An evaluation of the impact of the government of South Africa's intervention carried out between 2001 & 2004 to accelerate racial transformation in the advertising and media industry.

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Preface and Acknowledgements

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Abstract

The purpose of this study was to examine the claimed racism and lack of transformation in the advertising, marketing and communications industry based on the plenary hearings that were held in parliament in November 2001 to October 2004. The main aims of this dissertation included the exploration of national media communications industry paths in respect of the transformation agenda and the provision of systematic analysis for a smooth transition to real transformation. This study could therefore be classified as being located within the interpretive school of social science (Silverman, 1993), and a mixture of methodologies was appropriate. Using a multiple case study approach, this dissertation particularly focuses on the alleged resistance of this industry to transformation, which sparked the journalists, media owners, the government and non- government organisations to set their focus on how the communications industry conducted their business. The Department of Communications and the Government Communication and Information System (both determined to be catalysts and not meddlers) took the initiative to establish a task force to put together an Indaba of all interested parties and anyone who had even the most remote interest in the issue regarding the claims that the industry was still immersed in the old apartheid mentality.

The South African media and communications industry is a world-class industry. In the context of a global industry of over $300 billion in which the USA accounts for 42%, Japan for 11%, UK for 4.5% and SA for 0.3%, SA has distinguished itself when it comes to measuring its creative product against its global peers. In the four major international advertising festivals, SA is invariably in the top 10 best performing countries in the world (Ikalafeng & Warsop, 2002). It was therefore imperative to investigate such claims because it appeared as if the industry was diverting from the national agenda of transformation.

Data was collected from three sources (policy documents, expert interviews and industry case studies) using two main tools. These were the face-to-face interviews and web-data mining. The data collected assisted in drawing the conclusions and to form both inductive and deductive reasoning about the research subject. As this study locates the issue of transformation within the corporate social investment (CSI) framework the researcher also had to put the two (transformation and corporate citizenship) in context. By gathering available primary and secondary data this dissertation therefore tries to find answers empirically to explore the issue of perceived or actual lack of transformation in media and how these impact on the individual and organisations.
The findings are consistent with other research showing that even though significant strides have been made there is still a long way to go before we can truly claim that the industry is truly representative of the South African demographics.

Disclaimer

This dissertation contains no material which has been accepted for a degree or diploma by the University or any other institution, except by way of background information and duly acknowledged in the dissertation, and to the best of my knowledge and belief, it contains no material previously published or written by another person except where due acknowledgment is made in the text.

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Acronyms and Abbreviations

AA	Affirmative Action
AAA	Association of Advertising Agencies now known as ACA
ACA	Association of Communication and Advertising Agencies of South Africa
AMASA	Advertising Media Association of South Africa
AMF	Advertising Media Forum
AMPS	All Media and Products Surveys
ASA	Advertising Standards Authority
ASOM	Association of Marketers
BMR	Bureau of Market Research
B-BBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment
CAFÉ	Communications and Advertising Forum for Empowerment
CCF	Creative Directors Forum
CSI	Corporate Social Investment
CSR	Corporate Social Responsibility
DoC	Department of Communications
DoE	Department of Education
DoL	Department of Labour
DSA	Design South Africa
EE	Employment Equity
GCIS	Government Communication and Information System
LSM	Living Standards Measure
MAC Charter	Marketing, Advertising and Transformation Charter
MAPPP SETA	Media, Advertising, Publishing, Printing & Packaging Sector Education and Training Authority
MDC	Media Directors' Circle of South Africa
MDDA	Media Development and Diversity Agency
MMP	Media Monitoring Project
NAB	National Association of Broadcasters
PDIs	Previously Disadvantaged Individuals
PMSA	Print Media South Africa
PPCC	Parliamentary Portfolio Committee on Communication
RAMS	Radio Audience Measurement Surveys

SAARF	South African Adverting Research Foundation
SABC	South African Broadcasting Cooperation
SACP	South African Communist Part
SAMRA	Southern African Marketing Research Foundation
SETA	Sector Education and Training Authority
SOV/SOA	share of spend vs. share of audience
TAMS	Television Audience Measurement Surveys
TTT	Transformation Task Team
WSP	Workplace Skills Plan

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CHAPTER ONE

GENERAL MOTIVATION AND BACKGROUND FOR THE STUDY

1.1 INTRODUCTION

The Parliamentary hearings in the "state of the advertising and media industry focusing on racism, transformation and other related matters" (NAB website, 2002) conducted in November 2001 to October 2004 "were instructive for the industry, exposing a deep-seated distrust of what were seen as feeble, self-interested practitioners of an arcane, out-of-touch business practice"(Koenderman, 2002). The hearings were in no manner an attempt in trying to point fingers at any person or trying to define what constitutes race or racism. In 2002 a member of the Parliamentary Portfolio Committee on Communication, Yacoob Omar emphatically put it, "very little time was spent defining notions of race or racism" (2002). The main aim of these hearings was to carry out research and craft strategies in order to deal with evident problems of resistance to transformation and to develop solutions to such problems.

1.2 MOTIVATION FOR RESEARCH

This study analyses the impact the government's intervention has had in trying to de-racialise the advertising and media industry. Therefore, this study seeks to establish whether issues of racial transformation were addressed after the Parliamentary hearings or not.

After being dissatisfied about the adspend (advertising spend) they were getting, the Johannesburg-based youth radio station Yfm lodged a complaint to the government saying that the industry was very racist and biased towards white media (Koenderman, 2002). This prompted the Parliamentary Portfolio Committee on Communication to look at the advertising and media industry in its entirety. Government's intervention was meant to investigate whether the allegations were really substantiated or they were merely a creation of a small radio station crying foul because they were not making money in this multi-billion rand industry. The point being raised was that black media was "not getting its fair share of the advertising pie because media planners and buyers in agencies did not understand the black market." (Koenderman, 2002)

Claims had been made in the media and by the industry at large that transformation in advertising agencies "was characterised by false and deceptive mechanisms to resist change by finding a black person, setting him or her up in business and using them for presentations whenever empowerment credentials were required" (*Ibid*) The problem was exacerbated by the prevailing:

> "state of advertising in that ten years after the transition to majority rule, whites still played dominant roles in media ownership. Ad agencies, which perform the key function of communicating brand messages to consumers, and making or breaking radio stations and newspapers through their choices of where to place their advertising, were still 70% white. The South African population is 88% black (Indians, Coloureds and

Blacks), but most TV commercials still portrayed white rather than black characters." *(Ibid)*

A different school of thought was that transformation had nothing to do with race or racism. It became an issue of whether it was true that the marketers were ignoring effective ways of communicating with such a big group of their consumers merely because of their skin colour. It seemed implausible that marketers preferred to gear their marketing strategies towards white population than to blacks. Many would also agree that money does not know the colour of its keeper's skin.

It seemed far-fetched that even the most racist of marketers and advertisers would rob themselves of such a big market for the sake of so misguided business approach. What seemed to delude most critics was the failure "to understand that marketers view the marketplace in commercial terms. It is true that some consumers are worth more than others because they have more spending power" (Koenderman, 2002). That is the reason *The Financial Mail*, with less than 50 000[1] readers would generate more revenue than *YOU* magazine, with over 200 000[2] readers. Differences in advertising expenditure (adspend) per listener, reader, or viewer are a reflection of the demographics of that specific medium's market. "*Business Day's* adspend per reader, for example, is higher than any other daily newspaper, because it is read by the rich", concludes Koenderman (2002)

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[1] The Financial Mail is a weekly business magazine, has a readership of 189000 (AMPS 2007AB) and a circulation of 30206 (ABC October-December 2007).
[2] YOU is a weekly family magazine with 214,083 readers (ABCJan-Mar07) and circulation of 1 858 000 (AMPS 2006A)

1.3 DEFINITION OF TERMS

Companies and individuals who have a service, a brand or a product they want to bring to the attention to the consumer define **advertising** as a persuasive message or a call for action. This dissertation uses similar standard definition. Advertising could be very intrusive as it could be found in buses, taxis, motorways, billboards, television, radio, newspapers, internet, cellphones and even on the sky. For effective advertising, advertisers will elect to use certain characters, people of certain races, certain voice and certain colours and specific wording.

Most often people confuse **advertising** with **marketing** and vice versa. Advertising forms one cog in the marketing wheel. And **marketing** could be defined as the entire wheel in which one finds other components such as media planning, advertising, customer support, public relations, sales strategy, market research, distribution, product pricing, and community social involvement.

