

# THE HISTORY OF THE ORGANIZED MARKETING PROFESSION IN SOUTH AFRICA

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## ABSTRACT

Despite the fact that South Africa is still a developing country in many respects, it has a highly professional marketing organization, the Institute of Marketing Management (IMM). Although it was established just over 40 years ago, the IMM has a very substantial membership, more than one third of whom are students. Marketing education is considered by the IMM to be its main focus and it has established a formal tertiary level qualification in marketing.

## INTRODUCTION

Mention the words "South Africa" and probably not many people would associate them with a country where marketing is developed to a very sophisticated level! Regrettably, most people would tend to think of South Africa in rather negative terms, largely due to its much-publicized political policies. However, the good news is that change is coming about and there is reason to believe that there is a positive future ahead for all the people of that lovely country. But this paper is not about politics, it is about marketing. More specifically, it traces the history of the organization of the marketing profession in South Africa.

A brief description of the business and marketing environment of the country will indicate that it is indeed a very important player in the world economy. Although it is a developing country in many senses, South Africa is relatively sophisticated in terms of its market structure. It has a flourishing export trade with many developed countries of the world and many large multi-national corporations do business in that country. A significant proportion of the population is what is commonly referred to as a "first-world" market, due to its relative affluence. The market for many products is highly competitive and marketing strategies adopted by the participants in the market are as sophisticated as in the developed countries.

South Africa is richly endowed with human and natural resources. It is strategically situated at the Southern most tip of the African continent and covers an area of 472,359 square miles.

This is almost 5¼ times the size of Great Britain. It has a population of about 30 million, roughly half that of Great Britain, of which approximately 21 million are Black, 5 million are White and 4 million are Coloreds and Asians. Only three African states, Nigeria, Ethiopia and Egypt, have larger populations than South Africa.

South Africa is richly endowed with minerals, having been ranked among the world's top four countries in terms of non-fuel mineral wealth. It has some 75% of the world's chrome reserves, over 50% of the world's gold reserves and is the world's largest producer of antimony, gemstone quality diamonds and vermiculite. South Africa leads the world in deep-level gold mining technology. In addition, it has very large reserves of manganese, platinum, uranium and vanadium. It also has large reserves of iron ore and coal and is a major exporter of these minerals. Of particular note is the fact that South Africa has successfully developed an oil-from-coal production process and produces about 50% of its own gasoline and diesel fuel requirements. It is the only viable oil-from-coal operation in the world and South Africa leads the world in this technology.

In the agricultural field, South Africa is a net exporter of food and is very fortunate in being able to produce virtually every kind of foodstuff required to feed its growing population. Its deciduous and citrus fruits are world-renowned for quality and are sold in many sophisticated markets overseas. South African wines are world-famous and regularly win prizes at international wine festivals. South Africa ranks second only to Peru as a producer of fishmeal and ranks as one of the top fishing countries in the world. It also exports a number of non-food agricultural products such as wool and Karakul pelts.

Of particular interest as far as tourism is concerned is the fact that South Africa is richly endowed with wildlife. Its wild animal parks are world famous and draw many thousands of overseas visitors to the country every year.

The South African infrastructure is the most sophisticated in Africa. As far as standards are concerned, it compares well with the technologically more industrialized nations. The country's transportation system consists of a comprehensive road and rail network, four major commercial harbors, several domestic and one international airline and two pipelines for the conveyance of petroleum products.

More than half of all the energy generated and used in Africa is consumed in South Africa. Most of the electricity generated comes from coal-fired power stations although the country now has one nuclear power station as well. Although still dependent on imported oil for about half of its petroleum needs, recent discoveries of oil and gas off the South coast are being brought to commercial production and will thus lessen South Africa's dependence on imported oil.

South Africa has a sophisticated post and telecommunications network, far surpassing that of any other country in Africa. There are several radio and television stations and a completely free press. The business community is thus well served from a communications point of view.

