APPENDIX 2 - Report To The Communications Industry On The SAARF Hearings Into Allegations Of Racism In Its Research Products, Held At The Bryanston Country Club On 27 March 2002 And As Amended And Approved By The SAARF Board On 24 July 2002

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1. BACKGROUND

At the Parliamentary hearings into racism in the advertising industry held during November last year, allegations were made of racism in the research published by the South African Advertising Research Foundation (SAARF). Consequently, SAARF decided to hold a day of public hearings into these allegations. Stakeholders in the communications industry as well as interested members of the public were invited to make submissions on possible concerns in this regard and to suggest action steps, if

these are deemed necessary. The public hearings were chaired by independent moderator, Tim Modise, assisted by a panel of distinguished experts with specialist knowledge and experience in advertising, marketing, communications and research.

This report is also available on the SAARF Website.

2. SUBMISSIONS

2.1 Written and presented

2.1.1 Submission to the South African Advertising Research Foundation's hearings into Allegations of Racism by ACNielsen Media International

2.1.2. Presentation to SAARF on "Racism and discrimination in the research published by SAARF" by the Advertising Media Forum (AMF)

2.1.3 AAA Position: SAARF Hearings: 27 March 2002

2.1.4 SAARF's Submission on Racism in Research

2.1.5 Racism in the Advertising Industry: A Black Consciousness Perspective by Mini Mail Publishers

2.1.6 Print Media South Africa's (PMSA) Submission

2.1.7 SAARF Hearings into Allegations of Racism in the Advertising Industry: 27 March 2002, the Southern African Marketing Research Association's Submission.

2.1.8 YFM Submission to SAARF Public Hearings into Racism in Research

2.1.9 National Community Radio Forum (NCRF)

2.1.10 A presentation by New Africa Publications

2.2 Written only

2.2.1 National Association of Broadcasters (NAB) Participation in SAARF Hearings

2.2.2 Removal of Race as a Demographic from AMPS submitted by SANLAM

2.2.3 Submission to Portfolio Committee on Communications on the State of the Advertising and Marketing Industry submitted by the South African Broadcasting Corporation (SABC)

2.2.4 Submission for public hearings into allegations of racism in research published by SAARF by FNB.

2.3 Verbal only

2.3.1. Radmark's verbal Presentation

3. PANEL MEMBERS

The following people served on the panel to stimulate and facilitate the discussions:

Tim Modise   **Independent Chair**

Howard Gabriels   Association of Marketers (ASOM)
Lisbe Krige   National Association of Broadcasters (NAB)
Beatrice Kubheka: Print Media South Africa (PMSA)
Mike Nussey   Advertising Media Forum (AMF)

Maserame Tshwaedi   Association of Advertising Agencies (now ACA)
Terry Volkwyn   National Association of Broadcasters (NAB)

Les Holley: Outdoor Advertising Association of South Africa (OAASA)
         (Invited to serve on the Panel but could not attend)

4.   ISSUES ADDRESSED

4.1 Cooperation between SAARF and its stakeholders and the need to jointly address matters

From the submissions made by the various stakeholders one common observation was obvious. There was a strong and symbiotic relationship between SAARF and its various stakeholders. This has a long history, which no first world country has ever achieved. Lack of cooperation between media (print, radio, television, etc,) ruled it out in other countries, where the surveys are normally media specific, either television only, radio only, etc. leading to costly duplication.

Until SAARF started getting involved in other African Countries in the early nineties, and assisted them with the setting up of industry research similar to the AMPS and RAMS models, the SAARF All Media and Products Survey (AMPS) was the only real single source study in the world. True single source means that you have information on the use of all media, product usage and demographics to profile both the media and product users from the same respondent.

SAARF was, and still is, envied by our counterparts from all over the world. The founding of SAARF was the result of the various stakeholders in the communications industry being prepared to work together for the common good. This was still evident from the submissions. Over the past 28 years the industry has faced and resolved many complex issues and it would thus not be new for SAARF stakeholders to jointly address matters relating to discrimination and transformation of the industry.

During the past decade, two contradicting developments in the communications industry did complicate SAARF's research. Both have significant implications on minimum sample size requirements. These are the development of niche media with relatively small geographical footprint areas such as community newspapers/radio on the one hand, and global media such as Digital Satellite Broadcasting and the Internet on the other.

