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An assessment of the marketing capabilities of trade book publishers in South Africa.

By

Catherine Willis

(Student Number: 469167)

Supervisor: Dr. Nathalie Beatrice Chinje

A research report submitted to the Faculty of Humanities, School of Literature, Language and Media in partial fulfilment of the requirements for the degree of M.A. Publishing Studies at the University of the Witwatersrand.

March 2016

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Declaration

I declare that this research report is my own unaided work. It is submitted in partial fulfilment of the requirements for the degree of Master of Arts in Publishing (by Coursework and Research Report) in the Department of Publishing Studies, School of Literature, Language and Media, University of the Witwatersrand. It has not been submitted for any other degree or examination at any other university or institution.

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Catherine Willis

March 2016

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CHAPTER 1: INTRODUCTION

This chapter concentrates on the purpose of the study, the context for the study, and the main problems which have precipitated the study. In addition to this, the significance of the study as well as its limitations and delimitations are discussed.

1.1 Purpose of the study

The purpose of this study is to investigate the current marketing capabilities of trade book publishers in South Africa. In addition, this study ascertains how these marketing capabilities impact on trade book publishers' sales and brand performance. Furthermore, recommendations on how trade book publishers in South Africa can improve their marketing capabilities for maximum performance are provided.

The study adopts Vorhies and Morgan's (Vorhies & Morgan, 2005) capabilities model to develop four propositions that are tested amongst the five leading trade book publishers in South Africa. Ultimately, this thesis aims to provide an ideal publishing decision making model for the South African market.

1.2 Context

In 2014, the global trade publishing industry contributed 23% to the total publishing industry worth €53,641 million (Wischenbart, 2014). Despite its significance, its estimated growth of 0,8% over the next 5 years (PwC, 2015), indicates that the trade publishing industry's source of revenue is dwindling. If the industry is to survive, it needs to increase its revenue and profit (Baverstock, 2015). Globally, the leading players in this industry are Penguin Random House, Hachette Livre, Scholastic, Simon & Schuster and Harper Collins (Wischenbart, 2014). Penguin Random House is the largest book publisher in the world, publishing more than 15,000 new titles per year and selling about 800 million books (hard copy, digital and audio) per year. (Publishers' Weekly, 2015; Wischenbart, 2014). In 2014, Penguin Random House generated over €3 billion in revenue (Publishers' Weekly, 2014; Wischenbart, 2014). In 2014, Hachette Livre published over 20000 titles. In the UK, Hachette holds 13% of the total book market share and generated over €2 billion in sales revenue in 2014 (Publishers' Weekly, 2015; Wischenbart, 2014). Scholastic is the largest children's book publisher in the world and reported a revenue of €1,5 billion for 2014 (Publishers' Weekly, 2015; Wischenbart, 2014). The 4th largest publisher – in terms of revenue - is Harper Collins. It earned over €1,256 billion in revenue in 2014 (Publishers' Weekly, 2015; Wischenbart, 2014). Simon & Schuster is a much smaller firm in comparison to the previous ones. However, it is still a large player in the

publishing industry, producing over 2000 titles per year with revenue of €683 billion (Publishers' Weekly, 2015; Wischenbart, 2014).

In South Africa (SA), the trade publishing industry represents 17,2% of the total publishing industry (PASA, 2014). Over the past 10 years, there has been fierce competition amongst such trade publishers as Penguin Random House, Pan Macmillan, Jacana Media, Jonathan Ball and NB Publishers, representing the most significant players in the SA trade publishing industry (PASA, 2014). There has also been a high absorption rate of smaller publishing houses into the larger, global conglomerates (Clark & Philips, 2014). Publishing companies are having to 'spread the risk' by publishing a wide variety of titles which encourages this absorption of smaller companies offering different areas of expertise (Baverstock, 2015). The year-on-year revenue comparison between 2012 and 2013 shows a drop of 2,4% within the trade publishing sector (PASA, 2014). The total publishing income shows a decrease of 18% between 2013 and 2014 (PASA, 2016). The volume of trade book sales has also decreased due to the shutting down or down-sizing of several large book store chains. In 2013, South Africa's primary book store (Exclusive Books), was sold by their holding company due to a rising e-book market, high costs and a decrease in consumer spending (Moorad, 2013). The closing of book stores is not only a South African phenomenon, in 2011, Border's, an American book store, closed 1300 stores after declaring bankruptcy (Pampalone, 2012). In the last seven years there has subsequently been a distinct downward turn in the sale of trade books in SA due to the global economic downturn.

Trade or consumer publishers produce fiction or non-fiction, adult and children's books for the public (Clark & Philips, 2014). These publishers derive profit from selling books for a low price to as many retail book sellers and other organisations as possible (Clark & Philips, 2014; Okyere, Agyapong & Nyaru, 2011; Siddhanta & Banerjee, 2012). These publishers need to ensure that their cost of sale is kept to a minimum as well so that their profit margin remains intact (Siddhanta & Banerjee, 2012). Globally, the ownership of trade book companies is primarily European, mainly French, German and Spanish (Clark & Philips, 2014; Carrenho, 2015).

SA-based trade publishers that want to flourish, create and sustain their competitive advantage, would need to have robust marketing capabilities. The marketing function within publishing houses is far more significant than it used to be (Baverstock, 2015). According to Luxton, Reid & Mavondo (2015: 38), "marketing capabilities are integrative processes designed to apply the

collective knowledge, skills, and resources of the firm to the market-related needs of the business, adding value to goods and services in meeting competitive demands." Similarly, Vorhies & Morgan (2005: 82) define marketing capabilities as the capabilities that a company has that turn inputs into a more valuable output. Marketing capabilities are also defined by these researchers as the strategy that is used to orchestrate the correct marketing mix and marketing management.

In summary, marketing capabilities can be defined as the different elements of marketing strategy, used in conjunction with all available resources of a firm in order to optimise valuable output. Specifically, marketing capabilities can include marketing communication, selling, pricing, product development and channel management, selling, marketing planning and marketing implementation (Vorhies & Morgan, 2005; Mu, 2015; Ngo, 2012; Siahtiri, O'Cass & Ngo, 2014).

1.3 Problem Statement

There has been a substantial amount of international research around the world that covers book publishing industries in different countries and different regions (Asai, 2015; Carrenho, 2015; Healy, 2008; House, 2013; Moon, 2014; Opoku-Amankwa, Mahamu, & Ry-Kottoh, 2012; Ramos, 2013). Globally, most research that has been published within this industry is split between the following sectors: scholarly publishing (Fourie & Terre Blanche, 2009), educational publishing (Labuschagne, 2009), and trade publishing (van der Walt, 2005). Prior research in the trade publishing sector range in topics from children's literature (Labuschagne, 2009; van der Walt, 2005) to the language of publication (Galloway & Venter, 2006; Totemeyer, 2013).

In the developed market of Europe and the United States of America (USA), the need for development and innovation within the publishing industry is being felt keenly (Healy, 2008). Healy (2008:237) found in a study conducted in the USA that over 65% of publishers believed that the need for innovation was 'essential to the survival of their company', especially in these following areas: new products, new sales channels, new marketing techniques and web initiatives. In developed markets, there is a constant fight for physical and digital shelf space for publishers books (Michaels, 2015) which impacts on the sales and marketing capabilities of publishing houses. In the United Kingdom (UK), the publishing industry is an important and large part of the economy, but it is facing many challenges, including the rise of digital content,

the lesser adherence to copyright laws and the increase in the availability of free content (House, 2013).

To date, there has been a limited amount of qualitative research done on the sales and marketing capabilities of trade publishers with the view to enhance their sales performance as well as to address these challenges. The most recent research that has been conducted around the developed market publishing industries has focused primarily on technology and the change that it has brought to the book trade publishing industry (Spavlik, 2012; House, 2013; Danet, 2014; Michaels, 2015).

In developing markets, there are many of the same issues within the trade publishing industry but there are also many different concerns such as global corporations involvement in local industries (Carrenho, 2015; Ramos, 2013; Setzer, 2015), the severity of the economic downturn (Asai, 2015; Moon, 2014; Villegas, 2015; Vergara, 2015), the development of literacy and language access barriers (Asai, 2015; Fourie & Terre Blanche, 2009 ;Opoku Amankwa, Mahamu & Ry Kottoh, 2012; Zhang, 2015). In Latin America, there has been a lot of research done on how the relationship with Spain has impacted the publishing industry (Carrenho, 2015; Ramos, 2013) as well as on how the publishing industry has been affected by economic downturns (Villegas, 2015; Vergara, 2015). In China, research has been done on how to reach the Chinese audience, focusing specifically on better ways of accessing the Chinese readers' attention without addressing issues pertaining to improving sales performance of trade publishers (Zhang, 2015). The Japanese publishing market has been characterised by a heightened public demand for literature (Asai, 2015). Asai (2015) examined the types of books people want to read and thus what books should be published. His research findings revealed that even though there is great demand for literature, sales per title are still low. There has been limited research done to determine why this is the case in Japan, as well as in the global market.

One of the largest concerns within the global publishing industry is the rise of the eBook. There is much literature on the potential damage to the traditional publishing industry that this technology could have and there is also research about this market sector's growth and how the industry needs to adapt (PwC, 2015; Spavlik, 2012; Hughes, 2014; Moon, 2014; Zhang, 2015; Healy, 2008).

Literature on trade publishing sales and marketing capabilities in South Africa is very limited. The majority of research in South Africa within the publishing industry concentrates on educational and academic publishing due to our development needs (Boayke, 2015; Galloway

& Venter, 2005; Baatjes, 2003; Fourie & Terre Blanche, 2009), as well as the transition of the South African book publishing industry (Galloway & Venter, 2005). In their study, Galloway & Venter (2005) focus on what the industry has been publishing throughout the years with the example of banned works during Apartheid being exported and then sold freely from 1994 (van der Walt, 2005; Labuschagne, 2009; Galloway & Venter, 2006; Machet, 2002; Galloway, 2002; le Roux, 2015). This study also analyses the sales capabilities of the publishing industry.

1.3.1 Main Research problem

The main research problem is the limited or lack of understanding of the marketing capabilities of trade book publishers in South Africa and how these capabilities can impact on the sales performance of these trade book publishers. Consequently, this research will attempt to investigate the marketing capabilities of trade publishers in South Africa. In addition, it will establish how these marketing capabilities impact on their sales performance.

1.3.2.1 Sub problem 1

To identify and describe the marketing capabilities of trade publishers in South Africa.

1.3.2.2 Sub problem 2

To ascertain how current marketing capabilities adopted by South African trade publishers are impacting on their sales and brand performance.

1.3.2.3 Sub problem 3

To propose a marketing capabilities model that can enhance the sales and brand performance of trade book publishers in South Africa.

1.4 Research Questions & Objectives

1.4.1 What are the marketing capabilities of trade publishers in South Africa?

An analysis of the South African trade book market is necessary in order to better understand the marketing and sales capabilities of the different publishing houses. Interviews with publishers at five publishing houses in South Africa will be conducted. Specific marketing capabilities, such as marketing communication, pricing, product innovation and channel management, will be examined within each company.

1.4.2 How are current marketing capabilities impacting on South African trade publishers' sales and brand performance?

An analysis of how different trade publishers sales and brand performance is affected by current marketing capabilities will be conducted. This will help to determine where marketing capabilities are falling short.

1.4.3 What is the marketing capabilities model that trade book publishers should follow in order to enhance their sales and brand performance?

A model that utilises all of the research gathered to determine the best way for trade publishers in South Africa to enhance their marketing capabilities will be created. This model will hopefully be used to enhance publishing house's sales and brand performance in the future.

1.5 Research Gap

There are currently several gaps in the literature on both marketing capabilities within the global publishing industry as well as gaps in the literature on the South African trade publishing industry. Currently, literature about the South African publishing industry focuses on the development from the Apartheid system to the modern day system (Galloway & Venter, 2005; Boayke, 2015; Baatjes, 2003; Galloway, 2002), or the literature is on the language of publishing (Donker, 1983; Machet, 2002). There is a lack of discourse on marketing capabilities within publishing houses around the world and locally. The originality of this study is that it aims to take marketing theories and apply them to a particular industry where it hasn't been done before.

There have not been any case studies performed on publishing houses in South Africa and this is another gap that this research aims to fill. Five South African publishing houses (Either local branches of international organisations or entirely South African businesses) will be studied in order to determine what the best way to optimise marketing capabilities is.

1.6 Significance of the study

Analysing and enhancing the marketing capabilities of companies around the world has become an incredibly valuable way to enhance product and service sales (Luxton, Reid & Mavondo, 2015; Mu, 2015; Ngo, 2012; Vorhies & Morgan, 2005). Due to the decline in the trade publishing industry sales in South Africa (International Publishers Association, 2015;

PASA, 2014; PwC, 2015), it is important for the South African publishing industry to examine their marketing capabilities and actively look for ways to enhance them.

This research is intended to highlight the need for the a reassessment of marketing capabilities within publishing firms in South Africa (Morgan, Vorhies & Mason, 2009; Ethiraj & Levinthal, 2004). This study is expected to be useful to South African trade publishing houses wishing to increase their marketing and sales effectiveness.

This study is highly significant as it is research that has not been conducted before in the South African trade publishing industry. This research is intended to fill this void in current literature on marketing within the book publishing industry.

It is hoped that this research will make a contribution to the trade book publishing industry of South Africa in the following areas:

1. An assessment of where the industry is at in terms of its sales and marketing capabilities.
2. Tangible recommendations to improve the sales and marketing capabilities of the industry.
3. The development of a model that will hopefully aid in the implementation of the recommendations

1.7 Assumptions

In order to do this research, there are several assumptions that have been made.

1. The number of interviews conducted (15) will produce a sufficient sample.
2. The interviews will provide a cross-section of the industry as people from different levels of the industry will be interviewed.
3. The respondents to the interviews will be from within the trade publishing industry in South Africa.
4. The respondent will have at least 2 years of experience within the industry and this is sufficient experience to have a deep understanding of the industry.

1.8 Delimitations

This is a specific research topic and in order to outline the boundaries, there are certain delimitations to the study.

1. The study will be conducted using information from the South African trade publishing industry.
2. The interviews will only be conducted in Gauteng.
3. Respondents can only be interviewed if they have at least 2 years of experience within the industry.
4. This research does not include trade eBook publishing

1.9 Limitations

The limitations of the study are defined below. Most of these limitations are inherent to qualitative studies and include:

1. Lack of generalisability

   Generalisability problems lie in the fundamental aspects of qualitative research as qualitative research selects a very niche market in which to work (Mays & Pope, 1995). For there to be generalisability, the ability to apply concepts to a wide range of scenarios, the original research cannot be done in such a niche way (Mays & Pope, 1995). Due to the small sample size being used and the specificity of the topic and industry, it will be difficult for this research to be applied to different industries or different countries (Maxwell, 2009).

2. There is a potential for the research to be biased or subjective.

   The majority of the original data is being taken from interviews with people. Although there will several interviews within each company and at each level in an effort to reduce bias, there could still be evidence of subjectivity within the data. As the data is to be interpreted by a single person, there is also a margin for accidental subjectivity there (Maxwell, 2009).

1.10 Structure of Study

No	Chapters	Description
1	Introduction	This chapters provides an introduction to the research by examining the purpose of the research, its significance and the limitations of the study.
2	Literature review	This chapter examines the literature that has already been written on the topic of marketing capabilities as well as marketing capabilities within the publishing industry. An analysis of the current publishing industry is also undertaken in order to gain a greater understanding of the marketing capabilities.

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3	Research methodology	This chapter examines how the research will be performed. This chapter includes the type of research to be conducted and the timeline and consistency matrix of the research too.
4	Presentation of results	In this chapter, the results from the interviews and other methods of data gathering will be presented according to each problem statement.
5	Discussion of results	This chapter will be the analysis of this study's research results alongside the literature already examined in Chapter 2.
6	Conclusions and recommendations	This chapter will provide a summary of the study and the conclusions that can be drawn from the data gathered and analysed. This chapter will also include suggestions for further study on this topic and in this field.

1.11 Conclusion

A void in research literature has been identified by examining the extent of the currently available literature on both marketing capabilities and trade publishing houses marketing practices. This chapter poses 3 fundamental research questions namely: what are the marketing capabilities of trade publishers in South Africa, how are these capabilities impacting the overall achievements of the publishing house and the industry at large, and finally, how should trade publishing houses be implementing effective marketing capabilities. The theory and available literature on these topics is covered in the following chapter.

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CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

This section assesses the literature that has previously been written on marketing capabilities, as well as its global and local publishing industry. First, the Resource-based theory as the main theoretical lens for this study is examined. Then, an in-depth review of marketing capabilities and marketing performance is presented. This chapter culminates with a conceptual model and propositions as well as a summary of the chapter.

2.2 Resource Based View (RBV)

2.2.1 Evolution and importance of the theory

The RBV theory has evolved since the 1980s through conceptual and empirical based studies (Barney & Arikan, 2001; Ray, Barney & Muhanna, 2004). RBV theory has been applied in the HR management context (Huselid, Jackson and Schuler, 1997). In this study, the relationship between the firm's HR management and its performance was evaluated. Another study by Barnett, Greve and Park (1994) drew on the RBV theory to investigate the historical competitive advantage against current performance (Ray, Barney, & Muhanna, 2004; Barney, 2001). Two further studies that were conducted by Markides & Williamson (1994) and Farjoun (1998) analysed the relationship that firm assets had to the firm's return-on-sale and the varying measures of firm performance (Ray, Barney, & Muhanna, 2004; Barney, 2001).

Wernerfelt (1984: 171), the original theorist behind this view, suggests that "For the firm, resources and products are two sides of the same coin." This is an accurate description of the way that the RBV looks at the relationship between resources and outputs and how they should be working together as they are forever connected. Barney (1991) was another major contributor to the development of this view and clarified the basis that needs to be worked from when using RBV (Priem & Butler, 2001). Firstly, there are two assumptions that have to be made when dealing with RBV: resources are distributed equally across firms and are very expensive to transfer (Barney, 1991; Priem & Butler, 2001). Secondly, resources that are rare, are also valuable and can therefore create competitive advantage. Should these rare resources be very unique and hard to reproduce, there is the potential for sustainable competitive advantage (Priem & Butler, 2001; Barney, 1991).

Firms can outperform their competition through various ways – either their resources are unique or rare (Priem & Butler, 2001; Barney, 1991; Song, Droge, Hanvanich & Calantone,

2005), or their resources are used and integrated into the firms' practices in superior ways (Droge, Hanvanich & Calantone, 2005; Eisenhardt & Martin, 2000; Teese, Pisano & Shuen, 1997; Mintzberg, 1987; Pfeffer & Salancik, 1978; Tan & Litschert, 1994).

2.2.2 Definition of the RBV Theory

Resources are defined as both the tangible and intangible assets that a firm possesses (Ray, Barney, & Muhanna, 2004). The Resource-based theory defines a firm as an organisation constituting of a group of assets, both tangible and intangible, which create and enable the firm's core competencies (Song, Droge, Hanvanich & Calantone, 2005; Penrose, 1959). The resource-based theory ultimately looks to the firm's assets and their relationship to other aspects of the firm in order to determine the firm's competitive advantage over others (Song, Droge, Hanvanich & Calantone, 2005; Day & Wensley, 1988; Barney, 1991; Das & Teng, 2000; Doz & Hamel, 1998). It has been defined as a way of viewing a firm's resources in order to best optimise them to gain competitive advantage over their peers (Song, Droge, Hanvanich & Calantone, 2005; Penrose, 1959; Day & Wensley, 1988; Barney, 1991; Das & Teng, 2000; Doz & Hamel, 1998).

This RBV is a deep assessment of where levels, imitability, non-substitutability and values are similar within firms' capabilities and resources at hand, in order to understand why firms perform differently (Wernerfelt, 1984; Vorhies & Morgan, 2005; Amit & Shoemaker, 1993; Barney, 1991). This theory deals with how firms control their competitive advantage over others through their varying deployment of resources (Wernerfelt, 1984; Barney 1986; Peteraf, 1993; Teece, Pisano & Shuen, 1997; Barnett, Greve & Park, 1994; Karim & Mitchell, 2000). Competitive advantage is becoming more and more difficult to attain and maintain as many products are reaching the peak of their life cycle (Keller, 2001). The marketing of a product is able to transcend its physical properties and is able to construct an ideology out of the message that is communicated to the audience – this is where firms are able to differentiate themselves (Barney, 1991; Keller, 2001; Priem & Butler, 2001; Song, Droge, Hanvanich & Calantone, 2005).

According to Ray, Barney, & Muhanna (2004), the RBV theory consists of 3 constructs; namely resources (Song, Droge, Hanvanich & Calantone, 2005; Penrose, 1959); the firm (Song, Droge, Hanvanich & Calantone, 2005; Day & Wensley, 1988; Barney, 1991; Das & Teng, 2000; Doz & Hamel, 1998); and competitive advantage (Wernerfelt, 1984; Vorhies & Morgan, 2005; Amit & Shoemaker, 1993; Barney, 1991).

2.2.4 Application of the RBV theory in a business and marketing context

Within business, the resource based theory is being used in almost every department. Human resources (Huselid, Jackson & Schuler, 1997), marketing and sales (Farjoun, 1998; Markidis & Williamson, 1994; Ray, Barney, & Muhanna, 2004) and finance (Farjoun, 1998; Ray, Barney & Muhanna, 2004). One industry that has used the theory in particular is the bearings industry that conducted research in to how the industry could use this theory to improve their overall performance (Collis, 1991). The RBV theory has been particularly useful in the field of strategic management (Fahy & Smithee, 1999).

