



Proposed new Marketing Research to replace AMPS



You are requested to participate in this vital initiative:

Please e-mail

info@marketingsa.co.za OR

saarf@saarf.co.za

before 15 March 2017 with all or any of the following:

- Expression of interest – please contact me
- Request for clarification – list your question/s
- Input/s for consideration – please consider the following.....

Background

Between 2013 to 2015, media owners resigned from SAARF. The current members of SAARF are the Marketers - MA(SA), Media Agencies – AMF, and Creative Agencies - ACA.

Arising from the resignation of the media owners from SAARF, they ceased funding to SAARF and took media currency research 'in house'. Without funding, SAARF could no longer provide AMPS, and the last survey was published in 2016. The new media owner dispensation is as follows:

TAM (Television) under Broadcast Research Council – BRC - since 2015

New RAM released on 29 August 2016

New Out-of-Home data released in July 2016

New Print currency expected end-2017

An 'Establishment Survey' jointly funded by broadcasters and print is expected towards the end of March 2017.

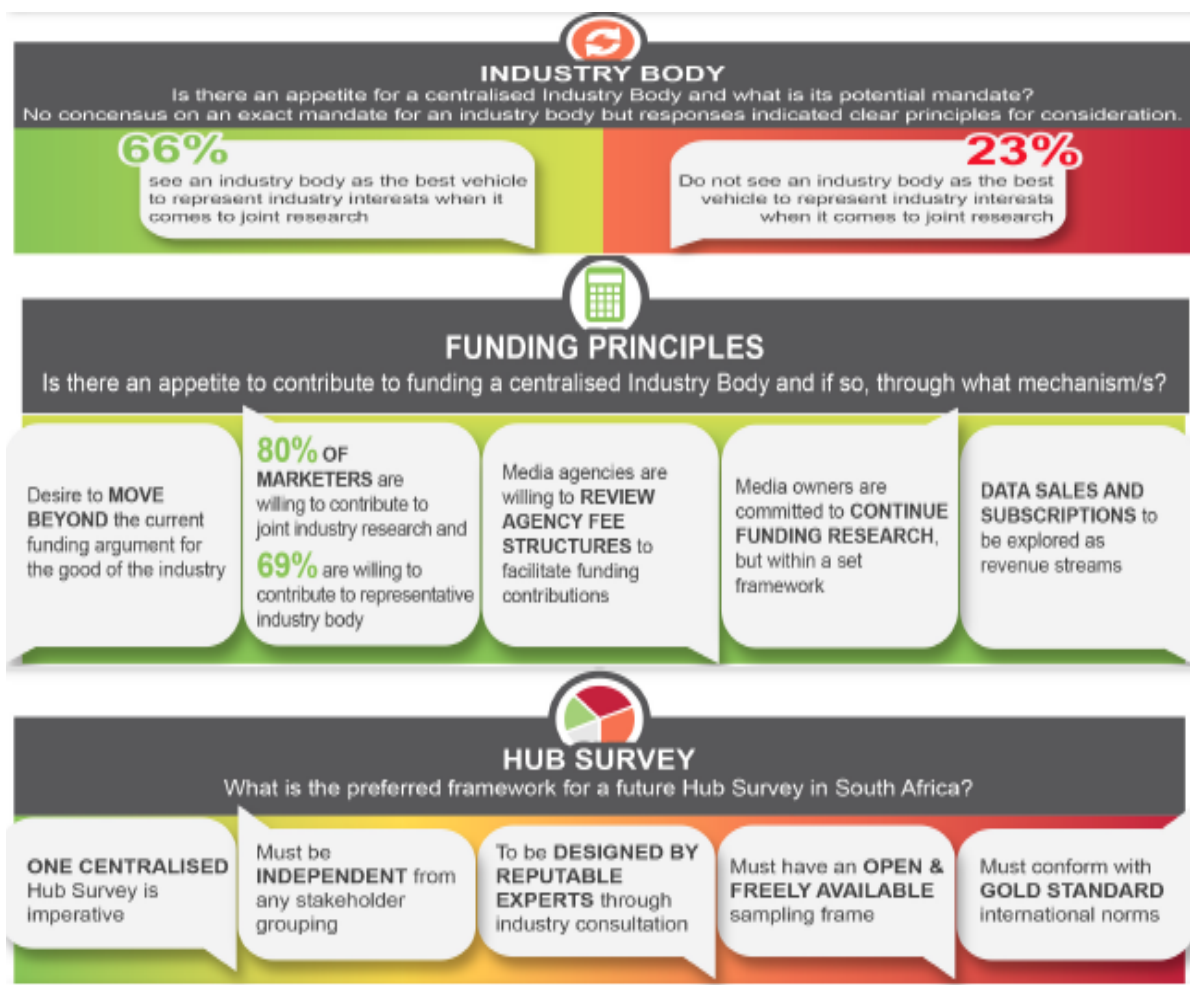
The Establishment Survey cannot act as a replacement for AMPS, as the research objectives are focused on media owner requirements of measuring multi-media behavior for media planning purposes. Being funded by media owners, it is neither independent nor neutral. Other than media categories, products, brands, and category dynamics are not measured in the Establishment Survey.



