



The Alphabet Soup Times

April 2010 Edition

Intro

Thanks to all our clients for their valued support in 2009 and we look forward to a fantastic 2010. This year has flown past and so often we don't have the time to mention a few of our achievements, new clients and important developments in the industry. The Alphabet Soup Times will hopefully provide you with those insights.

Alphabet Soup was mentioned in the FM Adfocus 2009 released in November, as one of the new agencies who are making their way up the media ladder and we could not have done this without you. We also are proud to announce that we received an A rating from Tony Koenderman's Adreview released last week. All of these details will be on our website.

Alphabet Soup is growing and is pleased to welcome Lee Schmidt to the team. Lee takes up the position of Media Assistant and has a background in PR, administration and will be providing a valuable support structure to our current team. For any queries please contact Lee on e-mail: lee@alphabet-soup.co.za or on 011 880 8655.

2009 may have been a tough year, but 2010 holds much promise and excitement. The FIFA World Cup has South Africa abuzz with anticipation and optimism and with that brings a renewed optimism to our industry. New media opportunities will arise and key media owners will be pressed to deliver great content and differentiate on offerings over the next 18 months. We look forward to keeping you abreast on all the changes.

I hope you find this newsletter informative and at any time if you would require any additional information please let us know.

Alphabet Soup client update

Alphabet Soup was awarded the strategic planning and media buying for **The South African Institute of Chartered Accountants (SAICA)** as well as **The Association of Accounting Technicians (AAT)**. We have also been tasked with promoting the SAICA book **Green**, written and compiled by Graham Terry (BCom), CA(SA) and Vice President of SAICA. Alphabet Soup implemented an exciting campaign to all commerce and accounting students called 'Now I Can' in January. Through the use Grapevine communications we implemented a strategic campaign and had a huge presence on most of the university campuses in South Africa. The results have been fantastic and both our Facebook site and website will have more details.

Saint Gobain also joined our stable of clients. They are leaders in the production, processing and distribution of construction materials falling into the world's top 100 industrial corporations. Saint Gobain operates in 54 countries across the world and employs over 210 000 people. We welcome them on board and in the next few months will be implementing campaigns for some of their divisions.

Le Touessrok won the CNBC European and African Property Awards

One of our clients, *Le Touessrok*, won an award in the category of 'Best Hotel, Mauritius' at the CNBC Arabia European and African Property Awards 2009. More recently a German magazine,



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the VIP International Traveller, awarded Le Touessrok the title of Most Exclusive Hotel Worldwide. Other recent accolades include winning The Leading Hotels of the World Annual Convention: Best Leading Commitment to Quality, Middle East & Africa as well as a Silver Award for Best Overseas Incentive Hotel.

To keep up with the latest happening at Le Touessrok visit:
<http://www.letouessrokresort.com/mauritius/latest-news.php>

MEDIA NEWS

MNET Changes in M Levels and the introduction of P Levels

The MNet, DSTV and Super Sport P-Levels have changed. Since the beginning of April there has been an increase in the percentage loaded onto all ads under 30 seconds. The increases are between 5% and 10% for ads. Obviously due the recession certain brands have reduced their commercials to shorter durations due the high production costs. These shorter durations have lead to Oracle increasing their loading chargers. Ads over 30" remain the same, except for 35" and 50" ads which will also increase. Please contact us to get a detailed outline of the new P-levels structure and some examples of how this can effect planning.

Advertising is key to economic growth, survey finds

A survey conducted by The Nielsen Company on behalf of the World Federation of Advertisers (WFA) in March-April 2009 has found that 70% of consumers agree that advertising contributes to economic growth and 80% believe it helps create jobs.



**WORLD FEDERATION OF
ADVERTISERS**

68% of respondents feel that advertising drives competition, leading to better products and lower prices. The public also understand the importance of advertising and sponsorship as a source of funds for exhibitions, cultural and sporting events as well as the media.

While European consumers are sceptical of advertising as a source of information and entertainment, Latin Americans, consumers in the Asia-Pacific and North Americas are more positive in their views on these aspects.

For more information see www.valueofadvertising.org.

