



Media Placement Processes

An qualitative study of the Advertising Agency, Marketer and Media Owner Sectors

Conducted on behalf of the Government Communication and Information System (GCIS)

CONDENSED VERSION, NOVEMBER 2001

Introduction

- A perception exists of imbalances in advertising spending in favour of predominantly white media, as well as little commitment to transformation
- A qualitative exercise was deemed necessary to supplement statistical data...
- ...in order to clarify the underlying dynamics of the media selection process and thereby identify a course of action which will ultimately enable change and transformation in the advertising, media and marketing industries

Objectives

- To establish the belief systems and understanding of the value of various market segments
- To assess the criteria used and influences operating in the placement of advertising
- To determine knowledge levels of markets and media among advertising, marketing and media personnel
- To identify perceptions of existing skills in the media placement arena and whether gaps exist in institutional and on the job training
- To determine the adequacy of available research and data resources for media selection purposes

Method

- 6 focus groups were conducted with:
 - Advertising Agencies
 - Media Directors
 - Media Planners
 - Marketers
 - Media Owner Representatives
 - Print
 - Television
 - Radio

Method

- The focus groups were conducted in mid October, 2001
- The people recruited were representative of a variety of agencies, clients and media owners, and the staffing realities
- The moderators were experienced in the industries concerned
- The groups were recorded and transcribed verbatim
- GCIS personnel viewed the groups behind a 1 way mirror
- It is important to note that in a qualitative study the findings are indicative rather than statistically conclusive

THE FINDINGS

Key focus areas

- The marketing environment
- Targeting: LSM's and other segmentation approaches
- Definition of black media
- Perceptions of media equity
- Issues in each industry
- Weaknesses and barriers to transformation
- Opportunities for change and development

Job descriptions

- Media planners
- Media directors
- Media buyers

The marketing environment

- Money is tight – budgets restricted
- Pressure to deliver effective response and sales
- Accountability increased
- Business cycles unpredictable
- Short term targets are more important than long term

The marketing environment

- Adspend hasn't grown but media have proliferated – both the traditional main media and the new media (taxi, outdoor, internet, parties...) – affecting above and below the line advertising.
- There are smaller audiences, less money for everyone and tougher working conditions
- Agencies and marketers are short staffed and everyone has high staff turnover – this adds stress to building relationships between clients, agencies and the media

Targeting: a look at LSM's

- There are perceived shortcomings in LSM's as a marketing tool, but they are used extensively in the absence of a better alternative
 - Living Standard Measures are a non-racial segmentation procedure based on a range of variables like type of home, appliances in the home, and consumption patterns derived from AMPS
 - AMPS (All Media and Products Survey) is a very large scale, nationally representative survey, conducted under the auspices of the South African Advertising Foundation. It is funded by a 1% levy on advertising in above-the-line media
 - The lower LSM's are less economically advantaged

Targeting

- Both agencies and marketers claim that they rarely use LSM's exclusively – other pertinent factors like demographics, psychographics and geographic area are taken into account
- Demographics used extensively are age and gender, sometimes language. Race was avoided for years, but depending on the product category, is now acknowledged as a relevant filter
- Psychographics used include lifestage, lifestyle, beliefs and values, often using own segmentation studies
- Own segmentation studies are expensive but then sometimes replace LSM's entirely

AMPS and LSM's

- Clearly lack of knowledge and misunderstanding of AMPS – its methodology and sampling
- Very large representative sample, but restricted by levy funding – small titles and stations cannot get large enough subsamples for accurate measurement
- In addition there is a misunderstanding of the basis of the LSM segmentation, even among fairly senior people

The Value of the Market Segments

- LSM's 7 and over are understood and perceived to have the most disposable income
- LSM's 1 to 3 are not seen as viable marketing targets
- LSM's 4 to 6 are seen as emerging, but not clearly understood and there are indications that they are undervalued
 - There is understanding that the numbers are big
 - But it appears that the real revenue potential may not be known, though this is denied by Marketers in particular
 - Certain categories (eg: sorghum beer, sugar, maize meal, hair care products and cosmetics) are targeted primarily at these segments

How do you define “Black” media?

