

Feedback :
Baseline Survey: State of the
Advertising and Marketing Industry
(insert audience and date)

Feedback - State of the Advertising and Marketing Industry

- **Revisiting Project Objectives:**

- Employee Demographic Profiles
- Share-holding Profile
- Outside Service Providers
- Company Policy/Progs
- Enabling/Constraining Factors Value-Add
- Recommendations for future research



Feedback - State of the Advertising and Marketing Industry

- **Methodology (Primary research):**
 - Development of industry questionnaires
 - 3 Qs developed in conjunction with DoC/GCIS
 - Vetted by various associations - ACA/AMF/AoM
 - Piloted with two organisations
 - Distributed to respondents



Feedback - State of the Advertising and Marketing Industry

- **Methodology (Primary research):**

- Email survey of members of:
 - ACA
 - AMF
 - AoM

Methodology (Secondary research):

- Interrogation of data from:
 - DoL
 - SETAs (MAPPP & Services)
 - Breakwater Monitor
 - EE Reports
 - McGregors



Feedback - State of the Advertising and Marketing Industry

- **The Services SETA WSP's interrogated are for 2001.**
- **The 2001 WSP figures are compared to the CEE National figures and then to the EE reports.**
- **For 2001, 46 companies submitted information.**



Feedback - State of the Advertising and Marketing Industry

- **Marketing sub-industries include:**
 - **Call Centre Mngt**
 - **Marketing Services**
 - **PR and Communications Mngt**
 - **Direct Marketing**
 - **Market Research and Public Opinion Polling**
 - **Marketers (eg. Nike)**
- **EE Reports for Marketing companies were also consolidated.**



Feedback - State of the Advertising and Marketing Industry

- **Feedback from industry has been very poor.**
 - ACA/AMF (30%) - AoM (5%)
- **Reasons for the poor response rate:**
 - Short time period in which to collect data
 - Survey Fatigue (post ACA survey)
 - No access to companies/telephonic follow up allowed
- **ACA demographic information was verified on 10th October 2002. 25 % of all input responses verified against data output.**

Feedback - State of the Advertising and Marketing Industry

	ACA	AMF	AoM	SS	ACA Demog.	EE Reports
No Contacted	51	28	180	45/46	51	
No Responded	15	8	9		51	20
% Response	30	30	5	25	100	11

Feedback - State of the Advertising and Marketing Industry

- **The presentation will focus on Advertising and Marketing feedback utilising information mined by Prodigy from:**
 - ACA/AMF/AoM
 - Services SETA
 - Adfocus
 - McGregor's
 - Commission for Employment Equity Report (for comparison)
 - Breakwater Monitor Report (monitor progress)
 - Field Research
- **Demographic information will be presented as per the DoL vocational classifications and as per specific Occupational Categories w.r.t. ACA information**



Feedback - State of the Advertising and Marketing Industry

- Quantitative data presented is significant and representative of the industry
- Qualitative data, obtained from the email responses has been presented for informational purposes. A more representative sample is required in order to quantify the qualitative data



Feedback - State of the Advertising and Marketing Industry

- **The CEE report was used for comparison purposes**
- **The CEE report covers the total workforce profile of all employers who submitted Employment Equity Reports in the prescribed format to the Department by 31 March 2001.**
- **The occupational category report covers:**
 - **a total of 8 334 employers and**
 - **3 424 401 employees.**



Feedback - State of the Advertising and Marketing Industry

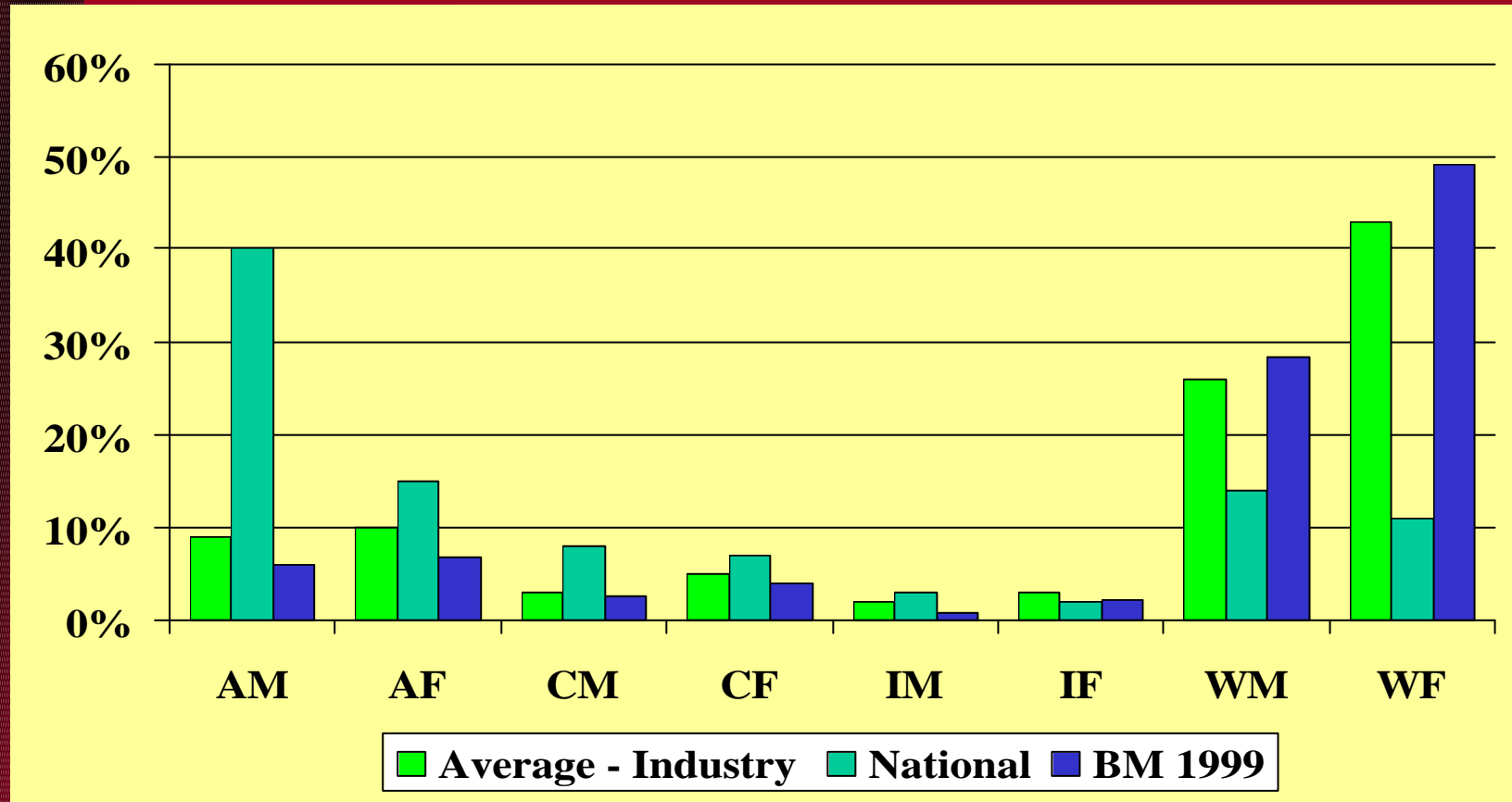
- **The Breakwater Monitor was used to check for progress against 1999 data**
- **The Breakwater Monitor sampled 186 companies covering 989 500 employees**
- **Advertising and Media comprised 11 companies encompassing 12 000 employees**