Social media: Managing the beast

Since 2000 the numbers of internet users have skyrocketed from 360million worldwide to approximately 1.6 billion. This led to the rise of social media applications which have become a much sought after marketing channel. This holds a lot of potential, but most businesses are unable to tap into it. Here are some pointers:

Use social media for the right reasons

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To use social media effectively, you need to have a plan in place. If you use it simply because everyone else is, you are probably wasting time and resources. When making use of this tool, ask yourself: how will it benefit my business?

Security/privacy of information

Because of their nature and the personal information used on them, hackers often target social media sites to get hold of this data. To lessen the chances of falling victim to this, use different passwords for different accounts. Also, posting information online means it becomes public. If you feel uncomfortable sharing something online, don't. You never know who may use that information or to what end.

Time consuming

Effective use of social media is time consuming. Because information can spread quickly, you need to be able to monitor it. If you don't, a minor misunderstanding can lead to catastrophe.

Avoid these issues

To be effective in the realm of social networking you need to know who will manage it, what you want to achieve and how you will monitor the various sites. Make sure your social media campaign is measureable so that you can see if you have achieved the goal you set out to.

Adapted from: Patrick Gordon, Duo Marketing + Communications

SAARF AMPS 2009AB

The AMPS 2009 research results were conducted using a *new methodology* called CAPI (Computer Assisted Personal Interviews). According to SAARF, this has meant that the interviews themselves were of a higher standard and therefore the data and subsequent results achieved are of a much better quality than before. It is interesting to note that South Africa is one of only four countries that are utilising this new methodology. There are, however, industry doubts as to whether or not the results achieved are in fact better. The latest results cover January to December 2009 and includes adults from the age of 15 and up.

Results

- The inclusion of 15 year olds had little impact on the results, even those examining the youth market.
- Newspaper readership remains unchanged and stable
- Six month readership for any magazine is up 5%
- Average household income now stands at R7,295 per month – a 5.3% increase from the 2990BA survey.
- LSM 2 has increased from 7.3% currently to 7.5%.
- LSM 3 is down from 9.2% to 7.8%.
- LSM 9 has increased from 8.5% to 8.9%
- Average household income now stands at R7,295 per month which is an increase of 5.3% from R6,928 in 2009BA

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Download full report at: <http://www.saarf.co.za/>

Transit Environment in South Africa

Worldwide consumers are more mobile than ever before due to urbanization and centralisation of economic activities. Not only are people moving around more, but they are spending significantly longer periods of time commuting between home and work due to traffic congestion and distance.

These trends are most certainly valid in SA – difference is that we are largely still dealing with the lack of transport infrastructure from the past. This is now changing at a remarkable pace. The development of the Gautrain will surely have a remarkable impact on the transport situation in Gauteng. The rapid rail network comprises of Three Anchor Stations, namely:

- o OR Thambo International
- o Hatfield Station (Tshwane)
- o Park Station (Johannesburg)

The link between Sandton and ORT will supposedly be operational by June 2010. Gautrain will be fully operational by May 2011 and is expected to transport between 10,000 and 12,000 passengers per day. This audience will primarily be LSM 8+. Currently there is no information with regards to advertising opportunities in or around Gautrain. It is envisaged that these will be made available in the next few months, please do not hesitate to contact us if you would like a presentation.

Adapted from: Jacques du Preez, MD Provantage Media

Cautious optimism for 2010 from Econometrix

Dr Azar Jammine, director and chief economist at Econometrix, painted a cautiously optimistic picture for 2010 at a Function, jointly hosted by the MediaShop and the Newspaper Advertising Bureau (NAB).

Whilst South African consumers are still heavily in debt, there are signs of small relief. He explained that retail sales have improved only slightly, but in contrast, the manufacturing sector is growing in leaps and bounds, benefited mostly by the export market. The South African consumer, for now, remains in a tough environment, pressured by his or her debt contributions.

For advertisers and marketers, Dr Jammine provided a view of adspend in 2009 vs January 2010. Whilst the decline

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in spending tracks the overall economic activity there are some shifts in adshare. The Internet is a winner in the media pie, increasing to 8.6% in January 2010 from 6.4% in the same period in 2009.

Upswing in line with *Roots 2010* findings

"The upswing in this medium is in line with our most recent *Roots 2010* findings," says John Bowles, joint MD of NAB. "Although community press have held their position, there are signs that weekly Internet usage has increased since the last *Roots* survey in 2006 (15% to 23% per household decision-maker)."