4.2 AMPS/RAMS/TAMS regarded/used as the common currency for the buying/selling of advertising time and space

It was evident that AMPS, RAMS and TAMS results were generally used as the currency for buying and selling of advertising time and space. One submission was the exception and highlighted so-called 'discrepancies' between population information from Statistics South Africa (Stats SA) figures, Eskom estimates and the BMR figures with those of AMPS. With regard to these accusations, the SAARF Chairman mentioned that the accusations were not new to him and that similar accusations were made from other sources some 4 years ago. At that stage SAARF investigated the differences and it was found that the main reason for these were the fact that various organizations were using different definitions. In order to promote a common approach, Stats SA and SAARF have already agreed to start a project on the harmonization of definitions where possible.

The SAARF submission outlined the importance of having an independent data set, which provides reliable, valid, unbiased and credible research results on product purchasing and consumption and the media that can be used to reach specific target markets. The primary aim of SAARF is "the provision of a common trading currency for determining target markets and the selection and buying of appropriate media space and time" and as such, the data provided by SAARF should provide its users with the necessary information to do just that. This does not rule out the importance of users doing their own research to better understand their consumers.

4.3 Reactions to SAARF's decision to delete race from AMPS, RAMS and TAMS

SAARF's decision to remove race from all its research products was the major topic of discussion during the day and every single submission took a 'motivated' stand on this issue. A summary of the viewpoints follows.

In SAARF's own submission, it is explained that while its research is not in itself racist, there have been accusations of users of the research misusing the race data. While SAARF's task is not that of a watchdog, it must nonetheless do what it can to promote the process of transformation in the advertising, media and marketing industries. It has become clear that the mere fact that race is made available as a demographic in AMPS, RAMS and TAMS might lead to discriminatory practices in the utilization of the data. As race is not essential for media planning or target marketing, its presence in AMPS, RAMS and TAMS is therefore not only unnecessary, but can potentially harm SAARF and the industry it serves.

As far as race is concerned, the LSM have proven to be a far better segmentation tool than race for the following reasons:

a. There are only 4 race groups available and of these, blacks form about 75% of the population.

b. The race groups are heterogeneous as "all whites" or "all blacks" are not the same.

c. If race is used for segmentation purposes, the basis of the segmentation is thus unsound as it accepts as its basic premise that all the people in a specific population group are similar and that they differ from those in other groups, which is patently untrue. This also implies that choices of products and brands are determined by race.

d. The LSM, however, provides us with 10 groups (as opposed to the 4 race groups), each of manageable size, and each far more homogeneous than the race classification.

e. In addition, it is also clear that in the post-apartheid era, the distinctions between the race groups will grow smaller and smaller as society moves towards a non-racial society and therefore the importance of race will diminish even further as time goes by.

f. Language is the most important means of communication, and therefore the 11 official, plus a number of other languages, are available individually on AMPS and these also provide a better classification than the 4 race categories. Furthermore, languages also differ by region.

The Southern African Marketing Research Foundation (SAMRA) expressed concern about the removal, saying "research is a tool used to provide as detailed an understanding of markets as possible. To truly understand audiences and markets, it is necessary to dig deep, and to use the many different ways of segmenting a market that are available. Race is a descriptor, one of many. As an industry, we need to move beyond political correctness and base our marketing, research and business efforts on the realities of the day. Surely market researchers want to add understanding about our consumers, not subtract from it?"

Spokesperson Heather Kennedy added that while advertising and media planning often use the race demographic as a filter, it is seldom used as the only filter. "Nobody in their right minds would think to target a product so simplistically at 'the black market' without including other demographic descriptors such as age, gender, and so on."

She concluded that the broad feeling from SAMRA members was that to ignore the realities in search for political correctness defeats the object of research. "It is the interpretation and use of the research results that should come under fire, not the research itself."

Echoing this point, Kanyisa Majikija of First National Bank, in a written submission, said the bank opposed the removal of the race demographic because "racism is not a function of what you record, but how you use the information. We need to record and understand race as a variable in our country for the purposes of avoiding racism and addressing the imbalances caused by racial discrimination in the past."

She said First National Bank would "be most disappointed to see the value of AMPS diminished through the exclusion of variables that are (unfortunately) still meaningful in terms of the South African consumer market, and that would require us to find replacement sources of data."