Employment Profile in the Advertising Industry

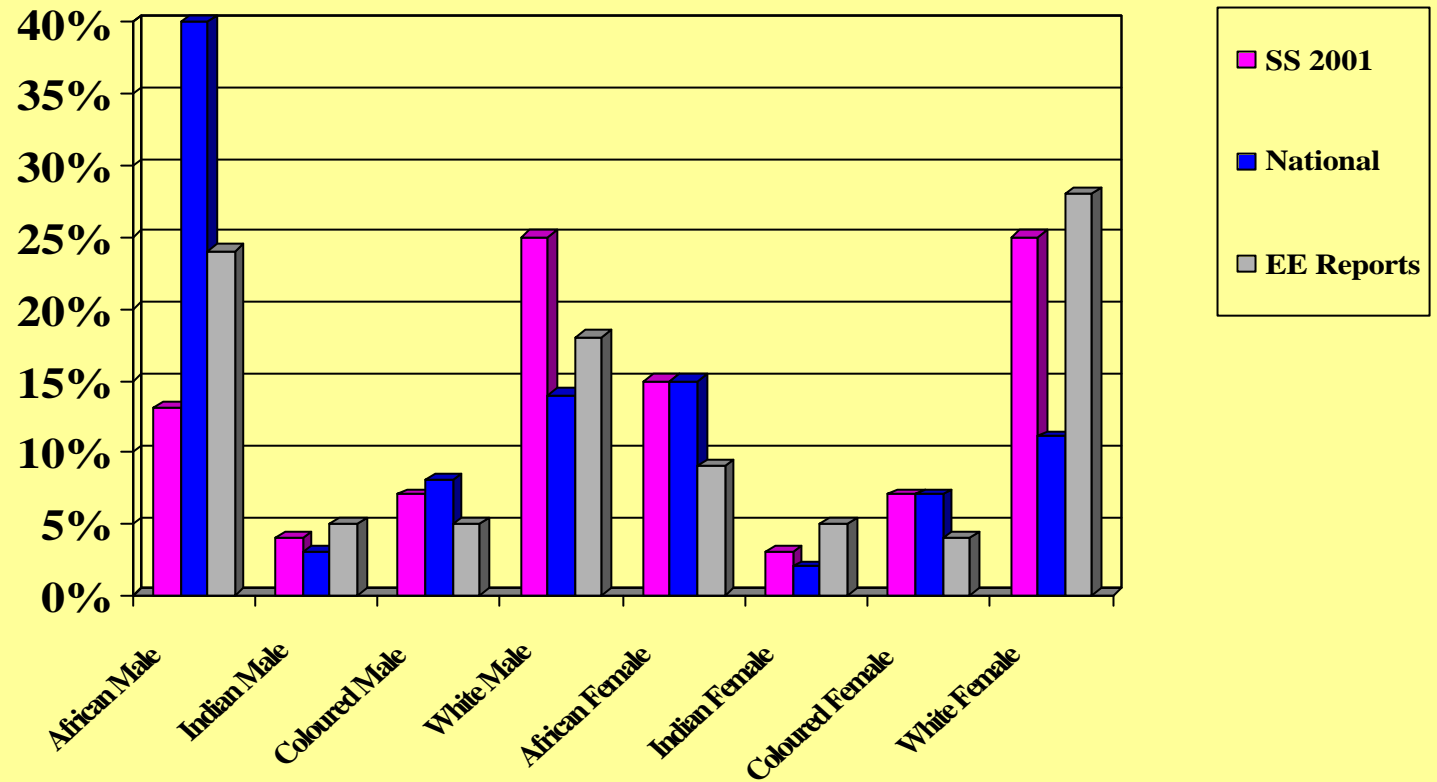
ANALYSIS BY RACE AND GENDER

	TOTAL	BLACK		WHITE		FEMALE		MALE	
		No.	%	No.	%	No.	%	No.	%
		CEO's / Chairman & Managing Directors	101	17	16,8	84	83,2	22	21,8
Client Services (including strategic planning)	657	149	22,7	508	77,3	465	70,8	192	29,
Creative (including DTP)	820	140	17,1	680	82,9	295	35,9	525	64,1
Media	214	57	26,6	157	73,4	177	82,7	37	17,3
Production (electronic, print and traffic)	287	62	21,6	225	78,4	217	75,6	70	24,4
SUB-TOTAL	2079	425	20,4	1654	79,6	1176	56,6	903	43,4
Finance	280	118	42,1	162	57,9	221	78,9	59	21,1
Human Resources	41	10	24,4	31	75,6	36	87,8	5	12,2
PA / Secretaries	154	71	46,1	83	53,9	154	100,0	-	0,0
Administration (incl. Reception, despatch, c	324	271	83,6	53	16,4	170	52,5	154	47,5
TOTAL	2878	895	31,1	1983	68,9	1757	61,0	1121	39,0

Employment Profile in the Advertising Industry



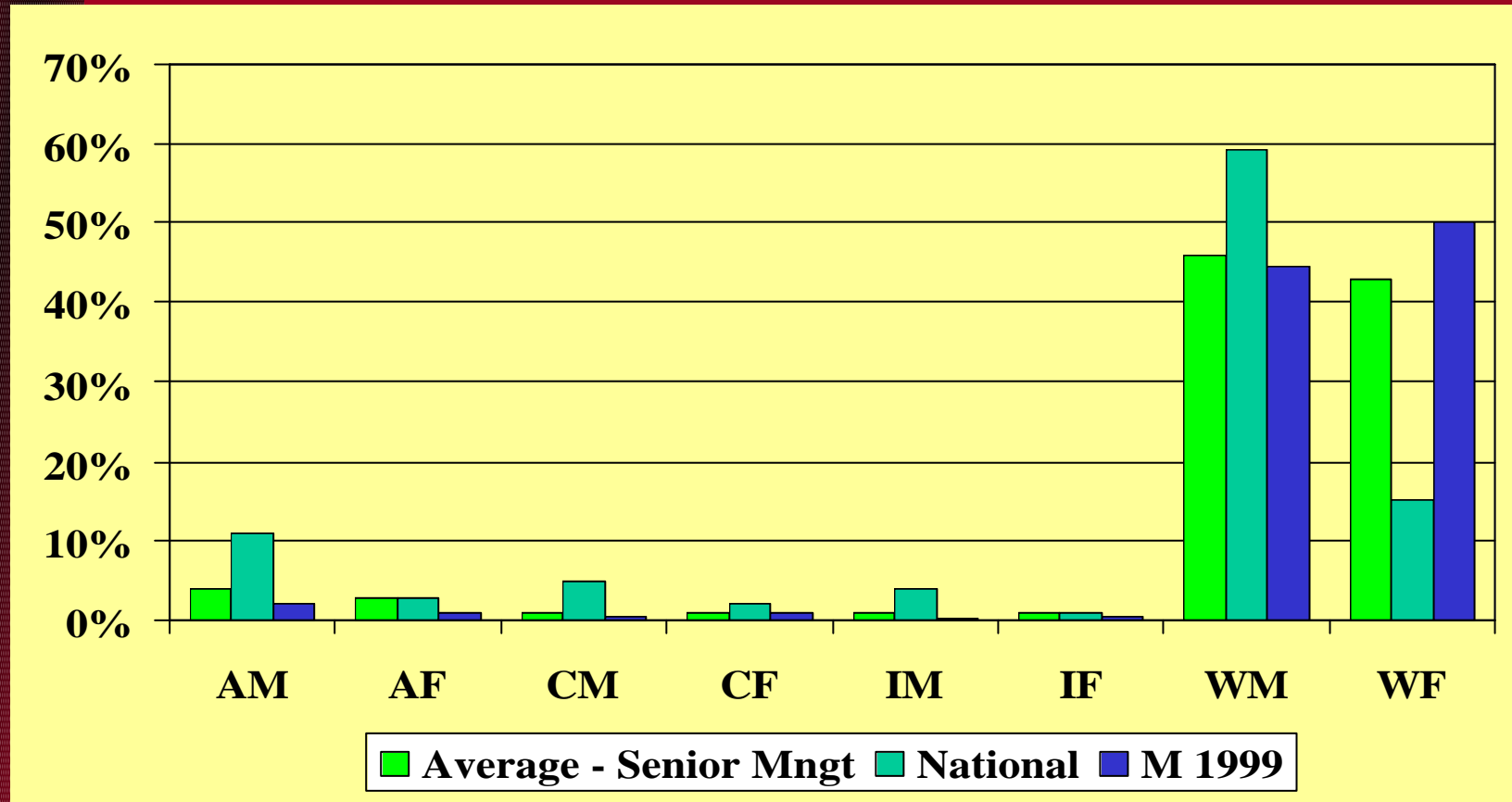
Total Employment Profile by Race in the Marketing Industry



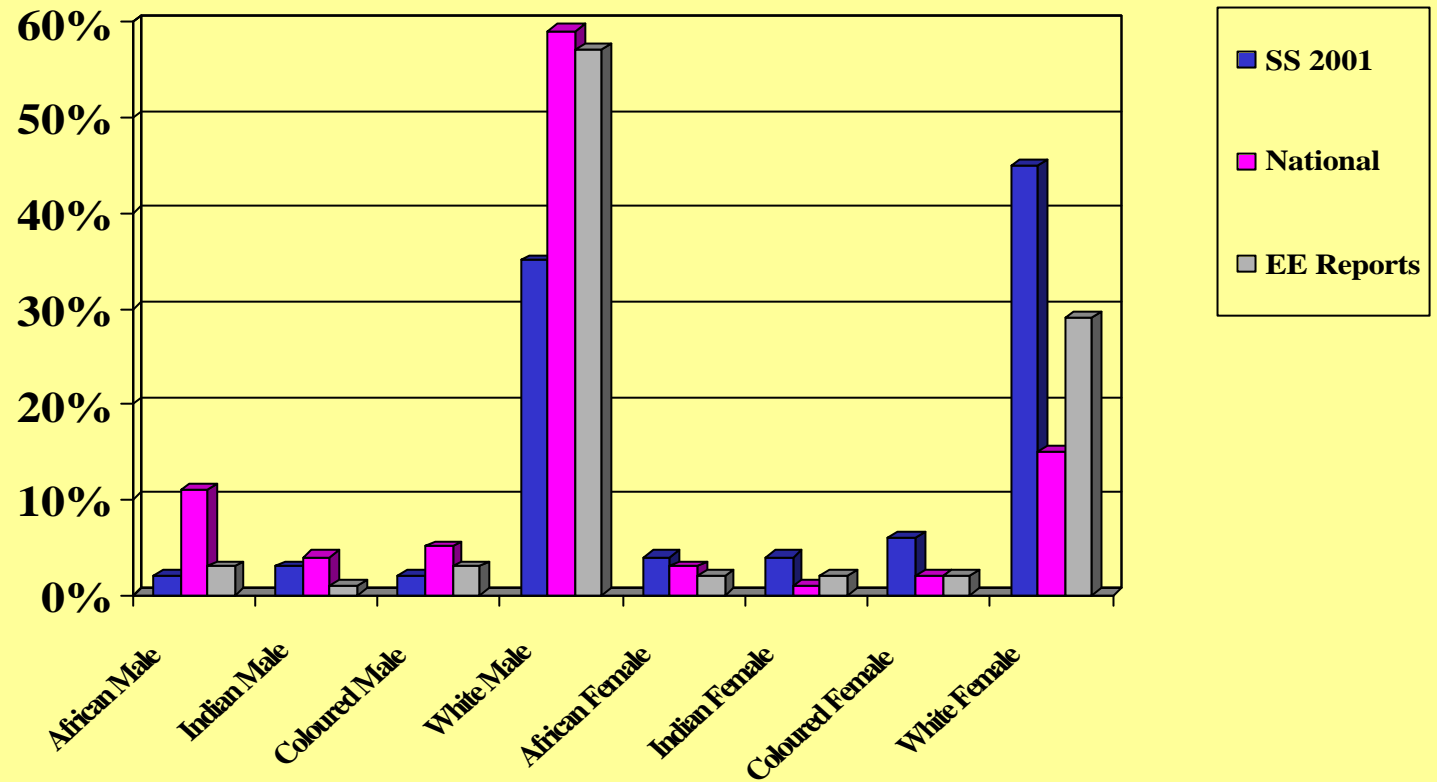
Senior Management in the Advertising Industry