### Historical developments

The history of the organization of the marketing profession in South Africa can be traced back to February 1949 when seven members of the ISMA (Incorporated Sales Management Association of Great Britain) called a meeting in the city of Johannesburg. At that well-attended meeting, the **Sales Managers' Association of Southern Africa (SMASA)** was formed. In the first decade of its existence, **SMASA** grew in membership and branches were formed in the principal cities of South Africa as well as the neighboring country of Rhodesia (now Zimbabwe). **SMASA** became well known for its popular monthly luncheon meetings and its annual Sales Managers' Ball, a very colorful social event.

The first major professional event to be organized by **SMASA** was its First National Conference which took place in Johannesburg in March 1957. It had as its theme "The Sales Factor in National Economic Development," and attracted over 70 delegates from all parts of the country.

A significant milestone was the introduction, by arrangement with the ISMA of Great Britain, of the Diploma in Marketing in 1959. This was the start of the development of marketing education which was seen to be the key to the future success of the organization. By 1962, a completely South African curriculum and individual course syllabi had been developed. These developments came about for two main reasons. Firstly, in response to the relative scarcity of formal marketing education then being offered by the universities in South Africa. Secondly, and somewhat more pragmatically, in response to the rapidly growing need for part-time tuition in marketing for people already employed in marketing positions but lacking formal marketing training.

Several events of importance marked the beginning of the second decade of the organization's existence. Following the shift in the business environment to an emphasis on marketing, the name of the organization was changed to **The Institute of Marketing Management (IMM)** in 1961. This followed a similar move in Great Britain where the ISMA became The Institute of Marketing and Sales Management and, later, simply The Institute of Marketing. (In February 1989 the Institute of Marketing was granted Royal Charter Status and is now the Chartered Institute of Marketing).

In 1961 the **IMM** presented its first "Marketing Man of the Year" award and this has become an annual event ever since then. A growing list of distinguished South African businessmen and

women, who have made significant contributions to marketing, have been honored with the award.

From the inception, all of the administrative work of **SMASA** and, subsequently, the **IMM**, had been carried out by enthusiastic and hardworking honorary chairmen, secretaries and committee members. Growth, however, compelled the **IMM** to consider more formal arrangements for its administration. In January 1965 the **IMM** appointed its first full-time National Secretary/Registrar of Students. A modest suite of offices was rented in a downtown building in Johannesburg and was known as the "National Office." As the membership (and particularly the student membership) of the **IMM** grew, the administrative staff was gradually expanded and the first Student Liaison Officer was appointed in the early 1970's. This was followed by the upgrading of the National Secretary/Registrar's position to that of Executive Director in the middle 1970's.

From these early beginnings, a very vital and important organization has evolved, and the rest of this paper will deal with the **IMM's** organization and objectives, its membership services and annual awards, and marketing education, its major focus.

### Organization and objectives

The **IMM** is a democratic organization and is run for its members by its members. An important factor is that, right from its inception, the organization has been open to membership by people of all races and exercises no discrimination whatsoever in its membership body. Members are served by a permanent staff headed by the Executive Director. The headquarters of the **IMM** are at "Marketing House" which is situated not far from the center of the city of Johannesburg. It is a modern facility which houses the national staff and the library.

Policy is determined by an elected National Council which is headed by a National President, who is assisted by a National Chairman. The **IMM** has a code of ethics, to which all members subscribe, and is generally recognized by the South African business community as a very responsible and professional organization.

One of the prime functions and responsibilities of the **IMM** is to articulate the marketing message. It has to ensure that its policies are communicated effectively to its members and the wider business community, and that the **IMM's** voice influences important decision makers in both business and politics. In this regard, the **IMM** has an official publication, the "Professional Marketing Review," which is published monthly and sent to every member.

The prime professional objective of the **IMM** is to establish and maintain high standards of marketing education and practice

throughout Southern Africa. The IMM's professional marketing qualification, the Diploma in Marketing Management, has been rated by the Human Sciences and Research Council of South Africa (an official, Government organization), as equal in standing to three full years of tertiary education. It is generally regarded as being of equivalent standing to a Bachelor's degree. More detail will be given in the section headed "Marketing Education" later.

#### Membership services and annual awards

In 1990 the IMM had just over 11,000 individual members, of whom 4,000 are student members, and over 100 corporate members. A variety of activities are arranged at Branch level, usually on a monthly basis, for the benefit of members. These activities are primarily aimed at bringing members up to date on topical marketing issues by means of short seminars addressed by both marketing academics and marketing practitioners.

