Jordan Weidmann had called together the sales team at JK Sports. The company distributed sports equipment relating to North American sports to retailers in the United Kingdom. American football, basketball, ice hockey and baseball replica shirts, hoodies, sweatshirts, tees and equipment were its speciality. Despite a reasonably successful year, Jordan wanted to increase sales targets for the coming financial year. She gave a presentation to the team showing sales figures for the previous five years, the state of the market and the main areas that the business was going to focus on. She then had to break the bad news - the new targets. Some of the sales team shifted uncomfortably in their seats while others did not seem to be too worried by them. The targets were to be monitored on a monthly basis and there would be regular updates for the team through teleconferencing, email and a quarterly review via web cast. After dealing with questions Jordan gave a short pep talk to encourage the sales team to rise to the challenge they faced. On leaving the meeting all the sales team took a copy of the presentation handouts.

Methods of communication

Jordan’s meeting with the sales team involved a wide range of communication methods. Jordan used spoken communication, a visual presentation and used positive body language throughout to help get the message across. She noticed that some of the sales team’s body language was not so positive when she announced the new targets and noted who they were. She intended to get back to them to help support them in their task. She knew that some of the targets were deliberately challenging.

As the sales team went about their work in the next few months there were all sorts of other methods used to keep in touch. E-mails were used regularly to give updates and were especially useful given that all the sales team had mobile phones that could receive e-mail. There were times when short message service (SMS) text messages were appropriate and the web cast and teleconferences were also going to be important in keeping in contact with the team given that they were spread across the country.

The example above is not untypical of the ways that many businesses use to communicate with their stakeholders. The important thing in deciding which method to use depends on the type of message/information that needs to be communicated, who the audience is and the purpose of the communication.

The way in which a message/information is communicated is referred to as the medium. The media is the plural of this. Each method has its advantages and its disadvantages - depending on the nature of the communication. The main media include the following.

Oral media

This is the spoken word - face to face communication. It is perhaps the most common way that businesses use to communicate, especially within the business. The spoken word has the benefit of being able to make a point directly, the audience can see the face and body language of the sender and feedback is often immediate. It is especially useful in situations where decisions need to be made quickly. Oral communication can be used during presentations although, depending on the size of the audience, may not allow for individual feedback in the same way.
Electronic media

Electronic means of communication have become ever more important in business. They include a wide range of different methods including e-mail, fax, the telephone, video, podcasts, teleconferencing and webcasts and webinars. The advantage of many electronic methods is that they are quick and can enable the sender to get feedback almost immediately. Electronic communication also means that individuals are not tied to being in a particular area or place. Providing they can access the media, communication can be made 24 hours a day, 365 days a year. Electronic communication is also valuable for businesses that operate globally. Such methods can put people who live thousands of miles apart in touch with each other and help to overcome some of the problems caused by different time zones.

The development of the Internet has enabled new types of communication to be created. Webcasts allow files to be transferred over the Internet. The result is that businesses can use this technology to broadcast messages and information to their stakeholders either live or recorded. The advantage is that a business can contact large numbers of stakeholders distributed anywhere around the world easily. Users can access the webcasts at any time using their computers. It is possible for a business to use a webcast to report its financial performance to shareholders and employees in different countries can be given information about major events, such as proposed mergers or takeovers or important decisions affecting the business.

Web conferencing is another way in which businesses can make use of the Internet to set up meetings and presentations. Those taking part in the meetings can access the conference at their computer and are connected to all others in the conference. Depending on the software used, the leader of the conference or presentation can take control of the user’s computer to demonstrate new programmes or go through new processes being introduced into the business. A webinar is a particular type of web conference where the organiser tends to take the lead in the session and there is limited input from other attendees at the conference. However, some types of web software enable participants to be able to take part through voting via on-screen polls, or chat facilities that allow the participant to ask questions. The advantage of such sessions is that all the information can be collated and used to help improve future services and provide a record of what was said and the feelings/thoughts of those involved.

These types of technology can be used to provide online training for employees and help cut down on the cost of bringing together people from different parts of the country or indeed the world. They are not free, however. The cost of buying the software and hardware, as well as the time taken by staff to manage and monitor these systems, has to be taken into consideration.

Telephone

The telephone is still an important part of communications in any business. The nature of telephone communications has changed, however. The use of landlines is still important, but the development of mobile phone technology means that businesses have a far greater opportunity to be able to contact customers and suppliers quickly and at a time convenient for them. In addition, employees can now be contacted almost 24 hours a day wherever they are. This can be a disadvantage in that there can be an expectation that workers are always ‘on-call’. This can lead to stress and the feeling that the balance between work and life is too far weighted to work. However, it gives some types of worker far more flexibility and can improve productivity and efficiency, as well as customer service, which benefit the business and the customer.

Many businesses will have dedicated call-centres to handle customer enquiries and provide help and support. It could be argued that if a business provides an excellent service and quality then it should not need a call centre. However, the complexity of many businesses is such that a call-centre is seen as being an

**Watch Out!**

Many students think that e-mail is ‘free’ - it is not. Businesses providing e-mail facilities have to pay for web access, there is an electricity cost involved and many larger businesses will buy dedicated e-mail software to manage their e-mail. In addition, larger businesses will have to pay for technicians to monitor and manage e-mail. Messages have to be stored somewhere and the hardware needed can be expensive.
Some businesses have outsourced their call centres to countries like India. **Outsourcing** means transferring services offered by the business to another country. The main reason for outsourcing call-centres has been to reduce costs. Workers in countries like India can be employed at a fraction of the cost of workers doing the same job in the UK. However, some businesses have experienced problems having outsourced their call-centres. Customer satisfaction levels with the service have sometimes fallen. Part of the reason is that workers in India, for example, may not have the understanding of the locality or geography of the UK in the same way as those based in the UK might have. As a result, queries have been left unanswered or not answered satisfactorily. This is not good for a business and some have decided that the cost savings are not as high as they expected. Some firms have decided to move their call centres back into the UK.