Consultation with Marketers and Media Agencies on filling the gap left by the demise of AMPS and the need for an independent Research Managing body

In the absence of funding, and faced with the potential closure of SAARF, the remaining stakeholders were committed to finding a solution to ensuring that marketers would continue to have credible consumer focused product, brand, and intermedia data, but resolved that they need to assess market appetite for a replacement for AMPS. In addition to consulting with Media Agencies, a cross section of Marketers was approached for their input and insight into the need for future research to replace AMPS, and the necessity for an industry body to manage the provision of research on behalf of marketers.

Outcome of Consultations



The consultations with the industry established that indeed an industry body is needed to deliver the following:

- Independent, transparent, and representative research
- The pursuit of innovation – research development and testing of new methodologies and technologies
- Cooperation and collaboration which would lead to co-creative research
- Training and development for transformation
- An independent benchmark research survey with continuous monitoring and audits

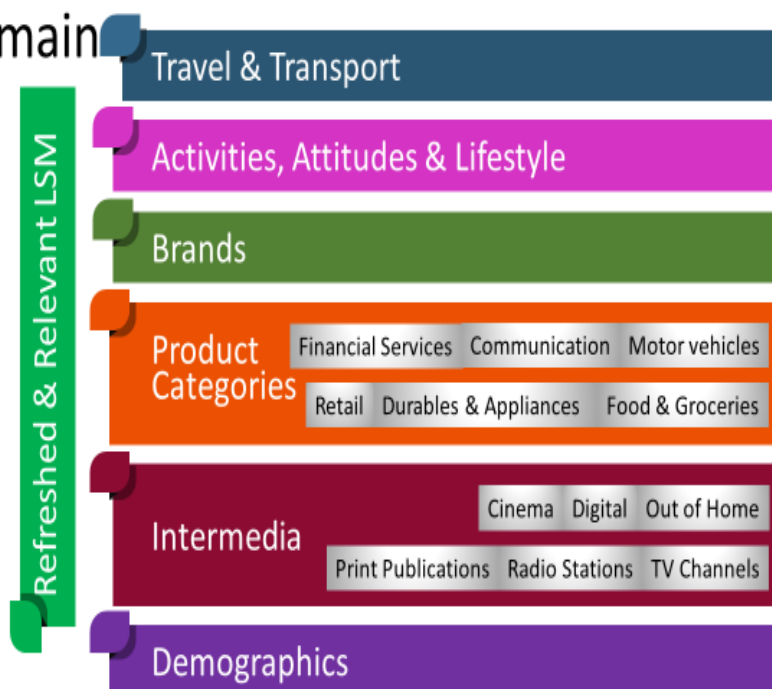
Priority research requirements were defined as follows:

Brands

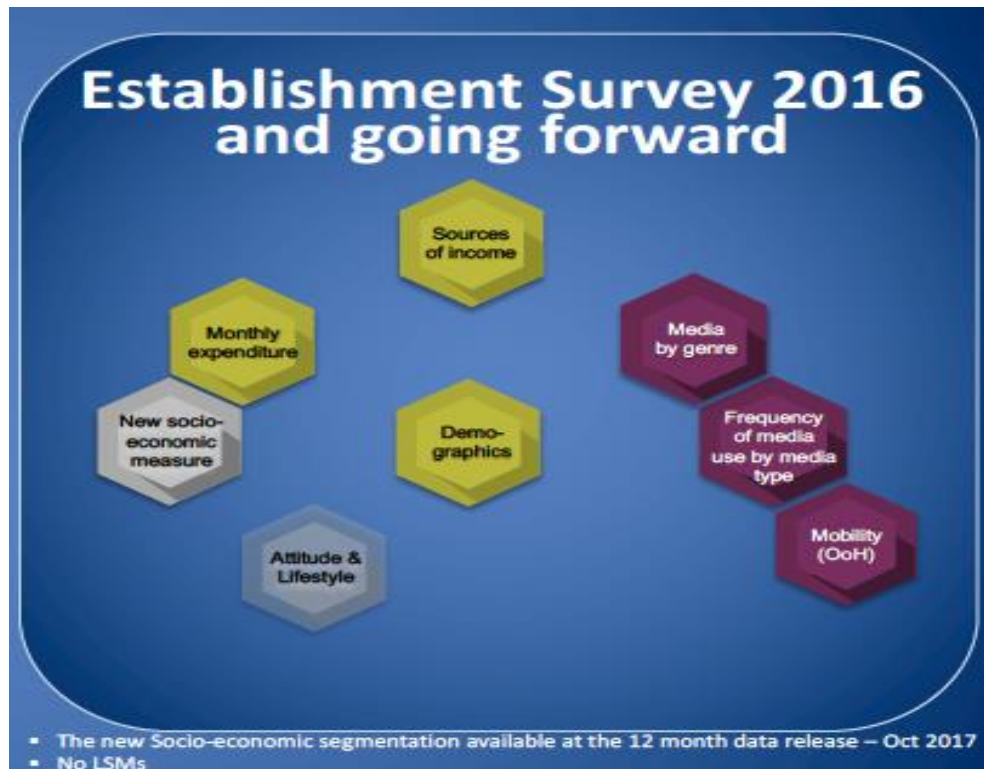
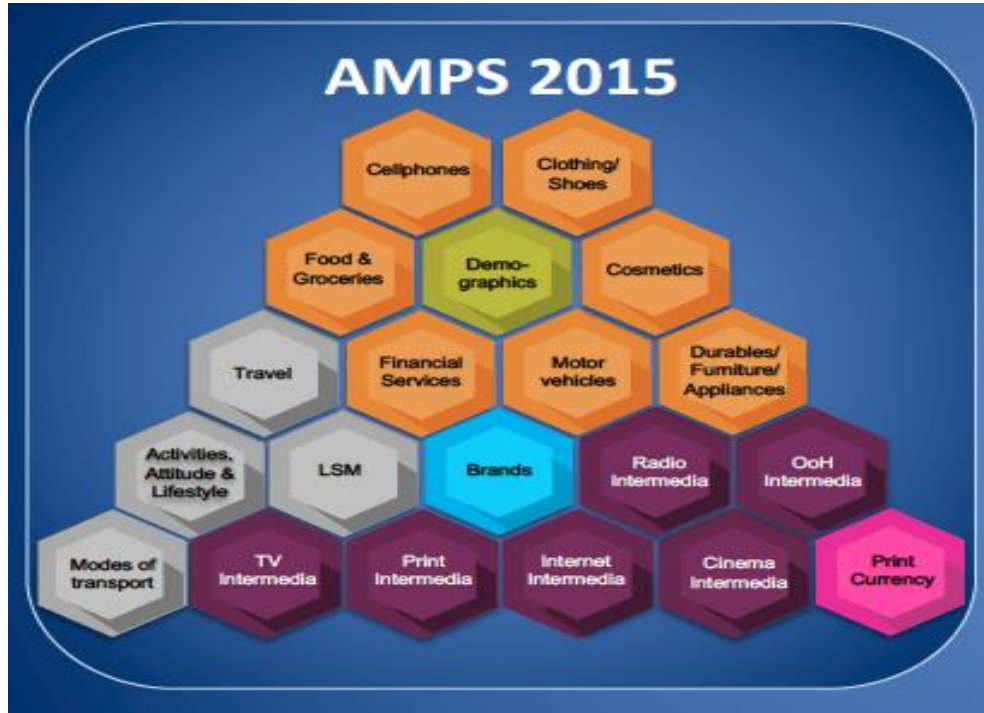
Product categories

