

# Inflation devalues mass media

The signs are ominous for South Africa's mass media. The percentage increase in the cost of advertising to a fixed number of consumers has doubled over the past year and is also twice the national inflation rate. And where mass media audiences did grow, it was at a far lower rate than media inflation.

 By [Chris Mberdyk: @chrismoerdyk](#) 5 Oct 2010

All of which exacerbates the fact that advertisers are reaching fewer consumers at a far higher cost.

It is also probably safe to say that corporate and particularly advertising budgets over the past decade or so have not increased anywhere near enough to compensate for media inflation.

## Tough for marketers

Which makes it really tough for marketers in an increasingly competitive market, not to mention continuing consumer hesitancy as a result of the economic downturn.

According to Mike Leahy of Ibis Media Data Services and arguably the country's leading media inflation analyst, the past two decades have seen [advertising rate increases consistently higher](#) than the inflation rate while at the same time the performance of the media in terms of delivering audiences to advertisers, has deteriorated.

According to *Finweek's* advertising commentator, [Tony Koenderman](#), "In the past advertisers had little option. But the Internet is an underpriced medium that looks increasingly attractive to advertisers. International experience during the recession has been that clients have switched their budgets from old media to new - for precisely this reason."

## Touch points

Media inflation is also partly the reason that many marketers are switching their attention away from the shotgun approach of mass media advertising to focus more on touch points where consumers actually come into contact with products.

Quite apart from media inflation issues, this strategy is proving itself because it makes no sense to spend fortune getting consumers into a store, only to have their minds changed at the last minute by a competitor doing an in-store promotion or discount offers.

Marketers have realised that, in this day and age, enormous attention has got to be focused on the coal face.

So, what's to be done?

Well, certainly the most dangerous thing for the mass media to do is take the current situation for granted. Because, in spite of media inflation, demand is still there for everything, from the fast-devaluing 30-second TV commercial to all sorts of other mass media space.

Outdated marketing and advertising techniques continue, in a way, to buoy the mass media as a result of t

main factors.

The first is the extremely slow pace and excessive cost of broadband Internet access in South Africa by world standards.

## **Skills shortage**

The second, and most important, is a debilitating skills shortage in the marketing industry generally, which has resulted in unskilled brand managers being sweet-talked into expensive ad campaigns. Proven by the fact that research continues to show that in excess of 20% of all advertising in this country not only doesn't work but actually denigrates the brand it is supposed to be promoting.

So, while our mass media might still find itself in something of a temporary comfort zone with traditional advertising still paying the piper, there is no question that the focus now has to be on delivering added value.

Quite simply, somehow or the other the mass media needs to be able to provide packages to advertisers that make economic sense.

The days of board of directors just letting their marketing departments continue spending telephone number budgets without any sort of justification are fast running out. More and more CEOs, FDs and boards are insisting that marketing strategies project return on funds employed through proper measurement.

## **Very delicate balancing**

I don't for a minute believe that the days of the mass media are numbered but they need to do some very delicate balancing between the cost the consumer pays for their content and the value they provide for marketers wanting to reach those consumers.

More and more it is becoming a numbers game. More and more companies are wanting to see ROI data on marketing, in general, and advertising, in particular.

## **ABOUT CHRIS MOERDYK: @CHRISMOERDYK**

Apart from being a corporate marketing analyst, advisor and media commentator, Chris Moerdyk is a former chairman of Bizcommunity. He was head of strategic planning and public affairs for BMW South Africa and spent 16 years in the creative and client service departments of ad agencies, ending up as resident director of Lindsay Smithers-FCB in KwaZulu-Natal. Email Chris on [moerdyk@gmail.com](mailto:moerdyk@gmail.com) and follow him on Twitter at [@chrismoerdyk](https://twitter.com/chrismoerdyk).  
[View my profile and articles...](#)

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