The increased sophistication and use of mobile phones also enables firms to contact stakeholders via e-mail and through short messaging service (SMS) text messages. There have been cases where employers have notified staff that they have been made redundant by text. However, the use of text messaging in business has to be done with care. It may be appropriate for staff to text important messages to each other that require urgent action, especially if the employee is out and about. However, the use of text messages between business and customer or shareholder might not be appropriate. The type of communication that is suitable for texts will tend to be those where the sender and the receiver know each other reasonably well and for informal communication.

**Paper-based communication**

The dream of paperless business has not really happened. Developments in IT were suggested as leading to a significant reduction in the use of paper. In reality, paper-based methods of communication are still seen as being very important.

**Formal letters** to customers, shareholders, suppliers and employees are still widely used. They allow the sender to think carefully about the communication, to get the message across clearly and without interruption and provide physical evidence of the communication. Such letters may be used to communicate updates about the business, changes that may be occurring, respond to complaints, aid in the recruitment process and so on.

Other paper-based forms of communication include **memos** and **scribbled notes**. These may be informal, especially the scribbled note, and only used in certain circumstances. For example, someone on a telephone call to a customer or supplier may want a piece of information urgently and scribbles the query to a colleague for immediate response.

Such a method would not be appropriate for communication between a business and its shareholders, customers or the local community, for example. **Memos** have tended to decline in popularity with the use of e-mail.

Other paper-based forms of communication include **posters** that may provide information on health and safety or updates for employees as well as advertising or promoting the business. **Reports** are formal documents that may be used to summarise an investigation into a particular aspect of the business, for example on why a process failed or the prospects for a new product in the market. **Annual Reports** have to be published by public limited companies by law. They provide shareholders and potential investors with information about the financial performance of the business and its future prospects.

Many businesses will record what happens in meetings through written **minutes**. These documents record the main points of a meeting and the actions to be taken as a result and by whom. Where presentations are given - possibly to customers, employees or shareholders or where a business might be communicating its plans with the local community - **handouts** are provided to help those attending to have a record of the main points of the presentation and for reference after the session has finished.

**Image and silent communication**

These are less obvious forms of communication, but often reveal important aspects about a business and a situation where communication is taking place. Many firms spend large amounts of time and money thinking about the image that they want to project to their stakeholders. This image may have something to do with colour, logo, design and so on. Black and white are used to convey an image of cleanliness or mood, reds are vibrant, blues softer. The logo has to have some meaning and be something that stakeholders can identify with and associate and recognise. This type of communication is important in building **brand awareness**. The more widely recognised a brand or product the more likely are consumers to choose that product or service over those offered by rivals.

Silent forms of communication include things like body language, touch, smell and colour. The design of products may take into account smell, touch, texture and colour to make them more desirable to consumers and meet their needs more effectively. Some firms have experimented with smells to boost sales or improve the sense of well-being of customers. For example, some retail stores have used the smell of pine, freshly mowed grass or baked bread in their air conditioning systems. It has been shown that customers like these smells and are more likely to be relaxed and purchase in such an environment.

**Body language** is a subtle, but important part of communication. It refers to the signals that we give off when we are engaged in conversation or interacting with other
Methods of communication with stakeholders

Imagine the signal given to a customer who arrives at the reception of a business to find a bored looking receptionist who gives the impression they really do not want to be where they are. In presentations or interviews, the body language given off can give vital clues as to whether people are engaged in the process or not. We make a number of important decisions about people as a result of their body language.

Jordan plans to provide a sales update at the end of the first six months of the financial year to her sales team. She has narrowed the medium down to two options, a podcast and a report which she will mail to all the sales team. In your opinion which of these two methods would be the most appropriate way of communicating the sales update with the sales team? Justify your answer. (8)

Technique guide: This is a question that is assessing your ability to make a judgement and to provide some reasons why you think that the method chosen is the better one. Note that there is no right answer to such a question. The examiner would be looking for the quality of the argument you put forward.

Think: What benefits would a podcast provide to both Jordan and the Sales team? What might be the problems with using this method? What benefits would there be in sending out a written report? What difficulties might there be with this method?

Then: Arrive at a decision about which one you are going to choose - remember, there is no right answer; the examiner is looking for your ability to make a judgement and support it.

Remember: It is not how much you write but the quality of your answer.

Plan: Try and think through how you are going to approach the answer and how you are going to structure it.

Write: Write out your answer.

Basic Provides a judgement about one of the methods and gives a limited reason for the judgement. (1-2)

Good Provides a judgement and offers at least one advantage and one disadvantage to analyse the methods appropriateness. Appropriate terms and concepts are used and there is some understanding of the context - the role of the update to a sales team. (3-5)

Excellent Provides a judgement of one method and provides at least one advantage and one disadvantage. The understanding of the context is very clear and the supporting argument to justify the judgement will touch on why it is a better method than the one not chosen. Appropriate terms and concepts are used throughout the answer. (6-8)