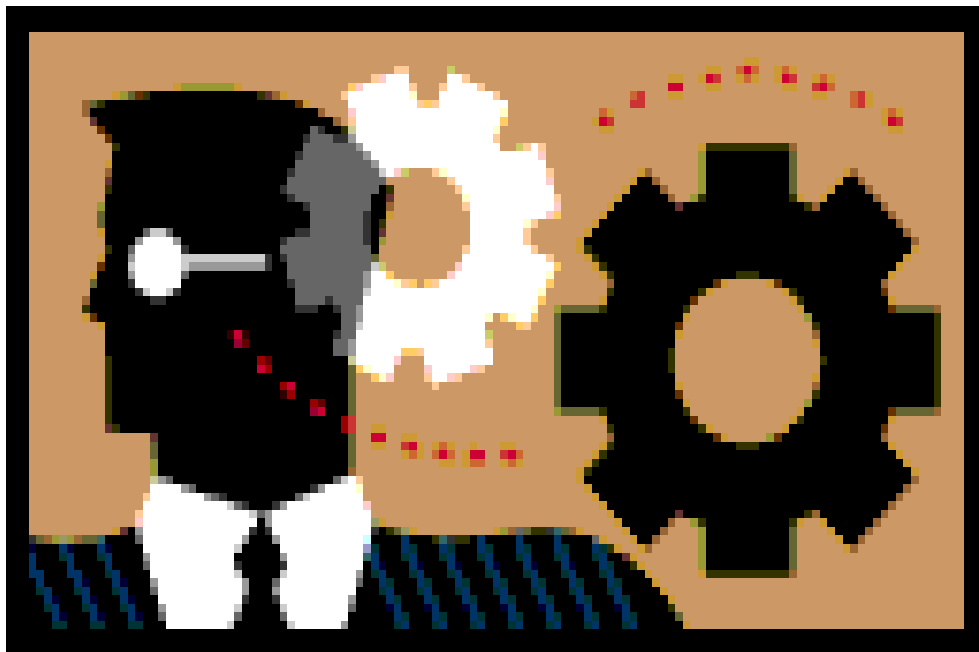




University of Fort Hare  
Together in Excellence

# BUSINESS DYNAMICS



**NEWSLETTER OF THE  
DEPARTMENT of BUSINESS MANAGEMENT  
(January 2007 edition)**

*EDITOR: MORNAY ROBERTS-LOMBARD  
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**“WE MAKE EDUCATION SMARTER”**

## LETTER FROM THE EDITOR

Dear colleagues

It is the start of a new academic year. Students are ready to empower themselves with knowledge that will broaden their horizons, both academically and personally. The sunny smile of summer excites me and makes me aware of the wonder of nature. We are truly blessed at the university of Fort Hare to teach, learn and research in tranquil surroundings, far removed from the hustle and bustle of the large metropolis environments. East London still creates an atmosphere which is reflective of a quality life style, comparable to the best in the world.

The department reflects on a productive year (2006) which was characterised by comprehensive teaching, community research, international staff and student visits as well as academic outreach and networking initiatives. Although the department is still in a growing phase with regard to its post graduate programmes, it has produced graduates of high caliber in the fields of marketing management, financial management, general management and small business management over the past years. Post graduate students of the department is currently working for organisations such as the Auditor General of South Africa, South African Breweries, ABSA Bank, to name but a few. The caliber of organisations that employ the students of the department is a clear indication of the trust installed by employers in the education standard(s) of the department.

Staff members of the department also improved on their qualifications during 2006. Another doctorate (Ph.D) was added to the department in 2007 as well as another masters degree qualification (M.Com). This is a clear indication of the willingness and ability of the academics in the department to empower themselves through continuous research and personal development. A fresh perspective will be provided on 2007 with a large number of academics and students presenting their papers at conferences all over South Africa as well as internationally.

Enjoy this January 2007 issue and I wish you a blessed academic year.

