



The Alphabet Soup Times

August – September 2007 Edition

The Long Awaited

Welcome to the third edition of our newsletter which was introduced last year. Due to the amount of spam we receive on a daily basis we have decided to send out our newsletter three times a year. Please feel free to send us your comments as any feedback would be greatly appreciated.

Currently we are updating our website which will be live by the end of October, so please ensure that you go onto our site regularly and keep up to date with the necessary industry changes, events and general information. Once again a BIG thank you to all of our clients, partners, suppliers and staff for making what we do so rewarding and exciting.

The Alphabet Soup team continues to grow from strength to strength. The Media environment is currently undergoing huge change which makes our job so much more valuable and at challenging at times. By 2010 the television environment will have changed dramatically and the surge of multi-media platforms continues to grow. It's important that we keep our clients informed of the changes in the media landscape, so we will be hosting a series of workshops once our alterations are completed. These events will take place monthly on a Friday afternoon and will focus on key aspects in our industry.

Alphabet Soup adds new letters to the Pot

2007 has already reached its half way point and for Alphabet Soup it's been a fast paced and exciting year. In addition to all the achievements made with existing clients, we have managed to gain a number of new clients who have presented us with new challenges, dynamic relationships and opportunities to grow.

These clients include the creative agency Adzoo, who brought with them Smartstone and Wax in the City. In a pitch early this year, Alphabet Soup was awarded the media planning and buying for Cardies in partnership with Cardies' creative agency Geoff. We have also added to our portfolio Cell Homes in conjunction with the illustrious Eddie Bannerman Production Extraordinaire. Our sweet tooth flew to new heights with the gains of two new sweet brands Freegells and soon to be released Fear Factor Candy. We also reunited with the boytjies from Bloem and will be launching the new ubercool group of Urban Hotels in early 2008.

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The Media Buzz

In this month's newsletter we highlight latest releases on the media scene, which will be on our website in more detail from the end of October.

The Media Planner's Little Helper

On the 9th of March 2007, Media24 launched an online media planning tool that makes informative consumer research readily available through an easy to navigate online platform.

Mediascape24.co.za offers planners and marketers a range of demographic and psychographic target market information, in a graphic format, which is available to download from the website www.mediascape24.co.za.

It's About Times

On the 1st of June 2007, Johncom Media took a brave step and launched their new daily newspaper *The Times*. Johncom perceived a gap in the competitive South African newspaper market for a quality daily that appeals to upper LSM readers.

The Times is a tabloid format paper which will initially only be delivered to the current 120 000 *Sunday Times* subscribers as an added value offering. A strong digital and online presence is an important element of *The Times* as the paper is aiming to be highly interactive with its readers, going as far as using reader content (such as pictures) on the website, which is a novel approach from any newspaper in this country.

Mnet's Magic Window Closes

The MNet open time window officially closed on the 31st of March 2007 after 20 years of broadcasting. This was after the Independent Communications Authority of South Africa (ICASA) made the ruling to close MNet's two hour free-to-air window, based on their aim to ensure fair competition between broadcasters, specifically as the market is opening up to new subscriber broadcasters in 2007.

The big question so far has been "What has the impact been on the ratings of the programmes previously aired during the open time window?" specifically with regards to *Egoli* and *Binnelanders* and although the obvious answer would be that the ratings have declined, the real question would be "to what extent?".

The SAARF Television Audience Measurement Survey (TAMS) results for the last two weeks of March and the first two weeks of April show that there has been a decline in the ratings as expected. The *Egoli* rating dropped from 4.8AR to 1.7 while *Binnelanders* ratings dropped from 2.4 to 1.4 ARs. However it should be taken into consideration that the Cricket World Cup was running during this time and would have directly impacted the ratings.

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In anticipation of the decrease in ratings MNet decided to decrease the April open time slot rates by 12%, and after reevaluation of the rating for the months of April, May and June MNet decided to readjust the rates again. As a result the *Egoli* rate was decreased by a further 8%, while the *Binnelanders* rate was increased due to an increase in the ratings.