As the IMM grew in stature and capability, other services were added to the range offered to members. The IMM has a register of marketing consultants which it has carefully compiled over the years and this is available to members who require consulting services. Similarly, it has compiled a list of marketing speakers and can generally recommend a suitable speaker to anyone who requests assistance in this area. More recently, the IMM has been requested by its corporate members to offer assistance in recruiting marketing staff and now also offers this service.

The IMM arranges a very prestigious function every year at which outstanding achievement in marketing is recognized. There are three awards made, the premier award being the "Marketing Man of the Year." As mentioned earlier this award was first made in 1961. It is recognized by the South African business community as the most prestigious award of its kind in the country and is highly prized by the recipients. The award is made to a person who is judged (by a panel of experts) to have made an outstanding personal contribution to the marketing success of his/her organization.

The second award made every year is the "Emergent Entrepreneur of the Year" award. It was first made in 1986 and is awarded to a person who is judged (by a panel of experts) to have made an outstanding personal contribution to the growth and success of his/her own small business. Specific criteria are laid down to guide the selection panel in their task of choosing the winner.

The third award, which was introduced for the first time in 1990, is the "Marketing Student of the Year" award. It is made to the marketing student who has been judged (by a panel of experts) to have excelled in the area of academic achievement.

## Marketing education

As noted earlier, a decision taken in 1959 to become actively involved in marketing education, has been a prime professional objective of the IMM. Like all good "products," this one has evolved over the intervening years and it has been refined to the extent that a very high degree of "quality control" has been achieved. The discussion that follows will be devoted to describing how this came about.

Initially, the management committee of the IMM (as it can best be described), was responsible for marketing education. In those early years the volume of work involved in the area did not justify anything more than that. However, as the number of students gradually increased, it became evident that more resources were required to handle the workload. As mentioned earlier in this paper, the IMM appointed its first full-time National Secretary/Registrar of Students in January 1965. This made a dramatic difference to the level of service offered to students and fuelled even more growth in student numbers. Some ten years later, it was decided to form a small Education Committee, whose prime responsibility would be to formulate educational policy for the IMM and to oversee the educational operation.

The Education Committee functioned very well, particularly from 1980 when a new Chairman was appointed. This Chairman was one of the IMM's early graduates and, curiously enough, the first Chairman of the Education Committee to have a formal marketing qualification! The 80's ushered in a new decade of growth in student numbers and a significant increase in the proportion of the IMM's annual income which was derived from student enrolment and income related to marketing education. In fact, in 1986 income from student enrolment and marketing education exceeded income derived from all other membership income for the first time. This led up to the decision by the President's Council of the IMM to upgrade the status of the Education Committee to that of a Board at the beginning of 1988.

The Education Board then became responsible for all educational policy and operational matters within the IMM. The Board reports directly to the National President and the President's Council, the controlling body of the IMM. The Education Board is comprised of the Chairman and up to nine other Board members, two of whom are Executive Directors. Board members are appointed by the President's Council. One of the Executive Directors, who is appointed on a retainer basis by the Education Board, is the Director of Academic Development. This person is a highly qualified marketing academic whose main function is to ensure that the standards and quality of the IMM's qualifications are maintained and enhanced. This requires continuous research and maintaining contact with relevant marketing bodies in various parts of the world.

The other Executive Director of the Education Board is the Student Liaison Officer, a full-time staff member of the IMM's Education Department. This person is in charge of the Education Department and is in daily contact with students and tuition centers. This ensures that there is constant awareness of their problems, needs and opinions.

Another member of the Education Board is the incumbent National Chairman of the IMM (a two year appointment). This Board Member ensures that the rest of the membership of the IMM are kept fully informed about educational activities and that the Education Board is kept fully informed about membership developments and activities.

The remaining members of the Education Board (non-executive members) are external appointments and are usually senior members of the marketing academic fraternity in South Africa. Their role is to ensure that the IMM at all times maintains balance, relevance and objectivity in its approach to marketing education. There is no doubt that the Education Board plays a vital role in ensuring that the quality of marketing education is maintained at a high level in South Africa. The section that follows will include a brief description of the IMM's marketing qualification, the Diploma in Marketing Management, and explain in some detail how a relatively high degree of educational quality control has been achieved.

