted however that while managers are consciously seeing the value of people and relationships as a driver of economic bottom line profitability, this shift in thinking brings anxiety, uncertainty, and fear as it challenges the certainty and predictability of traditional management practice (Lewis,2004), which will impact on strategic marketers who own the function of maintaining, developing and sustaining business profile.

Stacey (1993) , probably the most noted advocate of complexity in strategy and emergent strategy, talks to the inherent tension that is created by what he calls ordinary management, required to carry out the day-to-day problem solving to achieve the organisation's objectives, and extraordinary management, required if the organisation is to able to transform itself in situations of open-ended change, have their place. Stacey acknowledges further that in certain contexts, the linear model of planning and organization through directive mechanisms has its place. Although linear models assist in the creation of focus, reassurance and *order* in an environment of flux and uncertainty (sometimes referred to as *chaos)*, they hold the potential to create organizational stagnancy and regression through strategic myopia as managers and leaders do not engage with alternative forms of strategic methodology.

These paradoxes (order and chaos) are inherent in modern organizational existence and create daunting realities relating to the internal and external change dynamics that could emerge and enormous challenges for the strategic marketer who is constantly required to negotiate these challenges to drive the business forward.

Nudging attractors, encouraging reflection and stimulating a learning environment are tools that, according to previous discussions in this chapter, will assist to better negotiate these paradoxes

In keeping with previous discussions relating to emergent strategy and to CAS, the importance of massaging the attractors in the internal and external environment cannot be stressed enough. Aside from discussions relating to strategy, the explanation can be extended to marketing more generally. As this is outside of the main focus of the study, this discussion is documented as Appendix Seven. In terms of how attractors relate to strategy, working with the attractors internally and externally within the organizational environment, will create new patterns of behaviour which can be nudged forward to define an emergent strategy. This is according to the thinking of complexity. The thinking of emergent strategy offers further insight from its perspective that an emergent strategy is defined by retrospectively looking back upon activities that have happened to identify patterns of behaviour which indicate a strategy. This process of retrospection implies an emphasis on reflection, reflection on previous activities to identify patterns of behaviour.

Therefore, the thinking of the two perspectives differ, in that the one (complexity) encourages movement from the "now to the then, while the other (emergent) encourages movement from the "now from the then". Either way, what remains is a strategic imperative for strategic marketers to:

• Increase their awareness of patterns of behaviour and the attractors operating in their system.
• Place emphasis on reflection in the determination of strategic activities.

Awareness and reflection are two cornerstones of learning, which is also a product of Complex Adaptive Systems. As such the learning dynamic will need to be further explored to see is there are any further insights which could add value to strategic marketers.

In summary then, if following the above insights, it could be posited that contemporary strategic marketers need to :

a). encourage an organizational mindset which i) looks to influence the strategic direction of the company and its evolution rather than control it and ii) conceptualizes strategic direction as emerging from the complex interactions between people and the organization, and not through organizational intention alone.

b). develop systems and initiatives that i) recognize the importance of and encourage the generation of continual feedback and ii) enable the nudging of attractors to create organizational learning as a core competence to enable fast reaction to the changing environment.

3.4. Conclusion

This chapter has engaged in a discourse on some of the new thinking around postmodernism and strategy with the intention of lending fresh and meaningful insights to the re-conceptualisation and/or enrichment of the theory and practice of strategic marketing. The chapter motivated the need for such a review, on the grounds of limitations in the deliberate strategy methodology following mainly a classical, rational paradigm. Emergent strategy (and complexity) writings were drawn on for a radical re-look at strategy. Strategic marketing insights gleaned from this section have related specifically to planning insights without discussion around implementation, control and evaluation in strategic marketing. This will form the focus of the next chapter.

Twenty questions

Chapter Three

1. In terms of a context check, are organizations working to break down the silo effect and create integrated business? Are marketers heavily affected by the changing dynamics in the environment? Are they flooded with new opportunities with growing markets and increases in technology? If so, do they allow for this in their strategy?

2. Are marketers aware of the rules and attractors operating in their internal organisational environment, the internal customer environment (as evidenced in behaviour) and external environment? If so, do they use this awareness to input into their strategy process?

3. Do marketers experience tension between their day-to-day ordinary management activities and their open-ended change-related, extraordinary management activities?

4. Do marketers look to nudge attractors, encourage reflection (to identify patterns of behaviour) and stimulate the learning environment to negotiate the paradoxes of order and chaos?

5. Are strategic marketers,

   (a) encouraging an organizational mindset which i) looks to influence the strategic direction of the company and its evolution rather than control it and ii) conceptualizes strategic direction as emerging from the complex interactions between people and the organization, and not through organizational intention alone.

   (b) developing systems and initiatives that i) recognize the importance of and encourage the generation of continual feedback and ii) enable the nudging of attractors to create organizational learning as a core competence to enable fast reaction to the changing environment.

Chapter Four	Strategic Marketing imperatives and beneficial initiatives
	The fourth chapter forms the final part of the literature review, giving insights into how strategic marketing could be re-conceptualised from an implementation, evaluation and control perspective. The discussions is this chapter are written in the form of subjective, beneficial initiatives for the re-conceptualisation of strategic marketing from an implementation and evaluation perspective. These initiatives are suggested on the back of the summary of findings of the previous chapters presented at the onset of this chapter.

4.1. Introduction

The first part of the literature review highlighted a need to review the processes of planning, implementation and control in strategic marketing based on criticisms leveled at the traditional models of strategic marketing. The previous chapter looked at planning and implementation insights emerging from postmodernist and strategy thinking advocating a more systemic, emergent and adaptive approach to strategic marketing which prizes feedback and the development of interconnected organizational mindsets. The final part of the literature review begins with a summary of the findings of the previous two chapters before continuing with subjective beneficial initiatives as insights to better implementation and evaluation in strategic marketing.

4.2. A summary of the findings of chapters two and three

Strategic marketing has been (and still is, to a large extent) conceptualized as a process consisting of specific steps and activities. In theory, if these are meticulously followed, then the outcome will be a meaningful strategy that has value in driving the organization forward. Critics have challenged this over time , noting that marketing as a discipline is heavily affected by the changing consumer and market dynamics, meaning that as dynamics change, strategy needs to change. Furthermore, as new markets open and technology increases, marketers are flooded with new opportunities and possibilities which would not necessarily have been provided for in a static strategy. The ineffectiveness of such strategy has been posited as a major reason for perceived inadequacies of strategic marketing.

In trying to talk to these inadequacies, postmodernists call for a more active approach to strategy, through real-time thinking and flexible models. Complexity thinkers concur with an active approach to strategy arguing rather that 'attractors' be monitored (through feedback) and nudged to create change in the system, and that learning be acknowledged and used as a conduit for organizational evolution. Feedback is an integral part of this monitoring process. The complexity notion of emergence forms the foundation for emergent strategy which encourages a shift in

focus from the hard strategic content to the actual strategic process, thereby connecting thinking and acting. The more contemporary schools of thought encourage the development of a mindset that looks to influence the strategic direction of the company and its evolution rather than control it and conceptualizes strategic direction as emerging from the complex interactions between people and the organization, and not through organizational intention alone.

Although emergent strategy would criticize the notion of planned activities, following recommendations by Stacey (2003), planned and emergent strategy can be seen to have value in that the former provides direction and focus, while the latter encourages real-time monitoring and adjustment. This monitoring and adjustment is done via feedback, which can relate to the strategic marketing term of strategic evaluation. In this way, it could be argued that strategic evaluation needs to be re-looked. An example of a tool used for strategic evaluation in marketing is performance indicators and customer metrics. This will discussed in detail in the following section of the chapter.

Before this discussion begins, it should be noted that strategic evaluation forms only one of the three traditional tenets of strategic marketing management, namely planning, implementation and control (evaluation). Within the previous discussion, these tenets were re-conceptualised out of their traditional linear modalities into inclusive cogs linking formulation and implementation. It has already been stated that strategic evaluation needs to be re-worked, however such a process would be meaningless if not done in conjunction with a re-look at the way implementation is done. Two of the main foundations for implementation expressed under du Plessis' (2005) model, described in chapter two were organisational learning and internal marketing, both initiatives that consciously see the value of people and relationships as a driver of economic bottom line profitability. These foundations will be further investigated.

The remainder of this chapter will be structured differently to the previous parts of the literature review in that, rather than discussing thought inputs from specific areas of broad and associated areas of marketing, they will look rather at specific and focused areas of study within strategic marketing. This section does not offer impartial views on the three areas to be discussed in the remainder of the section, namely performance indicators and metrics, organizational learning and internal marketing. These three areas were selected randomly by the author as contended beneficial initiatives for more successful implementation and evaluation of activities. These judgements were made on the back of subjective understandings gleaned from the previous two chapters. The author does therefore not pretend to offer a definitive guide to correct implementation or evaluation but intends rather, in line with the exploratory nature of the study, to introduce the reader (and the writer) to three areas of potential exploration within the interviews. The sections are introduced from a critical perspective with the understanding that the relevance

of these perspectives remains under scrutiny and could be investigated in the interview process to be conducted at a later stage in the study.

4.3. A re-conceptualisation of strategic marketing implementation and evaluation

In attempting to offer suggestions for such a re-conceptualisation, a systems thinker who embraces multi-methodology, would suggest a review of hard and soft approaches to such a re-conceptualisation. This would be motivated by findings from the previous chapter that feedback is a powerful enabler of effective implementation and evaluation. By blending approaches, multiple feedback loops could more likely be created which will serve to 'oil the organizational strategic marketing machine' and keep the parts of the machine talking to each other.

A comprehensive discussion of all hard and soft approaches to implementation and evaluation would fall well beyond the scope of this study. As such, the remainder of this section will discuss three aspects relating to implementation and evaluation on the understanding that the three aspects relate to both implementation and evaluation in that they are mutually affective. The three aspects to be discussed will be performance indicators and customer metrics (as embodying a hard approach to implementation and evaluation) and organizational learning and internal marketing (as embodying soft approaches to implementation and evaluation). [1]

(i) Performance indicators and customer metrics

Steve Burgess (2005), contends that strategic evaluation is the area of strategic marketing most seldom acknowledged and applied and consequently most relevant as a source of strategic marketing improvement. The performance standards and criteria currently used in strategic evaluation include methodologies of benchmarking and balanced score-cards, control systems and financial measures such as profitability, activity, productivity, liquidity and leverage (Vincze,2004). The benefits of such measures are that they provide hard, quantifiable information that financial managers and more scientific managers (those managers often in control of the purse-strings and consequently the allocation of marketing budgets) can relate to. The downfall of such measures is that they can overlook the human dimension contributing the figures under investigation. These arguments told, the section will discuss the use of performance indicators and customer metrics as a quantifiable approach selected as an area of focus of study on the grounds that they show increased visibility in contemporary marketing journals (Burgess,2005; McAllister,2004; Sinclair, 2001). Burgess (2005) acknowledges these performance standards but

---

[1] The author is aware that the three aspects discussed under this section involve judgement by the author. The aspects are not suggested as a definitive structure but rather as a guide to the representation of theory around implementation and control through feedback. The author further acknowledges that the perspectives offered are not counter-argued and suggests that they be followed up in further research.

points to increasing literature on the merits of customer metrics as a source of effective strategic marketing evaluation, highlighting two papers recently published or in the process of being published.

The merits of such an analytical approach are advanced by Leigh McAllister, from the University of Texas, McCombe Business School. McAllister (2004) has just done a study where she links marketing to financial performance, specifically looking to gain a better understanding of the relationship between marketing spend, sales and brand equity in a company. This model is built on Roger Sinclair's notion that 'brand equity' exists from the past into the future, and there are interrelationships with Marketing Spend (2001). McAllister acknowledges that marketing speak is different to financial speak and that metrics used by finance and marketing employees differ, with the effect that marketing metrics are not used (as they do not fit the 'normal' accounting-finance language of the firm). She further pointed to the fact that, although marketing is designed to create long-term results, due to the short-term goal-driven nature of strategy in organizations, most metrics used relate to the measurement of short-term impact which marginalizes the representation of strategic marketing success.

In light of this, McAllister developed her model over a 10 year tracking period. She found that marketing spend correlated to increased sales and increased brand equity. The study concluded that although a low marketing spend can still create positive sales in the short-term, the firm value return (indicative of brand equity) was minimal. This points to a danger of under-spending on marketing. It further showed, that although big spenders on marketing reaped benefit in terms of greater firm value, i) the firm value reaped was not significantly larger that those firms spending more moderately and ii) the sales return was relatively low. This highlights the central conclusion that 'marketing spending that looks marginally productive in sales Return on Investment (ROI) may be driving firm value,' (McAllister,2004) which implies the value of marketing metrics to increase marketing's validity to financial and other business people.

Gupta (2005) agrees with this conclusion suggesting that 'the need for marketing metrics is intensifying as firms feel increasing pressure to justify their marketing expenditures.' Gupta points to the usefulness of customer metrics as motivated by the fact that customers are the primary organizational source of revenues and profits and therefore form one of the company's major marketing investments.

Gupta defines customer metrics very broadly including several types of measurements that have been used in both academia and practice to capture different aspects of customers. These measures are captured in the following simple framework for customer metrics :

		Repeat		What
Financial impact	Customer Equity	Firm Value	Firm Profitability	**What firms get**

Financial impact	Customer Equity	Firm Value	Firm Profitability	**What firms get**
Behavioural outcomes	First time purchase or customer acquisition	Repeat purchase or customer retention	Cross-category purchase or cross-selling	**What customers do**
Perceptual constructs	Trust Perceived Value	Loyalty Satisfaction	Commitment Service Quality	**What customers think**
Marketing actions	Customer service Promotions	Pricing Channels	Loyalty programmes Product	**What firms do**

Figure 15 : A Framework for customer metrics
Source : Gupta,2005

(Note : This frame will serve as a point of discussion in the interview process in that it can be see as a more contemporary indicator of the successful implementation of the marketing strategy. Use of this frame will be contrasted with the initial frame of marketing strategy components in order to highlight the use of the traditional approach to marketing strategy, focusing on the content of the strategy as opposed to a more contemporary approach focusing on the action part of the strategic process).

Within this framework, a firm's marketing actions (what firms do) affects what customers think (as measured by perceptual constructs) which in turn influences what customers do (i.e. behavioural outcomes) and what firms get (i.e. financial impact). In practice, not all of these metrics are used Metrics are chosen as relevant to the particular context. In theory, few studies have examined all of these constructs, most explore only a few links in the system. This said, Gupta (2005) concludes that a 'considerable overlap exists in definition and measurement of the constructs on which customer metrics are based,' with the effect that strong correlations exist among the constructs.

Gupta and McAllister's writings point to the benefit of a metric-based evaluation approach, asking the following broad questions :

1. Are you looking at the lifetime value of the customer?
2. Do you use marketing metrics? If so, what? How are they used?
3. Do you place the customer as the central part of your market rather than your competitors?
4. Are you looking at the total cost implications of your marketing decisions? If so, how do you calculate it? Who uses the information?

49

Metrics help with implementation as they talk specifically to 'How to implement strategy' in a practical and useful way, using constructs to measure performance. These constructs further help to develop relationships between strategy and marketing strategy in that if you look at what they are measuring, it will tell you what they are thinking and why?

(b) Organisational learning

By virtue of introducing a soft evaluation approach, organizational learning constructs will be investigated. Approaches to discussion on organisational learning are extensive, but the most interesting, in light of previous discussions, relates to a 'learning-based approach' which views strategy as a process of learning. Although it could be argued as one-dimensional, the benefit of such an approach is that, by encouraging individuals to embrace learning as a core enabler, perceptual blocks and obsolete assumptions can be cleared making way for fresh insights and action. Following work done by de Geus' (1998) work on 'Planning as learning,' Lynch (2000) suggests that 'a learning-based approach can be usefully added to the classic prescriptive approach in order to find the strategic route forward in organizations.'

The learning-based approach emphasizes the context and the process derived from the existing knowledge and experience of the organization. Strategy content within this approach, emerges from both the historical context and the current process thereby increasing flexibility in developing unique strategies and actively creating and developing new opportunities. In this way, the learning-based approach draws together the disparate perspectives on strategy offered by the complexity school and the emergent strategy school. It should be cautioned however that, beyond the level of the need to consult, the approach is largely conceptual, vague and lacking in operational guidance in practice (Egan,1995). This said, heed should be taken by strategic marketers of the imperative of creating a learning environment wherein agents are aware of changing dynamics (attractors and patterns of behaviours) both internally and externally and are reflecting on the outcomes of their decisions and the strategic effect of these decisions.

Communities of Practice
Senge (1990), author of "The Fifth Discipline: The Art and Practice of the Learning Organisation" introduces five systemic disciplines to encourage such learning. He suggests that a preferred vehicle to facilitate learning is that of the Community of Practice, a type of forum in which conversation and communication serve as platforms to express learning, paradox and insight and in so doing to create tension from which creative solutions can emerge (Lewin, 2000).

The defining author within the realm of Communities of Practice is Etienne Wenger. Wenger (1998) sees learning not as an individual process but as a fundamentally social phenomenon, placing learning in the context of our lives experience of participation in the world. In developing his social theory of learning, he integrates 'Meaning, Practice, Community and Identity' as deeply interconnected and mutually defining components, identified as necessary to characterize social participation as a process of learning and knowing.

Wenger acknowledges that learning follows the emergence of meaning through experience and practice (as discussed within the previous writings on CAS and emergent strategy) and cannot therefore be designed. Communities, according to Wenger (1998), are linked to practice through mutual engagement, a joint enterprise and a shared repertoire. Through this understanding, it can be seen that Communities of Practice are everywhere, but with surfaced and conscious acknowledgement, they could serve as platforms for strategic marketers to create a learning environment in which awareness (of attractors and patterns of behaviour, and reflection) can be encouraged.

The use of such communities of practice coupled with the analysis of hard performance indicators can be argued as a relatively comprehensive evaluation system that will provide meaningful feedback to allow for re-alignment to the intended organizational direction. As it has already been suggested, the success of these endeavours is inter-connected with the successful implementation of strategic marketing activities. Organisational learning is viewed in Figure 10 as a foundation for successful implementation. This goes hand-in-hand with internal marketing, a marketing approach which places implementation responsibility on all employees, regardless of organizational level. In this way the gaps between intended and realized strategy are bridged.

(c) Internal marketing

Internal marketing was first practiced as a tactic for making all employees aware of the need for customer satisfaction. It evolved into an approach for strategic marketing implementation working to convert all internal personnel to an external marketing orientation. Marketing was seen as a balancing interplay of external and internal marketing as seen in the following table :

EXTERNAL MARKETING Strategy and tactics	INTERNAL MARKETING Operations
External focus : setting direction	Internal focus : attaining direction
Effectiveness :doing the right thing	Efficiency : doing things right
Designing the plan	Executing the plan
Commits resources	Uses resources

Figure 16 : The interplay of external and internal marketing
Source : Wilson,2005

As can be seen from the above, internal marketing is seen to be operational and tactical in nature. 'Generally speaking, internal marketing refers to the managerial actions necessary to make all members of the organisation understand and accept their respective roles in implementing marketing strategy,' (Ferrell,1999) with the effect that *every* employee irrespective of organizational level, has responsibility of marketing implementation. The philosophy behind internal marketing is that the likelihood of external customer satisfaction is directly and positively related to the extent of internal customer satisfaction. Therefore, under internal marketing, every employee in the organisation has two sets of customers : external customers and internal customers.

Egan (2001) outlines the key goals of internal marketing as follows :
- 'to ensure that external marketing plans are successfully implemented.
- to combat internal resistance to the adoption of the marketing philosophy throughout the organisation.
- to secure the commitment of senior executives to managing a market-driven organisation.
- to secure the enthusiasm of personnel who have the responsibility for the implementation of marketing plans.
- to create what organizational theorists describe as an organic company i.e. one which is responsive, flexible and adaptive within the turbulent business environment.
- to create a marketing culture i.e. to shape the attitudes and behaviour of all employees, but especially those who operate on the interface between the customer and the firm.'

The benefits of internal marketing are extensive and create full organizational mobilization and alignment. This is done through the involvement of internal marketing as an output of and input to both marketing implementation and the external marketing programme, as can be seen in Ferrell's (1999) internal marketing framework :

Corporate Mission

↓

Corporate Objectives

↓

Marketing Strategy

↕

Marketing Implementation

Internal Marketing Programme	External Marketing Programme
Product Price Distribution Promotion	Product Price Distribution Promotion

↓ Target groups within the organisation

↓ Customer groups or targets
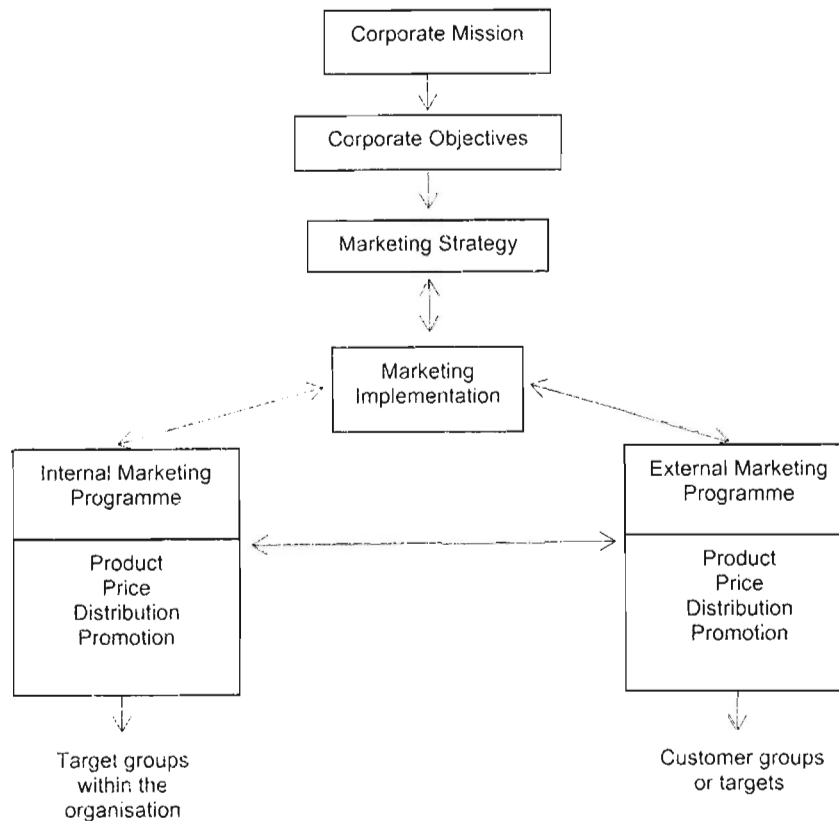
Figure 17 : Internal Marketing Framework
Source : Ferrell,1999

In understanding this framework, the target groups within the organisation can be seen to embody the internal market. Egan (2001) defines the internal market as 'all those people and groups inside the organisation, on whose efforts, support, commitment and co-operation (the organisation depends) for the external market strategy to work, who (the organisation) may divide into key targets in just the same way that they segment the external customer market.' In terms of the internal marketing programme :

- the product refers to the marketing strategy that needs to be implemented and the employee tasks, behaviour, attitudes and values needed for this implementation.
- the price refers to the costs that employees have to pay in the implementation process (for example, the cost of learning new skills, transferring resources or giving up existing projects).
- the distribution refers to the internal channels of communication used to garner support for the strategy (examples are planning sessions, training workshops, intranets and presentations).
- the promotion refers to all communication sent through the afore-mentioned channels intended to inform and persuade employees to support the marketing strategy.

Internal marketing therefore follows the guiding principles for external marketing using the internal market as the basis for segmentation, positioning and marketing mix decisions. These decisions are made in parallel to external marketing decisions with the intention of creating a mutually beneficial and supportive marketing framework for successful strategic marketing implementation.

