

NOTEBOOK



Louise Marsland

New ideas create work

WE HEAR a lot about innovation and how business needs to be more innovative; about sustainable marketing to encourage companies to contribute positively and not just sell stuff. Transformative innovation is not just a new buzzword, it is a new business strategy.

It is about thinking about business and the world differently. About contributing to the economy and the continent's growth.

The thing is, in order to survive in business and contribute to growing the local and African economy, brands have to get involved. They can't just stand on the sidelines and take from the resources and come up with clever advertising to sell more stuff to consumers.

I attend a lot of conferences on marketing and sustainable branding/marketing-for-good is a recurring theme. But it goes beyond solving problems. Where business cares about the needs of their stakeholder group, their consumers and their world impact.

In South Africa, that need is greatest in solving unemployment. So in growing the market for their goods and services, brands must grow the market, not just steal market share from their competitors. Creating more jobs is a cash-injection into the economy.

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MARKETING TIP

"Traditionally, marketers and PR professionals were able to plan strategies that ran for 12 months based on a calendar of events. It has become necessary for PR to take the changing media landscape into consideration while remaining strategic and achieving pre-set goals." - Desirée Gullan, creative director Gullan & Gullan Advertising.

NEWS SHORTS

- ▶ TBWA\ Hunt\ Lascaris\ Johannesburg has been ranked as the top South African advertising agency in the global standings published by the Cannes festival of advertising creativity. The Cannes Report 2013 ranks it the 15th best agency worldwide - the only South African agency in the top 20 and the highest of the global TBWA\ group.
- ▶ Ignite Joe Public has won the Tempest Car Hire account.
- ▶ UCT's Graduate School of Business (GSB) is running its Strategic Marketing in Emerging Markets course in Johannesburg next month.
- ▶ The Advertising and Media Association of South Africa (Amasa) has made its textbook, the Nuts & Bolts of Media Planning, available for purchase at Skoobs in Montecasino, Gauteng.

Innovation to grow markets

We must stop trying to make people want things but make them things they actually want, ultimately creating employment

Have we got marketing all wrong? Yellowwood brand strategy consultancy says business should not just be selling stuff to consumers, but also helping them add to their incomes in order to develop markets.

Yellowwood's key message at industry strategy sessions in Joburg and Cape Town this past week was that companies should be moving away from the profit-only system of business to a strategy of "transformative innovation".

African economies, including South Africa, should begin leading the world in innovation, given how well some economies in Africa are doing despite the harsh economic environment.

These are the good news stats:

- Seven of the 10 fastest growing economies in the world are in Africa (The Economist)
- By 2035 the labour force in Africa will be greater than that of China.
- By 2025, the emerging economies' share of Fortune 500 global companies will grow to 45% (McKinsey).
- The African consumer presents an opportunity no one can ignore.
- The world is interested in moving

into Africa. And South Africa has been involved in developing some of the world's most useful and transformative technologies, yet it is only number 30 in the list of Bric country-by-country spend on research and development.

Honore Gasas, head of insights practice at Yellowwood, believes there is a "context disconnect" between people who run businesses and their consumers. "Do you really understand how the average South African lives? Eighty percent of all employment in sub-Saharan Africa is in the informal sector."

She also believes we have inherited a culture of authority and don't encourage innovation or risk-taking.

"We're thinking about market attractiveness all wrong. The present system is about selling stuff to people to make a profit.

"The right question should be how to add to their incomes - how you can develop the market as opposed to creating the market for your products and services."

Overcoming these barriers means the flattening of hierarchical organisational structure and thinking "outside the pie" to transform it into something

Market innovation is about breaking convention.



Charles Erasmus



Honore Gasas

completely different, Gasas says. "That is transformative innovation: the development of new products, services, processes or ideas that have the ability to effect positive change."

Yellowwood's model looks at how organisations can unlock innovation and still be successful and grow. Market innovation is about breaking convention, identifying behavioural shifts in other categories, spotting consumer trends before they are apparent, ditching unnecessary conventions, and identifying behaviour shifts in other industries that could impact on your category.

Research conducted by Yellowwood identified that the innovation South Africans want most is that which creates employment value. Senior strategic consultant Charles Erasmus says:

- Focus on your core business and outsource the rest, like SAB allowing drivers to own their own trucks innovated its distribution model. They focused on their core business of manufacturing instead of worrying about distribution.
- Innovation is not only about employing new technologies - it is employing people in a new way. For instance, the Outsurance pointsmen deployed at intersections where traffic lights are out - the project gave jobs to the previously unemployed and also had an excellent impact on brand perception for Outsurance.
- Piggyback on existing or informal networks - new nurture baby incubators are being distributed throughout Africa that are constructed almost entirely from car parts, meaning that the parts and skills needed to maintain

these life-saving machines are readily available in most communities.