According to Fahy & Smithee (1999), marketing is drawing most of its RBV applications from the field of strategic management. The adoption of the RBV theory to analyse international markets in the 1990s, has been extremely beneficial to the marketing industry since the phenomenon of globalisation has occurred (Fahy & Smithee, 1999). Kozlenkova, Samaha & Palmatier (2013) purport that since the 1990s, there has been a more direct relationship between RBV and marketing. This theory has been utilised most prolifically in three areas within marketing, namely in marketing innovation (Dutta et al, 1999; Srinivasen et al, 2002), marketing strategy (Hult et al, 2005; Slotegraaf & Dickson, 2004) and finally international marketing (Ruiz-ortega & García-Villaverde, 2008). These areas of theory and industry are all proven to only improve or to be optimised once several different and sometimes seemingly unrelated resources are combined (Kozlenkova, Samaha & Palmatier, 2013). The ability for firms to gain this kind of competitive advantage is paramount as it keeps them in front of their competitors for a sustained period of time (Srivastava, Fahey & Christensen, 2001).

2.2.5 Relevance to this study

The idea that a firm can optimise their marketing ability by assessing and utilising the firms' resources is central to the RBV theory. This is an important focus of this study as it aims to understand publishing firms' ability to market based on their available resources. This is relevant to the Publishing industry as publishing houses are like any business that needs to create a profit so understanding the efficiency of their capabilities is in turn likely to help them improve their profit.

In 2002, a study was performed to evaluate the 'benchmark' level of firm marketing capabilities and then use this benchmark to compare and evaluate other companies (Vorhies & Morgan, 2005). This strategic marketing research is being used to enhance firm performance and profits

(Ngo, 2012). One of the greatest ideas within this field of research is that if firm resources work together and complement each other's roles and responsibilities, the effectiveness of the marketing capabilities will increase (Ngo, 2012). This complementary relationship between firm resources is difficult to achieve, however,, even though there has been much prior research on it (Day, 1994; Grant, 1996; Madhavan & Grover, 1998; Moorman & Slotegraaf, 1999; Morgan, Vorhies, & Mason, 2009; Song, Droge, Hanvanich, & Calantone, 2005). Ngo (2012) found that there is a necessity for firms to be market-oriented in their strategic marketing deployment. This marketing strategy needs to be flexible because it needs to include business orientation, business processes as well as the context of the business – not all markets and processes will succeed in every situation (Ethiraj, Kale, Krishnan, & Singh, 2005; Ngo, 2012; Ray, Barney, & Muhanna, 2004).

2.3 Marketing Capabilities

There is extant research on marketing capabilities (Wind & Robertson, 1983; Vorhies & Morgan, 2005; Mu, 2015; Luxton, Reid, & Mavondo, 2015; Ngo, 2012; Dobni & Luffman, 2000). Marketing capabilities are elements of the marketing mix (Information Resources Management Association, 2014) that can be defined as the tools available to the marketing team that are controllable and that can ultimately lead to profitable business practice (Constantinides, 2006; Borden, 1964; Kotler et al, 2009). Borden (1964) identified twelve of these such elements which was then cut down to four by Jerome McCarthy (1964). These four controllable elements of marketing strategy were defined as product, price, promotion and place (Constantinides, 2006; McCarthy, 1964). More recently, Kotler et al have determined that there are 6 crucial marketing capability elements to any marketing mix: advertising, sales promotion, personal selling, publicity, events and sponsorships and direct marketing (Kotler et al, 2009; Okyere, Agyapong & Nyaru, 2011).

Prior studies identify the following marketing capabilities of which some are elements of the marketing mix as necessary in order to achieve marketing, sales and brand performance: marketing communication, selling, pricing, product development, channel management, innovation, branding, market orientation, promotion, place, market oriented behaviours and marketing strategy (Toytari, Rajala & Alejandro, 2015; Zhang, Wu & Cui, 2015; Siddhanta & Bannerjee, 2012; Yang, Zhou & Jiang, 2011; Okyere, Agyapong & Nyarku, 2011; Merrilees, Rhundle-Thiele & Lye, 2011; Finne & Gronroos, 2009).

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Table 1: Summary of marketing capabilities as covered in the extant literature

#	Sources	Year	Journal	Research type: qualitative/quantitative/ mixed method/conceptual	Industry	Marketing capabilities	Theoretical grounding
1	Toytari, Rajala & Alejandro	2015	Industrial Marketing Management	Case Study	Global mineral processing, Paper industry technology	Pricing Channel Management	Value-Based Pricing Customer perceived value
2	Zhang, Wu & Cui	2015	International Journal of Research in Marketing	Quantitative	No specific industry mentioned	Product Innovation	Market exploration & market exploitation Tacit vs Explicit customer knowledge New product innovativeness
3	Siddhanta & Banerjee	2012	European Journal of Business and Management	Empirical	Cement/Construction	Marketing communications Advertising Sales Promotion Personal Selling Direct marketing	Integrated Marketing Communications
4	Yang, Zhou, Jiang	2011	Industrial Marketing Management	Quantitative	Electronics, computer equipment, chemicals, apparel, furniture, food, textiles	Channel Management	Transaction Cost Economics Formal Control

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5	Okyere, Agyapong & Nyarku	2011	International Journal of Marketing Studies	Quantitative	Telecommunications	Marketing Communications Advertising Sales Promotion Publicity Personal Selling Sponsorship Direct Marketing	Communication Kotler et al Marketing Communication Ifeanyi-Obe's study model
6	Merrilees, Rhundle-Thiele & Lye	2011	Industrial Marketing Management	Quantitative	Business to Business Multiple industries (Construction, Wholesale, IT/Software, Agriculture)	Innovation Branding Market orientation Management Finance	Resource-based view
7	Finne & Gronroos	2009	Journal of Marketing Communications	Conceptual	None	Marketing Communications	Integrated Marketing Communications The Relationship Communication Model
8	Constantinides	2006	Journal of Marketing Management	Qualitative	Multiple industries (Retail, industrial)	Product Price Promotion Place	The Marketing Mix – McCarthy's 4Ps
9	Dobni & Luffman	2000	Journal of Marketing Management	Qualitative	Telephone companies	Market Orientation Market Strategy Market-oriented Behaviours	Market orientation

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10	Keller	2001	Journal of Marketing Management	Qualitative	No specific industry mentioned	Marketing Communications	Integrated Marketing Communications The Marketing Communication Tetrahedron
11	Berthon, Lane, Pitt & Watson	1998	Journal of Marketing Management	Conceptual	Online businesses	Marketing Communications	Buy Grid Framework Awareness Efficiency

Source: Author's compilation based on literature review

2.3.1 Marketing Communications and marketing performance

Marketing communications is the ability of a firm to manage all expectations of products, delivery and value through communications with customers and employees (McKee et al, 1992). Marketing communications is an essential component of any business's marketing mix (Berthon et al, 1998; Lillien, 1979; Lillien & Weinstein, 1983). The communications that a firm broadcasts to their shareholders and consumers is one of the most important elements of any business – these communications inform, persuade and remind people of the business and why they should be choosing that firm over another (Keller, 2001). The repetition of these communications is also extremely important as without it, the message in the communications is forgotten (Burke & Srull, 1988; Krush, Sohi & Saini, 2015; Keller, 1987). Marketing communication is a critical marketing skill that firms acquire through experienced leaders in addition to the development of other critical marketing skills (McKee et al, 1992). There are many different elements, or communication options (Keller, 2001), of marketing communications like media advertising, direct response and interactive advertising, place advertising, point-of-sale advertising, trade promotions, consumer promotions, event marketing and sponsorship, publicity and personal selling (Keller, 2001). In addition to the traditional forms of marketing communication, Integrated Marketing Communications (IMC) campaigns have started to incorporate elements of new media such as online paid advertising, content marketing and social media marketing (Belch & Belch, 2014). Due to the fact that there are so many avenues available for marketers, the idea of integrating all marketing communications to work in a cohesive manner is important (Belch & Belch, 2014; Duncan & Moriarty, 1997; Edell, 1993; Keller, 2001; Percy, 1997; Schultz, Tannenbaum & Lauterborn, 1994).

Integrated Marketing Communications (IMC)

IMC is the idea that all marketing communication mix elements are most efficient when the communication overlaps and is cohesive throughout a brand (Keller, 2001; Schultz, 1998; Mihart, 2012). Several definitions have been developed including that IMC is a strategic way to implement marketing communications by planning, developing, executing and evaluating cohesive communication plans that are both measurable and persuasive (Schultz & Schultz, 1998). Keller (2001) suggests that IMC is a strategy that develops, implements and evaluates a firm's marketing communication options so that the design and execution of all communications are consistent and deliver the same message about the firm and the product.

IMC can also be defined as the unification of all marketing resources and practices in order to achieve the common goal (Burnett & Moriarty, 1998).

As more and more literature is being written about IMC, firms are starting to investigate it in order to apply it to their own business strategy (Mihart, 2012; Cook, 1997; Gould, Lerman & Grein, 1999; McArthur & Griffin, 1997; Schultz & Schultz, 2003; Kitchen, Brignell & Jones, 2004; Kitchen et al, 2004; Shimp, 2007). Ideally, IMC would be used to create a program that is fully consistent throughout communication platforms; that would use the benefits of each resource to negate the disadvantages of the others where possible; would convey the brand and the message regardless of consumers' prior awareness of the product; and it would be the most low-cost solution for a marketing plan (Mihart, 2012; Keller, 2001; Duncan & Moriarty, 1997; Finne & Gronroos, 2009).

For this study, marketing communications is defined as the ability of a firm to interact with their consumers and shareholders and promote their products or services to a wider audience in an effective and concise manner, repeatedly.

Marketing Communication and marketing performance

In 2011, a study was conducted to determine the effect that marketing communications had on the sales performance of a telecommunications provider in Africa (Okyere, Agyapong & Nyaru, 2011). The overall results showed that there was a strongly positive relationship between the marketing communications and sales figures (Okyere, Agyapong & Nyaru, 2011). Ifeanyi-Obe et al (2008) study was used to determine the relationship between marketing communications activities and sales (Okyere, Agyapong & Nyaru, 2011). This model showed that there was a positive relationship between marketing communications and sales. This model was also used in 1998 and 1999 to evaluate the relationship between marketing communications and sales of the company Royco – this relationship was also found to be positive (Okyere, Agyapong & Nyaru, 2011). A similar case study was conducted in India, within the cement industry. The study established a relationship between net sales and marketing communication costs (Siddhanta & Banerjee, 2012). This empirical study drew the same conclusion as the telecommunications study by Okyere, Agyapong & Nyaru (2011) – there was a positive relationship between marketing communications spend and net sales. This prior evidence shows that marketing communication is positively related to sales performance. Thus, it can be posited that:

P1 There is a positive relationship between marketing communications and the sales performance of trade publishers in South Africa.

2.3.3 Pricing and marketing performance

Pricing is an important variable in sales. It has been defined as the value that a business gives to their product or service in order to best meet profit and customer expectations. There are several methods that companies use to determine the price of their products or services. This study is going to focus on two: Value Based Pricing and Customer Perceived Value (Hinterhuber, 2004; Toytari, Rajala & Alejandro, 2015).

Value-Based Pricing (VBP) is a way of ascertaining price by measuring the value created by the product (Hinterhuber, 2004; Monroe, 2002; Dutta, Zbaracki & Bergen, 2003). This method of pricing is seen to be quite advanced as it creates a larger profit and competitive advantage for businesses (Monroe, 2002; Dutta, Zbaracki & Bergen, 2003; Forbis & Mehta, 1981). Value based pricing works on how the firm values the product due its actual costs and profit ability (Toytari, Rajala & Alejandro, 2015; Anderson & Wynstra, 2010).

Customer perceived value can be seen as the value a customer believes they are to receive from the product, less the cost to the customer (Toytari, Rajala & Alejandro, 2015). This cost can be financial or any other kind of sacrifice that the customer needs to make in order to access the value of the product. The value that the customer gives the product or service is within one of four categories: Operational value, strategic value, social value and symbolic value (Ulaga & Eggert, 2005; Ritter & Walter, 2012; Kothandaraman & Wilson, 2001; Ravasi & Rindova, 2008; Bowman & Ambrosini, 2000). Operational value is seen as the way that the business conducts itself (Ulaga & Eggert, 2005; Toytari, Rajala & Alejandro, 2015). The better the operational practices of a firm are, the more efficient the business is and this translates into customer value (Ulaga &Eggert, 2005; Toytari, Rajala & Alejandro, 2015). The result of good operational management can also lead to customers considering the purchase to be less risky (Hunter, Kasouf, Celuch & Curry, 2004). Strategic value is the ability of the firm to stay one step ahead of its competitors through innovation and corporate evolution (Ulaga & Eggert, 2005; Ritter & Walter, 2012; Toytari, Rajala & Alejandro, 2015). Social value is particularly important to customer-perceived value as it deals with the value that other people will place on the consumer due to them purchasing the product or service (Kothandaraman & Wilson, 2001; Lapierre, 2000). Symbolic value is something that motivates consumers – they have often believed that if they are able to be in a position where they are able to purchase said product or

service, they have reached a higher level of class or wealth or both (Toytari, Rajala & Alejandro, 2015).

For this study, pricing can be defined as the value that the company places on a service or product which the company believes will be equal to the value that the consumer will receive from said product or service.

A case study that was conducted in 2012 on manufacturing companies and service providers (with the exception of retailers, firms with agricultural interests and trading firms), examined the relationship between pricing and market performance. This case study established that 80–90% of new products are under-priced when they initially go to market and that this can have severe long term consequences for the products' market performance (Ingenbleek, Frambuch & Verhallen, 2013; Marn, Roegner, and Zawada, 2003). This initial low pricing can negatively affect the short term performance of the product as it might not make profit but the long term consequences come from customer perception - should customers perceive the value of a product too low, they won't trust the product or brand and will purchase something similar, for a higher price (Lowe and Alpert, 2010). The conclusion of this study was that pricing decisions should be as much a marketing decision as a profit decision and should be based on value, competition and cost (Ingenbleek, Frambuch & Verhallen, 2013). Thus, it can be posited that:

P2: There is a positive relationship between pricing and the sales and marketing performance of trade publishers in South Africa.

2.3.4 Product development and marketing performance

Product development as a marketing capability is very integrated with other marketing capabilities and needs to be one of the core focus areas of a firm for it to achieve competitiveness in the market (Toytari, Rajala & Alejandro, 2015; Troy, Hirunyawipada & Paswan, 2008; Kim & Atuahene-Gima, 2010; Zhang, Wu & Cui, 2015).

Firms are required to utilise and acquire information about their market in order to further develop their product, brand and service offering. This is essential for meeting customer needs. (Moorman, 1995; Slater & Narver, 1995; Troy, Hirunyawipada & Paswan, 2008).

There are 2 methods of acquiring the information necessary for product innovation: market exploitation and market exploration. (Kim & Atuahene-Gima, 2010; Kyriakopoulos & Moorman, 2004). Exploration is expanding the horizons of the current market by doing broad

research within the field and within other fields. Exploitation is manipulating the current market to the highest benefit possible for the firm. (Benner & Tushman, 2003; Raisch, Birkinshaw, Probst & Tushman, 2009; Zhang, Wu & Cui, 2015).

An organisation's ability to utilise market research is seen as a competitive advantage over other firms in the same industry (Day, 1994; Jaworski & Kohli, 1993; Slater & Narver, 1995; Zhang, Wu & Cui, 2015). In order to maintain this competitive advantage, previous research has shown that the firm needs to generate its own research (Grant, 1996; Zhang, Wu & Cui, 2015).

New product development requires the market research to be used to create a new offering, product or benefit of the existing service in order to have an advantage over other firms. This is another area in which market exploration and market exploitation are useful in different ways. Market exploitation research will provide a very deep and thorough knowledge of the current market which can assist in developing products and services along the same lines (De Luca & Atuahene-Gima, 2007; Rindfleisch & Moorman, 2001, Zhang, Wu & Cui, 2015; Leonard-Barton, 1992). Market exploration research can change the focus of the business entirely as it will examine adjoining industries and spheres of influence (Atuahene-Gima, 2005; Kyriakopoulos & Moorman, 2004). The speed at which product development and innovation can occur is also dependent on the type of research and innovation practices being used. Exploitation will see a far faster result as the market that is being examined is already defined and understood by the researchers and the firm and the suggestions gleaned from the research is likely to be an addition to an existing product or service (Katila & Ahuja, 2002; Zhang, Wu & Cui, 2015).

One of the biggest drivers of competitive advantage is innovation in both product/service offering and business process (Murat & Baki, 2011; Dess & Picken, 2000; Chang, Bai & Li, 2015). Product innovation can be defined as the introduction of new products or services in order to meet customers evolving demands (Chang, Bai & Li, 2015; Casadesus-Masanell & Zhu, 2012; Gopalakrishnan & Damanpour, 1997; Li & Atuahene-Gima, 2001; Paladino, 2008; Vaccaro et al, 2012). Thus, it can be posited that:

P3: There is a positive relationship between product development and the sales and marketing performance of trade publishers in South Africa.

2.3.5 Channel management marketing performance

Channel management looks at the relationship that a business has with the various levels of its sales and marketing team, including distributors and dealers (Rosenbloom & Anderson, 1985; Stern, Elansary & Coughlan, 1996; Subramaniam, Shaw & Gardner, 2000). The marketing channel performs a supporting function for the marketing and sales team as well as the sale of products and services. The channel performs the distribution function, the transaction function and the communication function (Peterson, Balasubramaniam & Bronnenberg, 1997).

Channel management is a difficult task to get right as there are many elements involved including human bias and emotion. In order to keep these interactions as satisfactory as possible, trust and formal controls are critical governance mechanisms that need to be implemented (Das & Teng, 2000; Poppo & Zenger, 2002; Yang, Zhou & Jiang, 2011). Not only is this essential for governance purposes, sustainable and beneficial channel management creates a substantial competitive advantage for businesses (Zhang, Cavusgil & Roath, 2003; Yang, Zhou & Jiang, 2011).

Channel management is crucial for maintaining brand identity, brand trust and thus improved marketing capabilities (Toytari, Rajala & Alejandro, 2015; Ritter & Walter, 2012). There are several options available to companies in order to enhance their channel relationships, including incentives. Incentives have been found to work in encouraging distributors and other partners to push the sales of a company's products and services (Gilliland & Kim, 2014). Other options include pass through pricing, merchandising discounts and advance buying (Gilliland & Kim, 2014; Kumar et al, 2001).

Channel management has been analysed in several studies and there is one in particular that is quite interesting. This study looks at the farming industry in Thailand and how the local farmers can potentially market their produce differently and enhance their sales (Schippmann & Qaim, 2011). Through a survey, the study examined 3 companies that were purchasing produce from the local farmers. This study established that the more the local farmers were getting out of a particular market channel, the more likely they were to increase their production for that channel (Schippmann & Qaim, 2011). Thus, it can be posited that:

P4: There is a positive relationship between the quality of the channel management and the sales and marketing performance of a company.

2.3.6 Marketing performance

According to Morgan, Clark and Gooner in a paper published in 2002, marketing performance is primarily focused on customers' cognitive and affective responses to a firm's marketing efforts, and the consequences to the firm thereof. These responses include the customers' perception of the brand and its quality. The consequences of these responses can be seen to be whether the customer purchases the product or not. There are different levels of performance that need to be examined: internal and competitor in particular. Internally, the marketing performance can be determined by the sales and profit volumes (Day and Fahey, 1988; Kaplan and Norton, 1993; Morgan, Clark & Gooner, 2002). Competitively, performance can be measured by the 'mind share' of customers (Day and Fahey, 1988; Kaplan and Norton, 1993; Morgan, Clark & Gooner, 2002).

According to Walter and Reukert (1987), marketing performance has three elements: effectiveness, efficiency and adaptability. All three of these elements are deemed to be equally important when a customer makes a buying decision, and thus equally important for when marketing strategy and performance are implemented and analysed. Effectiveness and efficiency deal with the organisation, operational value (Ulaga & Eggert, 2005; Ritter & Walter, 2012; Kothandaraman & Wilson, 2001; Ravasi & Rindova, 2008; Bowman & Ambrosini, 2000) and channel management (Das & Teng, 2000; Poppo & Zenger, 2002; Yang, Zhou & Jiang, 2011). Adaptability goes back to product innovation as customers expect brands to be innovative and keep up with societal and environmental changes (Moorman, 1995; Slater & Narver, 1995; Troy, Hirunyawipada & Paswan, 2008; Walker and Ruekert, 1987).

For this study, marketing performance is defined as the level of revenue, profits and new customers acquired over a specific period, as well as the retention of profits and current clients. To have successful marketing performance levels, means that clients will remain clients and there will be an increase in profits, revenue and new clients.

Marketing performance is assessed through two methods namely, marketing productivity analysis and marketing audits (Morgan, Clark, & Gooner, 2002). Marketing audits deal with the difference between firm inputs and outputs (Misterek et al., 1992), and productivity analyses look at the efficiency of the business in terms of dealing with these inputs and outputs (Sink, 1985).

A case study on marketing performance was conducted in 2009 (Morgan, Slotegraaf & Vorhies, 2009). Data was collected from executives and an analysis of financial data from several firms within the computer hardware, computer software, electronic equipment, specialty retail, pharmaceuticals, consumer packaged goods and business services industries (Morgan, Slotegraaf & Vorhies, 2009). The results of this study conclusively prove that marketing capabilities and firm growth rates are positively related (Morgan, Slotegraaf & Vorhies, 2009).