According to nactom.org, **communication** "relates to all the ways we communicate...it focuses on how people use messages to generate meanings within and across various contexts, cultures, channels and media." (http://www.natcom.org). For the purpose of this study communication also looks at the ways in which media practitioners have been able to use and isolate other "cultures, channels and media" when communicating their brands, products or services.

Media, in the context of this study, refers widely to means and platforms of communication, these will include and be limited to radio, television and newspapers.

Professionals who book advertising space or put advertisements in the media (radio, television and newspapers) are called **Media planners.**

Pertaining to this study and in relation to each other, advertising, media and communication look at how information about brands, services or products is formulated, controlled, disseminated and ultimately delivered to the consumer and how these choices have contributed to bias in the industry.

According to Wikipedia.org,

> "**Racism**, by its simplest definition, is the belief that race is the primary determinant of human traits and capacities and that racial differences produce an inherent superiority of a particular race. In the case of institutional racism, certain racial groups may be denied rights or benefits, or get preferential treatment."
>
> (www.wikipedia.org)

In South African political context **transformation** refers to the ongoing process to develop an equitable, sustainable society and an economy that benefits all those who call South Africa their home.

Racial transformation, for the purpose of this research, could thus be explained as the process of transforming racial composition in the adverting and media industry to achieve an equitable and sustainable industry free of racial prejudice and for the benefit of all racial demographics.

Having defined the terms used in this study, the statement of the research problem is outlined next.

1.4 STATEMENT OF THE RESEARCH PROBLEM

This study tries to evaluate the impact of government's intervention carried out between 2001 and 2004 to accelerate racial in the advertising industry. It also tries to explore whether the perception that there were transformational challenges in industry were true or not and verify if these have been adequately addressed. Challenges facing the stakeholders and what the industry was doing to correct the situation are also interrogated and tested to see whether there was any progress made.

The research proposes to look at racial transformation within the advertising, communications and media industry after the hearings which were sanctioned by the South African government from 2001 and 2004.

The research problems are formulated as follows:

1. Has racial transformation been achieved in the advertising and media industry, following and as a result of, government intervention?
2. What was the racial composition of the industry before the formal enquiries?
3. Was there any progress made during or after these discussions had taken place?

The research also provides a foundation for other researchers whom maybe interested in doing further research in monitoring racial transformation progress in the advertising and media sector.

1.5 THE PURPOSE OF THE STUDY

There were allegations of lack of racial transformation in the advertising and media industry (by journalists, black media owners, the government, NGOs and other interested parties). In view of these allegations and the problems highlighted above, the aim of this research is then to determine the impact of the hearings in transforming the industry after government had intervened.

The research for this project started in June of 2001, when the resercher was working for a company that was contracted to do marketing work for a pay television station in Johannesburg. In 2003, the researcher changed jobs and from then until the completion of the study the researcher was working for the same television station mentioned above and his professional duties continue to bring him close to the advertising, marketing and communications industry. Of strong significance, over and above personal reasons, why this study was conducted is the knowledge that "popular press and mass media educate more people about issues regarding ethnicity and race than all other sources of education" (Macedo & Bartolome, 2001). By shunning the mass media, we might miss the obvious - more public learning is received through mass media than from classrooms, lecture theatres and seminar halls.

In December of 2001, the researcher planned the pilot study while fulfilling the requirements of a post-graduate course in Strategic Project Leadership and

Management. In that period the author started gathering the initial submissions made by various industry stakeholders to the Parliamentary Portfolio Committee on Communications (PPCC). Thereafter the research questions and a formal dissertation proposal based on information from data sources identified during the pilot study were generated. Later a survey and semi-formal interviews with industry executives and opinion makers were conducted. The researcher also relied heavily on data mining from the internet, blogs and chat rooms where issues of transformation in the industry were extensively debated. Silverman (1994) in Weaver (1997: 23-24) outlines four key types of data in a qualitative research project:

i. *fieldnotes of observations,*

ii. *documents/texts,*

iii. *interview transcripts and,*

iv. *audio-visual or audio recording of events which are then used to create transcripts*

(Weaver, 1997: 23-24)

The data for this project study was collected using field notes, observations, survey questionnaire, semi-formal interviews and industry submission documents to parliament.

1.6 RESEARCH STRATEGY AND RESEARCH METHODS

In the study a qualitative research method is used as it allows the researcher the ability to gain first hand information about the perceptions from all participants i.e. the government, industry captains and employees within the

industry. The qualitative research approach is considered appropriate because:

- "it involves extensive collection of data on different variables and over a certain period of time;
- it is in-depth, explorative, descriptive and contextual;
- it looks at the behaviour from its environmental setting in a holistic perspective"

(Gay, 1996: 208)

A study of relevant literature on racism and transformation is also conducted and reviewed. This includes issues of racism and discrimination as experienced by others in different parts of the world. Thorough analysis of industry documents as an aspect of qualitative research strategy has also been chosen for this study.

These methods are used:

- **Literature review.** A review of relevant literature from both international and local sources i.e. internet, journals, books, reports, magazines, discussion papers, theses and mass media will be studied. This will include submissions made by industry representatives to the South African Parliament.

- **Field notes.** There were minimal semi-formal interviews carried out. The researcher would write field notes to explain facial expression and gestures, including interviewees' indications of emotive responses/feelings expressed non-verbally where applicable.

- **Interviewing.** Rubin and Rubin (1995:2) note, "Qualitative interviews are a tool of research (and) an (intentional) way of learning about people's (perceptions) and experiences." Informal interviews without formal or structured questionnaires with the general public, employees in the industry as well as industry leaders representing the various stakeholders in the advertising and media sector were conducted.

- **Sampling -** McMillan & Schumacher (1993:159) describe sampling as a process of selecting a group of individuals from a larger group called a population. Ten advertising agencies which are members of the Association of Commutation and Advertising were chose and thirty agency executives were approached to take part. Out of 30 executive who were approached only 18 from 8 different agencies took part in the survey. This number was considered acceptable for the research.

1.7 THE RELEVANCE OF THE STUDY

The study was carried out to monitor whether government's intervention had any impact in accelerating racial transformation in the advertising and media industry. As a sector which "both propagated and benefited from the apartheid order, marketing and advertising industry has a moral obligation to transform itself so that it is representative of the demographics of South Africa at an ownership and staff level" (Bird & Welch, 2001: 33).

The researcher seeks to understand whether the racial transformation has been achieved in the advertising and media industry as a result of government's intervention. As the citizens of the country that witnessed a miracle of a smooth transition in 1994 it would be sad if all dreams and aspirations of a united South Africa for all races were destroyed in the workplace. With this study, the researcher wants to find out if the debates held in Parliament had any positive effects. It seeks to monitor if recommendations which came out of parliament were ever implemented.

The South African advertising, media and communications industry is a world-class industry. Ikalafeng and Warsop (2002) estimate that against the backdrop of a worldwide industry that generates "over 300 US billion dollars in which the USA accounts for 42%, Japan for 11%, UK for 4.5% and SA for 0.3%, SA has distinguished itself when it comes to measuring its creative product against its global peers. In major international advertising festivals such as Cannes Lions International Advertising Festival, Cresta Awards, CLIO Awards and New York Festival's International Advertising Awards SA is invariably in the top 10 best performing countries (Ikalafeng & Warsop, 2002). Because of its sheer size and the role this industry plays locally and internationally it was imperative that its practices were examined, more so because it was viewed as being racially biased and white dominated.

In the preliminary hearings on *Racism in the Media* (predecessor to Parliamentary Hearings in 2001) hosted by the South African Human Rights Commission (SAHRC) in April 2000 the South African Communist Party (SACP) submitted that:

" the problem of racism (is linked) to three inter-related concepts of class, gender and poverty in South African society...the problem of racism cannot be fully understood outside of the inter-related realities of class exploitation, gender inequalities and poverty in South Africa."

(SACP website, 2000)

All the stakeholders agreed that progress needed to be recorded and monitored. In 2005 when the GCIS compiled their report on transformation they committed themselves to assist the industry in accelerating transformation.

1.8 DIVISION OF CHAPTERS

Chapter One gives the background and orientation of the study. It contains the history of the problem, the problem-statement, the research objectives, the research methodology, and clarification of concepts as well as the order of discussion.

Chapter Two is devoted to literature review and the theoretical framework from international perspective as well as the South African context relating to racial transformation and empowerment within the advertising and media industry.

Chapter Three outlines the research method and design used for collecting data.

Chapter Four deals with data analysis and interpretation of the findings.

Chapter Five is the final chapter in which the summary of the research is discussed. It reflects on research findings and recommendations by the researcher.