The editor

**A PERSPECTIVE ON CURRENT RESEARCH IN THE DEPARTMENT**

# **B. COM (HONOURS) 2006**

**WELLINGTON NYADZAYO**

*An evaluation of the customer retention strategies implemented by fast-food outlets,  
focusing on KFC, Nando's and Steers in King Williams Town*

The primary aim of the research was to critically analyse and evaluate the different customer retention strategies being implemented by fast-food outlets such as KFC, Nando's and Steers in King Williams Town. The fast-food industry in South Africa is experiencing numerous market-related changes, which ranges from intense globalisation forces to heightening competition levels. The pressure on businesses today is further increased by a market where the customer acquisition rate is slowing, customer loyalty is decreasing and sales cycles are lengthening. In such an environment, losing a valuable customer to a competitor can have a significant impact on profitability and growth. As a result, many companies have shifted their focus from customer acquisition to customer retention. The research was primarily concerned with assessing the Customer Relationship Management (CRM), Relationship Marketing, and Internal Marketing, customer satisfaction, customer loyalty and consumer behaviour in helping to maintain intimate relationships with customers. Personal interviews and in-depth interviews with the help of questionnaires were used to collect primary data in the research. Data collected was analysed using statistical and analytical techniques and information was presented using graphs, charts and tables through the Statistics Department at the University of Fort Hare.

## **WEBSTER MTETWA**

### ***An evaluation of the Brand perception of Fort Hare University amongst the Grade 12 learners of the Buffalo City Metropole.***

The research seeks to determine the overall perception which potential students have on the University of Fort Hare. This will be done by comparing the University of Fort Hare with other universities based on the reputation, image, characteristics of each university. The research will develop brand awareness of the university of Fort Hare amongst potential students. It will also provide information as to why the university is perceived in a certain way, and this will provide a base for developing a better Fort Hare through offering education highly rated by prospective and current students.

The reasons behind the students' perceptions will be detected which can be attributed to the qualities possessed by the University of Fort Hare. The research will also be used to determine whether brand awareness determines the brand choice. Students who are not aware of the available brands can not choose a university.

## **THANDI DINANA**

### ***An assessment of service quality levels at the main library of the University of Fort Hare in Alice***

The research seeks to examine and analyse the level of service quality delivered by the main library of the University of Fort Hare in Alice. The main focus is to determine whether students and academics are satisfied with the overall quality of service offered by the main library. The research will be a foundation to build a customer service.

Customer service is the ability of an organisation to constantly and consistently give customer what they want and need. The mission of customer service is to protect the companies' customer base by ensuring that the services are delivered on time and in accordance with the specification. This could be achieved through excellent customer

service. Excellent customer service is an integral part of customer relationship marketing. Customer relationship marketing is all about building a relationship with people significant to the organisation. It should therefore be every service organisation consistent endeavour to ensure that customer receives best service possible. The research will assist the main library to provide better level of service.

## **SIPHO CELESI**

*An analysis of customer satisfaction and customer loyalty of the Shoprite/Checkers complex in King Williams Town*

The research seeks to determine an analysis of customer satisfaction and customer loyalty at Shoprite/Checkers in King William's Town. It also seek to determine whether quality has an impact on customer satisfaction, whether price has an impact on customer satisfaction in King William's Town and how customers evaluate the quality of service deliverance. The study emphasised service quality as it is a pre-requisite for relationship marketing, customer satisfaction and customer loyalty. Customer loyalty, however, does not guarantee profitability.

The study highlighted the factors which affect customer service deliverance. It was noted that customer satisfaction depends on employee satisfaction. One hundred and twenty randomly selected Shoprite/Checkers customers participated in the research study.

**A REFLECTION ON PAST STUDENTS**

**BANELE MOYO (COCA COLA)**

**Occupation:** Market Developer Coca –Cola Sabco (Umtata)

## **THE MARKET DEVELOPER**

Every business entity strives to increase its market share by strategically manipulating variables that improve its customer brand awareness, brand perception and brand loyalty. Within Coca-Cola Sabco lies the functional areas of Sales and Demand Creation, where the latter complements the former. Through Demand creation, broadly defined as creating a customer base, a foundation is laid for sales to kick off. Customers are identified, issued with customer numbers on a system that stores and analyses market intelligence. Customer Numbering also facilitates and ensures a swift order process for customers with Coca-Cola, a leading worldwide soft drink and beverages manufacturer. Demand creation in totality involves stimulating and increasing soft drink sales by expanding on existing trade channels alongside identifying alternative thus strategic ones. It's all about increasing sales volume, sales variety and optimising the organisations relationship with its customers.

Market Developers within Coca-Cola who fall in the domain of Demand Creation enjoy much free reign in stimulating the market. They put forward several initiatives to stimulate demand, which are then approved by management in line with a set budget. The short, medium and long term effect of marketing strategy and initiate is reviewed intermittently.