Market segmentations such as LSM, Lifestyles, Attitudinal and Psychographic

Marketers want the main categories from AMPS to remain

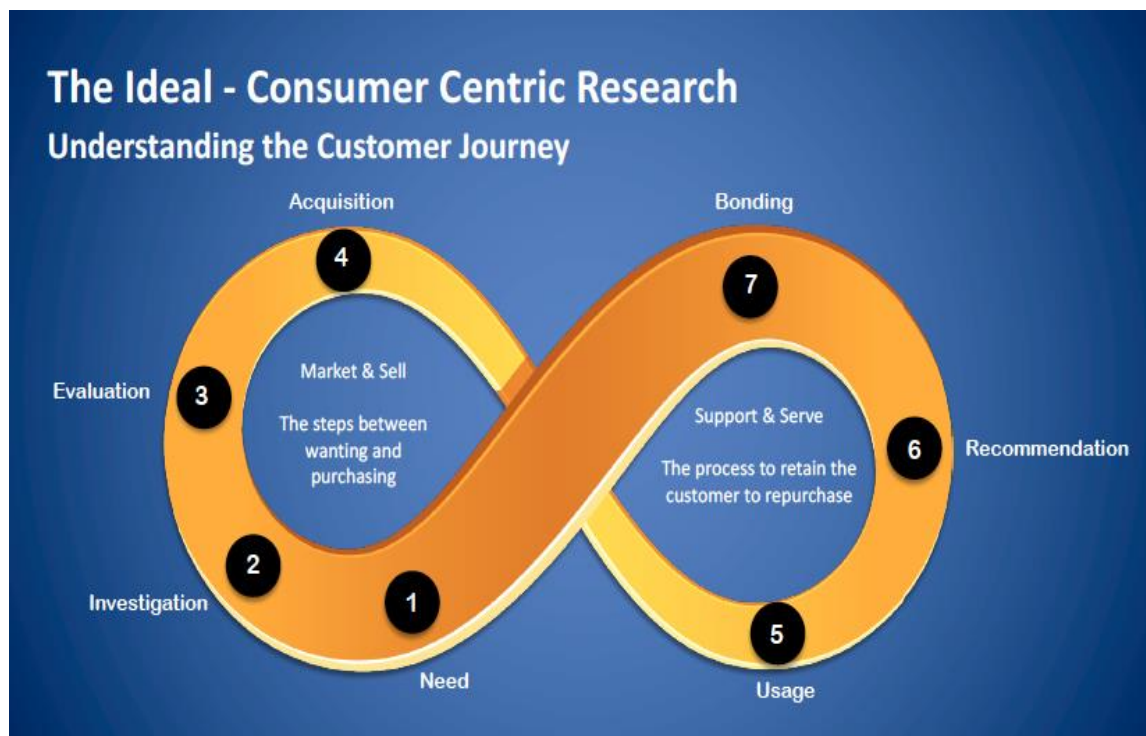


Structure Comparison between AMPS and the Establishment Survey



This Proposed new marketing Research is thus the outcome of these consultations, and a project to assess the most practical and best solution to marketers' needs

The goal of the initiative is to create consumer centric research to aid the understanding of the customer journey by being able to track and understand daily consumer behavior, decision making and consumption.



The Process

It is envisioned that the process will unfold in four modular phases.

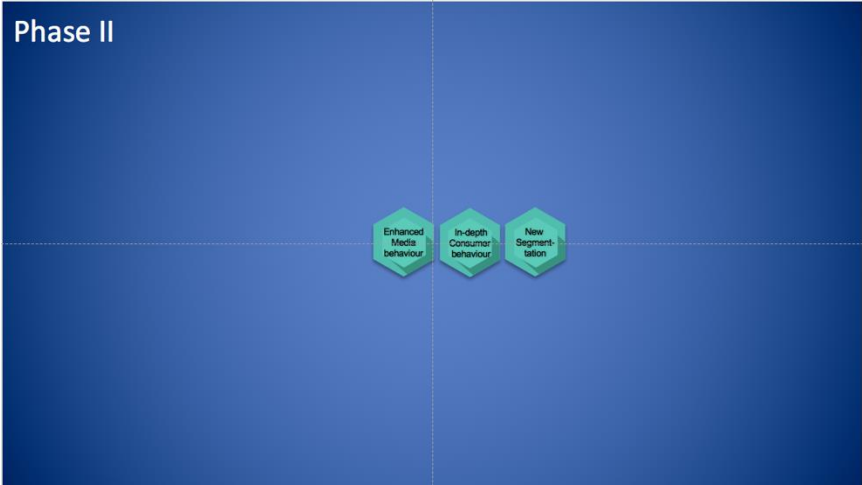
Phase I

This is the foundation of a hub survey phase which includes demographics, intermedia, brands and segmentation – the replacement survey for AMPS.