The AMF stressed the need for SAARF to enhance the AMPS offering by adding in new tools to define markets, such as looking at cultural sets, likes and dislikes and value systems. "We need to find other ways to group people and find the commonalities between them," said Brenda Wortley.

She recommended the formation of a high-level task group to investigate the implications of removing the race demographic, and the inclusion of new questions to facilitate market definitions.

Such a task group should also look at improving the language descriptors. Patti McDonald, Chief Director: Government Communication and information System (GCIS), said that she has evidence of the development of alarming trends of placement into white rather than black media. While she stressed that this needed to be remedied, she nonetheless questioned the removal of race as a demographic while there are not adequate language descriptors to fall back on. "Without the race demographic, and with insufficient language codes, we risk making the problem of targeting only white media even worse," she said. "This will have huge economic implications, not just for the media, but for the country as a whole, as we will not be talking to a large segment of society."

In another submission, Sanlam Life's Executive Director, Deon Lessing, said the emerging market is one of the primary areas of focus for Sanlam, and without the race indicator in AMPS, it would be virtually impossible for it to determine the size and characteristics of this market.

"We do not feel that this is a discriminatory practice: just as we identify the female market, or the young adult market, as a specific demographic group to target, so we target the emerging market. We don't argue the fact that some basic needs occur across all demographics, and we are in no way trying to diminish that. It is, however, a fact that just as females have certain financial needs that might differ from that of males, certain needs are distinct to the emerging market."

He expressed concern that the removal of race could force users to resort to using language to try and approximate race, "a move that will in all likelihood cause one to revert back to the old White/Coloured/Indian vs. Black categories that were removed from AMPS a couple of years ago".

The NAB raised a further concern, which was also supported by a number of parties. While supporting the motivation behind SAARF's decision, the Association cautioned, "the mere acknowledgement of race does not necessarily lead to discriminatory practices. In fact, as South Africa transforms itself, it is often necessary to measure race in order to establish which communities, disadvantaged by apartheid, require the assistance of government programmes." It pointed out, as an example, that the absence of race data could make the job of the Media Development and Diversity Agency (MDDA) more difficult.

Dr Nina de Klerk and Ian Shepherd of the AAA said that since race may "wittingly or unwittingly" lead to discriminatory practices in the utilization of AMPS data, the removal of the demographic was justifiable.

"Careless use of race as a demographic has, in all likelihood, taken place from time to time," says Shepherd. "If it has been discriminatory, it has not been done with deliberate intent. It is however, indicative of a mindset that needs to be changed. They indicated on behalf of the AAA that it wants to contribute to changing this mindset, and so supports the removal of race from AMPS, RAMS and TAMS, and encourage the more effective use of other more meaningful strategic planning parameters such as language."

De Klerk did not feel that this move would lessen the ability of the industry to know its markets, since home language – "a preferred and powerful indicator of culture" – would still be available. She also added that "truly useful segmentation should in any event be derived, bottom up, from brand usage and should not be conveniently replaced by general, predefined segmentation techniques (whether race, age, gender, occupation, life styles, home language etc)."

This bottom up approach will be facilitated by the release of SAARF's branded data product, scheduled for introduction in AMPS 2002B (July – December).

To overcome these concerns, two compromises were suggested. Peter Sullivan of Independent Newspapers, said that while the removal of race sent a good message and would force people to

rethink their usual view of the world, it also meant that SAARF would be unable to provide a service asked for by some of its stakeholders, and would not be able to track development. Sullivan suggested therefore, that SAARF track and release race data every five years, for those stakeholders who required it.

SAMRA's suggestion was that SAARF continue to collect the race demographic in its various surveys, but not release this data. The communications industry would then go through a period of working without the race demographic. After a number of years, the industry will either find it has not missed this information, resulting in the race question being dropped from the surveys, or, if the industry feels is has been unable to truly understand its markets, the demographic can be reintroduced. Race information will then be available for those years in which it was not released.

In summary, the overall impression at the hearing was that the removal of race as a demographic was an important step for the industry to move forward, and one for which SAARF should be congratulated.

4.4 Racism and transformation

Another topic that came up frequently during the day's discussions, sometimes explicitly and sometimes implicitly, was the issue of a lack of transformation to provide opportunities to previously disadvantaged people in the industry.