Position	AM	AF	CM	CF	IM	IF	WM	WF
C.E.O. / Chairman	10%	3%	0%	0%	0%	0%	83%	3%
Managing Director	6%	6%	0%	1%	6%	0%	61%	21%
Director of electronic, Print or Operations	0%	0%	5%	5%	0%	0%	43%	48%
Client Service Director	0%	9%	0%	0%	0%	0%	31%	60%
Business Director	11%	2%	2%	0%	0%	0%	30%	55%
Group Account Director	0%	3%	3%	3%	0%	0%	34%	56%
Account Director	3%	3%	1%	1%	2%	2%	19%	71%
Marketing/Strategic Planning Director	10%	5%	0%	0%	0%	5%	48%	33%
Research Director	0%	0%	0%	0%	0%	0%	33%	67%
Creative Director	0%	0%	2%	0%	3%	0%	78%	17%

Senior Management in the Advertising Industry



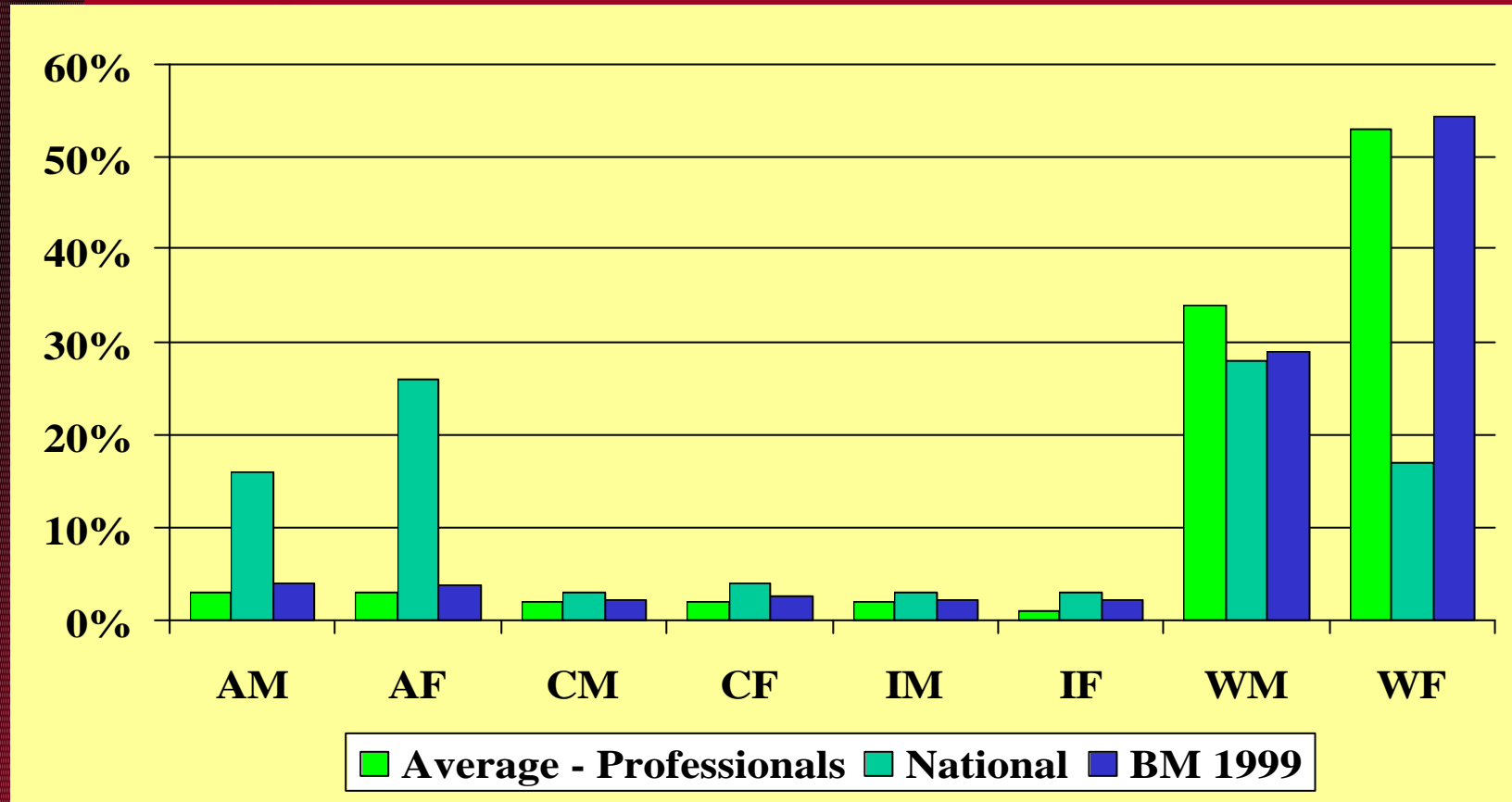
Legislators, Senior Officials And Managers in the Marketing Industry



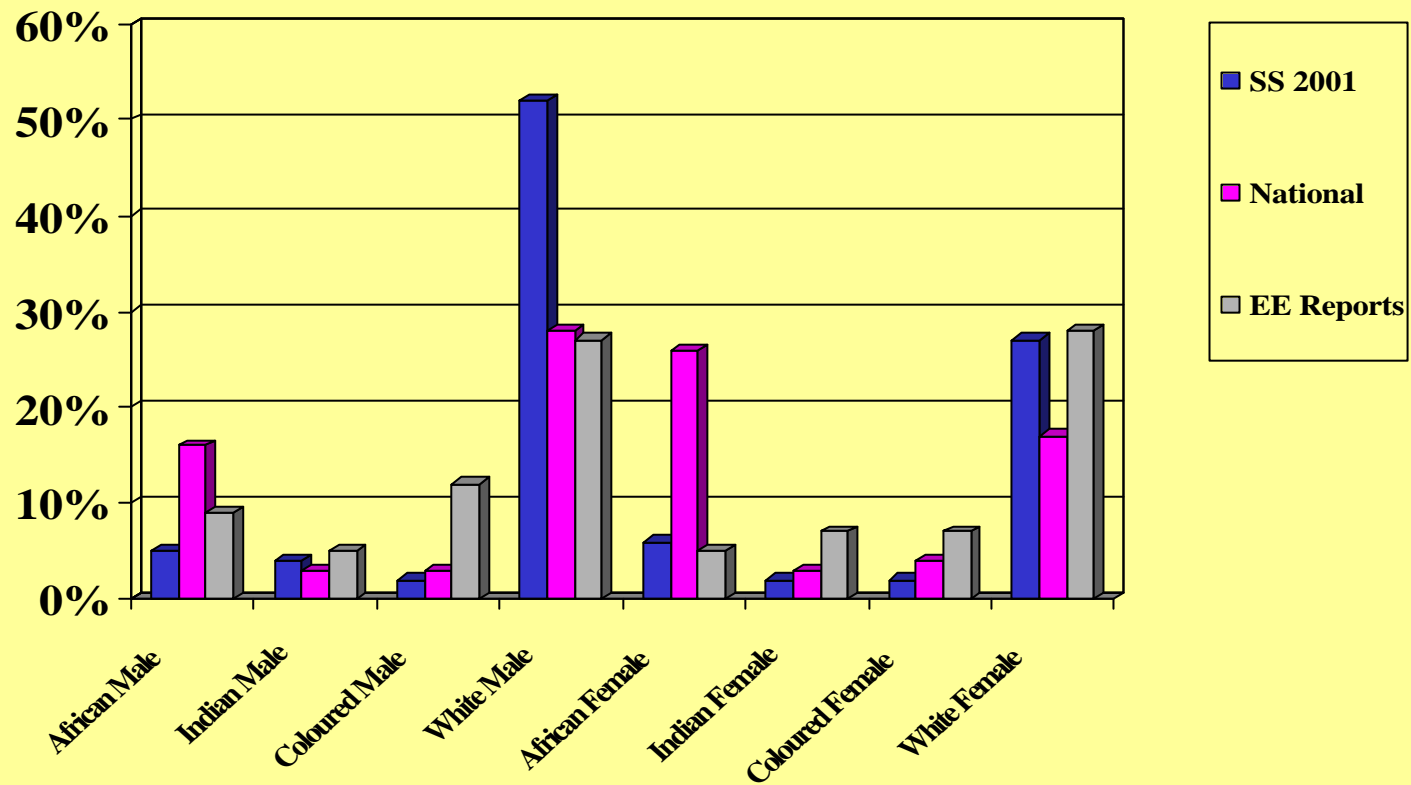
Professionals in the Advertising Industry