In general, the majority of media categories remained stable as shown by Dr Jammie's charts. TV increased its share from 42.6% in 2009 to 43.8% in January 2010; with print declining from 36.7% in 2009 to 33.4% in 2010.

Print: Latest news

Femina closure

Media24 announced the closure of Femina magazine with the last issue published in April 2010. Earlier in February, the management of Media24 proposed that Femina be closed due to the poor financial prospects for the magazine.

Bluff SA magazine discontinued

Maverick Publishing Corporation has announced that the company will no longer publish the print version of *Bluff SA* magazine, with immediate effect, but it does plan to take the poker magazine into the digital space. The February/March issue was the final print issue published under license from *Bluff* magazine in the United States.

General

There has been an overall decline in print performance. Daily and weekly newspapers saw a decline in circulation while community newspapers reflect improved year on year performance. Magazines, however, have been more adversely affected. 2010 has seen a rise in the number of 'ghost' titles. There are 35 new titles, but there were 18 closures. The overall sector performance is down 5.2 percent. The B2B category is stable.

Adapted from: Gordon Paterson for The Media Online.

New Carte Blanche programmes

2010 sees MNet featuring two new shows from Carte Blanche.

Carte Blanche Medical

Carte Blanche Medical is a weekly half-hour programme that strives to empower viewers about medical related issues. The series will focus on highlighting trailblazing medical breakthroughs, perspectives on medical issues and viewpoints on alternatives. In keeping with Carte Blanche's track record, the series will champion the rights of the consumer on medical and related issues and will act as a watchdog that is accessible and relentless in its pursuit of the truth.

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Carte Blanche Consumer

The weekly half-hour programme is produced by the same team that has won more than 100 awards over the past 21 years for Carte Blanche. It will aim to act as a consumer rights watchdog that demands accountability and exposes hidden agendas that impact our daily lives. It's a show that will aim to inform, educate and where possible advise consumers about just what their rights in this age of consumerism are.

Both Shows premiered on MNet SD in January 2010, each having a half hour slot. There are three segments with two ad breaks. Both shows are simulcast on MNet HD and each sports a new logo.

Hotel Hope Update

Letter from the founder Oliver Quambusch:

Thank you so much for your continued involvement in Hotel Hope Ministries. Your support means the world to us and words cannot express enough our gratitude to you.

The last 12 months have been a whirlwind of activity and your donations make a real difference in the lives of pregnant mothers in crisis, mainly in the Alexandra area as well as the orphaned and abandoned children that come into our loving care.

Mothers in Crisis: To date we have been / are currently actively involved in the lives of 55 mothers in crisis and a total of 70+ children. Our main role is counselling, education and practical day-to-day help & care.

Children's Home: From those 55 mothers we have received 7 children into our care. As our own facility is not yet open, these children have gone to other private organisation for adoption.

Training Academy & Employment: We have provided 16 people with employment, ranging from domestic helpers to teaching assistants, a nurse, 4 carpenters, 2 hairdressers as well as 3 people in our charity shop.



For 2010 we want to focus on opening the children's home and preparing a 2nd home for long-term stays, setting up counselling centres in the community as well as setting up an 'Adoption Advocacy' so that more children will be adopted in South Africa.

Your involvement makes a tangible difference and we couldn't do what we love doing without your support.

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To find out more about Hotel Hope, or to donate your time, money or unwanted goods to this worthy cause please contact Hotel Hope on +27 11 726 5823, Oliver on + 27 73 809 3600, or email hotelhope@gmail.com. Please note that at any time you can drop off any of the following elements and we will ensure that we get them to Hotel Hope – old clothes for adults and children of any age, computers, printers, furniture, books, canned food, nappies, old toys, wet wipes, shoes, handbags, garden furniture, magazines, newspapers the list goes on – anything you are throwing out they will take.

Conclusion

We hope you enjoyed our latest Newsletter and found the information of value. Our next one will be coming out shortly. Good luck to Bafana Bafana, we are behind you all the way!

For more information, please visit our website at www.alphabetsoup.co.za or contact us on 0118808655.

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