SAARF took a very clear stand on this issue:

As an interim measure, it doubled its Board of Directors in February 2001 with the aim to correct racial and gender imbalances without losing the experienced members that have served the organization well.

It is also busy finalizing a transformation charter in which definite transformational objectives will be spelled out and it hopes that the transformation process will be completed by 2005.

From the above, the SAARF policy is clear; bring previously disadvantaged people into the fold.

The NAB called on SAARF to set "clear transformation targets for its staffing, management and board and to develop appropriate procurement policies and empowerment criteria for its contractors."

The NAB also encouraged the Foundation to increase its liaison and communication with smaller media sectors that serve predominantly black audiences, such as community radio, which may feel that "SAARF does not spend adequate resources on researching their media".

In its submission SAARF pointed out that it was already measuring all community radio stations in the country and that all radio stations (commercial and community) were treated in exactly the same way.

NAB requested that SAARF look into providing data on disposable income and the distribution of income.

SAARF explained that ascertaining disposable income requires a large number of questions, which could mean that AMPS would not be able to cover this topic in any real detail. In addition, the Bureau of Market Research of the University of South Africa regularly conducts a comprehensive study on income and expenditure that is available to everybody. It undertook however, to look into this matter if other stakeholders also requested it.

Representing PMSA, Marlon Hitzeroth said that more diverse representation on industry boards was essential if a diverse, multicultural industry was to be achieved.

It was agreed at the hearing that the blame for incidences of racist use of research could not be placed at any one party's door. The industry needs to take collective responsibility, from marketers to agencies, media owners and other suppliers.

Looking back on the day's proceedings, panelist Terry Volkwyn of Highveld Stereo and the NAB, said that SAARF's willingness to open itself up to public scrutiny was a positive move. "It was pleasing to see that we were able to talk about these issues, which will hopefully result in positive

solutions going forward," she said. "There needs to be far more education and training in the industry as a whole to reach a positive solution in the long run, since simply removing the race question in research will not solve the problem that some of the media owners are facing."

Finally, Dr Haupt commented: "It is high time that the communications industry stops pretending that nothing is wrong. Instead of being defensive, we all need to openly discuss charges of racism and discrimination. As we saw at the SAARF hearings, the open discussion of issues of racism is the best way to find solutions, see things from a new perspective, and demonstrate to government that we are committed to active transformation. "I believe it also gave SAARF the opportunity to show its stakeholders that it is committed to delivering research products which suit the needs of all industries, while at the same time working to change misplaced perceptions about South African consumers."

According to Mark Jakins, Group Sales and Marketing Director of the SABC "Education and training for new entrants and existing personnel in the marketing industry is now even more vital than before".

New Africa Publications was of the opinion that adspend was skewed heavily towards white media, despite the substantial spending power of the large audiences offered by black media. As an example, spokesperson Kim Heller, said that black South Africans make up the lion's share of actual spend in the food and grocery market, as indicated by the Bureau for Market Research (BMR). Yet in spite of this, adspend in the sector continues to go predominantly to so-called white media.

The SABC showed how Ukhozi FM, "the biggest radio station in the Southern hemisphere, with an average radio audience share of 25.3%", attracts only 8% of radio adspend. In contrast, 5FM, with its predominantly white audience profile, attracts 9.2% of radio adspend, with an audience share of 5.1%.

In its submission, the SABC showed that Ukhosi FM's advertising revenue was declining while its audience showed a year-on-year growth of 30% since 1999.

Speaking for YFM, executive director Dirk Hartford said that dropping race would help black media who are dogged by the misperceptions of the media planning industry. "Media products perceived to be consumed by blacks are generally disadvantaged, despite the quantity and quality of their audiences. When a media product has all the right numbers, and yet can't find advertising because it is a black medium, then something is wrong."

The SABC felt that research played a role in this state of affairs, in that it provided the currency on which media placement decisions were made. "The audience's propensity to purchase a marketer's product is central in determining advertising spend allocation. To establish this propensity, requires research tools that link consumption of the product/brand and audience segments. The 'common currency' research tools however, provide little or limited product/brand and audience segment association – therein lies the problem. The marketer has the say in adding subjective decision-making criteria to selecting media."

These subjective criteria are at their most basic level based on the assumption that whites are rich, and blacks are poor, and therefore black media are of less value than those which target whites.