4.4. Conclusion

This chapter has concluded the literature review for this study. It began with a summary of findings from the first part of the literature review raising a need to review current and traditional marketing theory with the intention of generating a more suitable contemporary model for strategic marketing. Whether a model is what is needed of merely a toolbox of elements to be expertly combined in a given situation is a subject of debate to be pursued under separate cover. The latter two parts of the literature review have intended to give insights into how strategic marketing could be re-conceptualised. The second part of the literature review was structured in a way that yielded insights rather than definitive approaches while the latter part of the literature review was structured around discussions of suggested approaches which could assist in the betterment of strategic marketing. The latter approaches pertained firstly, to the development of an effective evaluation system using the hard tool of customer metrics and the soft tool of communities of practice to ensure continual feedback and adjustment and secondly, to the implementation of internal marketing as a system which ensures that all of the organizational parts are aligned and working together towards strategic marketing success. It should be noted that the initiatives suggested are by no means complete, but offer partial insight into initiatives that could assist in the improvement of strategic marketing thinking and praxis.

Twenty questions

Chapter Four

1. Do strategic marketing practitioners see the traditional models of marketing strategy as being flawed? If so, how and why?

2. Are strategic marketers creating systems which ensure continual feedback in order to keep the organizational parts talking to each other? If so, do their systems take a hard and/or a soft approach?

3. In terms of a hard approach to the creation of feedback, how many strategic marketers collect performance indicators, facts and figures through an analytical approach? Do any of the marketers use customer metrics, as evidenced in the framework for customer metrics (Gupta,2005)?

4. In terms of a soft approach to the creation of feedback, how many strategic marketers encourage and develop organizational learning constructs through, for example Communities of Practice?

5. Do strategic marketers use internal marketing to bridge gaps between intended and realized strategy? If so, to what extent? Do they place emphasis on the value of full employee alignment?

Chapter Five	Research Methodology
	The fifth chapter explains the research design which Terreblanche (1999) explains as a "strategic framework for action that serves as a bridge between research questions and the execution or implementation of the research"

5.1. Introduction

This study looks to challenge and build on existing knowledge relating to the theory and praxis of strategic marketing. In order to embed the processes of strategic thinking suggested by the more contemporary strategic thinkers (discussed in the previous chapters), methodologies that encourage awareness, reflection and learning will be applied.

Although significant research has been published in the fields of marketing, strategy and education, relatively little research exists combining the three domains in the South African context. As a result, this study will be exploratory in nature, using "an open, flexible and inductive approach to research" (Terreblanche,1999) in an attempt to look for speculative insights into phenomenon, new questions and hypotheses." Aristotle would have motivated this approach through his concept of *phronesis* which investigated "the ability to spot the action called for in any situation" (Toulmin,1996). This, as Dunne (1993) and Schwandt (1996) point out, is a different type of knowledge from that used to develop scientific theories. Consequently, the methodology used in this study is likely to be less scientific, although motivated on the grounds of the most appropriate methodology to best explore the specific context under study.

The chapter on research methodology will specify the main aims and the sub aims. The choice and rationale for the research design will be outlined for the survey conducted. The sample, selection of respondents, data collection and method of interpretation will be discussed. Finally, the chapter will comment on the ethical issues in carrying out such a study.

5.2. Research aims and objectives

The main aim of this study is to explore marketing strategy as practiced in the business environment and as discussed in the current strategic marketing literature, defined as "the body of literature relating to marketing and strategic marketing that has published by academics and practitioners". This exploration is intended to create insight into areas that could add strategic marketing value to practitioners, academics and lecturers and students alike, with the hope that these insights would be followed up with further, more definitive research. The purpose of the research is therefore 'applied' in nature in that it aims to answer practical questions that are seen to have importance to academics, students and practitioners alike. Furthermore, it seeks to

"generalize the findings of the study to the specific context under study in order to assist decision-makers in drawing conclusions about the particular problems with which they are dealing" (Terreblanche,1999).

As the study is exploratory, a concern is raised that in the process of defining clear research objectives, the study might be pre-bounded or affected by judgements in terms of what information to gather and what information not to gather. With this in mind then, (and as stated in chapter one), increased awareness around the following questions would be regarded as a valuable outcome :

    i. Does this material adequately equip the strategic marketing student to confidently enter the strategic marketing workplace?

    ii. Are the theories still relevant?

    iii. Are they being used in the workplace?

    iv. Is the theory meaningfully expressed to allow easy application?

    v. Are the theories sufficiently flexible to allow for more contemporary dynamics of change, innovation and globalization?

    vi. Does the contemporary writing on strategy have relevance on the praxis of Marketing Strategy?

This said, these questions will not be applied in any direct way in the research process. The six questions serve as a point of departure for the study serving to motivate further research and as a reference point following the generation of results from the study.

In order to inform these aims and objectives, a research framework will be discussed. Assumptions underpinning the study will be clarified, as will the research process and design. The remainder of the chapter will discuss the above.

5.3. Research paradigm

The research framework of this study will be guided by an interpretive, constructionist paradigm which seeks to use an action research and systems approach, (specifically a critical systems approach) to investigate the problem context, drawing on complexity understandings (as discussed in the previous chapters) to enrich the processes. The study acknowledges that little research looking specifically at the inter-weave of marketing strategy, systems and complexity has been published. With this is mind, the study is exploratory and will be inductive in its approach, with the intention of generating new insights into a relatively unknown area of research.

It needs to be clearly understood at this point, that the research method for the study is interpretive, constructivist. This said, action research and the systems approach are used as epistemological drivers for the study by the researcher. They are indicative of a deep value system which the researcher is surfacing upfront so as to clarify any potential assertions of bias in the research process. In order to further this explanation, action research and the systems approach will be discussed below.

(i) Action research

'Action Research means that practitioners systematically reflect on and evaluate what they are doing. They identify any elements they think need attention, and try to change them for the better' (McNiff,2000). It must be acknowledged that action research is fundamentally different from that found in most conventional social research. Although it is gaining increased support in the professional community, the legitimacy of action research as a field of inquiry is still challenged by many academic researchers. This is explained by the fact that as a form of research, it does not follow the carefully prescribed procedures that define the *scientific method*, which seeks to test theories that purport to explain why or how the world is as it is.

The scientific method becomes challenging in an exploratory study where theories have not yet been developed. Furthermore, the theory and praxis of marketing revolves largely around people and the dynamics of people. Arguably, 'except to the extent that humans are physical beings, scientific investigation has largely failed to provide a social equivalent of the comparatively stable body of knowledge about the physical universe. A science of humanity, social life, or individual behaviour has failed to emerge' (Stringer,1999). In challenging the scientific validity of action research, Greenwood (1998), makes the argument that 'Action Research's pursuit of constant interactions between thought and action resembles research in the physical sciences far more closely that the practices of conventional social science'.

The challenges made towards action research as a legitimate form of research relate further to their emphasis on 'improvement,' meaning a process of constant upgrading so that practice is regarded as a creative, adaptive process of responding in a thoughtful way to personal-social-situations. The focus of the research is therefore the practitioner, the living 'I.' Action Research does not separate the interviewer from the process as if an independent object, rather it acknowledges that 'In practice, the look, think, and act phases (are) not only reiterative but tend to fold into each other as people review and reflect on the events and activities in which they are involved' (Stringer,1999). This goes against the scientific approach to research which requires the researcher to sever all relations with the observed and to avoid being co-opted by the

seduction of their own prejudices. This disengagement is motivated as ensuring objectivity in the process. In response to this Greenwood (1998) argues that action research is a legitimate, authentic and rigorous approach to inquiry, believing that much research in the sciences can best be understood as a successful and disciplined form of repeated cycles of testing a relationship between thought an action.

With this critique in mind, the choice of action research is motivated on two fronts :

i) Firstly, that the cyclical process of testing relationships marries well with the exploratory intention of this study and surfaces a belief of the author that the interviewer, (irrespective of how pure their intentions to remain independent from the process are), will bring to the process his/her own insights and understandings to paint the results.

ii) Secondly, that in a study where praxis and theory are challenged, brought together and evaluated, a process that assists in the building of such bridges is immensely valuable. The action research process aims to reveal the combination of practical reasoning and socially constructed meaning (Berger,1967) held by local people with the intention of 'bridging local knowledge and scientific knowledge.' (Greenwood,1998)

(ii) Systems approach and Critical Systems Thinking

(a) Why a Systems Approach?
I became interested in systems thinking and related subjects in my third year of lecturing, looking for innovative ways to communicate and look at theory. More importantly, I was looking into holistic thinking and ways of encouraging thought outside of the confines of a model or framework, I was looking for tools and techniques that could help me to work with situations that seemed beyond linear logic and analysis. In this process, I discovered systems thinking. I began reading superficially about the subject, but became immersed in the subject in the Masters degree that I am in the process of completing through the University of KwaZulu-Natal's Leadership Centre.

During this process, I began to apply my learnings into my own practice of strategic marketing. I found it made a marked difference. It was in the application of these learnings in my teaching however, that I could see, hear and feel the difference. My lectures felt richer in substance, it became easier to communicate and extend basic theory and the application of the theory into different contexts became more natural and progressively more valuable.

This can be understood from the writing of Waring (1996) who explains that 'Systems thinking extends the scope and boundaries of what needs to be considered for tackling or avoiding perceived problems effectively. Part of the art of systems thinking is making the familiar look strange or looking at a perhaps boringly similar situation in a completely new and stimulating light.'

(b) The use of a systems approach in strategic marketing
The use of a systems approach in marketing came to the fore in the middle 1960s when writers such as Lazer, Kelley, Adler and Fisk advocated the application of sophisticated optimizing models (developed by operational researchers); the analysis of complex interactions among marketing institutions or the use of a general systems approach to extend successful marketing practice (Hunt,1984).

In applying General Systems Theory to a marketing system, Fisk (1967) looked to examine the goals, organisation, inputs, outputs and constraints of the system in order to determine how efficient and effective the marketing was. This information was systematically obtained by considering the following questions :

1. 'What *purposes* are to be served by marketing behaviour?
2. Who participates in the *organisation* of marketing behaviour?
3. How does the behaviour system work : what *inputs* are required to achieve the purposes served by the organisation?
4. What results or *outputs* are obtained?
5. What *constraints* or internally uncontrollable influences limit the ability of the organisation to obtain its purposes?
6. Within existing constraints, what is the *efficiency* of the organisation in securing output relative to input?'

This application has evolved extensively since then, as will be discussed further in the chapter. By using a systems approach in this study, I mean to firstly to 'look at the problem holistically, as wholes rather than reducing the problem situation to their parts and seeking to understand them, and arrange them of the basis of their parts,' (Jackson,1995) and secondly, to use systems ideas – such as systems, emergence, perspectives, communication and control – to address the problem situation.' Sondhi (2006) advocates the use of systems thinking as an ideal methodology when it is not known whether a strategy is right or wrong. This is motivated by the fact that systems thinking takes all perspectives into account in order to create a thorough

understanding of the situation. Although this paper is not reviewing a strategy, it is related to strategic thinking and is exploratory in nature where the outcome of the paper is uncertain.

(c) Systems defined

There is no universally accepted definition of a system. Waring (1996) defines a system as 'a recognizable whole which consists of a number of interacting parts (called components or elements) that are connected up in an organized way (the systems structure). A system has the following characteristics :

- A system does something (there are processes and outputs).
- Addition or removal of a component changes the system.
- A component is affected by its inclusion in the system.
- Components are perceived to be related in hierarchical structures.
- There are means for control and communication which promote system survival.
- The system has emergent properties, some of which are difficult to predict.
- The system has a boundary.
- Outside the boundary is a system environment which affects the system.
- A system is owned by someone.'

Fisk (1967) extends this explanation differentiating between a *closed system*, where the interacting variables (or components) never change (for example, a thermostat, furnace or radiator) and an *open system*, a system in which new components are always entering and old ones frequently leaving.

There are two factors in the above explanations that need further clarification for the purposes of this study : worldviews and emergence.

Worldviews

Each person interprets the world in terms of a unique and dynamic set of experiential influences and biases. This is according to Dilthey's Philosophy of Existence developed in 1931. Dilthey proposed that 'repeated patterns of experience coalesce through reflection and lead to a complex and dynamic set of attitudes, beliefs, values, assumptions, motivations and opinions about how the world functions' (Waring, 1996). This perceptual window was called the individual's worldview or Weltanschaung. Vickers (1983) differs in his terminology referring rather to an 'appreciative system' which individuals use to make sense of and appreciate the world and their relationship with it. It should be noted that within the context of this study, the terms 'worldview' and 'appreciative system' will be used interchangeably.

This worldview has implications both on a systems and an organizational level. On a systems level, it affects how an individual will perceive a system. One individual will read a context differently to the next based on their worldview, with the consequence of a differently defined system. On an organizational level, the individuals within an organisation comprise a large chunk of the fabric of the organisation. This fabric will therefore, to a large extent, be coloured by the worldviews that the individuals carry, influencing every people-related process in the organisation.

Emergence

Within a system, the sum is greater than the parts - synergy. This can be explained through the concept of emergence which says that if you were to examine each of the system components in isolation, you would not be able to predict the behaviour and properties that would emerge as the system components interacted. For example, one might examine an individual to develop their likely responses within a specific context, but their response when placed in the context might be altogether different.

This concept has relevance at many levels in this study :

- In effect a literature review can be seen as a system, with the literature sources collected forming the system components and the researchers judgement about what should and shouldn't be included in the literature mélange, forming the system boundary. The review put together will therefore have emergent properties. This is important to acknowledge as a change in the boundary could introduce a different dynamic which could guide the research in a different direction.
- The sample is seen as a system with the respondents offering emergent information from their experiences, environment and worldviews.
- The interviewing methodology selected, that of strategic conversation, is intended to massage the concept of emergence so that the system can be fully leveraged.
- The recommendations that emerge from the study will be the product of the emergent qualities from the sample system, combined with the emergent qualities of the author.

In order to work within these levels of emergence, flexibility in methodology will be needed, with each decision being motivated for understanding. It is with this in mind that Critical Systems Thinking is used. Critical Systems Thinking (CST) is 'a meta-theory which employs theoretical and methodological plurality to work with complex problems characterized by uncertainty, impermanence and imperfection (Bammer,2004).

The application of a systems approach and the use of systems thinking will be discussed below.

(d) The methodological implications of a systems approach

Systems will be used as an epistemological device in that the ultimate intention is to 'learn about and clarify different viewpoints in the world.' (Jackson,1995) A systems approach can encompass the use of many methodologies, with two primary methodologies being *hard systems* and *soft systems*. Hard systems looks to 'solve apparently well-defined quantifiable real-world problems' while soft systems engages with 'learning how to cope better with ill-defined non-quantifiable real-world problems concerning human relations' (Waring,1996). Soft systems emerged out of criticisms related to the effectiveness of hard systems, arguing that very few actual problem-situations present themselves in terms of systems with clearly identifiable purposes (Checkland,1981).

Marrying the systems approach to conventional research can be semantically challenging however certain principle similarities exist. One such similarity revolves around the debate of methodological pluralism. Until the early 1980's, only unitary methodologies were used. These methodologies came from different paradigms with particular assumptions about the contexts within which they were used, implying that generally, only one methodology would be used in a particular intervention' (Mingers,1996) as that methodology could best match the context to the methodological assumptions.

This practice was challenged by operational researchers on the grounds that the underlying assumptions of these unitary methodologies (that goals could be predefined for interventions and that problem situations were simple enough to be modeled) were limited in more complex, pluralist contexts with conflicting value positions and goals. This encouraged the development of more soft systems approaches, while at the same time introducing debate around the merits of "methodological pluralism," or put simply, the use of more than one methodology within a research context. Trow (1957) explains methodological pluralism as follows :

> 'different kinds of information about man and society are gathered most fully and economically   in   different ways, and the problem under investigation properly dictates the methods of investigation... This view seems to be implied in the commonly used metaphor of the social scientist's 'kit of tools' to which he turns to find the methods and techniques most useful to the problems at hand.'

The first 'kit of tools' developed within systems thinking was developed by Jackson and Keys in 1984 and called the Systems of Systems Methodologies (SOSM). SOSM acknowledged that all systems approaches have their limitations, their weaknesses and their strengths, making them suitable for application in different circumstances. It used this understanding to relate different elements of systems thinking to an 'ideal-type' grid of problem-contexts. Although critiqued for its simplicity and limited application, it served as a framework to assist in methodological selection and encouraged the development of Total Systems Intervention (TSI) by Flood and Jackson in

1991. TSI was developed to give guidelines for the use of critical systems ideas in practice. Although Mingers (1996) summarises TSI as a perspective which says that 'different methodologies may be used within the same intervention to deal with different issues,' Midgley (1997) cautions that 'methodologies (were) not so much 'mixed' .. as 'related together' (in that) people are required to decide which should be regarded as dominant and which should be treated as dependent.' Jackson (1996) critiques his own work as follows "As an attempt to capture the 'spirit' of critical systems thinking it was possibly successful, but as an effort at systematizing critical systems ideas, to make them more useable, it was a failure.' Although different in focus, both the SOSM and TSI methodologies used the theory of knowledge-constitutive interests (Habermas,1972) to grant complementarity between different systems paradigms.

The SOSM and TSI perspectives, although widely-used , are only two of many perspectives offered today, among them, The Creative Design of Methods (Midgley), Critical Appreciation (Gregory) and Total Systems Intervention (version two) (Flood). All present some insight into multi-methodology defined broadly by Mingers (1996) as the utilization of 'more than one methodology, or part thereof, possibly from different paradigms, within a single intervention.'

Theoretical Critique of Multi-methodology
Multi-methodology offers a more flexible multi-paradigmatic approach to problem solving in that it provides the tools necessary to deal with varying, emergent tasks and issues. It's approach marries with methodological praxis occurring in other research domains and it's ideas, it can be argued, have the 'potential to capture the spirit of postmodernism.' In this sense the methodology is highly advantageous.

This said, there are several issues related to feasibility which should be raised. Ideally it would be best to approach this analysis by looking at each perspective offered on Critical Systems Thinking (CST), but within the confines of this chapter, this matter will be approached more generically and using the levels offered by Mingers and Brockelby (1996). Mingers uses three levels, only two of which, for brevity, will be discussed below.

(a) Philosophical – paradigm incommensurability
The first level is philosophical and relates to paradigm incommensurability which asks the question 'Is it possible for methodologies to be complementary when they are based on conflicting epistemological and ontological assumptions?' (Jackson,1995) Although this argument has been leveled at many CST perspectives, the root of the argument can, in many occasions be directed back to Burrell and Morgan's (1979) well-known typology of

sociological paradigms. This typology has been used by many CST thinkers as a sense-making device in which different methodologies could be placed. The typology locates all sociological theories within 'four broad world-views, characterized as functionalist, interpretive, radical humanist and radical structuralist' and invites the interested social scientist 'to discern and explore the deep structure of assumptions which underlie different modes of theorizing' (Morgan,1993). Although criticized for its assumption that 'paradigm could speak unto paradigm,' such paradigm incommensurability was disputed by Midgley (2000) and Mingers and Gill (1997) who 'challenged the notion that methods were locked into methodologies which in turn were locked into particular paradigms' (Luckett, 2003).

(b) Theoretical : 'methodology fit'

The second level looks at the extent to which multi-methodologies can be linked together in a systematic way. In order to create methodological fit, Mingers (1996) argues that the researcher needs to be able to 'decompose methodologies to identify detachable elements and their functions and purposes.' Although these methodologies can be detached at the level of the philosophical principles that underlie them, the methodological stages at which they are used of the techniques used within the methodology, Mingers (1996) advises that detachment at the level of technique will be the easiest. This is a useful insight and can assist and direct further application and research in Multi-methodology.

Personal Critique of Multi-methodology

It is the opinion of the author that the perspectives offered to date err in their efforts to systematize the ideas of critical systems thinking. Although systematization assists in the operationalisation of systems ideas, it could be argued that the adoption of only one perspective would run counter to the underlying, holistic philosophy of systems thinking itself. Rather the author prefers to draw on Cordoba's (2003) dialogic understanding of CST as 'a continuous dialogue between practitioners who are concerned with improvement in social design.' This definition introduces aspects of CST related to the notion of improvement and emancipation.

A further concern relates to the paradigmatic definition of systems thinking. Although many authors argue around paradigm incommensurability, an assumption is made that 'because different paradigms of systems approaches are nested in social-theoretic paradigms, systems thinking is not a paradigm itself?' (Luckett,2003) If this assumption is correct, then surely the CST practitioner needs to re-align him/herself with the very notion of critical thinking, which according to Jackson (1996) '... does not seek to recreate a unified systems theory – overcome

fragmentation through some totalizing vision.... (It) does want to take us beyond fragmentation by supplying the means through which we can be critical in the use of the various systems ideas and methods at our disposal. In this case, we must think about "

- Our assumptions in making systems judgements (as Ulrich, 1998 argues) and using systems methodologies; and
- The social consequences when we design systems in particular ways.'

In looking at how systems thinking and critical systems thinking could influence this study, critical thinking could be used within a dialogic frame of discussion for improvement. This marries with the intention of action research which is to generate improvement in the situation in which the researcher is involved. Systems thinking could be used at two levels. Firstly, at the level of the sample, which will be conceptualized as a system of its own with its own emergent properties, which will obviously influence the findings. Secondly, at the level of recommendation, looking at how the system of strategic marketing theory and the praxis thereof can be adjusted or further investigated for greater effectiveness. This will be clarified below.

(e) Summary of the research paradigm for the study

By way of summary then, the research method used in the study is interpretive, constructionist. The underlying epistemology of the study involves the application of action research and systems thinking. As these are epistemological in nature, they will not be overtly used as critical lenses for the interpretation of data and the implications. An interpretive, constructionist approach will be used to do that. To clarify the use of systems thinking and action research, epistemological intentions that could underpin the research would be, from an action research perspective, a desire to identify necessary changes needed in research and in practice , and from a systems thinking perspective, a desire to ascertain integrative implications for research and practice.

5.4. Research assumptions

This study assumes the paradigm that organizations seek to improve their performance in a turbulent environment of change and competitiveness, strategic marketers seek to be better equipped to handle this environment and strategic marketing educators seek to be better qualified and empowered to facilitate the development of more effective strategic marketers for the future.

5.5. Research process

The research process will be flexible and pragmatic, allowing for adjustment, with the data generated through a series of observations. These observations will be reflected on in order to

identify and categorize emergent themes and patterns which could then form speculative hypotheses. These themes will be tested in an iterative non-sequential process, as supported by the qualitative research school which allows the researcher to "study selected issues in depth, openness and detail as they identify and attempt to understand the categories of information that emerge from the data" (Terreblanche,1999). Patton (1990) explains qualitative inquiry as having three themes which are represented in the table below :

1. Naturalistic	Studies real-world situations as they unfold naturally; non-manipulative, unobtrusive, and non-controlling; openness to whatever emerges – avoids predetermined constraints or outcomes.
2. Holistic	The whole phenomenon under study is understood as a complex system that is more than the sum of its parts; focuses on more complex interdependencies, not meaningfully reduced to a few discreet variables and linear, cause-effect relationships.
3. Inductive	Immersion in the details and specifics of the data to discover important categories, dimensions and interrelationships; begins by exploring genuinely open questions rather than testing theoretically derived (deductive) hypotheses.

Figure 18 : Themes of qualitative inquiry
Source : Terreblanche (1999) adapted from Patton (1990)

Alasuutari (1995) supports the choice of qualitative research as a means of examining meaning within a complex organization while 'Van Maanen explains qualitative research as a technique to come to terms with the meaning, not the frequency, of certain more or less naturally occurring phenomena in the social world' (Easterby-Smith, 1991).