Even after the close of the MNet open time window, *Egoli* and *Binnelanders* remain among Mnet's top viewed programmes, consistently achieving high ratings among a Pay TV target market.

Pass The Remote

After the thrilling Cricket World Cup, with its many ups and down, South African sports enthusiasts are being spoilt for the second time this year as the Rugby World Cup begins in September.

The first match kicked off on the 7th of September at 21:00 when France, the host country, lost to Argentina. South Africa's first game was on the 9th of Sep, and the Springboks beat Samoa 59 to 7. The tournament will end on the 20th of October.

So what does this mean for media? The first assumption that can be made is that the general ratings of TV programmes will decrease during Rugby matches, many of which are planned to take place during peak viewing hours (18:00 – 22:00).

Media planners need to take into consideration that the "male remote" will dominate during the Rugby World Cup 2007 and as a result the ratings of female programmes are bound to drop during this period.

There are still various packages during the Rugby World Cup on across various TV stations (DSTV and SABC) as well as on radio stations (such as Radio 2000) available for clients who would still like to get exposure during this great event. Please feel free to call us for more information.

CNBC Launched

The 1st of June saw the launch of the first 24-hour, live international business channel in Sub-Saharan Africa, CNBC Africa. Owned and operated by African Business News under a licensing and affiliation agreement with CNBC, the new business and finance channel is broadcast to all DSTV subscribers on channel 54 as well as across sub-Saharan Africa on the Sentech Vivid platform.

Great alternative opportunities exist on CNBC to reach a higher LSM Business target market, such as vignettes, which are custom made company profiles, as well as ticker tape ads which run during news and business updates.

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The Alphabet Soup Times

Generation Next

The results of the largest youth brand preference survey in South Africa are out, and the results are interesting and in some cases surprising. The *Sunday Times* Generation Next Brand Survey 2007, which is a collaboration between *Sunday Times*, HDi Youth Marketers and Monash South Africa, was conducted during the first quarter of 2007 among South Africa's urban tweens (8 – 13 years), teen (14 – 18 years) and young adults (19 – 22).

This survey offers business owners, CEOs, media planners and many others, crucial insight into the largest segment of South Africa's population (53%), and perhaps an idea of future purchasing patterns. Among some of the winners were Adidas for Coolest Top Brand, *Heat Magazine* for Coolest Total Magazine and *Fear Factor* for Coolest Reality TV Show, for more details check out the alphabet Soup website or contact the Alphabet Soup team.

DSTV tries on a new "Little" number

In a plan to increase their space for channel expansion within specific genres, DSTV have decided to restructure their bouquet structures. The result will be that all the current DSTV channel numbers will be changed from one and two digit numbers to three digit numbers from the 1 October 2007.

The bouquet will now start with channel 100, and MNet which was previously channel 3 will change to number 101. Multichoice have grown from 13 video channels to over 70 in the past 20 years, and the new change will create the space necessary for even further growth.

Multichoice expect the upgrade to be completely seamless with minimal or no interruptions for its subscribers. To find out more about the update visit the DSTV website at www.dstv.co.za.

Popular websites jostle to control the world...wide web

As high speed internet in South Africa is slowly becoming more accessible and affordable, the popularity of certain sites has begun to enjoy occult status among the internet dependent population. Among the top sites dominating the web are Facebook, Myspace and Youtube.

Facebook which started as a simple social networking website has quickly become one of the most popular websites in the world growing to more than 25 million active registered users. This addictive time thief allows its users to keep in contact with friends, family and acquaintances through message boards and private messages and even provides a simple platform for users to share personal information with their friends. For Alphabet Soup, Facebook has presented a unique way to network within the media and advertising industry, as well as communicate with some of our clients.