"Most innovations don't get off the ground because there is no clear understanding of the financial picture of what success looks like," Erasmus says.

For innovation success:

1. Get leadership buy-in.
2. Identify the norms and conventions that hold you back.
3. Identify the "pirates" and existing networks available to collaborate with.
4. Invest in getting closer to your consumers.
5. Define your organisations purpose
6. Build a costing model that includes value created for all stakeholders.
7. Start small. Test, refine, innovate around your core business. Outsource to entrepreneurs.
8. Drive an innovation culture through processes and KPIs.

Simply put, the core brand message from Yellowwood is: stop making people want things and make people things that they actually want and come up with brand solutions that create employment so that people have money to buy the things they need, thereby growing the market.

Advertising needs to be more caring

The business of advertising needs to change and help clients really understand their target consumers - without the arrogance or single-minded chase of the profit imperative that has characterised the industry in the past.

Zoom MD Steve Massey believes the South African advertising industry as a collective has a poor understanding of the mass market (households living on R5000 or less).

It is the largest market segment in South Africa, spending about R225bn a year, yet it is misunderstood, not marketed to correctly and often largely ignored.

Yet this deeply aspirational market is where future growth for brands will come from and it is critical to understand their needs and how they want to be communicated with, Massey said.

He believes that the more you understand your customers, the greater the impact you have on their lives, the more you will understand how to meet their most important needs, what they desire, the market dynamics, and the more responsible you will become for your impact and actions.

Massey is concerned that too much advertising is still too Eurocentric to resonate with all South African consumers.

Zoom prides itself on working for South African brands and understanding and reaching the South African consumer.

"It's an innate sense of humility that we are not the target market and we need to immerse ourselves thoroughly in our target market and speak to them

with work that they understand," executive creative director, Nina Daniel Gruber, says.

An example is the Xhosa lessons that the whole agency signed up for to understand the language better and to learn to speak it.

"We really want to understand this market so that we can be responsible and produce advertising that is relevant. Learning Xhosa was so important - language is culture and it influences context. We were really trying to push that knowledge and understanding through to everyone."

She believes the "arrogant and exclusive" culture of advertising agencies in general is changing and has to change.

"It is all about collaboration in this day and age. The more you share, the more you get back. It really is like that. Technology has changed the way we do business."

"We have to turn everything we do on its head, whatever business you are in. We are in the service industry too. You don't have to be nasty or arrogant. You can be kind, you can be human," Daniel Gruber says.

Adding value to their consumer's lives is a business issue for brands, Massey says.

"It is not about doing television ads anymore. There will always be a place for TV commercials but today advertising is about solving a business issue and trying to match it to the consumer's needs."

"It is not about telling consumers what they need as the old advertising model purported to be. It is about caring enough about your consumers to understand them and their needs."



Nina Daniel Gruber

QUOTE OF THE WEEK

Transformative innovation: the ability to effect positive change in a market, rather than just taking marketing share away from a competitor.

Honore Gasas

Head of insights, Yellowwood brand strategy consultancy



10 QUESTIONS

MICHAEL Baretta is managing director of [dot]GOOD, a branding-for-good marketing agency in South Africa.

1. **What is at the top of your to do list?**
New business!
2. **What is your business focus right now?**
One of the advantages of having a young business is the freedom to be able to experiment and to try new things in order to find innovative solutions for our clients.
3. **Most important attribute**

needed to do your job?
Perseverance.

4. The biggest trend in your industry?

A united front - a combined communications and CSI department with shared objectives and vision. We have also seen a shift in power from management to the consumer, who is demanding that brands act responsibly.

5. How will you make an impact in your industry?

We have a unique offering that combines brand building, driving sales and doing good in everything that we do. Our vision is to change the business landscape by creating a community of social change organisations that do good while doing well.

6. How do you inspire others?

I have a very laissez faire leadership style and try to lead by example by treating all stakeholders with empathy and respect.

7. What inspires you?

The outdoors; people who live life differently, travel, South Africanisms and new experiences.

8. What are you reading for work?

I am loving LinkedIn at the moment and all the customised content that comes into my newsfeed.

9. Your life philosophy?

To do good, while doing well.

10. At the top of my bucket list is...

Until recently it was to start a marketing agency (which I've done!), but now I really want to cross the Okavango Delta using three different means of travel: hiking, horseback and makoro (canoe).