It was agreed by most of those present at the hearing that on the whole, marketers are not using research to make deliberately racist media decisions. Heather Partner of McCain Foods said: "I would fire any of my staff that were making media decisions based on race. I defy any marketer alive to make a decision based on racist perceptions. We would fail in our job of increasing the sales of our brand. As a marketer, I don't look at black or white media. I look for media that will reach my consumers. There cannot be a marketer alive who is not looking at increasing the sales of their products. "That said however, marketers should be held accountable, because it is they who are commissioning the huge budgets which, in terms of our consumers (no matter what race they are), are being 'correctly or incorrectly' spent."

While marketers would be foolhardy to limit the advertising of the brands by choosing only white media, it was felt that such discrimination does occur.

"The fact is that people are making decisions based on perceptions, and the biggest cause of these perceptions is SAARF data," says Radmark's Coen Gous. "Most users don't understand the data they're working with. I get briefs from planners who want to advertise an FMCG product to 'WCI

housewives'. Because planners are not trained well enough to understand the research, they rely purely on computer bureaux-generated data runs, which spit out percentages. If you look only at averages, you get the perception that all blacks are poor and uneducated, and all whites are rich. The result is inadvertent discrimination against so-called black media.

He also raised the point that the computer bureaux, which deliver SAARF's research in an electronic format, are grouping a number of codes together, which perpetuates the problem. For instance, they have grouped whites, coloureds and Indians into one demographic set, thus reinforcing an outmoded and racist practice.

"That is why I congratulate SAARF for taking the bold step of eliminating race from its research. I would even go so far as to say get rid of language next, before all the untrained planners out there start abusing another demographic, substituting English and Afrikaans for WCI, and Nguni/Sotho for black."

The overwhelming impression of the day therefore, was that the removal of the race demographic was a good decision, but was nonetheless only the beginning.

PMSA spokesperson, Marlon Hitzeroth, said that the removal of the race card should be seen as a first step only. "Race is not the panacea for what needs to be addressed in this industry," he said.

Brenda Wortley of the AMF, the recently reconstituted Media Directors' Circle, said that there was "a genuine move within our industry to remove any race blinkers we might have, and to reach all the potential consumers of our clients' brands. For this reason, the AMF supports SAARF's decision to remove the race demographic from its research products."

Dr Nina de Klerk and Ian Shepherd of the AAA said that since race may "wittingly or unwittingly" lead to discriminatory practices in the utilization of AMPS data, the removal of the demographic was justifiable.

4.5   Evaluation of the communications value chain

Mark Jakins suggested that an evaluation of the value chain be done. He said that the value chain starts with the marketer, who defines the target market for its own research and for the agencies to base their planning on. The industry needs to examine each point along the communications value chain, and ensure there are no intentional or unintentional racist practices occurring at any stage. If so, such practices should be addressed.

He suggested the implementation of a transformation charter, which would be adopted and signed throughout this value chain, particularly by the dominant marketers in the industry. Starting with the marketer, to the advertising agency, to media planning and buying organizations, and concluding with the media owner - the communications industry would pledge its commitment to eliminating racial discrimination and racial targeting.

"We need to take a strong stance against racial discrimination in our industry, before government decides to regulate us," said Jakins. "We all have an obligation to South Africa to get the ball rolling, by aligning ourselves with a new marketing code of conduct - using updated SAARF segmentation techniques and tools uniquely designed to our special requirements for intelligent marketing decision-making.

4.6   Perceptions and reality

It was also evident from the hearings that there were certain perceptions that no longer tie-in with reality and that a complete change of mindset was required. These historical perceptions such as that all blacks are poor and all whites are wealthy, that specific traditional so-called black media cannot be used to reach the middle and upper segments of the population and that all blacks were the same, needed to be replaced by new paradigms.

It was noted that SAARF has already taken some steps to help change these perceptions:

When SAARF was formed in 1974, separate living areas were part of the old apartheid policy, thus race was included in the AMPS, RAMS, TAMS sample designs, weighting and reporting (reflecting the reality of those days). Despite this legislation, influx of other groups

into traditional white areas such as Hillbrow (Johannesburg) and Woodstock (Cape Town) was also a reality and since the early nineties, SAARF included blacks, coloureds and Indians living in white areas in its samples. Other highlights in stimulating a change in thinking were:

1988/9: Development of LSM Index and inclusion of LSM as a reporting variable in the printed AMPS and RAMS report volumes.