## **WHAT THE DEPARTMENT MEANS TO ME**

To the Department of Business Management at the University of Fort Hare, I express my profound gratitude and heartily appreciation for grooming and awakening a marketing flair that was somewhat dormant before undertaking Advanced Marketing and Marketing research modules in the honours programme. I value the honours experience as the lecturing approach drifted from a theoretical to a more practical approach thus gearing me for the position that I currently hold. The assignments which included case studies and thoroughly guided presentations all come in handy at this juncture. I stand tall, assertive and confident as I present my marketing initiatives to management in the tense

and nerve wrecking environs of the boardroom. Special thanks go to Mr. Mornay Roberts-Lombard and Me. Celiwe Maku for their consistent support and criticality in lecturing, whose effects have realised a momentous job opportunity for me.

I urge all prospective honours students to select their thesis titles with much discretion as this will somewhat give them leverage or a head start in their search for employment. I say this from personal experience, where I spent a significant amount of time in my round of Coca-Cola interviews touching on my dissertation, as management took interest in my honours programme mini-thesis titled, “An evaluation of Customer Service at BP service stations in the Eastern Cape – A rural versus urban perspective.” Even though the petroleum and beverage industry which I currently serve are not related, I somehow made the models and concepts in the mini-dissertation applicable to Coca-Cola. I thank Mr. Roberts-Lombard for the influence and guidance in choosing my research topic as I now face several prospects because of his assistance.

I share with you, the prospective honours student, an acronym, “TAIL” which was an empowering tool that helped me through the honours programme. Excel in Theory, Application, Initiative, the linking of concepts and your brief existence in academia is glorified. I express sadness that the department still remains incapacitated by the shortage of qualified staff to supervise the masters in commerce programme. The persona, lying herein, inevitably has to drift his loyalty to another institution because of a time versus goal orientation. It remains an unfulfilled wish to enroll for the department’s masters in commerce programme by the age of 25, thus showing my loyalty to the institution.

### **THE CHALLENGES I HAVE FACED IN LIFE**

“To thee be the praise, to thee be the honour and to thee be the glory.” I thank God for all that has happened to me, for such a dispose that has stirred me towards the green. I cannot recall any major setbacks that deserve mention, at this juncture. I am grateful to have been born in such a loving family that has unreservedly supported me in every

endeavor with life skills, which have prepared me for my academic and social life. It is through their nurturing that I have been cultured and labeled a hardworking, calculating and conscious being. I have been granted different scholarships that have taken me right through varsity and I continue to face more prospects. I believe I have set a good pace by surrounding myself with focused, goal oriented and ambitious individuals. I close this session with words of gratitude to the people that have buoyed me, kept me afloat from the onset;

My father, “Chief”	“Your footsteps I follow.”
My Mother, “MaNkala”	“To live your advice means to glow.”
Babongile, “The Ndebele Rockstar”	“Your words I swallow.”
Badumisile, “Badu”	“Your vision I follow.”
Babusisiwe, “Whitey”	“My hope for tomorrow.”

May the abilities hereby acquired in my life at the university stir me towards success in life through solving problems and mostly opportunities of others and mine.

I thank you.

**BANGENI MASKOLI (XXXXX)**

**NELSON MANDELA FOUNDATION UNIT FOR RURAL SCHOOLING & DEVELOPMENT**

My name is **Masixole Bangeni**, from Peddie [Ngqushwa Local Municipality]. I graduated from the Department of Business Management with a BCom (Hons) in 2005. I am a research fellow with the Nelson Mandela Foundation Unit for Rural Schooling & Development. I am undertaking a study which is entitled:

**“Investigating into the devolution of the new PSNP model to local enterprises and the impact of this on community relations”**

This is registered as a Masters degree with the department of Development studies. I'm funded jointly by the Provincial Department of Education, University of Fort Hare & the Nelson Mandela Foundation. With all the benefits, exposure and packs that one can wish for. The department of Business Management created an environment for me where my innovative & creative skills were developed.

This is evident through community engagement work supported by the department. The department further groomed me to think outside the box. It is because of this grooming that I was able to make it to the national interviews of the Shell group of companies when they started their initial recruiting at the University of Fort Hare.

**THE SOUTH AFRICAN RELATIONSHIP MANAGEMENT FORUM**

**PRESENTATION AT NMMU ON 25 OCTOBER 2006**

A presentation by the South African Management Forum was made on the 25<sup>th</sup> of October at the Nelson Mandela Metropolitan University (NMMU) in Port Elizabeth. The presenters were Prof. Madele Tait and Me. Chantel Rootman from the Department of Business Management at NMMU and Mr. Mornay Roberts-Lombard from the Department of Business Management at Fort Hare University. The topics presented were in the fields of Customer Relations Management and Relationship Marketing. A total of forty guests (including industry representatives, academics and students) attended the presentations. The next session of Forum presentations will be at the University of the Free State in Bloemfontein in June 2007.

