BIZCOMMUNITY

Independent media research: Gordon asks some tough questions

Slowly but surely a way forward for SAARF emerges. Sandra Gordon asks some hard questions of industry stakeholders.

Sandra Gordon: Asking some tough questions. (Image extracted from The Media Online website).

The past few weeks has seen a flurry of press releases and presentations on the future of independent media research. Whilst encouraging, certain key elements are still to be addressed.

In no particular order of importance these are:

Whose money is it and what will happen to the reserves held by MAMCA (the levy collection agency)?

Who really cares whose money it is? The majority of those in the industry are determined to move on with acting chair of SAARF Virginia Hollis commenting that she is "so-o-o tired of this war cry".

The war cry she refers to is lead by the marketing association (MASA). They remain steadfast on this matter; with MASA board member Brenda Koorneef insisting that, "MASA has restated its position that the funding has always been contributed by the marketers and collected by media owners on behalf of marketers." Many in the broader marketing and media sector believe that MASA's stance stands in the way of SAARF and industry stakeholders including the marketers, moving forward. "Yes," continues Hollis, "the levy is built into the marketer's rate, so they are paying it. But the collection sits on the media owner's bottom line so it sits in their books as an expense. This is never going to be resolved and honestly we cannot allow this to hold us back."

Someone close to MASA suggested that the SAARF war cry is being used to attract more members to MASA and it could certainly do with better representation. Comments Hollis, "Industry would like more marketers involved, so the more members they can attract the better. We need more marketers on our research council."

Behind the scenes the MAMCA board has begun the tricky task of winding down the collection agency whilst attempting to steer clear of the politics around the issue of whose money it is. There is approximately R9m in the reserve account, the bulk of which was contributed by broadcasters for distribution to SAARF and the Advertising Standards Authority (ASA). Consultations with auditors and lawyers around the reserves and MAMCA's constitution, is likely to push this process into February 2014. Any overlap leading to a delay in funds, which are collected in arrears, is likely to be covered by the National Association of Broadcasters (NAB). According to Chair of MAMCA Johann Koster, "We hold no particular view on the distribution of the funds held in reserve. This will depend on the constitution of MAMCA which will be decided by independent lawyers and auditors."

Will the industry be guaranteed the independence of media research and what of SAARF's future?

Koorneef avers that MASA has pre-determined criteria including that the research be fully independent (in terms of the funding model) of any media group and be jointly developed and approved by all the industry stakeholders. Her stance is that NAB resigned unilaterally from SAARF and is attempting to go it alone, despite their protestations to the contrary. The Media magazine reported in June 2003 that the then print media owner association had resigned from the levy collection agency and would in future fund SAARF and the ASA directly, an arrangement that remains current to this day. At that time the then Association of Marketers had run out of funds and been dissolved leading to a gap of a few years before being launched as MASA. So no hullabaloo and retort of 'whose money is it?' whilst the remaining media owners groups gamely battled on - funding SAARF and the ASA through the collection agency, with NAB (through their market share dominance) contributing the bulk of the funds. Their gripes with SAARF go back a way and include disproportionate representation on the SAARF board and a lack of attention to TAMS and RAMS in a rapidly evolving technological and digital world. This ultimately led to NAB's decision to resign in frustration that SAARF was taking advantage and not moving with the times. Since then NAB has in co-operation with SAARF and the current supplier, jacked up both TAMS and RAMS, an action that has been hailed by media agencies and direct advertisers.

The AMF Chairman failed to respond to questions within deadline, however prominent members of the media agency body have called for calm and expressed keen interest in industry collaboration and research that meets international standards. In this regard NAB member companies recently sent their research experts to the 2013 European Radio and Television Symposium held in Vienna. What they found is that South Africa has been lagging and has vowed that future research will match international best practice.

NAB remains adamant that the research will not be done by broadcasters. Rather a joint industry committee (JIC) will be formed by NAB, a tender specialist agreed upon leading to a transparent process and appointment of an independent research provider. They are confident that RAMS and TAMS will remain independent and credible and invite participation by other interested parties. Time and experience will tell whether their efforts bear fruit.

SAARF - are they in or out?

MASA is engaging with SAARF, PDMSA and the NAB in an apparent attempt to encourage all media owners to stay with SAARF. The NAB on the other hand has stated on many occasions that from 2015 onwards they will not be members of SAARF. At this time the out-of-home association (OHMSA) is in wait and see mode whilst PDMSA is likely to make their position clear later this week. According to PDMSA and SAARF board member Peter Langschmidt, "NAB has provided a catalyst for SAARF to change," and he contends that two paths are open to the industry. One where all agree to work together and through SAARF with a proposed newly constituted mandate, scope of work, structure, processes and funding model plus a revised purpose. Alternatively that NAB's JIC remain independent and the rest of the media owner groups retain their SAARF affiliation. Broadcasters, who now account for 67% of adspend, are outspoken that their interests and those of the TAMS and RAMS surveys are best served by the latter option.

RAMS, TAMS, OHMS, PAMS, DAMS. But what of AMPS?

AMPS is flawed. Over the years questions appear to have been randomly bolted on. Print and out-of-home questions were so poorly thought through so as to provide little meaning and relevance to media research. Brand questions have also been bolted on and at no extra cost to marketers, despite internationally acclaimed brand research being available at the time of the decision.

What is agreed though is that an establishment survey (ES) is critical. NAB describe this as the 'chassis' with radio, television, print, out of home, cinema and digital research having their own individually designed surveys to stand alongside the ES.

Hollis reports that a collaborative model with all stakeholders is underway. The proposed ES will cover geographic and demographic information and top line media consumption data. The individual surveys mentioned above will be better able to provide unique insights into the different media types and how people interact with them. Langschmidt believes that a new business model for SAARF will ensure that sufficient funding is available to pay for the ES. It is unlikely for instance that the newspaper print sector will contribute equally. At this point Times Media Group and Media 24 are likely to support the ES. However CTP Caxton with their solely funded local newspaper survey ROOTS, probably have less to gain and Independent Newspapers is likely to find the call for funding a stretch in the short term. Since resigning from the levy collection agency in 2003 and capping the print contribution, most newspaper groups have conducted their own research to supplement the shortfalls within AMPS. Will they kill Compass 24, ROOTS and Sabre to throw in their cash with PAMS and the ES? It's not likely. However magazines could well do with PAMS, but the dominance by Media 24 and Caxton may mean they carry the funding burden in this fragmented market.

Suggested business models for the new SAARF include the sale of individual questions to media and marketing companies. Come 2015, SAARF will lose 54% of its income so the search for alternative funding is a priority.

Much to do so little time and follow the money honey.

Tender processes wait for no one. PDMSA has to state the position of their members more clearly, OHMSA remains out at this time, and what do we make of digital which is in its infancy? MASA remains at loggerheads with NAB who are motoring on with alacrity. The AMF is calling for calm and Langschmidt is keen to protect his father's legacy (Wally Langschmidt was the brilliant researcher who co-founded SAARF 40 years ago).

The costs of PAMS, OHMS and DAMS may be out of reach for some media owners and the ES funding models remain vague.

Our saving grace may well be the various task teams being set up by NAB/MASA/SAARF. Let's hope that senior industry members collaborate and stay involved unlike in the past where this important aspect in the sector was left to middle management.

Come 2014/15 the tender processes are kick started. Eyes should be on who steps up to the funding plate.