The qualitative approach marries with three underlying paradigms embedded within this research. Firstly, the *paradigm of reflexivity in systems*, in that it supports the notion that by engaging in a reflective, developmental learning process, meaningful insight into the specific context can be achieved. Secondly, *the paradigm of interconnectedness*, supported by the holistic approach embraced by the qualitative school. The holistic approach sees phenomenon as 'interrelated wholes rather than split up into discreet predetermined variables' (Terreblanche,1999). Finally, the approach marries with the *paradigm of emergence* supported in the qualitative approach through the naturalistic form of enquiry, which is a 'non-manipulative, unobtrusive and non-controlling form of research open to whatever emerges in the research setting' (Terreblanche,1999).

Such thinking has been challenged by the quantitative researchers who have traditionally conducted research in the management sciences. Quantitative researchers are guided by a positivist paradigm which emphasizes causality. Quantitative researchers use a technical approach to control the research context in order to ensure validity and reliability of information.

Positivists argue that qualitative approaches are 'non-scientific and that bias may be introduced when designs are modified during the execution stage of research' (Terreblanche,1999) and that 'complexity in design relates to complete lack of control' (Terreblanche,1999).

Generally hypotheses are developed as a means of controlling the above-mentioned effects through the identification of a set of validity threats. This said, the nature of this study is largely inductive, acknowledging that the development of hypotheses will be inappropriate for a study with a largely formative nature. A further intention of this study therefore, is to assist further researchers to develop speculative hypotheses out of the observations noted.

In order to work with a common unit of analysis, individuals from organizations will be interviewed.

5.6. Research Design

5.6.1. Sample selection

While a technique such as the 'sampling to redundancy technique' would well inform an emergent, exploratory study of this nature (the sample size grows until there is clear evidence of recurring themes and patterns and no new information can be gained from increasing the sample size), due to practical constraints of time and money, the sample consisted of 15 interviews only, comprising 2 different respondent selections. (Appendix three outlines the contact details and profiles of the respondents).

The first selection consisted of 10 respondents who were similar in profile, that is , they were in a Senior Strategic Marketing position in a Registered Bank in South Africa. An initial criteria set was that all informants would need to have formally studied marketing. This criteria was motivated by a desire to interview people who had some awareness of the formal study of marketing. The criteria was reviewed however, as many practitioners are self-taught or are more in touch with modern writing about marketing than their colleagues who many have studied marketing years previously. Consequently, the respondents were randomly chosen from the pool of banks listed by the South African Reserve Bank. The respondent profile that emerged was classified into the following sections as defined by their primary operating focus :

1. Development Banking : Ithala Bank, TEBA Bank, Albaraka Bank, Capitec Bank
2. Private Banking : BOE Private Bank, Investec Bank, Rand Merchant Bank
3. Retail Banking : Standard Bank, Nedcor, Old Mutual Bank

Within this sample, it needs to be pointed out that there are instances of cross-ownership which introduces a new set of dynamics :

- BOE is part of Nedcor and Old Mutual.
- Old Mutual owns Nedcor.
- Rand Merchant Bank is a subsidiary of Nedcor.

Furthermore it should be noted that Ithala Bank is regarded as a development bank and TEBA Bank is largely owned by a trust, with the effect that their operating motives are broader than pure profit gain.

The second selection consisted of key informants who were purposely selected to augment and challenge the first sample selected. As such, 2 respondents in Senior Strategic Marketing positions within the domain of financial services were interviewed. These respondents were from FNB Commercial banking and Discovery, both selected for their varied profile and differing activities due to the nature of the products that they sold. A further 3 respondents were interviewed from the education sector, with the intention of informing and challenging some of the educational approaches and responses to strategic marketing. These respondents were Senior Strategic Marketing Lecturers from the Universities of Cape Town, the Witwatersrand and KwaZulu-Natal.

5.6.2. Data collection

In 1979, Gadamer used the metaphor of 'horizons of understanding' to explain how each party in a social relation brings to the interaction an existing horizon of understanding reflecting their pre-judgments and understanding about the subject matter at hand. Through conversation, these horizons are re-worked with enriched understanding, creating what he calls a 'fusion of horizons.' This conversation could be aligned with the data collection method of interviewing (to be used in this study), with the researcher as the instrument of observation.

Positivists could undermine or challenge the validity of the uncontrolled environment of the interviews, however interpretivists would argue that such a context is essential for valid research. This is motivated by a belief that 'experiences and meanings can only emerge in social interaction' (Terreblanche,1999) and that social phenomenon are context-dependent. This said, it is essential that stringent efforts are made to encourage the reliability and validity of the data collected. This could be done using a structured, formal questionnaire however, by the very nature of a conversation, such a questionnaire would pre-bound the scope of information gathered and limit the interaction and 're-work' of thinking. By means of compromise, a 'guide of themes' to be covered in the interviews was developed in order to keep focus and comparability of information without impinging on the emergent nature of strategic conversation.

This guide of themes was embodied in three main questions raised at the onset of the interview being :

i) What is it that you actually do in your job as a senior strategic marketer in this bank?

ii) Referring to figure 3 which outlines the core components of marketing strategy, how much of this theory do you use and how do you use it?

iii) Referring to the last section of the above-mentioned figure, what strategic marketing performance measurement and assessment do you do? How do you relate to figure 15 which shows a framework for customer metrics. Do you use any of these metrics and if so, how?

These questions are shown independently as appendix 6 as a guide of questions used in the interviews. The questions were kept very simple in order to limit potential bias created by the interviewer in the generation of further guiding questions. The three questions were written up following the completion of literature review and developed with the intention of yielding insight to the need articulated in chapter one. This need was initially structured in six questions which served only to guide further exploration.

To be clear then, the research was motivated by 6 questions discussed on page 6. These questions led to a literature-based exploration around strategic marketing and whether there is a perceived gap between the theory and practice of marketing in South Africa. In order to source insights from practitioners, 3 questions were developed to guide the interview process. Once this process was completed and the information gleaned, a retrospective analysis of the first four chapters discussing the theoretical underpinnings of the research was done. This culminated in the development of 20 questions which could assist in the creation of discourse around the findings.

The two figures incorporated into the interview structure were motivated by a discussion on strategic marketing in the literature review which highlighted a difference in expression between the outline of a marketing strategy plan (as shown in chapter one, the core components of marketing strategy) and the strategic marketing process, the success of which is measured using strategic evaluation (an example of an evaluation being 'a framework for customer metrics' discussed in chapter four). In order to provide insight into both levels of expression the 'core components of marketing strategy' frame and the 'framework for customer metrics' were incorporated.

Once these questions were outlined, respondents were encouraged to engage with the frame of issues in whatever format they desired. 'Guidelines for engagement' were shared. These were adapted from Bohm's (1991) conditions for dialogue which are as follows :

i) participants must suspend their assumptions

ii) participants must view each other as peers or colleagues

iii) in the early stages, there needs to be a facilitator who 'holds the context' of the dialogue

For practical reasons, a facilitator was not used in the early stages, however respondents were made aware of the context in which the conversation would be held explaining that as far as humanly possible the interviewer would suspend pre-judgement and would come to listen, learn, inquire and share.

The guide of themes and guidelines for engagement were discussed with each respondent prior to the discussion and reiterated with an e-mail. This can be found in Appendix ....

As the researcher, further awareness was gleaned from Burbules and Habermas' insights into dialogue, with Burbules (1993) bringing awareness to the virtues and emotions that encourage dialogue and the human dynamic that emerges in such a social interaction and Habermas (1984) bringing awareness to the power inequalities that could emerge in dialogue partly by virtue of the fact that the language we use is individually populated with meaning creating potentially different understanding. Where identified in the conversation process, attempts were made to clarify meaning and to work towards content validity as defined by 'the degree to which the researcher can produce observations that are believable for her/himself, the subjects being studied and the eventual readers of the study' (Terreblanche,1999).

The intention of the researcher was to let the respondents talk freely in response to the guiding frame given by the 3 questions. If the respondents went off on a tangent from the 3 questions, the information was recorded and the respondent was brought back to the three guiding questions. In this way, every interview covered the 3 questions to different extents as emerged from each respondent. Furthermore, each respondent spoke to different areas of concern. This information emerged naturally (ie without guidance from the interviewer) during the course of the discussion. Interviews were recorded on a voice recorder to minimize bias in the recording and to enable the interviewer to better listen during the interview, allowing for encouragement of deeper conversation around the 3 questions. This encouragement was done by bringing the respondent back to the 3 questions discussed at the onset of the interview.

5.6.3. Data Analysis

In 1975, Smith wrote that "We are really like blind men led into an arena to identify an entity (say an elephant) by touching one part of that entity (say a leg). Certainly we might make better guesses if we could pool the information of all the blind men, each of whom has touched a different part of the elephant." In relating the quote to this study, it is possible that each respondent will 'tell their story' from a slightly different perspective, implying that a cumulation of their 'stories' could yield a richer picture of the 'animal' under investigation.

The method of data analysis used in the study entailed the following simplified process :

- Transcribe the interview off the recorded tape. (All transcriptions were done by the interviewer to ensure confidentiality and accuracy).
- Number each interview script. (A script was given a number which was put on every page of that script).
- Number a set of post-it sticky notes to be used in the analysis of each script. (Small numbers were put on the right hand corner).
- Read each script, sentence-by-sentence using the 'post-it' sticky notes to mark an emergent insight. (By the end of the process, each script would be thick with post-it notes attached to the pages).
- Once each script had been analysed, the staples would be taken out of each script and the pages from every script would be laid out on a very large surface.
- These pages would then be scanned, looking for common similarities and differences between insights shown on the post-it notes.
- The insights would then be clustered into themes and patterns by manually taking the post-it from the individual script and placing it on a centralized 'insights board.'
- These themes and patterns would then be analysed in order to report the findings and give emergent recommendations.
- The 'post-its' from each interview when then recorded next to each sentence (in a separate column). The interviews found in the appendices are shown in this format.
- Once process had been completed by the analyst, two of the scripts were sent off for external validation. The validator followed the same procedure as above. Once completed, the observations generated by the validator were compares to the observations generated by the analyst. Where there were discrepancies, discussions were held until a mutual understanding could be reached about the interpretation of that sentence.

In the analytical process, Booth and Meadows' (1995) frame for effective systems analysis was used. This frame encourages the data interpreter to :

- Work with and see the whole picture
- Find where unanticipated consequences emerge
- Look for interdependencies
- Consider how mental models create futures
- Give thought and emphasis to sustainability and the long-term
- Change perspectives to see new leverage points in complex systems
- Use peripheral vision ("goes wide") to see complex cause and effect relationships
- Hold the tension of paradox and controversy without trying to resolve it quickly

5.6. Ethics

Ethical guidelines published by professional academic associations emphasize the importance of gaining informed consent of all participants in research (Bell,1999). In order for consent to be informed it is important that there is a clear understanding between the interviewer and interviewee as to what agreeing to be interviewed means : how the data will be used and how it will be reported and disseminated. This means further that privacy and confidentiality of the information needs to be respected.

In keeping with these principles, discussions were held prior to the meeting clarifying the research to be conducted, the use of the data, how it would be reported and disseminated. These discussions were reinforced with an e-mail (as discussed above, see Appendix 4). The respondents were made aware of the fact that a limited pool of four people would engage with the information, those being the researcher and three supervisors, two internal and one external. Furthermore, the study would be housed in the Confidential section of the Library archives. The possibility of publishing articles which did not make any specific reference to their name, both personally and of their institution (unless with prior consent) in the sample reference and in any observations out of the study, was discussed and agreed to. Where asked for, a letter of Confidentiality was issued (see Appendix 5).

5.7. Conclusion

This chapter has outlined the aims and objectives of the research, explaining the action research and critical systems thinking paradigms at play in the research. It has clarified the research assumptions and provided information about the research process and design, more specifically the methods used to select the sample and collect and analyse the data. The chapter has ended with a discussion on the ethics of research and how the study ensured that the respondents were fully aware of the mechanics of the study and how the privacy and confidentiality of their information would be protected.

Chapter Six	Findings
	This chapter is designed to report on the findings of the research study. It is imperative that these findings are reported without judgement. Given the exploratory nature of the study, to best represent the findings, where there were differences in opinion on issues, they will be described in terms of different perspectives offered around the issue. Where possible, figures will be given, however the study was largely qualitative in nature meaning that the vast majority of the information will be reported in narrative format.

6.1. Introduction

This chapter reports on the findings of the study conducted with the first sample, (as discussed in the previous chapter). This sample comprised of senior marketers within ten banks in South Africa. The chapter further reports and looks for contrast between the aforementioned sample and two interviews conducted with senior strategic marketers in financial institutions. It looks to explore strategic marketing as practiced in the business environment and as discussed in the current strategic marketing literature. The study was designed so that three guiding questions were asked by the interviewer in the interviews. These guiding questions were used to gather information about the practice of marketing :

i) What is it that you actually do in your job as a senior strategic marketer in this bank?

ii) Referring to figure 3 which outlines the core components of marketing strategy, how much of this theory do you use and how do you use it?

iii) Referring to the last section of the above-mentioned figure, what strategic marketing performance measurement and assessment do you do? How do you relate to figure 15 which shows a framework for customer metrics. Do you use any of these metrics and if so, how?

As discussed in the previous chapter, although an exploratory, interpretive methodology was used, it is guided by an epistemological foundation which espouses systems thinking and action research. As such, the information gathered in the interview process and reported in this chapter will be used to develop insights for practitioners and researchers, as well as a critique for the use of systems thinking in marketing. Where there were differences in opinion on issues, they will be described in terms of different perspectives offered around the issue. Where possible, figures will be given, however the study was largely qualitative in nature meaning that the vast majority of the information will be reported in narrative format.

Five key themes have resulted from the analysis of the data. They are named in table 19 below. These themes, informed from the analysis of ten strategic marketers in banking and augmented

with insights from strategic marketers in the financial sector, represent the emergent findings of the scoped limits of this study.

Theme number	Thematic insights towards the determination of components for more effective strategic marketing application
1	Marketing is learnt on the job and a good attitude and a commerce-based education are recommended.
2	Strategic marketers do not follow the same format when doing strategic planning.
3	Strategic marketers do not always perform all of the core components of strategic marketing.
4	Effective implementation of marketing strategy can be encouraged with the use of drivers such as communication, internal marketing, teams, education and learning.
5	Monitoring and evaluation done does not make extensive use of metrics and relates generally to promotion.

Table 19 : Emergent data themes : Thematic insights towards the determination of components for more effective strategic marketing application

Discussions around these themes will represent the findings of this study. Recommendations in terms of components for more effective strategic marketing implementation will be discussed in the "Recommendations" chapter . For ease of reading, each theme will begin on a new pg. All five of the above themes will be discussed below.

6.2. Marketing is learnt on the job and a good attitude and a commerce-based education are recommended. (Table 19, theme 1)

- Strategic marketers benefit from training in commerce, especially financial management.
- Strategic marketing can be learnt on-the-job and therefore a good attitude makes a huge difference

The first question directed to the respondents was 'What is it that you actually do in your job?' This question was intended to investigate the practice of strategic marketing : do practitioners actually manage all of the functions contained within a theoretical strategic marketers profile?. In the process of answering the question, discussions emerged relating to the educational backgrounds of the marketers interviewed. These discussions often moved into commentary on the value of marketing theory and whether a strategic marketer needs to formally study marketing theory to be successful. This discourse will be discussed as the first theme to emerge from the conversations held.

A comment made and reiterated in the first interview conducted was as follows :

> "Very seldom do you find many specialist marketers who have got a degree in Marketing – they will be a CA who was busy doing something else and then someone will go 'We've got to do some Marketing' and so he goes "Oh, Ok, I did Marketing in first year" (J, pg 3).

An assessment of the respondents' backgrounds showed, that although nine of the ten respondents had studied a B.Comm, only four of them started their work experience in the marketing environment, while the others 'grew' into their jobs. This could be interpreted from two perspectives. Firstly, it could affirm previous sentiment that you don't have to study marketing to be a successful marketer or it could mean that strategic marketers operating without a grounding in marketing theory, might be operating ineffectively, and could arguably be challenged on their effectiveness.

As the interviews progressed, this comment was tested. It emerged that only two of the ten strategic marketing respondents interviewed had a marketing specific qualification, (in this case, one respondent had a B.Comm (Marketing) while the other had continued on to do her Honours and Masters in Marketing. The latter respondent was the most highly qualified (in marketing specifically) in the group of respondents. Being the only respondent to run though full academic training in pure marketing, it was interesting to look at her perspective on the value of marketing theory for the marketing practitioner. She says that

> "Marketing in praxis, is totally different to the theory that they teach us at 'Varsity and it is almost exactly the same. It is almost a conundrum. If I look at what I was taught at 'Varsity in Marketing, there are different levels, because the Marketing that I did when I did my B.Comm, the marketing that I did when I did my Honours, and the marketing that I did when I did my Masters was totally different. It was almost as if it progressed because people were now getting closer to reality…Yes, you do use theory, You cannot get away from using theory.

> The theory actually works very well. I think we should actually, as marketing professionals move maybe more back into the theory in terms of setting up your strategy, because it gives you a very good base to work with."
> (E, pg 6)

In supporting the use of theory, a 'back to basics' approach is seen as making marketing more accessible :

> "The principles, the basic principles of marketing remain the same and you've got to remember to stick to those and not get caught up in fancy buzzwords and flavour-of-the-month because that also happens. You have to get it right down to basics so that people can understand it." (L, pg 14)

The above said, the majority of respondents engaged more in discourse around reasons why theory is not applied. These reasons are outlined below.

(a) <u>Reasons given for lack of theoretical application</u>

The motivations given for a lack of application varied quite extensively. They are briefly detailed below :

(i) *Theory cannot give skills needed to manage in practice*

The following comment talks to practical situations in which theory can not help you to make good marketing decisions :

> "So one of the problems with some of the theories is 'What does good enough look like as opposed to how to do it right?' You go into the textbook and the textbook says 'This is how you would measure it', but "What is an 80% Good-enough answer that you can live with and how do you?.." (C, pg 4)

(ii) *Challenge to connect theory and practice*

Although this respondent advocates the use of theory, she highlights the challenge in making the connections in practice :

> "One of the hard lessons that I have learnt is that theory is great but theory and practice are 2 very different things, however, they are connected and if you can find ways to apply the theory to practice, you can be 10 steps ahead of anyone else. That is actually how it works, but that connection is quite a challenge." (I, pg 6).

(iii) *Challenge to manage implementation of the theory in a large organisation*

This is moderated by a practical insight from a respondent who works for a large organisation. The respondent comments that irrespective of how good the body of theory is or how strong your intentions are to apply it, the constraints of the size of the organisation kick in, in that communication becomes difficult which slows down the dissemination of information required for the smooth implementation of theory :

> "The simple fact that you have an organization with this many people, as you can imagine, one of the biggest challenges is communication with people, because you can send messages to people but when people are receiving messages from potentially thousands of others in an organization, it becomes overload, so although

you make information available, it does not mean that it has been understood or absorbed which means that even if you do co-ordinate according to a very sound theoretical model, by the time it gets to the people in this organization that need to implement, which is a large number, even when it comes to the high level product design etc, you don't know that it will be quite implemented the way that you are conceptualized. That is why I say that the textbook approach is not absolutely implemented in an organization this size. I am not saying that it is an excuse, I am not saying that it couldn't be, it has some enormous challenges in terms of implementation." (F, pg 13)

(iv) Informal development of a marketing approach

This point highlights the emergent insight that marketing practitioners talk less of the application of theory and more of the intuitive development of a marketing approach and the development of marketing know-how on the job rather than through the application of theory.

"But the one thing that theory does not teach you, or that 'Varsity does not teach you is when the trouble hits the fan, how do you handle it? Then you just go with the flow, your gut becomes extremely important". (E, pg 6)

"Our approach is not necessarily right, but there is limited time and although there is a lot of theory it is to figure out what theory to actually apply because people shut out and down when you start talking about... this stuff, we never looked at a model and said, we need to do this and then that, it just developed intuitively. "(I, pg 10)

"I think its almost better to pick it up on the job, because I think if you are too theoretical you are going to get bogged down in the theory and maybe never understand it from the business point of view. I think that each business and each industry is very specific in its marketing requirements and if you go in with preconceived ideas and you try to hoist this theories and all that.... I think its very good to have the theory and to understand the philosophies, but I think to try and practicalize those can sometimes cause a bit of diffidence and a clash between, for instance, the marketing and sales departments, operations etc. So I think it has been very beneficial, for me in particular, to learn it on the job." (B, pg 1)

(v) Gaps in theoretical content taught

Although more examples were given on this point, the following excerpt highlights areas of theory that are documented. What this might mean is that inadequate attention is being placed on the dissemination (teaching) of this information :

"Something else they don't teach you is how to negotiate with suppliers, how to control a supplier process in marketing. We have a large amount of marketing suppliers. How do you manage those relationships? How do you make sure you are getting the best value-for-money? How do you control a budget?.... " (L, pg 14).

The above contrasting descriptions could point to a fragmented acknowledgement of the value of marketing theory as a necessity for the development of a successful strategic marketer.

(b) **What is needed to be a successful marketer?**

A more tempered opinion on the developmental tenets of a successful marketer is given by two respondents who say that :

(i) You need a balance between theory and practice

"You either have a certain way of thinking and you can be taught this way of thinking. I have never studied pure marketing, I have an honours in finance.. but I've read a lot of marketing books and I have been blessed with people who have taken me through the thinking process , but in practice it scares me to go and write out a strategy because it doesn't help to write a strategy if you don't know how the thinking can go... therefore the formal training could get me to the same place, but in different terminology maybe!! Having a theoretical understanding helps because it gives you options (like if you know how to make a white sauce properly, you can either do it that way, change the recipe or go instant, but you have options!) So you need a balance between the formal, academic background and practice, because the real things happen once you get to work." (K, pg 3)

(ii) You need skills to cope with practical situations

"There is no way that 4 years of studying can prepare you for what goes on in the workplace and make you successful in the workplace, there are a lot of other things that come into play – you have got to have good relationships with people and I think you can give people guidance into how to do this. Forging good relationships in a practice is called buy-in : how do you introduce buy-in, how do you take people through a process of buy-in. I think you could have conversations around it, which could enable people to actually be more prepared when they get into a situation where they are suddenly faced with huge resistance to a new idea that can impact on a group of people, what do you do about it" (I, pg 5).

These excerpts are given in narrative format, providing insight to the thought patterns behind the comments. Although there is no conclusive opinion on the developmental components of a successful marketer, of the comments given, marketing theory is seen to have value. The ease of application of the theory is challenged. This could explain in part why some respondents felt that marketing could be learnt on the job.

> **6.3. Strategic marketers do not follow the same format when doing strategic planning**
>
> (Table 19, theme 2)
>
> - The corporate strategy guides the development of the marketing strategy.
> - The processes of developing marketing strategy differ among organizations.
> - Smaller and more innovative organizations advocate a flexible approach to strategy strongly guided by objectives.
> - The strategic plan works as a working document.
> - Marketing strategy is a 'To-do' list

In answering question two ("Referring to fig 3 which outlines the core components of marketing strategy, how much of this theory do you use and how do you use it?") few respondents talked in a linear format through the figure (ie responding to Organizational mission, goals and corporate strategy first, and then talking about Organizational opportunities and capabilities etc). Rather they talked about how their marketing strategies were developed. Only two respondents followed the linear outline. The remainder used all or some of the components as inputs to a strategy that ranged in format from a multiple-point charter to an informal understanding developed through discussion. Some respondents emphasized specific aspects of strategy, for example :

> "In terms of strategy, what is important?
> - The corporate strategy as the driver.
> - Looking at strategic priorities :
>   i. capability check and objectives and capability alignment
>   ii. supporting marketing objectives with processes
> - Encouraging and developing people." (I, pg 5)

In light of the fact that no consistent process could be found in the responses of the respondents, the theme has been sub-themed into three emergent insights that were echoed across conversations. These sub-themes relate to the process of strategy formation, the need for a "guiding hand" and the use of a strategic plan as a working document. In each sub-theme, excerpts are grouped together where a possible similarity could be drawn.