The IMM Diploma in Marketing Management is a carefully structured business management qualification comprising thirteen courses with an emphasis on marketing and marketing-related subjects. The Diploma is divided into three parts of four courses each plus a final qualifying course. Students are required to have completed Parts I, II and III before they are permitted to write the final qualifying examination.

The first step in the process of "quality control" is entry qualification. Applicants under 23 years of age are required to have a Standard 10 Certificate OR an approved equivalent qualification. (This is the same as a High School Diploma in the USA). Applicants over 23 years of age who do not have a Standard 10 Certificate OR an approved equivalent qualification may be accepted for registration as students at the discretion of the IMM. It would normally be expected that such applicants have acceptable, relevant marketing experience.

The IMM's policy on exemptions for courses in its Diploma curriculum is very clear and strict. It grants exemptions on a subject-for-subject basis to holders of recognized University Degrees or Diplomas from Professional Institutes. Exemptions are only granted for subjects from Parts I and II of the IMM Diploma and for courses which the IMM considers to be comparable to its courses. No exemptions whatsoever are granted for any of the courses in Part III of the Diploma or for the final qualifying course.

The curriculum for the IMM Diploma in Marketing Management is as follows:

Part I	Principles of Marketing Business Communication Principles of Economics Statistics
Part II	Financial Aspects of Marketing Business Law Consumer and Buyer Behavior Business Management
Part III	Practice of Marketing Marketing Communications Marketing Information Systems Marketing Research
Final Qualifying Course	Marketing Strategy

The IMM is a professional, examining body only and does not itself provide tuition for its various courses. Tuition is provided by a number of accredited establishments in various centers in South Africa. The criteria for accreditation are strict and prospective tuition centers are required to reapply **annually** for accreditation. Amongst others, the most important criteria that are evaluated are the teaching faculty and the teaching facilities available. Accredited tuition centers are given a certificate of accreditation which indicates the year and the specific subjects which they may teach.

Over the years, and with the active encouragement of the IMM, a number of highly competent and respected tuition centers have become established in South Africa. While these organizations are commercial ventures and depend solely on student enrolment fees for their survival, they cooperate closely with the IMM (and other professional institutes) in terms of educational policy and standards. Indeed, there is strenuous competition between the better tuition centers for student enrolment and this is to the obvious advantage of their "customers," the students. Competition is undoubtedly good for the maintenance of quality and customer satisfaction. There is no doubt that the quality of marketing education in South Africa is enhanced by the accreditation policy of the IMM.

The IMM appoints highly qualified external examiners for each individual subject in the Diploma curriculum. The criteria for selection are stringent and include academic qualifications, teaching experience and relevant marketing or other appropriate experience. The external examiners set all examination papers and mark (grade) all examination scripts. Their identity is NOT



disclosed to students or the tuition centers. This eliminates possible complaints about particular examiners on the grounds that they are too "hard" or "unfair" in the opinion of either students or tuition centers.

The examiners are paid an annual retainer as well as a fee for marking (grading) examination scripts. In essence, the examiners are the IMM's consultants for their particular subject and regular meetings are held with them to ensure that the course content is still current and relevant and to accept whatever other advice or suggestions they may offer.

The IMM provides examiners with a set of guidelines to direct their efforts with respect to evaluating students' examination scripts. This is done to ensure uniformity in grading standards as well as consistency in evaluation across the various subjects in the curriculum.

The examiners are required to write lecturer's guides for their particular subject. These guides are provided by the IMM to all accredited tuition centers. The objective is to ensure that, as far as possible, there is consistency in the way in which a particular subject is taught, irrespective of who teaches it.

Examinations are conducted at various examination venues in all the major centers in Southern Africa in May and October of each year. Perhaps the single most important differentiating feature of the IMM's examination procedure is the complete anonymity of the examination candidates. Each student is given a student number when they originally enrol as students. This is a unique number which the student retains in perpetuity. It is then used for all student identification purposes, but, in particular, students write only their student number on the front of their examination scripts. This means that when an examiner is marking a particular script, there is no way whatsoever of knowing who the particular student is, where they come from or at which tuition center they have studied. Experience has proved that this is an ideal way to eliminate complaints from students about being discriminated against in any way.