Table 2: Table displaying the various marketing performance indicators and sources.

Marketing Performance Indicator	**Sources**	**Publication Year**
Increase in Revenue	Morgan, Slotegraaf & Vorhies, 2009	2009
Increase in Profit	Morgan, Slotegraaf & Vorhies, 2009 Stahl, Heitmann, Lehmann & Neslin	2009 2012
New Client Acquisition	Schulze, Skiera & Wiesel Knox & Van Oest Arnold, Fang, Palmatier	2012 2014 2011
Client Retention	Ma, Sun & Kekre Arnold, Fang, Palmatier D'Haen, Van der Poel, Thorleuchter	2015 2011 2013
Higher Lifetime Customer Value	Schulze, Skiera & Wiesel Gupta, Sunil, Hanssens, Hardie, Kahn, Kumar, Lin, Ranvishanker & Sriram	2012 2006
Fewer Customer Complaints	Ma, Sun & Kekre Knox & Von Oest	2015 2014
More Customer Compliments	Ma, Sun & Kekre Knox & Von Oest	2015 2014

Source: Author's compilation based on literature review

Marketing capabilities are all crucial aspects of a business and lead to enhanced marketing performance. Marketing performance leads to an increase in revenue, an increase in profit, greater new client acquisition, better client retention, higher customer lifetime value, fewer customer complaints and more customer compliments (Ma, Sun & Kekre, 2015; Knox & van

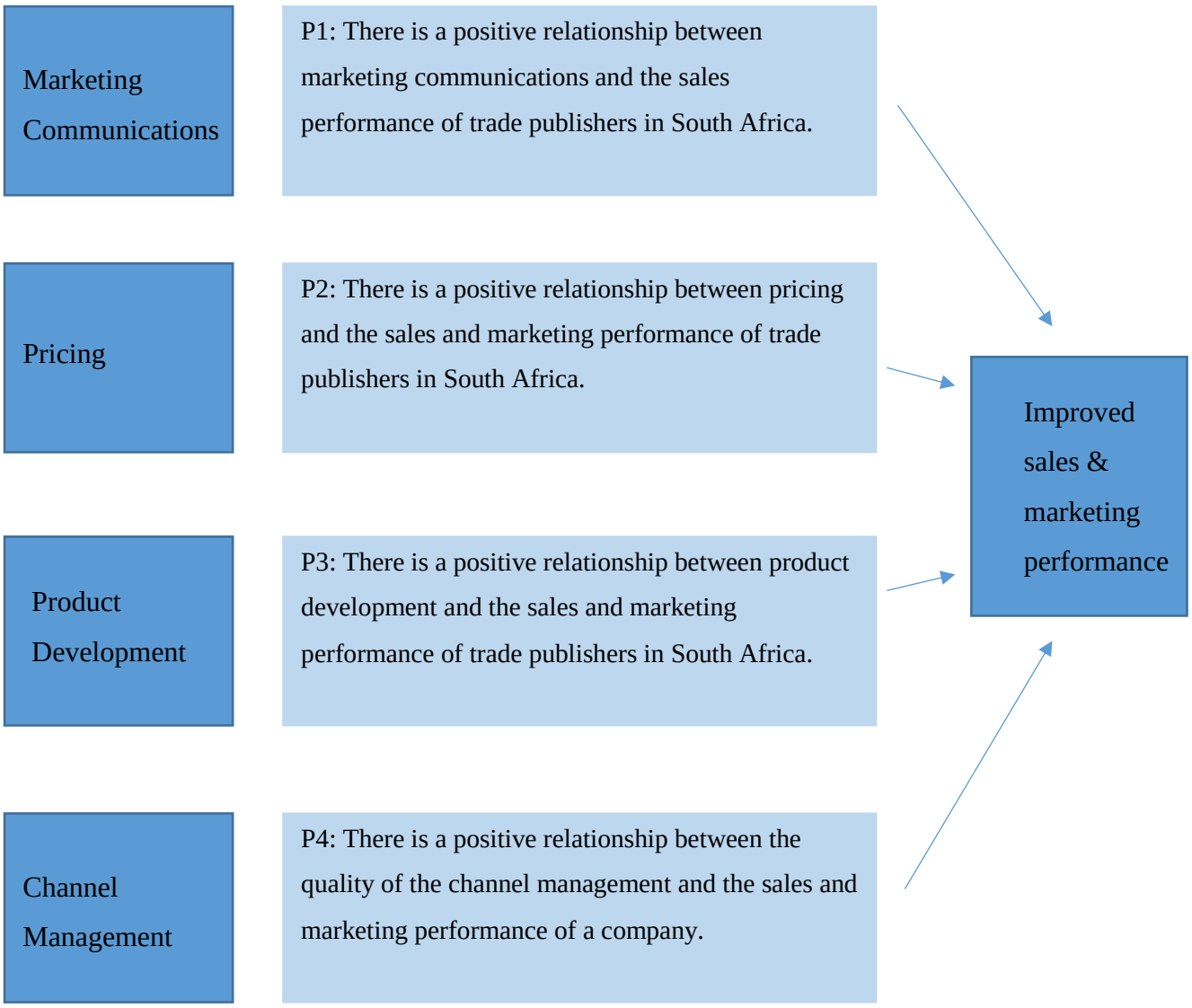
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Oest, 2014; Schulze, Skiera & Wiesel, 2012; Cannon, Cannon & Schwaiger, 2014; Arnold, Fang, Palmatier, 2011; Stahl, Heitmann, Lehmann & Neslin, 2012).

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2.4 Conceptual model and propositions development

Figure 1 Conceptual Model



Source: This conceptual model is a compilation of the author's own based on the literature review

2.5 The Publishing Industry

2.5.1 Global book publishing trends

There are many noticeable trends in the book publishing industry across many regions of the world. For example, in Spanish-Speaking South America, there are 75 000 new book titles produced each year according to Vergara (Vergara, 2015). In Argentina, almost 30 000 titles are produced per year with an average first print run of 4500 and a best-selling book selling about 60 000 copies in the first year. In 2002, the Argentinian economy collapsed and the book publishing industry came close to going with it. In an effort to climb back, all books were recalled to publishers and then either exported or sold to a completely new channel of stores - not the major retailers (Vergara, 2015). This different approach to their sales and marketing allowed for a year on year growth of 15% (Vergara, 2015).

In Korea, there was a national debate in 2006 about the need for more general reading material, or 'trade' books (Moon, 2014). However,, authors are struggling to sell more than 5 000 copies of their works, if they are lucky. In China, one of the most popular forms of publishing is online publishing where author's works are released in serials, with a chapter being released at a time (Zhang, 2015). This is a new form of publishing that is being explored globally as it seems to pique the interest of the reader.The potential to convert this audience into a book buying audience needs to be investigated. In Japan, more than 30% of the books sent to wholesalers, are returned to the publishers within 15 weeks (Asai, 2015). This is extremely concerning as either there is a gross over-estimation of the demand on the publishers side or there is a severe lack of demand or sales and marketing capabilities in this industry.

In the more established book publishing markets of the UK and the USA, there has also been a significant shift in the publishing industries. The self-publishing industry has started to grow quite a lot in these markets and has caused a distinct squeeze on the traditional publishing market (Michaels, 2015). Authors that self-publish are often releasing their initial works for free in order to gain a fan base. This free distribution to a paying audience is making the audience question whether they should be paying or not. Another issue that is developing, is the fight for physical and digital shelf space for publishers books (Michaels, 2015). In the UK, the publishing industry contributes £5 billion to the economy (House, 2013). All sales figures are increasing, bar the physical book sales. Physical book sales decreased in 2013 by 1% but eBook sales increased by 124% (House, 2013).

In Africa, there have been many issues in the publishing industry including piracy and a low level of control over the distribution network (Opoku-Amankwa, Mahamu, & Ry-Kottoh, 2012; Jud, 2012; Baatjes, 2003; Fourie & Terre Blanche, 2009; Galloway, 2002). In Ghana, there is a whole sector of the book sales industry that is completely non-regulated: the itinerant book sellers (Opoku-Amankwa, Mahamu, & Ry-Kottoh, 2012). These book sellers walk door to door in areas and sell their books individually. There are problems with this as often the books are pirated and low quality and they are by-passing the publishing companies to do this. Although this is potentially negative for quality book sales, it does mean that the distribution of the books throughout Ghana is far wider than anywhere else in Africa. This unconventional distribution network is something that publishing industry scholars are urging publishers to take up around the world (Jud, 2012). Alternative distribution methods are greatly needed all over the world (Jud, 2012).

2.5.2 The South African publishing industry

Without doubt, prior to 2008, first print runs in South Africa were as high as 10000 copies and now a first print run is most often less than 4000 copies[1]. Book shops around the country are closing down as a result of this downward trend. Exclusive Books, the biggest book retailer in the country has recently closed one of its largest branches in Eastgate Mall.

Within an African context, South African publishing houses have built an incredible industry that is the largest of its kind on the continent (Galloway & Venter, 2005). It is also the most technologically advanced (Galloway & Venter, 2005). Publishing history in South Africa is very much linked to the different periods in our cultural and political history (Galloway & Venter, 2005). Publishing was seen as a political tool particularly during Apartheid and many books were banned (Galloway & Venter, 2005). Publishing in South Africa began in the seventeenth century and, according to Andries Oliphant, was used as a colonial weapon within civil society (Galloway & Venter, A Research Framework to Map the Transition of the South African Book Publishing Industry, 2005). This British background can still be seen within the industry today (Galloway & Venter, 2005).

Prior to 1994, Afrikaans literature production was the biggest sector of the South African publishing industry (Galloway & Venter, 2005; Galloway & Venter, 2006; Galloway, 2002; le Roux, 2015). The size of the Afrikaans market in publishing was due to Apartheid and its

[1] These figures were confirmed by multiple research respondents during the interviews for this research.

educational policies as well as previous (and longstanding) efforts to resist Anglicisation by the Afrikaans people (Galloway & Venter, 2005; Galloway & Venter, 2006; Galloway, 2002; le Roux, 2015). Post 1994, there were many policy changes that directly impacted the publishing industry in South Africa, particularly the educational language policy change. In 1995 and 1997 there was a drastic drop in the life blood of publishing houses – Afrikaans textbooks and library budgets (Galloway & Venter, 2005; Galloway & Venter, 2006; Galloway, 2002). Trade imprints were consequently supported by other divisions of publishing houses like the textbook and academic divisions (Galloway & Venter, 2005). There was an additional decline in the market in 1998 which was the precursor to the long lasting depressed market of 1999 to 2002 (Galloway & Venter, 2005). This decline had severe effects on the industry as the industry had to fire many people, close down offices and cut costs wherever they could (Galloway & Venter, 2005).

2.6 Conclusion

This chapter has looked at the relevant literature available for both marketing theory and the publishing industry statistics for South Africa and other markets in the world. An understanding of the Resource Based View theory and marketing capabilities, including marketing communications, pricing, product innovation and channel management, has been given as well as definitions for this study established. This chapter has also examined the state of the publishing industry both globally and in South Africa.

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CHAPTER 3: METHODOLOGY

This section is an outline of the process that has been undertaken in order to conduct this research. Previous qualitative research will be discussed and an analysis of the best research instrument and design will be conducted. The validity and reliability of this study will also be examined.

3.1 Overview of the research method & paradigm

There are three main types of research to choose from when doing research. These are quantitative, qualitative and mixed method (Labuschagne, 2003; Filstead, 1979; Cresswell, 2003).

Qualitative study is defined by Labuschagne (2003; 100) as research that is concerned with "the properties, the state and the character" of the data collected and allows the researcher to interpret the data in order to explain the data for their field of research (Filstead, 1979). The qualitative research method is a method that uses one-on-one time with subjects to gain a deep understanding of the topic at hand (Cresswell, 2003; Golafshani, 2003). The researcher makes 'knowledge claims' based on the individual experience and historical and social constructs in order to determine a pattern (Cresswell, 2003). The researcher gathers information through interviews, observations and perspectives (Brink, 1993; Cresswell, 2003; Golafshani, 2003; Patton, 2002).

Quantitative research method involves the researcher making claims based on cause and effect thinking, the use of measurement and observation and the testing of theories (Cresswell, 2003). This type of research is primarily conducted through mass reach surveys or experiments and is then analysed to produce generalizable statistics. (Cresswell, 2003; Golafshani, 2003)

Finally, a mixed methods approach is where the researcher makes knowledge claims due to the consequence-oriented and problem-centred research. It uses strategies from both Qualitative and Quantitative research methods as both numeric and statistical data and open-ended data is collected (Cresswell, 2003).

The research paradigm that this study belongs to is one of phenomenology. This paradigm involves examining intentional relationships between people, and aims to understand the meaning of human experiences (Giorgi, 1997; Finlay, 2009).

This study is a qualitative study in the form of comparative case studies. A single holistic case study is a case study that assesses all parts as one, instead of as individual sub parts (Yin, 2009).

Open ended interviews were used to collect the data required for this research. Qualitative research is best suited to this study as it allowed for the research to be in-depth and exploratory (Cresswell, 2003; Golafshani, 2003; Labuschagne, 2003). Qualitative research also allows for observations of human experience which is what this study relied on – the human experience of how marketing capabilities are utilised throughout trade publishing firms. As new data emerged, this study evolved which meant that it required the flexibility of qualitative research (Walker, 1985).

The data was collected through interviews with each proposed respondent as listed in Table 4 below. These interviews were formally set but followed a more adaptive structure as questions were raised from interviewee's responses (Cresswell, 2003). These in-depth interviews helped to evolve the themes of this research.

For this research an *a priori* method of qualitative research was chosen as it is felt that guidance for data being accumulated needed to be provided from the outset of the study and that some elements of data that could be gathered should be focused on more than others (Gough, Thomas & Oliver, 2012; King & Nigel, 2012). The *a priori* method of predefined concepts is used when seeking evidence to back up decisions and strategies and also when the researcher is looking for homogenous traits amongst variables (Gough, Thomas & Oliver, 2012).

Other studies that have used *a priori* methods include a study by McEvoy, Ballini, Maltoni, O'Donnell, Mair & MacFarlane in 2014 on Normalization Process Theory in research and a Genome-Wide Association Analysis by Tintle, Lantieri, Lebrec, Sohns, Ballard & Bickeboller in 2009.

3.2 Research design

The research took the form of an interpretive case study (Creswell, 2003). This format of research would be the most beneficial to this study as it allowed for the collection of different types of data including, but not limited to, observation data, document data and interview data (Creswell, 2003). There are several advantages to this type of research design including the volume of varying data that is collected, the depth of data and insight that qualitative data collection affords is immense (Labuschagne, 2003).

3.3 Population & Samples

3.3.1 Population

The population of the study group is the mid to senior level management within publishing firms in South Africa. There are a total of 110 publishing companies in South Africa (PASA, 2016). Of that, there are a recorded 33 trade publishing houses (PASA, 2016). The specific publishing companies that participated in the study are listed in Table 3 below. This sample is 5 trade publishing companies out of the 33 which is 15% of the trade publishing population in terms of companies but this sample represents some of the largest trade publishers in the industry so in terms of income, the sample representation would be much higher.

3.3.2 Sample and sampling method

Table 3: Sample trade publishing houses used in research

Company	Type of Publisher	Company profile
Jacana Media	Trade, Educational, Self-publishing, Religious	Independent, South African publisher. Jacana's offices are in Johannesburg. Jacana is a smaller book publishing house and their main offering is trade books and educational books. Jacana started its general publishing list in 2002.
Pan MacMillan	Trade	One of the largest general book publishers' in South Africa. International publishing house started in 1843 in the UK. Brought to South Africa in the 1960s. SA head office in Johannesburg.
Jacklin Enterprises	Trade	Jacklin Enterprises is an international company that was founded in Italy in 1901. SA head office in Centurion. Deals predominantly with mail order subscriptions of Mills & Boon, Disney Book

		Club, Encyclopaedia Britannica, and several other well-known brands. It started in South Africa in 1997.
Jonathan Ball Publishers	Trade	Jonathan Ball is a South African publisher that is the largest publisher of English trade books in South Africa. It was started in 1976 in Johannesburg
Penguin Random House	Trade	Penguin Random House is the recent amalgamation of Penguin and Random House. Random House was founded in 1927 in America. Penguin was founded in 1953 in the UK. It is the largest publishing group in the world. The SA head office is in Johannesburg.

Sources: panmacmillan.co.za, 2015; jacklinenterprises.com, 2015; jonathanball.co.za, 2015; penguinbooks.co.za, 2015; randomstruik.co.za, 2010;

It is important to get an assessment of the trade marketing capabilities of a publishing house from different levels within a publishing house. For this to happen, interviews with the senior staff within each company were conducted, as well as interviews with both mid and junior level staff. The staff that were to be interviewed will need to have at least 2 years of experience within the industry before they can be interviewed.

3.3.3. Research Participants

Table 4: Research participants

Company	**Min No. of respondents**	**Proposed respondents**	**Hierarchical level within organisation**
Jacana Media	3	Managing Editor Publishing Director Marketing and Publicity Manager	Executive Senior Management Midlevel Management
Pan MacMillan	3	Managing Editor Marketing Manager	Executive Senior Management

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		Marketing Coordinator	Midlevel Management
Jacklin Enterprises	3	Publishing Editor Marketing Manager Marketing Assistant	Midlevel Management Senior Management Permanent Employee
Jonathan Ball	3	CEO Marketing Manager Marketing Assistant	Executive Senior Management Permanent Employee
Penguin Random House	3	Publicity/Marketing Marketing and Publicity Assistant International Marketing Manager	Senior Management Permanent Employee Midlevel Management

Source: Information gathered by the researcher from company websites, correspondence with companies and contacts at the publishing houses.

3.4 The research instrument

The research was gathered through pre-scheduled interviews with the proposed respondents. The interviews were semi-structured in order to allow for flexibilities of thought and direction of information produced (Creswell, 2003). These interviews took place in an environment that the respondent is familiar with and comfortable in. The level of confidentiality of the interviews and the data received from respondents was stated at the beginning of the interview so that there was no concern during the interview and the respondent was able to talk as freely as possible. The discussion guide that was used for these interviews (See Appendix 1) consists of three sections: an introduction to the study and the aims of the study; questions pertaining to the different marketing capabilities being examined and finally a demographics section. The section on marketing capabilities was based on what that person's experience of the capability is, not the definitions that have already been decided upon in this study. Other research instruments that were utilised were a Dictaphone for recording all interviews and a pen and notebook for recording all notes during interviews. The interviews lasted on average half an hour, however, some interviews were shorter (twenty minutes) and others were longer (an hour and a half).

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Table 5: Table showing the dates and durations of the research interviews

Interview	Date	Duration
Junior Penguin Random House	03/12/2015	0:58:52
Senior Jacana	08/12/2015	1:11:00
Senior Jonathan Ball	10/12/2015	1:30:25
Mid Management Jonathan Ball	10/12/2015	0:45:21
Mid Management Pan MacMillan	07/01/2016	0:34:16
Mid Management Pan MacMillan	07/01/2016	0:47:16
Senior Pan MacMillan	07/01/2016	0:38:15
Junior Jonathan Ball	08/01/2016	1:05:51
Senior Jacklin Enterprises	11/01/2016	0:24:32
Mid Management Jacklin Enterprises	11/01/2016	0:27:59
Junior Jacklin Enterprises	11/01/2016	0:24:50
Mid Management Jacana	15/01/2016	0:47:03
Junior Jacana	18/01/2016	0:27:49
Senior Penguin Random House	18/02/2016	0:28:14
Mid Management Penguin Random House	22/02/2016	0:27:45

Source: The table was compiled by the researcher based on notes from research interviews.

3.5 Procedure for data collection

Interviews with key players within the South African trade book publishing industry were conducted at their offices. All of these interviews were prearranged and took place in the location that is relevant (Publishing house's offices). All interviews were both recorded and written up.

Secondary data can be defined as data that has been collected for the purposes of a different study, being used to collect data for a current study which pursues a research interest that is

distinct from the original work (Heaton, 2004; Morrow, Boddy & Lamb, 2014). Secondary data was gathered on statistics and other relevant information through Nielsen's book data. This is an annual report on the state of the publishing industry and book sales globally as well as locally.

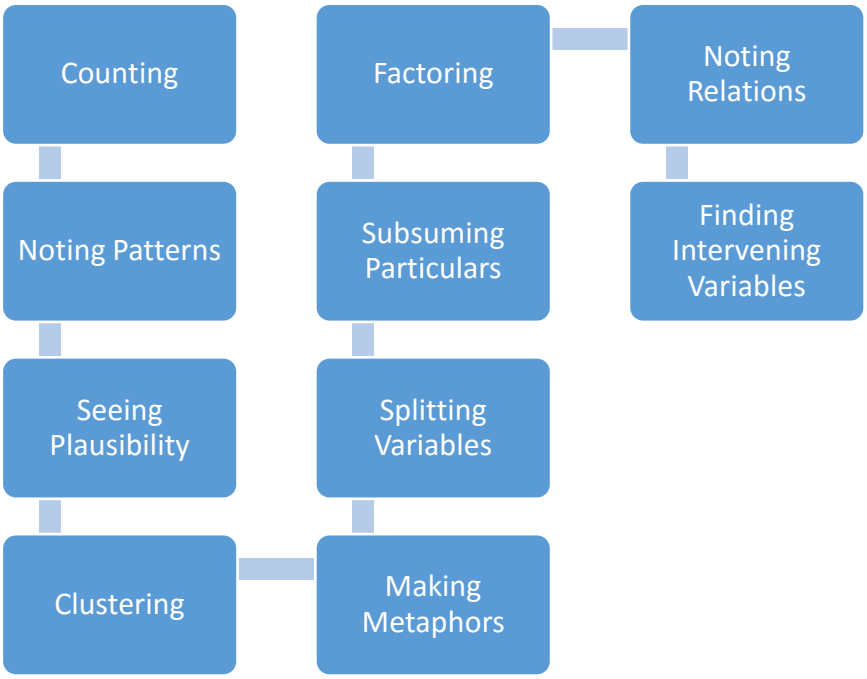
Primary data is the data that is originally collected for the purposes of this specific study (O'leary, 2013). This includes all survey results, interview transcriptions and observations made by the researcher of the subject of the interview. The primary data for this study was collected through interviews and observations during these interviews. Observations and interviews were piloted before it started in order to test the accuracy and relevance of answers for project & length of interview. The piloting process determined that an overall view of the publishing industry needed to be asked for before the rest of the research questions were asked as this topic was derailing the answers to other questions.