## WINNERS OF THE MOTIVATIONAL PRIZES IN THE DEPARTMENT FOR 2006

Four students from the 2006 honours group in the department received motivational prizes as top achievers in their respective fields. Prizes were awarded for both academic achievement as well as personal development. The prize winners are as follows:

- **Mr. Wellington Nyadzayo:**
  - Top B.Com (Honours) student for 2006; and
  - Highest academic achiever in Advanced Marketing Management for 2006.
  
- **Mr. Kwanele Dlamini:**
  - The most progressive student in Marketing Research for 2006;
  - Highest academic achiever in Advanced General Management for 2006.
  
- **Mr. Webster Mtetwa:**
  - The most viable research topic at honours level for 2006; and
  - Highest academic achiever in Advanced Financial Management for 2006.
  
- **Me. Thandi Dinana:**
  - Highest achiever in the development and advancement of marketing research:  
Mini-dissertation level.

## VISIT BY KONSTANZ UNIVERSITY IN JULY 2006

Students from the Department of Business Administration at the University of Konstanz in Germany visited the department in July 2006. Various topics were discussed in the fields of entrepreneurship, small business management and networking. A two day interactive and participative workshop was held and various ideas was exchanged. All the students did power point presentations on their various topics and a question and answer session was conducted after each participation. This is the third visit of the University of Konstanz to the main campus Fort Hare university in Alice and a next visit is already in the planning phase for March 2007.

Masters degree students in the department is also considering a visit to Konstanz university in February 2007. Prof. Dr. Jan Rosche, the team leader of the Konstanz student group to South Africa over the past three years, are investigating the possibility for post graduate students from Business Management at Fort Hare university to visit Konstanz in 2007. This is an opportunity for the post graduate students in the department who can fund themselves, to liaise with their peers in Germany.

### PRESENTATION BY GEOFF CHANDLER OF WALTER SISULU UNIVERSITY IN ALICE

Geoff Chandler from the department of Marketing at the Potsdam campus of Walter Sisulu University (WSU), delivered a presentation to post graduate students on life skills. Mr. Chandler visited the university on Wednesday the 20<sup>th</sup> of September 2006 and emphasized to students the important aspects of efficient planning, financial independence and the importance of religion in an individuals daily activities.

This presentation is part of an academic exchange initiative between the departments of Business Management at Fort Hare and Marketing at WSU. Dr. Roberts-Lombard delivered a presentation on services marketing to WSU in May 2006 as part of the program.

### SAIMS CONFERENCE IN STELLENBOSCH 2006

The annual conference of the South African Management Forum was held in Stellenbosch during the second week of September. The main theme of the conference was:

#### ***“Demystifying the art of research”***

Various delegates from all over South Africa, and even academics from Sweden, Germany and the Netherlands, attended the conference. The conference started on Wednesday the 13<sup>th</sup> of September and ended on Friday the 15<sup>th</sup> of September. Research papers were delivered in the field of Marketing, Financial Management,

Entrepreneurship, Labour Relations and General Management. The best paper prize was awarded to staff from the department of Business Management at the Nelson Mandela Metropolitan University. This was a proud moment for the academic sector in the Eastern Cape since the prize was snapped from academics in other provinces who also delivered papers of an excellent standard.

## **PRESENTATIONS BY POST GRADUATE STUDENTS IN ALICE**

The post graduate students of the department delivered papers on their respective research fields to the university community during August and October 2006. The purpose of the presentations was to inform the public of the different areas of research in which the department is specialising. The community project selected by the department for 2006 was to research the level of customer satisfaction provided by the University of Fort Hare in Alice.

Furthermore, various interesting fields such as the brand awareness of the University of Fort Hare amongst grade 12 learners in East London, the current level of relationship building between the small business sector and the short term insurance sector in East London, the relationship marketing strategies applied by fast food outlets in King Williams Town and the marketing strategies applied by grocery shops in Mdantsane in East London was presented to the audience.

## **STAFF DEVELOPMENTS**

## **MORNAY ROBERTS-LOMBARD COMPLETED HIS PH.D**

Mornay Roberts-Lombard, Senior lecturer in the Department of Business Management in Alice, completed his doctorate in Business Management. The topic of his Ph.D dissertation was:

*“Relationship Marketing in the travel agency industry in the Western Cape province of South Africa”*

The research was done over a period of four years and incorporates a wide spectrum of intense statistical analysis. The results of the research will be presented to the Association of South African Travel Agents (ASATA) at their annual general meeting in Johannesburg in 2007.