Position	AM	AF	CM	CF	IM	IF	WM	WF
Account Manager	5%	7%	1%	4%	0%	2%	15%	66%
Account Executive	9%	20%	1%	6%	1%	3%	16%	44%
Strategic Planning Manager	8%	0%	8%	0%	8%	0%	46%	31%
Creative Group Head	4%	0%	4%	1%	1%	0%	63%	27%
Art Director / Senior	4%	1%	3%	0%	6%	1%	58%	28%
Copywriter / Senior	6%	1%	0%	0%	2%	1%	61%	30%
Designers / Senior	2%	0%	2%	0%	5%	2%	47%	44%
DTP Manager	6%	0%	0%	0%	0%	0%	47%	47%
Traffic Manager	0%	4%	0%	8%	0%	0%	2%	85%
Print Production Manager	2%	0%	8%	0%	2%	2%	47%	40%
Art Buying Manager	0%	0%	0%	0%	0%	0%	17%	83%
Media Director	3%	0%	0%	0%	0%	0%	41%	55%
Media Buying Manager	0%	7%	0%	7%	0%	0%	13%	73%
Media Planning Manager	0%	0%	0%	0%	0%	6%	6%	88%

Professionals in the Advertising Industry



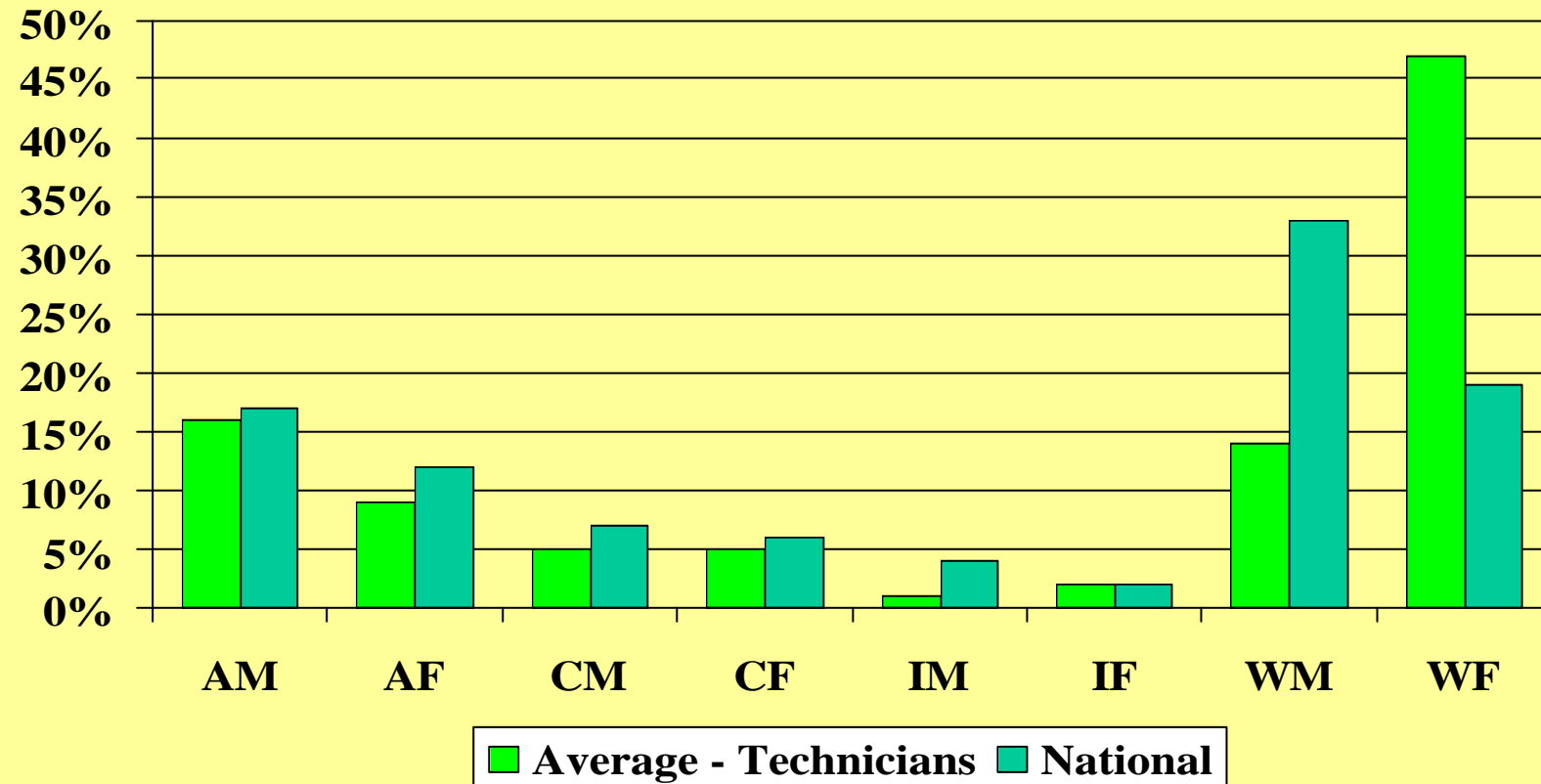
Professionals in the Marketing Industry



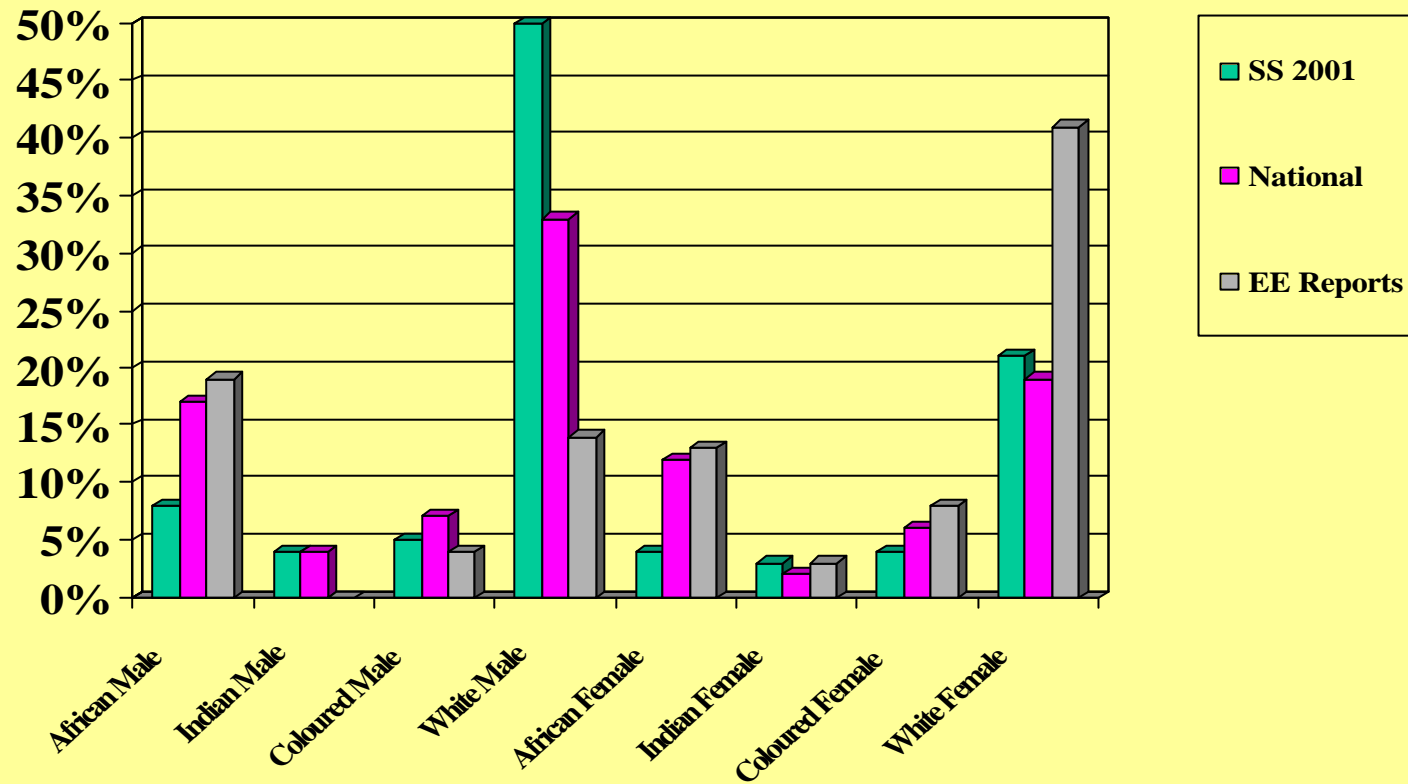
Technicians in the Advertising Industry

Position	AM	AF	CM	CF	IM	IF	WM	WF
Head of Despatch	42%	0%	42%	0%	5%	0%	5%	5%
Despatch	77%	6%	14%	0%	2%	0%	1%	0%
Strategic Planner	24%	14%	0%	3%	0%	0%	19%	41%
Research Assistant	25%	13%	0%	0%	0%	0%	0%	63%
Art Director / Junior	14%	1%	4%	1%	2%	0%	42%	37%
Copywriter / Junior	21%	2%	1%	0%	1%	3%	35%	36%
Designers / Junior	8%	3%	10%	3%	3%	5%	23%	46%
DTP Operators / Senior	1%	1%	7%	1%	3%	3%	51%	33%
DTP Operators / Junior	13%	7%	13%	0%	7%	0%	20%	41%
Traffic Assistant	0%	33%	0%	13%	0%	5%	5%	45%
Print Assistant / Buyer	29%	4%	0%	8%	0%	0%	13%	46%
Art Buyer	0%	13%	0%	13%	0%	0%	7%	67%
TV Producer	0%	0%	0%	3%	0%	0%	6%	91%
Radio Producer	0%	0%	0%	8%	0%	0%	8%	85%
Media Buyer / Senior	0%	2%	0%	9%	0%	9%	0%	80%
Media Buyer / Junior	11%	26%	0%	19%	0%	11%	0%	33%
Media Planner / Senior	6%	7%	2%	0%	0%	2%	13%	70%
Media Planner / Junior	19%	26%	0%	15%	0%	4%	7%	30%

Technicians in the Advertising Industry



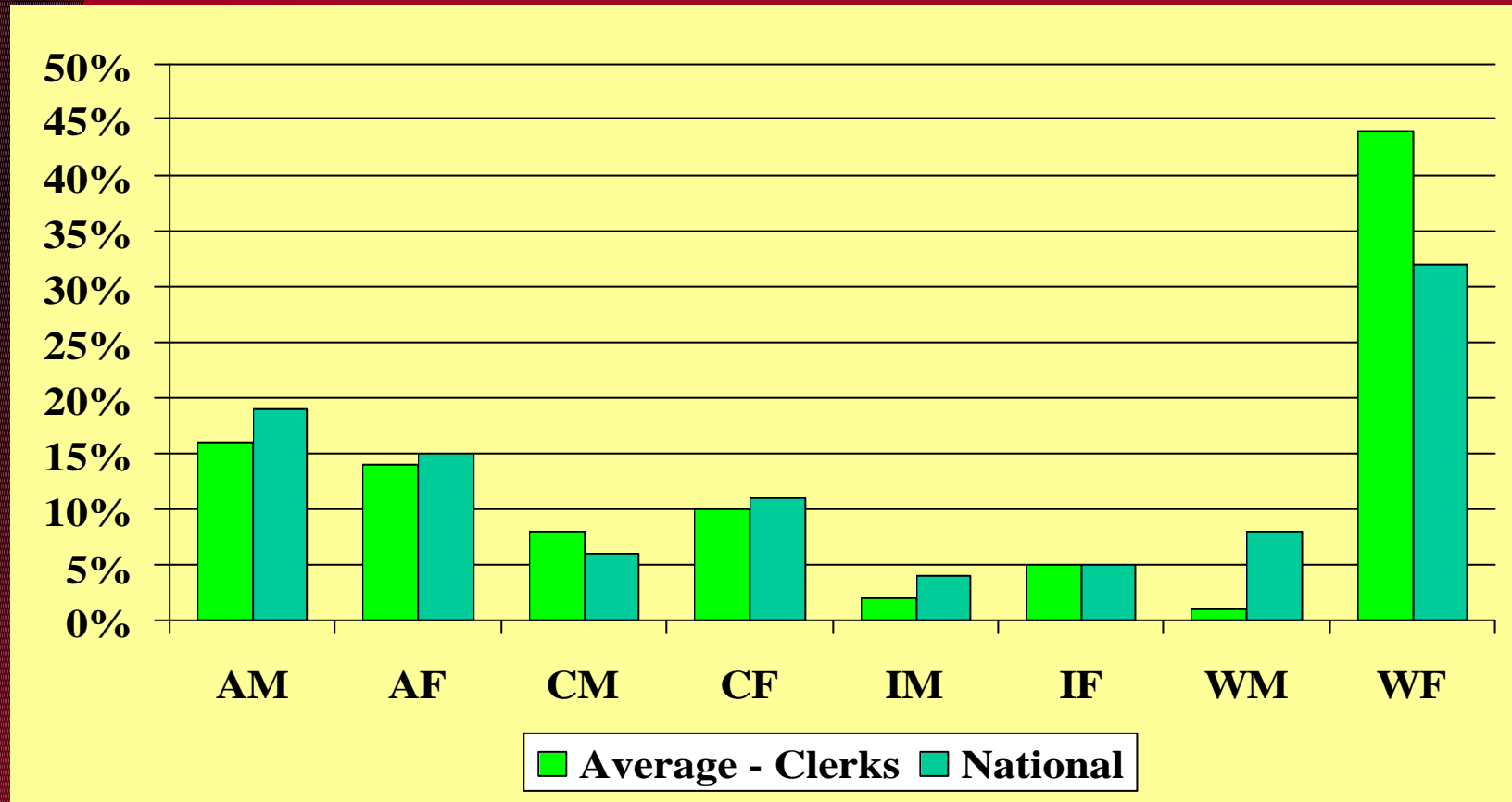
Technicians and Associate Professionals in the Marketing Industry