3.6 Data analysis and interpretation

Once the data was collected, the analysis and evaluation processes started. First, the data from the various forms of research (interviews, observations and documents) was organised into major themes, categories and case examples based on an analysis of their content (Labuschagne, 2003). These categories would be tabulated so that they could then be easily compared (Creswell, 2007). Once the content had been categorised and tabulated, the data could then be evaluated and analysed in line with the research topic. Miles and Huberman developed a strategy of 10 steps to finding value within research data (1984). These 10 steps include: counting, noting patterns, seeing plausibility, clustering, making metaphors, splitting variables, subsuming particulars into the general, factoring, noting relations between variables and finally, finding intervening variables (Miles & Huberman, 1984). Once these 10 steps of assessment, analysis and evaluation have been completed, the conclusions drawn from the data will be referred back to the sources of data in order to validate the conclusions and attempt to remove any researcher bias too (Mays & Pope, 1995).

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Figure 2 Miles & Hubermann Process to finding value



Source: Miles & Huberman, 1984.

This process of analysis can be extremely arduous (Cresswell, 2007) which is why for this study, software called Maxqda, the software recommended by one of the researcher's colleagues, was used to analyse and sort through the data from the interviews. This software automated the analysis of the data to a certain degree and it made it more malleable for charts and comparisons between responses. Once the transcribed interviews were uploaded to the software, codes for outcomes were established in order to generate results.

3.7 Limitation of the study

Most of the limitations of this study are inherent to the type of study that this will be as this study is a qualitative study.

1. Lack of generalisability

   Generalisability problems lie in the fundamental aspects of qualitative research as qualitative research selects a very niche market in which to work (Mays & Pope, 1995). For there to be generalisability, the ability to apply concepts to a wide range of scenarios, the original research cannot be done in such a niche way (Mays & Pope, 1995).

2. Bias or subjective analysis

The majority of the original data was taken from interviews with people. Although there were several interviews within each company and at each level in an effort to reduce bias, there could still be evidence of subjectivity within the data. As the data was interpreted by a single person, there is also a margin for accidental subjectivity there (Maxwell, 2009). This is where Maxqda was perhaps the most useful as it negated some of this concern.

3.8 Validity and reliability

Validity and reliability of a study are important elements as without them, the research could in effect, be rendered useless. Validity is concerned with the truthfulness and accuracy of data capture and analysis as well as the conclusions drawn from this (Le Comple & Goetz, 1982). Validity can be defined as confirming that what was intended to be measured through data, was actually measured through the data (Black & Champion, 1976; Winter, 2000). In order for the validity of a study to be upheld, the study needs to deal with, and produce results that deal with, truth and actuality (Brink, 1993). The instrument needs to be a valid measuring tool that can accurately measure the intended measurement (Brink, 1993).

3.8.1 External validity

External validity is the degree to which the representations of reality drawn from the study are applicable across multiple groups, in particular the intended group (Brink, 1993).

In order to maintain external validity of this research, several methods were employed. Firstly, the use of a triangulation method, whereby multiple sources and multiple methods of analysis were applied to the data, to gather data from many sources on the same topic (Mays & Pope, 1995; Voss, 2002). Secondly, the resource based view theory was applied to this research in order to examine the data (Voss, 2002).

The discussion guide used was piloted before the interviews took place. This pilot exercise tested the accuracy of the answers for the intended study as well as the length of the interview so that it did not become cumbersome for interviewees. The discussion guide was piloted on three interviewees and it was found that in order to keep the interview succinct, the question of the state of the publishing industry had to be introduced. In the initial discussion guide, there was no question on the background of the industry and the situation that it is in now and this meant that whenever an interviewee started talking about a situation that required some of this background, the response to the question would take twice as long. It can be seen in the records

that the first three interviews were much longer than the intended 45 minutes. Introducing the question on the background of the publishing industry allowed interviewees to give a clean and clear background to their frame of reference which kept the interviews to the allocated 45 minutes or less.

3.8.2 Internal validity

Internal validity is the effort made to ensure that little bias and subjectivity are allowed into the data capturing and analysis process by the researcher. It examines whether the findings are an accurate reflection of reality rather than a reflection of the researchers bias or extraneous variables (Brink, 1993).

In order to maintain internal validity of this research, the researcher was subject to testing. This testing was in the form of asking for an unbiased opinion from individuals not involved in the study so that it could be determined if the researcher had drawn a rational conclusion from the data (Mays & Pope, 1995). Three individuals that were not involved in the study or the research project were presented with the data and asked to draw conclusions. These conclusions were then compared to the researcher's conclusions and it was found that the conclusions drawn were similar enough to be considered unbiased and rational.

3.8.3 Reliability

Reliability can be defined as the ability to measure data consistently and in a way that it can be reproduced by somebody else at a later date (Labuschagne, 2003; Black & Champion, 1976; Lehner, 1979; Johnston & Pennypacker, 1980). In order for this research to be considered reliable, the records of how data is collected and analysed were kept meticulously (Mays & Pope, 1995). In order to track the data and analysis process, a journal was kept of exactly what was done with the data at each step. This was kept electronically on a Google Drive along with the raw data so that it was secure and incorruptible.

3.9 Conclusion

Chapter 3 discussed the methodology of the research conducted. This study is a case study that was researched in order to build knowledge which is currently limited or unknown in this country and in the trade publishing industry.

This chapter defined both qualitative and quantitative research methodologies. The study employed qualitative research methods in order to gather the most information from

respondents. Qualitative research allows for in-depth and exploratory research and this was seen in the open-ended nature of the discussion guide questions. There was one point of data collection for this study and that was a one-on-one interview with participants.

There were 15 participants in the study that came from five different publishing houses located in Johannesburg, South Africa. The respondents from within each publishing house were either from different levels or different departments within the company. This chapter gave information on the sample population.

The discussion guide that was used for the interviews was designed with a view to address each research question individually while still providing an overarching opinion of marketing capabilities within the publishing house.

This chapter defined reliability and validity and provided an explanation of the efforts made by the researcher to ensure reliability and validity of the research was intact.

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CHAPTER 4: PRESENTATION OF RESULTS

4.1 Introduction

This chapter primarily focuses on the presentation of the data that was gathered for this study. This chapter will present the results pertaining to the state of the publishing industry and the results pertaining to marketing capabilities. The data that is being presented comes from the six question groups that were asked in the interviews and is presented in both a summarised format and a table format. Six general question groups were asked of each interviewee. The first question asked of interviewees was on the state of the publishing industry in order to provide context for the answers of the following four groups of questions. These four question groups were directly related to the propositions set out in Chapter 2 as seen in the table below. Please note that the number of the publishing house in these tables does not correlate to any prior table so as to maintain full confidentiality of data.

Table 6: Table displaying the relationship between research propositions and questions asked in interviews.

Proposition	Questions
There is a positive relationship between marketing communications and the sales performance of trade publishers in South Africa.	1) What does marketing communication mean to your organisation? 2) To what extent has marketing communications contributed to your sales and marketing performance? 3) What aspects of marketing communications do you use? Which one has been most successful?
There is a positive relationship between pricing and the sales and marketing performance of trade publishers in South Africa.	1) What does pricing mean to your organisation? 2) To what extent has pricing contributed to your sales and marketing performance? 3) What aspects of pricing strategy are implemented at this organisation? Which one has been most successful?
There is a positive relationship between product development and the sales and marketing performance of trade publishers in South Africa.	1) What does product development mean to your organisation? 2) To what extent has product development contributed to your sales and marketing performance? 3) What aspects of product development are implemented at this organisation? Which one has been most successful?

There is a positive relationship between the quality of the channel management and the sales and marketing performance of a company.	1) What does channel management mean to your organisation? 2) To what extent has channel management contributed to your sales and marketing performance? 3) What aspects of channel management are implemented at this organisation? Which one has been most successful?

Source: Compiled by the author from the research gathered.

The final question group dealt with sales and marketing indicators and how marketing and sales performance were tracked within the publishing houses.

The research was gathered through interviews over a two month period. The participants that took part in the interviews were from five different companies and were at different levels within each company.

4.2 Results pertaining to the state of the publishing industry in South Africa

The question that was posed to interviewees was "What is the current state of the publishing industry in South Africa?"

The factors affecting the industry that were most spoken about were the weakening Rand and all of the many consequences that come from it.13 out of the 15 interviewees explained that the weakening Rand is the largest threat to the industry at the moment. Their largest concern is that the economy is very unstable and so planning for this year and the coming year's needs to be more conservative. The three quotes below exemplify this concern.

"We are busy budgeting for next year and we are being very conservative so that we can achieve our goals without thinking oh we're going to have a rollicking year."

Middle Management, Publishing House 1

"With hugely imports list where the rand has decreased by 35% in the last month, no one knows what is going to happen – it's the next guerrilla in the room."

Executive, Publishing House 4

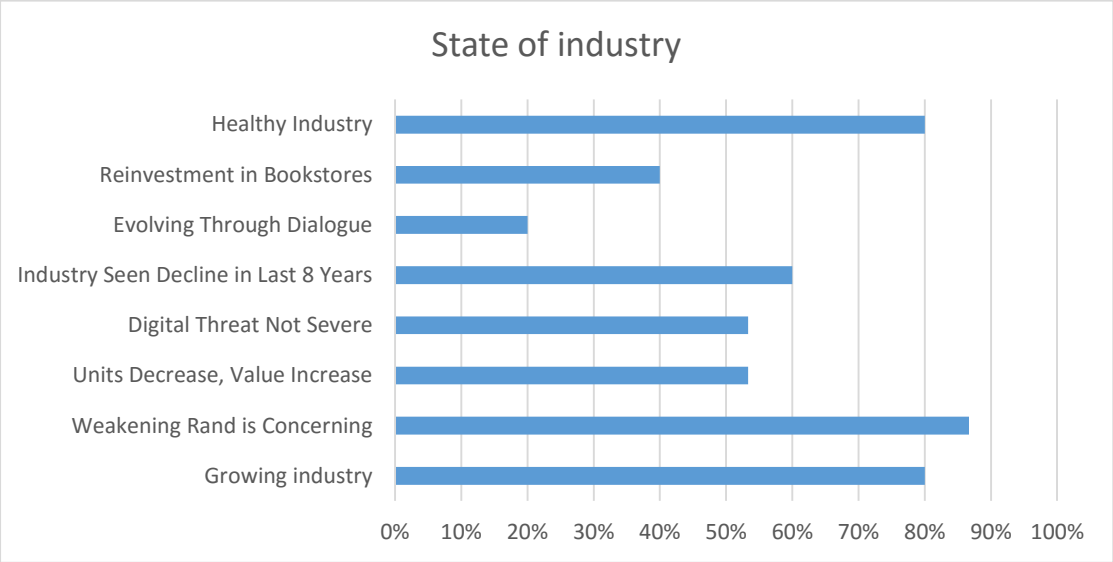
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"Currency fluctuations mean that book prices have increased by 10% overnight."

Executive, Publishing House 3

The other reason that the economy is concerning for publishers is that most publishing houses in South Africa are either international agents for overseas publishing houses or they are an extension of an overseas publishing house. The cost of imported books is set to drastically rise as printing costs and shipping costs will increase and the recommended retail price from their international counterparts will work out to be a lot higher here than overseas.

Figure 3: Graph depicting the results of the question about the state of the publishing industry



Source: Compiled by the author through notes and recordings of interviews

As seen in the above table, although 87% of respondents believe that there is a major concern in the industry about the growth and size of the industry in coming years due to a poor economy, there is still a very positive feeling about the state of the industry. 80% of respondents believed that although there are reasons to be cautious, the industry is still very stable and will withstand the poor economy.

"The industry is healthy, good spread of book shops, most of the bookshops are profitable."

Executive, Publishing House 3

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"What will happen though is that the South African market is substantial enough to sustain a local printing industry. When print costs overseas become too high, printing locally will become hugely profitable. Local printing potentially shaves 10-15% off the cost as you don't have to include shipping."

Executive, Publishing House 1

The industry is bracing itself for a rough few years and is looking to different opportunities – like local printing – to remain feasible. The average number of titles published will remain the same however, the number of units per book is likely to decrease.

The below table presents the results from the interviews and separates them into responses from each publishing house on the topic of the state of the publishing industry. Verbatim quotes from the recorded interviews are also included in this table in order to validate and further explain the interviewees' responses to the question asked.

Table 7: Table displaying the results from all interviews about the state of the publishing industry

Publishing House	Response	Verbatim quotes from Employees
Publishing House 1	• The publishing industry in South Africa is growing. People have more book buying power, particularly in black communities. • Weakening Rand is going to have an effect on international books primarily. Local books not as much. • The weakening rand will affect the cost of the books in several ways – printing, licencing and importing. All exchange rate related. • Most of their books are printed locally so they are not as likely to have big problems. • Believe that over the next few years units will decrease but value will increase.	"I think it's growing. You would think that publishing would be a set thing by now but with technology, it's constantly changing and growing with new voices coming in." "We are busy budgeting for next year and we are being very conservative so that we can achieve our goals without thinking oh we're going to have a rollicking year." "Everybody is juggling for market share and market share is title dependant. With the very big guys it isn't title dependant. But the second tier - for those it is absolutely important to know if you are going to get yourselves a best seller that year or not. It's remarkable to see it varies, it fluctuates year to year so that" "The struggle remains the same. Everyone wanting to get into a better

	• Industry is moving towards creating brands rather than books	position. You may have a bad year this year and it improves next year." "Overall we're all sitting in a position where the economy is absolutely awful and the hard thing is to get people to have enough money to actually go and buy books."
Publishing House 2	• At the moment books are a luxury so people aren't buying what they used to. It's very competitive. • Although there was the threat of digital books replacing the traditional book, there is the belief that books will still around for a long time. • The industry has seen a decline in the last few years.	"If you look at technology it's growing but books will be around for a long time." "It's not a very booming industry, it was a few years ago. "
Publishing House 3	• The events at the Franschoek Literary Festival in 2015 have seen a turning point in publishing in South Africa. • There has been a big reinvestment into the bookstore industry in South Africa which has shown positive growth for publishers. • One of the biggest consequences of the weakening Rand is that longer term and more investment heavy projects like dictionaries and atlases are being cancelled.	"There is a feeling that we are focusing on international books, which are expensive. Unless you have big titles, you're going to struggle." "Between 2009 and 2014, physical book sales declined by 40% and this was taken up by digital book sales. The mix is at 70/30 now - print has recovered." "Currency fluctuations mean that book prices have increased by 10% overnight" "The industry is healthy, good spread of book shops, most of the bookshops are profitable." "What will happen though is that the South African market is substantial enough to sustain a local printing industry. When print costs overseas become too high, printing locally will become hugely profitable. Local printing potentially shaves 10-15% off the cost as you don't have to include shipping."
Publishing House 4	• International books are a big part of the South African market. • There is a healthy South African publishing industry.	"It's important to look at the structure of industry where big companies are dominated by imports from their parent company. Probably 80/20 split for the big multi-national. There is also quite a thriving local publishing industry."

	• The book store market in South African is getting better and sales are rising due to this. • With the Rand decreasing at such a rapid rate, book prices are just going to get higher and higher. • There has been a noticeable value increase and unit decline in the last 12 months in international products. • In kids' books there has been an increase in both value and units. • There is a larger uptake on eBooks on big international brands.	"Last year looks like market in unit sales was flat to upwards which is positive. Value was up substantially but that's on the back of price increases not necessarily due to growth of the market." "With hugely imports list where the rand has decreased by 35% in the last month, no one knows what is going to happen – it's the next guerrilla in the room" "Local publishing is very healthy. Lots of debate and plenty of forums and festivals."
Publishing House 5	• The publishing industry is doing well. • Most people in the industry are trying to find new ways to grow the market. • The economic issues in South Africa are being keenly felt in this publishing house. • They are trying to keep their prices as low as possible but in order to remain a feasible entity they have had to increase their prices.	"I mean we donate books to children's hospitals and things like that all the time and constantly do giveaways for charity and it's not just to get our name out there, it's to get people to read." "We're struggling to make budget." "The exchange rate is one of our biggest issues at the moment." "We are looking for volume over value in terms of sales"

Source: Compiled by the author from interview notes and recordings.

4.3 Results pertaining to marketing capabilities and sales performance

This section presents the results from the second grouping of questions that dealt with marketing capabilities and their impact on sales and marketing performance. The results from questions on Marketing Communications, Pricing, Product Innovation and Channel Management are presented. The table below demonstrates the results of the study.

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Table 8: Table displaying the proposition and the result from the research.

Proposition	Results
There is a positive relationship between marketing communications and the sales performance of trade publishers in South Africa.	Supported
There is a positive relationship between pricing and the sales and marketing performance of trade publishers in South Africa.	Supported
There is a positive relationship between product development and the sales and marketing performance of trade publishers in South Africa.	Supported
There is a positive relationship between the quality of the channel management and the sales and marketing performance of a company.	Supported

4.3.1 Results pertaining to Marketing Communications

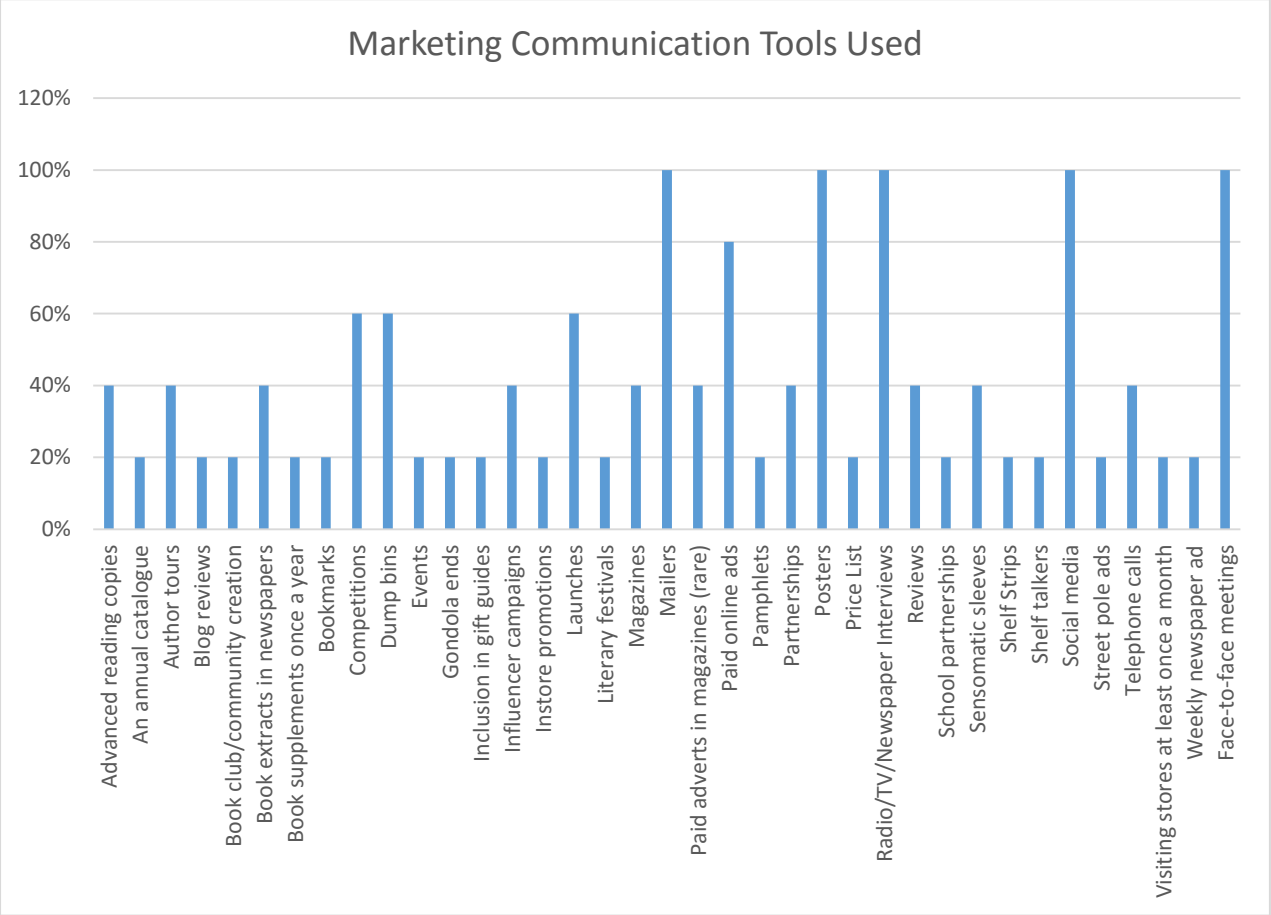
From the data gathered from the interviews, it can be seen that there is a positive relationship between marketing communications and the sales performance of trade publishers in South Africa. Respondents were asked the following questions:

1) What does marketing communication mean to your organisation?
2) To what extent has marketing communications contributed to your sales and marketing performance?
3) What aspects of marketing communications do you use? Which one has been most successful?

