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A review of customer value to Dstv customers through outsourced installer companies

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A review of customer value to Dstv customers through outsourced installer companies

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A consultancy report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Business Administration

Johannesburg, 2018

ABSTRACT

The purpose of this Consultancy report is to provide the client, MultiChoice Field Services, insights on the customer feedback they have received. This study aims to affirm or dispute the main problem through detailed analysis of related sub-problems and provide feedback in the form of recommendations.

The main problem relates to Dstv customer's dissatisfaction with the work done by Dstv installers which has resulted in unexpectedly high Dstv maintenance costs. This key issue has been analysis in the form of; understanding Dstv customer value(s), analysis of current outsourcing business model and identify opportunities to innovate with MultiChoice being a dominant firm.

This qualitative research approach is designed to make use of focussed Dstv customer interviews to better understand identified problems. The primary data obtained from this inductive research process will address the main problem. The secondary research data will provide further insights in understanding other potential problems and collectively aid comprehensive recommendations to MultiChoice.

The results of this study have identified rich secondary research information and unravels actual and core problems further than what was initially identified. Some key findings relate to how dominants firms can re-assert their market dominance through leveraging of technology and finding alternative outsourcing models.

This study interprets the underlying theme relating to customer's being happy to spend more for what they perceive as value. Therefore, recommendations provided to MultiChoice are based on what the customer wants that provides entertainment value.

DECLARATION

I, ___Nkululeko Nombika_____, declare that this consultancy report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration in the Graduate School of Business Administration, University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.



Nkululeko Nombika

Signed at ……North West……

On the ……28th…… day of ……February…… 2018

DEDICATION

A special dedication of my family; Claire and the kids for your support and making it relatively easy to focus on my studies. Thank you for the hot meals, late night discussions and being my sounding board. I promise life will go back to normal now.

I wish to thank MultiChoice Field Services team for allowing me access to some internal resources and information. In particular, I wish to thank Mr Constant Fourie, the Head of Field Services, for his keen interest and guidance in the development of this study.

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First and foremost, I would like to acknowledge God for providing me the intellect, health, finances and spiritual grounding to get to this point. He has given me patience, persistence and the aptitude to complete this research which has resulted in immense personal growth and academic development.

I would like to acknowledge Ms. Samali Bosa (my supervisor) for her patience in drilling attention to detail, those late international Skype calls and multiple reviews. This would not have been possible without your guidance and support; your experience and insight have greatly enriched this research and my academic development. Thank you.

Lastly but definitely not least, to Mr. Thandekile Madikane and Mr. Duma Sisulu for the data analysis and proofreading, your support and guidance are received with great respect and gratitude. And finally, Ms. Jennifer Croll for receiving my last-minute edits and your final touch to add flair in packaging this report, thank you so much team.

SUPPLEMENTARY INFORMATION

Supervisor:	Ms. Samali Bosa
Word count †:	15 294
Supplementary files:	Interview questionnaires
	Net promoter score illustrated

† Including Executive Summary and References

EXECUTIVE SUMMARY

This research paper is motivated by a keen interest in how well Naspers's share performance has increased 17x from R589.22 (21 February 2013) to the current price of R3 414.28 (21 February 2018), as per Morningstar - Independent Investment Research. This is currently the highest valued share on the Johannesburg Stock Exchange. Naspers wholly owns MultiChoice, which contributed 23% to Naspers revenue in 2017 financial year.

MultiChoice is a provider of Digital Satellite Television (Dstv) in South Africa and the rest of Africa. MultiChoice is a dominant firm within the South African broadcasting industry and provides entertainment to millions of subscribers through satellite transmission.

With the high penetration of household fast internet (fibre) in South Africa, in the last few years, this has greatly impacted how entertainment is consumed. This has brought rise to many streaming solutions through devices like Apple TV and My Gica in providing solutions like Netflix and Show Box to name a few. These new services come at a reduced subscription fee compared to Dstv, some of these services stream content for free.

Dstv customers have satellite receivers and these devices need to be periodically maintained and upgraded as MultiChoice launches new technology. This Consultancy report therefore focusses on Dstv customer value based on the feedback the MultiChoice Field Services team received from customers. The feedback relates to the high price of maintenance and upgrade which is paid by the customer to installer companies.

The MultiChoice Fields Services team manage the fully outsourced installer companies and these vendors are solely responsible for all Dstv installations and upgrades. This report will review the impact these installer companies have on the Dstv customers. The report will help MultiChoice with recommendations on

how to best manage the installer function and help MultiChoice entrench their dominance based on the researched value for customers.

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1 INTRODUCTION

1.1 MultiChoice - South Africa and background

MultiChoice is a South African digital satellite television (Dstv) services provider. It is wholly owned by JSE listed Naspers and operates as MultiChoice Africa outside of South Africa. MultiChoice contributes 23% to the Naspers group revenue as per 2017 Annual Financial Statements (PwC, 2017) through providing Dstv services on subscription (pay-tv). MultiChoice is operating in the entertainment and broadcasting industry and on their website, they have described themselves as the leading video entertainment and internet company (Multichoice, 2018) in South Africa.

To understand MultiChoice's value chain in providing its services, the process begins with sourcing of audio and visual content locally and internationally, and thereafter, making it available to consumers through satellite transmission. This means MultiChoice needs to have transmitting satellites in orbit, to broadcast radio and television services. Subscribers are required to have a satellite dish and a decoder installed at their premises to receive the broadcasted content or entertainment. Without this hardware, subscribers cannot receive the satellite transmission. MultiChoice has outsourced this business-critical hardware installation function to independently owned installer companies.

The MultiChoice value chain is then complete when the consumer has all the required hardware and activation of services is done, translating to revenue for MultiChoice. MultiChoice has cemented its dominance in the South African market through creating strong barriers to enter the Dstv industry by; outbidding for exclusive content and technology advantages (having their own satellite).

Porter (1980) identifies that for all firms to remain competitive, they need to constantly scan the environment. They must be aware of; entry of new competitors, the threat from substitutes, the power of buyers and suppliers

(Porter M. E., 1980; porter). This does not exclude dominant firms, as in the position MultiChoice currently enjoys.

1.1.1 South African Media and Entertainment industry

According to the PwC Entertainment and Media outlook for 2017, which presents a comprehensive study of the trends and influences shaping the South African entertainment and media (E&M) industry, year-on-year entertainment and media growth rose by 10.7%, with 2017 total entertainment and media revenue reaching R132.7 billion (PwC, 2017). With the early fast-paced internet access revenue growth now behind it (due in part to mobile internet penetration passing 50% mark, where most of the fastest growth is realised) and the forecast decline in print media's two largest segments, in the form of newspapers and magazines, an overall 6.0% Compound annual growth rate (CAGR) is expected to 2021 (PwC, 2017).

With this, we see that the South African media and entertainment industry is in good health and forecast to grow steadily over the medium-term.

1.1.2 South African broadcasting

Looking at the broadcasting specifically, we see this tread of good health continuing with ICASA (2007) going so far as to declared that the South African broadcasting market "is very lucrative" during the pay-tv licensing application in 2007, they went on to explain that the market is "highly challenging with broad and diverse demographics". In terms of size, South African television broadcasting has the second largest media audience size, trailing radio broadcasting (MDDA, 2009). The dominance of television broadcasting is because of the high television ownership; evident by the fact that more South African household own televisions than they do refrigerators, according to 2011 Census (Stats SA, 2012).

Although the South African television market is a mature market, there is a steadily increasing number of middle-class households which will provide significant opportunities for broadcasters, over-the-top content (OTT) platforms and pay-tv operators over the long-term (PwC, 2017).

The pay-tv sector continues to add households, due in part to the steady growth of the middle-class, forecast to reach nearly 7 million subscriptions by year end of 2021 (PwC, 2017). Digital satellite continues to hold a monopoly on pay-tv subscriptions, however Internet Protocol television (IPTV) and pay-Digital terrestrial television (DTT) formed a minor presence in 2016. Estimates show that although satellites dominance will be squeezed, it will still account for 93.6% of subscriptions by 2021 (PwC, 2017).

1.1.3 Dstv dominance

MultiChoice (Dstv) continues to be the dominant firm in the digital satellite market, dominating much of South Africa's premium entertainment content and sporting rights, such as the British Premier League (PwC, 2017). Dstv then uses these exclusive rights to block potential entrants into the industry. The firm has a market share of 95% and grew by a further 626 000 households in the 2016-17, bringing the total subscriber base to 6.4 million, profits have however been affected by the weaker Rand (PwC, 2017).

Dstv, as the dominant firm in the market, has significant competitive advantages over new entrants to the market and free-to-air commercial broadcasters, through its exclusive rights deals on content and its considerable financial resources (OECD, 2013). It can use these financial resources to outbid any potential competition for content rights (OECD, 2013). Furthermore, in reaction to the introduction of competition in the market from new entrants who target the lower end of the market, Dstv "broadened its offering to include target audiences from all LSM groups through low-cost services" (MDDA, 2009)

2 RESEARCH OBJECTIVE

The objective of this paper is to evaluate and investigate the operations of Multichoice relating to problems they have identified. These problems relate to three major stakeholders which are; Dstv customers, MultiChoice Field Services and 3rd party installer companies. This paper makes use of formal interviews with; Dstv customers, MultiChoice staff and 3rd party installers to gain insights and affirm current problems. Academic literature forms the foundation in finding solutions for MultiChoice.

The researcher has met with the Head of MultiChoice Field Services to discuss the scope of work and request permission to proceed. The permission to proceed has been granted. The department head has stated that previous Consulting Engagement reports exist and are available for internal Senior Management use only. Therefore, these reports were not made available for this research. A review of previous Consulting Engagements would have supported this research by eliminating duplicate solutions that have already been tested, implemented and / or are in the implementation phase. This limitation does not exhaust the purpose of this research and MultiChoice can potentially expect feedback on items of which they are already aware.

3 PROBLEM IDENTIFICATION

3.1 Main Problem

According to Mr. Constant Fourie, Head of MultiChoice Field Services, the main problem his team faces is with the disgruntled customers complaining about service from Dstv installers. He states that customers are complaining about installation and upgrade charges being high, repeat work by the installers and questioning installer competence which is resulting in repeat work and additional charges. Mr. Fourie questions whether they have grown too big to neglect the customer experience.

The current situation, according to Mr. Fourie, is that MultiChoice customers are unhappy with the work delivered to them through Dstv installer companies. It is not value adding in the eyes of the customer and results in the overall experience with Dstv becoming expensive.

Mr. Fourie describes the purpose of his department as customer value-adding and the Dstv installer must be an extension of this value triangle to customers. This is the ideal state for his department.