1.9 CONCLUSION

In the first chapter the structure of the dissertation was outlined, some concepts were defined, the motivation of the study was outlined, the research problem was identified and the research method was stated. The importance of racial transformation within the media and advertising industry has also been highlighted.

The motivation as well as some background for the study has been given. The problems that prompted the study, objectives of the study, the strategy and research methods have also been discussed.

The review of literature regarding transformation and racism within the advertising and media industry in South Africa and abroad is presented in Chapter Two.

CHAPTER TWO

LITERATURE REVIEW ON RACIAL TRANSFORMATION IN THE ADVERTINSG AND MEDIA INDUSTRY

2.1 INTRODUCTION

A broad outline of the available is going to be drawn up in this chapter – (1) what has been covered before, (2) what challenges are being faced, (3) what the existing hypothesis and theories and are, (4) what issues are being dealt with, and (5) what methodologies are relevant and useful to come up with solutions. This chapter will generally cover specific literature relevant to the topic. It will also make reference to newspaper articles, journal articles, books, government reports, historical records, dissertations and theses that were relevant to the study.

The internet was also used as a source of information, however, the problem with using the internet as a source for research material, is that in most instances it may contain many useless items and can be very puerile in style. The challenge was then to sift through the internet and check what was thought to be scholarly and worthwhile to back up the research.

The interviews with the industry stakeholders helped in understanding whether the industry was embracing transformation or not. When sourcing information, the author had to look at racism and transformation in their broadest definitions and then narrow them down to racial transformation and

its significance to the subject in the advertising and media industry. Progress reports from industry bodies such as Association of Communication and Advertising (ACA), Advertising Media Forum (AMF) and Association of Marketers (ASOM) were also researched.

2.2 LITERATURE REVIEW

2.2.1 Transformation

The word 'transformation' can cover a wide variety of subjects: in business, it refers to the "idea of changing the entire enterprise, regardless of the context" (Underdown, 1997). Likewise 'racism' could mean unjustified and hatred and prejudice by one race to another. In this dissertation, the phrase 'racial transformation' is about the preparedness of the advertising, media and communications industry to transform by employing qualified black people and the opportunities of advancement to senior positions and ownership.

Library research, interviews, Black Economic Empowerment reports, Industry Charters, online resources, newspaper articles and published journals are used to for reference purposes. Data from trade publications, government's online database and library records are also used to formulate theories and conclusions around this study. Extra information such as perceptions and attitudes of people affected or concerned about transformation issues in the industry was obtained by talking to individuals, by observing events and people (Sekaran, 1992). These organisation's websites provided a wealth of information - (www.marketingweb.co.za, www.adfocus.co.za, www.biz-community.co.za, www.mediatoolbox.co.za; www.fm.co.za and www.gcis.gov.za)

2.2.2 Racism

Bormann (2004) points out that the Truth and Reconciliation Commission (TRC) found that the large majority of South Africa's media were accessories in the apartheid regime's institutionalised racism– unquestioning of the then government policies and pretending they were not aware of its gross human rights violations. Media before 1994 was white-owned and staffed by whites. Media content and advertising were intended for the affluent white audiences. Moerdyk (2001) supports the view that the majority of advertising and media industry "had not transformed sufficiently"

As a major contributor in the South African economy, the media and advertising sector has a significant part to play in the society. However, there seems to be some kind of inertia and reluctance. There seemed to be a pattern or strategy, particularly for listed media companies, to take the shortest route to the greatest profits (Bormann, 2004). Some businesses that do not want to embrace transformation have a belief that racial transformation - encompassing Black Economic Empowerment, Affirmative Action and Employment Equity – makes sense but does not contribute to the bottom line or profits. (Borman, 2002)

Kuzwayo (2000) argues that we need to appreciate what it means to educate and invest for critical citizenry in the ever-increasing multiracial and multicultural world of the twentieth century. He tries to answer question like why is it imperative for advertisers to understand black culture. Kuzwayo also elaborates on available marketing opportunities for this group of consumers and how businesses can exploit and get their products to them (black consumers). Most pivotal is that he looks at the marketing successes behind

the brands that have been successful in the black market. Kuzwayo offers practical guidance for firms wishing to engage fully with the rapidly growing black middle class market in South Africa. The Sunday Independent (2000) said serves "as a remedial exercise for out-of-touch white researchers".

The challenges of race and racism are not unique to South Africa. Race and racism are worldwide problems which many societies have been grappling with all over. The media has tried to underplay race problems by glossing over racial tensions by putting images of racial harmony in advertisement and television programmes (DeMott, 1995; Campbell, 1995; Entman, 1990; Gray, 1989, 1995). These images do not mean that racism has completely disappeared.

(DeMott, 1995; Campbell, 1995; Entman, 1990; Gray, 1989, 1995) assert that American media are purveying a vision of race relations in America that is far fetched and unrealistic At almost every level of popular culture, from television dramas to children's books and advertising campaigns, viewers are presented with images of blacks and whites interacting in an easy, friendly and compassionate mode (DeMott, 1995; Campbell, 1995; Entman, 1990; Gray, 1989, 1995). While this is not, in and of itself, a sinister vision, DeMott (1995) emphasises that it is a highly inaccurate one. With these sterile images, racism is reduced to a matter of personal interaction. As much as this is happening in America, there are many similarities with South Africa where separationist development has produced joblessness, family collapse, crime, inferior education and health care (Demott, 1995).

In South Africa racial discrimination and prejudice (apartheid) came about because of social orientation and was created by the apartheid government to protect and maintain the economic superiority of white workers (Hutt, 2000). As a young democracy, South Africa can learn from other countries that have been dealing with the similar problems for longer than South Africa has. South Africa can also draw inspiration from its Constitution which is regarded as one of the best in the world. The industry can also borrow from other disciplines that have dealt the same problem. More lessons can be drawn from other literature dealing with transformation in sport, mass media and cultural studies for instance.

2.2.3 Transformation in other fields

One of the significant breakthroughs in media research in recent years has been the flourishing of cultural studies (Watkins, 1999). It has been argued that cultural studies have been one of the exciting advancements in the field of media research. The cultural studies approach is primarily interested in examining the ideological and political work media performs in the reproduction of social, economic, and political hierarchies (Hall, 1977).

Tudor (1997:49) analyses "the ways in which (movies about) sport reflect, imitate, and question cultural values". There is also broad analysis of the ways in which broadcast media and films create images about heroes, race, team sports, families, and gender. It allows social studies researchers to map the ways in which traditional cultural beliefs and practices resist and accommodate changes. Such literature does not reproduce a simple, unified

set of theory - rather, exhibits complications of attempting to negotiate ideological contradictions.

This research also draws parallels between gender literature and the role the media has played in advancing certain stereotypes and the marginalisation of women within work environment. Bonnie Smith (2001) writes an editorial review of Tiersten (2001) in which she:

> "provides interesting and critical look at transformational issues and eloquently traces the transformation of consumerism in nineteenth-century France and the effects that it had on the image of women. What is important about Tiersten's work is that it looks at gender transformation, how the media has had an impact changing the society's perception and how the society looked at women's role before and after the media proliferation."

<div align="center">(Smith, 2001:ix)</div>

Watkins (1999) confirms the findings made by Tan and Tan (1979) about the negative effects of mass media in black youths in America. Watkins (1999:2) cautiously concludes that "heavy exposure to white-aimed television programming causes lower self-esteem among blacks." Nightingale (1993:23) concurs, "Their relationship to mass media culture leads to serious social and psychological problems".

Exposure to media plays an integral role in creating perceptions about the world and its influence can never be overemphasized:

> "while black youth live in a world of unprecedented material abundance, conspicuous consumption, and media advertising, their poverty-stricken status severely limits their ability to participate in a rapidly expanding consumer culture, thus leading to personal frustration, social stigma, and alienation."
>
> (Watkins, 1999: 3-4)

Watkins concurs with Stroman (1991) in that:

> "Television affects both negatively and positively the social and cognitive development of black children and adolescents. Rather than generalise the presumed negative effects of television, Stroman believes the media can provide youth with important knowledge about the world that is unavailable to them in their immediate environment. She acknowledges, however, that the extent to which television can be a means to enhance the self-concept of black children depends greatly on the intervention of parents, educators, and industry personnel guiding youth toward more educational oriented programming."
>
> (Watkins, 1999:2)

2.2.4 Transformation and Leadership

For racial transformation to happen the advertising and media industry need to adopt coherent strategies. There must be motivation and interest from all levels of leadership. A clear vision, a set of clearly mapped out goals of what

needs to be achieved and when goals need to be met must be defined unambiguously. Without strong involvement by all stakeholders there is little chance for racial transformation to ever take place. It is a sensitive subject and requires good leadership. Burns (1977:94) argues that ultimately "leadership is a mutual transaction between those who lead and those who are being led". He further says that two types of leadership styles are common– 'transformation' as well as 'transactional' styles of leadership.