As can be seen in the graph below, there is a very wide variety of marketing communications tools used in the South African publishing industry.

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Figure 4: Graph showing the various types of marketing communications that are used by the publishing houses



Source: Compiled by the author from notes and recordings of interviews

This set of questions was asked in order to determine what forms of marketing communications are used in each publishing house and then to see which is seen to be the most effective across the board. As can be seen in the graph below, the most effective marketing communications tools were Social Media, Book Clubs and Communities, Face-to-face time with book stores and Reviews.

Figure 5: Graph displaying the marketing communications tools seen as most effective by respondents



Source: Compiled by the author from notes and recordings of interviews.

When asking about the efficacy of marketing communications, the most common response was that well placed reviews, social media and engaged authors were the most effective combination.

> *"Need improvement in implementing marketing strategy to get the book out there. The basics for each book are putting it on Facebook, uploading it as a book on the website and making sure that there are reviews for the book."*
>
> *Junior, Publishing House 3*

> *"Jenny Crewyss Williams is the 'it' factor. People will literally go in and ask for the book after the show."*
>
> *Executive, Publishing House 1*

All five publishing houses use social media, press interviews, posters and mailers to connect with their audience and communicate the latest releases. All of the other marketing communications tools that were listed by the various houses were used in one or two houses. It must be noted that although all publishing houses interviewed use social media, the way in which the networks are used and leveraged varies very widely from publishing house to publishing house. Some publishing houses use only Facebook and use the cover of upcoming books as their imagery in posts. Other publishing houses are using Facebook, Twitter and Instagram and even Pinterest and are creating interactive and engaging content for their

audience. The companies that have the most positive feelings towards social media are the ones that are engaging their fans with their content and the ones that are tracking the measurable interactions that come from social media.

> *"The social media fan engagement allows us to take feedback - like when a book isn't in a particular store, we can call the store and tell them that people are requesting that book in that store so that they will buy a few copies."*
>
> *Junior, Publishing House 1*

> *"Facebook competitions like ask loyal customers to post, share and like and we will give away a hamper."*
>
> *Middle Management, Publishing House 2*

When asking several respondents about if they do use any online marketing communications, many would respond yes but this would then only include their social media endeavours. Only three out of the five companies utilise paid online advertising.

The use of a book club or a community used to promote a publishers' titles is used by two out of the five publishing houses. These communities have been very successful for the firms that use them and surprisingly, the firms that do not currently use them, are looking to develop them soon.

It is interesting to point out that there is a difference in the marketing communications that are most widely used in comparison to the marketing communications that are seen to be most effective. The most widely used marketing communications are mailers to an existing database, instore posters, radio/TV/newspaper interviews, face-to-face selling and social media. The marketing communications that are seen to be most effective are book clubs, face-to-face sales, reviews in the press and social media. There are only two overlaps: face-to-face sales meetings with reps and book stores and social media.

The below table presents the results from the interviews and separates them into responses from each publishing house on the topic of marketing communications. Verbatim quotes from the recorded interviews are also included in this table in order to validate and further explain the interviewees' responses to the question asked.

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Table 9: Table displaying the results from all interviews about marketing communications and their efficacy.

Publishing House	Response	Verbatim quotes from Employees

Publishing House 1	• Types of marketing communications used:
	  ○ Facebook
	  ○ Pinterest
	  ○ Twitter
	  ○ YouTube channel
	  ○ magazines
	  ○ TV
	  ○ radio
	  ○ teasers for the books
	  ○ Influencer
	  ○ Monthly newsletter
	  ○ Publicity campaigns
	  ○ Launches
	  ○ Posters
	  ○ Dump bins
	  ○ Book supplements once a year
	  ○ Author tours
	  ○ Radio Interviews
	  ○ TV interviews
	• Most effective marketing communications tools are social media, print advertising/reviews and the use of influencers. Radio reviews on Jenny Crewyss Williams are highly effective.
	• Biggest difficulty with marketing communications tools is that they are hard to measure.
	• South African fiction is a particular difficult type of book to market as there is so much competition.
	• Regional marketing tactics seem to work quite well on a smaller scale.
	• The best combination of marketing communications is an engaged author and a receptive media that you then expose to each other.
		"The social media fan engagement allows us to take feedback - like when a book isn't in a particular store, we can call the store and tell them that people are requesting that book in that store so that they will buy a few copies."
		"It's not possible to track [marketing communications tools] individually – it's like cooking a stew, if you don't put potatoes in it won't taste the same."
		"Jenny Crwys-Williams [Well known radio personality with a prominent book review slot] is the 'it' factor. People will literally go in and ask for the book after the show."
		"I'm yet to be able to measure whether somebody like Author X who is retweeted 50 thousand times, who has an enormous reach in terms of social media, whether that makes a jot of difference to her sales. That's what's really hard to measure."
		"Fiction for us is hugely difficult, as it is for a lot of publishers, unless you have something that hits a spot, you need to work at it."

Publishing House 2	• Types of marketing communications used:
	  ○ Email
	  ○ Telephone calls
	  ○ Visiting stores at least once a month.
		"Usually we find out what bookstore wants and then provide it."
		"Facebook competitions like ask loyal customers to post,

	○ An annual catalogue. ○ Price List ○ Sample Books ○ Posters ○ Pamphlets ○ Brochures ○ Inserts in books at expos ○ Website ○ Facebook ○ Twitter ○ Paid adverts in magazines (rare) ○ Paid online advertising ○ Telesales team • Importantly, this publisher distinguishes their trade book client as the book seller and not the consumer and provides very little support to bookseller in terms of consumer marketing. • Their marketing to consumers happens in a book club. • Facebook was seen to be the most effective way of marketing to consumers through the book club concept. • Phone calls and face-to-face contact with book stores was seen to be the most effective way of marketing to the book stores.	share and like and we will give away a hamper." "Online we use our website, Twitter and Facebook to promote the catalogue " look out for special in catalogue". All products in catalogue will be directed to website."
Publishing House 3	• Types of marketing communications used: ○ social media ○ events ○ print ads ○ paid online ads ○ work with a movie tie in ○ publicity (Reviews & interviews) ○ Promoted posts online ○ Posters ○ Advertising in relevant magazines ○ Inclusion in gift guides ○ Book club/community creation ○ Sensomatic sleeves ○ Dump bins ○ Posters ○ Gondola ends ○ Online store banner ads ○ Author tours ○ Bookmarks ○ Weekly newspaper ad	"Need improvement in implementing marketing strategy to get the book out there. The basics for each book are putting it on Facebook, uploading it as a book on the website and making sure that there are reviews for the book." "We get too excited by social media." "I'm pretty that sales managers can see a difference but so far we can't check marketing against sales." "Using POS tools doesn't necessarily guarantee sales." "Marketing in publishing is divided into 2 areas - above and below the line. Above

	○ Competitions • This publishing house has created a unique mix of communities that they can directly market to. Some of the communities have specific target markets while others are broader. The engagement was found to be higher from the targeted groups but the broader groups seem to produce better sales. • Marketing is becoming more focused on younger/young adult readers as they seem to be the most engaged in the marketing activities. • The younger respondents from this publishing house believe that there is too much emphasis on social media and other online activities – they would prefer to do more traditional activities. • Struggling to give enough attention to the various communities due to capacity. • Limited ability to check effectiveness of marketing activities. • There is a very distinctive split between publicity and marketing activities. • Most direct to consumer marketing is linked to a competition of some kind. • A strategy of this publishing house is to partner with book stores or retailers on marketing activities.	the line handled by publicity, below the line handled by marketing." "The reason for dump bins is that books don't get lost on an ordinary shelf." "The best way to market a book is to get a pile into a bookstore and then get reviews on it. You can use money to launch but it still needs to be a good product. The marketing will help but if it's bad you won't move it." "Partnering with book stores is good because they need the sales and we need the marketing budget." "What we try to do is have everything linked and focused so when a consumer opens the newspaper they see our books, then they see it on Facebook as well, and then they receive an SMS, see a poster and hear about it on the radio too."
Publishing House 4	• Types of marketing communications used: ○ POS in stores ▪ Dump bins ▪ Posters ▪ Gondola ends ▪ Shelf Strips ▪ Shelf talkers ○ Sensomatic sleeves ○ Online ○ Partnerships ○ Instore promotions ○ School partnerships ○ Literary festivals ○ Newsletters ○ Mailers ○ Social Media ○ TV/Radio Interviews ○ Advanced reading copies ○ Book extracts in newspapers	"It's the crux of everything that we do though." "Retail marketing with customers and retailers – the two main branches that we use to define our marketing capabilities. Woven throughout all of that is the author and their presence." "We'll almost go to the author with a marketing plan before they have signed. To kind of lure the author. It will include things like what we plan to do with retailers, media, interviews, events, partnerships, digital, author platforms and how we will

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	○ Launches ○ Author network ○ Bookseller partnership • There is tracking and testing of online campaigns happening. • Most of their marketing is done through the retail space, particularly with instore marketing like dump bins and other branded items. • Permanent branding of space in book stores is also a strategy that the company employs. • Campaigns compared year-to-year to assess effectiveness. • The most effective form of marketing communications for this organisation is believed to be PR and a solid relationship with the book sellers.	use them to ramp up awareness." "Getting a Carte Blanche interview on TV will generally get you quite good coverage but they do less and less around books." "Between the end consumer and us is the retailer and so we channel a lot of our marketing through those retailers." "In my opinion you have to hit an author 3 times. So they might be listening to radio, then turn on news, then see poster in mall."
Publishing House 5	• Types of marketing communications used: ○ Reviews ○ Competitions ▪ Interesting prizes (Wii's, braaing materials, food etc) ○ Launches ○ Newsletters ○ Twitter ○ Facebook ○ Street pole ads ○ Mailers ○ Radio interviews ○ Newspaper interviews ○ Blog reviews • Social media is one of the most effective forms of marketing communications for this publishing house.	"Well our first goal is to connect with the media because through the media that's how people hear about out books other than going through to book stores." "Well, we did like a little review to see if like we put ads in newspapers and we did billboards and posters and that and sales picked up a bit from that but then also it kind of plateaued after a while and there is only so much reach you can get and although we are trying to expand our reach it's very difficult." "If the author has their own connections and they know people in the media and they punt it though their own thing then it actually seems to help quite a bit."

Source: Compiled by author from notes and recordings from interviews.

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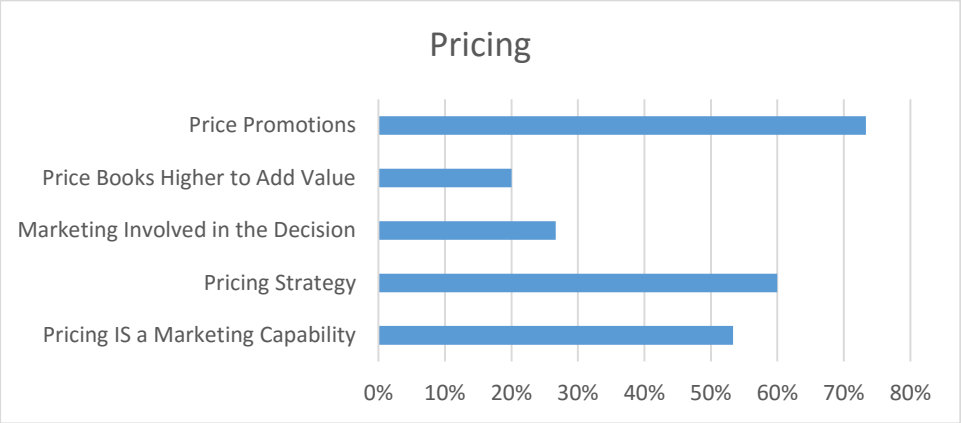
4.3.2 Results pertaining to Pricing

From the data gathered from the interviews, it can be seen that there is a positive relationship between pricing and the sales performance of trade publishers in South Africa. Respondents were asked the following questions:

1) What does pricing mean to your organisation?
2) To what extent has pricing contributed to your sales and marketing performance?
3) What aspects of pricing strategy are implemented at this organisation? Which one has been most successful?

As can be seen in the graph below, only 53% of respondents believe that pricing is a marketing capability of trade publishing houses. This demonstrates a positive relationship but by a very small margin. Pricing here is referred to as the actual price point of the product. Most respondents believed that pricing strategy (keeping a book at a low cost to gain traction) and price promotions were marketing capabilities.

Figure 6: Graph displaying the results of the question on pricing



Source: Compiled by the author from notes and recordings of interviews.

The questions on pricing were asked in order to determine the priority that price is given in the marketing department and how effective pricing has been as a marketing capability. Pricing promotions and pricing strategies were seen to be highly effective by all respondents. Less than 30% of respondents answered that the marketing department was involved in the pricing decision.

"I don't know if we use pricing as a marketing tool. No not really."

Junior, Publishing House 1

"I do think that times are tough and people might pick a book up that's better priced than another one."

Middle Management, Publishing House 4

Although the initial pricing of a book is mostly seen as a function of the finance, sales and publishing departments, other pricing strategies were considered marketing capabilities. Price promotions were the most commonly referred to form of marketing by the respondents and these included discounts, buy one get one free specials and backlist promotions.

"Price promotion is effective to a point but if it's not a desirable product, people won't buy it."

Senior Management, Publishing House 3

"Pricing is very important because the markets are very competitive"

Senior Management, Publishing House 2

"It's difficult to have pricing strategy as one publisher and the retailers also have their own pricing strategy and some don't discount so they are unlikely to support you on deep discounts."

Executive, Publishing House 4

Pricing strategy was spoken about as a company strategy rather than a marketing department strategy. Several strategies have been employed by the different publishing houses. One of these was introducing a large series of books to the market at an incredibly low price in order to gain traction and a reputation in this particular target market. Another pricing strategy spoken about was to generally try and keep all price at the lowest end of the price bracket as possible.

"Our strategy is to be cheaper than most other books in same category."

Executive, Publishing House 1

"Our kids' books we make sure are cheap enough to have in your budget as a parent."

Junior, Publishing House 2

"We are not increasing prices next year – we've made this decision."

- Junior, Publishing House 5

"Obviously we keep an eye on the market and see what other publishers are offering. We often fall within that range."

- Senior Management, Publishing House 2

One pricing strategy that came up at two of the companies was pricing the more high-end books, at a higher price than necessary in order to give the books a seemingly higher intrinsic customer value.

"People pay a lot of money for what they think are exclusive, kind of high end products."

Executive, Publishing House 1

The below table presents the results from the interviews and separates them into responses from each publishing house on the topic of pricing as a marketing capability. Verbatim quotes from the recorded interviews are also included in this table in order to validate and further explain the interviewees' responses to the question asked.

Table 10: Table displaying the results from all interviews about pricing and its efficacy

Publishing House	**Response**	**Verbatim quotes from Employees**
Publishing House 1	• Pricing is not seen as a marketing capability by 2 employees. • There is a strategy to keep prices as low as possible to remain a good option for people looking at several books in a shop. • The publishers work out the costing structure of a book. Marketing rarely suggests a different price for the market. • Should they make a very high end product, it is predominantly for a niche market that is willing to pay the higher price and there will be a very small print run done. • The executive that was interviewed said that some books' price points are more financially based than creatively based but all are considered by the team.	"I don't know if we use pricing as a marketing tool. No not really." "Our strategy is to be cheaper than most other books in same category." "There are different bands of books with different pricing needs and limits and so on." "People pay a lot of money for what they think are exclusive, kind of high end products."

Publishing House 2	• This publishing house has clients that aren't only book stores so their approach to pricing strategy differs for each type of customer. • Books aren't specifically priced higher to make it seem more valuable. • Pricing strategies like 30% discount for a book set • This publishing house tends to have smaller print runs which makes their pricing automatically higher than other publishers.	"Pricing is very important because the markets are very competitive" "Our kids' books we make sure are cheap enough to have in your budget as a parent." "Pricing allows people to look at your website. Pricing is not the first thing you see. It's not our primary marketing focus." "Obviously we keep an eye on the market and see what other publishers are offering. We often fall within that range."
Publishing House 3	• Marketing department is never involved in the pricing of books. • Marketing departments sometimes organise price promotions which can help move books. • Ideas for pricing strategies can be taken to the sales team but it is their decision. Very separate divisions. • Pricing is never used as a marketing capability (unless it's a promotion)	"I do think that times are tough and people might pick a book up that's better priced than another one." "It's a conversation that you would have. It's not necessarily part of my strategy. I take the books as they come and try to make them work. It's not often that we do it."
Publishing House 4	• Pricing is not used as a marketing capability unless it is a promotion. • Should a well-known author bring out a new book, the backlist of that author will get probably be discounted. • The sales team is very involved in the pricing strategy, the marketing team isn't. • A lot of strategy from sales team on children's books. With a series, price will be kept low in order to gain traction and sell a far higher number of copies immediately, and in the future with new titles in the range. Have to join global print runs to maintain this strategy otherwise unfeasible. • Price promotions are a big part of marketing strategy – Buy one get one	"Pricing and marketing are permanently intertwined." "It's difficult to have pricing strategy as one publisher and the retailers also have their own pricing strategy and some don't discount so they are unlikely to support you on deep discounts." "Pricing is obviously important and certain parts of business are more price sensitive than others. Children's pricing is key." "Pricing is more of a sales tool." "Price promotion is effective to a point but if it's not a

	free and other forms of value add including discount.	desirable product, people won't buy it."
Publishing House 5	• Company pricing strategy is clearly communicated to the marketing team. • Marketing team contribute to pricing strategy but do not have ultimate decision. • Have chosen to get more units sold than more value from each book sold.	"We are not increasing prices next year – we've made this decision." "So we do play on pricing a bit but it's generally not a huge focus I don't think – it's more the content than the actual price." "We are doing quantity over price."

Source: Compiled by the author based on notes and recordings from research interviews/

4.3.3 Results pertaining to Product Innovation

From the data gathered from the interviews, it can be seen that there is a positive relationship between product innovation and the sales performance of trade publishers in South Africa. Respondents were asked the following questions:

1) What does product innovation mean to your organisation?

2) To what extent has product innovation contributed to your sales and marketing performance?

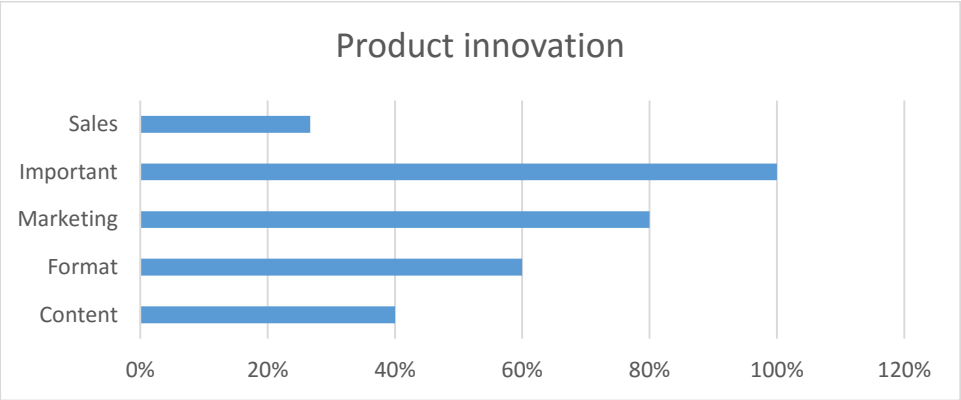
3) What aspects of product innovation are implemented at this organisation? Which one has been most successful?

The questions on product innovation were asked in order to determine the priority that innovation is given in the marketing department and the rest of the company, and how effective product innovation has been as a marketing capability.

100% of respondents believe that product innovation is a marketing capability of trade publishing houses. Three out of the five participating publishing companies were believed to be innovative by two or more respondents. 11 out of 15 respondents believed that their own publishing houses were innovative in at least one of four areas: sales, marketing, format and content. The graph below displays the varying degrees of innovation in each area.

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Figure 7: Graph depicting the results of the question on product innovation



Source: Compiled by author from notes and recordings of interviews.

Most of the respondents provided evidence of innovation in content and format of books as well as marketing strategy for books. Only a few respondents believed that their companies were genuinely innovative.

There were seen to be three broad areas of innovation – the format of a book, the content of a book and the marketing plan for a book. When it came to format and design of a book there were mixed opinions on whether the publishers were innovative and whether it was worth it to be innovative. Some publishers believed that changing the traditional format of a book allowed for it to get lost on the shelf whereas others believed that it set them apart. The overall consensus though was that size of the book was not often changed but the cover design and possibly other design elements like edge foiling and ribbons were used more frequently to add value.

"I think we try really hard to meet the standard of what our clients want and satisfy their needs. We get 'oh wow haven't seen it before' quite a lot."

Senior Management, Publishing House 2

Three out of the five publishers believed that they are innovative with content and that they are the publishers that are taking the most risk with their content. All of these comments were in relation to political books they were publishing. All of the publishers that claimed to be innovative with risky content believed that no other publisher was doing what they were doing.

"It is very hard to measure that. I think what it does do is it sets that book apart perhaps within the store. So if you have three books on current

political debate and one of them looks a whole lot more pick-up-able that's the one we want to be."