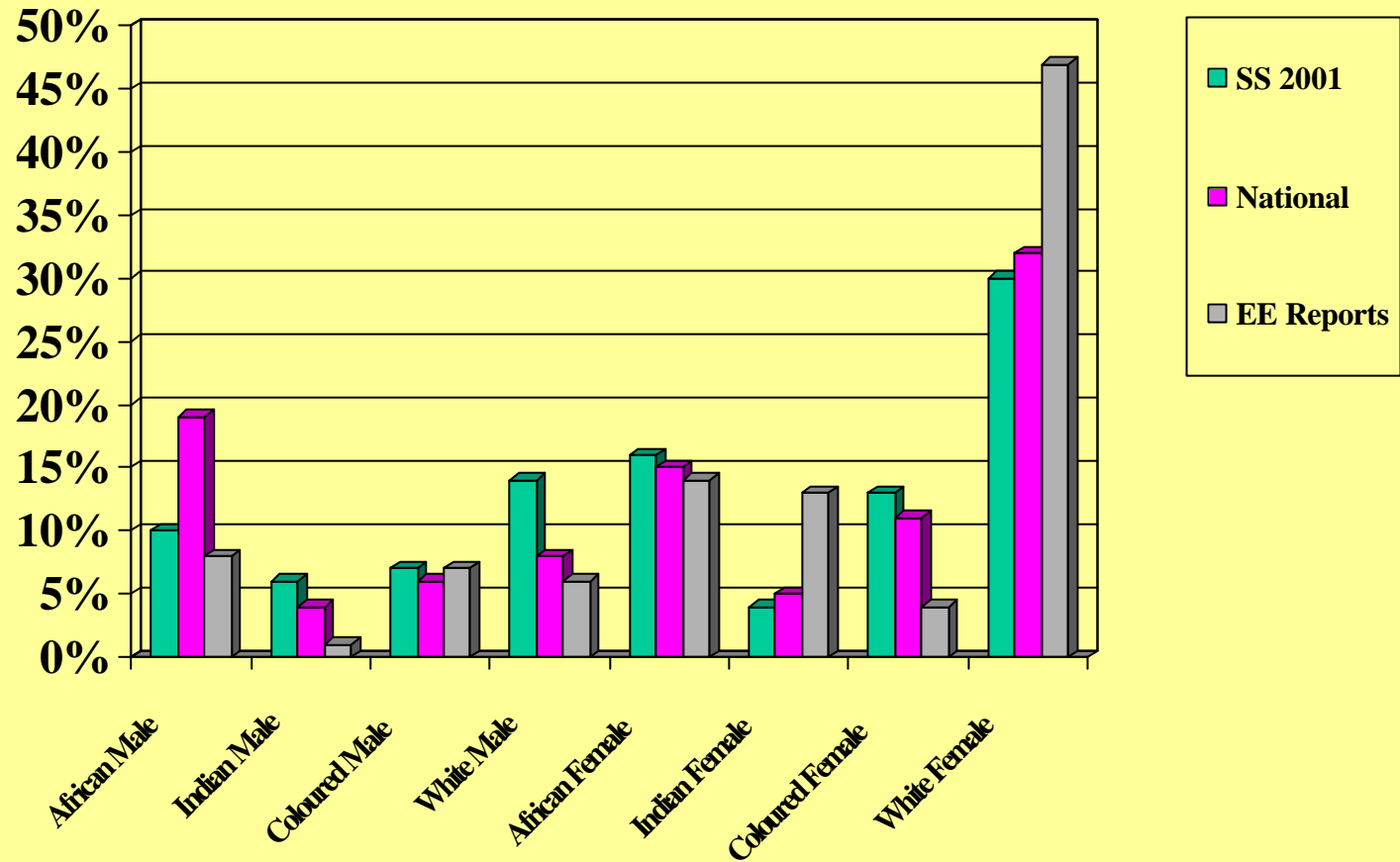
Clerks in the Advertising Industry

Position	AM	AF	CM	CF	IM	IF	WM	WF
PA/Secretaries	0%	19%	0%	18%	0%	9%	0%	54%
Receptionist	2%	44%	0%	13%	0%	11%	0%	30%
Office Administrator	17%	4%	13%	9%	4%	0%	9%	43%
Checking / Voucher Personnel	45%	10%	30%	15%	0%	0%	0%	0%
TV Assistant	15%	5%	5%	5%	5%	10%	0%	55%
Radio Assistant	20%	0%	0%	0%	0%	0%	0%	80%