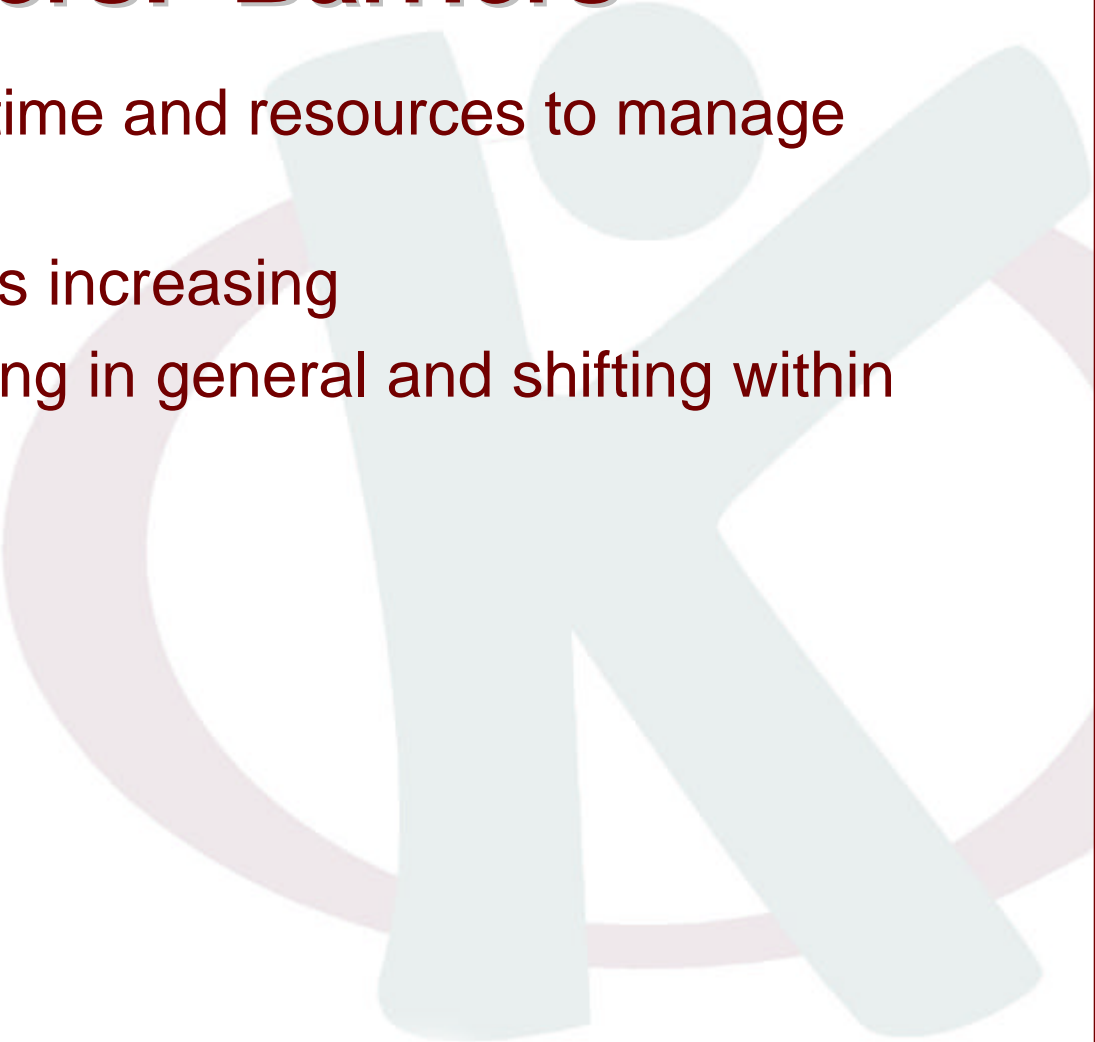
- Strong agreement that it is definitely not by ownership, but by readership or audience and/or by editorial content
 - Content and programming attract the audience who are characterised by their interests, not their race – age and gender could matter more
 - Obviously the language of the publication or programme will exclude certain audiences

Marketers

Perceived Weaknesses

- The larger multi-national companies do have a clear definition and understanding of target markets, but most marketers do not know who their purchasers are
- Marketers are data-driven
- Short-term thinking at the expense of brand building
- They don't have a long-term vision and many are caught up in the old South Africa. They are concentrating on short-term results at the expense of brand building.
- Some have negative influence on media choice.