**NEW PUBLICATIONS**

Mornay Roberts-Lombard has been commissioned by Van Schaik publishers in Pretoria to function as an editor for a new marketing research book (Step-by-Step Marketing Research) which is due for launch to the academic market in November 2007. The book will primarily focus on the needs of third year students in Marketing Management at Universities of Technology as well as the B.Com (honours) students at the academic universities and the newly formed comprehensive institutions.

Dr. Roberts-Lombard will also be an editor for a new services marketing book to be launched by Van Schaik in 2007-2008. This book will be a new contribution to the South African market since the different chapters will be developed by experts in the field. There will be a triangular focus on Relationship Marketing, Customer Relationship Management (CRM) and Services Marketing.

Two new articles will be published by Dr. Roberts-Lombard in the field of Marketing Management during 2007, namely:

**AN INVESTIGATION INTO THE CUSTOMER  
ORIENTATION OF THE TRAVEL AGENCY  
INDUSTRY IN THE WESTERN CAPE**

This paper will be published in the *Commercium Journal* of the Tswane University of Technology. The *Commercium Journal* is publishing in the field of Economic Sciences and receives contributions from academics all over South Africa and the globe. The intended date of publication is February 2007.

## **A PERSPECTIVE ON CUSTOMER SERVICE DELIVERANCE WITHIN THE TRAVEL AND TOURISM INDUSTRY IN THE WESTERN CAPE**

This paper will be published in the *Fort Hare papers journal* of Fort Hare university. The intended publication date is March 2007.

### **CURRENT RESEARCH IN THE DEPARTMENT**

The department is currently managing research which are aimed at various Small Business Management and Entrepreneurship related issues. The following topics are noted:

- An investigation into the impact of debt on the profitability of small manufacturing firms in the Buffalo City Municipality;
- An assessment of the impact on profitability by the marketing strategies employed by the black grocery shop owners in the Mdantsane area of East London;
- An investigation into the viability of establishing a Small and Medium Enterprise Centre in the township of Mdantsane in East London;
- A investigation into the effect of capital budgeting techniques on the value of small manufacturing firms in the Nelson Mandela Metropolitan area;
- An investigation into the impact of debt on the profitability of small manufacturing

enterprises in Harare, Zimbabwe; and

- An empirical investigation into the factors affecting the performance of small and medium enterprises in the manufacturing sector of Harare, Zimbabwe.

Research by Mornay Roberts-Lombard are currently focused on relationship marketing principles and the customer orientation of travel agencies in the Western Cape province of South Africa.

## **FUTURE INITIATIVES**

***THE FOLLOWING ARE SOME OF THE FUTURE INITIATIVES OF THE DEPARTMENT!!!!***

- Introduction of the B.Com (Honours) course into East London in 2008 and
- Replacement of General Management with Strategic Management as a compulsory course for undergraduate B.Com students in 2008.

## **MESSAGE BOX**

### **ACADEMIC VIEWS**

#### SERVICE EXCELLENCE

By: Mr. B. D. JORDAAN

The service efficiency and excellence of business enterprises and public offices in South Africa is shocking. Many clients /consumers and citizens can testify about the poor level of customer relations, a lack of customer need-satisfaction as well as a lack of consumer goodwill. As a result, consumers become frustrated because they have to sacrifice scarce money resources for inferior services. Inefficiency derails all efforts to counter inflation and promotes general poverty in the country.

The question to be answered is: Where should we start to address this efficiency problem? Everyone should agree that the solution lies squarely at the door of each firm/organisation, its management and employees. The development of an efficiency-focused culture should therefore be imbedded in the mission of every firm/organisation.