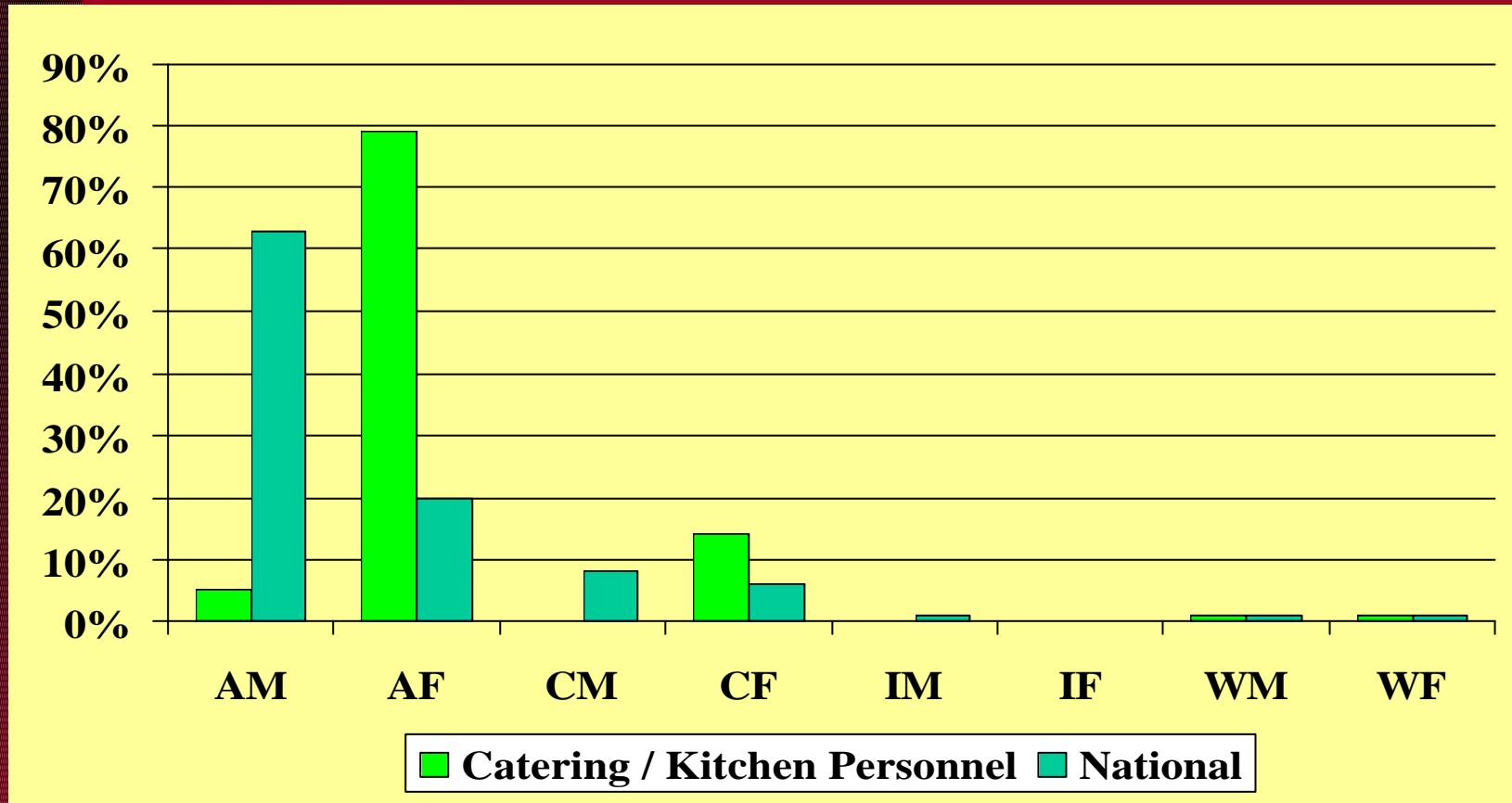
Clerks in the Advertising Industry



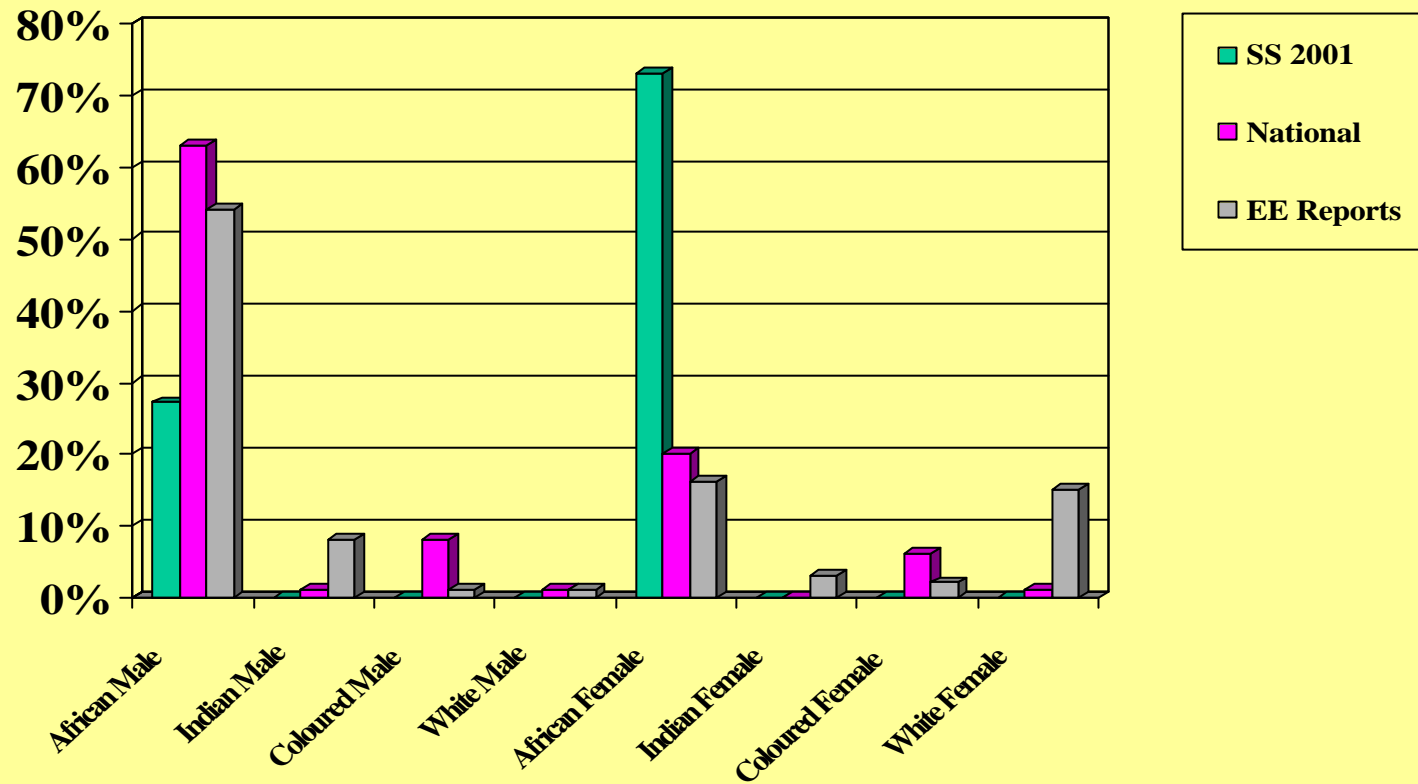
Clerks in the Marketing Industry



Elementary Positions in the Advertising Industry



Elementary Occupations in the Marketing Industry

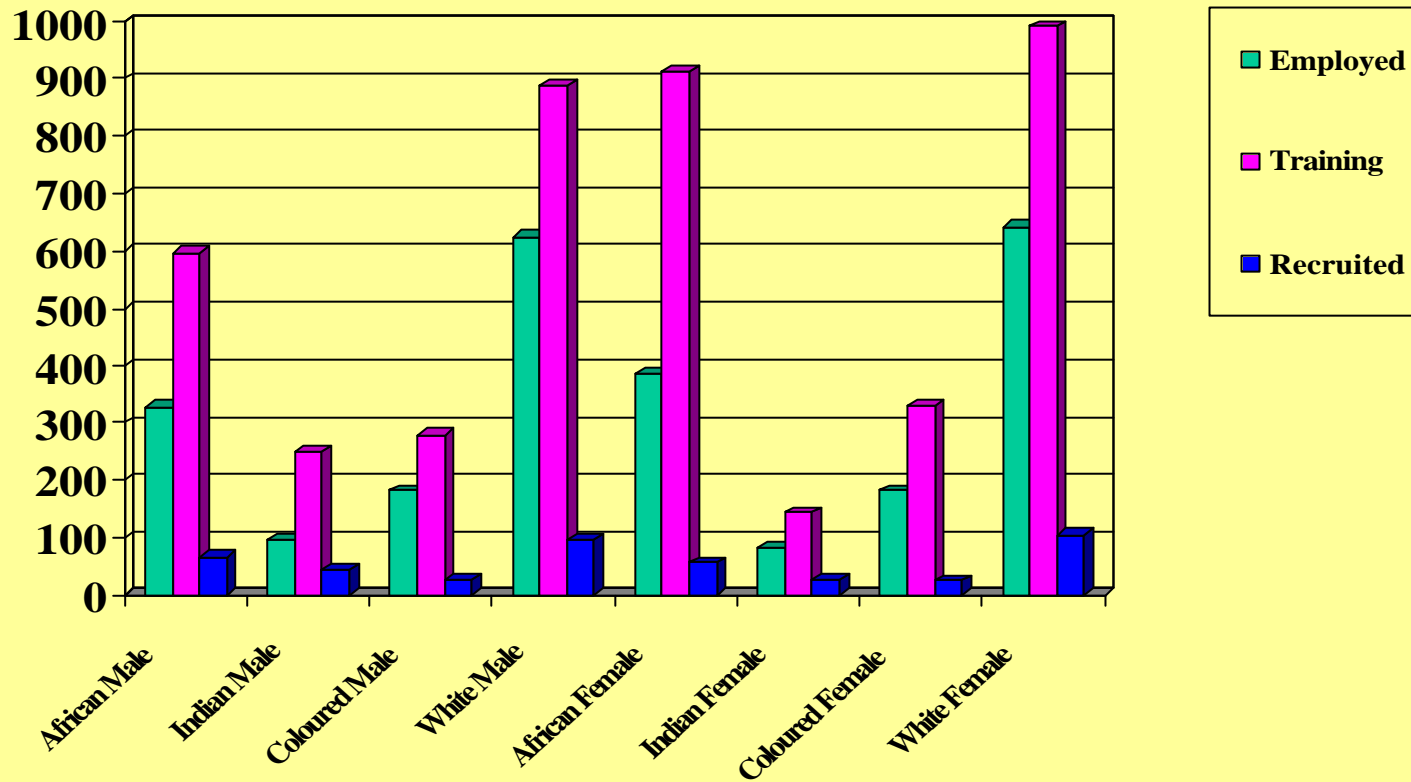




Feedback - State of the Advertising and Marketing Industry

- **Data representing the following profiles are also presented for the Marketing industry for 2001 by demographic break-down:**
 - Total Employment
 - Employee training
 - Recruitment

Total Employment vs Training vs Recruitment by Race in the Marketing Industry



Training Profile as per EE Reports

Training by	Data							
Occ Category	Sum of AM	Sum of CM	Sum of IM	Sum of WM	Sum of AF	Sum of CF	Sum of IF	Sum of WF
Clerks	9%	0%	0%	18%	9%	18%	9%	36%
Craft	0%	33%	0%	67%	0%	0%	0%	0%
Elementary	67%	0%	0%	0%	33%	0%	0%	0%
Legislators	15%	3%	9%	21%	12%	3%	3%	35%
Non permanent empl	5%	0%	0%	19%	5%	5%	0%	67%
Plant	0%	50%	0%	50%	0%	0%	0%	0%
Prof	18%	9%	9%	9%	16%	4%	4%	31%
Service	33%	4%	6%	10%	6%	0%	2%	38%
Skilled	0%	0%	0%	0%	100%	0%	0%	0%
Skilled agricultural	0%	0%	0%	0%	0%	0%	0%	0%
Tech	7%	7%	14%	14%	21%	7%	7%	21%
Grand Total	19%	5%	6%	15%	12%	4%	3%	35%

Recruitment Profile as per EE Reports

Recruitment by	Data							
Occ Category	Sum of AM	Sum of CM	Sum of IM	Sum of WM	Sum of AF	Sum of CF	Sum of IF	Sum of WF
Disabilities	0%	0%	0%	0%	0%	0%	0%	0%
Junior management	0%	0%	0%	0%	0%	0%	0%	0%
Middle management	0%	0%	0%	0%	0%	0%	0%	0%
Prof	8%	0%	8%	25%	0%	0%	8%	50%
Semi-skilled	22%	2%	4%	4%	15%	9%	7%	37%
Senior m	17%	0%	0%	17%	17%	0%	0%	50%
Skilled	8%	0%	0%	15%	8%	8%	0%	62%
Skilled tech	0%	0%	0%	0%	0%	0%	0%	100%
Top management	0%	0%	0%	100%	0%	0%	0%	0%
Unskilled	27%	9%	0%	9%	27%	27%	0%	0%
Grand Total	17%	2%	3%	11%	13%	9%	4%	40%

Promotions Profile as per EE Reports

Promotions by	Data							
Occ Category	Sum of AM	Sum of CM	Sum of IM	Sum of WM	Sum of AF	Sum of CF	Sum of IF	Sum of WF
Disabilities	0%	0%	0%	0%	0%	0%	0%	0%
Junior management	0%	0%	0%	0%	0%	0%	0%	0%
Middle management	0%	0%	50%	0%	0%	0%	50%	0%