Myspace offers bloggers (yes it is a word now) an easy to use and flexible web space to post their thoughts, whatever they may be. With everyone from celebrities, rock bands, gardening guru's to your next door neighbour joining the blogosphere, blogs have become an important element in marketing and media. So

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The Alphabet Soup Times

much so in fact that, media owners such as East Coast Radio, Jacaranda and *Mail and Guardian* now make use of blogs as an effective new way to connect with their audiences.

One website which marketers have taken advantage of to communicate their brand messages, as well as to have a good laugh, is Youtube. This site allows users to upload and share video clips with all other users, however it also enables users to post comments about videos, blog links to video's they like, create an account and store their favourite video's and more.

Some companies have decided to post their good ads on youtube.com, where user's now choose to view them. For examples of such ads check out the following: BMW Madonna Ad (554, 00 views), Sony Bravia Bouncing Ball Ad (24, 000), Coca Cola Animation (164,000) and Carlton Draught Big Ad (254, 000), all of which were posted at the cost of zero.

The "Buzz" Word

A report issued jointly by Nielsen BuzzMetrics and Nielsen's BASES research division has found a strong correlation between a brand's adspend and the buzz which it generates in the blogosphere. The study analysed factors such as buzz volume in blogs, spending, purchase intent among consumers and actual sales and surprisingly found that a big advertising budget is the best indication of significant blog buzz.

It was found that adspend had a bigger influence on the buzz created than strategies used specifically to influence online world of mouth. Nielsen studied 80 consumer packaged goods brands which were launched in 2005 and 2006 and found that the top 10 percent of products with the most buzz spent nearly \$20 million in advertising while the bottom 50 percent of buzz generated spent roughly a quarter of that amount.

The report however noted that adspend was not the only factor which influenced the buzz created online, instead it found that certain brands simply lend themselves to more buzz.

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The Alphabet Soup Times

At Alphabet Soup

Michelle

Michelle De Jaager joined Alphabet Soup in March 2007 and has since then become an official member of the team. At the moment Michelle AKA "Michy Moo" has been assigned the working job title of "Guru of sanity and productiveness".

Michelle is Nikki's PA as well as the general admin assistant to the Alphabet Soup team, she also handles the Alphabet Soup diary and therefore all meetings are to be booked through her.

Although it may be slightly late we would like to wish her a warm welcome.

Extreme Alphabet Soup Make Over

The current Alphabet Soup offices have come a long way from when we first moved in, as many would be ready to testify to, however the renovations have not ended just yet. Alphabet Soup has decided to build onto the existing offices. Once finished, the building will include a new (bigger) boardroom, more office space for all, a bar for entertaining guests and extra parking space (which we know everyone will appreciate). For the time being however, please don't be offended if you are asked to park across the road.

After three and a half months of renovation, we expect the alteration to be finished in mid September. We look forward to having everyone over for around of drink.

Where's the boss?

Nikki is taking a well deserved holiday abroad to the USA from the 13th September to the 3rd October 2007. Nikki and Tom will be going to New York, Colorado and Massachusetts to do some leaf peeping.

Should you have any queries during this time please contact either Justine Lottering or Eladio Gaspar on 011 880 8655.

Student Programme

From the 13th August Joshua Reitzer joined Alphabet Soup as a short term member of the team. Joshua, who is in high school, is the son of one of Alphabet Soups' long standing clients Steven Reitzer (Reitzer Pharmaceuticals). Joshua joined Alphabet Soup for a week to learn about the media industry and the working environment.

This opportunity is available to all our clients, so please feel free to contact us to make arrangements. Furthermore Alphabet Soup would like to thank the various media owners who have decided to get involved by taking Joshua on tours of their business.

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The Alphabet Soup Times

AS explore the web

Over the past few years there have been many articles, adspend figures and studies justifying and explaining the importance of online advertising as a tool to reach many brand's target markets.

Although Alphabet Soup has offered online planning as a service in the past, we have recently formed an affiliated partnership with an online consultancy that will be doing all our online planning as well as Search Engine Optimisation.