(a) Process of strategy formation

In the groupings to follow, the first looks at informal development of strategy, the second looks at strategy development in larger organisations and the final grouping takes an innovative look at how strategy can be re-conceptualised and managed.

(i) Informal development of strategy

In the first group of excerpts, strategy was not developed in a formal, rigorous way, but rather though conversations, feedback, alignment forums and dipstick research. (Each excerpt is introduced with a title that encapsulates part of the conversation).

There is no set strategy, it develops through conversations.

"I am part of the management team of the .. bank in South Africa – you have an opportunity at that level to participate in strategy... As a business we identified core strategic issues for the business ...eg, we have 5 strategic issues and one of those issues I championed in partnership with another colleague and we setup workshops and discussed and tried to keep it going in saying 'This is an issue, what do we do about this issue? Then we would try and implement.' In terms of strategic discussions, that is something that happens, we never have a workshop where we now have a strategic discussions about x, we have informal meetings, not informal but we have meetings and these things come up – it is part of the fabric and I think it talks to what you are saying, there is no set strategy for the next 5 years, there is a broad direction of where we want to go, but how we get there is a discussion that we have continuously as opportunities arrive....That is our strategy – we know what it is that we want to do with our business in the next 3 to 5 years and I think that becomes something that, with every new opportunity that comes, we actually measure it against, 'Will this opportunity get us there?' And so, when we bring new things into play, there is a guiding principle, a core philosophy." (I, pgs 3 & 4)

Our strategy is not a formal document, rather it comes from what is heard, from feedback received.

"We work from a corporate strategy, which is not formally and rigorously documented... it depends on how formally you see these things. The strategy that I know comes from what I hear and not from a formal document..... (K, pg 5) I try to be very structured in an informal way with lots of meetings where all of the different marketing people do status reports of the different elements of the job, so you are always getting feedback and keeping in touch with the strategic ideas. (K, pg 1) Informal interaction is so important because it creates alignment and brings different perspectives, which is how you learn and how I get my strategy. Most of my time is in meetings with different people seeing what emerges from the feedback received on all levels." (K, pg 6)

Strategy formation was started by digging information : i) where now? ii) where going? iii) how to get alignment?

"I finally put together what I referred to, what to me was the Marketing Strategy based on my assessment, but what I referred to, to the business as a Discussionary document... I put this discussion document together which I then took around the country, which itself was a .. it was an exercise in, again, extracting.. because you have to get people into a forum to talk to them, so getting them to come and sit ... My sessions lasted on average four hours, per consultation, firstly because I think that there were a lot of issues that the people had that they needed to vent." (G, pg 2)

Our business unit strategy is formulated as "Strategy going forward"

Every time you do something you learn, if it works, great you learn from it and try and enhance it. If it doesn't work, you still learn because then you need to go and change and do things to see 'What can we do differently

to make it work?'..... So, at this stage we still do a lot of research, a lot of it is dipstick.. so that we can understand... strategy going forward. Is the strategy correct? Is there something we need to change?.. If something doesn't work in the business today, we change it tomorrow. We are still small and nimble enough to do that." (E, pgs 4 & 5)

(ii) Strategy development in bigger banks

In the second group of excerpts, it appeared that "bigger banks" (using previous categorisation in this chapter) developed strategic marketing plans. In two organisations, strategy was tweaked from the previous year. In the third organisation, strategy was developed by one part of the marketing function on the basis of information received from another marketing function and in consultation with all marketing functions.

New strategic initiatives are added to the strategic plan from last year.

"We start planning by drawing up strategies in terms of what we are going to be doing and who we are going to be doing it with etc. So what that will then mean is defining our environment in which we operate and the parameters : which are still the same? Which have changed that we will need to be aware of going forward. Once that has been done then we will go and do analysis of ..our competitors ..and we compare ourselves to where they are and identify the gaps. It all fits into our strategy which is drafted to deal with the gaps (part of the job will involve quite a lot of going out and assessing the impact that our products and services have had on the market place). We will add to the strategic plan going forward... (D, pg 1)

Our corporate strategy involves a comprehensive planning cycle which tweaks the strategy from last year.

"In terms of the overall strategy for the bank,.. we have got our overall business strategy, and our business objectives and every year we get together, we start in June, we plan for 6 months, and then we execute for 6 months. That is how it works, the planning cycle in a big corporate takes quite a long time. Every year, we go through the business strategy and business objectives and make sure that it is still on track. Now, obviously the strategy is not going to change drastically from year-to-year, so every year, we just look at the strategy, we tweak to see, 'This is what we did this year, this is the reason why we did it, this is what worked, this is what did not work.' Then we take it from there, we tweak the strategy, we would look at the objectives, maybe take away an objective that we have already achieved, maybe add another objective or maybe alter an objective. (E, pg 5)

Our strategy is developed by a part of the marketing function which uses alignment forums with different parts of the marketing (business) system.

"Segment are the ones who put the frameworks in place and they basically, at this stage, need to go and get agreement in these areas on all of the things that they do, so there are alignment forums that happen, for example between product and segment where a collective of the product and segment heads will sit together in order to make sure that there is alignment and no conflict between what they want to do. So segment should be doing the analytics that give the overall view to define propositions and those propositions obviously drive all of these things here which are the implementation of the propositions." (F, pg 8)

(iii) Marketing strategy can be seen as a "To-do List."

The following excerpts are from one organisation which presents an innovative re-conception of marketing strategy and how it can be developed and managed.

I have tried to eradicate the word marketing strategy so that I can demystify it. Marketing strategy is ultimately about a 'to do' list : what to do and not to do and how best to do it

> "I have tried to eradicate the word Marketing Strategy out of my team because they had this ... Ultimately I have said to my team that a strategy is ultimately about a 'To-do list' so there is no mystique to this thing. I get so frustrated when they say 'I am not good at strategy.' I try to "demystify," if I can put it that way. Your To-do list is purely deciding on execution issues and it is about choosing which things to do and which things not to do, and clearly you an I will know that, that is ultimately strategy. When I am working with my team, I always say to them lets talk about what we are trying to achieve, lets talk about some key issues around messaging, lets work out how we best are going to make this happen, let's debate the pros and cons of how to bets do what we are trying to do. It is a To-do list. Why are you all so scared of a strategy for, let's make sure we have checked out our to-do list by getting input from other people. (H, pg 5)

> "Our time lines are 6 months to a year, and it is necessary in this environment because of the rapid changes and innovation on multiple fronts – the company itself is always in flux and changing, but so is our environment. We are subject to numerous issues on a regulatory front, numerous dynamics from a competitive point of view, economic impacts – we don't sit and do 5 year plans, I do annual plans and short-term 6 month To Do lists with my team! (H, pg 5)

> With my guys that are more experienced, they do their plans and then come to me. Then what I do, do is I pull my whole team (this relates to your dialogue issue) and then for 2 days we will go out of the office and everybody talks through their plans, the issues in the environment, the external and internal business issues and then they talk about their plan and why it is structured as it is to meet the business needs. Part of the development of that planning is that they meet with and have dialogue and discussions with each of our clients (the different business owners in my environment). (H, pg 6)

> So the plan has been shaped by solid business inputs in terms of what is required, and then what I try to do is to create, I call it **swirling**... I use the analogy and a picture of a funnel with my team. I say to them 'This is our environment (you talked about consistency) we get numerous inputs from multiple places, some within the business, some external, some where we have done market research (section measures etc) – we are getting multiple inputs and we have a team of people touching multiple areas.. Our job in this area is to mix it all up, get learnings from all of the environments and then deliver targeted, consistent communications, so targeted per community and consistent in being across the board. So when we do those sessions that I have talked about, we are doing what has evolved over time into a swirling session, we are swirling all that information to get a sort of utopia of consistently, of each strategy interlocking and working together. That occurs on a 6-month cycle. (H, pg 6)

> "However, I have weekly meetings with the team, which is around those To-do lists. I am very operationally focused in terms of delivery. In that space, I bring those discussions around the To-do list, their big picture issues, the vision because I am bridging the gap between the overall business issues as well as the strategic thinking in the environment, I am bridging that gap with my team. They are telling me that these are the things

to focus on, these are the issues, I say to them 'Let me take you through the feedback from the Exco on .... I tell them the discussion we are having in those meetings. I actually say 'There are debates at the moment around this and this' – I feed back to them 'what are the discussions happening in the business?' then I check in terms of what they are doing that their actions are consistent with the actions happening in the business." (H, pg 6)

(b) The need for a guiding hand in the development of strategy

The second theme that emerged from the data related to the need for a guiding hand in the development of strategy. This need related firstly to the guidance received by the marketing department from the corporate plan and secondly to the need for clear objectives to guide the organisation.

(i) The corporate strategy guides strategic marketing activities

The marketing department takes their responsibilities from the corporate strategy and aligns their marketing strategy around that.

"The CEO and I work together on and we have a 28 point plan and we ensure that marketing features. For whatever reason, we have the most initiatives within this Charter 28, (the maximum).. We find out exactly what we are responsible for and we align it to our strategy". (A, pg 13)

The marketing strategy uses the business strategy as an input.

"In this space and between this unit and the broader marketing team, we will be defining only the marketing strategy which has, as one of its inputs, the business strategy." (F, pg 1)

(ii) It is important to be guided by clear objectives

We do not want to get 'stuck' in a fluid environment. For this reason, we adopt a flexible approach to our marketing strategy that is strongly guided by an objective.

"We like to pride ourselves with the fact that we are very, very flexible, and we are reading a market that is moving. It is a market that hasn't been there for the last fifty years. So our whole philosophy is that we must be able to shift with that, we mustn't get stuck. A mission or a vision is very nice, but sometimes it can become a little bit stale and bog you down So we have an objective - we work towards that. So the objective doesn't change, the way we get there sometimes changes and it can sometimes be very frustrating, because we can be going happily along a path, we'll get to within 89 out of 100ks of where we think our objective is, and then it shifts. Then we have to do a right turn, and then do U turn and then we have to.." (B, pg 11)

I think it is very important to have clear objectives. For a team, it is very necessary to know where you are going, what our main aim is.. there needs to be a company strategy to lead the marketing strategy. The strategy gives you your priorities. What often happens with marketing is that you work and focus of the building blocks rather than on the architects plan which ... this doesn't work! (K, pg 4)

(iii) It is important to have an understanding of the dynamics of business

Two of the respondents spoke passionately in criticism of the existing model of marketing taught in a silo from business, accountancy and finance :

"Its actually about educating people and saying that marketing makes you understand the whole of business and how business works. You need to understand business." (A, pg 12)

"Too few people go past marketing at often at first or second level. You shouldn't have the choice of doing Marketing because Business is Marketing, full-stop. Without Marketing, you don't have a business. You have the worlds best widget, but if no-one knows about it, it is completely irrelevant, it will sit in your garage. In a way, the answer might be for business schools to say it is a set subject, a core. It shouldn't actually be an elective." (J, pg 9)

"I believe that you need a thorough grounding in strategy and an understanding of the dynamics of business before you can start looking at a specific segment of strategy, marketing strategy being one of them. One of my concerns is when you look at it like this, it is a nice guideline and frame, but it doesn't necessarily equip you to successfully implement it in practice." (C, pg 4)

Other respondents talk more directly to the need for finance and accounting knowledge :

"You can't do marketing without understanding finance and accounts. Operational marketing no, real marketing, yes you need it, you absolutely need to understand what are the levers you are trying to pull, what is the value for trying to pull them, what is the cost to pull them? You can't do it otherwise, this game is about having a disproportionate share of the high-value customers. That is what every game is about. " (C, pg 8)

"It's the same as Accounts – this shouldn't be an option is business training, because you are learning business. If you can't do the accounts in business, to a certain level (if you want to become a CA, that is different), you should still have to …" (J, pg 10)

The lack of commercial knowledge can thus be associated with ineffectiveness of current marketing practice. It could further explain why senior people in the organizations do not take marketers seriously : because they can't understand or talk to them in their language. ("Usually your Strategy Board are financial people, so you need to talk to them in their language." (K, pg 1) and "When you talk to people in the banking sector, these guys are really interested in the bottom-line." (D, pg 10). This is summarized in the following quote :

"But this is within the existing model which is flawed. It is not the way in which you can evolve. So it wouldn't be something you would say to people – get your comms up - who want to get into marketing in a bank, as you'd be teaching the old model of doing things. The new model has to move to where they have more control over it – you should have Marketing Manager in banks who have a better financial understanding. That 's what often happens in reality is that a lot of the people who do have marketing qualifications are very weak on the financial side, so on the banking aspects they weren't strong, so you couldn't get them to go and argue with one of the bankers as to why you couldn't price an interest rate product at x, because they didn't understand it. SO you really need to have people who specialize in Marketing and understanding how banks work." (J, pg 4)

(c) The use of the strategic plan as a working document

Although the excerpts in this section are taken from one interview only, they serve as an important platform for discussion in the final section of the findings, namely, monitoring and evaluation of marketing activities.

The strategic plan needs to be viewed as a working document

You can say 'Your strategy has to be a working document as opposed to 'This is what I am doing and that is how I am going..' because the market is so dynamic that a strategy put together in January may not be effective in October. So you have to constantly monitor what is going on while, obviously not moving away from what is core.'......." (D, pg 7)

A simplistic example : I drive out of here wanting to go to town. The only way that I will be able to drive out of this place is if I start the key in my car. If I don't turn that key, it won't go anywhere. The strategy is your key, it guides you, it starts that engine which enables you to move forward. When you are going to town, I might be planning to go in the direction you came in, which is from here to the robots, turn right and then go to town, but I could meet with an accident at the robots which could force me to take another turn, (this being only if the accident is a real accident and I cannot find a way of driving around it, only then will I decide to make a turn). So if we apply this to a strategy, again, we start the key, and if I see after my dipstick research that there is something that I am not doing right here and there is no way that I could avoid the accident, then it calls for a major change." (D, pg 7)

> **6.4. Strategic marketers do not always perform all of the core components of strategic marketing...** *(Table 19, theme 3)*
>
> - Strategic marketers in banks are used mainly to do the promotion of the bank. The remaining functions of marketing (objective setting, environmental auditing, segmentation, target marketing, positioning, pricing and distribution) are performed by other functions in the bank.
> - The versatility of the tasks done by a strategic marketer differs in each operating context, with marketers in smaller banks taking responsibility for communication, internally and externally. They also have more input into the broader marketing decisions.

As a more broad continuation of the above point, strategic marketers do not apply the full theory complement espoused under question two which made reference to the "Core Components of Marketing Theory". This was iterated with responses given to question one which, as has already been explained, was intended to determine whether strategic marketers actually manage all of the functions contained within a theoretical strategic marketers profile. The responses to question one will be discussed first as a platform for discussions around question two.

> "In terms of the things that I do, obviously a core element of what I do is management which we don't emphasize at all and what that means, and the difference between management and leadership, which I think is quite an interesting debate that we are having at the moment... So that is that one thing. The other element of what I do, on a practical level and in terms of actually doing things, it is to look after press relations for the bank... The other area of my responsibility specifically would be my involvement in things like product development and new products. I get involved and help the guys with research.... then get involved in how to position the product, the branding from doing market research, going to clients and understanding what it is that they want..... obviously I am part of the management team of the bank in South Africa – you have an opportunity at that level to participate in strategy." (I, pg 1;3)

> "We start planning in terms of the activities that we want to have the following year, we start planning for the year before. We draw up strategies in terms of what we are going to be doing and who we are going to be doing it with etc. So what that will then mean is defining our environment in which we operate and the parameters : which are still the same? Which have changed that we will need to be aware of going forward... That is the strategic part of the job... On a day-to-day basis it becomes operational which would mean executing the strategy that is put forward. Obviously we are constantly evaluating whether the things that we decided upon are still effective so we do dipstick research to research how far we have gone.." (D, pg 1).

In looking for common themes and patterns, a clear pattern in response to the above question was that all of the marketers commented that the majority of their time was spent doing promotion. This does not mean that they all did promotion only. In fact, the findings showed significant differences in the extent of "promotion only" emphasis between marketers in big and small banks. In bigger banks, marketers commented that they were confined to control over promotion decisions only. In smaller banks, although they commented that they were fully involved in all aspects of the marketing, they were largely involved with promotion with a say in the other aspects of marketing and active involvement in the communications function of the

banks. A clear theme that emerged was that there are different levels of ownership and marketing involvement in big and small banks. This will be discussed in more detail below.

There are different levels of ownership and
marketing involvement in big and small banks

Bigger banks

It should be noted at this point, that reference made to "bigger banks" pertains to those banks regarded as the "Big Four," so called because until the end of the 1990's four big banks dominated the banking environment in South Africa. Consequently, these banks are larger both in operating and physical size that the remainder of the banks in the sample, with the effect that their structures and modus operandi are explained by one member of the sample as follows :

"I used to have responsibility for an area which was called strategic marketing, but the way that his bank operates and I think many others also operate in a similar way : the full definition of marketing is not really applicable in a bank because the 4P's and those types of things are fragmented and responsibilities for different pieces of it lie in different places in the bank. So the marketing function within a bank is largely advertising and related. Decisions around product, design and pricing happen in the product areas and in the pricing committee. Distribution is in a very different space altogether. But to complicate matters further, there is an area in the bank that deals with designing customer proposition which is called the segment area which is not consolidated with marketing they stand totally separate from marketing. They work together and cooperate but they each have their separate responsibilities for certain things that you might interpret normally as falling within marketing." (F, pg 1).

In the bigger banks, the 'Marketing department' gives recommendations only into the strategic planning process. They do not sit in on strategic planning meetings and are responsible only for the development of promotional plans and strategies out of the 'strategy' developed. The strategy given to them is a more business-related strategy, while the marketing strategy that would be found in the bank, would come from the 'Marketing department' and would effectively be a 'Promotion strategy.'

"I try to do an overall strategy & you can do recommendation into whatever number of P's you choose (it's really irrelevant at the end of the day – it's just becomes semantics). You can make recommendations such as 'Our pricing is not competitive in the market' or that 'Research shows us that we are seen as uncompetitive on pricing and that we should look at being more innovative or lower on prices' but you can only make recommendations. The business owner will make their final decision as to what they will do, From a Marketing Strategy perspective most of this will go around the pp trail which is the Marketing Research influence, so really the 'Warm & Fuzzy' parts of the Strategy that we can drive – a lot of the imagery, some of the psychographics that we can reflect through our communication….but at the end of the day the final decision will never be made by marketing." (J, pg 2)

"They cannot say that 'in order to do this we will lower the price for a certain amount of time to and they can sign it off – they have no such authority. The only authority they have is for promotion campaigns."(J, pg 4)

It was further said that in most cases, the senior strategic marketers will not sit on the Board but will rather report in to someone who will sit on the Board.

> "In most industries as well as financial services, you won't have a marketing person on the board, you won't have a marketing person on the overall executive of the bank. Marketing will report into someone who sits on the exco or the board but there will not be a marketing person... Marketing reports into the person who is in charge of Corporate Affairs, HR, Media Relations etc. who is one of the guys on the exco who doesn't have a clearly defined profile." (J, pg 6)

This can be translated as a lack of acknowledgement of the value of marketing in larger banking organizations. 'It is seen as a 'nice to have' and perceived as questionable in its ability to meaningfully contribute to the 'bottom-line' effect'.

This phenomenon was explained in terms of an ownership gap that exists between what marketing owns and business owns

> "The problem with all and most financial services companies is the difference between what marketing owns and what the business owns – these are 2 very different things. And in-between them lies the gulf and the gap & the difficulty in getting things done.....The gap is between who owns what and in most banks you will find that marketing owns 1P which is promotion. So, the business will own the product, or own the price and they will own the branch which is the place as well as the channel market. So marketing intrinsically, and I think a lot of this has been happening in many other industries as well, but in financial services it's very much that the marketing owns promotion, so you do the advertising – that's marketing, which is not what you get at business school or in marketing 101. That's the biggest gap that really exists. Even if the banks were more open to have input into say for example pricing, they still won't have the final say – the final say will be made by the assets & liabilities unit, the business guys, so you don't own it at all – the final say." (J, pg 1)

This was explained as follows 'In the bigger organizations (banks), the full definition of marketing is not really applicable as the components of strategic marketing (4Ps etc), are fragmented – the responsibility for different pieces of marketing lie in different areas of the bank, which each run their own operation and related-research'. A further respondent iterated this phenomenon making reference to research published by Harvard University which suggests that marketing has really become about the 1P only – promotion and the 'business' owns the rest.

> "You know its something we look at quite carefully – saying 'why is it that we only control over 1 element?' I think it's not only limited to us - Harvard has been doing some research I think in the last year or two, really saying the same thing, that Marketing has really become the '1 P.' Where the business has devolved itself into so many specialized pieces that its very rare to find marketing in control of the 4P's." (J, pg 3).

'This can be explained by the way in which business has devolved into so many pieces, with the result that it is rare to find a marketer in control of all 4P's and the other activities involved in strategic marketing. Arguably, even in small banks, marketing is likely to be done by a banker in charge, which implies the limited application of marketing trained people.'

Smaller banks

The findings show that in the smaller banks, although they also held major responsibility for the promotional activities of the bank, there was far more involvement in the 'full processes of marketing strategy' (ie objective setting, environmental scanning, capability and opportunity assessment, segmentation, differentiation and positioning and the tactical elements described as the 4P's).

> "I have a Communications Manager because communications is a huge aspect of what we do... We have then got Above-the-line Customer Communications and Below-the-line... Then we have got a Brand Manager who handles brand and internal comms.. and then the Task-force Co-ordinator who does all of our promotional stuff. Everything is done very consultatively. I have got another department as well, on the product side. In products we have a Product Manager heading it up. There is a Product Developer focusing on development, I have got a Product Analyst developing different cases around pricing and all that. And I have got what we call our Product Champion. We also work very closely with the strategic planner and research feeds into her in terms of strategy. But we obviously work very close with the Strategy guys as well." (L, pgs 5&6).

All of the strategic marketers in the smaller banks sit in on strategy meetings, have their say and sometimes champion projects. Although the tactical strategic activities were done by different departments, they tended to work hand-in-hand in the development of new products, giving customer insight into pricing parameters and distribution decisions.

> "In terms of the price, product development and distribution decisions .. "Because the whole business is reliant the income generated, that is mainly done by our operations at senior management level and mainly happens between the CE Business Management ,Operations and Sales, the CEO and our CE of Marketing". (B, pg 6).

Furthermore, in contrast to the bigger banks, who had centralized communication systems, the smaller banks used the marketing department as the source of all communications in the bank, internally (to employees and shareholders) and externally (to clients and customers).

> "We are in charge of in-house inter-departmental communication, and we establish small groups to see that, that information filters down. Previously this was done by the HR department, but it is our responsibility now." (A, pg 14)

> "I am in charge of the total marketing function of the bank. That includes : all external communications, all internal communications Market Research, (be it marketing research or product research or strategic research or customer service research), the total customer experience at the bank, (including customer service), sponsorship, branding and loyalty (and all the extra things that come alongside marketing) and finally direct marketing." (E, pg 8)

> "But I have recently also been co-opted into managing internal communications because the business has said that they don't understand what is happening in the business. So you could argue that, that is not my job but I don't mind doing it from the point where it will facilitate a process where people understand a little bit more about 'Why it is we need to be clearer about our business and where we are going." (G, pg 9)

The final contrast between the activities of the marketer in the bigger and smaller banks is that in the majority of cases, the strategic marketer in the smaller banks was still working at a tactical level on the promotional side due to limited numbers of marketing staff or a limited understanding of marketing.