To get to an ideal state, the path to providing recommendations to MultiChoice will be through; reviewing current and other operating business models, understanding what other firms that operate like MultiChoice have done, and providing insights into customer's needs.

3.1.1 Sub problem 1 – is the Outsourcing Business model still effective?

MultiChoice has fully outsourced the installation of hardware to 3rd party companies (installers). Mr. Fourie has stated that he is not sure if the current outsourcing model is the best model for MultiChoice. This related to the main problem of how clients receive and value the installation service through installer

companies. It questions whether potentially insourcing or other outsourcing models would result in an improved experience to Dstv customers.

The paper unpacks all outsourcing models and theories in providing balanced feedback and insights to MultiChoice. This research project reviews the Dstv value chain to ascertain whether outsourcing this business-critical installer function adds to or detracts from adding value to the Dstv subscriber.

3.1.2 Sub problem 2 – can Multichoice, as a dominant firm, remain competitive in its industry?

MultiChoice is currently a dominant provider within its industry and this may not always remain true in the future; therefore, this paper aims to understand the behavioural characteristics of dominant firms. This relates to the main problem of whether dominant firms typically neglect customer experience and understanding of the potential impact on future business success. This paper reviews monopolistic firms' literature and unpacks how these firms can remain competitive and retain dominance within their industry.

This research reviewed academic literature to identify whether MultiChoice, like other monopolistic firms, have neglected customer satisfaction because they have no major competition in the South African broadcasting industry.

Recommendations to MultiChoice will provide insights as to what other monopolistic firms have done to remain dominant and competitive. MultiChoice may be resistant to change because of their dominance and this paper aims to help them identify how they can change.

3.1.3 Sub problem 3 – has MultiChoice failed to understand what Dstv customers value?

The center of these identified problems is the customer. Without a customer, there is no business and Mr. Fourie has affirmed that they need to relook at how

they deliver services to customers. He strongly believes that MultiChoice has a responsibility to its customers by providing value-enriching services. This problem directly relates to the main problem in that MultiChoice is receiving poor feedback from Dstv customers in their interactions with installers.

Though MultiChoice's outsourcing business model has worked previously, it is now time for MultiChoice to consider the changing customer value requirements. According to Mr. Fourie, Dstv subscribers are complaining about the installer services which is resulting in loss of credibility and customer retention. MultiChoice needs to review how they are delivering value to their customers.

The alternatives that fibre technology presents today; e.g. Netflix, video streaming, etc. show that customers' needs are evolving, and this paper reviews the current customer value requirements. Not only will this review look at understanding the current customer, but the recommendations to MultiChoice are in also understanding future customers to unlock long-term customer value.

3.2 Scope of work

The format of this paper is a Consultancy Report and as such it is guided by Mick Cope's - *The Seven Cs of Consulting,* which starts with Customer (Cope, 2003). The customer in this report is MultiChoice Head of Field services and its Head has clearly defined some issues within his function. In the absence of prior Consulting Engagement reports, this research is reliant on information received from the department head.

This paper considers the scholar's review of monopolistic firms, with the main rationale that such firms do not always remain dominant. Therefore, it is critical to analyse the environment in which MultiChoice operates. Companies, including MultiChoice, need to remain cognisant of the potential entrants of competitors, threats of substitutes and provide value to its consumers. Should MultiChoice fail to proactively manage these factors, this may result in loss of dominant position as consumers start to look at substitutes. Some of the strategies this paper

reviews include; differentiation and focusing (Porter M. E., 1980) in assisting MultiChoice to remain competitive.

The format of data collection was through formal, structured and un-structured interviews with Dstv costumers and MultiChoice Field Services team. This paper did not focus on the broadcasting process / technology, nor the broadcast content by MultiChoice. Most of the interviewed participants were centrally located in the affluent Northern suburbs of Johannesburg but randomly sampled. These are the consumers with buying power and in the best position to consider alternatives and substitutes, in supporting how MultiChoice can retain these customers.

The Dstv customer feedback in this research paper will provide primary input and it will be the basis of addressing Mr. Fourie's problem(s). Therefore, the Dstv customer findings will provide insights to Mr. Fourie and his team, clearly outlining the scope of this study.

In the absence of prior Consulting Engagement reports from MultiChoice, this paper used academic literature and data collection as the main sources of information in addressing concerns raised.

4 REVIEW OF ACADEMIC LITERATURE

4.1 Dominant and Monopolistic firms

Monopolies exist when there is little to no competition to produce a good or service, as well a lack of an alternative solution for the consumer (How the Market Works, 2013). There are many reasons a monopoly arises; these relate to market conditions and the difficulty for new competitors to enter the market. These market conditions that prevent new entrants to a market are known as barriers to entry.

Monopolies benefit from natural barriers to entry as they generally have a wide consumer base, as is the case with Multichoice, and benefit from economies of scale and extensive capital equipment which smaller companies cannot afford. A barrier to entry is the existence of an obstacle or high start-up cost that prevents new entrants from easily entering an industry or market (Porter M. E., 1979).

The degree of monopoly power depends on how their barriers to entry are employed by the incumbent dominant firm in protecting its monopoly.

4.1.1 Types of monopoly

The barriers to entry to a market are closely linked to the type of monopoly that may arise within that market. This section discusses the various types of monopolies and their defining characteristics. This is not an exhaustive review of monopolies but only of those deemed relevant to this research.

4.1.1.1 Natural Monopolies

A natural monopoly is a specific type of monopoly where, due to many factors, such as extremely high fixed costs of distribution, make competition unworkable, inefficient, financially unfeasible or impossible (Baumol, William J; Willig, Robert D., 1981).

Natural monopolies are prevalent in markets for ‘essential services’ that require large scale and high-cost infrastructure to deliver services, such as in the cases of supplying water, electricity, rail and gas, as well as other industries known as public utilities (Kessides, 2005). The research reviews whether MultiChoice has become an essential service in South Africa.

4.1.1.2 Technological Monopolies

A monopoly that occurs when a dominant firm controls the manufacturing method, or licensing, or patents necessary to produce a certain product or service; or has exclusive rights over the technology used to create it (Monash University), as MultiChoice has done by launching their own satellites to safeguard their market dominance.

A business that is first to develop and take to market a product or service may apply for a patent or copyright. That legal protection makes the business a technological monopoly, as pointed out in the section on barriers to entry, a patent is a government granted monopoly (Monash University).

4.1.2 Advantages and disadvantages of monopoly

4.1.2.1 Advantages of monopolies

Monopolies, at times, can be beneficial to the market in cases where they are able to benefit from economies of scale, as discussed in the barriers to entry where economies of scale are cost advantages that large companies obtain due to their size and level of output.

Furthermore, it has been consistently argued by many authors that monopoly power is needed to generate dynamic efficiency (or "technological progressiveness") (Monash University). This has been down for several reasons, Higginson (2011) in Evans (2017) highlighted the following:

1. With higher profits come increased investments in Research and Development (R&D);

2. With increased R&D, there is a heightened level of Innovation, which is more likely to occur in large enterprises. This innovation inevitably leads to lower costs of production than in competitive markets;
3. Research suggests that a firm needs a dominant market position to tolerate the risks associated with innovation;
4. To prevent the free rider problem, companies need to be able to protect their innovations and intellectual property, by creating barriers to entry such as patents;
5. If not, why would companies be incentivised to allocate huge amounts of investment in R&D, if their innovative ideas and designs are copied by competitor companies who do not spend on R&D;
6. As argued by Porter (1980) Monopolies are protected from competition by barriers to entry and this will allow them to generate elevated levels of abnormal profit; and
7. If a portion of these abnormal profits were then to be invested in innovative technology, costs will be reduced through process innovation. The result is lower price of production and higher output in the long run (Evans , 2017).

Austrian economist, Joseph Schumpeter (1942), in the 1940's argued that Monopolies are also not indefinite; inefficient companies, including dominant firms (monopolies), would in fact be replaced by more efficient and effective companies through a process called "creative destruction". Ricardo J. Caballero defined Creative Destruction as the incessant product and process innovation mechanism by which new production units replace outdated ones. It was originally coined by Joseph Schumpeter (1942), who considered it 'the essential fact about capitalism' (Higson, 2011).

Schumpeter's theory can be used as a support for the continued existence of monopolies; in so far as they do not need to be regulated, as the market is self-regulating, monopolies who do not innovate will eventually die out (Higson, 2011).

Another potential advantage of a monopoly is that they can use their supernormal profit to subsidise socially useful but loss-making services.

4.1.2.2 Disadvantageous impact of monopolies

Monopolies restrict free trade, preventing the market from setting prices, reducing consumer sovereignty (Economics Online, 2017). Since monopolies are price setters and able to set the price at any amount they see fit, they could increase costs to the consumer, thus, creating cost–push inflation (Amadeo, 2017). In Caballero (2008) we see that not only can monopolies raise prices (as they are a price maker), but at times they can also supply lower quality products to the market (Caballero, 2008). Monopolies are often criticised because of their potential negative impact effects on the consumer (Economics Online, 2017). There are no competing companies and as a result, the consumer gets the short end of the stick in terms of price, quality and quantity (Laino, 2011). Due to complacency, monopoly firms may produce substandard goods and provide poor customer service, without being punished by the market as there are no competing goods, leaving the consumer with no alternative but the inferior goods (Amadeo, 2017).

Monopolies may also lose any incentive to innovate. They have no need to provide "new and improved" products and thus stagnate, as Dstv has been accused of doing. The National Bureau of Economic Research found in their 2017 study, that lower than expected investments have been made by U.S businesses since the year 2000 (Toughnickel, 2011).

Toughnickel (2011) demonstrates that innovative and disruptive technology is the nemesis of monopolies. MultiChoice's ShowMax, iPads (mobile devices), and Netflix have disrupted the traditional broadcasting industry, by creating a new streaming entertainment service. These streaming services do not rely on satellite or cable to deliver movies and TV programming. This is like what disruptive technologies did to the land-line telephones with cellular phones (Toughnickel, 2011).

4.1.3 Contextual Analysis of Monopolistic firms

MultiChoice has a natural and technological monopoly in the South African market. As cited by Kessides (2005), MultiChoice has become an essential service and has created technological barriers for new entrants into the market. Though they have dominated the market, scholars like Toughnickel believe that as technology evolves, such market dominance can be eroded.

This is evidenced in how Blockbuster lost their market dominance as they failed to innovate with the technology available at the time, which was online video rentals. Other case studies have also referenced Blackberry's market dominance lost due to other social media platforms becoming available via the internet and through mobile phones.

MultiChoice's dominance is currently being challenged by the solutions brought to the market through the internet. Therefore, for MultiChoice to retain market dominance, it needs to innovate which may require making some of their current solutions obsolete. Amadeo (2017) refers to the complacency of monopoly firms which results in inferior goods and services because of no competing goods (Amadeo, 2017).