Executive, Publishing House 1

"Usually we look for a combination of innovative & definitely going to work."

Middle Management, Publishing House 2

In terms of marketing innovation, the publishing houses had quite different answers. Some believed that there was no innovation in their marketing departments and some believed that they were doing ground-breaking things with their marketing strategy. This was similar to the innovation with content response as some publishers listed activities that they believed were completely new yet one or two other publishing houses also spoke about the same marketing activities. Some of the more innovative marketing ideas that had been done in the past year were street pole ads, public activations, influencer campaigns and author involvement.

"I don't think we're doing anything radically different with marketing. Sales possibly."

Middle Management, Publishing House 4

"I think we are very much in front of the trend in our marketing capabilities like social media"

Junior, Publishing House 5

The below table presents the results from the interviews and separates them into responses from each publishing house on the topic of product innovation as a marketing capability. Verbatim quotes from the recorded interviews are also included in this table in order to validate and further explain the interviewees' responses to the question asked.

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Table 11: Table displaying the results from all interviews about product innovation.

Publishing House	Response	Verbatim quotes from Employees
Publishing House 1	• One of the retailers was having issues with a particular kind of book being stolen and so the publishing house asked if they could highlight to the consumer that these books were the most stolen books and then keep them behind the counter. This was seen to be successful. • Influencer marketing strategy – innovative in that it gets people with social media followings to put part of themselves into the book through helping with storylines, titles, cover decisions etc. • The use of different book formats is widely used in this publishing house. • The respondents believe that the innovative attitude to content, format and marketing is having a direct effect on sales and marketing performance. • They sent out postcards and badges before one of their most innovative books was sent out. This book was innovative in format, content and marketing.	"Innovation in the design on the cover of the book. A 'shout' on the cover or silver foil or the packaging of the book with hard back and inner and outer flap. Innovative in paper that we choose." "Whatever the author brings to the table we accept and we encourage them to be part of the process." "You know it's interesting in terms of trying to get it out into the market. But somewhere like [Company Name], their PR company said it wasn't going to be a good idea to be so political." "It is very hard to measure that. I think what it does do is it sets that book apart perhaps within the store. So if you have three books on current political debate and one of them looks a whole lot more pick-up-able that's the one we want to be."
Publishing House 2	• Extremely innovative in their uptake of tracking online movement • Use schools to promote children's titles. • Children book product innovation – wipe clean pages; toys or activities in conjunction with the book. • Newsletters dealing with child development and entertainment that relates to the books that they sell.	"I think we try really hard to meet the standard of what our clients want and satisfy their needs. We get 'oh wow haven't seen it before' quite a lot." "Usually we look for a combination of innovative & definitely going to work."
Publishing House 3	• The junior marketing team would like to be more innovative but their ideas are seldom approved. • Innovative marketing ideas include a gift guide that pairs a book with another gift	"We have been coming up with cool ideas but struggling to get them approved." "I feel like we are spending so much time online and we

	appropriate for someone of the same demographic. • Innovative content to mark special occasions in author or brand's life. • An entirely new strategy was to do a live activation in a very public space that went viral. • Executive level feels that being innovative and catering to the 'trend' in content bore very few results so prefers to shy away from that. • Encourage interaction between authors and readers – tours, dedicated time with author etc.	need to go back to the public." "What we're doing works. I'm looking at more online & mobile advertising."
Publishing House 4	• This publishing house is most innovative in the way that it is establishing new avenues of sale. They are repurposing content for corporates and other entities that order very large print runs of pre-existing content. • This publishing house also has a focus on 'owning space' in book stores through permanent branding tools. • Trying to build up their younger reader base by sending activity sheets to schools to encourage interaction with their children's books. • Trying to do different things with their cover designs on locally published books – particularly children's' books. • Trying to use more valuable prizes for their competitions rather than book prizes. • Publishing boundary-pushing and slightly more risky content. • International parent company is also trying to encourage innovative marketing practices.	"Product innovation… a large part of that is between departments and how you can galvanise all departments around strategy." "I don't think we're doing anything radically different with marketing. Sales possibly." "The key around innovation is that every day we're trying to reinvigorate it in a new way." "A bad cover is the kiss of death for a book." "I think where we are very strong is that we are publishing books that a lot of people aren't publishing."
Publishing House 5	• Sticking to the traditional publishing ideas – encouraging the publishing of hardcover books instead of pushing more modern, softcover books. • Branded cars for big releases • Sent press cupcakes along the theme of a big release. • Live activation in public space that drew crowds and interest.	"We haven't really done anything revolutionary" "I think we are very much in front of the trend in our marketing capabilities like social media"

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Source: Compiled by author from notes and recording of interviews.

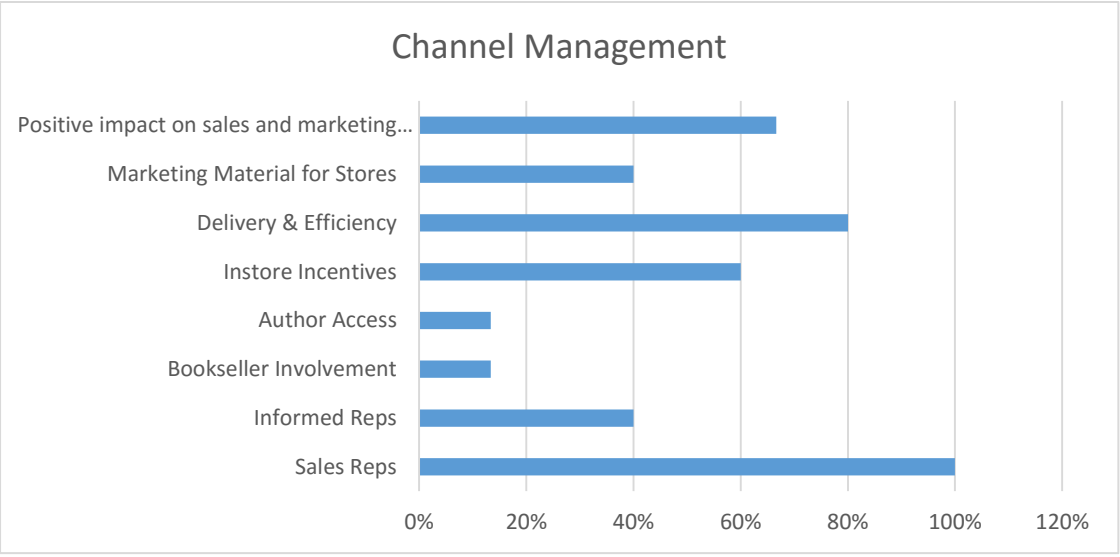
4.3.4 Results pertaining to Channel Management

From the data gathered from the interviews, it can be seen that there is a positive relationship between channel management and the sales performance of trade publishers in South Africa. Respondents were asked the following questions:

1) What does channel management mean to your organisation?
2) To what extent has channel management contributed to your sales and marketing performance?
3) What aspects of channel management are implemented at this organisation? Which one has been most successful?

The questions on channel management were asked in order to determine the priority that channel management is given in the marketing department and the rest of the company, and how effective channel management has been as a marketing capability.

Figure 8: Graph displaying the results of the question on channel management



Source: Compiled by the author from notes and recordings of interviews.

100% of respondents believe that the responsibility of managing the relationship with distributors and retailers was not a responsibility of the marketing department but one of sales, and 67% believed that it did contribute towards the sales and marketing performance of the publishing house.

Many of the respondents were not sure what the state of the relationship with their book sellers is as they do not see themselves as being involved in managing that channel of distribution. Out of the respondents that did have an idea of what the relationship was like, the publishing houses had different states of relationship with their book sellers. Some publishers believe that they have a very good relationship with their book stores and book sellers that have been cultivated over years and others believe that the relationship is not what it should be but both parties have to maintain a working relationship in order to sell books or remain relevant.

"The relationship is not great but it's a relationship. They have to take our books if they want to be relevant."

Junior, Publishing House 3

The majority of channel management seems to happen through the sales reps that each publishing house employs. These reps manage specific geographic areas and they deal with the book store managers directly. They sell the books in to store a few months before the book is launched and they educate the book stores on the books coming in. They also act as a liaison for marketing materials and campaigns between the publisher and the book store.

"They work on the relationship with the book stores. So anything that we need from the store comes through the sales reps."

Senior Management, Publishing House 1

"The more informed the rep is, the more books the book buyer is likely to buy, therefore there will be more sales."

Executive, Publishing House 1

When asked if the publishers use incentives to encourage positive relationships with book stores, there was a mixed response but the overall conclusion was that although some incentives are provided, this has been cut down on dramatically in the last few years. The biggest discrepancy in response was whether or not incentives provide any value to the sales and marketing performance. Some publishers believe that incentives are abused by store employees and others believe that instore competitions and other incentives do make a difference to book sales.

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"One or two clients appreciate the lunch and dinners and others take advantage of it. Sometimes management even does it but only some people appreciate it."

Middle Management, Publishing House 2

"We do want book sellers to trust us and know that we support them. We will support them with a window display which makes more sense to me as this reaches the consumer."

Senior Management, Publishing House 3

The overall opinion of channel management is that it is critically important to the overall success of the business but that it is not a function of the marketing department.

"Channel management is integral - it is the organisation."

Executive, Publishing House 1

"If you can't deliver on what you're selling and saying, just go home."

Senior Management, Publishing House 4

The below table presents the results from the interviews and separates them into responses from each publishing house on the topic of channel management. Verbatim quotes from the recorded interviews are also included in this table in order to validate and further explain the interviewees' responses to the question asked.

Table 12: Table displaying the results from all interviews about channel management.

Publishing House	**Response**	**Verbatim quotes from Employees**
Publishing House 1	• Relationships with book stores are maintained through the reps that have designated sales areas around the country. • The reps are the liaisons between the book stores and the publishers. • This publishing house tries to give the reps as much information about the books as possible so that the book stores can get good information and trust the source that it's coming from.	"They work on the relationship with the book stores. so anything that we need from the store comes through the sales reps." "The more informed the rep is, the more books the book buyer is likely to buy, therefore there will be more sales."

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	• The publishers encourage book seller involvement in the publishing process. • These publishers also give their reps access to the authors so that they can set up launches, signings, readings and meet-and-greets with the stores. • Most effective form of channel management is educating the reps on the different books. • Media channel is also managed very carefully. • Advance copy order forms are sent to the media the day that the book arrives at the warehouse so that the media don't have to wait very long for their request to be processed. • Invitations to events are sent out 2 weeks before so that the media can plan for it but also not forget about it. • Instore incentives are used for retailers. • Some incentives would be a dinner, a bottle of wine or a gift voucher. • Instore competitions are for most sales. • Previously did best window display competitions but the stores weren't enthusiastic enough to generate a good amount of sales. • The most effective method of channel management is seen to be direct contact with book stores through reps and through email and telephone calls with the publishers. • Have set sales targets with one group of retailers to encourage instore staff to promote their books more.	"Each book gets emailed to the media, they hear about it 3 times. Newsletter, press release, invite." "We send the reps with sample covers asking for feedback, encouraging engagement with them so that they feel like a part of the publishing process. Helps them buy more books as they are more invested." "Email [is the most effective channel management tool]. Failing which, a phone call never goes amiss." "Channel management is integral - it is the organisation."
Publishing House 2	• Sales reps are responsible for the majority of channel management activities. • Delivery efficiency and customer service are the most important elements of channel management for this publisher. • Few incentives to retailers of books are provided. They have not been deemed to be efficient enough and the publisher believes that some book stores take the incentives for granted. • Dinners and lunches with book stores have also been largely stopped.	"One or two clients appreciate the lunch and dinners and others take advantage of it. Sometimes management even does it but only some people appreciate it."

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	• Hand written letters are also used as a tool of channel management with both retailers and end consumers.	
Publishing House 3	• Channel management is seen to be more of a sales function than a marketing function and these two departments are very separate in the business. • Some channel management activities have been to provide the smaller scale book shops with additional material for their customers as well as prizes for instore competitions. • Used to provide instore competitions for staff frequently but have cut back a lot. • The incentives have been seen to work but they are cautious to do it too frequently and have the novelty for instore staff wear off.	"The relationship is not great but it's a relationship. They have to take our books if they want to be relevant." "We have very good relationships with our book stores. I've tried to build that in the last year and do more cross-promotion/combined promotion with bigger books- what can you spend, what can we spend? Let's go all out and make it a success." "We do want book sellers to trust us and know that we support them. We will support them with a window display which makes more sense to me as this reaches the consumer."
Publishing House 4	• Channel management is extremely important to this organisation – they have a dedicated marketing coordinator to liaise between publisher and book stores. • They feel that their instore staff promotions and incentives are lacking and could be improved. • Looking to create a community of book sellers to feed information to. • They ensure that each bookstore gets a face to face visit each month as well as a phone call and email. • Channel management also includes media relationship and management. This is seen to be very important so that books can have the right people review them. • They have done instore competitions for most sales and best window displays. • Delivery and efficiency is a good relationship management tool.	"At the moment its one on one contact or if we have a presentation and then product training." "We do promotions for staff sometimes. We'll have a prize for store that has sold the most or has the best display." "The stronger the relationship. The better the sales are." "If you can't deliver on what you're selling and saying, just go home." "We offer great customer service, fast delivery, quick turnaround, great pricing knowledgeable product knowledge."

		"If it happened every month, would dilute the effect. Have to make it stand out."
Publishing House 5	• The relationship with book stores is important. • The relationship with the in-house production team is critical – clear communication is necessary otherwise marketing delays can be costly. • Send book stores t-shirts. • Run instore competitions for best window display and most sales. • Reps and management take book sellers to lunch. • Marketing department is unsure of what channel management activities are the most beneficial to the publishing house. • The size of the competition prizes (Jewellery and high tech devices) is also seen to help channel management as it pulls people into store to enter the competition.	"Like if production gets behind and the books are delayed it halts all our plans." "We try to make sure that like the book sellers are happy because they've got to punt the book as well." "I think there's a lot of sweet talking involved. But if the books aren't there then the books aren't there." "Communication between marketing and the sales reps is crucial because they also distribute some of the material as well and they've also got to keep an eye out that it's actually being used and it's not just at the back gathering dust."

Source: Compiled by author from notes and recordings of interviews.

4.4.5 Results pertaining to Sales & Marketing Performance

From the data gathered from the interviews, it can be seen that the sales and marketing performance of trade publishers in South Africa is mostly unknown due to poor tracking measures. Respondents were asked the following question:

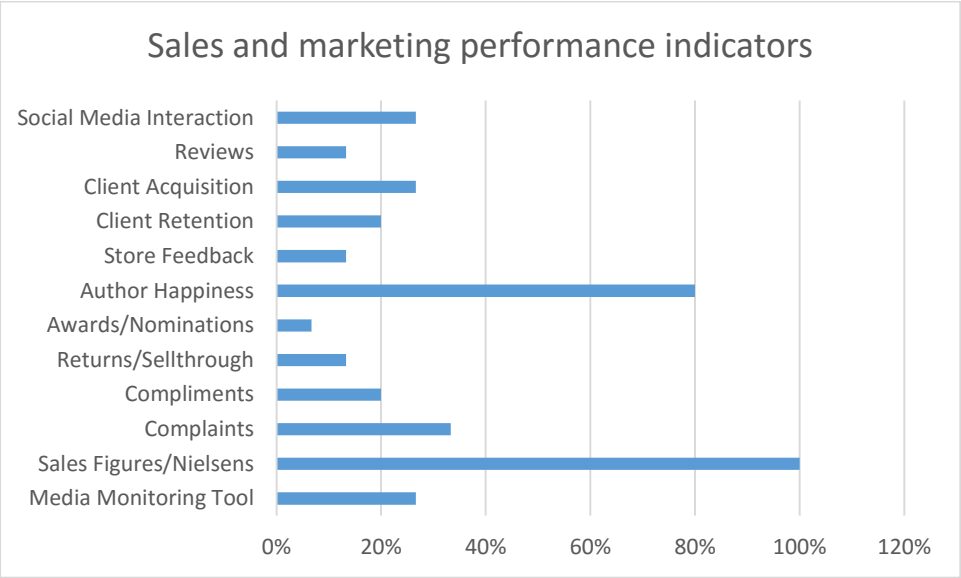
1) What are the key indicators of sales and marketing performance used by your organisation?

The question on sales and marketing indicator was asked in order to understand how the marketing and sales efforts of the marketing departments are monitored, and what indicators are seen to be important by the organisation.

As can be seen from the graph below, the most monitored element of sales and marketing performance is weekly or monthly sales figures from Nielsen's Report. 100% of respondents said that this was how sales and marketing were predominantly measured. Second to the sales

figures, the biggest indicator that marketing and sales efforts are going well is the author's happiness. 80% of respondents said that if the author can see their book on posters, instore, online and in publications, they feel that they as the publishing house's marketing department are doing a good job.

Figure 9: Graph displaying results of the questions on sales and marketing performance indicators



Source: Compiled by the author from notes and recordings of interviews.

The results given for sales and marketing performance indicators tended to vary. Some companies had very advanced ways of tracking their marketing and the benefit from it, others relied solely on sales data.

When asked about sales and marketing indicators, all respondents immediately answered that sales records from Nielsen's reports were the main indicator of sales performance. The volume of units and the revenue were the two indicators most closely monitored.

"Incoming sales and orders. That's a good indication. Also monitor how clients speak to me as indication."

-Middle Management, Publishing House 2

Another indicator of sales and marketing performance for three publishing houses was 'author happiness'. This was tracked by feedback from the author and the author's attitude to their publisher.

"When the author is happy and sees books in store."

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Senior Management, Publishing House 1

When asked about how complaints and compliments were dealt with in the businesses, the majority response was that complaints were dealt with by customer service immediately and then not thought of again, and compliments were circulated within the team. Another response that came from all the publishers was that complaints are few and far between as their customers are the book stores and those complaints are dealt with by the sales reps. Any end-consumer complaints are not seen as significant.

"Our customer base complaints and compliments are dealt with on a daily basis."

Middle Management, Publishing House 4

"Well negative reviews we just ignore it and tell authors it's ok and that not everyone is going to like their book."

Junior, Publishing House 5

The overall opinion of sales and marketing indicators are that sales are measurable and marketing performance is not. Therefore it is not tracked that much – it is done because the firms know that they need to do it, but the impact is never truly assessed.

"Sales and marketing are two different sides. Sales is completely measurable. Marketing is immeasurable."

Executive, Publishing House 1

"We track what we can track. We keep a very good eye on the analytics and try and get an idea of our audiences and then look at sales."

Senior Management, Publishing House 3

The below table presents the results from the interviews and separates them into responses from each publishing house on the topic of sales and marketing performance indicators. Verbatim quotes from the recorded interviews are also included in this table in order to validate and further explain the interviewees' responses to the question asked.

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Table 13: Table displaying the results from all interviews about sales and marketing performance indicators.

Publishing House	Response	Verbatim quotes from Employees
Publishing House 1	• Media monitoring service in place. • Author happiness. • Store feedback – are people asking for the book? • Resolve complaints immediately. • Some employees have individual feedback sessions but no company-wide or departmental review. • Considering author feedback session in the future. • Sell through of books (How many books were not returned) • The number of awards and nominations that titles' receive. • Compliments are shared in-house.	"When the author is happy and sees books in store." "Awards – how many books are nominated? That also increases sales. That affects how well a book does." "Sales and marketing are two different sides. Sales is completely measurable. Marketing is immeasurable."
Publishing House 2	• Mostly use sales figures as sales and marketing indicators. • Client retention and acquisition are continuously monitored. • ROI is closely monitored to determine performance. • Complaints are very closely monitored and client feedback from expos is also very closely monitored.	"Incoming sales and orders. That's a good indication. Also monitor how clients speak to me as indication." "We do the book fairs and expos and you meet a lot of customers and hear about their concerns, what they like, what they don't like."
Publishing House 3	• Have difficulty tracking marketing activities. • Main focus is to monitor sales. • Track new acquisitions through subscriptions, followers, likes and SMS opt-ins. • Respond to complaints immediately – no review session.	"We track what we can track. We keep a very good eye on the analytics and try and get an idea of our audiences and then look at sales."
Publishing House 4	• Performance monitoring generally happens through historical sales trends and year-on-year comparisons. • External conditions are always considered. • Complaints are addressed quickly but they report that they experience few complaints. • Nielsen's book data is used to analyse sales. This does not provide the full	"Sometimes it is out of your hands like retailers performing badly or extremely well." "Our customer base complaints and compliments are dealt with on a daily basis."

	picture as Nielsen's only covers about 65% of the book sales in South Africa. • Level of returns per book. • Employ a media monitoring service to track publicity.	"An indicator is returns in relation to our customers. Returns is part of the business - we sell on good faith and book stores are allowed to return a percentage of books if not sold." "We subscribe to media monitor and give them a list of authors and titles. Every time that author gets mentioned, they send you the link to the article.
Publishing House 5	• Sales figures are used to determine sales and marketing performance. • Reviews are used as an indicator of performance. • Social media interactions are used to monitor success of book.	"Well negative reviews we just ignore it and tell authors it's ok and that not everyone is going to like their book."

Source: Compiled by author based on notes and recordings from research interviews.

4.4 Summary of Results

In summary, all initial propositions have been proven correct and are supported and accepted by this research. The four marketing capabilities examined in this research – marketing communications, pricing, product innovation and channel management – all have a positive relationship with a publishing house's sales and marketing performance. The sales and marketing performance of a publishing house is monitored through key indicators like sales figures and author feedback.