Marketers: Barriers

- Downstaffing – less time and resources to manage their brands
 - Competitive activity is increasing
 - Budgets are stagnating in general and shifting within the overall budget
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Marketers: Opportunities

- Initiate more research or interrogate existing research more thoroughly to better understand their target markets
- ASOM should encourage debate and education on the economic value and the lifestyles of LSM's 1-6

Advertising Agencies

Perceived Weaknesses

- Lack of transformation
- There are a lot of junior planning people, and there's a lack of middle-level planners
- Similarly, not enough people are being groomed to Media Director level
- Most planners are young, white, English-speaking females
- Agencies claim to make rational decisions, the media representatives say they are often led by personal issues
- Lack of resources and motivation

Agencies: Barriers

- Under huge pressure to deliver for clients while agency resources are dwindling
- Because they're held accountable for such huge budgets they avoid risk-taking
- Creatives prefer TV. Creatives sometimes drive choices and media owners don't get to see them
- Most creative ideas are generated in English
- Black media planners are attracted by the higher salaries and easier jobs offered by marketers and media
- Advertising agencies do not value the contribution of the media department enough

Agencies: Opportunities

- Agencies need to invest more in media departments – salaries, training and time
- Attract new people into the industry, and away from media owners and marketers
- Succession planning is critical
- Share information with media owners so they can prepare more relevant presentations

Agencies: Opportunities

- Training and mentoring must be emphasised to retain and empower people
- Training on media research tools and particularly on LSM's 1-6 is important
- Put programmes in place in order to understand unfamiliar markets and media, and allow time for this
- Time must be allocated to attend presentations. The media are prepared to play a big role in educating planners, but media directors in agencies need to enforce this learning
- MASA can provide a forum for more education

Media Sector

Sector as a whole

- **Print**
- **Electronic**
- **Radio**
- **Television**

Media Sector

Perceived Weaknesses

- Sales representatives regurgitate AMPS figures that the planners have already
- Reps need to do their homework and tailor their sales pitch to the client and brand
- Paradox: Perceived to not do enough research to sell their products and understand their audiences but when they do, there is a credibility gap because they have researched themselves
- Most don't do enough to build their brands. The exception is MNet. MNet got more than its fair share because of clear focus and brilliant marketing

Media Sector

Perceived Weaknesses

- They don't band together to sell their media generically – they need to understand that **inter-media** choices are made before **intra-media** choices
- Rate cards – history of low rates – needs a new strategic look (and Media Directors feel it is not their job)
- No promotion of the medium for past eight years at least, despite increased activity in electronic and alternative media
- The reading habit is not infiltrating down, as children no longer see their parents reading newspapers and magazines

Electronic Media

Perceived Weaknesses

- Fragmentation of the radio industry compounds the problem. The black language and Afrikaans stations are considered to have been particularly marginalised in the fragmentation

Media Sector Barriers

- Industry bodies represent industries that see themselves as being squeezed by current economic conditions
- The subsequent pressure on the bottom line results in an inward focus, eroding the industry bodies' generic marketing budgets
- And because the industry bodies are consensus based, voluntary organisations, there is no way of forcing generic marketing programmes which require additional budget over and above membership subscriptions

Media Sector Barriers

- Media complain that agencies don't attend their presentations (although they understand that agencies are too busy to see every rep)
- However educational a presentation, the agency is sceptical as the media are seen to be selling something
- Direct access to clients is often controlled by agencies, and most media are courteous and keep the agency informed

Media Sector Barriers

- However, media would like more access as they believe they'd communicate more enthusiastically, and in more detail (Marketers would like more contact too)
- They also want to develop on-going relationships with clients which are often more consistent and longer term than relationships with the agency
- Acknowledgement that the marketers are not investing enough in potential markets

Print Media Barriers

- Print has suffered with the advent of TV, with alternative information sources (eg:DSTV, the Internet) and now the proliferation of titles (approximately 2000 with a huge diversity of owners versus only about 200 radio and TV stations)
- Television has bigger margins to spend on promotions and trade marketing
- Too much competition and apathy to get together to promote the industry