> "The first and most common is transactional leadership. In a transactional interaction the leader is promoting a simple exchange. A reward is given for a specific performance. The leader is meeting (and possibly exceeding) the material needs of the followers in return for their cooperation."
>
> (Burns, 1977:104)

Burns' "Transformational leadership" is founded on a mutually inclusive upliftment of both the person who leads and the one who follows up Maslow's scale of "hierarchy of needs" (Maslow, 1954).

Accordingly,
> "the decisive difference in the two styles is that transactional leadership is concerned with short-term values like fairness and honesty, whereas transformational leadership is about end-values like liberty, equality and justice."
>
> (Burns, 1977:105)

Meaningful leadership is about the greater good and fulfillment of broader human potential. Burns (1977) sums that for anyone to assume the role of leadership they need to be equipped with the right tools. Those in charge should also be supportive and create an environment that will breed interest to achieve and inspire those being led to be leaders at some point in their development.

Addison (2003) argues that South African companies can only call racial transformation a success if it improves business efficiencies, satisfies customers, inculcates new skills, spreads the social benefits, and enhances the competitive position of firms. These are all elements that are included in the Marketing, Advertising and Communication (MAC) Transformation Charter which was gazetted in Parliament on 29 August 2008.

2.2.5 Transformation and Empowerment

The preamble of the Broad-Based Black Economic Empowerment (B-BBEE) Act 53 of 2003 states that "under apartheid race was used to control access to South Africa's productive resources and access to skills, particularly professional and technical skills, was racially defined." (B-BBEE Act, 2003). In addition, Chapter 1 and 1(2) of the said Act further states that its purpose is to:

- "promote the effective participation of black people in the economy
- achieve a substantial change in the racial composition of ownership and management of existing and new enterprises

- Increase the portion of the ownership and management of economic activities that vests in communities, workers, collective enterprises and co-operatives

- promote investment programmes that lead to broader and meaningful participation in the economy by black people in order to achieve sustainable development and general prosperity"

<div align="center">(B-BBEE Act, 2003)</div>

The spirit and essence of the B-BBEE Act of 2003, the Employment Equity (EE) Act 55 of 1998 and the Codes of Good Practice are "to level the playing field and ensure that qualified black people of South African indigenous citizenry [Black, Indian and Coloured] are adequately equipped for the workplace and that opportunities are created for them to advance to positions of seniority." (Respondent 2, 2008) Not only do these Acts strive to ensure that qualifying and qualified black people are allowed mobility to advance to positions of seniority within their chosen professions but also to ensure that "they are equally remunerated for similar occupations with their white counterparts". (Respondent 3, 2008)

Transformation and empowerment are usually referred to as occurring at four levels –

    (i)   shareholders' equity

    (ii)   employment equity

    (iii)   management

    (iv)   procurement

The World Business Council on Sustainable Development suggests that business must have "the continuing commitment to behave ethically and contribute to economic development while improving the quality of life of its workforce and their families as well as for the local community and society at large" (Corporate Responsibility Index, 2004).

Farquar (2002) emphasizes that the advertising and media industry:

> "cannot merely be satisfied with nominal black agency ownership to secure contracts…we must ask the industry to continually engage with itself, about whether the contributions to transformation are adequate, about whether the contradictions are generically understood to give effect to the idiom."
>
> (Farquhar, 2002)

The Minister of Finance addressed the Adfocus Conference in May 2002 and said the advertising industry had a distinctive role to play in dealing with "complex social realities and contradictions. It must call for a rapid broadening of the skills base, for an active participation in the transformation challenge." (Manuel, 2002)

2.2.6 Transformation in the Media and Advertising Industry

When the South African advertising and media industry was called upon to deliberate on issues of racial transformation for the first time in Parliament on 12-13 November of 2002 everyone was ready for what was going to be a long fight between the media, advertising and communications industry and the government.

The Parliamentary Portfolio Committee on Communication's first hearings:

> "were spurred by widespread condemnation of the industry for stalling and resisting change in SA. The main themes of this criticism were: a false portrayal of the realities of SA life in advertising content; not buying into black consumer markets; and ignoring the imperatives of black economic empowerment in agency ownership profiles. Since then, there have been some changes on the ownership front, which some observers see as far-reaching and others as not radical enough."

> (GCIS website, 2002)

In line with the objectives of correcting the industry and aligning with government transformation imperatives:

> "a dipstick survey was undertaken to examine the state of the industry in terms of its employment and shareholding profiles, the results obtained from the survey would later be used to assist in determining realistic and tangible industry targets [that would help fast-track] equity in the media and advertising sector"

> (GCIS website, 2003)

The surveys were carried out by PPCC together with the Association of Communication and Advertising (ACA), the Advertising Media Forum (AMF) and the Association of Marketers (ASOM). The survey main purpose of the survey was to answer questions related to the objectives of racial transformation and to develop useful guiding tools:

> "…secondary research was conducted to augment research findings and to close gaps where the primary research failed to provide conclusive insight. Ultimately the research would provide a basis for comparison with future longitudinal tracking initiatives and provide an overview of the challenges that faced the advertising, marketing and media industries."
>
> (GCIS website, 2003)

The results of the study established that the advertising and media industry was still "predominantly owned and controlled by whites" (Respondent 4, 2008). The study also confirmed "that the changing legislation especially with respect to tender requirements had prompted some companies to seek equity partners proactively. Companies that had embraced the equity requirements also had a more demographically representative workforce" (*Ibid*). However, it was also "glaring that the higher ranks of these organisations [were] still predominantly white" (*Ibid*). Nonetheless, there was a general sense of optimism and since then some progress has been made with some black executive holding senior ranks.

Between 2001 and 2002 the Association of Marketers, the Direct Marketing Association and the Institute of Marketing Management entered into negotiations to create an organisation with a common vision to address issues of racial transformation. On 27 September 2002, the three organisations signed a merger agreement. The first board was constituted under the leadership of Mr. Jabu Mabuza (Chairperson) and Mr. Moss Mashishi (Deputy Chair) and Mr. Michael Judin (Deputy Chair) which became known as The Marketing Federation of South Africa (MFSA). MFSA's vision is:

"to create a powerful voice for the marketing industry in South Africa. The first step in their transformation process was to make sure that their board was representative. The second step was that the staff of MFSA reflects the demographics of the country and that a comprehensive empowerment policy was put in place for MFSA. The third step was to ensure that their members commit themselves to a transformation charter."

(GCIS website, 2003)

Another independent body the Association of Communication and Advertising encouraged its member agencies to adopt a transformation charter. Since the implementation of their transformation policy "the ACA has [consistently] been monitoring [its] members' progress in key empowerment variables through [their bi-annual] surveys" (ACA website, 2005). In a report by the ACA Chairman of the Board at the Parliamentary hearings report-back on 19 October 2004 he reported that the "average equity ownership stood at 26% (ACA website, 2005). Equity figures were not monitored before as it was not a requirement. By then the ACA member agencies had made some progress; black representation in top management had just exceeded 20% by 2004, still short from their self imposed target of 40% mid year that year.

The industry bodies' submissions to Parliament indicate that there is a coherent policy from the government and the stakeholders to advance black talent to senior positions in the sector. It has also been argued many a times that promotions of black personnel should solely be based on merit, talent and experience. This will help the industry to sustain itself and uphold its image as one of the best in the world. On an ongoing basis there needs to be an

independent annual audit conducted on black empowerment in the industry and in five years time an all encompassing audit be done by the government and the industry.

With the formation of the ACA transformation policy (2004), the MFSA Charter (2005) and the gazetting of The Marketing, Advertising and Communication (MAC) Transformation Charter in August 2009 the media and advertising industry has demonstrated that it is prepared to adopt racial transformation. There is also an acknowledgement across the board that the government's intervention was a much needed stimulus.

2.3 CONCLUSION

In this chapter the review of available literature and the importance of tackling racial transformation in the advertising and media industry were discussed. The trends in other fields and disciplines (media, culture and gender) have been highlighted; problems and solutions have been explained. The features of a successful transformation process and success scenarios in the South African context were also discussed.