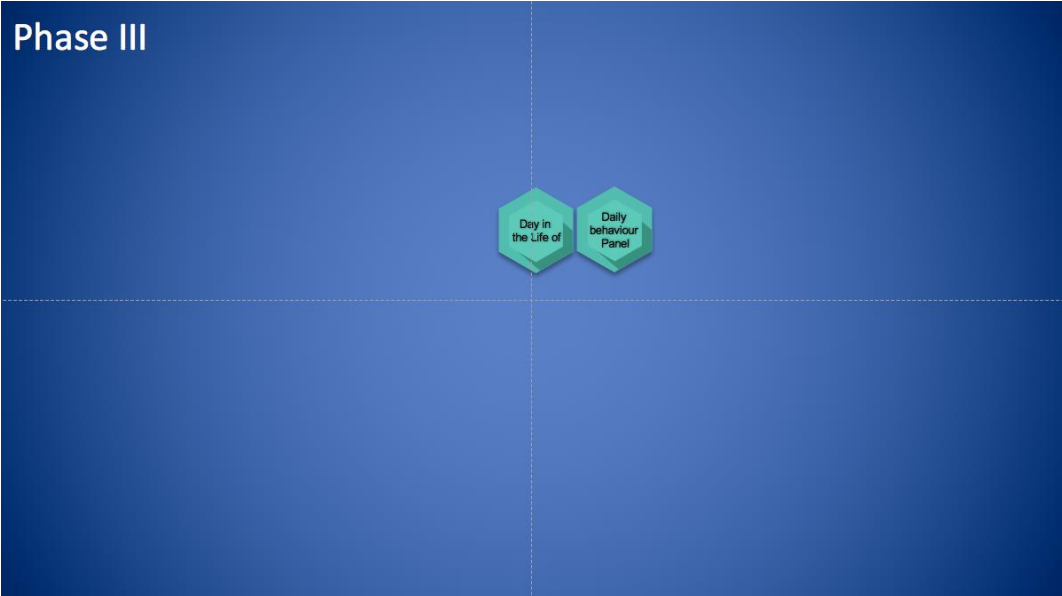
Phase II

In Phase II Enhanced media behavior and in-depth consumer behavior questions are added to the hub survey. This will give additional insights into consumer behaviour and brand interaction. This will include a **day-in-the-life** diary drawn from the core research sample, behavioural and consumption insights by tracking daily activities, and enhanced segmentation.



Phase III

Phase III will track shifts in behaviour and new trends. An Integrated Consumer Panel sourced from the core research sample is added providing a quick and focused survey which gives a snapshot in time of behaviour and interaction with product categories or specific brands. This can also then be made available to marketers for bespoke research.



Final Product



The benefits of Independent Research

Independent industry research will fill the gap left by the demise of AMPS and allow marketers to have:

A research survey with bespoke design geared to strategic and planning needs

A single integrated view of the marketplace which does not require a change of target market definitions as LSMs will be available. LSMs will be reviewed, refreshed, and tested.

A study that is

- Independent, credible, and transparent
- Agile and Innovative
- Geared to strategic and planning needs of Marketers
- focused on a deeper understanding consumer behavior

Control of design, specifications, processes, and IP

Integration of bespoke industry research to boost smaller samples



A phased in modular approach

A benchmark study for the verification of media surveys

Use of Mixed Models and Methodology

Integration of bespoke industry research for richer data

Modular design

The cost benefits of collaborative research vs individual commercial research.