Literature therefore supports that all companies need to use technology to enable innovation. Successful companies are described as those that can be agile and receptive to change. Companies that do not innovate have become case studies and MultiChoice will be required to review their service offering and how it is delivered in the best interest of their client.

4.2 Business Outsourcing

Outsourcing has become a standard practice in nearly every major business function and industry since its emergence in the 1990's (Deloitte, 2012). It began with Kodak's 10-year, $250 million data-center outsourcing deal. The outsourcing topic has gained further momentum in the new millennium, resulting from

increased debates around its commercial, economic and political implications (Deloitte, 2012).

Outsourcing has left many organisations perplexed on exactly how to achieve a higher success rate, setup and management of outsourcing ventures. During the said difficulties, the outsourcing trend has not slowed down; with the 2012 Deloitte's Global Outsourcing and Insourcing Survey, which indicated that every major business function was expected to increase its use of outsourcing in the future (Deloitte, 2012). However, the rapid growth has experienced its drawbacks, with 48% of respondents from the same survey reporting as having terminated outsourcing contracts for several reasons, including poor service quality, lack of subject matter knowledge, to name but two (Deloitte, 2012). Additionally, research by a leading consultancy firm found that many outsourcing deals collapse before the contract ends, citing rising costs and mistrust between service providers and customers. These findings indicated that saving money is not a sound reason to outsource. These conclusions also painted some painful trade-offs i.e. cost savings vs. growth, speed vs. quality, and organisational cohesion vs. knowledge and innovation (PwC, 2008).

4.2.1 Outsourcing Approaches and Theories

Outsourcing consists of different activities from very complex structures, and numerous functions which give rise to an administrative and managerial dilemma. Scientists have used a few theories to better understand different natures of business operations and their related functional activities. This aims to help the managers of these businesses handle these functional processes in a productive and more effective manner (Netterville , 2013). Busi & McIvor (2008) further post that it is commonly accepted that any operational business phenomenon can be viewed and described through several theoretical frameworks based on these corresponding approaches (Netterville, 2013). Furthermore, the above-mentioned authors describe outsourcing as having been approached by applying

a series of different theories, which can often lead to confusion among researchers (Busi & McIvor, 2008).

This paper reviews outsourcing approaches deemed relevant to the MultiChoice case.

4.2.1.1 Resource-Based View

The resource-based view is one of the most prominent models of outsourcing and is primarily based on the view that an organisation might lack valuable, unique and organised resources. In such an instance, the organisation lacking such capabilities will seek for an external provider to overcome this weakness (Dibbern, Goles, Hirschheim, & Jayatilaka, 2004).
Resource-based view therefore considers that internal resources are critical to business operations which makes it difficult for organisations to remain competitive should these resources dingle but could be the key advantage should they be well positioned and applied due to their scarcity.

In respect to MultiChoice; key types of resources are at play as defined by J.B. Barney and these includes; physical capital, human capital and organizational capital resources (Barney, 1991). Due to limited scope of work to be provided to MultiChoice, only physical capital resources and human capital resources will be reviewed namely; technology, equipment, training and experience for this level of study.
It is important to note that a further review of all resources will provide a complete and holistic perspective to better support MultiChoice building a competitive advantage. But this also doesn't prejudice MultiChoice out of the value of this research.

4.2.1.2 Core Competency Approach

Pinnington and Woolcock described this as "a popular approach in the academic research related to outsourcing" (Pinnington & Woolcock, 1995). This approach is based on the Theory of Resources and is a progression thereof. Leading

scholars defined Core Competencies as the joint or collective knowledge of a business or organisation specifically, as they relate to the methods of merging different productive skills and the integration approaches of different or varied technologies (Prahalad & Hamel, 1990).

Many organisations maintain a distinct product and its competitive advantage by using this core competency approach to outsourcing to cost-effectively plug gaps in resources and capabilities (Holahan, Sullivan, & Markham, 2014). This approach emphasises that the organisation's core competency should be kept in-house, and all non-core activities should be considered for outsourcing (Petts, 1997). A core competence can be thought of as a cluster of attributes that an organisation possesses which in turn, allows it to achieve competitive advantage (Prahalad & Hamel, 1990). Therefore, to sustain its competitive advantage, an organisation should focus on its core competencies and outsource non-core competencies at a lower cost to outside firms. As in this research case, MultiChoice is a broadcaster and as such, installation of hardware is non-core, thus it is outsourced.

4.2.1.3 Transaction Cost Theory

The development of this theory enables an analysis and comparison of the costs involved in outsourcing. These characteristic costs include; costs of planning, adapting and monitoring task completion. The measurement and unit of analysis involved is the transaction itself, which occurs when a good or bad service is transferred. The theory has traditionally been the most widely used outsourcing theory. It is considered to provide the best decision-making tools, which assists organisations in their decision-making processes. Key decisions are about which of the business operations should or not be outsourced and thereafter, prepare implementation of the necessary organisational changes arising from outsourcing decision (Williamson, 1981).

The transaction cost theory recommends a different governance framework compared to other outsourcing approaches because it provides transactional value of costs (short term) rather than longer term relational value which this

paper seeks to identify as particularly relevant to MultiChoice and long-term customer retention.

4.2.2 Outsourcing Models

Below are characteristics and relationships between different outsourcing models. These have been summarised, based on Deloitte's 2012 Global Outsourcing and Insourcing Survey. These are only the models deemed relevant to the research study.

4.2.2.1 Internally coordinated vendors model

The organisation manages itself, service providers and the retained functions, which service coordination is managed globally. The organisation has a contract with each vendor and the organisation dictates supplier action and interaction.

4.2.2.2 Externally coordinated vendors model

Like internally coordinated, with the only difference being an appointed external company, i.e. a consulting company, that manages all service coordination. Here the organisation has a contract with the consulting company and the consulting company has a contract with each vendor.

4.2.2.3 Prime-sub multi-vendor model

Outsourcing work goes to a selected 'prime' vendor or multiple prime vendors and these vendors are responsible to deliver services and manage sub-contracting vendors.

After the ideal model is identified, the organisation should evaluate how well each outsourcing model will meet the identified principles. Furthermore, a review of advantages and disadvantages needs to be conducted.

4.2.3 Advantages and Disadvantages of outsourcing

4.2.3.1 Advantages of Outsourcing

Focus on core activities

Numerous researchers believe it is critical to hand over non-core activities to a trusted third party, which effectively allows the company to concentrate on central activities to realise its value proposition; this ultimately increases its competitive positioning (Lacity & Hirschleim, 1998).

Cost savings

Cost savings are also the main benefits of outsourcing. The holds true particularly when certain resources and functions are not needed full time; such as human or equipment resources and efforts to obtain them cannot be justified. This is the primary reason why a medium-sized business will rather outsource an engineer as they might only use technical expertise and maintenance during certain business cycles and periodic contracts (Grant, 2005)

Banerjee (2009) further postulates that outsourcing permits companies to unfetter their administration from certain operations thereby limiting their responsibilities only to the control of external vendors (Banerjee, 2009). The abovementioned ultimately gives the company the added advantage to better focus on more fundamental operations. Selecting a successful and tested partner for an outsourcing process is a very positive element to increase performance within the enterprise (Banerjee, 2009).

Access to experience

Outsourcing allows companies to gain access to highly qualified personnel resources, who otherwise would not be available to the organisation. More importantly, it allows the organisation to fully exploit the selected suppliers' investments, innovations, and specialist capabilities (McIvor, 2005).

Improving performance

Performance improvement is an important reason for considering outsourcing, as the outsourced company might offer economies of scale. Importantly, the expectation on outsourced service providers is that their operational experience is to be higher; resulting from a greater concentration of staff on tasks as compared to internal operations (Allen, Gabbard, & May, 2003).

Flexibility

Another key consideration of outsourcing is that it offers flexibility for many companies. Numerous researchers believe it is critical to hand over non-core activities to a trusted third party; which effectively allows the company to concentrate on central activities to realise its value proposition; this ultimately increases its competitive positioning (Fan, Ramachandran, Wu, & Yue, 2006).

4.2.3.2 Disadvantages of Outsourcing

Loss of managerial control over outsourced operations

The loss of control is due to the firm needing very strong skills in managing people, processes, contracts and supplier negotiations. If the skills are not in place losing control over outsourced operations, prevails. Sceptics to outsourcing include both executives and workers claiming that their main fear relates to the lack of control and the fear of dependency generated by the outsourcing agreement (Sakas et.al, 2014).

Threat to security and confidentiality

Auditing and execution of contract terms around security and confidentiality are always difficult to monitor. This problem can cause even bigger issues in the financial sector where insider trading is high risk (Anderson B. , 2001)

Quality problems, hidden costs

There is always an expectation that outsourcing results in receiving better service from the contractor than from internal staff. There is however the risk and possibility of the vendor sacrificing quality for the sake of profit; this often leads to conflicting interests of the two parties (Jiang, Klein, Tesch, & Chen, 2003).

Reallocation of existing teams

Bragg (2006) states “often after outsourcing a part of the original team moves from outsourcing party to the outsourced one, which in turn causes major changes”. Many times, outsourcing is a firing exercise in many employees’ minds. Moreover, it causes issues for the organisation’s top management team to decide how to reallocate the existing employees. In numerous instances, dependency from an outside service provider may lead to a bottleneck in cases where the cooperation must be terminated (Aron, 2005).

4.2.4 Contextual Analysis of Business Outsourcing

MultiChoice has predominantly applied the Core Competency Approach to business outsourcing, which has elements of the Resource-based view approach. The elements of the resource-based view lie in the delivery of installation services to customers across South Africa. In the case of MultiChoice, it can be argued that it is expensive to employ installers in every location of South Africa. This is well documented in the advantages of business outsourcing, from a cost saving perspective. An installation should be a once-off occurrence with infrequent maintenance required thereafter, therefore having a permanent resource does not substantiate financial feasibility.

MultiChoice has applied the internally coordinated vendor model, thus they currently have over 1 000 installer companies across South Africa. This does carry some financial benefits to MultiChoice; however, it questions the delivery of quality work identified with disadvantages of this model. This is the key concern raised by Mr. Fourie, thus prompting him to question or research other business models to maximise the customer experience.

There is an opportunity for MultiChoice to consider externally coordinated vendors and prime-sub multi-vendor models, which provides the premise for this research. The externally coordinated vendor model provides fully outsourcing the installer function and allowing MultiChoice to focus on core competencies. This is worth considering as it can allow for Service Level Agreement (SLA) between

MultiChoice and the Consulting company. This SLA would then aim to serve the best interest of the customer as it will monitor response times to customers and quality of delivered work. The Consulting company will be solely mandated to manage this SLA and all service coordination.