Non permanent empl	0%	0%	0%	0%	0%	0%	0%	0%
Prof	14%	5%	0%	55%	0%	0%	0%	27%
Semi-skilled	25%	13%	0%	6%	13%	6%	0%	38%
Senior m	25%	0%	0%	50%	0%	0%	0%	25%
Skilled	33%	7%	7%	7%	0%	0%	0%	47%
Skilled tech	0%	0%	0%	0%	0%	0%	0%	100%
Top management	0%	0%	0%	100%	0%	0%	0%	0%
Unskilled	100%	0%	0%	0%	0%	0%	0%	0%
Grand Total	29%	6%	3%	25%	3%	1%	1%	31%



Top-Line Summary - State of the Advertising and Marketing Industry

- **The data indicates that there is slow movement within the senior ranks to affirm black candidates into the Advertising and Marketing industry**
- **Demographic profiles indicate a continued high presence of white employees**
- **EE progress indicates that the 40% industry target is achievable, but only as an industry average, not per occupational category**
- **There is good emphasis on training, however there is still insufficient training spend allocated to blacks**
- **Positive changes in Equity ownership and procurement within Advertising Agencies - due to legislation**

Targets for EE in Advertising

Ownership Profile	Management Profile	Employee Profile	PDI Overall
28%	25%	32%	38%

Ownership Profile in the Advertising Industry

SA Leading Advertising Companies - Ownership and Staff Profile
(Source - Adfocus 2002)

Company	Total Staff	% Equity - Main agency or Holding Co	% Equity in Subsidiaries	PDI as % of Total	PDI as % of Prof Staff
FCB	643	3	50	32	21
TBWA HL	535	25		25	12
O&M Rightford	454	26	51	35	28
Y&R Gitam	272			31	24
Leo Burnett	148	26		31	23
Saatchi & Saatchi	142	53		39	33
The Agency	131	74		47	35
JWT	106	26		22	71
Jupiter Drawing Room	130				
Lowe BCP	128	8	11	41	28
Net#work BBDO	80	1	40	28	23
Grey Global	82		51		
Berry Bush BBDO	93			24	15
Herbouys McCann	106	49		53	32
DDB SA	43	43		23	12
Admakers	19		66	32	25
Publicis	96			30	15
Flagship	52	2	55	30	28
Bester Burke D'Arcy	34			23	14
Magicom	38		51	26	10
HarrisonHuman Bates	23		20	26	13
HarrisonHuman Bates			54		
KingJames	34			12	3
Tc3	22	51		36	18
Average %		30	45	31	23

Ownership Profile in the Advertising Industry

Listed Media Companies - Ownership Profile

(Source - McGregor's 2002)

