



**PROGRAM** : BA STRATEGIC COMMUNICATION

**SUBJECT** : **STRATEGIC COMMUNICATION  
THEORY 1A**

**CODE** : **SCC1AA1 & SCM1AA1**

**DATE** : SPECIAL EXAMINATION  
AUGUST 2018

**DURATION** : (2 Hours) 08:30 - 11:30

**WEIGHT** : 50 : 50

**TOTAL MARKS** : 100

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**EXAMINER** : DR C DAVIS

**MODERATOR** : DR N LEVY

**NUMBER OF PAGES** : 3 PAGES

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**INSTRUCTIONS** : QUESTION PAPERS MUST BE HANDED IN.

**REQUIREMENTS** : 2 SHEETS OF DRAWING PAPER.

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**INSTRUCTIONS TO CANDIDATES:**

PLEASE ANSWER TWO OF THE THREE QUESTIONS. BE GUIDED BY THE MARK ALLOCATION FOR EACH SECTION OF THE QUESTIONS.

**Read the following news article and answer 2 (TWO) OF questions in the sections that follow.**

### **Fibre player Vumatel receives R250m investment**

2016-07-01 13:45

Johannesburg - Fibre broadband provider Vumatel has received a R250m investment from African mezzanine fund manager Vantage Capital to further build out its network.

Vumatel first connected upmarket suburb Parkhurst in 2014 to fibre to the home internet, but the business has expanded to connect 22 suburbs in Johannesburg and Cape Town.

The facility from Vantage has been structured in two equal tranches of R125m so that it could be drawn by Vumatel upon achieving operational and financial milestones.

“Since concluding the transaction in April this year, Vumatel has rapidly expanded its network and has exceeded the milestones required to drawdown both tranches of the R250 million facility from Vantage,” said Vantage Capital in a press statement on Friday.

This investment boost comes after both Investec and Standard Bank have injected funds into Vumatel.

In April, Vumatel chief executive officer Niel Schoeman said that his business plans to invest R3bn over the next two years in South Africa.

The company has also targeted passing 100 000 homes with fibre broadband in South Africa.

“We look forward to our partnership with Standard Bank and Vantage Capital, who provides mezzanine financing, to create the networks that will contribute to national growth,” said Schoeman in April.

Luc Albinski, managing partner at Vantage Capital, said in a statement that “the provision of high-speed, quality broadband has been shown to have positive social and economic benefits for a country”.

The Vumatel deal is Vantage Capital’s 22nd mezzanine investment and the fourth investment in its Fund III, which is targeting a final close of R4bn and has a 40% allocation for South Africa.

Other investments by Vantage Capital have included a \$20m investment in Nigerian property group Landmark and an R80m investment in Namibian hospitality and property group UAG.

SOURCE <https://www.fin24.com/Tech/Companies/fibre-player-vumatel-receives-r250m-investment-20160701>

**QUESTION 1**

In reference to the news article and the research you have conducted on the Vumatel brand, answer the following questions:

- 1.1 Discuss how Vumatel employs different kinds of messages in their marketing communication.
- 1.2 Discuss how Vumatel's brand platform has evolved, in reference to your research on previous communication and the article above
- 1.3 Discuss whether, in your opinion, Vumatel's marketing represents the shifts that have taken place in marketing over recent years.

[50]

**AND/OR****QUESTION 2**

IT Web Business announced on 2 March 2017 that Vumatel has acquired Durban-based fibre-to-the-home company Estate Connexions (ECX), expanding its footprint to the KwaZulu Natal province. In 2016, Vumatel has announced that it has reached a finance deal with Standard Bank and would spend R3bn over the next two years to dramatically increase its operations. It has also emerged from other news report that it has discussed collaborative projects with Telkom, among other service providers. It is therefore clear that Vumatel has the potential to establish itself as a corporate brand. Answer the following questions regarding corporate branding:

- 2.1 Define corporate branding and indicate how it can be distinguished from product branding.
- 2.2 Identify and discuss the six conventions of corporate branding in terms of their application to Vumatel. Provide relevant examples to demonstrate your understanding.
- 2.3 Discuss how Vumatel should leverage its corporate brand by applying corporate brand innovativeness and brand architecture.

[50]

**AND/OR****QUESTION 3**

Strategy has initially defined as the determination of the goals and objectives of an organisation, the adoption of courses of action and the allocation of resources required to carry out such actions. However, the concept of strategy has evolved significantly over recent years and it is therefore imperative to consider what this concept encompasses at this stage. Answer the following questions regarding Vumatel's communication strategy and communication of strategy:

- 3.1 Discuss the different views on strategy and discuss how you can relate these to Vumatel, based on its communication strategy.
- 3.2 What is your opinion on Vumatel's communication strategy and its communication of strategy?

[50]