The prime-sub multi-vendor model is also worth consideration because it is like the externally coordinated vendor model but differs in that MultiChoice would need to identify the biggest / 'prime' vendor. The challenge with this model is that the 'prime' vendor key competency and skill would be installations which could compromise an essential SLA management. This may not be a core skill to a vendor but could be for a Consulting firm, so these would need to be evaluated.

Lastly, MultiChoice could consider doing everything in-house and insource this installer function which means their employee count would potentially add 1 000 installers. This could immediately compromise profitability of MultiChoice's financial performance as this number would directly impact profits (bottom-line). This may improve customer sentiment and confidence regarding the installations but have major financial implications on MultiChoice.

Literature therefore supports companies changing between different approaches and models as the need requires. This research seeks to provide MultiChoice with suggestions and alternatives based on feedback from Dstv customers and what they consider important and value-adding.

4.3 Customer Value and Satisfaction

Nowadays, customers are more demanding towards companies because of access to information and globalisation, resulting in an abundance of choice. This is true even for monopolies, customers expect more as they are spoiled for choice in other areas of their lives. As such, it is important for even monopoly organisations to move with the times and exceed customer expectations.

The increased pressure on companies and industries worldwide from intense competition, lower global growth rates, as well as pricing pressures, have resulted in the increased attention on customer satisfaction, which is a key factor in customer retention and in turn, company profitability (Reichheld & Sasser, 1990)

Customer Satisfaction is considered a critical success factor and central to the survival of any business. Customer satisfaction has become a key indicator of an organisation's future success, providing an indication of the quality and future returns of a company. Donnelly and Shu, (1999) note the shift in customer expectations where customers expect more from service providers, with a larger emphasis being put on the quality of service they receive. Customers are also demanding more, historic service levels that were accepted a few decades are no longer acceptable for the current generation of customers (Bhagwandin, 2011).

We have decided to include customer value in our assessment of overall customer delight, this is primarily because customer satisfaction only addresses post-purchase assessment. While customer value is a pre-purchase assessment, it is therefore a proactive component as it is an assessment before customers have purchased the product or service. Essentially, the value is when a consumer perceives that they will get a good deal from the company, brand, product or service.

4.3.1 Customer satisfaction

Bhagwandin (2011), in the analysis of the literature, found that there are two central ideas or interpretations of satisfaction. These are satisfaction as an outcome of a customer's experience, and satisfaction as a process (Parker & Mathews, 2001). Parker and Mathews (2001) go on to argue that the Customer satisfaction as a process approach is the most widely used description of customer satisfaction with many scholars producing research to develop an understanding of the process approach of satisfaction. Customer satisfaction as a process is defined as an assessment or comparison between what the

customer received and what the customer expected Oliver (1980) and Oliver (1997), emphasised the perceptual, evaluative and psychological processes that contribute to customer satisfaction (Vavra, 1997). The process approach of satisfaction has its basis in the discrepancy theory, which argues that satisfaction is determined by the perception of a discrepancy between what 'should be' and 'what is now' or (Porter L. , 1961). Simply put, If the customers receive what they expected, they are satisfied, if they do not receive what they expected, they are dissatisfied.

Bhagwandin (2011) points out that the research proves that market share and customer satisfaction are closely related and move in tandem (Fornell, 1992). Satisfied customers are more likely to become promoters, not only repurchasing the product or service but recommending it to friends and family (Zeithaml, Rust, & Lemo, 1999; Zeithaml, 2000). Because competition has begun to enter the subscription TV sector in South Africa and customers' demands have also increased, customer satisfaction will become an important factor for DSTV. To maintain market share, compete and survive in the changing market, monopolies must intensively focus on customer satisfaction.

4.3.2 Customer value

Originally, value was a philosophical concept of "morality and virtuous living" (Paananen & Seppänen, 2013, p. 710). Over time, the concept progressed to imply worthiness and valor (Kahle & Xie, 2008). Paananen and Seppänen (2013) note that values are "centrally held, enduring core beliefs, desired end-states, or higher order goals of the individual customer or organisations that guide behavior" (Flint, Woodruff, & Gardial, 1997; Paananen & Seppänen, 2013, p. 710)

Numerous scholars, researchers and marketing professionals have shown continued interest in the concept of customer value (Sánchez-Fernández & Iniesta-Bonillo, 2006). The interest grew from the 1960s when the concept of customer arose (Keith, 1960), gaining momentum and by the 1990s, customer value had emerged as an area of increasing interest to business, and in particular

marketing, both at a business application and academic level (Lindgreen, Hingley, Grant, & Morgan 2012). According to Sánchez-Fernández and Iniesta-Bonillo (2006), the concept of customer value is thought to be an important source of competitive advantage and one of the critical success factors in the success of companies, this view is echoed by (Mizik & Jacobson, 2003); (Spiteri & Dion , 2004); and Woodruff (1997). Consumer value has been recognised by many authors as one of the foundations of marketing and fundamental to most marketing activities (Holbrook, 1994; Holbrook, 1999). As evidenced by the fact that the American Marketing Association has combined “Customer Value” into the definition of marketing (Floh, 2010). Customer value has been identified as critical to the attraction, loyalty and retention of customer generation, and there is a multitude of research into its make-up and effective measurement (Floh, 2010; Lee, Eun-Ju, & Overby, 2004; Wang, Hing Po Lo, Renyong Chi, & Yongheng Yang, 2004). It is against this backdrop that the debate should not be whether an organisation should compete on customer value, but rather how it should do so (Floh, 2010).

However, to date, the customer value definition is highly debated with the research fragmented (Zubac, Hubbard, & Johnson, 2009; Floh, 2010). This is in part due to the use of different terminologies, the existence of numerous meanings, as well as the multitude of opinions regarding the composition and characteristics of Customer Value (Sánchez-Fernández & Iniesta-Bonillo, 2006). This highlights the complexity of the study of Customer value and the possibility of confusion in its application (Sánchez-Fernández & Iniesta-Bonillo, 2006), leading to the International Journal of Marketing calling for additional research into the topic (Floh, 2010)

Paananen and Seppänen (2013) outline how customers perceive value differently, they can precive it pre-consciously, consciously, or unconsciously (Groth & Dye, 1999). Every customer has their own model for determining value, this model is based on their wants, needs and desires; their profile and financial position; and demographics (age, gender, race, location, education and family)

(Ravald & Grönroos; Bolton & Drew, 1991). Some customers may be more concerned with the cost of products than the potential benefit, yet others are more interested in the benefit, with the cost being of less concern (Ravald & Grönroos; Bolton, 1998; Ostrom & Iacobucci, 1994). From the preceding discussion, we see that customer value studies are based on the concept of cost versus benefit (Payne & Holt, 2001).

Thus, we understand Customer value to be the number of benefits which customers get from purchasing products and services. It can also be defined as the difference between the values customer gains from using a product and cost of the product. In the case of this research, cost of the product includes work done by Dstv installer companies.

This study seeks to provide MultiChoice a broader understanding of how its customers perceive value. Not only the cost of Dstv consumption in the form of performance or value for money but inclusive and not exhaustive to emotional value and social value (Sweeney & Soutar, 2001). Customers need an emotional attachment to repurchase or continuing consumption of a product and MultiChoice needs to position itself in their customer's mind accordingly.

4.3.3 Contextual Analysis of Customer Value

MultiChoice wants to identify which business approach and / or model will be best in improving customer experience. This is directly relating to items the customer finds most important and of pre- and post-purchase. Customer satisfaction (pre-purchase) of Dstv customers relates the experience the customer has in acquiring the Dstv decoder from MultiChoice, getting it installed and ultimately the services being activated. Donnelly and Shu (1999) assert that this key indicator determines future success. Customer value refers to the customers' experience once the services begin to be consumed and this includes maintenance of the Dstv by the installers and other interactions the client has with MultiChoice.

Literature considers both customer satisfaction and value collectively as customer delight. Therefore, MultiChoice does need to review the value chain to better understand the customers' current and desired experience. This research provides MultiChoice with some insights of the current status quo based on the Net Promoter Score as an index to review customer delight.

MultiChoice's ability to enhance emotional and social values, with their customers, may result in substantial overall benefit (Sweeney & Soutar, 2001) of customer retention.

5 RESEARCH METHODOLOGY

The following chapter concentrates on defining the outlook of the research through presenting the research design and methodology. Critical discussion around the measurement of reliability and validity is explored with the purpose of relating it to the research topic at large. An explanation of data collection techniques, individual interviews and document analysis is deliberated. Furthermore, data collection and capturing, as well as procedures involving sampling methods are analysed.

The qualitative approach was chosen because, when an investigation of secondary research around the critical issues concerning 'customer value to Dstv customers through Outsourced installer companies', is based on individual Dstv customer experiences. The strategy of action research is explored, and research 'onion' framework is mentioned which guided the researcher in the research approach to adopt and the research strategy to use.

The social research dimension around Descriptive Theory is discussed; with the chapter ending with the limitations and deficiencies in survey design and methodology (Kigozi, 2008).

5.1 Research design

Cohen & Manion (1980) define research as the "*process of arriving at dependable solutions to problems through the planned and systematic collection, analysis and interpretation of data").* Research design can also be viewed as a plan for selecting subjects, research sites, and data collection procedures to answer the research question(s) (McMillan, 2010).

To design and give appropriate direction to the study, the researcher adopted the research process "onion". Saunders et al (2003) describes the onion as an illustration of the range of choices, strategies, paradigms and steps followed by researchers during the research process.

This helped in considering amongst others which research approach to adopt, the research strategy to use and philosophical orientation of the study.

From the abovementioned process, action research was used in this study as a research strategy. Action Research is described as a disciplined process of inquiry and its primary purpose is to assist the 'actor' in improving his or her actions (Sagor, 2000).

This study purely adopts a qualitative approached because of sample size and the required attention to quality of secondary data from participants. Compared to quantitative or mixed methods approach which merged both quantitative and qualitative research methods.

The social research dimension followed by the study is Descriptive Theory; which requires a more developed idea about a social phenomenon. This approach classifies specific characteristics of individuals, situations, events and groups, through the summation of the commonalities found in discrete observations (Fawcett, 1986).

In description research, scholars endeavour to clearly detail a social setting or relationship. Descriptive research focuses on "how" and "who" questions.

Fawcett (1986) further posit that descriptive theories are needed when nothing or very little is known about the phenomenon in question. The archetype and construct of this study is largely centered around interpretivism.

