

# Advertising levy crisis an opportunity to unify industry

 By [Oresti Patricios](#)

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Put selfish interest aside. Self-interest means protecting the industry's assets, which can only happen if the industry pays levies.

Independent advertising research in South Africa is under threat after years of cyclical industry debate about levies took a turn for the worse. Key players in the marketing sector have refused to pay levies, threatening two organisations dependent on these funds for survival. The Marketing Association of South Africa (MASA) has stepped into the breach to try to forge a solution to the crisis, and future unity in the industry may depend on how well MASA manages the impasse.

April 2012 saw MASA issue an impassioned plea to the advertising industry to unite so that the sector could speak with one voice. This after a couple of years of infighting about advertising levies, which culminated in Out of Home Media Association (OHMSA) withdrawing from the industry's designated levy collections and distribution agency - the Marketing Collection Agency (MAMCA) late last year.

Next the National Association of Broadcasters (NAB) expressed frustration, saying funding issues raised by it in 2009 had yet to be resolved. Print Media South Africa (PMSA) has already opted out of industry levies, and PMSA collects its own contributions and makes monthly payments to Advertising Standards Authority (ASA) and SA Advertising Research Foundation (SAARF).

## Abandoning SAARF could be 'disastrous'

A non-profit, independent media research company, SAARF is financed by levies that comprise some 1% of advertising revenue for a long time was the industry benchmark when it came to media research. Of late the industry has questioned the value of the research, and criticised the limitation of media types. But abandoning SAARF could be disastrous.

SAARF isn't perfect, but it offers a global view of radio, television and print media, and allows media owners to compare media investments across mediums. Without this central and unified view, discrepancies could creep in that could make it impossible to ascertain share of voice gaps in brands' media spend.

What needs to be weighed up here is selfish interest versus sustained self-interest that would benefit the industry in the long term. Selfish interest means serving only your own needs, without having a long-term view or forward thinking view of what would benefit the collective, in this case the advertising industry.

## Selfish interest vs self-interest

Selfish interest is clearly destructive and simply defined being selfish means acting for your own benefit without thinking about the environment in which one operates. Those who act in selfish interest often harm the eco-systems in which they operate.

Self-interest, on the other hand, seeks to achieve more mutually inclusive benefits. When people act in self-interest they tend to benefit themselves, but also the society, sector and economy in which they operate.

While being selfish might bring immediate, short-term benefits for media owners, the questions they need to ask themselves is how will their actions serve their clients, brand owners and the industry in the long term? How will it contribute to the long term viability and growth of the advertising industry?

SAARF is not the only non-profit in the advertising industry to benefit from the levy. The Advertising Standards Authority (ASA) is also funded by the industry and is a self-regulating mechanism that agrees on advertising standards and regulates those adverts that fall short of these standards. Although financed by industry, the ASA is supposed to serve the public or consumer interest.

The big question that the industry needs to ask itself is how valuable SAARF and the ASA and what would happen if they no longer existed or were taken over? Would the industry benefit if the ASA was regulated by government in terms of the Media Tribunal being mooted by the state?

## Something to consider

An issue to be considered when making decisions about levies is that the advertising industry is not investing its own funds into levies, but is rather investing its clients' funds. Yes these funds must be used wisely, collections must be transparent and efficacy must be ensured. But surely clients are more interested in independent research that will give them a global view of a brands' media performance, than partisan research that would serve only one media type.

Surely the bottom line for the investment of client funds in the industry is objective research that best serves the client. To this end non-partisan research which is credible and objective is best for the client. So too is an advertising standards system that is self-regulating.

MASA has a significant role to play in stabilising the industry, and in helping the industry to find resolution in this matter. Yes, Sarel du Plessis has resigned as head of MASA, which does create some instability, and a strong replacement needs to be found and the association must forge ahead if it wants to remain relevant. However this leadership dilemma is not unique to the advertising industry - it is something that happens from time to time at industry bodies in all sectors.

Much will depend on MASA's role in this matter. The high road is a united solution to the levy crisis that is generous and benefits the long-term growth of the industry. Independent research and bolstering the role and research done by SAARF is the wise decision, and one which will benefit the advertising industry long-term. The low road is fragmentation, the weakening of MASA and the continued funding threat to SAARF and ASA.

For the sake of our industry we need to resolve this issue with generosity and wisdom. Pulling in separate directions has little benefit - least of all for our clients. Let's put aside our selfish interests and work together to grow common interest for the greater good of our industry. If we do that surely we all will win.

## ABOUT ORESTI PATRICIOS

Oresti Patricios, CEO of the Ornicogroup ([www.ornico.co.za](http://www.ornico.co.za)), has long been on the cutting edge of the media, advertising and branding industries. He has an MBA at GIBS and did his thesis on social media when Twitter was barely a twit. He has always driven his vision of dominating African media & brand intelligence. Contact Oresti on tel +27 (0)11 884 5041 or email [Oresti@ornicogroup.co.za](mailto:Oresti@ornicogroup.co.za) and follow @orestaki on Twitter.

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