

Will festive season ad campaigns ring cash registers?

 By [Odette van der Haar](#)

14 Dec 2011

Historically, the retail season promises a spike in advertising and naturally consumer spend is not far behind as advertisers pull out all the stops to ensure that their brand makes it onto consumers' festive season shopping lists. In the face of a continued global economic recession, however, this is no simple feat...

Nielson's global survey predicting holiday expenditure places South Africa 6th on the list of the top 10 countries who plan to spend less than last year on holiday gifts, with as many as 46% of South African consumers taking this route of caution (*Nielson Global Holiday Spending Expectations, Q3 2011 Global Online Survey*).

South Africa is not alone, the same online survey reports that approximately three-quarters (73%) of consumers globally plan to spend the same amount as last year, or less, on their festive season gifts, as consumers continue to grapple with a sense of economic uncertainty and are generally still caught up in a recessionary mindset.

When the worst economic recession of our generation hit globally during 2008/2009, South Africa, while experiencing a severe drop in gross domestic product (GDP), managed to stave off economic crisis due to its solid banking policies. The FIFA World Cup of 2010 held promise for increased GDP, which it delivered from -1.7% in 2009 to 2.8% in 2010. However, this was still a far cry from the anticipated growth potential estimated at approximately 4% per annum.

Prudent policies pay off

According to [TradingEconomics.com](#), South Africa managed to curtail the impact of the global economic crisis successfully by reporting an increase in GDP of 1.4% in the third quarter of 2011 - more than the previous quarter. During June 2011, the IMF released projection figures of 4.2% real GDP growth for South Africa during 2012, while *Business Report* quoted Moody's Investors Service as saying that South Africa's A3 government ratings and stable outlook reflected "prudent economic policies that have improved its debt dynamics considerably over the past decade."

A positive outlook exists for South Africa; however, the big question for an advertiser remains whether or not their increased holiday advertising spend will translate into actual purchases in the face of a wary consumer mindset.

STRATA, a Chicago-based media and selling software provider, conducted a survey and found that marketers were spending as much, if not more on advertising. Up to 26% of marketing budgets have increased by between 10% - 20% for the 2011 festive period, which speaks directly to marketers' confidence in the power of advertising.

Make sure that advert is *relevant*

Whilst members of the advertising and communications profession will no doubt agree that increasing advertising will deliver results, will it really?

Of course, it will. That is, as long as the campaigns created are **relevant**. Campaigns that are relevant to their target audiences are more likely to resonate in the minds of its targeted consumers and effectively ring cash registers. It is a myth that campaigns have to be creative to be relevant. Creativity and effectiveness are not mutually exclusive and infomercials are the perfect example of this. Arguably devoid of creativity, these adverts are generally highly effective. Just ask Verimark's CEO, Michael van Straaten, who reported a 38% growth in revenue during 2009 and a further 33% during 2010. Verimark's growth over the last two years is more than six times that of the official retail sector's growth as reported by Statistics SA. The company's advertising and promotional strategy is based primarily on aggressive television advertising - infomercials, for which Nielson rated them as South Africa's third largest TV advertiser. Moreover, this, during the most severe economic downturn!

How then do we prove the effectiveness of an advertising and communications campaign?

Simple!

The answer is simple - enter the annual APEX awards hosted by the profession's industry body, the Association for Communication and Advertising (ACA) and sponsored by DSTV Media Sales. Every year, the ACA employs a team of experts across relevant disciplines such as advertising, marketing, strategic planning, business leadership and research to adjudicate campaigns' effectiveness.

The APEX affords clients and agencies the opportunity to showcase the effectiveness of the campaigns created for brands. Entrants are invited to submit case studies that detail the various ways in which their communications campaigns contributed to profitability and added value beyond sales. These are the campaigns that more often than not reach multiple and sometimes indirect target audiences; i.e. they inspire clients and improve employee morale at times of change, they build trust and respect among trade partners and suppliers, create goodwill amongst governments and legislators and ultimately impact on stock performance. APEX affords the opportunity for such campaigns to be showcased, recognised and rewarded.

APEX entrants must eliminate the effects of factors other than marketing communications to prove that their campaigns have worked and worked hard to deliver the desired results. An important way of isolating the effect of marketing communications is to eliminate other factors systematically by asking the following questions (where applicable):

- What was the impact of pricing policy or pack size on the perceived value of the brand? Did it, for instance, remain consistent (i.e. is this a marketing or marketing communications impact)?
- If the marketing communication budget increase was significant, did the increase automatically increase volume of sales?
- Was the impact on sales the result of the marketing communication or merely the impact of novelty on trial, or a lot of editorial coverage?
- What was the impact of line extensions on volume/sales?
- How do the campaign's results compare with those of competitors in the marketplace?
- What was the impact of socio-economic or other 'contextual' factors on brand consumption/sales compared to competitors, i.e. significant passenger airline increase due to campaign or to general tourism increase?
- How did the distribution strategy impact on sales?

In measuring the effectiveness of campaigns, the result irrespective of input should be measured - be that input media weight or copy effectiveness in the minds of audiences. Measurement of effectiveness should also include efficiency in terms of whether or not the campaign was "productive with minimum waste of effort". Efficiency is therefore really a ratio of worth. Therefore, APEX entrants are required to detail all facets of advertising, including budget, measured against results, in order to provide ratios of efficiency to prove their campaigns' effectiveness.

APEX presents an opportunity for measurement of campaign effectiveness by carefully considering empirical and verifiable evidence related to brand equity, actual sales results, and a myriad of alternate communication objectives. Through this exercise, the outstanding contribution of advertising and communications to brand success will be isolated, undoubtedly legitimising its contribution to business success.

Haven't met your target? Don't become one. For the rest, there's an APEX.

For more information on the APEX awards and how to enter, visit the APEX section of the ACA website: www.acasa.co.za or email apex@aaaltld.co.za

APEX is only open for entry to ACA members. The deadline for entry is 12 noon on 30 January 2012. Deadline extensions may be applied for, but a penalty will be levied for entries submitted after 30 January 2012. The final deadline for entry is 12 noon 9 February 2012.

ABOUT ODETTE VAN DER HAAR

Odette van der Haar joined Publicis as the MD from 1 September 2019, before which, she was the CEO of JWT Jhb. She was also CEO of the Association for Communication and Advertising (ACA) (www.acasa.co.za), the industry body of the SA advertising and communications sector, and previously headed up Sentech's Advertising, Events and Sponsorships portfolio...

- #BizTrends2020: Imagine the impossible - 24 Jan 2020
- #BizTrends2018: The changing media environment for ad agencies - 10 Jan 2018
- [Trends 2015] Great talent is a driver - 22 Jan 2015
- [2014 trends] A game changing year for advertising and communications - 4 Feb 2014
- Food labelling legislation - not just about compliance - 15 May 2012

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>