Having reviewed the literature on racism and transformation in the media and advertising, the research design and methodology is going to be discussed in the Chapter Three.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

The background and motivation for the study on the impact of government intervention on racial transformation within the advertising and media industry were set out in the preceding chapters. The relevant literature study dealt with in Chapter Two formed the basis for the research problem that will have to be solved in Chapter Four of this study. Chapter Three will look into the design of the research, methods of colleting data and analysis of data processing techniques. Furthermore, Chapter Three will focus on empirical measures selected to gather data that will attempt to find solutions to the research problem.

The process towards the transformation of the advertising, media and communications industry started on 6 and 7 November 2001. The hearings (instituted by the Parliamentary Portfolio Committee on Communications - PPCC) were conducted in response to complaints about patterns in advertising spending, and subsequently the hearings were held on 12 and 13 November 2002, and again for the last time on 22 October 2004.

The aim of this dissertation includes the exploration of national advertising and media industry paths in respect of the racial transformation agenda and the provision of means for a smooth transition of the advertising industry to racial transformation. This chapter outlines how the research was constructed

so that the data would be of relevance and yield positive contribution to the industry environment and how the findings could be utilised. Background information and motivation for the research approach chosen by the researcher and techniques for data collection is also provided. The validity, analysis and limitations are also considered.

3.2 DESIGN OF THE STUDY

Kerlinger (1986) describes research design as "a plan, structure and strategy of investigation so conceived as to obtain answers to research questions or problems…it is a complete scheme or programme of the research" (Kerlinger, 1986:279). The design is about "the procedures for conducting the study, including when, from whom and under what conditions data was obtained. The purpose of the research design is to provide "the most valid and accurate answers to the research questions" (McMillan & Schumacher, 1993:31).

To conduct a proper study in this topic, an exploratory qualitative research design provided a window on how a range of factors have cumulatively affected racial transformation, employment opportunities and leadership opportunities of the South African black population in the advertising and media industry. Emphasis was placed on the examination of the perspectives and experiences of national stakeholders, pertaining to any barriers prospective entrants into this sector may encounter or have encountered during employment and career development. The industry body leadership and representatives' roles within the context of transformation and their participation in the change process were explored.

The advertising, marketing and communications industry fulfils the criteria of a research setting as defined by Holliday (2002: 38); namely, it has a sense of bounded-ness, the provision of a variety of relevant and interconnected data, has sufficient richness and accessibility and is of reasonable size.

A research design may be quantitative and/or qualitative. Creswell (1998: 15) attests:

> "Qualitative research is an inquiry process of understanding based on distinct methodological traditions of inquiry that explore a social or human problem. The researcher builds a complex, holistic picture, analyses words, reports detailed views of informants and conducts the study in a natural setting."

> (Creswell, 1998)

A qualitative research model was preferred to a quantitative proposition because "the researcher had little control over the events and the study required a contemporary focus within a real life context" (McMillan & Schumacher, 1993: 376). Following hereunder are the main features of a qualitative study.

3.3 QUALITATIVE APPROACH

Strauss & Corbin (1999) have defined qualitative research approach as the "type of research that produces findings not arrived at by means of statistical procedures" (quantitative approach). It can be a research about "people's lives, certain stories, behaviour and also about organisational functioning as well as social activities or relationships" (Strauss & Corbin, 1990: 17)*)*. It

might be possible to "quantify some data, but the analysis itself would still be a qualitative one" (*Ibid*). This is supported by Best and Kahn (1986:147) who maintain that in qualitative studies description of observations are not expressed in quantitative terms, with this approach the description is more emphasized, however numerical measures can still be used. This type of approach is intended to produce information on a given setting in its full richness and complexity (Slavin, 1992:64).

Hittleman and Simon (1997:42) hypothesise that "qualitative research is a term used for a broad range of research strategies" that has roots in the research of the social sciences, especially the field research of anthropology and sociology. Qualitative research makes little or no use of numbers, it rather focuses on "thick descriptions" of social settings. This kind of research is characterised by the use of text, written words to document variables and inductive analysis of the collected information.

A qualitative research method is a preferred approach in this research as it allows the researcher to gain immediate information about the perceptions of the participants (government, industry leaders, company executives, black employees and general public) as indicated in the first chapter. One advantage of the qualitative paradigm is that it is flexible and eases facilitation of the developmental process in investigating the problem. This type of research is used to study individuals, groups and organisations (Strauss & Corbin, 1990:19).

The nature of this dissertation thus makes it instructive that it be grounded in the qualitative evaluation of the impact of the government's intervention on

implementing racial reforms in this industry. The research questions posed to participants revolved around the issues of management and implementations of strategies to ensure equitable ownership and advancement opportunities for previously disadvantaged individuals.

Having discussed the nature of qualitative research, the next section focuses on the features of this approach.

3.3.1 Features of a qualitative research design

The following five features are characteristic of qualitative research, namely,

- Assumptions about the world;
- Multi-method strategies;
- Goals;
- Researcher's role; and
- Context sensitivity.

To outline the context for the choice, each feature is described briefly below.

3.3.1.1 Assumptions about the world

Cherry (2000) explains that qualitative research is "based on phenomenological research traditions". It "assumes that multiple realities are socially constructed through individual and collective definitions of the situation" (McMillan & Schumacher, 1993: 14). Data consists of "words in the form of rich verbal descriptions" (*Ibid*). In writing qualitative research a writer needs to use qualitative words that convey an evolving, developing study, clearly identify the key concept being explored or understood, mention the qualitative method of inquiry, identify the unit of analysis and generally define terms that may not be understood by the reader. (Creswell, 1994: 67)

3.3.1.2 Multi-method strategies

Researchers study participant's "perspectives with interactive strategies (observation and semi-formal, surveys and one-on-one interviews) and non-interactive strategies (use of documents)…research strategies are flexible, responsive and on-going" (Pole & Lampard, 2002: 12). Typically an emergent design is used and the researcher "makes decisions about data collection strategies during the study" (Schumacher & McMillan, 1993). The researcher, therefore, refrains from assuming the role of the expert. Instead, the participants are the experts and interaction with participants dictates an evolving design. The data gathered for this study was from expert interviews, worldwide web reports and journals.

3.3.1.3 Goals

Qualitative research focuses on the quest to understand the multiplicity of social phenomena from the participant's points of view. The research question for this study thus makes an inquiry and explores whether government's intervention has had any impact in transforming the advertising, media and communications industry. A qualitative research approach was thus considered most suitable. As such, people's individual and collective social interactions, beliefs, thoughts and perceptions are analysed and described.

3.3.1.4 Researcher's role

Qualitative researchers become immersed in the situation, past or present, and in the phenomenon being studied. This occurs through the researcher's participation in a research role or "through historical empathy with participants in past social events" (McMillan & Schumacher, 1993:15). Hammersley and Atkinson (1983) state that "qualitative research methods

allow the researcher to directly participate in the lives of the research participants." With this approach not only the researcher was able to observe interviewees' interactions, but was also able to immediately ask follow-up questions and listen to their uncensored answers (Hammersley and Atkinson, 1983). This methodology also permits the researcher to probe more intensely and engage the issue or subject matter being examined. The questions for this research were the kinds of questions that could well be answered using qualitative approach.

3.3.1.5 Context sensitivity

According to McMillan & Schumacher (1993:15) "qualitative research develops context-bound generalisations," however, it must be highlighted that in some instances research conducted may lead to findings that could be applied to other contexts, settings or to other groups. In qualitative research, an attempt is made to investigate behaviour as it occurs naturally in which there is no conscious manipulation of conditions or experiences. Although this is the ideal, it is also true that the very acts of reflection or interview may influence participant experience.

Some of the generalisations and assumptions in this study could have been due to the researcher's bias and subjectivity. For instance the researcher works within the industry and as such it was always paramount to be alert and avoid being influenced by his own prejudices and preconceived notions of how racial transformation should be handled and what the outcomes should be. These were also discussed with the respondents before the interviews were conducted. Also, the literature was also carefully chosen so that it did not only support certain perspectives.

3.4 COLLECTION OF DATA

Data is not intrinsically quantitative and it can be fragments of almost everything. It could be expressed in any form and any medium. Data can come in the form of images, words, tones, gestures or impressions that represent real occurrences or reality or as it is seen through symbolism. Almost all case studies in this dissertation involved informal interviews, ethnographic and participant-observation methodologies. The interviewees were permitted to express themselves freely in their own words and the researcher interacted and engaged with the participants and the events around them without much restraint. However a researcher must not immerse himself or herself to the studied phenomenon to an extent that he or she may directly influence the situation so as to achieve the results that he or she wants. Research ethics were also observed at all times.