Radio Media Barriers

- Unlike television, the major stumbling block for radio is not the cost of airing the ad – this is relatively inexpensive
- The problems are the cost implications regarding creative and linguistic translations of the concept, often resulting in English only ads, with an impact on the choice of radio station
- This is seen to be a barrier to choice of both the black language stations and those whose medium is Afrikaans
- Unlike Television, radio is hampered by a ‘bottom of the media heap’ perception
- Focus on Gauteng, to the exclusion of even the other metropolitan areas

TV Media Barriers

- Cost has become a big factor in excluding certain advertisers, despite lowered rates

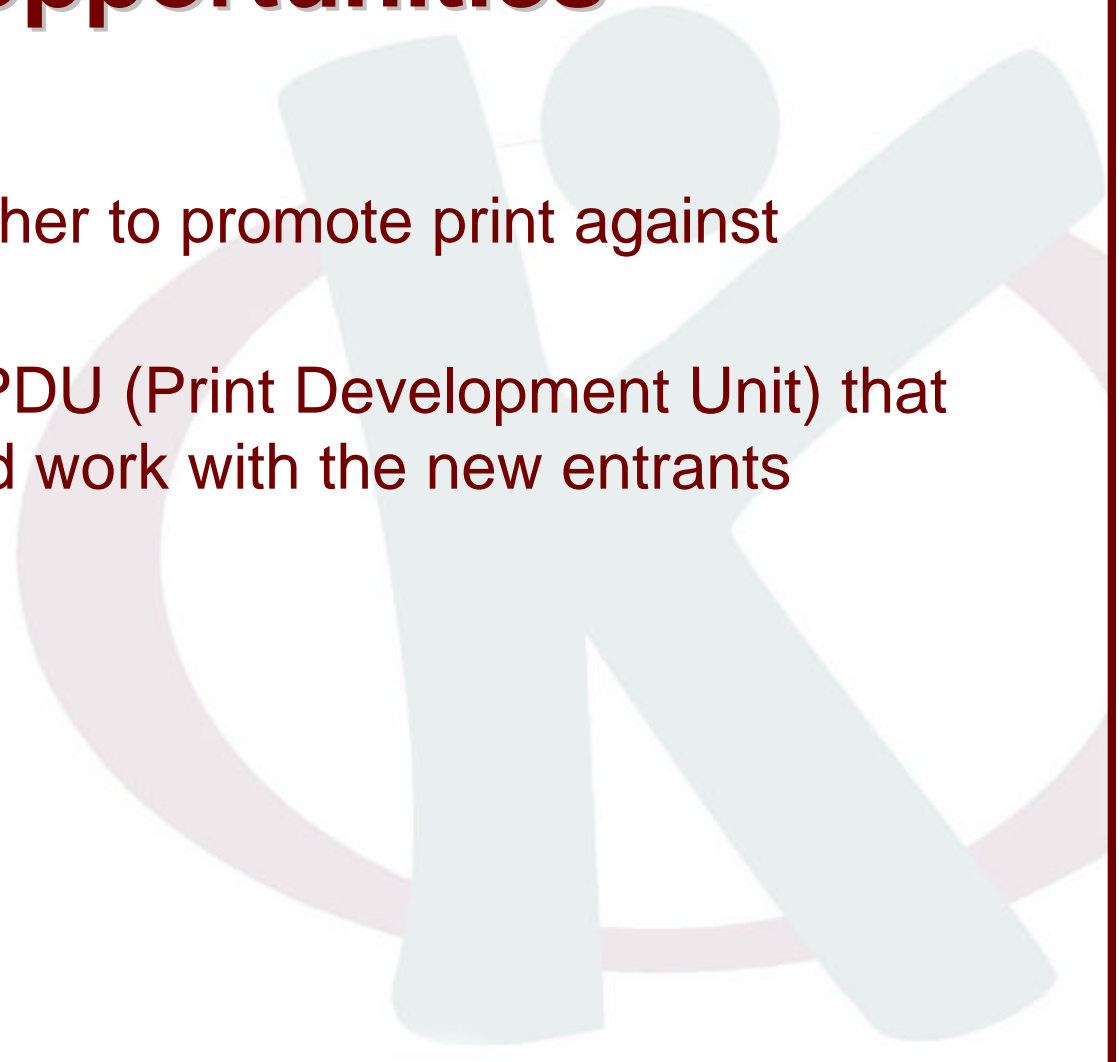


Media Sector Opportunities

- Undertake research to promote cultural understanding, bring LSM 4-6 alive, show how people live, their needs, aspirations, etc.
- Undertake research to substantiate the value of black spending power by category and demonstrate what they spend their money on (eg: How many people in LSM 4 – 6 have cheque accounts...)
- Develop a clear personality for the brand, focus on the audience/readers – their values, beliefs, feelings, interests. Position and market the brand
- Marketers are open to case history presentations from the new media who do not have other ammunition