> "Being brand custodian, driving, (because we don't have an agency),driving any media that we do, any paid for media, doing all that, and understanding how that's placed. Putting out to branches, understanding the branch communication, as well as doing all the window messages, the brochures, the flyers, the product information, all that that goes out to the branches, plus sitting and plotting where we are going, you know, where we are going to take this brand and how we are going to do it." (B, pg 5)

It can be seen from the above discussions that a marketer trained to use the core components of marketing strategy (as discussed in question two in the interview format) would be largely under-utilised. In looking to understand this phenomenon, the following bases could be further investigated :

i. Whether this is the case because the people who are put into strategic marketing positions lack marketing knowledge.

ii. Whether this is the case because the people who are put into strategic marketing positions are not working effectively and efficiently and are consequently limited in their application.

iii. Whether this is the case because people in senior management positions lack knowledge of what marketers can do and how this could add value to their business.

iv. Whether this is the case because people in senior management positions know about marketing but do not see value in the study and practice of marketing.

v. Whether this is the case because people in senior management positions perceive marketers to be promoters only.

> **6.5. Effective implementation of marketing strategy can be encouraged with the use of drivers such as communication, internal marketing, teams, education and learning.** (Table 19. theme 4)
>
> - Marketers work to educate their stakeholders on what marketing is and how it can add value
> - Communication skills are imperative for marketers as it encourages feedback and assists in the process of internal marketing
> - Teamwork and partnerships are encouraged as they enable capacity and assist to leverage individual strengths

In the process on interpreting the results, it appeared that many respondents referred to a lack of support for marketing. This was explained differently (as has been referenced above) : marketing theory is applied but not referred to using the theoretical marketing terminology as it makes marketing inaccessible; senior managers do not see the value that marketing has to offer... In dealing with this lack of support, a common response between the respondents was the education of stakeholders to create more marketing support. A further response was to more adequately assess the effectiveness of marketing activities (This will be discussed in the final section of the findings). In delving more into the lack of support for marketing, insights emerged in terms of how marketing practitioners dealt with this challenge. These insights were grouped into the following categories : education and a learning approach, communication and feedback and internal marketing. Although they have been grouped individually, they all interrelate and overlap in some way.

(a) **The importance of education and a learning approach**

In talking to the challenge of the perceived lack of support for marketing, many respondents highlighted the importance of educating their stakeholders in terms of what marketing is about and how it can add value to them. The stakeholders referred to were :

> (i) their marketing and other business teams (in order to better their use of the tools)
>
> (ii) their senior management (around how marketing works and how it can add value) and
>
> (iii) their publics (around their product and how to use it).

Approaches to educating these stakeholders are discussed below.

(i) Educating the marketing and other business teams

While the education of the marketing teams themselves was discussed ("There is a big focus as well now on training and skills gaps so they can they can draft performance management stuff and make sure that all of that comes into as well." (L, pg 12). the education relates to the business as a whole as well :

> "A huge part of my job is consultation, co-ordination and negotiation...... you have got to get right, and you have got to make it very. very simple so that everyone in your organization can understand it from your tea lady

up to your MD, none of the fancy things, making it sound complex so that they think you are very smart....." (L, pg 14).

"What I said to the people in (the business) is that we are all marketers. I try to tell them what marketing does and that we are all marketers and that we should all follow-through. So that's internal communication, then I have to formulate communications strategy to (our stakeholders), but I have to get Exco or whoever the teams are to take responsibility, then I have to create a proposition for external potential clients and current clients. But that runs through from above-the-line awareness building right through to the actual events that we run and engagement and then of course there's the collateral that goes with that, so our brochure-ware, the golden-string approach because we had several different businesses, some people were still using old business cards. After the marketing presentation they realized why it was important to have a single look and feel." (G, pg 12).

A strong discussion about the education of all of the people in the business was held with one respondent who is referenced in detail below. The respondent argues that because marketing is logical everybody believes that they can be a marketer. A philosophy of their business is to encourage the generation of marketing thought and ideas while giving tools to enable this to be effectively translated into the business :

"Absolutely, there is the emphasis on education and development as a marketer.. I find that on a day-to-day basis, people will come up to me with ideas and interesting things that they would like to do and then I find myself explaining to them and trying to give them the guidelines and parameters in which they need to test their own ideas, but our philosophy is very much one of saying that no idea is a bad idea, keep your ideas, just see how we do and how we can make it work and these are some of the parameters that we can consider in doing that.. so its about giving them to tools to think it through, its all on empowerment because clearly one person can't have as many ideas an had by many people, and that is the philosophy – its not just having the idea, but making it work in our context. So I find a lot of my time is spent on those kinds of conversations personally." (I, pg 2&3)

"At the end of the day, it is not rocket science, marketing is not rocket science, it is actually very logical. ...But that presents one of the challenges, that in marketing, people all think that they can be really good marketers and I think that it is because of that notion, because it is logical, apparent and obvious sometimes that I think that perhaps you want to give them the tools to guide them in a particular direction so that they can come back and build on this thing that we are trying to build, so perhaps that is an influence on trying to deal with 'Everyone wants to be a marketer!.' So let everyone be a marketer but try and give them the tools or educate them about what it actually is about.....eg "I know that I am talking about positioning and segmentation, but I have also learnt that to use those words in the workplace means that people look at you and think that you are a theoretical freak! These are such practical things, they are so small but it has made a huge difference in how I do things in terms of saying that you might want to use the concept of positioning but you will say it differently, you will talk about clients who have similar things that they want from us, that have similar things that they say to us, can we group them into a pocket that looks the same' you will use words like that because people relate to it. I am not sure if using those words are about disguising the theory or if it is about good communication or trying to be good at communicating ideas, concepts" (I, pg 6).

One respondent builds on the notion of educating your internal functions, saying that it is about changing the culture, getting buy-in and support for change :

"It is more than educational, bare in mind that many of those functions were doing these functions for themselves, so they do understand about the consumer, the structures and functions. More than education, I think it changing a culture and a way of operating and people needing to relinquish things that they have previously controlled in favour of a centralized model, which is always a difficult thing. So I don't know about education, I would say it is more about getting buy-in, influencing, its buying support for change." (F, pg 10)

(ii) Educating their senior management (around how marketing works and how it can add value)

While not the case in all interviews, a pattern was found that the education of senior management is motivated by the need to qualify spending. :

"The business is actually questioning me, or questioning marketing spend. So, they are saying 'Why are we paying R5000 for this, it is a waste of money.' So, I have to educate at every forum, so whether its stock-broking, or its this region and that region, or its Exco themselves. I have to find time to go to them and sit with them and say "I have just done an internal communication session' where I took them through 'What does marketing do? Who is the team? What do we do? Why do we ask for specific things?' and I put it in picture form to try and get them to understand." (G, pg 9)

"I have to explain everything. And then what they do is, they still get education They get inter-education.... Now in marketing, we can't spend, because we have to explain to the executive on what it means and how you are marketing... So its all about education" (A, pg 12).

(iii) Educating their publics (around their product and how to use it).

A core feature of marketing is to inform your customers about your products and services (as can be determined from the definition given in chapter one). This process is done through the promotion function which (as was discussed above) is done by all the marketers interviewed. For this reason reference will not be made to support this assertion, but reference will be made in an extreme case where an organisation (operating under an unusual profit-motivated structure) places keen emphasis on educating their publics beyond the confines of their products only. Their interest extends to assisting their publics to understand how banking works generically and how to manage their money. In the process, they struggle to strike the balance between education and paternalism :

"Everything we do is very educational and it is all done in the customers language. So, you will see a lot of our products in here are in English, for our corporate market. In our branches, they are not, they will be relevant to that region." (L. pg 2).. "Of course you have to strike that balance between 'responsible' and education versus being paternalistic, and saying that we think this is the way you should manage your money" (L, pg 10).

In looking to generate feedback on how further to deal with this lack of support in marketing, two core aspects emerged : the first related to the importance of communication, the second related to the use of internal marketing. These will be discussed in the following section.

(b) The importance of communication and feedback

95

The importance of communication to a marketer is totally underrated; it is powerful! This was the viewpoint of one respondent who strongly advocates the need for internal communication

> "I must say communication I think is totally, totally underrated, people don't understand the power of it and what the disaster can be if you don't do it, I can see now, and I think I was 1 of those people who didn't understand what it can mean to you and for you until now with my branches – they are the people at the coalface. I mean, I sit in my office, I can dream up whatever, I don't have to deal with customers on a daily basis. If we don't do our communications properly, it is an absolute disaster. Internal communications is one of the most important things that is necessary." (E, pg 8)

This is reiterated as follows "I don't know whether the other marketers are responsible for this, but we are in charge of in-house inter-departmental communication, and we establish small groups to see that, that information filters down. ...I t's a very important marketing tool" (A, pg 14).

In looking at what communication was being referred to (ie was it only internal communication of was there more to consider), a look at the communications function of a marketing department revealed that a department could consist of a Communications manager (corporate and customer communication); Brand manager (brand and internal communication) and task-force co-ordinator (community liaison).

> "I have a Communications Manager because communications is a huge aspect of what we do. What she does, she has got obviously the Corporate Communications person to handle the corporate stakeholder market, We have then got Above-the-line Customer Communications and Below-the-line, Then we have got a Brand Manager who handles brand and internal comms, all under that communication and then the Task-force Co-ordinator who does all of our promotional stuff" (L, pg 6).

In explaining why communication is so important, one practitioner explains that marketing is mostly about managing perceptions and illiciting a response from people, therefore it is about communication. As such, you need to be good communicator and understand what makes good communication and good tactics for communication.

> "I think that what's required is a flair for the issues around Marketing, it's being a good communicator – that I think is very important because mostly marketing is about managing perceptions and illiciting a response from a specific audience and that's fundamentally about good communication . I do think you need to understand some of the structure of what makes good communication and good tactics in your communication. I studied linguistics (for example) so I understand a lot of the models in terms of messaging, shaping messages, being someone who can write well, has a good feel for tonality, for positioning.. I think that is important. I don't think you can get by without those kinds of skills in this industry." (H, pg 1)

Furthermore, a marketing manager can be seen as a cog of communication feeding up and down and back, making decisions on that basis :

> "So they are feeding back to you the whole time and you are making decisions on that basis. It means that the whole time you are like a cog of communication, finding out what is happening here, telling those people what is happening there, getting everyone to work and talk together, getting them to talk to you and. (D, pg 4)

(c) The importance of internal marketing

As discussed in chapter, internal marketing can be defined as "The process of eliciting support for a company and its activities among its own employees, in order to encourage them to promote its goals" (CIM, 2005) This involves the use of communication. Furthermore, although not implicitly related to internal marketing, many respondents spoke to the need to educate your internal business. This could be seen as a form of internal marketing. These findings are represented in the earlier section entitled, "education". One reference was made specifically to internal marketing. This respondent had formally studied marketing and was therefore aware of some of the theoretical terminology behind marketing actions :

> "Perceptions about this department are slowly beginning to change but for you to change perceptions, you have to be in people's faces, telling them that this is what you need to do, evidence, evidence.. so I have spend time going around to the different departments saying 'By the way this is what we have done and are finding,' so just as you have to market outside, you have to market inside. Again, that is another thing that you never get taught, that internal marketing is just as important as external marketing." Pg 10)

Internal marketing is very tangible, you can immediately see its effectiveness and it can be used as a tool to check external initiatives :

> "Internal marketing because people are part of your product. In a private bank, a lot of these people have to understand their clients whose lives and lifestyles they will never necessarily experience themselves. So, I feel that to ask them for insight is challenging. I was chatting to the Head of Marketing for the Group and she has agreeing that internal marketing is close and you can immediately see if it is effective. She suggested using internal resources to check external initiatives.. One often forgets the intellectual capital and property in your company" (K, pg 3).

(d) The importance of teamwork

The final point in encouraging effective implementation of marketing does not talk to a context of limited support for marketing. Rather it talks to how marketing departments are currently operating and how they perceive the use of teams as adding value to their operations. Teams are embraced as they combine strengths which assist to deal with problems and seize opportunities :

> "It is about teamwork, working in partnership with other business units for specific functions. The concept of the matrix organization is very strong and it is a matter of acquiring diverse skills and resources to answer problems, so it is viewed that you need to form multi-functional teams in order to answer any of these questions." (F, pg 3)

> "You have different roles in different teams : gatekeepers, people who communicate really well and so forth. Now in our management team, I would be one of the people that could add the value in terms of bringing people back to a strategic of a direction that we embarked on and whether it is true to what it is that we set out." (I, pg 4)

The team approach is extended to an emphasis on partnerships which create capacity :

> "So its, 'How do we actually facilitate this so that we can get their information into our branches so that if their customers walk into our branch they can also be serviced and all of those kinds of things.' So there are a lot of things and that to me works, because we can't do it all ourselves, my team is just too small and we are just too busy to try and do everything. It goes for everyone, so that works very well." (E, pg 10)

One respondent in particular spoke strongly to the benefits and drawbacks of a team approach. These responses are represented below as a mini-case study.

> "I'll explain the philosophy of our marketing department to you first. We have a team approach to everything that we do. So and that comes from the top all the way down. We run the team concept all the way through, so what we say is more heads are better than one and many people, even if its not necessarily their many responsibility or their main discipline, may have a comment to make that "oh I didn't think of that" or somebody will have something to add. So our marketing department consists of CEO of marketing, and then myself who is head of Marketing, then Head of Promotions, and then Head of Internal Order, (you know head of communications and PR). The four of us will sit and we will work together on things... They are constantly working with many different projects whereas you are not. So its very dangerous, because you can become so introspective so quickly, which is so dangerous. So its always a good idea to have another perspective." (B, pg 5)

The team approach is replicated from top to bottom (at all levels in the organisation) as can be seen from the following process :

> "Before the day begins.. The CE of Sales and Operations, Business Development, Marketing and the CEO all sit together.. That's their team meeting... A : And as he comes out of that, he will call us and then we will sit with that. And once a week we have a whole team meeting which includes our graphic designer, our PA, our assistants, everybody then comes together and he will then give us feedback from management meetings, board meetings, everything. So we have a very flat structure, which is good...But I must tell you we take this philosophy right down to our branches where our branches operate at a level called CTS. So you know they are not operated, because in our branches anyway we only have a branch manager and consultants. The Branch Manager is on the floor. There is no fancy office. She or He operates from the floor. So we have created what we call these CTs. And that is so that we can get together every morning and have a start-up meeting" (B, pg 6 & 7)

In discussing the advantages and disadvantages of teams, the respondent raised a potential challenge with teams going round in circles and feeding off negativity :

> "And then coming into a sort of team concept, it is very difficult to adjust to but if it is managed properly and if your team leader constantly is able to focus on the end goal, it really makes sense. And one thing, I think, about teams which is very dangerous is not to start to go round in circles or to feed off negativity. I think it is very important in the team concept that if there is a negative influence, not to shut it out, but to be transparent and to discuss it so that everyone can understands it, because there might be something that needs addressing. But what is very important is that the team leader is a very strong person and very focussed on end goal, to be able to be constantly directing the team because otherwise it just goes round.." (B, pg 7)

This said, an advantage raised is that performance management is easier with a team operating under this approach as feedback happens everyday :

> "The thing that is also very, very good about the team process is that there can be no surprises in terms of performance management, because in fact what you are doing is managing performance every single day. And you are managing people's expectations every single day by being in this team, because you have to get feed back from them. You have to say, " yesterday guys, we didn't achieve, why didn't we achieve, what happened? Was there a strike, what was going on, lets examine it? Ok, we've committed to y, but now we're only at b, so why's it round the corner, how are we going to get there?" So what it does is, it also allows people to buy into their own performance, which many employees cannot do, as many employees still see Performance Management as a whip. You know I go in twice a year..." (B, pg 8)

This theme talks to the third question asked in the interview "Referring to the last section of the above-mentioned figure, what strategic marketing performance measurement and assessment do you do? How do you relate to fig 15 which shows a framework for customer metrics. Do you use any of these metrics and if so, how?" . In the discussions held, feedback received was not in relation to the use of the metrics only. This was due to the fact that very few of the respondents used the metrics. The discussions held around what assessment was done spoke to a combination of factors used for assessment : research, measurement, assessment and feedback.

This section starts with a discussion around the levels of assessment done and continues with a collection of insights into reasons for poor measurement.

(a) Levels of assessment done

In talking to the respondents about whether assessment was done on the effectiveness of their marketing activities, three levels were evident : no research/assessment done; formal measurement/assessment done and measurement/assessment but linked to promotion only. These will be discussed below.

(i) No formal research/assessment is done

In order to talk to this level, two excerpts were selected. The first excerpt relates measurement to formal research explaining that where no measurement is done, it could be because no budget has been allocated. In this instance, feedback is used to get information from the marketplace that can be used to determine patterns and trends :

> "We don't measure it with formal research. We don't have the budget for formal research. But what we do is, if its something going out to all branches, say for example it is a promotion or something, we will send the guys a questionnaire during and after, saying please give us your feedback, and from that as you know you will see trends and patterning emerging...Feedback is essential to what your doing, and whether its informal feedback or whether its presentation, or however, you want to present it, I mean, feedback closes the loop and its only one form of assessment, but it's vital because ,I mean you cant, if you have been going down a path, you better stop somewhere and review it...And I think that's it, and I think it's also a cultural thing, there's a constant questioning." (B, pg 9)

The second excerpt explains that while no assessment is currently being done, they are in the process of developing metrics for measurement. The concept of operating without assessment information is deemed to be common in the industry :

> "Assessment of the marketing function, of the operational marketing function? I would say no. Some people around here will tell you that we have some metrics but they are talking about the metrics that we will have going forward. There are 2 kinds of metrics, campaign based metrics and effectiveness of the particular spend and the media and the media mix used. That we will have. We will also have a model that we have outsourced that we will have a very good view of as to why people are using us and whether the message is getting through. So this has already been piloted. The tracker is done. So the pieces that we need to be able to look at are these kinds of metrics plus the other kinds of surveys I was telling you about, tracking people when they come and leave and bringing that data back and looking at it properly. That is the stuff that really matters here. Those metrics we will have and will be producing on a national, regional and segment basis. So we will be 10 miles further forward than at the moment. So we are flying a little blind at the moment, but I think everyone is a bit at the moment, I would like to be a lot less." (C, pg 10)

(ii) Formal measurement/assessment is done

Four respondents claimed to actively engage in formal measurement/assessment of the effectiveness of their marketing. The degree of assessment varied as will be seen from the following responses. Of specific interest is the response given by respondent F. This shows a comprehensive approach to formal measurement/assessment through the use of tracking structures which monitor specific impact of promotional activities and measure how collective marketing effort manifests itself in market share :

> "It is difficult, because we have direct responsibility for that, yes, and we have specific tracking structures in place to specifically monitor the impact of our promotional activities. We also have responsibility for broader monitoring of total competitive position so we will also do the total outcomes, product market shares etc which feeds to all parts of the business. So, the performance assessment done from a financial perspective is not us, as far as monitoring our competitive position and our relative position in the market, we do that which is a collective outcome of all that lot (as you know, your 4P's define what your outcome is going to be). Therefore if your collective work of product, pricing and distribution activities manifest itself in market share, that is what we will measure and disseminate through the business." (F, pg 11)

We most certainly do measure perceptual constructs and what customers think. Trust I won't say, well we will measure come of these things through pure perceptions in the banks which we monitor on an ongoing basis. We use a selection of statements that are monitored in a similar and standard survey. Loyalty? Some of this is related to service quality, which is a major survey done and tracked regularly. Commitment, we use an outside companies patented methodology for measuring this. Satisfaction and service quality, we are measuring in the service quality studies and the market tracking studies, we are measuring them, satisfaction, loyalty, commitment. Perceived value, we have things that we are asking to do with perceived value and trust, so we will give people a list of banks in the country and ask people 'Which of these banks have high bank charges, trustworthy – there is a large batch of questions..." (F, pg 11)

"Acquisition, retention, cross-selling – the measures and research used to define it will in many cases some out of our department, but this will feed through to segment and they will receive it from standard MIS, we do not pull off standard reporting from the databases, we will do specific statistical analysis for the purposes of model

building, propensity modeling and things like that, we will do research based insights, we will not do MIS based research which have cross-sell ratios, customer migration between the various propositions etc" (F, pg 12)

" A little bit about the notion of what firms do defines what customers think and our role in that – this is largely around the promotional piece but we are saying we input into the other things and how we try to drive a consistent approach to what we do through the CE and that which comes out through internal communications – the tracking of that. We buy into what customers think, we monitor it very closely as with what customers do, not directly from me, but... We are still searching for ways to link the performance measures to various cases so for example, as I said, we have measures around marketing effectiveness, it's not quite as easy to compute the impact of marketing activities on actual sales and profitability because there are many different aspects and responsibilities in the marketing chain and it is very difficult to assign success to any one element. You could track individually the effectiveness of marketing, sales and service, there are measures that you could do, they are more difficult, product design and distribution is not so easy to figure out what the impact of those is, the collective will reflect in your business outcome, but to assign causality to it is a whole lot more difficult." (F, pg 12)

Examples of two other responses given are outlined below. These responses talk about assessment through metrics as measured through surveys (in the former, an annual metric-based satisfaction survey of intermediaries and customers and dipstick research to check response to activities during the year, and in the latter, a 3-yearly usage and attitude survey). Whether these surveys are effective or not is subject to debate, however, it is interesting to note that the respondents deemed them as providing meaningful insight into the effectiveness of their marketing activities :

"Every year I do a Customer Satisfaction and Delight study. We set targets for ourselves every year in terms of what it is we want to achieve for the satisfaction as well as the delight measure. Every year we do this study to our customer base, to about 2000 customers. The very first one I need was to about 3000-4000 then we realized we could do a little bit less and still get the same results, so now it is about 2000. It is a tracking study so every year we track our results... What I also do is an Intermediary Satisfaction and Delight study because they are such an integral part of our strategy. We, as bank, need to make sure that what we are doing for them and what we are providing for them is what they need. But there it is not measuring the service as such like we do with the customers there we are measuring our processes, how easy it is to sell our product, the follow-through on the product, the closing of the deal and our call centers and its more the processes that we are testing, for each and every campaign that we do we do have an objective, for example our direct marketing.... So we monitor that, and if we don't achieve that and even if we do, that is those other kind of dipstick things that we do, because at the end of the day we have set ourselves a target of achieving say a 3% take-up rate and we need to justify why we didn't achieve that, because at the end of the day, that is where the financials comes in." (E, pgs 14 &15).