Moral behaviour and ethics values guide humans to differentiate between "what is right or wrong, proper or improper, good or bad". (McMillan & Schumacher, 1993:182)

According to Gillespie (1995: 884),

> "ethics emerge from value conflicts among those in a profession. These conflicts are expressed in discussions and decisions that relate to individual rights. For example, when conducting a research study, the researcher tries to minimise the risk to individual rights. However, there is conflict between a person's right to privacy versus the researcher's need to know. Researchers must try to minimise risks to participants, colleagues and society

while attempting to maximise the quality of information they produce".

(Gillespie, 1995)

Qualitative researchers need "to be sensitive to ethical principles because of their research topic, face-to-face interactive data collection, an emergent design and reciprocity with participants" (McMillan & Schumacher, 1993:397). Criteria for research design "involve not only the selection of information-rich informants and efficient research strategies but also adherence to research ethics" (Kumar, 1999: 190). The permission to continue with the study was granted by the University of KwaZulu Natal after all the modules for the Masters in Commerce in Strategic Leadership and Project Management were completed. The motivation to research this topic had all the relevant details and an analysis of the scope of the project and a plan for data gathering.

The researcher also attempted to assess the relationships between perception and reality based on gathered data about activities in the advertising and media industry and the application of government policies as recommended during the 2001 – 2004 Parliamentary hearings. Taken in its context and to its logical conclusion research approach would be able to sustain the formulation of concrete theory based on gathered information from the research to deal with real and core questions.

Weaver (1997) refers to the "Naturalistic Inquiry" (Lincoln & Guba, 1985) which the researcher used to analyze the data:

- *Realities are holistic, multiple and constructed.*

- *Inquiry is value bound.*

- *The known and the knower are inseparable and interactive.*

- *Only time and context-bound hypodissertation are possible*

<div align="right">(Weaver 1997: 23-24)</div>

Most of data was collected from four main sources (GCIS documents on government's hearings, expert interviews, industry case studies and official company websites). This section of the research also details the procedures followed in combination with the above-mentioned tools of data gathering. The reason why multiple methodologies were used was to authenticate the reliability and truthfulness of the data.

The researcher started the survey process by writing letters to HR deaortments requesting interviews and participants to fill in a questionnaire. Thereafter appointments for initial interviews were made over the phone or through e-mails. During the interviews where more clarity was needed the interviewee was asked to elaborate:

> "This gave a uniformity of approach and helped to make the interview a more productive event. The interview technique enabled narrative inquiry where the contributors to the study built a story of the situation as they saw it from a personal perspective. In this sense, the perspective gained was a privileged one, since most of the participants had highly instrumental roles in the determination of public policy for (racial transformation in

the industry)."

(Cohen, Manion & Morrison, 2000: 157 - *in* Fluck, A.E. 2003)

Research documents (articles and journals) were collected from November 2001 after identifying the research area for the Masters dissertation, and the collection of data continued until September 2008, and intermittently until March 2010 whenever new and relevant information became available. Information about the case studies for the industry was sourced from the internet from 2001 to 2005, and from the interviewees in 2005 and again in February 2010 to ensure that the research was still relevant. In many cases the information relevant to the research question was accessed through the Internet.

A number of company executives participated in a series of interviews which were conducted between the period of 2002 and 2005. Most of the interviews happened in Johannesburg because that is where the majority of media and adverting agencies are head-quartered. These interviews mostly happened around specific dates and milestones when the discussions around racial transformation were heavily debated. This strategy ensured that most interviewees were aware of what was happening around them and in the industry. The research questionnaire was either sent and received electronically via e-mails or dropped off at a place most convenient for the respondent. Due care was also exercised to ensure that all the interviewees were comfortable and the environment allowed for cordial interaction. Even though the interviews were not intense and uncomfortable, they were still probing and follow up questions were asked when needed. Eisenhardt (1989) stresses that it is just as equally important to be flexible when formulating the

design theory when establishing case studies. This is because the researcher is also trying to understand each individual case fully and in intimate detail. Acceptable interview procedures and protocol such as guaranteeing respondents' confidentiality, not asking very personal questions or coercing respondents to reveal secrete company information were cautioned. One day of interviewing and a follow up with certain interviewees where more clarity was needed were also deemed appropriate.

Appointments to conduct the interviews were made through the respective human resources departments and most interviews ran for an hour per interview subject. Two or three people would be chosen from each company. Before the formal interviews were to start, some pleasantries were exchanged to make all the interviewees relax and get comfortable. The interviews mainly focused on issues of racial transformation as observed by respondents in their specific places of employment. Respondents were selected based on the knowledge of their respective organisation's racial transformation policies. In almost all sites, the respondents would represent some level of authority, came from departments of the company, had a wide variety of roles and were of various ethnicities. From each organisation, the interview subjects comprised of one senior personnel, a human resources officer or manager and/or a middle management employee.

The interview technique comprised of choosing areas of the study in which the interviewee held an opinion and was aware of the discussions on racial transformation which took place in Parliament (2001-2004) and what was being discussed in the advertising and media industry. When the interviews were conducted, the researcher opted to cross examine special events or

situations which he suspected would yield more theories into the racial transformation discussion. Eisenhardt (1989) advocates for flexibility in research design and says "flexibility is controlled opportunism in which researchers take advantage of the uniqueness of a specific case and the emergence of new themes to improve resultant theory" (Eisenhardt, 1989:539). Notes during the interviews were recorded in a notepad and the permission was granted by the respondents to take such notes.

3 .5 RELIABILITY AND VALIDITY

Generally the issue of cross examining the legitimacy and relevancy of gathered data demands anyone undertaking the research to explore all imaginable scenarios and manifestations of the identified problem than merely looking at narrow objectives of the observation. A wide range of instruments can be utilised to test the legitimacy of the results of the research, but a generally useful characteristic is to be made between matters of external and internal validity. To examine external validity the researcher has to understand similar situations and test if the results can be synthesised. Therefore, the authenticity of the gathered data was seriously measured against the criteria advocated by Campbell and Stanley (1963) and modified by Campbell (1969). This criteria means putting the data into tests such as determining if the researcher observed what they think they observed and to test whether the researcher grasped the concepts they think they heard.

An issue of the deterioration of collected information and subjects was also a consideration. This threat mainly would have occurred when the individuals or the phenomenon in a study were chosen primarily on status and superiority

rather than relevance of their views and responses. As could be witnessed, it could well be put forward that most contributors and organisations in most case studies were, in principle, in support of transformation. Most held positions of accountability at some level to initiate, promote or administer the involvement and empowerment of the previously disadvantaged individuals (PDIs). From that perspective they were a covertly subjective collection. Nonetheless, the study was aimed at following and documenting racial transformation initiatives in the marketing, advertising, media and communications industry. For that part, it was imperative to deal with individuals who were more or less involved and were proponents rather than detractors of the transformation process. The researcher was of the view that the pessimists and bystanders would hardly contribute any positive outlook or new knowledge to the field. A number of interviewees (especially the white executives) expressed very strong views on some policies implemented and the way transformation is handled in the country. Because of these sensitivities, the possibility of collusion lingered and the risk to the legitimacy of the study was always a concern and was always monitored throughout the research process.

The risk of validating the authenticity of the research as Campbell (1969) has dealt with was also considered seriously. Without factoring those threats in, resultant findings coming out of irrelevant material would jeopardise the final outcomes and conclusions. The method elected to minimize the magnitude of such possible threats was to check sources against each other. Corroborative results (Campbell & Fiske, 1959; Cohen, Manion & Morrison, 2000: 112) coming from two or more different respondents or documents would be less likely to be affected by that type of contamination. A simplest form of

validating such data was the use of a standard questionnaire which all interviewees filled in, which was then followed up by interviews and checked against the individual company profile.

When interviews were conducted, the researcher took notes during the interviews or within a space of 24 hours after the interview. Much effort was also made to paint a true reflection of the interview as faithful as feasible, and the researcher's own commentary being as accurately recorded as those of interview subjects.

3.6 DATA ANALYSIS

Data from submissions made by the industry body representatives was selected and investigated. The investigation was that of commitment to racial transformation and adherence to governments' recommendations. This was examined through analysis of industry submission made to South African Parliamentary Portfolio on Communications, compared and synthesised with the interviews of the industry captains. Data from the submissions to Parliament and interviews was fused together into case studies, prepared in a consolidated form which would give meaning to research questions.

Data for this study was examined using grounded theory methodology (Strauss & Corbin 1990). The strategies of collecting such data were also coupled with the process of descriptive coding (*Ibid*) to arrange themes, own and individual perspectives and literature in meaningful ways which could clarify issues better.