Print opportunities

- PMSA to band together to promote print against alternative media
- PMSA initiated the PDU (Print Development Unit) that is doing a lot of good work with the new entrants



Radio Opportunities

- Focused strong branding for stations
- Radio should band together to promote radio as a medium to marketers and advertisers
- Need to get marketers to understand the market and their relationship to the medium
- Smaller radio stations need to concentrate on attracting “local” advertisers, tactical activities, joint promotions and programming targeted specifically at attracting certain categories of advertising.

Television Opportunities

- Focused strong branding for programmes
- There are differing views of the educational role to be played by the Media Owners, but there is a view that those *“who know their medium back to front, are empowered to go out and educate the marketer”*

Joint Initiatives/opportunities

- Promote the media and marketing industry as a career





Conclusions & Recommendations

Conclusions & Recommendations

- The overall consensus is that LSM's 4-6, and their value, are not generally well understood by marketers, agencies or even the media
- A big question hinges on the definition of black media. The marketing, advertising and media sectors define these media in terms of readership, listenership or viewership, relative to the target market, as well as perceived content of programmes or editorial

Conclusions & Recommendations

- There is a view that the perception that black media are receiving less than their fair share of spend could be based on the definition of media
 - The Sunday Times or Radio Highveld could be seen as white media, media like the Citizen are seen by some as a black newspaper (because of content and readership figures) and by others as a white newspaper
 - The inequality perception could also be exacerbated by not taking discounted rate cards into account

Conclusions & Recommendations

- A substantial contribution to the problem appears to be the fragmentation of the media, as well as exclusion from certain advertising categories
- There is a surprising amount of recognition between sectors regarding each other's problems with one exception – some of the radio sales reps expressed animus towards media planners
- There is perceived inequality for radio as a medium, for Afrikaans language stations, and to some extent for black language stations (but there is a realisation that the translation of creative concepts and production costs and effort are barriers)

Conclusions & Recommendations

- Print media in general are struggling for an equitable share, magazines primarily because of fragmentation, newspapers because of declining readerships
- The point was strongly made that advertising well done sells more products and therefore stimulates the economy
- Additionally there is a palpable consciousness of the need for change in all sectors
- And a dedication to training among media owners and marketers

So what can be done?

- Agencies can be asked to self regulate, with targets for recruiting planners from more diverse backgrounds
- An encouragement of industry bodies (eg NAB & the PMSA) and forums such as MASA and potentially a newly created Media Planners Forum
- A necessity for an audit of the training institutions and the skills required for certain jobs
- Perhaps the MDC could structure a test of skills and knowledge to serve as an evaluation of media planners, both within the training institutions and on-the-job

What can be done?

- Industry schools (eg. AAA) are perceived to be expensive and to not equip planners for on-the-job effectiveness, although they are good for general advertising training
- There may be an opportunity for a senior industry person or the MDC to structure an exam to evaluate skills in agencies to ensure basic competence levels
- Additionally, there is a need to employ a dedicated research analyst to focus on sourcing and interrogating numerous existing research surveys (BMR, AMPS, Sociomonitor, Census, et al) with the objective of quantifying the real value of “currently undervalued” sectors of the market

What can be done?

- This information could be fed into the industry schools and the forums and be incorporated into the exams. It can also be fed to the media owners to assist them in selling their media
- This would involve preparation of case histories, positioning and branding presentations, describing competencies, target audiences and value of the medium to the target and the advertiser
- Both marketers and agencies claim they would be receptive to approaches of this nature – and would place advertising when there was an appropriate marketing need

In conclusion

- Knowledge skilling will result in an understanding of the “black” market and media which will result in an increased spend
- If this does not happen in specific instances, it will be due to the fact that it was not justified by the commercial realities, rather than due to a lack of marketing or branding, and/or prejudice

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