"We had the Usage and Attitude survey, which was a survey with customers with quantitative measures which looked at the brand, at customer loyalty.. so again it gives you feedback on an overall basis. We looked at product features and benefits and 'do we really meet your needs?' We do it every 2 or 3 years or so." (L, pg 11)

Although not directly asked, a valuable insight that emerged was that while it is useful to gather assessment and measurement information, the value is only realized when it is fully and properly encoded and utilized :

> "At the moment there's mainly market research driven, so we will get research done by research houses as to likeability of advertising, viewer ships figures, brand attitudes, all your basics of the market research metrics, where you are noting customer view of it, what they are feeling about you, their awareness levels, unaided awareness, aided awareness, all the basic metrics are done, but they don't really take that data and work it to death." (J, pg 7)

(iii) Measurement/assessment is done but linked to promotion only

The third level of measurement/assessment is a hybrid of the above two levels : marketers do assessment but limit their scope to promotion only. This limitation in scope is motivated in all three of the excerpts by a difficulty in measuring the effectiveness of marketing activities. The first response talks about doing pre- and post- event synopsis rather than measurement through the use of metrics :

> "In terms of the measurement , none of the metrics are being measured because it is impossible to measure the high net-worth clients specifically." (G, pg 11) "its very difficult to measure campaign-wise, whether this is working or not. We went the manual route. We developed a synopsis document where we actually said to guys 'Right, pre- and post- events synopsis' which is part of my strategy document" (G, pg 6)

The second response explains further the challenge in measuring effectiveness. They use a single question to gather information :

> "With marketing, it is very difficult to measure what impact you have had to the bottom-line except to say that people are aware and because of that people probably did come and ... then when we ask them questions, there is a specific question that we ask to see if our marketing is effective 'Where did you hear about this product' to try and link the client to specific marketing activities. That is the only measure that we have." (D, pg 10)

This question is simplistic in it's approach, as is the following example of assessment. In this example, assessment is done in order to develop feedback at a monthly strategy meeting. This is augmented with an analysis of the "numbers" (in terms of sales) and an internal questioning of how activities could have been done differently :

> "What we are doing now, is that at every Strategy meeting, and only if necessary, marketing presents feedback on something (promotion based). This is a monthly process. Then, I check : numbers and figures in terms of spend, take-up and feedback (from sales- because a lot of the things are softer issues). I always ask myself at the end of an intervention 'So if I could do it again, would I? If so, could I do it better?'" (K, pg 7)

(b) Exploration of reasons for poor measurement

In exploring why measurement/assessment is currently being poorly done, the following three explanations were offered :

(i) Marketing is not rocket science and metrics are often unnecessary

A controversial, but strongly given opinion in relation to this explains that although some measurement is done, there is no necessity to use metrics as measurement is not rocket science and often simple measurements are all that is needed :

> "No, we don't measure metrics. We do some measurement., for instance there is a product launch and we will do marketing material around it and a marketing campaign and we will see how many products and meetings were setup. We would send out an e-mail campaign and we would look at number of people who opened the mail, actioned it by ... those kinds of things are so basic but it shows whether what we are doing is effective or not. We are now dabbling with satisfaction measurements to actually go to clients and say 'How satisfied are you?' My criticisms against these things are that while these things are important, sometimes it is not rocket science, for instance if you know that your clients are really happy or that you have had a 50% response rate on a campaign, it tells you that you will get something (in fact a lot easier than doing some of this)." (I, pg 10)

(ii) The use of metrics becomes more complex as the organisation becomes more complex

Although models are still being developed for assessment, their accuracy is questionable. The complexities of developing a model is compounded by the challenges of making pure links in a large organisation :

> "Most of that is done within retail banking where they have all of the CRM type data. But they are still working on a lot of their models and there is no ultimate one model yet. They work on their things, we are not sure on the confidence level of it, how accurate it is... there is a lot of noise within the numbers as well. Everyone is working on it, but the process takes a lot longer than it should. ....But when you get larger, to a certain degree, and you are putting up a billboard, you can't say really that that billboard is going to make people buy vehicle finance, but you can get a rough view through your research as to what percentage of people in general will say that they notice your outside advertising, and then you've got to try and strip out of that,... It is very difficult to make the pure links at the moment and that is why the alternative marketing investment calculations are fraught with variables that will drive you mad." (J, pg 7)

(iii) The use of metrics is challenging due to the practical dynamics of working with banking products

The following two responses refer to the practical dynamics of working with banking products (repeat use, different charges, costs and channels etc) and explain that although marketers might attest to measuring certain metrics, their validity is questionable as the marketer doesn't understand the architecture of the metric :

> "It is tough to measure things properly in a bank, because we are not selling product x. We are selling a product that repeat uses, and charges in different ways and has different costs associated with 6 different

channels and whose lifetime value can get heavily affected by how quickly you pay it off. So lifetime value modeling in banking... you can do it per product really well, we are slowly starting to get a view of what our customers really look like, well. Then to start the actuarial process of understanding how the needs actually work, and we are as far forward as any of the other banks, I am pretty sure of that. So it is very hard. You can say yes, we measure lifetime value, but they will be talking about revenue, Very few people actually understand about costs and how revenue associate with 1 another in bank. So there again, great in theory, but the kind of IT models that are needed to get that info as good enough." (C, pg 4)

The complexity of concepts designed for measurement is supported by the following respondents who says that the subcomponents of the metrics cannot be isolated to marketing alone, and that there is inherent difficulty in getting the requisite input information "

"Let me say that the concept of customer lifetime value is a complex concept that the organization . but the subcomponents of it or your levers to drive it will all be levers on which the bank will be operating. So, for example looking at our cross-sell ratios, making sure that we are campaigning customers at appropriate times etc, yes most certainly it does happen. First time purchase or customer acquisition is dealt with through an ongoing look at the sales process and different ways to drive that process to achieve the optimal outcome. The extent to which it is influenced by customer lifetime value, I would say that it is not as much as we would like for it to be, but then there are question marks around that how you determine customer lifetime value." (F, pg 12)

"Not everything can be measured. I have seen this thing. The dilemma is that some of these things that are input factors are very difficult to get your mind around. The model that I have seen is created to show a number, in terms of the value quantified, the value that was added to whatever effort. The input factors, those that you need to put into the model, those are hard to get numbers to feed into this model which will spit-out another number which will make it palatable." (I, pg 10)

(iv) The use of metrics is challenging as it is difficult to get the quantitative information to stand up to interrogation

An alternative explanation for difficulty in the use of metrics relates to the challenge of getting quantitative information to stand up to interrogation. In the following excerpt, although an assessment of return on investment was done, it is acknowledged as not being theoretically sound. In spite of this, it is deemed valuable in that it assists in developing feedback.

"We have tried. We have tried to look at return on investment particularly for ad. campaigns and things like that. So what we did, was we took our ad campaign at the time it ran and for 3 months afterwards we actually asked customers 'how they heard about the bank?' And a lot of them said 'Radio, some said from staff, some said from billboards..' We took that and we said 'Ok, so many % came from the radio campaign because that is were they heard about the product or what brought them into the branch. Then we said, OK, they have taken out that product and we worked out the value of the product over 10 years and we worked out, that that was the return on investment then of than ad campaign. Which people can drive trucks through if they want to, but what we are trying to establish is more of a feedback from our sales guys to say 'This is the direct feedback from the campaigns and stuff.' We find it easier to get this type of qualitative feedback, because it is so difficult to get the quantitative numbers stand up to any interrogation. Then you tend to get into those arguments of 'No, it wasn't you, it was our sales staff' and you know, that is not getting anyone anywhere. But we are having huge issues with what we actually measure." (L, pg 10)

The compromise between quantitative integrity and qualitative feedback that can inform decisions is supported by the final respondent for this section. In this explanation, the use of formal assessment and measurement tools is surpassed by the use of feedback cycles which give real-time information :

> "Assessment and monitoring is an area that I think is probably fairly weak in having really good and clear objective measures. We do have a lot of assessment and measuring in our environment. A lot of it comes through feedback cycles, we do a market sensing type so that we know very quickly if we have done something well or badly and that feedback comes back regularly." (H, pg 10)

A further example of the active use of feedback as a monitoring mechanism is seen in the use of daily meetings which are perceived by this practitioner as being a type of feedback in that it closes loops. It can therefore be seen as one form of assessment. Furthermore, feedback all the time creates culture of questioning, perspectives, improvement which are advantageous in an environment where things are changing all of the time.

> "Feedback is essential to what your doing, and whether its informal feedback or whether its presentation, or however, you want to present it, I mean, feedback closes the loop and its only one form of assessment, but it's vital because ,I mean you cant, if you have been going down a path, you better stop somewhere and review it. You better stop somewhere and say "am I satisfied with that ?" and I would be worried if people said that they were 100 percent satisfied with what they are doing. You know. So that feedback is vital." (B, pg 9)

6.7. Conclusion

This chapter has reported on the findings of the interviews conducted with ten strategic marketers in banks and two strategic marketers in financial institutions. These findings suggested that although strategic marketers can learn about marketing on the job, a good attitude and a commerce-based education are recommended. In terms of the theory of strategic marketing, strategic marketers do not always perform all of the core components of strategic marketing, they do not follow the same format when doing strategic planning and they do not make extensive use of metrics in monitoring and evaluation. Communication, internal marketing, teams, education and learning were encouraged as drivers of effective strategic marketing implementation. The following chapter will draw conclusions out of the findings presented above.

Chapter Seven	Conclusions
	This chapter presents the conclusions generated through the research process and gives recommendations for further research. In this chapter, the researcher is able to place judgement on his/her findings.

7.1. Introduction

This chapter is structured in three main sections. The first section presents emergent discourse out of the findings presented in chapter six. This information is then used to provide a critique on the use of systems thinking and complexity for marketing practitioners. The final section applies the findings to answer the twenty questions posed in the introduction and literature review sections in order to answer the questions from insights gained from the practitioners.

7.2. Emergent discourse on the findings presented

By way of summarizing the findings of the previous chapter, this section attempts to encapsulate the discussions held on the processes and philosophies of 'strategy development' and the approaches to implementation and monitoring and evaluation.

7.2.1 Emergent discourse on the processes and philosophies of 'strategy development'

The previous chapter showed that the approaches to strategy differed among the respondents. It further pointed to patterns that emerged which talked to a less traditional approach. This approach is inclusive and consultative working towards alignment around defined objectives and issues which are approached in a flexible way as if working with a 'working document.' Although three of the above respondents commented that there was no set strategy, two of these commented that the strategies are not documented at all, but emerge through strategic conversations.

The above description holds many similarities with the suggested approaches embodied in more contemporary strategy which looks for emergent strategy nurtured through flexibility and a learning approach.

7.2.2. Emergent discourse on the approaches to implementation

The learning approach referred to above is further expressed by the practitioners interviewed as an innovative approach to implementation in conjunction with the use of internal marketing to get organizational buy-in, a partnership/team-based approach and communication. These levers are discussed in the context of limited support for marketing.

(i) Implementation context of limited support for marketing

A context of limited support for marketing came through as a common pattern expressed (in different ways) by all of the respondents. The marketers working for 'younger' banks explained this on the basis of their position in the early stage of the organizational growth cycle which, with limited available resources couldn't support marketing with the budgets that it would like to receive.

The more established banks explained the limited support of marketing by a misperception of what 'marketers' did and what marketing can do for financial services; the effect of organizational politics and the existence of an organizational mindset that was objective and profit-based rather than client-centric. The latter mindset translated into an organizational approach that had fragmented areas of the business responsible for different parts of the traditional marketing function. This fragmentation made the creation of an integrated marketing function through the dissemination of communication, shared frameworks and alignment across different business units more challenging.

The phenomenon of limited support for marketing was explained from a totally different perspective saying that 'Marketing is not rocket science – its logical! The result of this is that everybody feels that they are marketers (which can be argued as correct, with guidance and training) with the effect that the special skill set in marketing goes unacknowledged and organizations pay marketers less respect.' This argument pertains to a perceptual issue which, arguably needs to and can be changed!

In spite of the varying arguments, what seems clear is that at present, there is limited support for marketing in organizations as iterated by the observation by nine of the respondents, that their marketing expenditure had to be constantly motivated as marketing was not seen as key. Furthermore, of the strategic marketers interviewed, four worked in organizations that had an unusual ownership structure where differing strategic objectives and sometimes incompatible systems created implementation challenges. Three respondents worked in organizations whose business was defined by abnormal rules. Operation by these rules translated into an untraditional approach to business and banking which met with some hesitance and resistance from the market.

This talks to the importance of awareness of the effect of rules and how they translate into behaviour, both internally and externally. An example of an internal rule-behaviour change can be seen in how a culture changes through the establishment of core values. It talks further to the need to work proactively to change the lack of support for marketing. This challenge is

compounded by an awareness that 'there is an environment of complexity from all sides (with internal complexity increasing in organizations that operate with a silo approach) and external complexity increasing as agents adjust to change'.

(ii) Creating effective implementation of strategic marketing in this context

In dealing with the environmental complexities and perceptual challenges, communication was expressed to be the most vital and important tool for effecting change saying that 'the importance of communication to a marketer is totally underrated and crucial' and that 'marketers need to see themselves as cogs of communication informing up, down and to the side, internally and externally' changing the marketing terminology to make it more accessible. The introduction of communication in conversation grew into discussions on internal marketing, (founded on communication internally) and the use of teams, where the marketing manager serves as the team leader using communication to guide the teams. Both vehicles for implementation were discussed as having different functions.

Internal marketing was used to build the brand internally giving consistency of the brand experience, to check external initiatives and to increase organizational buy-in to the principles and value of marketing ie that marketing is not just a 'spend' but a 'make.'

The use of teams however pointed to a broader philosophy of organisational structure and synergy between resources within the organisation saying that the 'key to success is working in teams.' (This was extended in some organizations to a general emphasis on partnership and the benefit of leveraging resources through a partnership approach). In assessing the dynamics related to a team and interactive structure, the advantages were expressed as i) an ability to cope with growing complexity in the environment ii) an ability to get parts of the system working together and iii) easier management of performance as there is regular feedback. The concerns raised with a team structure related to the fact that the teams can go round in circles, feeding off negativity. These dynamics can be tempered by a good team leader described as being a strong person who is very focused on the end goal, is in touch with the team and able to operate as a cog of communication, feeding up, down and sideways within the organisation to enable effective decision making. A good team leader uses strong competencies in framing and aligning to address potential problems if they arise and directing the team to the achievement of organizational goals. The notion of a team-based philosophy was uniquely explained by one organisation whose organizational structure can be metaphorically understood as an onion where daily feedback starts at the biggest area of impact, the top management level, layering down through the organization where every layer receives daily feedback, right down to the core of the actual customer experience, the front-line employees. This system created a totally different

culture with interactive feedback, questioning, listening to multiple perspectives and a continuous search for improvement.

The discussions on internal marketing and the use of teams reiterate and emphasise further the strategic imperative of conversation to give feedback. Vehicles used to drive such feedback included the use of 'structured meetings held informally to give feedback and keep in touch with strategic ideas;' the use of a 'marketing community across the group which meets to discuss strategic issues and learn;' and the use of 'internal communication sent from the CEO (as this shows top-level support and helps to garner organizational buy-in').

The process of securing organizational buy-in was further described as a process of ongoing education looking to shift perceptions and encourage a greater awareness of the value of marketing. Education happens internally and externally. Internally, it is used to bridge the skills gap of marketers, change internal perceptions about marketing and what it is about, provide guidelines and insight into the meaningful application of marketing and working to change the culture to a more centralized and less silo-based model. Externally it is used to educate the customers (for example, by developing systems and cultures that encourage increased levels of financial literacy in the banks clients and customers) saying at the extreme that 'it is a responsibility to educate, not to penalize the client for not knowing better!' These activities work hand-in-hand with implementation practices such as internal marketing and the use of teams. They talk further to an earlier pattern that emerged relating to a learning approach to strategy development. This approach continues in the implementation domain where practitioners are challenged to find the balance between analysis and action, reflecting after action on what worked and what didn't work and why!

The capabilities emerging as threads through this discussion mirror recommendations given generally about capabilities needed to be an effective strategic marketer, namely that it is important to market yourself, be humble, take a learning approach, use conversation to get alignment and buy-in and have good consultation, co-ordination and negotiation skills.

7.2.3 Emergent discourse on monitoring and evaluation of marketing activities

In the discourse relating to implementation, communication was spoken of in terms of feedback, and was expressed as an ongoing necessity, which could serve as a monitoring and evaluation tool for marketing activities. This was interesting in light of the fact that, although eleven of the twelve respondents did measurement of their activities, one respondent commented that 'although we are flying a little blind at the moment, I think everyone is a bit at the moment. One respondent blamed the lack of budget for the fact that no measurement at all was done in the

bank. A further respondent saw excessive measurement as a waste of resource, as supported by a fellow practitioner as follows 'Measurement is great in theory, but if you get too caught up in informing yourself too thoroughly, you will lose out on action which drives credibility.' Three respondents did measurement of events only. Half of the respondents, although currently doing measurement of activities, acknowledged the power of measurement and were in the process of developing new measurement systems. Half of the respondents claimed to use metrics in some capacity. One respondent pointed to the use of people performance assessment and monitoring rather than customer metrics.

These implementation tools and measurement perspectives mirror synergized insights into ways to respond to the previously discussed ownership gap, notably to :

- Shift perceptions and re-educate (eg present marketing successes at strategy meetings).
- Show return on investment as a positive measurable effect.
- Get top management support (as it helps create alignment).
- Adopt an approach of reflection and learning to marketing, making marketing activities more innovative, adaptable and successful.

7.3. Critique on the use of systems thinking for practitioners

In keeping with an action research approach, it is important that these findings are discussed in relation to systems thinking in order to ascertain whether systems thinking is used by marketing practitioners and how it can add value to marketing practitioners.

The following excerpts give insights into how systems thinking was explained to respondents during the interviews. These explanations were only given to highlight that what they were talking about could be applied to a systems thinking principle of idea :

- "When I started out with this research I wanted to see how systems thinking and complexity could add value to the study of marketing and to date, from chatting to the smaller players, systems thinking can add value to thinking holistically and about interconnectedness and looking at the bigger picture and how different units impact on each other, the way that you go about processing your marketing, that can add value, it can add value here as well. But the notion of complexity came down very simply to the fact that things change and you need to be keeping yourself aware. In your context, complexity and systems have clear and apparent value, that things are changing all the time, the structures seem to be changing, your methodologies and processes, and you are trying to standardize .." (F, pg 12 : Jemma)

- 'If I relate this to systems thinking, you are saying that as much as you can develop a plan, things change and it is important to develop your flexibility and encourage innovation, you also need to create boundaries around them. In

systems thinking, it is the design of those boundaries that creates success as that is where consistency comes from which creates trust. One of the strands in systems thinking is the whole model of thought called strategic conversation which is very much in line with the stuff that you are talking about. " (I, pg 3 : Jemma)

- "This emphasis on feedback is indicative of an important concept used in systems thinking. It tries to emphasize that you learn about your system from the feedback you receive. So learning is fundamentally important. " (K, pg 4)

- "Now, this is very reassuring for me because I teach a lot about things like framing and aligning and saying that when you have a team that you are working with, you need to pre-frame them in terms of this is where we are going, so that when they start to paint their picture, its within the frame you are looking for. How they paint it you can adjust as you go along. You can always draw them back to the stuff that you discussed in the beginning. And in doing that exercise you are creating alignment, so that they are all working together towards something." (C, pg 8 : Jemma)

- "You need to work with all that. That's complexity thinking. Systems thinking is saying that you are operating a system where you have a whole lot of different parts that interact with each other and if you can be aware of what those parts are and how they interact and work with that, then you can get your system operating in a healthy, sustainable way. But the notion is to get your parts to work together. So you guys have clustered yourselves into little teams or parts and set up all these mechanisations to get them working and functioning. Now for me ,I'm saying to students, they come and learn marketing and learn this, they have absolutely no idea what it means once you have got this knowledge. When they go out there how do you interact. A lot of its about communication, a lot of its about knowledge-share, and a lot of its about humility. Be prepared to say "I'm here to learn and to share". (B, pg 7 : Jemma)

- " Yes, absolutely" (B, pg 7).

These excerpts relate to different aspects of systems thinking. Each aspect was discussed in the literature review. The extracts above are only a selection of the interconnections made between what the respondents say as evidence of their use of systems thinking.

It is evident that although very few respondents knew about systems thinking, they are actively applying certain systems principles all the time. These principles varied according to the modus operandi of the organisations. It appeared that the organisations that were more innovative in their operating approach were easier to apply systems thinking principles to. Furthermore, the recommendations emerging in relation to stakeholder consultation, feedback, learning, communication and partnership are all embodied as key parts of systems thinking.

In looking to further understand complexity insights and how these can be applied to strategic marketing, see Appendix Seven. What is evident from these insights is that there is value in growing strategic marketer awareness about systems thinking and complexity. Among other things, it will assist them in coping with a changing environment, help them to see the bigger picture and new and refreshing ways of working with problem situations, help them to encourage and monitor feedback and help them to re-conceptualise their strategic processes away from a purely linear construction to a more dynamic, personalised format that works.

7.4. The twenty questions discussed

The above section relates specifically to the conclusions emerging in response to the findings chapter, chapter six. During the course of the first four chapters (the introduction and literature review chapters), five core questions per chapter were posed. These questions will be answered below on the basis of the insights emerging from the findings of the study.

1. *Within the traditional frame of marketing strategy, marketers should work through the core components of marketing strategy. Do they use the core components of marketing strategy? Are they in charge of all of these core components?*

The respondents interviewed were largely involved in the promotion section of the marketing strategy only, giving input to guide the development of the other components. In the newer organizations, the marketers had more say in the strategy development process.

2. *The traditional model of marketing strategy has been critiqued for its linear conceptualization; the way that it separates planning and implementation and the fact that it gives lesser acknowledgement to the processes of implementation and control. Are these critiques justified? What happens in practice?*

In discussing what the practitioners did in their jobs, planning and implementation were discussed far more than control. Although all of the practitioners had processes and controls in place, few referred to control in terms of the measurement and assessment of activities. Only half of the respondents actively did measurement and control.

3. *Are practitioners moving away from the traditional use of marketing strategy towards a more contemporary application which interweaves the components and activities defined within traditional marketing strategy in a unique format that becomes the complex demands of the marketing environment?*

In discussions held around corporate and marketing strategy, there was no common format expressed. This said, although the approaches differed, they shared a less traditional approach to strategy development using an inclusive and consultative process to develop objectives that would guide the marketing activities. One fifth of the sample commented that their strategies were not documented at all, but emerged through strategic conversations. These notions all talk to the more contemporary writings on emergent strategy and the use of vehicles like communities of practice and strategic conversations to massage this strategy process.

4. *Do marketing practitioners apply the model of Marketing Strategy and extend it into a broad philosophy of complete organizational support for internal and external marketing. Are they placing emphasis on the direction of organizations as evidenced through a pattern of present and planned objectives, resource dependencies, and environmental interactions? Are they looking to garner full organizational support for their activities?*

The practitioners all expressed limited organizational support for marketing activities. In response to this, they suggested that the marketers needed to shift poor perceptions through a re-education process; show return on investment for marketing activities; get top management support and use a learning approach to your marketing. None of them spoke directly and with clear emphasis to the need for complete organizational support. Rather, they spoke to the need to shift the organizational perceptions away from current poor perceptions of marketing's effect to an acknowledgement of the value of marketing.

5. *Do practitioners support the theory on paper, but pay lip service to it in practice? If so, is this related to organizational constraints?*

Although less than half of the practitioners interviewed had a marketing specific qualification, many could acknowledge the benefit of the theory. This said, they contended that you didn't need the theory to be a marketer i.e. it could be learnt on the job. In terms of the relationship between theory and practice, feedback received expressed a gap between the desirable in theory and the possible in practice ie that although it looked good on paper, it was not possible in practice, mostly assigned to organizational system constraints.

6. *Do strategic marketing and operational marketing differ in their foci and should they be conceptualized as separate functions within marketing? Does operational marketing contain the action-related component of strategy related to marketing implementation and strategic marketing contain the formulation component of strategy related to marketing planning? If so, does this support the critique of the inherent flaws in a model which separates planning and implementation?*

In discussions held about strategy development, the strategies were seen as 'working documents' where strategic attention was focused on guiding the organisation forward towards the achievement of predefined objectives. In this way, the tactical, more operations based activities became blurred with the strategic activities which supports the view that the traditional model which separates planning and implementation is outdated and potentially flawed.