As there were various sources of data, content synthesis and analytical simplification was employed to "delineate important categories, threads and commonalities" (Gillham, 2000: 71-75). Through the use of grounded theory (Lincoln & Guba, 1985: 205) themes and subject threads emanating from the interviews were also scrutinized. Each method was tested against a number of data variables.

3.7 LIMITATIONS

A more notable limit of this research is its generic nature and that it tries to look at the entire industry instead of focusing on a specific firm or firms of specific specialisation. As a case in point, the researcher's own employer would also have been an ideal case study. Since the researcher of this study has worked in the industry for some time it might be perceived as being biased, however the author has tried to keep as objective as possible.

Scholarly research requires decisions about striking balanced mix between the data and the efficacy of research methodologies. Hence it was paramount to acknowledge probable causes of distortion, contamination of data and inaccuracies when that occurred. Bias and preconceived notions of the researcher as a result of personal reasons to undertake the research was also a strong concern. However, this is accepted as an understandable bias since it was a motivational component for the proposal of research in the first place.

The interviews were also informal and conducted in a very friendly manner. The interviewees were briefed about what the interviews were about and that their confidentiality was also guaranteed. The interviewees were also told that

their engagement was for research purposes only. This process helped in gaining confidence of the respondents and in assuring them that their views and opinions were valued and protected. It also encouraged them to expound and be more open on their expressions. It is hard to assess how much this approach helped influence the respondents' disclosure and to what extent their bias had an influence in what they expressed.

Communicating with courtesy when setting up meetings created rapport and built trust and mutual respect. This made the interviews easy to conduct when the in researcher and an interviewee eventually met. Most of the meetings took place at the respondent's preferred venue. The researcher always emphasised that the interviews were for academic and research purposes and that other individuals from other companies operating in the media and advertising sector were also being interviewed.

3.8 CONCLUSION

This chapter has stated and elaborated on research methodologies used in the study, and the corroborative justification for its use. Submission reports, internet content and interview results were gathered with due care and diligence and their materials analysed conscientiously. Normal practice of the industry was scrutinised through the use of case studies using various sources, while the industry transformation process was researched using a wide range of sources including some company policies that were available to the public.

The following chapter looks into some documents and submissions made by industry representatives to PPCC. Actual submissions to PPCC were

collected, saved on a computer and used as an integral source of data. This data was included with transcript and fieldnotes and analyzed as described in Chapter 4. Analysis of the data began with the systematic indexing of all transcripts derived from interviews. Indexing was done by grouping similar themes that emerged from such interviews and documents (fig. 1, pg 91). Line by line subject indexes were also created to assist in emergence of theme. When themes or threads of commonality were identified, the data was coded using emerging categories.

CHAPTER FOUR

ANALYSIS AND INTERPRETATION OF FINDINGS

4.1. INTRODUCTION

Having looked at the methodology and the design of the research in the previous chapter, Chapter Four looks into data that was collected and formed part of this study. Most of this data was gathered from industry representatives and submissions they made to Parliament, most of which is archived in the respective institutions' official websites as well as Government's Communications and information System (GCIS) website. The researcher tries to explore the issues of the lack of racial transformation in the advertising and media industry.

4.2 THE CONTEXT OF THE RESEARCH STUDY

Today's critics are citing the media with elitism, racism and a failure to understand the market - all of which are nothing new and were inherent failings of the apartheid era media environment. The advertising and media industry which is all part of the communications sector is not in anyway unique or different from many businesses in the country – "trying to make themselves all mysterious and all heavily creative and out there so no one can get in, the argument is about an industry that employs 90% white media planners/buyers/ to communicate with over 20 million black people" (Respondent 1, 2008).

The submissions by the industry stakeholders and representatives act as a basis from which the research questions were formulated. These submissions were expressed commitments and manifestos made by the industry out of their own volition and persuasion by the government. The majority of the respondents agreed that the industry strives for an all-inclusive sector which does not discriminate based on race, gender or creed. It also appears the industry has fully committed itself to specific measurable goals and has put the transformation debate at the top of their agenda.

4.3 DATA ANALYSIS

For this chapter the researcher relied largely on major publications such as daily and weekly newspapers, the internet, trade magazines and industry journals to extract and analyse data. This study examines issues of transformation or the perceived its lack thereof after the government's intervention. For this study, only industry publications and internet data starting from November 1999 through to June 2005 were considered relevant to form the basis of the theory and the arguments thereof. November 1999 is significant because that is when the first ever formal complaints about racism in the democratic South African media and advertising landscape were received by the Human Sciences Research Council (HSRC). This research also looks at published journals on racism and media respectively in broad and general terms. For the intended purpose of the study semi-informal and unstructured interviews were also conducted to corroborate or dispute available data and to get a more intelligible and current analysis of the prevailing situation.

By gathering available primary and secondary data this research therefore tries to find empirical answers to explore the issues of perceived or actual lack of racial transformation in the media and advertising fraternity as well as how it affects individuals and their organisations. This dissertation seeks to argue that the issue of racial transformation is something that companies have to deal with at both corporate and social levels. The researcher also formulates an opinion that all companies in this sector should incorporate racial transformation initiatives within their business plans and internal policies.

For the purpose of this study, submissions from following six major industry representatives to the PPCC hearings and their stated commitment to transformation were researched:

- The Advertising and Communications Association (ACA)
- The Advertising Media Forum (AMF)
- Advertising Standards Authority (ASA)
- South African Advertising Research Foundation (SAARF)
- The Marketing Federation of Southern Africa (MFSA)
- National Association of Broadcasters (NAB)

4.3.1 The Advertising and Communications Association (ACA)

Some of the analysis drawn, observations and conclusions made were arrived at as a result of information sourced from ACA's official website (www.acasa.co.za), the submissions made to the PPCC and documents archived at the GCIS official website (www.gcis.gov.za). Some of the information was also sourced through semi-formal interviews.

Over 100 companies active in advertising and its associated industries are affiliated to ACA, which is over 70% of the total industry. These companies employ over 3 000 professionals in the advertising and media field. The ACA is active in every facet of this industry, from setting the standards pertaining to business ethics to liaison with other allied associations and with government (Source: ACA Report- Retrieved 04 October 2005, from, http://www.gcis.gov.za/docs/portcom/02aca.html). The ACA has been on a journey to transform itself since 1996, which saw the launch of their Transformation Charter in February 2002.

In their initial submissions to the PPCC in 2001 they reported on how their then proposed Charter was going to be implemented and how they would monitor growth in black representation amongst their members against their self-imposed target of 40% black representation by 2004, including accelerated appointments in specifically identified categories such as black top management, black professionals and women empowerment. The MAC Transformation Charter adopted in August 2008 has set new Broad -Based Black Economic Empowerment (B-BBEE) targets which for are 25% in 2006, 30% in 2009 and 45% in 2014). The ACA is also a signatory of the MAC Charter. The ACA also provided an analysis of black shareholding as well as breakdown of race demographics for their AAA School of Advertising which aspired to also increase the intake of black students from 40% in 2002 to over 60% by 2004 onwards. The school is owned by the ACA and is regarded as key in widening the pool of skilled media and advertising professionals.

Whilst the values expressed in their *Transformation Charter* are still as valid and binding as ever, and whilst the achievements of their quantitative goals

remain important, it was necessary for the ACA to move on to the qualitative goals and lift the transformation debate to a higher level. As a result of some introspection the *ACA Board of Directive on the Implementation of the Transformation Charter* appointed a task team to research and formulate a mandate for an entire ACA Board to revisit their charter and implementation policy so that it was still applicable and relevant.

In March 2002 ACA organized think-tank sessions for its members and on several follow up meetings throughout that year the ACA developed a vision for the entire advertising and communications industry. They also developed what they called a 10 point statement of values based on their Transformation Charter (which has been replaces by the MAC Charter since August 2008) and other values they had discussed during those think-tank sessions. These value statements were then translated into actionable events for implementation. Also, the transformation policy was approved for implementation by the ACA Board on 4 September 2004.

In their report, the ACA also "brought to the attention of the [PPCC's] Monitoring and Steering Committee the problems which adversely [affected] emerging black advertising agencies" (ACA website, 2005), in particular shortage of skills, financial backing and funding for start-ups:

> "Through [the] joint and vigorous efforts of the GCIS, the National Treasury, [the] government departments and the ACA [member agencies] these problems [were] comprehensively addressed through the development of *Best Practice Guidelines for the Procurement of Advertising Services by Government*

and Parastatals which [was] concluded [at the end of 2004]."