Saunders (2012) describes the basis of interpretivism as a naturalistic data collection approach and mainly uses interviews and observations (Dudovskiy, 2017). Secondary data research is also popular with interpretivism philosophy with meanings emerging the completion of the research process. The study uses narratives from the interviews to capture the respondent's reality and its subjective nature enables this research to describe what is happening in that chosen context.

5.2 Data Collection

5.2.1 Primary Data

There are several methods used to collect primary data with the most common being questionnaires, interviews, and case studies to name a few. This study into Dstv's customer value lends itself to the semi-structured interview approach.

The main benefits of this style of interviews are three-fold in that it negates time pressures; allowing the researcher ample preparation time; provides comparative qualitative data; and most notably heightens freedom of expression for respondents (Cohen, 2006).

Santiago (2009) further states that semi-structured interviewing is most useful when one is investigating a topic that is very personal to the studied participants. This research made use of a notepad during the interview processes; this tool enabled the researcher to write notes during the interviews.

5.2.2 Secondary Data

Secondary data were collected using research papers on previous research done on the effects of outsourcing on customer value to Dstv customers. Compared to primary, secondary data tends to be readily available and inexpensive to obtain. Both published (government reports, journals, periodicals) and unpublished (private company records, research work of scholars & professionals) sources can be sources of secondary data (IWH, 2015). More importantly it has the advantages of cost effective and saves time amongst others. Compared to primary data; this is very advantageous, but in some cases, it may require processing before it is useful.

5.3 Sampling

The sampling technique of this study is Purposive, this is a result of the study based on solely interviewing the respondents affected and directly involved in how ‘outsourcing has impacted customer value to Dstv customers’.

Purposive sampling at its very nature is described as judgemental, whereby the researcher must rely on their expert ruling when having to select the units that represent the overall population (Burger & Silima, 2006; Bengu, 2015). The previous proclamations have resulted in this technique being often referred to as selective or judgemental sampling (Laerd Dissertation, 2012)

This research endeavoured to focus on the target group, interviewing integral respondents directly involved and affected by Outsourced installer companies, the primary motive being, that these individuals are members of a hard-to-reach, specialised populace. Cohen et al. (2007, p. 217) describes interviews as a “two-person conversation initiated by the interviewer for a specific purpose of obtaining research relevant information”.

5.4 Validity and reliability

Research must be both valid and reliable to be considered acceptable (Fox, 2007).

Reliability is said to be the correlation coefficient to demonstrate the level of effectiveness and compare the similarity of results, and whether the study could be replicated under similar methodology (Bergh, 2003). Joppe (2000) concurs with Bergh and Theron by defining reliability as the extent to which results are consistent over time and are an accurate representation of the total population under study. If the results of a study can be reproduced under a similar methodology, then the instrument is reliable (Mbokazi, 2016).

According to MacMillan and Schumacher (2010), validity is the degree to which interpretations and concepts have mutual meanings between the participants and

the researcher. Validity can also be described as the soundness and strengths of a statement and whether a method investigates what it purports to investigate (Kvale, 2006). Gray (2005) further posits that a research instrument will be considered valid, only if it measures what it was intended to measure (Mbokazi, 2016). For validity to hold the concepts of dependability, trustworthiness, credibility, and transferability are paramount.

Major sources of errors include vagueness, poor sampling, bias, incomplete sampling frame, interview bias and competing conclusions (Mouton, 2001). Therefore, it is vital that fitting steps are taken at each stage of the research process to minimise errors, this was achieved through triangulation. Cohen, Manion, & Morrison (2000) define triangulation as the use of two or more methods of data collection to study a particular phenomenon (Kigozi, 2008). An extensive verification exercise was embarked whereby numerous data points, libraries and documentary resources were used.

Validity and reliability of this study is detailed under Ethical Considerations, which partly ensured that the participants have complete independence to partake in this study without any incentive to participate. This consideration is further supported by the Ethical Clearance certificate awarded for this study.

5.5 Ethical Considerations

Ethical consideration in research involves the questioning of participants and obtaining consent from them (Fox, 2007). During the research phase participants were made aware of certain ethical considerations. According to Neuman (2006) ethical conduct ultimately depends on the individual researcher, as they must ensure ethics are maintained always and in all interactions. In concert with Neuman's view above, in the planning and preparation of this research, the feeling, rights and welfare of participants were never overlooked; more importantly respondents were also informed they could withdraw from the study at any time. In accordance to Lubbe (2003) a reaffirmation was made to

respondents that their trust would not be exploited for personal gain or benefit by the researcher and would not be betrayed and deceived in the publication of the study.

Further ethical considerations are guided and supported through an Ethical Clearance certificate providing; no potential unintended consequences of this project, publication of this research paper to be extended to MultiChoice Field Services Head (with prior consent granted), confidentiality of this research can be guaranteed however anonymity can't be guaranteed.

Lastly, all research studies (participants) have not been incentivized to take part and will contribute at free will, which seeks to maximise participant's independence and improve this research paper's reliability.

5.6 Limitations

Unique limitations exist with each research endeavour. This paper believes that anonymity should always be respected and guaranteed, if an interviewee wishes this preference to be affected.

Personal commitments, refusing to be interviewed and interviewee lack of interest are some of the anticipated constraints envisaged to affect the research. This research however attempted to interview the maximum number of respondents available and who could provide relevant information in the study.

Relevant contacts within the broadcasting and subscription television community were used during this study; to provide pertinent information for the study. Further limitations are envisaged to come because of the topic at hand being contentious in nature, which may lead to respondents less trusting of the research and its intended purpose. The other difficulty might be in attaining comprehensive data and documents from research houses, marketing institutions, and regulatory agencies.

6 CONSULTANCY RESEARCH APPROACH

6.1 Consulting approach

I believe Mike Cope's *7 Cs of Consulting* provides a comprehensive review of the Consulting process because at each stage on the process, one needs to continuously clarify and change, making the process responsive to changes and robust (Cope, 2003). The value of this approach outlines the importance of continuous improvement required of any consulting engagement rather than a single point of perfection. This approach provides an awareness of constantly changing micro and macro-environments as they impact all organisations, especially those greater leveraging technology.

Other scholastic reviews include; *Flawless Consulting* by Peter Block and compares his 5-phase consulting process which includes; entry and contracting, discovery and dialogue, analysis and the decision to act, engagement and implementation and finally extension, recycle or termination (Block, 2012). This helps provide a balanced view of consulting engagements and supports Cope's continuous review or 'recycle' process since change is not stagnant.

In the current 4th Industrial Revolution, organisations need to be agile and nimble as technology brings new opportunities and new ways of doing things, thus, the importance of a continuous consulting review (Cope, 2003). MultiChoice does operate within a technology space, thus the importance of a recycled consulting approach (Block, 2012). This report aims to help MultiChoice identify current and future opportunities in the customer delight journey.

6.2 Traditional consulting methods and current trends with opportunities for innovation

6.2.1 Early Years of Consulting

The evolution of the management consulting industry began when the demand for mass-produced goods meant an exodus of thousands of new employees into large factories. At that time however, there was little proficiency on how people, processes and machinery could be better organised to maximise efficiency. This spawned the era of specialist engineers such as Charles Babbage and Frederick Taylor (Nelson, 1992). These early pioneers provided value, more importantly, solutions to these management problems and methods of work.

In 1890, Arthur D. Little formed the first recognised management consulting firm, initially specialising in technical research, which later transformed in what was to be known as ‘management engineering’. Booz Allen Hamilton, a leading consultancy in its time became the first firm to serve both industry and government customers. McKinsey & Company then became the first modern, pure management and strategy consulting company. The value of this approach added a dimension of strategy into traditional technical consulting engagements during this time.

The evolution of consulting firms was later influenced by forces beyond the industrial revolution, as it was the key driver for the emergence of consulting firms (Kubr, 2002). The early alignment of companies such as A.D. Little, McKinsey and Booz Allen Hamilton with the banking and financial institutions provided a strategic advantage that later competitors found hard to compete with (Kubr, 2002).

Lipartito and Pratt (1991) further mentioned that these newly formed firms adopted the partnership model applied by many legal practices, in turn giving

them credibility. These firms further sought credibility by hiring, focused on top MBA graduates.

6.2.2 Recent Trends in Consulting

In more recent history, consulting has continued to expand on the back of increasingly globalised companies, as well as the information revolution and cost-cutting in government (AIM, 2010). The expansion has not been constant however, and two important breaks in this trend have been mainly the Dot-com crash of the 2000's and the credit crunch of 2009. The Dot-com crash saw the plateauing of income for consultancies rather than a decline and the credit crunch led to the first decline in global consulting revenues for decades, caused in part by a drop on the stock markets and a decline in consumer confidence (AIM, 2010).

To some extent, the shifting fortunes of the consulting industry disguises deeper transformations in what consultancy is (Hagel, 2011). A major shift has been the movement away from the privately-owned strategic partnerships towards a highly commoditised one (Hagel, 2011). Mr. Fourie confirms that MultiChoice Field Services has had previous consulting engagements which demonstrates their need to improve service and operational efficiency, however this paper will have no reference to these prior confidential consulting engagements reports.

7 DATA ANALYSIS AND PRESENTATION

7.1 Inductive research process

This research randomly selected potential interviewees from a targeted sample of 82. This sample was randomised by selecting every 3rd and 5th customer extracted from Dstv customer database. This sample was sent (via email) an invitation to participate in the study and those that responded favourably were then contacted directly to arrange a date, time and place of their convenience. The environment in which the interview was conducted was therefore neutral and in the best interest of the interviewee.

This research paper has followed an inductive research process. This process starts with interview results being observed, identification of patterns, formulation of tentative hypothesis and finally referencing results to theory and academic literature. This section therefore serves as a guide through this data analysis process sequentially.

7.1.1 Data collection of questionnaires

A total of 20 respondents were observed in this study. Each interviewee requested to meet at their home and upon arrival, I explained the purpose of my research without disclosing the necessary theories underpinning the review. This was an attempt to keep the feedback impartial and as objective as possible as the interview pertained to their experience with Dstv and Dstv installers.

Once the interviewee accepted to proceed, the questionnaire was handed over to the customers and they were guided through instructions to complete as specified on the questionnaire. Customers then proceeded to complete the questionnaire (See Appendix A)

The first six questions related to general demographics to allow respondents to ease into the questioning and feedback style. The following section related to

their Dstv subscription status which was completed without apprehension and ease. The third section related to the consumer behaviour (Dstv consumption/usage and pricing) and this required the respondent to apply some thought into their responses. From this section, the respondent's started expressing some additional thoughts not fully articulated in their feedback, and this was noted as supplementary information to support feedback.