7. *How many marketers view strategy formulation and implementation iteratively? Do they see the components of strategic marketing as working systemically, affecting each other by virtue of their interconnectedness? Are these components constructed to exhibit the requisite flexibility to change constantly? Are they supported by organizational initiatives, systems and marketing-related core-competence rich employees?*

The answer to this question needs to be given on the back of the above answer. It should be noted that none of the respondents specifically referred to the planning-implementation divide or to an iterative conceptualization of strategic marketing. They did however support a more iterative view to strategic marketing in their discussions on the philosophy and processes used to develop strategy. Furthermore, although the components were discussed in terms of content,

they were not discussed in the context of drivers in the development of marketing strategy. In this way, it is not possible to answer questions related to construction of the components for flexibility. What was mentioned by several respondents was the need for a flexible approach to strategy. In looking at the final question above, the marketers expressed a lack of support for strategic marketing with the effect that the marketing activities were not supported fully with initiatives, systems and trained employees. Most of the respondents spoke, although in different formats, to the need to change the perceptions that are leading to this lack of support. This process of perceptual change would crate more organizational buy-in to marketing.

8. *Are organizations constructing a foundation for implementation using the three tools described by Du Plessis as : change management, internal marketing and organizational learning?*

Internal marketing and organizational learning were specifically raised, the latter more than the former. Change management was not directly referred to in any of the interviews however the need to change current perceptions emerged as a pattern through all of the interviews. Communication and teamwork emerged as further patterns with the former being raised as a strategic imperative for marketers, the importance of which could not be over-stated! Communication and teamwork were not included in Du Plessis's framework for effective implementation.

9. Do practitioners view evaluation and control as a feedback mechanism used to keep the strategy on target and show when adjustments are needed? Can support be found for the contemporary view on evaluation and control, namely that there needs to be constant systemic evaluation?

There are two parts of this question that needs to be answered. Firstly, the practitioners all acknowledged the necessity of feedback to keep the strategy on target. This said, the feedback that they referred to was largely in the form of conversation and communication, rather than formal evaluation and control, which brings us to the second part of the answer. Although six of the ten respondents said that they did measurement in some form, two insights need to be mentioned : firstly, that measurement is only as effective as the way that the data is used and interpreted (many managers interpret the data to suit their current ideas) and secondly, that measurement is all qualitative, bar 3 organisations, as quantitative information is more difficult to gather and marketing, by virtue of its integrated nature makes it difficult to delineate success due to one departments activities.

10. Why is there growing dissatisfaction in organizations around the effectiveness of marketing? How can this dissatisfaction be seen? What measures are marketers taking to address this dissatisfaction? How many marketers measure the effectiveness of their activities? Do they use customer metrics?

It would be invalid to offer a conclusive answer to the first part of the above question. Suggested reasons offered by the practitioners included : a lack of awareness of the value of marketing by managers as a consequence of the way that banking has evolved through the halls of financial thinkers; the fact that marketers have not successfully proved bottom-line results in quantitative terms and the suggestion that marketing is not acknowledged as a distinct and specialized area of expertise as most people think that they are or could be marketers. In order to address this dissatisfaction, the respondents spoke about internal re-education initiatives (getting organizational buy-in) and the development of measures that could provide quantitative evidence that marketing pays. Only two of the ten explicitly mentioned the development of such measures while half of the respondents claimed to use metrics in some capacity. These metrics pertained mainly to perceptual constructs such as perceived value, which were ascertained using largely qualitative methodologies.

11. In terms of a context check, are organizations working to break down the silo effect and create integrated business? Are marketers heavily affected by the changing dynamics in the environment? Are they flooded with new opportunities with growing markets and increases in technology? If so, do they allow for this in their strategy?

The dynamics within the operating context were mutually expressed as being complex and changing. Strategies to deal with these dynamics differed between organizations. Distinctions in the different approaches could be made between the way that more established organizations responded and newer organizations responded. Established organizations spoke to the need to break down the silo effect commenting that although their organizations were in the process of breaking down the silo-based organizational approach to create a more integrated one, the job was hugely complex, introducing a plethora of change dynamics and operating adjustments that could not be made overnight. The newer organizations who did not have legacy systems and structures to deal with ascribed their ability to respond to the environmental dynamics as being most affected by limited organizational resources and capabilities. Although, all respondents agreed that the opportunities were unbounded, their ability to act on opportunities was bounded by the resources available to them. Their strategic plans were developed in a flexible format which encouraged a working approach to the achievement of their goals leveraging the resources and strengths available to take advantage of opportunities in the environment and combat threats.

12. Are marketers aware of the rules and attractors operating in their internal organisational environment, the internal customer environment (as evidenced in behaviour) and external environment? If so, do they use this awareness to input into their strategy process?

None of the marketers used the terminology of rules and attractors. Four of the respondents expressed the challenges embodied in an organisation that had an unusual ownership structure as each 'owner' brought their own strategic agenda which affected the operations of the organisation, its employees and customers. (In complexity thinking this would have been explained as a rule change made by an agent impacting in the interconnected environment as seen in behaviour changes within the system). In terms of the use of the afore-mentioned awareness, half of the respondents worked to function in the face of changes in the rules introduced by 'owners.' The other half of the respondents worked in a consultative, interactive process to create mutual understanding of the rules being introduced into the system, so that emergent behaviour and self-organisation could be loosely 'guided'.

13. Do marketers experience tension between their day-to-day ordinary management activities and their open-ended change-related, extraordinary management activities?

There is not a clear-cut answer to this question as it was never explicitly asked or discussed. What could be seen from their discussions relating to 'what it is that they actually do,' is that the two activities are seen as very interrelated functions. For example, most of the marketers stressed the importance of communication saying that a large portion of their time is spent in meetings and discussions, formally and informally, feeding back information, checking tactical activities and realigning activities towards the achievement of the objectives within the context of their operating environment. These activities sit in both the ordinary and extraordinary stables, which could mean that the tension relates more to getting the interplay right within the activities.

14. Do marketers look to nudge attractors, encourage reflection (to identify patterns of behaviour) and stimulate the learning environment to negotiate the paradoxes of order and chaos?

The first element within this question was not raised by any of the respondents, while the second element was discussed in terms of the question 'If I could have done it again, would I, and if so, how could I have done it better?' This said, the notion of learning (and education) emerged as a consistent theme to enable more effective marketing. The learning processes discussed occurred largely through guiding conversation (supporting the contemporary view of strategic conversation) of the employees, shareholders and clients/customers. This learning however was intended not to negotiate the paradoxes of order and chaos, but to empower the organisation and shift poor perceptions of marketing.

15. Are strategic marketers

(a) encouraging an organizational mindset which i) looks to influence the strategic direction of the company and its evolution rather than control it and ii) conceptualizes strategic direction as emerging from the complex interactions between people and the organization, and not through organizational intention alone.

(b) developing systems and initiatives that i) recognize the importance of and encourage the generation of continual feedback and ii) enable the nudging of attractors to create organizational learning as a core competence to enable fast reaction to the changing environment.

Both of these questions have been discussed in part in the above answers where strategy, as developed by other players in the business (sometimes in conjunction with the strategic marketers), works on the principles of objectives as guidelines, rather than a cast-in-stone written document to be followed. This said, there is a more 'searching' level to the above question in that it shows a fundamental shift in thinking away from control to more 'subtle' means of guiding the effectiveness of the strategy. As an interpretation and extension of what was said, strategic marketers were looking more seriously at developing internal marketing, which looks to shift rules and nudge attractors; one respondent worked expressed benefit from an internal community of practice; most of them spoke of the ongoing process of communication and conversation which, formally and informally, guided thinking around strategy.

In terms of the creation of core competence created through a learning environment, education emerged as a central theme in the discussions. The majority of the practitioners spoke directly to the need to inform their colleagues, one respondent extending this saying that 'Everybody believes they are marketers! It is important that we give guidelines and education to assist in the development of this mindset.' Another respondent commented that as your educate your colleagues about marketing, they become more challenging, which might seem like a two-edged sword as you have to work harder, but it pays as your marketing becomes more powerful.' The fact that they spoke of the creation of marketing core competence through an informatory education process and not through the nudging of attractors such as trust, openness or leadership could indicate that they are doing this without being aware of it, or that in placing attention on the nudging of attractors in their environments, strategic marketers could effect more meaningful change.

16. Do strategic marketing practitioners see the traditional models of marketing strategy as being flawed? If so, how and why?

Critique given on the traditional models of marketing strategy varied, however a general pattern expressed was that the traditional models are useful as thinking tools and frameworks, which needed to be 'unpacked' and reworked to suit your context. They ascertained that practice is what actually teaches you and that in practice, nothing is as clear-cut as in theory for example,

when you have to implement a theory, there are often organizational complexities that force you to consider what is possible, rather than what is desirable. This said, one-fifth of the respondents were adamant that strategic marketing needs to be taught as a core subject in a B.Comm degree, as does finance and accounting. These three subjects, in their opinions, formed a meaningful foundation for understanding business. A final suggestion leveled at theorists of strategic marketing was a need to augment the strategic theory with practical, tactical skills which form a major part of a strategic marketers actual job!

17. Are strategic marketers creating systems which ensure continual feedback in order to keep the organizational parts talking to each other? If so, do their systems take a hard and/or a soft approach?

Yes. The necessity of inter-component (be it marketer to marketer; marketer to other business department; marketer to customer; marketer to shareholder) communication emerged as a consistent theme. Systems to ensure this communication were largely discussed in terms of mostly weekly, sometimes daily meetings, wherein in feedback was given about their progress relative to the strategic objectives set; about big picture issues discussed at higher levels and around environmental awarenesses and potential courses of action. Although there was (hard) feedback in terms of numbers and figures, the feedback discussed more vociferously by the practitioners related to a softer approach.

18. In terms of a hard approach to the creation of feedback, how many strategic marketers collect performance indicators, facts and figures through an analytical approach? Do any of the marketers use customer metrics, as evidenced in the framework for customer metrics (Gupta,2005)?

Nine of the ten respondents reported to collect 'hard' feedback. Upon closer investigation, it emerged that the feedback generated was generally related to the measurement of events. In the more established organizations, this can be understood by the fact that their function is primarily related to promotion and events. In this case, it would make sense for them to monitor the effectiveness of their function. (Measurement about the effectiveness of marketing would be done individually by the departments holding individual marketing responsibility. Measurement of the 'big picture' of the effectiveness of marketing was expressed as being difficult to do as there are so many variables impacting on the effectiveness of marketing and numerous departments which could have been responsible for increases of decreases in marketing performance). In the smaller and newer banks, there was mixed response about the methodologies to gather 'hard' information. One quarter of the sample claimed that they either didn't have the resource to do such measurement or that they saw it as a waste of resource. The remainder of the respondents did measurement through attitude surveys, for example. These surveys included customer metrics, but were asked in qualitative format. Therefore, although half of the respondents

claimed to use metrics in some capacity, the quantitative application of the metrics as a source of feedback was questionable. The metric most challenged in terms of its measurement was customer lifetime value which, due to the complexity of the products and customer options made this metric challenging to measure.

19. In terms of a soft approach to the creation of feedback, how many strategic marketers encourage and develop organizational learning constructs through, for example Communities of Practice?

This question has been partly answered in the response to question 15b, where strategic marketers spoke about the use of education to develop strategic marketing capacity within the organisation. This education was extended to acknowledge an increasing base of people who could give constructive marketing-related feedback. This feedback occurred mostly informally, and this must be acknowledged. The subtle threads of conversation held 'in the organizational corridors' operated as an unmanaged feedback mechanism. Several of the practitioners commented on the value of meetings where issues of strategic importance could be discussed, with one respondent suggesting that strategic marketers present feedback on an activity at senior management meeting to create feedback and encourage awareness. One respondents worked within a Community of Practice, although this was developed by the Group rather than by her Marketing department. The smaller banks spoke about the power of working in teams and using a team approach where they were able to bounce ideas off each other and discuss movements, synergizing understanding and getting continual alignment. This team approach can be seen to represent a modification of the theoretical definition of a community of practice.

20. Do strategic marketers use internal marketing to bridge gaps between intended and realized strategy? If so, to what extent? Do they place emphasis on the value of full employee alignment?

The constructs of internal marketing emerged as a theme in the discussions held, but were seldom housed under the actual term 'internal marketing.' None of the respondents mentioned the 'gap between intended and realized strategy' which could be explained by the fact that their strategy was developed in more flexible terms, rather than in a formal, linear format. Internal marketing was discussed as a driver of internal brand consistency, (which has the effect of creating alignment).

7.5. Conclusion

This chapter has reported on the findings of the interviews conducted with ten strategic marketers in banks and two strategic marketers in financial institutions. These findings suggested that strategic marketers meet with limited support in the financial services domain and are largely responsible for the promotion function only. Although they were able, to varying degrees, to give input to the strategic process, the activities contained within the core components of strategy frame were done by different departments. Strategic marketers suggested that strategy developed for the organisation and for marketing specifically did not follow a linear, traditional format, but was more flexible and adaptive working inclusively and consultatively to develop core objectives and issues used as a working frame. In terms of the measurement of implementation success, most of them alluded to the use of feedback as a monitoring mechanism, talking further about the benefit of communication, internal marketing, teams, education and learning as drivers of successful implementation. The chapter embodied the conclusions in two forms : firstly through emergent discourse in relation to the findings chapter, and secondly, through emergent discourse in relation to the twenty questions posed in the first four chapters of the study.

Chapter Eight	Recommendations
	The final chapter presents the recommendations emerging out of the research conducted. These recommendations are subjective and draw on the findings of the study.

8.1. Introduction

In looking to provide recommendations for components of more effective strategic marketing, the findings have related insights relative to the planning, implementation and control aspects of strategic marketing. These bases do not assist with more practical considerations relating to "how to make a change in bridging the gap between theory and practice?" These aspects were raised conversationally by the respondents. Their insights are summarized in the first section of this chapter. These insights are developed into broader recommendations to educators, students and practitioners of strategic marketing on how to better apply and work with the theory of strategic marketing. The chapter concludes with a reflection on the study by the author and recommendations for further research.

8.2. Practitioner suggestions for effective strategic marketing

During the course of the interviews conducted, marketing practitioners made recommendations and suggestions relating to the more practical aspects of bridging the divide between marketing theory and practice. These have been referenced as findings in chapter six, but have not been grouped together in the formats that follow. Four key insights are briefly explained below.

8.2.1 Strategic marketers need to apply the theoretical models as thinking tools

Theoretical understanding gets you on your feet, then practice teaches you. This said, if you can find ways to apply the theory to practice, you are ten steps ahead. Although study does not prepare you for practice, it can groom you with thinking tools (through theoretical models) to create new ideas and help to bridge the ownership gap discussed above. It should be cautioned however, that although it is useful to have frames and guidelines to think issues through, they can create blocks (as in practice as nothing is as clear-cut as in theory) and they can hold you in the 'informed side of choice' rather than the 'action side of choice'. This needs to be brought to students' attention. Furthermore, the frames and guidelines become valuable when used out of their 'boxed,' prescriptive format. A module developed to massage this process is evident in the curricula of the University of KwaZulu-Natal's Leadership Centre. The module is called Learning and Change and conceptualizes linear processes as a system of steps that interact and affect each other, with the suggestion that you need to be flexible and aware of what's going on and why. Although buy-in to the use of this module in training programmes is slow in it's take-up, such a module is supported by practitioners as being imperative.

8.2.2. Strategic marketers need financial understanding to argue their case in this context

The ownership gap is not taught in theory, yet it goes some way in explaining why it is difficult to get things done in organizations and why people are always playing the 'blame game.' Within the existing model, marketing managers in financial services need to be strong in promotion and communication mainly, which in terms of traditional marketing theory, represents a flawed model. The new model calls for bank marketing managers who have better financial understanding in order to be able to argue their case.

8.2.3. Strategic marketers need to compromise between the ideal and the 'practical-implementable'

The difficulty with theory is the application or implementation of it in complex, legacy organisations which, unlike textbooks (which mainly discuss marketing from a zero base), have established systems which 'force compromise between the theoretical perfect and the practical implementable'. It can be argued then that theory needs to be adjusted to work off the base of a going-concern : how do you market successfully when you enter a business that is already running with existing systems, processes and cultures?   Furthermore, marketers need to be encouraged to answer the following questions :

i) what does good enough look like versus how to do it right?
ii) what is actionable and how is it actionable?
iii) need to look at what is feasible before talking about applying marketing techniques

8.2.4. Strategic marketers need to augment the strategic theory with practical, tactical skills

The theory developed to guide the development of strategic marketers does not link back sufficiently to the guiding principles of marketing management. This said, even those guiding principles do not adequately discuss : how to test your thinking all of the time; how to control a budget; how to manage and negotiate with supplier negotiation and management and how to forge good relationships (with brand lawyers, for example).

8.3. Recommendations for more effective strategic marketing theory and practice

These insights can be developed into broader areas of consideration for students, lecturers, educational institutions and marketing practitioner. These are discussed below.

8.3.1. To students, lecturers and educational institutions

The gap between theory and practice is not a new, explosive realization. It is a reality of thought on paper and action in life. The current body of theory, which is taught in terms of more linear models of thought has been shown to have relevance, however the benefit of the models is dramatically enhanced when students are able to work constructively with them. This suggests that models need to be taught at two levels : firstly, at the level of mastering the theory and/or theoretical model as it was designed and written and secondly, at the level of using the model creatively to work in different contexts. While creative application means that students are unlikely to deliver a model answer or single solution, it does move the student closer to what they would be doing in practice. It means further, that lecturers would need to exercise flexibility in their thinking to enable 'play' with the models and case studies generated.

Modules taught at the Leadership Centre such as Learning and Change, Systems thinking and Complexity thinking need to meet with serious consideration as subjects for inclusion in syllabi on Strategy, Management and Marketing. Learning and Change encourages reflective and reflexive thinking; the generation of feedback, awarenesses of what was right and wrong and a willingness to change. Systems thinking introduces not only a holistic philosophy used to work with organizations as systems, it also provides a toolbox for application in various marketing contexts. Complexity thinking encourages awareness of the dynamics within the environment and talks to ways to massage these dynamics towards desired organizational behaviours.

Furthermore, in the design of the B.Comm degree, it is suggested that Marketing (and potentially Finance) be included with Accountancy as a core subject. This is supported by practitioners who see these subjects as foundational pillars for the understanding and successful operations of business. Put more simply, a core observation emerging out of this study was that a large portion of strategic marketing is not done by trained marketers, in fact a larger portion of the strategic marketers did not have marketing specific qualifications. This suggests that marketing, in the current degree structure, is not reaching its desired target market.

8.3.2. To marketing practitioners and organisations

The fact that the practitioners expressed lack of support for marketing indicates that there is a need for a fundamental overhaul of current perceptions, not to convert blindly to the value of marketing, but to be shown, through effective marketing practice, an increased awareness of what marketers do and are capable of doing and an openness to a different operating structure and culture that marketing deserves more serious consideration. Such consideration would challenge the lack of presence of marketing people of the companies strategic board and in strategic decision making. In terms of the utilization of marketing capacity, this seems to be low,

with the effect that organizations are receiving imbalanced input from perspectives other that marketing. While these perspective may not be wrong, there is growing evidence that an inclusive, consultative process entertaining multiple perspectives holds value. In answering the questions above and working with the insights from more contemporary thinkers around strategy, it appears that more use could be made of learning forums such as Communities of Practice within the organisation and between organizations. (Whether organizations would see this as compromising competitive advantage is debatable). Furthermore, an awareness of attractors and their power in influencing change could also add value.

8.4. Personal reflection on the study

This study was motivated by a personal need to test whether what I teach in theory is what actually happens in practice. The study has been enriching and invigorating in that it has helped me to answer some of the questions that I have had. Furthermore, the practitioner discussions consistently lent support and reinforcement for the use of systems and complexity thinking in my teaching. While I enjoyed the investigative, exploratory nature of the study, I found it challenging to represent the findings in a way that protected the confidentiality of the respondents. The sample delivered such contrasting dynamics in terms of the ownerships, operating rules and length of operation of the organisation that I was concerned during the process that the conclusions might be too disparate. It interested me greatly that clear patterns still emerged. I found it hard to maintain discretion around the results in light of the history of banking which, until twenty years ago, was dominated by 'the big four' banks. The fall of apartheid opened a plethora of avenues and segments which have been entered into by newer operators, big and small. Thus in the findings section I was aware that there were times when I referred to older banks, bigger banks, smaller banks and newer banks. Although I had assessed the banks in those categories, I did not explicitly state who fitted into the categories in an attempt to maintain confidentiality. It was my hope that the findings would hold validity on the basis of the principles of size and age.

Furthermore, the fact that the study has been limited to a small sample of respondents from one sector frustrated me in that I am not convinced that the findings pertain to strategic marketing in general. I would like to see this study extended using the same format, in other operating sectors. For instance, a couple of the respondents referred to the difference between FMCG's marketing practices and those in financial services. I would like to investigate this. I would further like to see how the findings of this study compare to strategic marketing as practiced in consultancies, non-profit organizations, manufacturing organizations, business-to-business organizations etc.

8.5. Areas for further research

With the above understanding therefore, I would suggest the following recommendations for further research :

(i) A continuance of this investigative, exploratory study, extending the interview process across different industry sectors.

(ii) A more rigorous look at how systems thinking and/or complexity thinking can be applied in the strategic marketing context.

(iii) A more conclusive, definitive study of strategic marketing in the financial services sector using a more defined methodology testing potential hypotheses that could be gleaned from this study.

(iv) From a practitioner training perspective, an exploration into where marketers with marketing-specific training 'end up?' How do they use their training? Furthermore, who are the people doing strategic marketing in organizations generally? Do they have marketing specific training?

(v) Finally, a more detailed study into a specific aspect of more contemporary thinking or a pattern emerging from this study, for example :

- whether feedback adequately covers control, measurement and evaluation
- how strategic marketers can create organizational learning structures in an environment that does not fundamentally support the premises of their work
- how strategic development is changing and whether the exploratory insights withstand rigorous testing

8.6. Conclusion

This paper has intended to explore the theory and practice of marketing looking to assess how strategic marketing is done in practice and how this correlates to the theory presented about strategic marketing. The study intended to surface insights towards components for more effective strategic marketing application. This chapter has provided recommendations emerging from practitioners relating to the practical aspects of bridging the gap between theory and marketing. These insights were extended to give broader recommendations to students, lecturers, educational institutions and marketing practitioners as well as recommendations for further research.

References

1. Aaker. D (1998) *Strategic Market Management*, John Wiley and Sons.

2. Alasuuari, P (1995) *Researching culture : Qualitative Method and Cultural Studies*, Sage Productions, London.

3. Ansoff, H.I (1977) *The State of Practice in Planning Systems*, Sloan Management Review, Winter.

4. Bammer, G (2004) *Embedding Critical Systems Thinking and other Integration and Implementation Sciences in the Academy*, Discussion Paper CMS 3, The Australian National University and Harvard University.

5. Battram, A (1999) *Navigating Complexity*, The Industrial Society, London.

6. Bell. J (1999) *Doing your research project*, Open University Press, 3rd edition.

7. Berger, P and Luckmann, T (1967) *The Social Construction of Reality*, Ann Arbor, Penguin.

8. Blythe. J (2001) *Essentials of Marketing*, Pearson Education Limited, 2nd edition.

9. Blythe. J (2003) *Marketing Strategy*, McGraw Hill Education.

10. Bohm. D, Factor. D and Garrett. P (1991) *Dialogue – a proposal,* The informal education archives.

11. Booth, LS and Meadows, D (1995) *The Systems Thinking Playbook,* Published by the Laboratory of Integrated Learning (IPSSR), University of New Hampshire.

12. Brownlie, D and Saren, M (1997) *Beyond the one-dimensional marketing manager : The discourse of theory, practice and relevance*, International Journal of Research in Marketing, May, Vol 14, No. 2, Pages 147-161

13. Burbules, N (1993) *Dialogue in Teaching : Theory and Practice*, New York : Teachers College Press.

14. Burgess, S (2005) *Strategic Marketing insights*, Personal interview conducted at UCT Graduate School of Business, June.