We have recognized the importance of integrating online into a the mix of traditional mediums and will be offering clients "pay per lead" solutions from the 1st of November 2007.

Recent Feedback From Clients

Reitzer Pharmaceuticals

Reitzer Pharmaceuticals are one of Alphabet Soup's most loyal clients who have worked closely with Alphabet Soup to create a mutually beneficial relationship. Steven Reitzer (The MD of Reitzer Pharmaceuticals) had the following to say about this relationship: *'For many years I had struggled to find an agency that takes me on, challenges my ideas and is prepared to "box out" their point of view, until I found you.'*

Steven feels confident that once a final strategic decision had been reached, it is the right choice because Alphabet Soup *"are not a yes company, just giving what the client asks for in order to keep the client happy."*

Walkersons

In November 2006 Alphabet Soup was awarded the planning and media buying for Walkersons Private Estate which is the most prestigious estate in the Dullstroom area.

Alphabet Soup worked closely with Mark Walker (Marketing Manager of the Walkersons Development Project), consulting on all elements of the campaign including creative material, website development, and promotional planning.

The result was that Walkersons *"were able to secure 80% of our sales within 6 months of launch"* according to Mark who went on to comment that advertising had proven to be a critical component of their marketing activities.

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Interflora

It has been roughly a year since Alphabet Soup gained the Interflora account, and since July 2006 the results have been positive.

After adopting a flexible media strategy which initially consisted of only television advertising and later included online, Desiree Seaton the Interflora Marketing Manager was pleased to provide Alphabet soup with the following feed back regarding the campaign results:

Interflora orders/ sales from last year have increased as follows:

- Internet orders: 57%
- Direct calls: 22%
- Florist to florist 8%

Campaigns which ran this year

Cardies

Alphabet Soup have implemented two bursts for Cardies during 2007, using television as the primary medium and print and radio as supplementary mediums. The two campaign bursts were specifically aimed at promoting Mother's Day and Father's Day, for which Cardies have exclusive gifts.

The month Cardies sponsoring the popular series, *South African Idols* which takes place from the 19th August 2007 until the 9th December 2007. Other opportunities could see Cardies reaching their target market through exciting new avenues.

Amara Productions

Amara Productions, headed up by the insanely genius Gavin Mills, were selected as the event coordinators for the Service Excellence Emporium 2007, which took place in August. Alphabet Soup presented Amara with a frequency based radio and print solution which was specifically aimed at the corporate decision making market.

Service Quality Solutions, who held the event, received the desired results to fill their seats at the conferences.

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The Alphabet Soup Times

Reitzer – Salex Nasal Spray

Reitzer have increased their television spend this year, using a combination of spot specific buys and DSTV packages, with customised sports packages such as a Rugby World Cup highlights package which will take place from the September to October.

Giving Back

Place Of Bright Lights

Alphabet Soup has decided to support the Paediatric HIV clinic at the Alexandra, known as Phatsima Khanya Clinic, by supporting their feeding scheme. Phatsima Khanya, which means "Place of Bright Light", provides comprehensive HIV care for children between the ages of 4 and 14 years, including voluntary counseling and testing (VCT), the provision of antiretroviral treatment (ARV's) when necessary, and ongoing psychosocial counseling.

The feeding scheme provides for the children who suffer from malnutrition, caused by food shortages. Alphabet Soup have adopted a little boy who is 2 years old and every month we pay for a bag of groceries which will be kept at the clinic and given to the child or caregiver when they come in for a consultation or to collect their Antiretroviral

The SPCA also continues to be one of the primary charities which we support. Please feel free to contact Alphabet Soup should you want to get involved with Phatsima Khanya or the SPCA.

The End

Thus concludes the third edition of our newsletter. Once again, we would like to extend a big thank you to all our clients and partners for adding value to our business, and for making our jobs so rewarding and exciting.

We look forward to seeing all of you at our renovated premises in early October to kick start the last quarter of 2007. Watch this space for details and come round for something decadent and a bit of good old *ubuntu*.

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