The other extremely important differentiating feature of the IMM's examination procedure is that all examination scripts are externally marked (graded), i.e. students are not evaluated by their immediate instructors, but by independent examiners. This ensures that complete objectivity on the part of the examiner is maintained. Once having been marked, all examination scripts are moderated by the Education Department of the IMM to ensure accuracy, fairness and consistency in marking. This guarantees that the students are evaluated uniformly.

Based on the experience built up by the IMM in South Africa over 30 years, it is submitted that "quality control" in marketing education is possible and has played a significant role in the

evolution of organized marketing in that country. This "quality control" has been achieved by:

1. Standardizing the curriculum and individual course syllabi of the Diploma in Marketing Management.
2. Appointing independent, external examiners whose identity is kept anonymous.
3. Setting and administering standard examinations with the confidentiality of students guaranteed.
4. Accrediting tuition centers to ensure that tuition standards are maintained.
5. The establishment of an Education Board responsible for all policy and educational standards matters.

While this method of quality control may not be suitable in all countries or in all situations, it has much to commend it where teaching resources are limited and there is significant disparity in the quality of tuition offered. Apart from the benefit of quality control in the marketing education product, there is also better utilization of the country's teaching resources. Graduates benefit from the ready acceptance of their qualifications by employers and employers benefit by the high educational quality standards established by the IMM.

The IMM's Diploma in Marketing Management is today widely accepted by the business community in South Africa as a desirable qualification for marketing practitioners. Indeed, many employers specify the IMM Diploma in Marketing Management as a requirement for applicants for marketing positions. Undoubtedly, the image of marketing as a profession and the image of marketing practitioners has been enhanced by the educational efforts of the IMM.

### Conclusion

When one takes into consideration that the organization of the marketing profession in the form of the IMM, is just over 40 years old in South Africa, its progress, if measured in terms of membership, is truly outstanding. According to the 1990/91 Membership Roster and Service Directory of the Southern California Chapter of the American Marketing Association (AMA), "Today, the AMA is composed of over 36,000 marketing professionals and students in the United States, Canada and other countries." If one takes the population of the USA at approximately 250 million, the AMA membership is a little over 0.01% of the population. In contrast, the membership of the IMM in South Africa is just over 11,000 in 1990. When measured against the population of that country, which is approximately 30 million, the IMM membership is almost 0.04% of the population! If one were to consider, say,

only the white segment of the population of south Africa (approximately five million), the IMM membership would be 0.22% of that population. However, it should be noted that the IMM has never discriminated against prospective members on any basis and has a significant proportion of members from racial groups other than whites. In either case, it is considerably higher than the percentage of the total USA population who are members of the AMA. Bear in mind also that the AMA was founded in 1937, which makes it 12 years "older" than the IMM in South Africa.

While it is acknowledged that a crude statistical comparison such as this may not accurately reflect the proportion of the two populations who belong to the respective professional marketing organizations in their countries, it is offered merely as an indication of the level of professional commitment of marketing practitioners in South Africa. Moreover, it will be readily understood that not all marketing practitioners belong to the respective professional marketing organizations in their country. This makes the task of comparison even more difficult. Nevertheless, the point being made is simply that there is an impressive number of marketing practitioners in South Africa who belong to the professional marketing organization in that country, the IMM.

The efforts of the IMM have contributed to a receptive business environment in which marketing can spearhead the drive for corporate, institutional and national wealth creation and economic progress. The biggest challenge facing the marketing profession in South Africa today is the need to develop an effective strategy to market the "new, improved South Africa" (i.e., the post-apartheid South Africa).

As in all worthwhile endeavors, success does not come easily and there is still much to be done. The IMM and all its members are dedicated to spreading the marketing culture in South Africa and, indeed, the rest of Africa. In this endeavor, the IMM is confident that the most effective way this can be done is by good example and marketing education. The reputation it has developed thus far must surely augur well for the future.

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