The publishing industry is seen to be healthy and growing although the weakening Rand is a very large cause for concern. Most respondents believe that the exchange rate is going to be a big issue with international books as they will potentially be priced out of the South African market. Most respondents also believe however,, that the industry in South Africa is healthy and robust enough to withstand a few years of hardship.

The marketing communications tools that are seen to be most effective in contributing to the sales and marketing performance of the publishing houses are social media (predominantly Facebook), publicity (reviews and author interviews), and authors that are active in their marketing plan. Other marketing communications tools that are widely used are point of sale elements (instore marketing like dump bins, posters and gondola ends) and newsletters via

email. The second marketing capability discussed with respondents was the capability of pricing. 53% of respondents did not view pricing as a marketing capability. They did however, speak about price promotions in store and only one publisher took customer perception of quality into consideration when pricing a book.

Product innovation was widely seen as important to the company in order to stay relevant. Most of the publishers showed innovation in content and format of books as well as marketing strategy for books. Channel management was largely viewed as a function of sales and therefore not a marketing capability. Very few members of the various marketing departments thought that the marketing department was involved in channel management with distributors and retailers.

The evaluation of current marketing capabilities on sales and marketing performance is not very widely tracked within the organisations. This makes tracking the sales and marketing capabilities of a publishing house a little bit more difficult because all of the information that the publishing houses have on their sales and marketing efficiency is purely conjecture based. The most predominant sales and marketing indicator used is the weekly or monthly year-on-year sales figures. Complaints are seen more as a function of customer service than an indicator of sales and marketing performance.

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CHAPTER 5: DISCUSSION OF RESULTS

5.1 Introduction

This chapter will focus on the discussion of the research that was presented in Chapter 4. This chapter will include a discussion on the demographics of the participants, a discussion on the state of the publishing industry in South Africa, a discussion on the four marketing capabilities examined in this study and lastly a discussion on the sales and marketing indicators used by publishing houses to analyse their marketing efficiency.

The basis of this study is the RBV theory (Barney & Arikan, 2001; Wernerfelt, 1984) and the theory of marketing capabilities (Song, Droge, Hanvanich & Calantone, 2005; Das & Teng, 2000). The research for this paper shows that examining the various resources at a publishing house can indicate very clear weaknesses in the firms and the links between internal resources. This theoretical grounding is going to be compared to the research in order to determine the accuracy of the previous literature as well as any gaps in literature that should be further studied.

5.2 Demographic questionnaire data

The demographic questionnaire was used to gain a deeper understanding of the experience, age, gender, level of education, tenure in company and department of the respondents in order to understand their answers to the questions more fully.

93,33% of respondents to this research were female. This is a direct reflection of the industry which is women dominated. Out of 15 interviewees, only one was male. The age of respondents is quite interesting as the majority of respondents were quite young, between the ages of 35 and 39. The number of people aged over 45 that were interviewed was very small, only 3 out of 15 respondents. Only one person interviewed was over the age of 60.

Out of 15 respondents, 46,67% had an undergraduate degree and a further 46,67% had a postgraduate degree. This pool of respondents is a reflection of the industry and this is a very educated pool. This pool is also a good representation of management profiles within the industry as 35,71% of respondents classified themselves as senior management. Out of the five companies that were participants in this research, three company's executive level employees were interviewed. Only four junior level staff members were interviewed for this research.

The staff turnover in the industry seems to be quite high as 80% of respondents had only been with their employer for between 1-10 years. 40% had been with the same company for up to

five years and 40% had been with the company for up to 10 years. Interestingly, there were two respondents that had been with their current employer for between 16 and 20 years. 73,33% of employees have only been in the industry for up to 10 years – 33,33% of that being less than 5 years.

The majority of respondents – 60% - work in the marketing departments of the various publishing houses. 33,33% of respondents felt that the department that they had most interaction with was the sales department.

Table 14: Frequency table of demographic data

Gender	**Freq**	**Percentage**	**Age**	**Freq**	**Percentage**
Male	1	6,67%	20-24	1	6,67%
Female	14	93,33%	25-29	2	13,33%
			30-34	2	13,33%
			35-39	5	33,33%
			40-44	2	13,33%
			45-49	1	6,67%
			50-54	1	6,67%
			65+	1	6,67%
Total	**15**	**100,00%**	**Total**	**15**	**100,00%**
Level in Company	**Freq**	**Percentage**	**Educational Level**	**Freq**	**Percentage**
Executive	3	21,43%	Matric	1	6,67%
Senior Management	5	35,71%	Undergraduate	7	46,67%
Middle Management	2	14,29%	Honours	5	33,33%
Junior	4	28,57%	Masters	2	13,33%
Total	**14**	**100,00%**	**Total**	**15**	**100,00%**
Years in Industry	**Freq**	**Percentage**	**Years with Company**	**Freq**	**Percentage**
1-5	5	33,33%	1-5	6	40,00%
6-10	6	40,00%	6-10	6	40,00%
11-15	2	13,33%	11-15	1	6,67%
16-20	1	6,67%	16-20	2	13,33%
20+	1	6,67%	20+	0	0,00%
Total	**15**	**100,00%**	**Total**	**15**	**100,00%**
Department	**Freq**	**Percentage**	**Department Interacted with most**	**Freq**	**Percentage**
Marketing	9	60,00%	Sales	8	53,33%
Sales	2	13,33%	Finance	2	13,33%
Publicity	1	6,67%	Editorial	2	13,33%
Management	3	20,00%	Publicity	3	20,00%
Total	**15**	**100,00%**	**Total**	**15**	**100,00%**

Source: Compiled by author from questionnaire responses

5.3 Analysis of South African trade publishing houses marketing capabilities.

The South African publishing industry has many marketing capabilities available to it. This study focused on four of these capabilities namely marketing communications, pricing, product development and channel management. These four capabilities were taken from research done by Kotler et al in 2009 and were identified as the capabilities most relevant to the South African market.

5.3.1 Understanding the South African Publishing Industry

In order to better understand the responses from the various publishing house employees, an understanding of the South African market was required. The health of the publishing industry in South Africa has a direct impact on all of the responses that were required for this research. The industry is seen to be largely healthy but the fluctuating exchange rate is cause for major concern. The biggest reason for this concern is that most of the companies interviewed are large multinationals and/or agents for international publishers. Four out of five publishers explained that their revenue split between international and local titles was 80/20 respectively. That means that a very large portion of their market is coming from overseas. In order for these products to remain feasible for both the South African publishers/agents as well as the international publishing houses, the book prices are going to have to increase along with the exchange rate. That means that very soon, the books will be exorbitantly more expensive than locally published and printed books. The fluctuating exchange rate is also cause for concern because a lot of the books that are written and produced locally are actually printed overseas due to cheaper costs. This is means that publishers need to adjust their supply chain and start looking at our local printers instead if they want their books to remain competitively priced.

The South African trade publishing industry falls into the gap between being a developed or a developing country. When contrasting the data received for this research with previous research on both developed and developing industries, the South African publishing industry has elements of it all. The need for development and innovation with products and strategy is closely aligned to the goals of developed countries' publishing houses (Healy, 2008). The fear of self-publishing that many publishing houses in developed countries, have does not seem to be a relevant concern to the South African market (Michaels, 2015). The South African trade publishing industry mimics many of the developing publishing industries around the world too. The South African publishing industry has to deal with several of the same concerns of other developing industries such as the prevalence of global corporations, drastic exchange rate

fluctuations and the development of literacy and indigenous language access (Asai, 2015; Carrenho, 2015; Fourie & Terre Blanche, 2009; Moon, 2014; Opoku-Amankwa, Mahamu, & Ry-Kottoh, 2012; Setzer, 2015; Zhang; 2015).

The South African trade publishing industry does not fear the rise of the eBook according to all 5 senior publishing house employees interviewed. This is a contrast to what was reported in the literature where there is much concern about the rising prevalence of eBooks and the potential impact that it will have on publishers and hard copy books (PwC, 2015; Spavlik, 2012; Hughes, 2014; Moon, 2014; Zhang, 2015; Healy, 2008). The main reason that publishers in South Africa do not seem to be concerned by the rise of eBooks is that the growth rate, although rapid and very large, has plateaued and the total percentage of eBooks being purchased in the market is still below 10% of the total market.

Overall, the respondents believe that the publishing industry in South African is going to be negatively impacted by the fluctuating exchange rate but that the industry is large enough to sustain this difficult period. The industry is going to be negatively affected in several ways including a decrease in unit sales and less variety of books being published.

5.3.2 Analysis of Marketing Communications as a Marketing Capability.

There is a positive relationship between marketing communications and enhanced sales and marketing performance. The majority of respondents believed that there is a positive relationship between marketing communications and sales and marketing performance and that marketing communications are critical for the publishing houses.

The respondents had two main reasons for believing that marketing communications had a positive impact on sales and marketing performance. Firstly, some respondents want to include marketing communications in their plans because they have been told to do so and believe that if they stop marketing communications, there is likely to be a drop in sales. Publishing houses are nervous to test this theory. The second reason that people see a positive relationship between marketing communications and sales and marketing performance is because they have tracked it. They have seen this either online, and seen instantaneous results, or through traditional methods and used media monitor tools to investigate the success of the marketing communications.

The literature on marketing communications states that marketing communications is the ability to manage all expectations of all stakeholders in any business and to persuade and

remind people of the business and its products in order to encourage loyalty and sales (McKee et al, 1992; Keller, 2001; Burke & Srull, 1988; Krush, Sohi & Saini, 2015). Keller (2001) provides a variety of options for marketing communications such as advertising, direct response and interactive campaigns, place advertising, point-of-sale advertising, trade promotions, consumer promotions event marketing and sponsorship, publicity and personal selling. As can be seen from data presented in Chapter 4, the mix of marketing communications that is currently used in publishing houses represents the full spectrum of marketing communications as laid out by Keller.

The most frequently used marketing communications are social media; radio, TV and newspaper interviews; instore posters as well as mailers to their client database. The most used forms of marketing communications do not represent the full spectrum of suggested marketing communications methods as suggested by the literature (Keller, 2001; Krush, Sohi & Saini; 2015). A note needs to be made that Keller did not include any elements of digital or social media and this is now a critical component of any marketing campaign.

This leads into the idea of integrated marketing communications which is the concept of all types of marketing having a consistent message and a cohesive distribution (Keller, 2001; Schultz, 1998; Mihart, 2012). The research provided an insight into how the message is distributed through the different marketing communications and most publishing houses were seen to be consistent in the message but slightly unorganised in the distribution of marketing materials.

When it came to assessing the effectiveness of the various types of marketing communications, the lack of measurability from the publishers' side was obvious. All publishing houses said that tracking traditional marketing communications was close to impossible and thus no finite answer could be given. Some of the publishing houses had installed methods of tracking online marketing efforts such as tracking codes on adverts and websites and implementing a media monitoring service. Tracking the publicity side of marketing communications was done in several of the publishing houses through media monitoring subscriptions however, not all publishing houses had this service available.

5.3.3 Analysis of Pricing as a Marketing Capability

There is a relatively unknown relationship between pricing and the sales and marketing performance of trade publishers in South Africa in the traditional sense of pricing – the initial price point. There is, however,, a positive relationship between pricing strategies and promotions and enhanced sales and marketing performance. Many respondents felt that the initial pricing of a product was not a marketing capability and had little bearing on sales and marketing performance because they are not involved in the price point decision making process.

The question of whether or not pricing is a marketing capability that enhances sales and marketing performance was seen as a difficult one to answer by the majority of the respondents. Ultimately, it can be seen that there is a positive relationship between pricing and enhanced sales and marketing performance however, this capability is not being implemented as effectively as possible within trade publishing houses.

According to the literature, there are two ways of determining this price point – value-based pricing which is seen as an estimation of a fair price for the value that is gained from the product, and customer perceived value which is the value that the customer believes they will derive from the product (Toytari, Rajala & Alejandro, 2015; Ulaga & Eggert, 2005; Ritter & Walter, 2012; Kothandaram & Wilson, 2001; Ravasi & Rindova, 2008; Bowman & Ambrosini, 2000).

The research gathered for this study showed that most publishing houses use the value based pricing model to price their books instead of the customer perceived value model. This indicates that the companies are looking more to their bottom line than to their market when making a pricing decision. There were 3 instances between the five publishing houses that used the customer perceived value model for pricing their books and each time it was used it was seen to be highly successful. A study conducted by Ingenbleek, Frambuch & Verhallen in 2013 indicated that the majority of products (80-90%) from manufacturing or service providing companies were under-priced in terms of value when they first went to market. The experience of one trade publisher in particular in South Africa supports the finding of the this study that although this pricing structure might have short-term negative profit effects, the long term market traction and overall brand growth will be worth it.

Most firms appear to use the Value-Based pricing model and the marketing departments have little if any say in determining the value of the book. 20% of respondents believed that customer perceived value of a book was important and thus included the marketing team in the price analyses used for the book for its specific market.

Pricing as a marketing capability was seen to be predominantly about price promotions such as Buy One Get One Free specials or 50% discounts instore. 60% of the publishing companies had however, employed pricing strategy in an effort to improve their market share. Although the response of the interviewees was that pricing was not seen as a marketing capability, the answers that they gave to further questions on pricing proved that some publishing houses did indeed see pricing as a marketing capability and had employed these specific strategies to optimise the effectiveness of it.

5.3.4 Analysis of Product Innovation as a Marketing Capability

There is a positive relationship between product development and the sales and marketing performance of trade publishers in South Africa. The various publishing houses all had different ideas on product innovation as a marketing capability. Some of the executive level employees believed that trying to stay ahead of the curve in terms of product content was a waste of time. One particular executive believed that every time their publishing house had tried to do this, they had ended up missing the mark entirely. Other publishing house executives believed that being innovative with the product format was potentially a mistake and a waste of time as the books would then get lost on the shelves. When it came to product marketing innovation, four of the five firms had a common belief that they were truly innovative in some way or another with their strategy.

Product development needs to be one of the core focus areas for any publishing house. The current literature on product development says that development research is extremely important and that it can occur through two routes: market exploitation or market exploration (Kim & Atuahene-Gima, 2010; Kyriakopoulos & Moorman, 2004; Benner & Tushman, 2003; Raisch, Birkinshaw, Probst & Tushman, 2009; Troy, Hirunyawipada & Paswan, 2008).

Market exploration deals with expanding the market to other areas that are yet to be utilised and market exploitation means doing more of the same things and developing similar products to the current service offering (De Luca & Atuahene-Gima, 2007; Rindfleisch & Moorman, 2001; Zhang, Wu & Cui, 2015; Leonard-Barton, 1992). From interviewing the various

employees of publishing houses in South Africa, only two out of five publishing houses are doing explorative research and really trying to find new ways to sell and package their products as well as entirely new avenues of distribution. This is an area that needs to be developed in the remaining three publishing houses if they would like to remain profitable organisations.

In the developed market of the USA and UK, the need for product innovation and company development is being felt keenly (Healy, 2008). Healy conducted a study in 2008 that determined that 65% of publishing house employees felt that there was a very large demand for product and strategy innovation within the industry in order to stay relevant. It was even said to 'be essential to the survival of their company' (Healy, 2008).

Some of the innovative marketing strategies for books had been public activations, street pole adverts and influencer campaigns.

5.3.5 Analysis of Channel Management as a Marketing Capability

There is a positive relationship between the quality of the channel management and the sales and marketing performance of a company. 67% of respondents believe that channel management has a positive effect on sales and marketing performance because they need to maintain healthy relationships with their book stores who are essentially the gatekeepers to the publishing house's audience.

Channel management examines the relationship between a company and their suppliers or distributors (Rosenbloom & Anderson, 1985; Stern, Elansary & Coughlan, 1996; Subramaniam, Shaw & Gardner, 2000). The previous literature on channel management determined that trust and formal controls - and other forms of governance – were necessary to keep the interactions at an optimal level for the firm (Poppo & Zenger, 2002; Yang, Zhou & Jiang, 2011). The research conducted for this paper supported this as 80% of respondents believed that the delivery and efficiency of transactions with suppliers were the second most critical element of channel management.

When discussing channel management as a marketing capability with the five publishing houses, it appeared that the majority of the relationship management was done via the sales reps. This model seems to work for the publishing houses as the sales reps are on the ground with the book sellers every day and can thus tend to their needs quickly. Having these sales reps on the grounds helps firms to maintain competitive advantage over their competitors. As the literature states, competitive advantage is imperative to maintain relevance and profitability

(Zhang, Cavusgil & Roath, 2003; Yang, Zhou & Jiang, 2011). One of the biggest areas that publishing houses try to have competitive advantage is shelf space in book stores and reps help to monitor and maintain the prominence of a publishers books when they are visiting the stores.

When asked about specific tools that are used in channel management at each publishing house, there was a wide range of answers. Some publishing houses provide advanced reading copies to most book stores, some publishing houses create incentive competitions, and some use time with the author at either a lunch or dinner as a bonus for generating large sales volumes.

Store incentives are used quite widely within the book publishing industry in South Africa. Incentives usually take the form of a competition to see which store can have the best window display for a book or the competitions can be focused on sales targets. Some publishers no longer see the value in taking book sellers to dinner or lunches in order to manage the relationship whereas others think that it is an integral part of managing the book publishing process.

The most effective forms of channel management were seen to be customer service and delivering on promises. All the publishers believed that delivering books when they are promised to book stores is incredibly important as if they cannot trust your delivery times, they are less likely to buy books from you as you are seen as unreliable. Channel management is essential for brand identity and trust which ultimately lead to improved sales and marketing performance (Toytari, Rajala & Alejandro, 2015; Ritter & Walter, 2012).

5.3.6 Analysis of indicators used to determine sales and marketing performance

The assessment of sales and marketing performance by publishing houses in South Africa is very weak. There are predominantly two indicators used by publishing house to monitor campaign efficacy: sales numbers and author satisfaction. The feedback that is gleaned from these sources is seldom fed back to the marketing and sales departments.

When publishing houses look to monitor their sales and marketing performance, there are different levels of performance that need to be examined (Day & Fahey, 1988; Kaplan & Norton, 1993; Morgan, Clark & Gooner, 2002). These levels are sales and profit figures and customer mind share. The very essence of marketing performance is defined as the result of three elements: effectiveness, efficiency and profitability. For this study in particular, marketing performance is defined as the level of revenue, profits and new customers acquired over a specific period, as well as the retention of profits and current clients. In the available

literature, the markers that indicate the level of sales and marketing performance are: increase in revenue, increase in profit, new client acquisition, client retention, higher lifetime customer value, fewer customer complaints and more customer compliments (Stahl, Heitmann, Lehmann & Neslin, 2012; Know & Van Oest, 2014; Ma, Sun & Kekre, 2015; Schulze, Skiera & Wiesel, 2012).

Sales data, author happiness and complaints are the main key indicators of sales and marketing performance in the publishing houses in South Africa that participated in this study. Sales data, primarily from Nielsen's reports, are used across the board to determine the effectiveness of marketing campaigns however, these figures only show between 60 and 75% of the total book sales in the country so the results are not entirely accurate.

Author happiness was seen as the second greatest indicator of sales and marketing performance. The marketing departments all said that if an author sees their book instore, sees a review in the paper, hears about it on radio and then sees it advertised online, they are very happy and will continue to publish books with them. Publishers also believe that the happier the author is, the more engaged they are likely to be with their readers and in turn this will increase sales.

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CHAPTER 6: CONCLUSIONS AND FINDINGS

This chapter presents a summary of the findings of this research as well as the concluding remarks on this study and future research.

6.1 Conclusions

There were three research questions posed in this paper in Chapter 1. Firstly, what are the marketing capabilities of trade publishers in South Africa? Secondly, how are current marketing capabilities impacting on South African trade publishers' sales and brand performance? The third question is on the model for publishers to follow which will be addressed further on in the paper.

6.1.1 What are the marketing capabilities of trade publishers in South Africa?

The marketing capabilities of trade publishing houses in South Africa are robust however, further development and integration needs to occur. There are four key capabilities that this study focused on, namely marketing communications, pricing, product innovation and channel management.

Marketing communications are used widely amongst the different publishing houses and there is a lot of research and testing of new ways to communicate with the market. There is, however,, limited feedback to the marketing departments about which marketing communications have provided good results and this needs to change otherwise there will be limited growth.

Pricing is seen as a marketing capability through pricing strategy and price promotions. Pricing needs to be more integrated in to the marketing process in publishing houses and marketing departments need to examine how they can use price points as a marketing capability in addition to pricing strategy and price promotions.

Product innovation is being partially embraced by all of the publishing houses interviewed. Innovations are being made in three key areas: format, content and marketing. Although there is constant activity on finding new ideas to take to market in either format, content or marketing form, there needs to be a larger emphasis placed on the importance of innovation of publishing houses.

Channel management is a marketing capability that is well taken care of in four out of the five publishing houses, but it is not a function of the marketing department. The marketing department needs to take more responsibility for this marketing capability rather than leaving

it entirely in the hands of the sales teams. Book stores are primarily where channel management efforts are directed however, the marketing team should look at other areas of the business where channel management could help their business goals. With the potential of book printing moving back to South Africa due to the weakening Rand, the relationships with local printers are a key area to develop.

6.1.2 How are current marketing capabilities impacting on South African trade publishers' sales and brand performance?

All four propositions on marketing capabilities have been supported through the research conducted for this study. Marketing communications, pricing, product innovation and channel management all have a positive effect on the sales and marketing performance of trade publishing houses in South Africa. The current marketing capabilities are having a good impact on South African trade publishers sales and brand performance however, only one publisher is seen to be known as its own brand but author brands throughout the publishing houses seem to have been doing very well across the board.