15. Burrell, G and Morgan, G (1979) *Sociological Paradigms and Organisational* Analysis, Heinemann, London.

16. Capra, F (1996) *The Web of Life*, Harper Collins, London.

17. Chartered Institute of Marketing : CIM (2005) *Internal Marketing :Quick Help Resource*, http://www.cim.co.uk/cim/ser/html/infQuiGlo.cfm?letter=I, downloaded 28 November

18. Checkland, P (1981) *Systems Thinking*, Systems Practice, Wiley, Chichester.

19. Cordoba, J (2003) *Developing Inclusion and Critical Reflection in Information Systems Planning*, Academy of Management Annual Meeting, Seattle, August 5th.

20. Cox, J, Estrada, S, Lynham, S and Motii, N (2005) *Redefining human resource development in Morocco : An exploratory inquiry*, Human Resource Development International, December, Vol 8, No. 4, Pages 435-447

21. Cravens, D (2000) *Strategic Marketing*, McGraw Hill, 6th edition.

22. Creswell, J (1994) *Research Design : Qualitative and Quantitative Approaches*, Sage Publications.

23. Cronje, G.J & du Toit, G.S (2004) *Introduction to Business Management*, Oxford University Press, Southern Africa, 6th edition.

24. Daft, R (1999) *Leadership theory and practice*, The Dryden Press, Orlando.

25. De Bono, E (1997) *Away with the gang of three*, Guardian, 25 Jan.

26. De Geus, A (1998) *Planning as Learning*, Harvard Business Review, Mar-Apr.

27. De Geus, A (1997) *The Living Company : growth, learning and longevity in business*, Longview Publishing.

28. Dibb, S & Simkin, L (2001) *Marketing Briefs : a revision and study guide*, Butterworth Heinemann.

29. Drucker, P (1973) *Management : Tasks, Responsibilities, Practices*, New York : Harper and Row.

30. Du Plessis, P, Jooste, C and Strydom, J (2005) *Applied Strategic Marketing*, Heinemann Publishers.

31. Dunne, J (1993) *Back to Rough Ground : Phronesis and Techne in Modern Philosophy and in Aristotle*, Notre Dame, IN and London : University of Note Dame Press.

32. Easterby-Smith, M, Thorpe, R, Lowe, A (1991) *Management Research : an Introduction*, Sage Productions, London.

33. Egan, C & Thomas, M (2001) *The CIM Handbook of Strategic Marketing*, Butterworth-Heinemann.

34. Egan, C (1995) *Creating Organisational Advantage*, Butterworth-Heinemann.

35. Ferrell, O, Hartline, M, Lucas, G and Luck, D (1999) *Marketing Strategy*, Harcourt Brace and Co.

36. Firat, A and Schultz, C (1997) *From Segmentation to Fragmentation : Markets and Marketing Strategy in the Postmodern Era*, European Journal of Marketing, vol. 31, no 3/4.

37. Fisk. G (1967) *Marketing Systems : An introductory analysis*, Harper and Row.

38. Flood, R and Jackson, M (1991) *Creative Problem Solving, Total Systems Intervention*, Wiley, Chichester.

39. Gadamer, H-G (1979) *Truth and Method*, Sheed and Ward, London.

40. Garavan, T, McGuire, D and O'Donnell, D (2004) *Exploring Human Resource Development: A Levels of Analysis Approach* Human Resource Development Review, Vol. 3, No. 4, Pages 417-441

41. Gill, A, (2002) *Multimethodology : The theory and practice of combining management science methodologies*, Wiley, Chichester.

42. Greenwood, D and Levin, M (1998) *Introduction to Action Research*, Sage Publications.

43. Gummeson, E (2002) *Practical value of adequate marketing management theory*, European Journal of Marketing, April, Vol 36, Issue 3, Pages 325-349

44. Gupta, S and Zethaml, V (2005) *Customer Metrics : The Past, the Present, and the Future in Academia and Practice*, Marketing Science Institute, Special report, No. 05-200.

45. Habermas, J (1972) *Knowledge and Human Interests*, Heinemann, London.

46. Habermas, J (1984) *The Theory of Communicative Action*, Polity Press, Cambridge, Vol. 1.

47. Hill, J, McGowan, P and Maclaran, P (1998) *Developing marketing planning skills : combining theory and practice*, Journal of Marketing Practice : Applied Marketing Science, May, Vol 4, Issue 3, Page 69-84

48. Hock, D, (1996) *The Chaordic Organisation : Out of Control and into Order*, 21st Century Learning Initiative.

49. Hunt, S (1994) *On Rethinking Marketing : Our Discipline, Our Practice, Our Methods*, European Journal of Marketing, March, Vol 28, Issue 3, Pages 13 - 25

50. Hunt, S (1984) *The Nature and Scope of Marketing* in Brown. S and Fisk. R (1984) *Marketing Theory : Distinguished contributions*, John Wiley and Sons.

51. Jackson, M (1995) *Beyond Fads: Systems Thinking for Managers*, Systems Research, Vol. 12 No.1, 25-42.

52. Jackson, M (1996) *Critical Systems Thinking and Information Systems Research*, in Stowell, F and Mingers, J (eds). *Information Systems – An Emerging Discipline*, McGraw-Hill.

53. Jackson, M and Keys, P (1984) *Towards a System of Systems Methodologies*, Journal of the Operational Research Society 41.

54. Kauffman, S (1993) *The Origins of Order : Self-Organisation and Selection in Evolution*, Oxford University Press.

55. Kotler, P (1991) *Marketing Management : Analysis, Planning, Implementation and Control*, Edgewood Cliffs, New Jersey : Prentice Hall International.

56. Kotler, P (1999) *Marketing Management*, Prentice Hall.

57. Lambin, J (2000) *Market-driven Management : Strategic and Operational Marketing*, MacMillan Press.

58. Levy, S (2002) *Revisiting the marketing domain*, European Journal of Marketing, April, Vol 36, Issue 3, Pages 299-304

59. Lewin, R and Regine, B (2000) *Weaving Complexity and Business : Engaging the Soul at Work*, Texere, New York.

60. Littler, D and Wilson, D (1995) *Marketing Strategy*, Butterworth-Heinemann.

61. Luckett, S (2003) *Towards a Critical Systems Approach to Policy Formulation in Organisations,* International Journal of Computers, Systems and Signals, Vol. 4 No.1.

62. Lynch, R (2000) *Corporate Strategy,* Prentice-Hall.

63. McAllister, L (2004) *Practical Communication of Marketing's Promise,* Powerpoint presentation presented at the MSI Fall 2004 Board of Trustees Meeting and Conference on : Closing the Gap Between Promise and Practice on Novermber 11-12 in San Francisco, California.

64. McBride, N (2002) *Chaos, Complexity and Information Systems,* De Montfort University, Leicester.

65. McCarthy, J and Perreault, W (1990) *Basic Marketing : A Managerial Approach,* Irwin.

66. McDonald, M (1989) *Ten Barriers to Marketing Planning,* Journal of Marketing Management, Vol 5, No 1.

67. McNiff, J (2000) *Action Research in Organizations,* Routledge.

68. Midgley, G (1996) *What is this thing called CST?* in Flood, R and Romm, N, *Critical Systems Thinking,* Wiley, Chichester.

69. Midgley, G (1997) *Mixing methods : developing systemic intervention,* in Mingers, J and Midgley, G (2000) *Systemic Intervention Philosophy, Methodology and Practice,* Kluwer Academic/Plenum, New York.

70. Mingers, J and Brockelby, J (1996) *Multi-Methodology : Towards a Framework for Critical Pluralism,* Systemist, Vol. 18, No. 3.

71. Mingers, J and Gill, A (eds) (1997) *Multi-methodology : The Theory and Practice of Combining Management Science Methodologies,* Wiley, Chichester.

72. Mintzberg, H (1973) *The Nature of Managerial Work,* Prentice Hall.

73. Mintzberg, H (1994) *The Rise and Fall of Strategic Planning,* Prentice Hall.

74. Mintzberg, H (1998) *Strategy Safari,* Prentice Hall.

75. Mitleton-Kelly, E (1998) *Organisation as Complex Evolving Systems,* OACES Conference, University of Warwick, Dec. 4 and 5.

76. Morgan, G (1993) *Imaginization : The Art of Creative Management,* Sage, London.

77. Ortegon-Monroy, M.C (1999) *Chaos and Complexity Theory : a review of its status, perspectives and implications for management,* Faculty of Business and Management, Working Paper.

78. Patton, MQ (2002) *Qualitative research and evaluation methods,* 3rd edition, Sage Publications.

79. Peters, M (2005) *Strategic Marketing insights,* Personal interview conducted at WITS Graduate School of Business, August.

80. Reason, P, Goodwin, B (1999) *Toward a science of qualities in organisations: lessons from Complexity Theory and postmodern biology,* To be published in Concepts and Transformation.

81. Rosenhead, J and Mingers, J eds. (2001) *Analysis for a Problematic World Revisited : Problem Structuring Methods for Complexity, Uncertainty and Conflict,* John Wiley and Sons.

82. Rumelt, R, Schendel, D and Teece, D (1991) *Strategic Management and Economics,* Strategic Management Journal, No. 12.

83. Schwandt, T (1996) *Farewell to Criteriology,* Qualitative inquiry, 2 (1).

84. Senge, P (1990) *The Fifth Discipline: The Art and Practice of the Learning Organisation,* Currency Doubleday, New York.

85. Sinclair, R (2001) *Looking back at the Future,* Future Mag, 3 May, downloaded from http://www.brandmetrics.com/cgi-brandmetrics/brand-displayarticle.pl?20010503.

86. Smith, G (1975) *Business and Management studies : a guide to the information network,* Journal of Management Studies, May.

87. Sondhi, R (2005) *The art of strategic decision making,* Management Today, Vol 21, No 9, ISSN 1027-4324.

88. Stacey, R.D (1993) *Strategic Management and Organisational Dynamics,* Pitman, London.

89. Stacey, R.D (1996) *Complexity and Creativity in Organisations,* Berret-Koehler, San Francisco.

90. Stacey, R.D (2003) *Strategic Management and Organisational Dynamics : The Challenge of Complexity,* FT Prentice Hall.

91. Steiner, G.A (1979) *Strategic Planning : What every Manager needs to know,* New York: Free Press. Wiley.

92. Stringer, E (1999) Action Research, 2nd Edition, Sage Publications.

93. Terre Blanche, M and Durrheim, K (1999) *Research in Practice : Applied Methods for the Social Sciences,* University of Cape Town Press.

94. Toulmin, S (1996) *Concluding methodological reflections : elitism and democracy among the sciences,* in Toulmin, S and Gustavsen, B (eds.) Beyond Theory : changing organizations through participation, Amsterdam and Philadelpia, PA : John Benjamins.

95. Trow, M (1957) *A comment on participant observation and interviewing : a comparison,* Human Organisations, Vol 16, No 3.

96. Tsoukas, H (1998) *Chaos, Complexity and Organisation Theory,* Organisation, vol 5.

97. Ulrich, W (1998) *If Systems Thinking is the Answer, what is the question?* Working paper, Lincoln School of Management.

98. Van der Heijden, K (1996) *The Art of Strategic Conversation,* Wiley.

99. Vickers, G (1983) *Human Systems are Different,* Harper and Row, London.

100. Vigar-Ellis, D (2005) *Strategic Marketing insights,* Personal interview conducted at University of KwaZulu Natal Graduate School of Business, June.

101. Vincze. J and Anderson.C (2004) *Strategic Marketing Management,* Houghton Mifflin Co, 2nd edition.

102. Waring. A (1996) *Practical Systems Thinking,* Thomson Learning.

103. Wenger, E (1998), *Communities of Practice : Learning, Meaning and Identity*, Cambridge University Press.

104. Whittington, R (2001) *What is strategy – and does it matter?* London, Thomson.

105. Wilson, R and Gilligan. C (2005) *Strategic Marketing Management : planning, implementation and control,* Elsevier Butterworth-Heinemann, 3rd edition.

106. Woog, R (2003) *The Knowing of Knowledge,* Working Paper, 7 November 2003.

Appendix One

Core components of Marketing Strategy

ORGANIZATIONAL MISSION, GOALS AND CORPORATE STRATEGY

ORGANIZATIONAL OPPORTUNITIES AND CAPABILITIES Environmental scanning; Customer and competitor analysis Marketing opportunities; Capabilities and resources

STRATEGIC OBJECTIVES Intense growth; Diversified growth Integrated growth ;Maintenance

TARGET MARKET STRATEGY, BRAND POSITIONING AND DIFFERENTIAL ADVANTAGE Market segmentation; Prioritization of target markets Brand positioning; Differential or competitive advantage

MARKETING OBJECTIVES

MARKETING PROGRAMMES FOR IMPLEMENTATION Marketing mix tactics; Operational controls and processes

PERFORMANCE ASSESSMENT AND MONITORING

Figure : Core components of marketing strategy

Source : Dibb,2001

Appendix Two

A Framework for Customer Metrics

Financial Impact	Customer Equity	Firm Value	Firm Profitability	**What firms get**

⬆

Behavioural outcomes	First time purchase or customer acquisition	Repeat purchase or customer retention	Cross-category purchase or cross-selling	**What customers do**

⬆

Perceptual constructs	Trust Perceived Value	Loyalty Satisfaction	Commitment Service Quality	**What customers think**

⬆

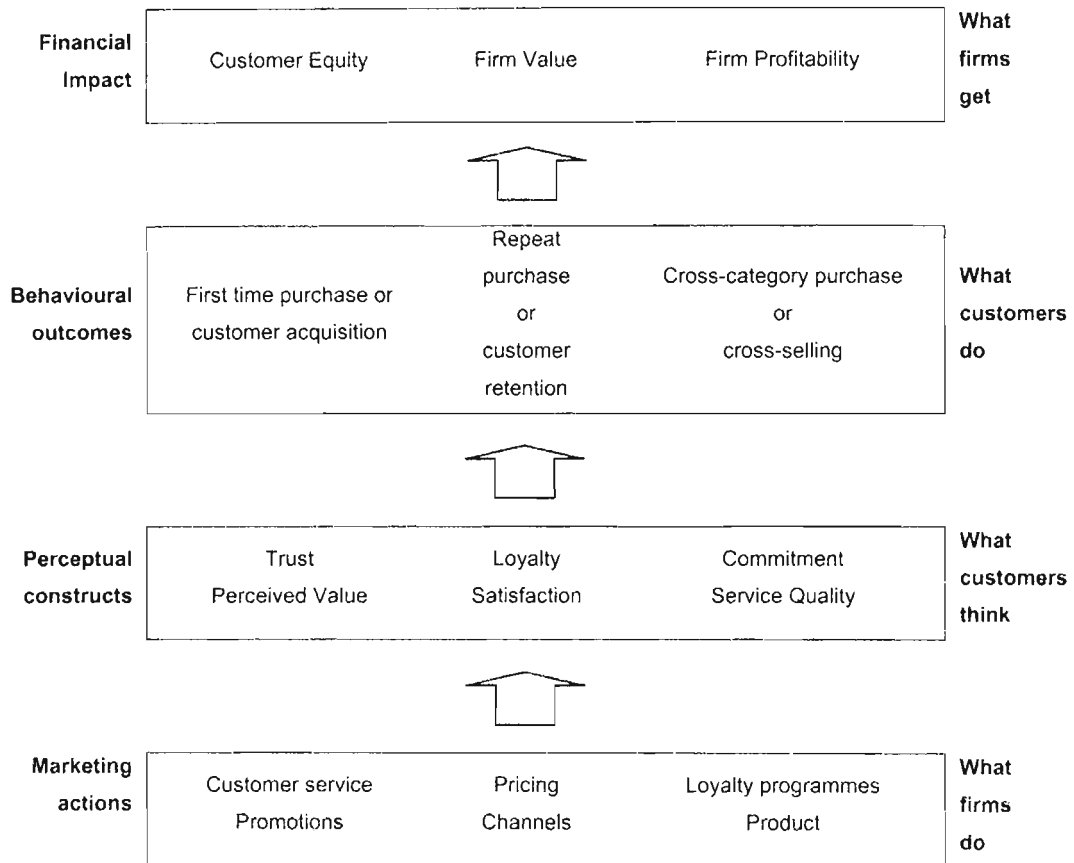|				
Marketing actions	Customer service Promotions	Pricing Channels	Loyalty programmes Product	**What firms do**

Figure ... : A Framework for Customer Metrics

Source : Gupta,2005

Appendix Three

Contact details and profiles of respondents

Selection group	Profile	Name of Bank	Name of Respondent	Job Title	Contact telephone number	Contact e-mail address
A	Development Bank	Albaraka Bank	Ziyaad Mohammed	Marketing Manager	031 3662845	ziyaadm@albaraka.co.za
A	Development Bank	Capitec Bank	Andrea Galloway	Marketing and Corporate Affairs Manager	021 8095982	AndreaGalloway@capitecbank.co.za
A	Development Bank	Ithala Bank	Thulisile Galelekile	Group Marketing and Communications Manager	031 9078961	marketing@ithala.co.za
A	Development Bank	TEBA Bank	Chantal Storbeck	Marketing Manager	011 2031668	Chantal@tebabank.com
A	Private Bank	BOE	Nandipha Solomon	Marketing Manager	021 4166000	Nandipha.solomon@boe.co.za
A	Private Bank	Investec	Carolanne van der Merwe	Marketing	011 2867314	cvandermerwe@investec.co.za
A	Private Bank	Rand Merchant Bank	Celeste Bosman	Marketing Manager	011 3035387	cbosman@rmbprivatebank.com
A	Retail Bank	Nedcor	Garreth Elston	Marketing Manager	011 2940375	Garrethe@mweb.co.za
A	Retail Bank	Old Mutual Bank	Rene Roux	Marketing Manager	021 5034013	rroux@oldmutual.com
A	Retail Bank	Standard Bank	Donald van Hoogstraten	Director : Customer Insights	011 6362881	Donald.vanhoogstraten@standardbank.co.za
B	Financial Services	Discovery Life	Suzanne Stephens	General Manager : Marketing Services	011 5292077	suzannes@discovery.co.za
B	Financial Services	FNB Commercial Banking	Clive Pintusewitz	Head of Strategic Marketing and Innovation	083 4443300	cpintusewitz@fnb.co.za

B	Strategic Marketing Ed	UCT GSB	Prof Steve Burgess	Professor of Business Administration and Research Director	021 4061616	sburgess@gsb.uct.ac.za
B	Strategic Marketing Ed	UKZN Marketing Faculty	Prof Debbie Vigar-Ellis	Professor of Management Studies	033 2605899	vigard@ukzn.ac.za
B	Strategic Marketing Ed	WITS GSB	Mark Peters	Director of Executive Education	011 7173534	peters.m@wbs.ac.za

Appendix Four

Guide of Themes and Guidelines for Engagement

E-Mail :

Hello *(insert name)*

Thank you for agreeing to meet with me on the *(insert date)*.

As discussed, I work for the Leadership Centre at the University of Kwazulu-Natal and for the Business School at UCT as a lecturer. Prior to this, I have worked in the hotel & construction industries, for Visa International and Investec.

I am completing my Masters part-time and am needing to interview someone from *(insert bank)* who works with Strategic Marketing. This interview will be one of twelve interviews conducted, ten with the strategic marketers of other South African banks and two with the strategic marketers of other financial institutions. To date, I have *(insert number)* interviews confirmed. The interview is very relaxed, will take an hour and will be exploring the practice of 'Strategic Marketing' : what it is that you actually do and how it is done. Although many researchers work off a pre-determined set of questions, I am using a conversational form of research around a frame of issues to be discussed.

The intention of the study is to critically evaluate the theory of strategic marketing, as compared to the day-to-day practice of strategic marketing (which will be communicated by the likes of yourself). ideally, I would like to use this information to challenge the academic syllabus &/or methodologies used to teach marketing at the moment. Developmental advice that could be fed back to the banking industry (obviously generally, without making reference to any specific actors) would be an additional desired outcome. Due to time and resource constraints, I have had to be very selective in the people who I interview, but would like to think that it would be mutually beneficial and certainly potentially beneficial to the development of effective marketers in the future.

I look forward to hearing from you. Have a good week.

Kindest regards

Jemma Macquet

082 785 3662 (c)

jemma@macquet.za.net

Letter of Confidentiality

leadership centre
UNIVERSITY OF KWAZULU-NATAL

(date)

Guarantee of Confidentiality

To Whom It May Concern

This letter serves to confirm that Jemma Macquet is a registered student at the University of KwaZulu Natal. She is in the process of completing her Masters in Commerce degree through the Leadership Centre. Her dissertation will be exploring the area of 'Strategic Marketing', looking to critically evaluate the theory, as compared to the day-to-day practice of strategic marketing.

Please note that all information shared in the interviews will remain entirely confidential and will be assessed and stored accordingly.

Should you have any queries, or wish to discuss any further matters, please do not hesitate to contact us on 031-260 1383.

Kind regards

_____   _____

Prof RG Taylor   Shamim Bodhanya
Director of the Leadership Centre   Co-supervisor

Appendix Six

Guide of questions used in interviews

i) What is it that you actually do in your job as a senior strategic marketer in this bank?

ii) Referring to figure 3 which outlines the core components of marketing strategy, how much of this theory do you use and how do you use it?

iii) Referring to the last section of the above-mentioned figure, what strategic marketing performance measurement and assessment do you do? How do you relate to figure 15 which shows a framework for customer metrics. Do you use any of these metrics and if so,how?

Appendix Seven

Ideas on how Complex Adaptive Systems (CAS) can be seen in operation in current marketing theory.

Discourse on complexity and complex adaptive systems can be extended to strategic marketing at two levels : firstly to the theory of marketing and secondly, to the practice of marketing :

(i) CAS and the theory of marketing

According to the explanation presented of a Complex Adaptive System, an individual is a CAS, as is a team as is an organization. As an extension of this thinking, it would be feasible to see the *theory of marketing* as a CAS, motivated by the fact that the theory of marketing is created by a group of academics and practitioners who could be collectively termed agents within the system. As one agent acts, another reacts, thereby creating the effect of self-organisation. Furthermore, all agents operate under different rules which will work together to create different patterns of behaviour. Broad patterns are interpreted as embodying a body of theory that can be presented as the theory of marketing. It is this theory that is taught at tertiary level.

(ii) CAS and the practice of marketing

Taking this a level deeper, the *practice of marketing* can be seen as a CAS as well. Marketing, by definition, involves a customer centric approach whereby the organizations resources are best employed within a certain environment to maximize the satisfaction of the customer to meet organizational objectives. Therefore, marketers are impacted by the customers, the environment, the organizational objectives and the organizational resources. Each of these forces can be conceptualized as agents within a system which impact on each other. This can be practically demonstrated : if the staff turnover is high, service is likely to reduce which will impact on customers, just as it will impact on the achievement of organizational objectives. Therefore, if the marketer is astute at reading the attractors and rules operating in the internal organizational environment, the internal customer environment (evidenced through customer behaviour) and the external environment, the marketer is likely to be more aware of live inputs for the development of a meaningful, ongoing strategy. Within the current frame of marketing, one could say that attractors are currently monitored and tweaked, using consumer behaviour insights and internal marketing to create a desired outcome. An example would be the identification of a need for fun which will lead to the development of an advertisement in which fun is the central theme. The motive behind this is to trigger a different pattern of behaviour, preferably, in the case of a

capitalist company, a sale. However, it is the opinion of the author that these processes fall short of enjoying the full potential that an awareness of attractors and patterns of behavior can yield.

Working with the attractors internally and externally within the organizational environment, will create new patterns of behavior which can be nudged forward to define an emergent strategy. This is according to the thinking of complexity. The thinking of emergent strategy offers further insight from its perspective that an emergent strategy is defined by retrospectively looking back upon activities that have happened to identify patterns of behavior which indicate a strategy. This process of retrospection implies an emphasis on reflection, reflection on previous activities to identify patterns of behavior.