Funding the new Independent Research

Funds for the new Marketing Industry Research Initiative will be collected from participating Marketers by way of contributions based on subscribers' annual advertising spend. The following sets out the model for ensuring sustainable delivery of the marketing research:

Purpose:

- 1.1 To collect funds for the Marketing Industry Research Initiative from participating Marketers by way of contributions based on subscribers' annual advertising spend.
 - 1.1.1 "Industry" means the Marketing Industry in South Africa, including marketers and media agencies scheduling and placing advertising aimed at the broad body of audiences in various markets, but excluding private communication media such as services offered by the Department of Communications.
 - 1.1.2 "Subscribers" means marketers who elect to participate in the Industry Marketing Research Initiative, and who will thus make contractually committed contributions to the funding of such research.
- 1.2 To distribute such funds to product, brand and consumer based marketing research and associated purposes related to the efficient and effective production, management, and governance of such research to the exclusive benefit of the subscribers and their nominated Media and/or Advertising Agencies.

Calculation of Contributions:

2. Contributions will be referred to as Subscription Fees. For purposes of calculating the contribution:
 - 2.1 Advertising spend shall mean:



- 2.1.1 all advertising and advertising related media, channel and platform related expenditure paid to a third party, whether above or below the line, and whether agency placed or direct;
 - 2.1.2 expenditure on promotions, sponsorships, competitions, events and offers which involves, directly or indirectly, the purchase of space or time in a public news, advertising, or entertainment medium or on a digital media;
 - 2.1.3 the advertising of competitions, events, promotions, and charitable functions, or in any other form which results in revenue for a media owner and which is expected to result in an immediate or direct benefit to the advertisers.
- 2.2 The quantification of a subscriber's Ad Spend shall be based on the actual total annual expenditure after published or contractual discounts and agency commission (trade or early settlement discount granted), as invoiced (less Value Added Tax) to the company or brand.
- 2.3 Advertising spend excludes:
- 2.3.1 sponsored space in time for educational, charitable, or public service purposes;
 - 2.3.2 any free advertising (including make good advertising) obtained by a marketer for any reason;
 - 2.3.3 expenditure on legal and financial notices, classified advertisements, church and charity notices, company reports and prospectuses, staff vacancy and recruitment advertising; and
 - 2.3.4 notices by all levels of Government.
- 2.4 In setting the level of subscriptions, it is important that an equitable and transparent method is implemented. International best practice confirms that where marketers and/or media agencies contribute towards industry research, contributions are calculated as a percentage of advertising spend, as defined above.
- 2.4.1 Subscriptions will be calculated using a 3-Tier Approach:
1. 0,5% of annual ad spend up to R250m, with a minimum contribution of R35K;
 2. Plus (if applicable) 0,4% of annual ad spend between R250m and R500m;
 3. Plus (if applicable) 0,3% of annual ad spend in excess of R500m, with overall subscription capped at a maximum of R2.5 million per subscriber.

Payment of subscriptions:

3. To ensure good governance, the collections function will be separated from the organization responsible for the marketing research. The repurposing of the Media and Marketing



Collections Agency (MAMCA) for this function is proposed. The contributions shall be paid over quarterly in arrears to the collections body by the subscribers.

- 3.1 “Subscribers” means Marketers who will make the contribution directly to the marketing research fund. Where a marketer chooses to delegate a media agency to collect and pay the contributions calculated from the advertising spend of the respective marketer/client, the media agency will be the agent of the subscriber.
- 3.2 The Subscriber or their agent shall submit to the collections body an annual subscriber’s audit certificate and/or statements indicating the amounts paid to the body and calculations in respect of contribution;
- 3.3 The annual contribution to the funding of the Future Research initiative will be based on a subscriber’s previous year’s audited advertising expenditure.
- 3.4 The collections body will ensure that an independent auditor appointed by itself will be granted the facility to do audit checks on the receipts and payment of the contributions by collectors.

Distribution of funds:

In making distributions, the collections body shall be aligned to the research needs of the marketing industry as set out in the Memorandum of Incorporation of “The Marketing Research Foundation” (replacing SAARF). The collections body shall be accountable to the subscribers and their agents, and shall ensure the responsible and efficient use of funds. It must provide subscribers with regular reports and Annual Financial Statements on the collection and distribution of funds. It will be responsible for enabling “The Marketing Research Foundation” to carry out its objectives relative to the contractual commitments of subscribers, and subject to acceptable budgets being tabled and sufficient funds being available.

Calling all marketers:

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**Presented by The Marketing Association of SA, The Advertising Media Forum, and The
Association for Communication and Advertising**

on behalf of the future

Marketing Research Foundation