SPOTLIGHT

It's all about copy, ideas

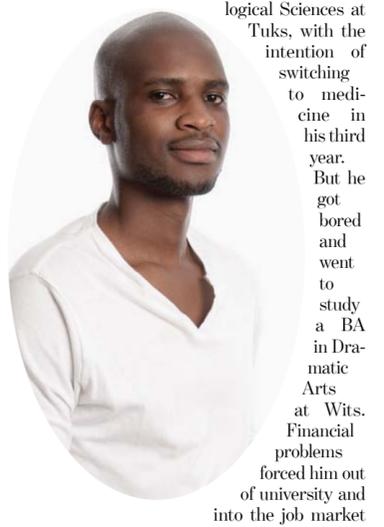
TJ Njozela is a senior copywriter at Havas Worldwide Johannesburg. He conceptualises ideas for brand communications, finding solutions to business problems.

His job entails keeping up with the latest trends in global and local culture, music, design, photography and so on, in order to generate insightful, creative ideas that build brands.

"This helps to strengthen relationships with clients, and keeps their brands fresh and relevant," he says.

He most enjoys the brainstorming process. "It's the most informal, and the most entertaining. It's also the time where the most ridiculous, the most abstract, the most emotive and the most imaginative ideas are sparked."

Njozela never intended to go into advertising.



He studied a BSc in Biological Sciences at Tuks, with the intention of switching to medicine in his third year. But he got bored and went to study a BA in Dramatic Arts at Wits. Financial problems forced him out of university and into the job market where he was lucky to get an internship at an advertising agency.

He used to think brands made their own adverts and didn't know advertising agencies existed.

He is inspired by the immense amount of creative potential in the industry and how it can be a force for meaningful change.

"I believe people in the industry have the ideas and the resources to make a tangible difference in people's lives."

CAMPAIGN FOCUS

Fox crime scene wows cinema audience

Cinema patrons recently experienced first-hand the re-enactment of a crime scene as part of a brand activation to publicise the new Fox Crime channel which is on DSTV. Advertising agency Ireland/Davenport conceptualised the cinema activation for Fox.

Ireland/Davenport needed to find a way to connect with an audience passionate about crime.

The team decided to tie it in with the activation space - people going to watch a crime movie at the cinema.

Ireland/Davenport turned the cinema into a veritable crime scene.

This thanks to fabric that was hung from the walls and invisible paint that could only be seen with a UV light.

The brand activation saw unsuspecting cinema-goers presented with the full gore and gruesomeness of a crime scene, complete with splattered blood.

"Our goal was to make the viewers believe that they were in an actual crime scene worked out exactly as we had planned.

"We kept Fox Crime's payoff line "your crime scene" in mind by turning the viewers into witnesses and placing them right in the middle of their own crime scene," Philip Ireland, executive creative director, Ireland/Davenport,

said. As movie fans entered what appeared to be a normal movie theatre, the lights dimmed and a movie trailer started.

Ireland/Davenport and Spitfire Films created the trailer that worked perfectly to bring the scene to life; it saw two detectives investigating a crime scene in a dark room.

As the detectives lifted up the UV light on the screen to examine evidence, a cleverly-positioned UV light shone onto the walls in the actual cinema.

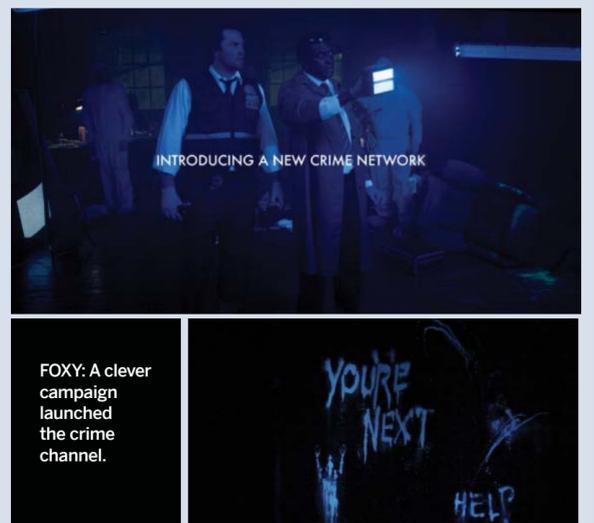
This revealed the crime scene and "blood" splatters on the walls. "This project was a great example of

how a unique idea and a little "blood" can turn a usually passive environment into an interactive space, with big impact.

"All credit to our client, Fox International Channels for believing in our thinking and giving this creative idea life," Anthea Weber, creative director, Ireland/Davenport, said.

Bringing an idea to life in such a creative way bore testament to the understanding Ireland/Davenport had for their business, Thandi Davids, regional director, Fox International Channels, said.

"This activation is yet another example of a successful collaboration."



FOXY: A clever campaign launched the crime channel.