The marketing communications seen to be most effective on sales and marketing performance are press interviews, social media presence, instore posters and face-to-face interactions with book sellers. The effect of pricing on sales and marketing performance needs to be tested further as there is limited data on this due to pricing being a function of management and finance instead of marketing.

Product innovation is seen to have a positive effect on sales and marketing performance by most publishing houses. Content innovation is the most popular form of innovation that publishing houses are taking part in. Format innovation is less popular as there has been little success with books of different formats in the past. Marketing innovations are seen to have a good effect on sales and marketing performance. Some of the responses on product innovation highlighted a level of complacency within marketing departments in the publishing houses which is unhelpful when trying to improve sales and marketing performance.

Positive channel management is known to have a directly positive relationship to sales and marketing performance of publishing houses. The integration between sales reps and the marketing department needs to improve as the more collaboration occurs, the more value the book seller will receive which in turn will enhance the relationship and ultimately have a positive effect on sales and marketing performance.

The structure of the publishing firms and the way that they essentially operate is not cohesive with enhancing marketing and sales performance of the entire firm. The disconnect between departments that have critical impacts on each other is alarming. Through the research, it can be seen that the people on the executive level of the business have a very good idea of how all of the different parts interact with each other however, as you move down the chain of command, the understanding of the business becomes less and less. The lack of performance feedback sessions within the marketing departments, as well as the rest of the business, also needs to be corrected.

6.1.3 What model should trade book publishers in South Africa follow to optimise sales and marketing performance?

Two models have been developed based on this research. One deals with the timeline and activities of an ideal marketing campaign for any title being published and the other deals with how the marketing, publicity and sales departments should interact throughout the marketing process in order to achieve the optimum results.

Model 1 looks at what the marketing strategy plan should look like in the months running up to the release of the book. Based on the research conducted, it is found that starting a campaign up to five months prior to the launch gives the publisher a good competitive advantage over other publishers. Model 1 uses the most effective marketing communications and allocates a proposed timeline for when each activity should occur.

Model 2 examines the organisational issues within each publishing house. The current integration between departments that all have a marketing function - sales, publicity, management and marketing – is almost non-existent. Model 2 examines how it would be better to start the whole process of publishing a book as a function closely aligned to the marketing aims of the company.

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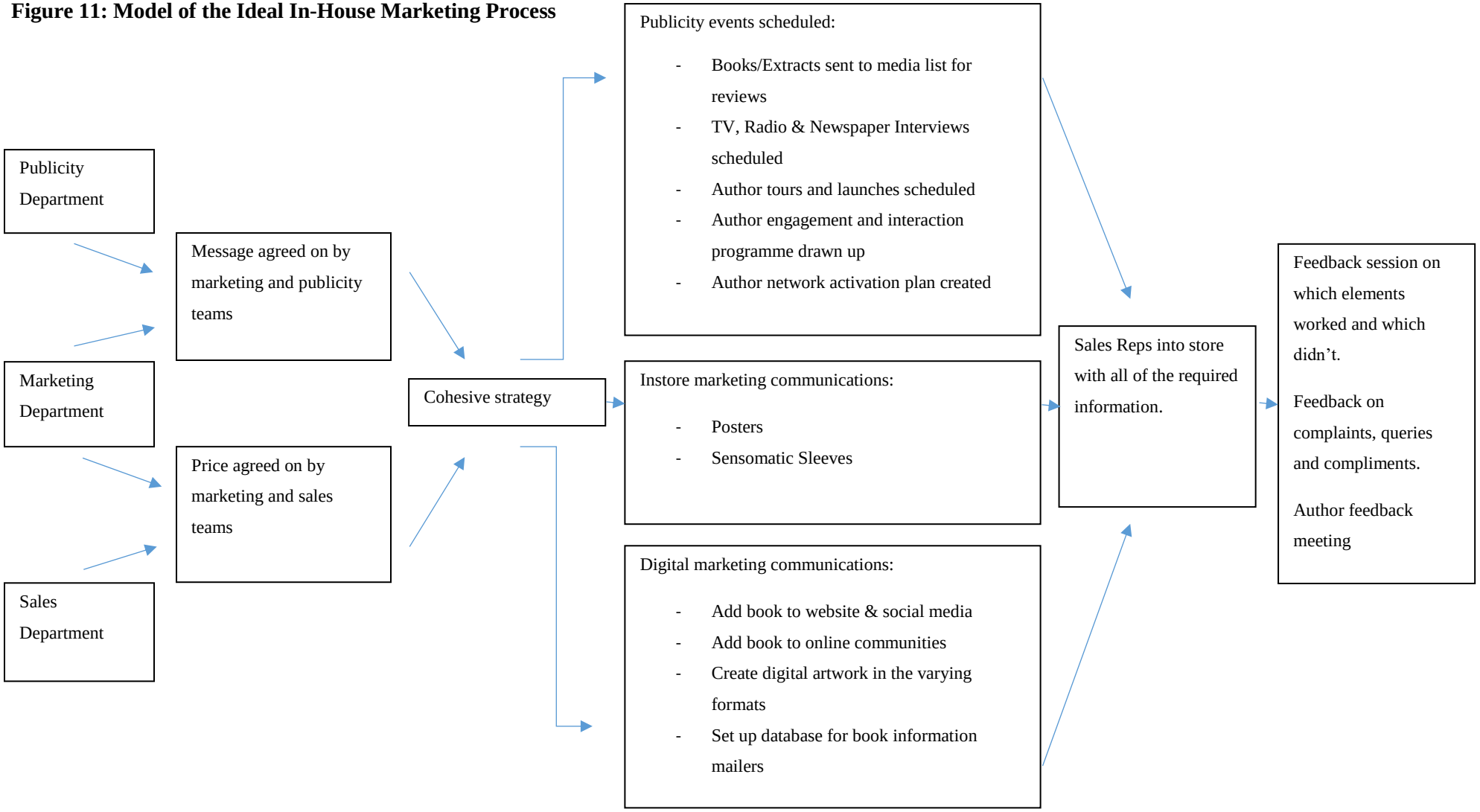
Figure 10: Model 1 Describing the Ideal Timeline and Activities of a Marketing Campaign

5 months prior	4 months prior	3 months prior	2 months prior	1 month prior	At release
Price point to be agreed upon by sales, marketing and publishing teams.					
Marketing message to be agreed upon by marketing and publicity teams					
			extract emailed to 20 media personnel 2 months before release	advance copy sent to same media 2 weeks before release	Cover photo of Facebook page and Twitter page should feature the book being released that week
				interviews to be scheduled in week running up to release and 2 weeks after launch	
				Facebook should have a countdown to title release	
			If budget allows, promoted post to specific target market of title. This is to be designed professionally.		
newsletter once a month with new titles & competitions					
					Mailer to entire database upon release of title
				Author Q&A sessions on Facebook. Biggest areas of response get stops on author tour. Easy way to test target market locations.	
	Extract of book sent to influencers within author & publisher network.				
		Printed marketing materials to be ordered.			
		Sales rep training/information packs to be compiled and sent out			

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Figure 11: Model of the Ideal In-House Marketing Process



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6.1.4 Consistency Matrix

This consistency matrix depicts the relationship between the research questions, the literature review and the findings from the study.

Table 15: Table depicting the Consistency Matrix

Research Problem: The main research problem is the limited or lack of understanding of the marketing capabilities of trade publishers in South Africa.			
Research Questions	Literature Review	Type of Data	Findings
What are the marketing capabilities of trade publishers in South Africa?	Vergara, 2015; Galloway & Venter, 2005; Galloway & Venter, 2006; Galloway, 2002; le Roux, 2015; Opoku-Amankwa, Mahamu, & Ry-Kottoh, 2012.	Qualitative	South African trade book publishers utilise a variety of marketing capabilities including: - Marketing Communications including reviews, social media, instore posters and author involvement. - Pricing including pricing strategies and price promotions. - Product innovation in book format, content and marketing. - Channel management through sales department and predominantly sales reps.
How are current marketing capabilities impacting on South African trade publishers' sales and brand performance?	Constantinides, 2006; Borden, 1964; Kotler et al, 2009; Lillien, 1979; Lillien & Weinstein, 1983; Berthon et al, 1998; Keller, 2001; Duncan &	Qualitative	There is a positive relationship between marketing communications and enhanced sales and marketing performance There is a positive relationship between pricing and the sales and marketing performance of trade publishers in South Africa.

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	Moriarty, 1997; Edell, 1993; Keller, 1996; Percy, 1997; Schultz, Tannenbaum & Lauterborn, 1994.		There is a positive relationship between product development and the sales and marketing performance of trade publishers in South Africa. There is a positive relationship between the quality of the channel management and the sales and marketing performance of a company.
What is the marketing capabilities model that trade book publishers should follow in order to enhance their sales and brand performance?	Barney & Arikan, 2001; Ray, Barney & Muhanna, 2004; Song, Droge, Hanvanich & Calantone, 2005; Penrose, 1959; Day & Wensley, 1988; Barney, 1991; Das & Teng, 2000; Doz & Hamel, 1998.	Qualitative	Two models have been developed to address the issues in the planning of the marketing campaign as well as the integration of the various departments that deal with marketing capabilities. Please see 6.2.1.

Source: Author's own compilation

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6.2 Recommendations and limitations

6.2.1 Recommendations

Due to the research that has been conducted, the researcher believes that there are several ways that trade publishing houses in South Africa can improve their sales and marketing performance.

6.2.1.1 Recommendations for marketing communications

A recommendation for improving marketing communications would be to implement better campaign tracking. There are several ways to do this, perhaps through a media monitoring service and online monitoring service. Better tracking would allow for greater optimisation of future campaigns.

A second recommendation for marketing communications is to perhaps test different marketing communications tools. For example, use posters in one store of a particular LSM and then use senso-matic sleeves in a different store but with the same LSM, for the same book. This would allow a greater understanding of which marketing communications tools are actually producing results.

6.2.1.2 Recommendations for pricing

Perhaps publishing houses can develop pricing parameters for various types of books and then test books outside of those parameters in order to determine the effect of pricing on sales and marketing performance.

A second recommendation for pricing would be to try and include more marketing people in meetings that deal with book price points.

6.2.1.3 Recommendations for product innovation

An idea that would be worthwhile implementing within publishing houses would be to encourage the generation of new innovative ideas for any of the three categories: format, content and marketing. This would encourage employees to embrace innovation as well giving the publishing house a plethora of ideas to choose from.

6.2.1.4 Recommendations for channel management

A recommendation to improve channel management would be to examine the in-house relationship between the marketing team and the sales reps and see where the marketing team can add value to the sales reps existing offering.

6.2.1.5 Recommendations for key indicators of sales and marketing performance

A recommendation would be to examine historical client retention and acquisition data patterns. This would help the company to understand the sales and marketing performance a little bit better and will provide them with a different perspective to the sales figures.

When it comes to customer complaints, an idea might be to create a database that can track complaints and pick up on patterns. This would be helpful to enhancing your sales and marketing performance.

6.2.3 Limitations

The inherent limitations of qualitative research are the lack of generalisability and the potential for bias. This study lacks generalisability as it is dealing with a very specific industry in a relatively small market. This research would not be successfully applied to companies in other industries as it is incredibly specific to the publishing industry. This study also gathered data from a small sample – only fifteen people. This also means that the application of this research to another scenario might be difficult as the opinions and experiences of the respondents are minimal.

The other main limitation of this study is that the people interviewed are all employees of the publishing houses and are very loyal to their employers. There is definitely an element of bias in some of the opinions but this was unavoidable as the research was asking people for their own experiences.

6.3 Implications

6.3.1 Implications for publishing houses

The implications of this research are mostly in-house implications for the publishing houses. This research shows that there is very large space for improvement in the marketing departments of publishing houses. The marketing departments are not doing badly at the moment but if they fail to keep up with industry trends and innovations, they will fall behind. It can be said that some firms are already falling behind.

Full integration of marketing, publicity & sales departments

As stated earlier in the literature, firms can outperform their competition through various ways – either their resources are unique or rare (Priem & Butler, 2001; Barney, 1991; Song, Droge,

Hanvanich & Calantone, 2005), or their resources are used and integrated into the firms practices in superior ways (Droge, Hanvanich & Calantone, 2005; Eisenhardt & Martin, 2000; Teese, Pisano & Shuen, 1997; Mintzberg, 1987; Pfeffer & Salancik, 1978; Tan & Litschert, 1994). As can be seen from the research, there is very little that distinguishes the resources of one publishing house from another which means that this resource integration is absolutely critical.).

Due the fact that there are so many avenues available for marketers, the idea of integrating all marketing communications to work in a cohesive manner is important (Belch & Belch, 2014; Duncan & Moriarty, 1997; Edell, 1993; Keller, 2001; Percy, 1997; Schultz, Tannenbaum & Lauterborn, 1994). If firm resources work together and complement each other's roles and responsibilities, the effectiveness of the marketing capabilities will increase (Ngo, 2012).

Formulate a mind-set of marketing first, throughout the business

In order for the sales and marketing capabilities of publishing houses to increase, there needs to be a shift in mind-set with the employees. All employees need to think of marketing considerations of the product before any other considerations. If the product doesn't sell, there is no point in creating it and in order for the product to sell it needs to be marketed.

If the publishers do not fight for shelf space through marketing activities, they will lose all competitive advantage. As the literature states, competitive advantage is imperative to maintain relevance and profitability (Zhang, Cavusgil & Roath, 2003; Yang, Zhou & Jiang, 2011).

Design training for entire marketing department

All team members need to be able to stay relevant with the latest digital technologies and manipulate all graphics for alternative uses. Training all members of the marketing and publicity teams on basic design implementation will cut down costs and efficiency for the departments. Instead of requiring an outsourced design professional to make marginal adjustments to creative work in order for it to be suitable on different platforms, the staff would be able to do it themselves. Money would be saved and there would be no back and forth and waiting period either.

Put largest emphasis on reviews, interviews, Facebook & instore branding.

From the research, it can be seen that these are the areas that are most likely to 'guarantee' healthy sales and marketing performance. Ensuring that these activities are conducted for each title will make sure that each title gets good exposure.

The repetition of these communications is also extremely important as without it, the message in the communications is forgotten (Burke & Srull, 1988; Krush, Sohi & Saini, 2015; Keller, 1987).

Provide greater feedback to marketing and publicity teams on sales figures.

The ideas of collaboration and integration of all marketing, sales and publicity teams will have no real effect on the business policy unless there is specific governance created to force feedback between all departments. This feedback is essential in order for all teams to optimise their results and ultimately optimise the efficiency of the publisher's sales and marketing capabilities.

The better the operational practices of a firm are, the more efficient the business is and this translates into customer value (Ulaga &Eggert, 2005; Toytari, Rajala & Alejandro, 2015).

6.3.2 Implications for theory

The implications for theory from this research stem mainly from the theory used in the study being applied to the trade publishing industry in South Africa.

Theoretically, this study examines the Resource Based View approach to marketing and integration of available resources to generate the maximum sales and marketing performance. The results of this study show that these resources are not working together in the publishing companies. The case study contrasts the theory to actual business process which is a gap in the current theory. This study has developed a compilation of data on marketing communications, pricing, product innovation and channel management using the RBV approach. A case study on marketing within the publishing industry has been developed that can be used as a springboard for further research on this topic.

This study provided the analysis of two research questions: what the marketing capabilities of trade book publishers in South Africa are; and how these capabilities are affecting the sales and marketing performance of the publishing houses. This study has also generated two models that can be used to enhance the sales and marketing capabilities of publishing houses throughout the industry. One model is on what the ideal marketing campaign for a book looks like and the second model looks at how the teams within the business should work together to maximise sales and marketing performance.

This study has filled several theory gaps. Firstly, there was a gap of knowledge in the application of the RBV approach to South African businesses – this case study used the RBV approach to analyse the inner workings and systems of the marketing departments of five companies based in South Africa. Secondly, this study fills the knowledge gap on the publishing industry in South Africa. To the researcher's knowledge, there has been very limited research into the business of publishing in South Africa. Thirdly, this research fills a gap of case studies in the publishing industry. The research that has been conducted on how the business of publishing works is very minimal and there have been very few case studies conducted. Fourthly, applying the RBV approach to the publishing industry has not been done before. Applying the RBV approach to marketing within publishing is also a knowledge gap that has now been filled.

6.3.3 Implications for future research

This research is only a very small part of the research that needs to be done on the South African publishing industry. More research on profitability, sales and marketing performance and buffering the industry against the fluctuating economy needs to be done in order to improve the industry and ensure its sustainability.

Suggestions for future research stemming directly from this paper include investigating a broader range of publishing houses as well as a larger number of people in each publishing house. This would lead to a greater volume of opinions and levels of experience. A larger sample size would create a more reliable and unbiased study.

Another suggestion is to also include book retailers in the research as they are dealing with the different publishing houses and can provide a different perspective as to which marketing capabilities are the most effective. Book retailers are the link in the publishing chain that actively deal with marketing communications as well as customers. This knowledge is essential for getting a full picture of the marketing capabilities landscape in trade publishing.

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APPENDIX A: DISCUSSION GUIDE

Catherine Jean Willis is a Master of Arts candidate at the University of the Witwatersrand. She is undertaking research in the area of Publishing Studies. Her topic of study is:

"An assessment of the marketing capabilities of trade publishers in South Africa"

The purpose of this study is to investigate the current marketing capabilities of trade book publishers in South Africa. In addition, this study will ascertain how these marketing capabilities impact on their sales and brand performance. Furthermore, recommendations on how trade book publishers in South Africa can improve their marketing capabilities for maximum performance will be provided.

The main research problem is the limited or lack of understanding of the marketing capabilities of trade publishers in South Africa and how these capabilities can impact on the performance of these trade publishers. Consequently, this research will attempt to investigate the marketing capabilities of trade publishers in South Africa. In addition, it may establish how these marketing capabilities impact on their performance.

CONFIDENTIALITY

Your opinion on the different questions below is valued. Please rest assured that all information provided would be treated with the utmost care and confidentiality. Neither your name nor the name of your company will be mentioned, in relation to the answers given, in the analysis and in the final research report.

For this study, the responses to these interviews will be kept completely anonymous. The interview should only last for 1 hour.

Marketing Communications

1) What does marketing communication mean to your organisation?

2) To what extent has marketing communications contributed to your sales and marketing performance?

3) What aspects of marketing communications do you use? Which one has been most successful?

Pricing

1) What does pricing mean to your organisation?

2) To what extent has pricing contributed to your sales and marketing performance?

3) What aspects of pricing strategy are implemented at this organisation? Which one has been most successful?

Product Innovation

1) What does product innovation mean to your organisation?

2) To what extent has product innovation contributed to your sales and marketing performance?

3) What aspects of product innovation are implemented at this organisation? Which one has been most successful?

Channel Management

1) What does channel management mean to your organisation?

2) To what extent has channel management contributed to your sales and marketing performance?

3) What aspects of channel management are implemented at this organisation? Which one has been most successful?

Sales and marketing performance

1) What are the key indicators of sales and marketing performance used by your organisation?

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Other

1) Is there anything else that you would like to add to this discussion on marketing capabilities and improved sales and marketing performance?

2) What lessons have you learnt about marketing capabilities within this industry?

Demographic Questionnaire

Please tick the relevant boxes or fill in where in necessary

1	**Level in the company**	Executive		Senior Management		Midlevel Management		Junior	

2	**Age band**	18-24		25-29		30-34		35-39	
		40-44		45-49		50-54		55-59	
		60-64		65+					

3	**Education Level**	Matric		Undergraduate		Post Grad Honours		Post Grad Masters	

4	**Years in publishing Industry**	

5	**Years with Company**	

6	**Gender**	Male		Female	

7	**Current Department**	

8	**Department that is interacted with most**	

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APPENDIX B: EXAMPLE OF CONSENT FORM

Consent Form

I hereby agree to participate in research by Catherine Willis on the topic of assessing the marketing capabilities of trade publishing houses in South Africa. This research has been explained in full to me and I understand how the information gathered will be used in order to conduct this research.

I have been told that:

- All of my information and my company's information will be completely confidential.
- No relationship between my company and any data I provide the researcher, will be made.
- The name of my company and a brief description of it will be included in the research to give context to the study.
- No information given to the researcher will be disclosed to any of the other participants in the study.
- All of the information gathered is to be used solely for the purpose of this study.
- Should I agree, the interviews will be recorded and then transcribed however, no individual or company names will be included in the transcribed document.
- Names, addresses, ID numbers, etc., will not be recorded on the research instruments together with the respondents' answers. A coding system will be employed.

By becoming involved in this research I understand that:

- I am agreeing to be interviewed by the researcher to determine the marketing capabilities of trade publishing houses in South Africa, based on my own experience.
- I am agreeing for the interviews to take place at my office premises to allow for observational data to be collected by the researcher.
- I am participating freely and without being forced in any way to do so.
- I can stop participating at any point should I not want to continue and that this decision will not in any way affect me negatively.
- This is a research project whose purpose is not necessarily to benefit me personally in the immediate or short term. I understand that my participation will remain confidential.

I have seen a copy of the discussion guide and I am happy to answer the questions within it.

……..

Signature of participant

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Date:……..

CONSENT FOR TAPE RECORDING

I hereby agree to the tape-recording of my participation in the study.

……..

Signature of participant

Date:……..

I understand that the information that I provide will be stored electronically and will be used for research purposes now or at a later stage.

……..

Signature of participant

Date:……..