The subsequent sections were more formative and encouraged conversation. The interviewer had to help the interviewee best articulate their thoughts into formal responses. Additional commentary was noted separately. The interviewees did not seem to struggle to answer any of the questions, only those respondents who had cancelled their Dstv subscriptions had some items answered as Non-Applicable (N/A) as requested. The interviewer guided the interviewees to ensure all questions were answered and nothing was left unanswered to qualify the questionnaire.

From a data collection perspective, the general conversation with the interviewees flowed with ease and translated to underlying themes to be identified in subsequent sections. On completion of the questionnaire, the interviewees were thanked for their participation and the theory of the study was discussed and this also translated to additional secondary data noted separately.

7.1.2 Indexing words / phrases / sentences (coding)

Once all interviews were completed, the interviewer proceeded to go through each questionnaire to highlight (index) all common words, phrases and sentences. This included words / phrases like; "Too expensive" which appeared on 9 of the 20 questionnaires and others like; "Netflix", "Streaming", "Variety" which appears on 7, 6 and 5 respectively. All the words, phrases and sentences are transferred to an Excel spreadsheet per respondent to further analyse the feedback. Excel was the chosen instrument for the next level of analysis because by using a count formula, the researcher could easily identify the number of times each label appeared.

These words, phrases and sentences become the ‘codes’ as they were choice of words by the respondents. This resulted in 39 codes identified from all questionnaires. Each code was then counted on the number of times it appeared and this was recorded as occurrence. This count was recorded per code identified which was instrumental in defining groupings or categories to be discussed further.

7.1.3 Creation of categories

Most of the codes were inter-related and some duplicated and resulted in formation of categories; Price, Internet, Family, Competition, Maintenance, MultiChoice, Dstv, Satisfied and Variety.

All related and duplicated codes were assigned to a theme category, ensuring that all codes were allocated into a category. Consolidating 39 codes into nine categories was necessary to identify duplicates and this informed the research to start identifying some key issues by nature of number of occurrences from the sample. This also helped reduce the scope of analysis and allowed it to be narrow and focussed for richer analysis necessary in the further discussion and recommendation stage.

7.1.4 Label categories and identify connections between themes

The nine categories were further labelled into five key themes and basic discussion around their connection was identified. For instance, ‘Internet’ and ‘Competition’ categories are labelled as Competition because all the respondents that spoke of internet, streaming, Netflix, ShowMax were referring to alternatives for Dstv as competitors. These codes are all directly related and can be used inter-changeably as the statistics of Dstv’s competition because of increased internet penetration.

Categories with codes like; Family, happy with service, Satisfied, Fair price and main source of entertainment related to contentment with Dstv and was labelled

as Satisfied. Categories that related to the following codes; Installers, upgrade costs, installation and repeat call outs where labelled as Maintenance both pre- and post-purchase of the Dstv. This specific theme was relevant to 15 of the 20 respondents that had had upgrades or maintenance done in the last two years. All respondents had had needed some maintenance done in the past.

Categories that referred to codes of; expensive, pricey and not worth it are labelled as Value for Money which was the connection in referring to the respondent not satisfied with the monthly subscription price for Dstv. Lastly, categories that referred to; MultiChoice call centre, service centre and monopoly are labelled as Monopoly. The respondents who used these codes were unhappy with the post-purchase service from Multichoice, through the Call Centre, and/or Service Centre.

These five themes needed to be arranged by number of code appearance, which means this was the respondent's order of importance by the number of occurrences.

7.1.5 Hierarchical arrangement of themes

This is the hierarchical arrange of themes by code occurrence. It can be inferred that this is the respondent's rank of importance; Value for Money, Competition, Maintenance, Satisfied and Monopoly.

7.2 Results presentation by theme

This section covers research presentation, of the 20 interviewees that participated in the study. The participant's name was purposefully not required on the questionnaire thus each participant is referred to as a respondent. Respondents are labelled A to T (Representing 1-20 participants).

7.2.1 Theme 1 – Value for Money

Most of the respondents (19 of 20) do not believe Dstv is value for money, they all referred to having an alternative to Dstv in the form of streaming content. They have preferred to retain their Dstv subscription for live sports which is not otherwise available through any other source.

These respondents specifically state that Dstv is “expensive” and “pricey” therefore not worth the price. Some respondents compared Dstv to Cable and Sky TV solutions which have a far greater variety (up to 1 000 channels) but comparative to the pricing of Dstv for its 200 TV and Radio channel offering.

7.2.2 Theme 2 – Competition

Respondents who believe Dstv is not value for money, have access to the internet and are streaming content directly through devices like Apple TV, My Gica and MXQ, they consume products like Netflix and other streaming solutions with no subscription. Compared to Dstv services, these respondents want “Content on demand” as per respondent C, who wants to watch specific content when they want to and not when it is broadcast. A solution like Netflix give them that control.

Other respondents complain that the Dstv has poor variety from its 205 channels, as Respondents C, D, E, J, I, L and M state, “Poor variety”, “Repeats”, “No competition” and “Content on Demand”.

According to the research interviews, 50% of all respondents believe Dstv do not have competition in the true sense of being a broadcaster. SABC was the broadcaster ‘competitor’ and Respondent L is quoted “SABC sucks” and Respondent B says, “Better than SABC”. The remaining 50% of respondents refer to the streaming solutions as the competitor to Dstv, thus they answered the question of competition with Yes. Though both sets of respondents answered the question differently, it explicitly supports that the internet is providing Dstv with serious competition. This can be seen with Respondents J who has cancelled

their subscription and are fully streaming all content. This respondent is quoted says, “Dstv is not worth R900 per month” and “streaming solutions gives 95% of what they need”.

7.2.3 Theme 3 – Maintenance

Respondent A and L are the only research respondents that have not paid for any installation / maintenance of their Dstv, as they bought the equipment from MultiChoice inclusive of installation and setup. MultiChoice does provide a solution to buy the Dstv at a higher price, inclusive of installation but not ongoing maintenance which may be required. The other 18 respondents had had some maintenance done with respondent P quoted as saying, “Unexpectedly high upgrade costs”.

Eight respondents have quoted their maintenance costs at above the R2 000 mark. This is the post-purchase costs of retaining Dstv. From the entire sample, five respondents believe that Dstv should pay for these maintenance costs and 11 respondents believe Dstv should pay 50% of these costs. The remaining four respondents believe the consumers should pay their own way. The dominant theme is that Dstv customers believe ongoing maintenance is the second biggest contributor to Dstv not being value for money, after the content and variety.

7.2.4 Theme 4 – Satisfied

Four respondents are satisfied with Dstv. These respondents predominantly stated extensive consumption of Dstv for family viewing and Dstv being their primary source of entertainment. Respondent S is quoted saying, “Quality programs” and “satisfied subscriber for the last 20 years” which demonstrates that it is not all doom and gloom for Dstv. It is positively regarded by some households, though the same respondent is “not happy about repeats”.

Respondent Q is quoted saying, “Value for price” and is supported by respondent F who is quoted saying, “Dstv Call Center service is poor” but is still happy with

Dstv as their main source of entertainment with the price being “fair”. These respondents are also not negatively influenced by the maintenance costs, as they have all spent more than R2 000 of maintenance and upgrades.

7.2.5 Theme 5 – Monopoly

This final category of customers has described Dstv as a “Monopoly” in quoting respondent’s G and J. With respondent G not identifying Dstv as having competition in the broadcasting industry whereas respondent J affirms “streaming” as competition thus they have cancelled their subscription citing “Not worth it”.

Respondent L is quoted saying, “MultiChoice takes no responsibility” because they have no competition. This respondent believes Dstv is exploiting their advantage of being dominant in the industry, thus have neglected the programming offering and work done by the installers. Other respondents add the Call Centre factor saying “Avoid”, “long waiting times” and “Poor Call Centre service” as per Respondent F. This respondent felt that because Dstv is aware of their position, subscribers do not have a choice but to stick with them and this has compromised the customer experience.

7.3 Discussion of results

In review of customer happiness or delight, the Net Promoter Score (NPS) provides an index between detractors and promoters of your brand. This is an essential index for Dstv to consider using in better understanding their customers and potential customers. The NPS range is -100 to +100, a positive score which is above 0 is considered ‘good’. A score above +50 is considered ‘excellent’ and +70 is ‘world class’.

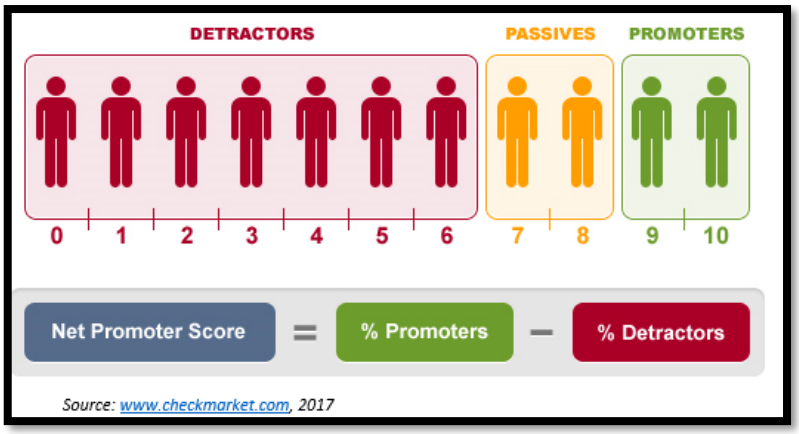


Figure 7.1: Graphical Presentation of the Net Promotor Score

This study has identified that 17 of the 20 respondents had acquired a Dstv installer through referrals, which means Dstv consumers are speaking and referring solutions to each other. Therefore, it can be concluded that word of mouth is a good promoting tool for consideration.

This research therefore calculated the NPS scores of recommending Dstv to family, colleagues and friends by the research respondents. The research resultant score for Dstv recommendation is -35. Which is significantly lower than a 0 and as such is a poor score for Dstv in this area. This affirms that the research sample are less likely to recommend Dstv to family, colleagues and friends.

The study then looked at the research respondents recommending either the Dstv Call Centre or Service Centre to family, colleagues and friends. This is based on the respondent's experience having interacted with the Call Centre and/or Service Centre, which is any touchpoint with Dstv or MultiChoice. The score for customer experience with Dstv is -17. This score is also below 0 which identifies another area that Dstv needs to improve on as this was the experience, they provide the customers.

In supporting the poor service respondents experienced in dealing with Dstv, this can be seen by Respondent F quoted saying, "Avoid" and "IVR irritating". The research also quotes Respondent I quoted as saying, "Time wasted waiting" and

respondent H referring to the “USSD not working”. Respondent K refers to alternative help solutions like the online chat facility and states “Poor live chat”. These are the touch-point experiences of Dstv customers as they interact with Dstv help solutions.