1995: The AMPS Pocket Edition was published by LSM only.

1996: SAARF was forced by some influential users to bring race back as a reporting variable in the AMPS Pocket Edition.

1999A: Race was replaced in the printed reports by language.

2000A: The AMPS and RAMS surveys' printed report volumes use only LSM and total population as reporting variables.

2002B: Race to be taken out of the SAARF products in totality.

Since the TAMS Panel was introduced in the early nineties, language rather than race was used as a weighting variable.

4.7 **Misconceptions/misuse of LSMs**

Console Tleane of the NCRF queried the validity of certain variables used to determine the LSM groups. He explained, for example, that not having hot running water, an LSM variable, could be due to historical circumstances, rather than a lack of wealth. "These variables need to be revisited, so that groups are not ignored by marketers because of incorrect descriptors," he said.

SAARF's response to this is that due to the history of South Africa, examples such as the above are true, but on the other hand it reflects reality and it will take time before they are all corrected. A lot has already been achieved since the 1994 democratic elections and peoples' living standard has already improved significantly due to the provision of basic services such as water, electricity and sanitation.

4.8 Misconceptions about the AMPS/RAMS survey design and sampling

New Africa Publications' Kim Heller questioned the samples of SAARF's products, saying there seemed to be an undercount of black adults and an over-count of whites. She said that NAP felt SAARF does not adequately record emigration, leading to AMPS recording 5.1 million whites, versus the 4.4 million seen in the Census. She also felt there was an undercount of hostel dwellers, people in squatter camps, and domestic workers, as seen when AMPS data is compared to certain other sources, such as Eskom's research. The floor also queried the sample split of 10 000 whites, versus about 13 000 blacks, which is not proportionate to the population.

SAARF's chairman, Dr Clive Corder, said that since the 1996 Census, projections being made by the Bureau of Market Research (BMR) and used by AMPS were very much in line with those of Statistics South Africa. The latest figures are 4.7 million whites according to Stats SA, versus 5.1 million as calculated by the BMR, a difference of only about 8%.

On the issue of the disproportionate split between black and white in the sample, SAARF's main contractor, ACNielsen Media International, explained that this occurred during sample boosting. "The AMPS sample is initially stratified proportionally by area, according to the latest census data," said Sue Scott. "Stakeholders' catchment areas are then overlaid, and we boost the sample in these areas to ensure sufficient respondents are measured in the footprint areas of certain media such as community radio stations. Since most media are in metropolitan areas, this is where boosting usually takes place and since historically more whites live in these areas, we pick up more white respondents. All data is, however, weighted back to the population proportions, and so is fully representative of the total adult population of South Africa."

SAARF's response is that there is a general misconception that the size of the sample is dictated by the size of the population, or that the size of relevant sub-samples should be similar to the relative

size of the sub-populations. For example, 75% of the sample does not necessarily need to be black because 75% of the adult population is black. The number of variables that are controlled to ensure that it reflects the characteristics of the population dictates sample size. Because the same variables are controlled in exactly the same way for all population groups, similar samples are required. "We use province (9), community size (4) within province and then within each of these 36 geographical strata, we sample proportionally by age and gender for all population groups" says Haupt. "This is a common internationally used convention in probability sampling".

5. RECOMMENDATIONS AND THE WAY FORWARD

7.6 Hearings regarded as a first step of a process

The general consensus was that these hearing should be regarded as a first step in a process and during the course of the day, a number of recommendations were made to help SAARF advance on the path of transformation. SAARF expressed its willingness to look into all issues raised. These recommendations will be used as input into the government task force that will meet later in the year, to look at the whole issue as debated in parliament in 2001.

7.7 Removal of race from all SAARF surveys

The SAARF Board amended the recommendation of the Panel as follows:

"Race will be retained and published unchanged in printed and electronic format in AMPS, RAMS and TAMS".

7.8 SAARF Segmentation Workshop and development of new segmentation tools

SAARF announced at the hearings that it would hold a segmentation workshop to investigate possible new segmentation tools for AMPS, RAMS and TAMS, and this was supported by more than one speaker. (See Appendix A)

In addition to the use of general segmentation tools such as LSMs, the inclusion of brands on AMPS will also introduce a powerful additional tool for users, as it will enable marketers to profile the actual users of brands. This bottom up approach, which is preferable to the top down approach, will be facilitated by the release of SAARF's branded data product, scheduled for introduction in AMPS 2002B.