Company	Shareholder	%
Abacus Tech Holdings	CSD Dematerialised Control Acc	72.0
Abacus Tech Holdings	Midlands Trust	10.3
Abacus Tech Holdings	Corrugated Designs Trust	8
Abacus Tech Holdings	Teperson Mr Shimon Henry	1.2
African Media Ent Ltd	CSD Dematerialised Control Acc	47.5
African Media Ent Ltd	Njalonjalo Investments P/L	8.8
African Media Ent Ltd	Bashlume Investments P/L	6.6
African Media Ent Ltd	Key Mr Philip John	4.2
African Media Ent Ltd	Meastro Securities P/L	3.9
African Media Ent Ltd	van Wyk Mr Attie	3.7
African Media Ent Ltd	Worldwide Gaming Investments P\L	3.7
African Media Ent Ltd	Fairburn Trust Co Ltd	3.6
African Media Ent Ltd	P S M Group P/L	2.3
African Media Ent Ltd	Brower Ms Kathryn Barbara	1.6
African Media Ent Ltd	SE Nominees P/L	1.6
African Media Ent Ltd	Nedcor Family Nominees P/L	1
African Media Ent Ltd	Jansch Family Trust	1

Procurement Profile in the Advertising Industry

Companies (used for prof services)	ABC Profile (if known)	%	Companies (used for prof services)	ABC Profile (if known)	%
Adrenalin Airtime		2%	Magna Carta	25%	2%
Audio Arts		2%	Makulu Time Stationers		2%
Beith	26%	13%	Media By Storm		2%
Bengt Studio		2%	Mediashop		2%
BM Litho		2%	MNET		4%
Caxton Publishers		2%	Multi Print		2%
Citizen Surveys		2%	On-Line Imaging		2%
CTP Web		2%	Oracle Airtime Sales		2%
Digerati	25%	2%	Plus 94 Harris		2%
ETV		5%	Primedia Outdoor		2%
Eyes & Ears		2%	Print Dynamics		2%
Film Lab		2%	Radmark	64%	2%
Gallo Music Publishers	60%	2%	RCP Media (City Press/Rapport)		2%
Hecate		2%	SABC		4%
Hue Grey Graphics		2%	Suburban Films		2%
Ice Model Mngt		2%	Tequila	25%	2%
Independent Newspapers		4%	The Refinery		2%
IT Consulting		2%	Universal Printing		2%
Izani		2%	Velocity Films		4%
Johnnic Publishing		4%	Visual Assault	33%	2%
Kagiso		4%		37.50%	100%



Feedback - State of the Advertising and Marketing Industry

- **Most companies have instituted HRD and AA/Equity Programmes**
- **Other interventions include:**
 - **EE Consultative Forums**
 - **Identification and elimination of Policy and Procedural obstacles, eg. Recruitment policy**
 - **Sensitising the environment: EE Workshops, Diversity training**
 - **Sponsorship of AA candidates**
 - **Participation in Learnerships**
 - **Appointment of Senior Staff member to oversee transformation**
 - **Staff climate surveys**



Enabling Factors in the Advertising Industry

- **Management Commitment to transformation**
- **Client pressure**
- **Resource allocation to transformation**
- **Staff support**
- **SETA development**
- **Local business acquisition**
- **Social responsibility**



Constraining Factors in the Advertising Industry

- **Shortage of PDI candidates**
- **Limited resources**
- **Lack of Industry growth**
- **PDI's head-hunted**
- **Internal resistance to change**
- **Unrealistic expectations of PDI's**
- **Mergers and Acquisitions**
- **Foreign shareholders anti BEE**

Operational Recommendations: Research Process

- **The research process:**
 - **Feasible timing and coherent communication interventions are required to increase respondent participation rates**
 - **It is recommended that with follow-up studies, close interactions with the relevant associations be maintained, as they are critical to the process.**
 - **There needs to be access for the researcher to contact respondents in order to obtain feedback and to source enterprise-level information -an arms length approach, utilising e-mail reminders is not effective.**
 - **Personal interviews with high level industry stakeholders would add value to the research**



Process Recommendations

Base-line Research Content and Structure

- The research should be segmented into individual sub-industry components in order to obtain the requisite information.
- The research tool in turn must be structured and specific to prevent respondent fatigue and frustration. Cognisance must be accounted for companies previously providing information via WSPs and EE reports. Attempting to obtain too much information leads to frustration on the part of the respondent, who in turn then does not complete the questionnaire. It is not feasible to ask for Employee demographics and Procurement demographics and Ownership demographics at one go and in a short space of time.
- One also has to ascertain what the requirements of the survey entail. If the survey has as its main purpose to track progress within occupational categories, then industry specific job categories are not required, the EE format can be utilised and compared to year on year.



Process Recommendations

Base-line Research Content and Structure

Cont.

- Adapting the EE reports to provide job specific information, along job categories that have been agreed to by industry stakeholders, will also assist with national skills planning and career planning. Skills priorities can be identified and addressed by employers and educators.**
- Accordingly the SOC/occupational categories provided by Dol require tailoring and the feasibility and applicability or relevance needs to be assessed.**
- Should the purpose be to check specific job category progress, then a study similar to that conducted by ACA should be put into place. The ACA study was conducted over a two month period, and as mentioned can be used to conduct a gap analysis per job category, which is useful for succession planning and career guidance.**



Recommendations

Complementary Research Gaps

- An updated consumer analysis is required to test adspend per racial grouping. In many instances there is high marketing spend on consumers that are more sophisticated, but not necessarily the biggest consumers.
- A thorough assessment on the constraints and promoters in terms of affirmative procurement should be undertaken through finding out the subcontracting trends in terms of clients (especially the big ad spenders) and government/ parastatals (who are they using - why, the trends in terms of using black companies etc)
- Similarly where companies target black consumers a thorough assessment should be done including who they use in advertisements etc

The Way Forward

Recommendations

- **Further Research and Insight is Required for Accelerating Transformation:**
 - **The research thus far has focused on input from managers - it is equally necessary to validate the findings through anecdotal evidence from employees - especially black employees**
 - **An intrinsic understanding of the supply, demand and cycle of equity candidates within these sectors should be undertaken. Why do equity candidates leave the sector, what are the reasons for the shortage of PDI candidates (when the AAA has full classrooms)? Are there particular management practices or sub-cultures that are particularly harmful to PDI candidates?**
 - **An equity and transformation barometer should be an outcome of the research.**



The Way Forward Recommendations

- **The Establishment of Mentorship and Skills Programmes**
- **It is satisfying to see an emerging black management level within the larger companies. These individuals have to ensure that they constantly seek and remove barriers within the industry and act as mentors to new entrants. Possibly, therefore the findings must be communicated to such managers and a pilot programme established where the feasibility of an equity ambassador programme is discussed.**
- **Specific management development and new entrant programmes should be established. Synergies should be discussed and established with MAPPP and Services SETAs. Similarly the communication and the business imperative for transformation within the respective sectors must be shared, understood and accepted by the respective SETAs.**
- **Piloting of specific targeted skills programmes should be initially developed in tandem with industry and with the SETAs and initiated amongst a small pool of progressive companies. Roll-out can then occur once the indicators and critical learnings have been established.**



The Way Forward Recommendations

• Accelerating the Process of Affirmative Procurement

- **Government/Parastatals need to enforce equity requirements as part of good business practice, in their dealings with advertisers and marketers.**
- **Proactive twinning programmes needs to be examined. Government and parastatals need to be more assertive in their commitment to ensure that the industry does meet and comply with equity standards. The process of mergers and acquisitions between black and white/ international companies will not ultimately ensure the employment and upliftment of the majority of blacks emerging companies. Thus, where an emerging or small black company applies for a tender but is deemed not to have the requisite infrastructure etc, the respective government department or parastatal should then contract the respective black company through a twinning programme.**
- **The positive work conducted by best practice and informed associations need to be shown off as “success stories” to the industry**

The Way Forward: Recommendations

- **Accelerating Empowerment**
 - **Procurement policy guidelines need to be ratified and submitted to companies to ensure that transformation impacts all stakeholders.**
 - **Transformation of the industry should impact on the masses in the country, those already employed in the industry. The 31% black employees should have an opportunity to participate in their industry. Empowerment should not a boardroom deal with an empowerment company, which impacts only a few.**
 - **In light of the slow progress, especially in the senior levels of the industry, industry and government dialogue should increase and synergies established to implement an action plan for the industry that will seek to identify blockages, redress imbalances but at the same time maintain the competitiveness of the industry as a global player.**



Last Word - State of the Advertising and Marketing Industry

Words of wisdom...

- *“When you have a diverse marketing profession you will see diverse marketing. You will see people asserting themselves. Creativity thrives on diversity. We need more diversity, because in the end it can only benefit us”*

Mpho Makwana (Adfocus: May 24 2002)

The exuberance of youth...

- *“People say that there is a shortage of talent among black people. I think it is bull**it. There is talent. It is just that people are not prepared to enhance it and make sure that talent is unbundled.”*

Groovin Nchabeleng (Tribute, Sept 2002)

Two views - one message - one challenge