This paper used the same index under Dstv consumption, and the score is -10. This infers that Dstv subscriber’s consumption behaviour is below good, as feedback for Dstv. Bear in mind that these are the same subscribers that have other streaming solutions, thus reducing the consumption of Dstv. It is inferred that, it is in Dstv’s interest to see a greater improvement in consumption which is how consumers will derive value.

Lastly, this study used the NPS scoring index to evaluate the Dstv Price and Value as an index by the respondents. The Dstv price index score is -74 and Dstv value index score is -50 which are directly correlated items and both ranking poorly. Respondents do not find the value for the price they spend on Dstv. Though Dstv has incorporated complimentary ShowMax to premium subscribers, which represents 17 of the 20 respondents, the ShowMax offering is inadequate. This is compared to the variety offered by Netflix and other free solutions available in the market.

This research further used the NPS to evaluate referral feedback of a Dstv installer having met service expectation of the customer. The score for this area was +53. This implies that the work done by the referred Installer was excellent and customers were happy to refer them. Though most respondents do not believe that maintenance costs should fall squarely on the customer’s account, be that as it may, the current status quo brings rise to satisfaction with the work the installer do. This sentiment correlates to the satisfaction with upgrades index score which is +56. This further supports the excellent work the installers deliver.

This study asked respondents to rank in order of importance items presented to them. This section is to identify those respondents who are price sensitive or value other items as more important than price. The findings were as follows:

12 of the 20 respondents ranked ‘Quality’ as most important and ‘Price’ least important whereas six respondents ranked ‘Price’ as the first or second most important factor to them. This infers that sampled Dstv customers are not price sensitive and demand quality viewing as a priority, therefore are happy to pay for quality. It is important to note the profile of the target sample of Dstv customer and why price is generally not a concern.

17 of the 20 respondents reside in affluent Northern suburbs, two respondents from Johannesburg South with only one from the West rand. This customer profile is either full time employed (16 of 20 respondents) or self-employed (4 of 20) with household annual income more than R500 000 which represented 16 of the 20 respondents. The demographic is 60% white and 40% black and 60% of the respondents are male. This sample is therefore described as those affording Dstv and having access to fast fibre internet to add to their entertainment options. It can be inferred that this sample of respondents is not price sensitive, instead they are willing to spend on what they find of value.

8 APPLICATION OF DATA ANALYSIS TO MANAGEMENT THEORIES

8.1 Application of results to monopolistic firm's theories

MultiChoice has and continues to enjoy the benefit of being an essential service in South Africa. However, the high adoption of internet has also brought new business models to disrupt their dominance.

The consequence to MultiChoice having retained this market dominance over the past years has seen MultiChoice being negligent of service(s) to customers. This is highlighted by the research customers not believing they pay for value. Research respondents also believe the Call Centre and Service Centers are not sufficiently staffed, resulting in long wait periods. MultiChoice have implemented USSD solutions and Online Chat facilities which is recorded in this research as not working. These are all the touchpoints where Dstv customers interact with MultiChoice and the general experience is poor, synonymous with monopolies.

Disadvantages of monopolies include; lacking innovation which is seen with MultiChoice providing USSD and Online Chat solutions which are reactive in nature. These solutions were aimed at reducing calls into the Call Center and Service Centre, whereas they could have formulated a proactive solution to alert installers of potential issues and initiate calls to customers before customers even think of calling MultiChoice.

South Africa also anticipates major deregulations of content and long-term contracts with content providers, which will further compromise MultiChoice's monopoly. South Africa also anticipates Digital Terrestrial Television (DTT), which will bring competitive power to other broadcasters like SABC. MultiChoice has already provided a solution in this space in the form of Go TV, it is however unclear whether this Go TV will then become the new Dstv. MultiChoice needs to understand that it is about content and not primarily how the content is delivered.

If customers can find the same content via different, cheaper and reliable means, MultiChoice will have no business. This affirms Schumpeter's (1942) assertion that monopolies are not indefinite and monopolistic firms will be replaced by innovative business models.

8.2 Application of results to outsourcing theories

MultiChoice's core competency is securing and broadcasting content / entertainment services. The function of customer installations is critical, but non-core thus it was implemented, and these installer companies are receiving complimentary reviews with few exceptions.

Some of the disadvantages of outsourcing that are addressed through recommendations include; loss of managerial control and the perceived better service received from vendors (installers) than from internal MultiChoice staff. Mr. Fourie wants to be in control, have visibility of what work is done and overall gain customer success to improve MultiChoice's poor service experience. MultiChoice must take credit for implementing the best installation solution.

8.3 Application of results to Customer Value theories

The degree of the Dstv customer delight relates directly to the quality of service the potential and existing customers receive. This research has identified that MultiChoice service delivery is poor and customers' expectations are not met. This is evidenced by the NPS score of -17 for respondents referring family, colleagues and friends to Dstv Call Centre in ordering the Dstv decoder.

This touch point is preceded by some potential customers having searched the Dstv website first, so functionality of the website must be customer centric. From website to that first Call Centre contact needs to be closely managed by MultiChoice to help them identify opportunities and hopefully the beginning of the relationship with the customer. This is proactively managing customer value, which happens pre-purchase and sets the customer experience to follow.

Post-purchase, MultiChoice is required to manage customer satisfaction which is through the customer's experience with the Call Centre and Service Centre. Parker and Matthews (2001) describe customer satisfaction as a comparison between what the customer expected and what the customer received which is supported by Porter (1961) stating the difference between what should be and what it is now. The aim for MultiChoice is to closely manage customer satisfaction to have more promoters of the brand and improve the NPS.

Customer must become advocates of the Dstv brand, as they currently refer installers amongst each other. According to this research study, current Dstv customers are detractors of the brand. MultiChoice must strive to have more promoters for the quality of Dstv service compared to other service providers that may not have support because of their online only presence.

9 RECOMMENDATIONS BY PROBLEM

According to Mr. Constant Fourie, the main problem the Field Services team faces is with unhappy customers complaining about service from Dstv installers. However, this research study has displayed results in favour of installers, with most respondents are happy with the work received from installers.

Mr. Fourie further states that customers are complaining about installation and upgrade charges being high, repeat work by the installers and questioning installer competence which is resulting in repeat work and additional charges. This research has shown that a majority of Dstv customers, in the sample, believe that MultiChoice should share the costs of installations and upgrades with other respondents stating MultiChoice should pay in full. A minority responded in favour of the current status quo and were customers paying in full for their own installations and maintenance.

The research has shown that the price for pre-purchase installations, post-purchase maintenance and upgrades is high, but respondents were happy to pay the bill because the work was completed first-time. Two respondents out of the 20 sample had previously had bad experiences with the installer where the job was not completed first time and were not impressed with the quality of work. Could this customer issue be an overall dissatisfaction of the Dstv customer with all costs, price and value?

The current situation is that MultiChoice customers are generally unhappy by the work delivered to them through Dstv installer companies. However, the research has shown that customers are overall dissatisfied with the value of Dstv and contrary to what Field Services team believes to be the actual problem. The research has shown that the problem is not the installers.

To get MultiChoice to an ideal state, the path to providing recommendations is through a heightened focus on the research results themes and identifying quick win, medium-term and long-term solutions. These themes are in the form of direct

feedback from Dstv customers through this impartial study. These recommendations tackle each theme identified by the customer and address each of the sub-problems; the current outsourcing model, monopolistic behaviour of MultiChoice and customer value.

9.1 Recommendation(s): Sub problem 1 – is the Outsourcing Business model still effective?

Though the research has not conclusively provided fault with the current outsourcing model, the secondary data has provided potential alternatives for consideration. MultiChoice can consider outsourcing the Field Services function to a single / biggest vendor (prime-sub multi-vendor model) to have a single accountable 'face' or persona and an agreed Service Level in place. This will allow MultiChoice to focus on its core-competency and focus on product development rather than managing installations in which they do not have extensive experience.

The following recommendations are based on secondary data obtained from research:

- MultiChoice needs to educate their customers about a basic assessment of the work done by the Installer companies. This could easily be done through an application (mobile app) showing clients images of what the final setup / installation should look like and the customer can rate the installer accordingly.
- MultiChoice needs to provide a solution where installers can be rated on completed work to always ensure highest quality of work. These rating direct impact the installer company should they compromise quality delivery to customer.
- MultiChoice needs to develop a mobile app and begin to educate customers of what the final installation product should look like. This is linked to customer rating above.

9.2 Recommendation(s): Sub problem 2 – can Multichoice, as a dominant firm, remain competitive in its industry?

Based on literature and research conducted, the MultiChoice product offering needs to be enhanced to remain competitive. MultiChoice should leverage the fast-growing internet in South Africa and work with the existing internet service providers.

The following recommendations are based on secondary data obtained from research:

- MultiChoice needs to provide their customers the option to also purchase content on demand with the existing bouquet option. This will give the client flexibility to only subscribe to services they consume most often without unwanted additional services.
- MultiChoice needs to provide more streamed solutions, especially those that are currently free to air. MultiChoice has already started with incorporating ShowMax into the connect Dstv Explora, they now need to consider other free solutions like Show Box and make them available through the connected Dstv decoder.

9.3 Recommendation(s): Sub problem 3 – has MultiChoice failed to understand what Dstv customers value?

Dstv customers' needs are evolving as they are more exposed to the global competitive world. Access to internet is enabling these customers to access services they previously relied on MultiChoice to access. Most of these services are free or have a small subscription compared to the price of Dstv.

MultiChoice needs to improve the customer delight experience at all touchpoints with their customer. This will provide them an advantage to internationally hosted streaming services that have no immediate support.

MultiChoice needs to implement the Net Promoter Score effectively at every touchpoint with the Dstv customer. They need to open the platform to customers to allow for feedback and areas they can improve. Continuous improvement and keeping a close ear to what the customers value is important.

The following recommendations are based on secondary data obtained from research:

- Multichoice needs to improve the turn-around times at the Service Centre and Call Centre. Improve the waiting periods. They need to ensure that all the supporting tools like the Online Chat and USSD features work as purposed to add value.
- MultiChoice needs to have an integrated fault logging system to each of the existing customers' decoder. This would be in the form of a trigger notification back to MultiChoice when the decoder does not do what it is supposed to do. This would initiate a service lead to the Field Services team or directly with last installer at client.
- MultiChoice needs to use Search Engine Optimisation (SEO) tools to gain insights of customer behaviour from their website. Potential customers' behaviour can be tracked back to MultiChoice sales to identify leads and on-screen chat can be immediately initiated with customer. This is a proactive measure from MultiChoice and not having to wait or hope for the customer to call in for further information.
- MultiChoice must enable their devices to send customer behaviour analytics back to them. Without compromising local information protection laws, MultiChoice would request this information. This analytics information would allow MultiChoice to best understand the Dstv customer and promptly send an SMS or other push-notification to inform client of specific programs, with the option to record for later consumption.
- Fully integrated Customer Relationship Management (CRM) system with Enterprise Resource Planning (ERP) capabilities. This will be a central database with all customer activities or touch points with Dstv or Dstv

installers. This solution must be segregated to allow the customer to see what is relevant to them and the installer as well.