## **2. ASPECTS AND VALUES THAT CONTRIBUTE TO "SERVICE EXCELLENCE"**

### **2.1 Training**

Training is essential to improve the potential and competency of each employee. Enhanced skills promote self-esteem, increase job-satisfaction and holistically create and foster an efficiency climate in South Africa. A sound product knowledge is essential to provide an efficient service to your customers/clients. Service quality is enhanced, productivity improved and wastage and cost reduced. Last but not least, all these benefits will ensure a much greater client/customer need-satisfaction. Showing interest and having a positive and enquiring learning culture are essential to prevent stagnation and broaden one's field of knowledge and make one more valuable to the organisation and to the customers/clients. It is imperative in the continuous changing and competitive business environment to maintain and improve service efficiency and make each contact count

### **2.2 Responsibility, reliability, self-discipline and honesty**

Responsibility and reliability refers to being trustworthy, accepting the duties assigned to one and fulfilling it as efficiently as possible. Self-discipline on the other hand, refers to inner-directed controls which support good behaviour, self-control, a concern for what is correct and beneficial, a willingness to obey instructions from superiors - that is a preparedness to be subjected to authority. Punctuality is a sign of good discipline and essential to maintain an efficient service. Honesty is formally classified in business life as Business Ethics. Dishonesty most often focuses on quick results over the short term, which is inconsistent with and do not support overall business plans. Neither will such actions build long-lasting relationships of trust with customers/clients.

### 2.3 Communication and telephone ethics

This is one of the areas where many organisations impress poorly and where stakeholders can get severely upset and disappointed. First impressions are lasting, good telephone ethics could go a long way in building relationships. Proper policies should be in place to ensure customers/clients receive up to date information. Obviously, efficient communication is essential at different points in time. Customer-interaction and communication form part and parcel of the service rendering process.

### 2.4 Flexibility, customer orientation and attitude

Flexibility and the correct customer orientation/focus are important requirements for organisations that are involved in service-rendering. The ability to adapt to a variety of needs and to respond to peak and slack times equally well without sacrificing personal care and efficiency, is essential. Services cannot be stored like products and appointments are thus essential to maintain a controlled flow of customers. Satisfaction of consumer needs, demands and preferences constitutes customer orientation and contribute to the success of the organisation. Competitors are quick to thrive on poor service levels as opportunities to their advantage. Attitude refers to the manner in which customers are treated. It includes aspects like tact, temper, respect, care, helpfulness, friendliness and tone of voice.

### 2.5 Information systems

An up to date data base is a fundamental requirement for efficient service rendering. Consumer surveys are useful to acquire essential information in order to improve and maintain such efficiency. Good and well protected recordkeeping of essential personal data can enhance service rendering and could further assist in giving guidance and advice to the customer/client in caring for the product or how to maximise customer satisfaction and benefits. A sound information system reflects the level of professionalism reach by each employee.

### 2.6 Time Management

Time management is quite often a great neglected area in many organisations. Time is one of the hidden factors of production and the misuse or wastage of time is not

considered in the serious light it deserves. Time cannot be increased or created; once it is lost, it is a waste for ever.

3. **CONCLUSION**

Service excellence requires dedication. Nothing meaningful and of lasting value is achieved without the necessary effort, initiative and dedication. Reich (Entrepreneurship reconsidered: The team as hero, 1987: 80) makes an important statement in this regard, which he calls the New Economic Paradigm:

*"We need to begin telling one another a new story in which companies compete by drawing on the talent and creativity of all their employees so that everyone in the company has the opportunity and capacity to participate."*

Service excellence requires clear and measurable goals that are understood by all parties and which allow for own initiative and control.

The quest for the improvement of efficiency should not only be top-management driven, but should form an integral part of the work ethics and culture of every employee. The joint efforts of all service rendering firms to achieve this efficiency culture, form part of their social responsibility. Such efficient cultures are not created overnight, but through education and training, motivation, collaboration, involvement and praise. Bell and Burnham (Managing Productivity and Change, 1991 : 272) state as follows:

*"Efficiency-focused cultures do not occur randomly, they emerge as the result of a long-term effort and are the product of the work of many people. A culture focused on continuous improvement will take years to build".*

**MOVIE REVIEWS**

If you are a movie supporter like me, I can truly recommend the following movies at Ster Kinekor. If they are out on DVD, be sure to get your hands on them. They are great!!

- **Night at the museum (Ben Stiller is playing an excellent role. It is a must for all those futuristic believers);**
- **The Devil wears Prada (Fantastic acting by Meryl Streep and Anne Hathaway);**
- **Saw III (Not for the faint hearted);**
- **Flushed away (For those light hearted individuals after a hard day at work);**  
and
- **Casino Royale – The latest 007 movie (Definitely for those action junkies).**

***ENJOY YOUR MOVIES!!!!!!!!!!!!!!!!!!!!!!!!!!!!***



**“There is only one way to happiness, and that is to cease worrying about things which are beyond the power of our will”**

***EPIAETUS***

**“You are never fully dressed without a smile”**

***MARTIN CHARNIN***