SAARF has also in the meantime decided on the inclusion of more lifestyle related questions on AMPS and this will hopefully lead to an additional segmentation tool based on behaviour in the near future.

At the SAARF Segmentation Workshop referred to earlier in this paragraph and which took place subsequent to the hearings, two Task Groups were formed to respectively investigate improving the language questions in AMPS 2002B, and to investigate the addition of extra questions relating to activities, leisure, sport, entertainment, life style, religion, etc. Resulting from this, SAARF has decided to change the language question to bring it in-line with the language question as asked in the Population Census of Statistics South Africa. The recommendations of the Activities Task Group will also be introduced in AMPS 2002B, which will lead to a much-expanded life style and activities section and the possible introduction of a behaviour typology in 2003.

Finally, SAARF is busy with the development of a Media Group Measurement (MGM) Index, which will enable users of the data to do segmentation based on people's media usage. It is planned to be available with AMPS 2002A.

7.9 Addressing transformation needs

7.9.1　　　　　　　　SAARF is currently busy finalizing a transformation charter in which definite transformational objectives are spelled out and it hopes that the transformation process will be completed by end 2005. (See Appendix B)

7.10   Addressing training needs

7.10.1   Apart from proceeding with SAARF's own training courses in the use of the AMPS, RAMS and TAMS data and the further development of new more advanced training courses, SAARF will also actively encourage its stakeholders to ensure that users are equipped with the required skills to use the data responsibly.

7.10.2   The panel specifically recommends that all stakeholders accord more attention to training and education, especially as regards media planning.

7.10.3   The LSM workshops introduced during 2001 will become a regular part of SAARF's training programme.

7.11   Evaluation of the value chain (see 4.5)

The following is recommended:

7.11.1   It is recommended that all stakeholders, including research providers, be approached with a request that an evaluation of the communications value chain be done. Each point along the value chain needs to be investigated to ensure that there are no intentional or unintentional discriminatory practices occurring at any stage. Stakeholders should be requested to address such practices if and where they exist.

7.11.2   All stakeholders are requested to adopt a Marketing Code of Conduct which could be signed by all parties in the value chain. By adopting this charter the communications industry would pledge its commitment to eliminating any residual racial discrimination and racial targeting.

7.11.3   For the above purposes the value chain is regarded as all facets of the marketing process, starting with the marketer's brief to a research company, followed by its brief to the advertising agency, the advertising agency's pitch, the purchasing of media, and concluding with the selling of space and time by the media owner. This will include all service suppliers to the industry such as SAARF as well as suppliers of research and software systems. In doing this, industry players will be aligning themselves with a new Marketing Code of Conduct.

7.12   Cooperation with GCIS Task Force and other relevant Governmental Institutions

SAARF will in future work closely with the Government Communication and Information Services (GCIS) Task Force to address matters relating to discrimination and transformation. The recommendations included in this report will be tabled to the GCIS Task Force later this year. SAARF will in future also liaise with other Governmental institutions such as the Media Development and Diversity Agency (MDDA) and Statistics South Africa (Stats SA), where required.

Since the hearings SAARF has already had meetings with Stats SA, the GCIS and the Government Department of Communication. This process will continue and there will be closer cooperation in future. In order to promote a common approach, Stats SA and SAARF have already agreed to start a project on the harmonization of definitions where possible and further actions will follow.

7.13   Continual re-evaluation of the process

It is recommended that all stakeholders in the communications industry conduct regular re-evaluations of the situation until they are satisfied that measures are in place to ensure that all discriminatory practices have been permanently removed and that the industry has been transformed to reflect society.

7.14   Working Group to take the process further

The following working group was appointed by the SAARF Board to make recommendations on how to take the process of transformation, education and changing of perceptions and attitudes in the Industry forward:

Maserame Tshwaedi (Convener)
Humphrey Birkenstock
Thabiso Buku
Howard Gabriels
Harry Herber (to be invited)
Marlon Hitzeroth
Les Holley
Ross Jennings
Gordon Muller (to be invited)
Ian Shepherd
Brenda Wortley

Submitted to the SAARF Board of directors on this …………day of ………………. 2002.

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Tim Modise
CHAIRPERSON