

Has the ASA lost the plot?



By [Glenda Nevill](#)

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It's no secret that the Advertising Standards Authority of South Africa (ASA) has run into a major funding crisis. The organisation, tasked with regulating the advertising industry "in the public interest", is our watchdog, an independent body that ensures advertisers, and therefore media owners, who carry the work, don't cross the line and adhere to a certain code of conduct.



However, the body, say some media owners, whose fees fund the organisation, has become bloated, and is spending more money than it has in its coffers. In addition, those media owners are not too sure whether the service the ASA offers is worth the money they are paying to help it do its job.

"The ASA, in my opinion, does not need more money; it simply needs more sense and less arrogance because right now, in my opinion, it is fast becoming the Mugabe of Marketing, with idiotic rules, iron fists and no money," says marketing analyst Chris Moerdyk.

Avusa's Mike Robertson agrees. "I believe the ASA has lost the plot. The budgets it has submitted to Print Media South Africa (PMSA) in the past couple of years have asked for increases that are way in excess of inflation and are simply unsustainable. It has also not adapted to the consumer protection laws. What the industry needs is a body that can resolve disputes fairly, speedily and cheaply. The ASA is not that body," he says.

Paul Jenkins, non-executive chairman of Caxton and CTP Publishers, says the company has had many occasions to deal with the ASA, and that while he finds the staff "friendly and helpful", the organisation is simply not equipped to deal with its own timelines in dealing with complaints".

Perhaps, he suggests, they should review their way of operating. "They should allow swift arbitration of cases and that could mean bringing in a system of mediation and arbitration. Because justice delayed is justice denied."

Moreover, says Jenkins, the longer that justice is denied, the larger the bill media owners have to pay at the end of the process. "I definitely think it's time the ASA reviewed its processes. They need to look at a needs analysis, look at their resources, and see what they can do more efficiently.

Jenkins and Robertson's views are damning indictments from powerful players in the print media industry.

Seemingly unwilling to address questions

Six months into 2012, and media bodies are interested in how the funding crisis is to be resolved.

But the ASA - from its CEO, Thembi Msibi, to its board headed by ad man and chairman of Draffcb, Nkwenkwe Nkomo, have been unwilling to address questions asked by *TheMediaOnline*. In addition, a request for a copy of its latest annual report was ignored - only reports up until 2007 are posted on its website.

We asked the ASA:

- There are accusations that the ASA's budget has "ballooned" and that perhaps the ASA should 'cut the cloth' according to its income. What is your response to that statement?
- What steps have been taken to rectify the funding crisis, which has been extensively reported, being experienced by the ASA?
- When last was there a thorough investigation, including an analysis of the ASA business model, performed?
- Has the organisation undergone a study in costs versus income? If so, what were the results?
- Have you made any changes recently to the way in which you operate?
- A major media owner complained that the "ASA is not equipped to deal with its own timelines" in terms of turnaround on complaints, particularly those that are complicated. What is your response to that statement?
- On average, how many cases does the ASA deal with on annual basis?
- Has this increased over the past few years?
- Another media owner asked: "Has the ASA become a tool for disgruntled marketers to use to settle scores cheaply or does it play a valid role as an advertising watchdog?" Your response?
- Do you believe the ASA is adequately staffed for the amount of work it has to do? Is your capacity up to scratch?
- What changes would you like to see take place within the organisation?

But at time of going to print, no one had responded to the questions we sent. So what's happening at the ASA and how is it resolving its funding issues? Well, it seems only the ASA has the answers to those questions - or do they?

Also a concern for the marketing industry

However, the ASA isn't just about media owners, it's also about the marketing industry, and they too have their concerns, particularly around the lack of transparency when it comes to the funding of the ASA. The Marketing Association of South Africa MA(SA) said the ASA was "critical in ensuring a sustainable, self-regulatory institution for the management of advertising practices" but found the issue of funding was rather fuzzy.

In an open letter in December last year, the association indicated its concerns about a potential industry crisis that threatened to impact the sustainability of the Advertising Standards Authority of South Africa (ASA) and The South African Audience Research Foundation (SAARF).

The dispute originated with the withdrawal of the Out of Home Media Association (OHMSA) from the levy collection and distribution agency MAMCA and a stated objection from the National Association of Broadcasters (NAB) followed suit. Print Media South Africa (PMSA) has not been a member of MAMCA for the past six years, preferring to collect contributions from their members directly and making a bulk monthly payment to SAARF and the ASA without disclosing individual contributions.

The National Association of Broadcasters, that represents the interests of the broadcast fraternity, is also unimpressed. It drafted an open letter to stakeholders in which it said its members agreed to support "a number of changes to the current system". It said while it supported the ASA, and SAARF, it wanted a more transparent system of levy collection and contribution. It also believes the levy should be recognised as a "joint and equal from both media owners and marketers".

NAB believes the current crisis stems from PMSA's decision to withdraw from MAMCA that meant print media would contribute their levies directly to the organisation. And when OHMSA pulled out of MAMCA, NAB says it had no recourse but to do the same.

The NAB was approached for further comment, but felt unable to do as it is involved in MAMCA.

MA(SA) responded by suggesting that a transparent add-on levy is essential for the sustainability and growth of both SAARF and the ASA. Additionally, the proposed system of direct collections by media associations should be regulated in order to ensure all members are contributing to the same degree and stressed that media owners should recognise the marketers' right to play a direct role in the management of the levy fund.

ABOUT GLENDA NEVILL

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