The above recommendations will require a Roadmap to identify what, when and how. The importance of defining the implementation roadmap is to identify items that can be implemented in the immediate to short-term (within 3 to 6 months) period. These are considered quick wins that need to be achieved and celebrated to gain momentum.

The medium-term recommendations are those items that can be implemented in 6 to 18 months. The long-term goals are utopia recommendations with will require 18 to 24 months; at this period all other recommendations would have been successfully implemented and achieved, thus utopia.

9.4 Implementation of recommendations (basic Roadmap)

9.4.1 Short-term and quick wins

- NPS Calculator – immediate
- Search Engine Optimisation – immediate
- Turn-around times for Call Centre and Service Centre – immediate to 3 months
- Field Services Quality Control / assessments of Installer work – 3 to 6 months
- Dstv installer ratings by customers – 3 to 6 months

9.4.2 Medium-term

- Content on demand services – 6 months
- Integrated fault logging system – 6 to 12 months
- Free to air streaming solution – 6 to 12 months
- Outsourcing of Field Services function to single vendor – 12 to 18 months

9.4.3 Long-term - Utopia

- Customer behaviour analytics – 18 to 24 months
- Integrated Customer Relationship Manager system – 24 months

Further consultation with MultiChoice is required for work-flow management of implementation of these recommendation and costs. MultiChoice management needs to review suggested recommendations for feasibility to proceed to the next phase of planning, which is a sequencing of events (workflow) and ultimately, pricing based on required resources.

The following are indicative implications that must be considered on implementation of the above strategy.

9.5 Implications of recommendations to systems / technology

Information Technology (IT) system design, development and deployment needs to be considered, as lead times differ per preferred solution provider. For instance, implementing the NPS system will either be developed into existing IT infrastructure or new technology sourced. Decisions around implementing the NPS through the Interactive Voice Response (IVR) or otherwise would need to be considered.

Implementation of Search Engine Optimisation will require support from internal IT and Marketing departments, which may impact the expected delivery times.

A fully integrated fault logging solution will require software to be loaded on customer devices (decoders) and receiving systems will need to be developed to translate this received data. This may impact lead times. This is also relevant for customer analytics solutions.

Technology to stream free to air content will need to be sourced and be downloaded to customer devices to enable the new functionality. MultiChoice will

need to have controls in place to manage this 3rd party content for quality and availability.

The mobile app development could be developed in-house or outsourced. This could impact on lead times to delivery. The verification of the mobile app with cellular phone manufacturers like; Apple, Android and Microsoft may also compromise lead times through their app verification channels.

MultiChoice management will need to be guided by each solution vendor on the Software Development Life Cycle (SDLC). This refers to the stages at which solutions are developed before being released to market. MultiChoice needs to be in control of the different stages of deployment of expected solutions.

9.6 Implications of recommendations to processes

With new systems implementation, work procedures and processes change. These processes need to be documented through further consulting engagements prior to sourcing of necessary solution. The content of this initial document will need to be updated until the final version is released with solutions.

These process changes do not only affect internal staff but installers and customers as well, which means MultiChoice will need support from potential beta external clients to test certain processes. Further consulting engagements will best identify the best external client(s) to serve this purpose and this may impact on delivery times.

The change process will need to be managed at operational level, both internally and externally. Further consulting engagement will help define change management processes and procedures.

9.7 Implications of recommendations to people / staff

Implementing new systems and solutions may necessitate new or different skillsets, therefore skills gaps would need to be identified and training initiatives implemented through internal or outsourced providers. Furthermore, new staff may need to be employed internally with a potential for redundancy of existing work functions.

Staff will need to be guided on change management because ineffective change management can result is unsuccessful implementation of solutions. Therefore, change is the largest risk that will need to be mitigated and extensive additional consulting is required in this space.

10 CONCLUSION

This research has helped MultiChoice identify the root cause(s) of the feedback they are receiving from Dstv customers. It has successfully uncovered the underlying issues resulting in disgruntled customers. The research ultimately came to a different conclusion to what MultiChoice had thought was the main problem. This highlights a disconnect dominant firms typically have from their customers.

MultiChoice had identified the main problem as being with the installer companies. Specifically, that these installer companies are over-pricing, using inferior equipment, causing repeat work for additional billing and ultimately questioning their competence. The research has however shown that Dstv customers are generally happy with the work done by the installers and most work is completed first time successfully.

The chosen inductive research process helped to uncover underlying problems as they relate to the observed and interviewed customers. This chosen method of analysis begins with data collection and ends with application of the observations to theory. This has brought to the fore, many secondary information problems and has allowed the research to provided rich secondary data recommendations.

Though the research is not exhaustive of all problems MultiChoice would like to address, the scope of the research is confined to the problems brought to the study's attention. These problems have been analysed based on the outsourcing model of installers, competitive opportunities to allow MultiChoice to remain competitive overarched by what the Dstv customer considers value.

As expected of a Consultancy report, the recommendations herein are presented in a simplified form for ease of reference to the customer's sentiments and feedback.

Lastly, it is recommended that this research study be extended to a large sample size and different functional areas within the outsourcing system of Multichoice, so that better insights are achieved.

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APPENDIX A

Wits Business School
Sculpting global leaders

WBS MBA 2017/2018

A review of customer value to DStv customers through Outsourced installer companies

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Dear DStv Customer

Thank you for participating in the MBA Applied Research Project / Research Thesis for MBA Candidate: Nkululeko Nombika (Student Number: 576988). This research aims to identify your experience in dealing with MultiChoice / DStv and DStv Installers.

The results of this research with confidential and your details will not be published.

Instruction: Please circle or mark the best options with an **X**.  for your desired response.

Section 1 – General

1. Geographic location

JHB - NORTH	JHB - SOUTH	JHB - EAST	JHB - WEST

2. Age

18 - 26	27 - 35	35 - 50	50+

3. Sex

MALE

FEMALE

4. House-hold Income group (annual)

>R120

R120 000 – R360 000

R240 000 – R500 000

R500 000+

5. Race

BLACK

COLOURED

INDIAN

WHITE

OTHER

6. Occupation

FULL

SELF

PART TIME

UNEMPLOYED

Section 2 – Subscriptions

1. Do you currently have an active DStv subscription?

YES

NO

2. What is your current DStv package?

PREMIUM

COMPACT

FAMILY

ACCESS

NOT SURE

3. Which services from DStv do you subscribe to?

DSTV

INDIAN

PORTUGUESE

DSTV +

DSTV + PORTUGUESE

4. Have you cancelled any of your subscriptions before?

YES **NO**

5. Do you believe DStv has competition currently in the broadcasting industry?

YES **NO**

Section 3 – Pricing and Consumption

1. How important is DStv in your daily life? (rate from 1- not important to 10 – very important)

1	2	3	4	5	6	7	8	9	10

Reasons for rating:

_____

2. How much time (weekly) do you spend consuming / watching DStv?

0 – 14 **14 – 28 hrs** **28 – 56 hrs** **56 hrs +**

3. What DStv services/channels does your household consume the most?

MOVIES **SPORTS** **CHILDREN** **MUSIC**

LIFESTYLE **DOCUMENT** **REALITY** **RADIO**

4. How much do you currently spend monthly on your DStv subscription?

>R200PM **R200 – R500** **R500 – R800** **R800+**

5. How satisfied are you with the price of your DStv subscription? (rate from 1- not satisfied to 10 – very satisfied)

1	2	3	4	5	6	7	8	9	10

Reasons for rating:

_____

6. Have you had any installation upgrades done in the last 2 years?

YES **NO**

7. How much did the upgrade cost you?

0 – R450 **R450 – R1000** **R1000 – R2000** **R2000+**

8. How satisfied where you with paying for the upgrade costs? (rate from 1- not satisfied to 10 – very satisfied)

1	2	3	4	5	6	7	8	9	10

Reasons for rating:

_____

9. What do you believe should be DStv/MultiChoice's responsibility regarding upgrades?

CLIENT SHOULD PAY FULL **DSTV MUST SHARE COSTS** **DSTV MUST PAY FULL** **OTHER**

10. How likely are you to recommend DStv services to a friend or family? (rate from 1- highly unlikely to 10 – highly likely)

1	2	3	4	5	6	7	8	9	10

Reasons for rating:

_____

11. How much value does the price of your DStv subscription to the services they deliver? (rate from 1- not worth it to 10 – worth every cent)

1	2	3	4	5	6	7	8	9	10

Reasons for rating:

_____

Section 4 – DStv Service

1. Have you dealt with MultiChoice in the last year?

YES **NO**

2. Have you been to a MultiChoice Service Centre in the last year?

YES **NO**

3. How would you rate the service delivery on your last interaction with MultiChoice? (rate from 1- very poor to 10 – very good)

1	2	3	4	5	6	7	8	9	10

Reasons for rating:

_____

4. How likely are you to recommend the DStv service centre to a friend of family? (rate from 1- highly unlikely to 10 – highly likely)

1	2	3	4	5	6	7	8	9	10

Reasons for rating:

_____

Section 5 – Installer Services

1. Have you interacted with a DStv installer in the last 2 years?

YES **NO**

2. Do you know whether they were an Accredited DStv installer or not? [How]

REFERRED BY DSTV **DSTV** **REFERRAL** **INSTALL**

3. How did you get the DStv installer's contact details?

FROM **DSTV** **REFERRAL**

4. Rate the knowledge of the DStv installer. (rate from 1- not knowledgeable to 10 – very knowledgeable)

1	2	3	4	5	6	7	8	9	10

Reasons for rating:

_____

5. Was the work completed first time?

YES **NO**

6. How did you pay the DStv installer?

NO	CASH	EFT / CARD	OTHER

7. How did the installer meet your service expectations? (rate from 1- very poor to 10 – exceeded expectations)

1	2	3	4	5	6	7	8	9	10

Reasons for rating:

_____

8. Rate the following items in order of importance to you?

QUALITY	PRICE	AVAILABILITY	KNOWLEDGE

PROFESSIONALISM

9. How likely are you to recommend the DStv installer to your family and friends? (rate from 1- highly unlikely to 10 – highly likely)

1	2	3	4	5	6	7	8	9	10

Reasons for rating:

_____

10. Do you have any advice on how this service could be improved?

_____

_____

_____

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