(*ACA website, 2005*)

The guidelines were formulated to address key issues of preferential procurement, which was "a stated area of concern for the government and parastatals." (*Ibid)*

Out of recommendations from the Parliamentary hearings between 2001 and end of 2004, the advertising industry collectively created a new organisation called *The Creative Circle*, its purpose being solely to encourage and promote excellence and creativity in advertising. Due care was also taken so that *The Creative Circle* was "more balanced in terms of race and gender and still played a meaningful role in advancing racial transformation in the creative community." (*Ibid*) With their involvement, for the first time the 2004/2005 Loerie Awards (which award creative excellence in advertising and marketing) included 50% of the jury from Previously Disadvantaged Individuals (PDIs) and reportedly the largest portion of awards went to the black entrants (*Ibid*).

However as noble as the idea was there was some criticism leveled against the organizers in that for the first time there was also a specific award for the Best Black Creative which many saw as "merely tokenistic, still divisive and blatantly patronizing" (Respondent 7, 2008). This category begged the question if there would ever be a need for the "Best White Creative Award" (Respondent 7, 2008). And if there were to be such an award, how would everybody take it?

The self-imposed ACA target of 40% amongst its member agencies by 2004 (PDI overall):

> "…was accepted by most of the companies in these sectors. The ownership profile was reflective of the minimum equity requirements for tenders, viz. 26%. Major suppliers utilised by respondents (>90%) were not aware of the ownership make-up of companies that they had provided services to or procured services from. There was a need for companies to actively adapt procurement policies to ensure that these provisions were representative of all sectors of the industry."
>
> (ACA website, 2005)

It was and it is still essential for clients to ask questions about the B-BBEE representation of their suppliers when conducting their businesses. The MAC Charter also stipulates these principles. However enforcing these practices can be very tricky, for instance if the company is not publicly traded (or not a MAC Charter signatory), they are not compelled to divulge such information plus their financial figures, not unless they voluntarily decide to do so. As a result, the researcher was bound to receive unsatisfactory information to indicate their ownership status.

On the other hand,

> "the issue with publicly listed companies is that shareholding resides in the form of trusts and other financial instruments that do not reflect a racial identity, thus it is not possible to determine the

equity make-up of these holding instruments."

<div align="center">(Ibid)</div>

To get one's hands into shareholding profiles of listed and non-listed organisations is time consuming and a lengthy process. It is an area that requires additional research.

Advertising and media has had to

> "keep pace with the changing political context of South Africa. The economic demographics of the country are changing, with the implication for marketers that colour ceases to be an issue. Thus transformation in the advertising and media industry, although present has been slow. There are a number of factors that have affected the industry's ability to meet transformation requirements."

<div align="center">(Ibid)</div>

4.3.2 The Advertising Media Forum (AMF)

Some of the analysis drawn, observations and conclusions made were arrived at as a result of information sourced from AMF's official website (www.amf.org.za), the submissions made to the PPCC and documents archived at the GCIS official website (www.gcis.gov.za). Some of the information was also sourced through semi-formal interviews.

The Advertising Media Forum is a section 21 company (non-profit organisation) previously known as the Media Directors Circle. It was

reconstituted in 2002 and came to be known as the Advertising Media Forum (AMF). After its establishment, the new AMF executive set out a new vision for the organisation. For the AMF to have a meaningful role it had to be more inclusive, encourage true transformation at all levels and promote best practices as well as act as an industry watchdog to:

- "*Be more inclusive:* To encourage and empower new talent and leaders from amongst those responsible for the day-to-day planning and purchasing of media, to take an active role in steering the industry into the future. It aims to forge relationships and build bridges with other industry bodies to encourage them to play their role in the transformation process.

- *Encourage transformation:* To actively participate in the transformation process of the industry by (1) attracting new black talent into the media industry, (2) encouraging training and retention programmes amongst AMF members and (3) by removing any discriminatory practices within the profession.

- *Encourage professional practices:* With a stronger organisational constitution, a members' code of conduct and a committee responsible for ethics, they hope to encourage their members (as well as the broader media industry), to adhere to the highest standards of media practices.

- *To be an industry watchdog:* To play the role of a watchdog within the industry by encouraging transparent and justifiable sales polices, pricing strategies and transactions amongst

media owners."

(Advertising Media Forum, 2002)

The AMF "provides a platform for media strategists, planners and media buyers to co-ordinate a common policy to promote acceptable standards and practices in the media industry" (Advertising Media Forum, 2002). AMF's role in the industry is to promote and ensure that the standards and practices set out by all the role-players are achieved and maintained. It also acts on an advisory capacity to the media related industries and aligned businesses, including public and non-government organisations. Another AMF's mandate is to encourage debate around formulation of policies that benefit the previously disadvantaged individuals that want to enter the industry and to continuously develop professionalism within the entire media, advertising and communications sector.

In 2002 the AMF estimated that there were about 700 people working as media buyers and planners in South Africa. Since then some inroads had been made in forging an "all-inclusive and an enabling body that increased its size from a 3% black membership in 2002 to 18% in 2005" (AMF website, 2002) - no new statistics available. It was a much welcomed improvement from that part of the industry which was famously characterized by the then Parliamentary Portfolio committee chairman Nat Kekana as the "22-year-old white girls who live in Sandton and watch *Ally McBeal* - consequently lacking understanding of black media." (Financial Mail, 24 May 2002)

In November 2002 the industry pledged to commit to the *Value Statement*, which amongst other things:

- "Acknowledge that like the rest of South African society the industry had been plagued by the injustices of South Africa's racist past in terms of employee representation, ownership and decision-making patterns,

- Recognise that the industry plays a critical role in the creation of wealth and the development of our economy,

- Believe that transformation of the industry is essential for its long-term growth and the upliftment of people who were historically disadvantaged."

<div align="right">(AMF website, 2002)</div>

The AMF pledged to "be fully committed to the *Value Statement* that was developed out of the discussions and reflections during the plenary sessions" (AMF, 2004) In November 2002 they had committed to "fully support an industry charter to encapsulate commitment to transformation in a stronger and more tangible framework." (Respondent 10, 2008)

In addition to its commitment to the industry transformation endevours, the AMF pledged to:

(a) "support the formation of an industry *umbrella* body that would steer and track the industry on transformation and strategic issues. It has pledged to continue its involvement in industry forums post-hearings to ensure that the important issues that were raised remain top of mind.

(b) attempt to influence practices that prevent unfair discrimination

(c) recognise that there had been little or no access to the media profession for the majority of South Africans and that it was partly its (A MF) responsibility to encourage transformation. As such, it successfully piloted an awareness and career guidance programme through Vista University (Mamelodi Campus, Pretoria), that generated a 98% response rate in terms of students considering media as a career. It has also developed a learnership programme to support its marketing efforts. From 2003, media agencies started taking on additional students from such tertiary educational institutes for 3 months of the year at a set basic salary."

<div align="right">(AMF website, 2002)</div>

4.3.3 The Advertising Standards Authority (ASA)

Some of the analysis drawn, observations and conclusions made were arrived at as a result of information sourced from ASA's official internet site (www.asasa.org.za), the submissions made to the PPCC and documents archived at the GCIS official website. Some of the information was also sourced through semi-formal interviews.

The ASA "is an independent regulatory organisation which was established by the marketing and communications industry to regulate advertising in the public interest through a system of self-regulation" (ASA Website, 2005). By

so doing (self-regulation) the industry voluntarily, and without government interference, regulates the content of advertising by its affiliates. The organisation is also self-funded through the advertisers and marketers who pay for the advertisements, the ad agencies that create those advertisements, and the media which transmit those adverts and make them publicly available. These three spheres of the communications business work together and set parameters on what constitute acceptable standards and to create a system that ensures that adverts that are deemed unsuitable for the public consumption are corrected or immediately removed from the public.

The ASA "works closely with government, statutory bodies, consumer organisations and the industry to ensure that the content of advertising meets the requirements of the Code of Advertising Practice."(ASA website, 2005). All members of the ASA must adhere to this Code. The ACA, the NAB and Print Media South Africa are some of the members of the ASA. It has a "statutory recognition in the IBA Act and broadcasters are subject to the requirements of the Code of Advertising Practice as determined and administered by the Advertising Standards Authority of South Africa" (ASA website, 2005).

> "ASA complies with international standards and best practice, an important requirement to international companies who consider investing in South Africa. Marketers recognise the need for consumer protection and high ethical standards in advertising across the world. The International Code of Advertising Practice, prepared by the International Chamber of Commerce, serves as the basis for all self-regulatory systems. It requires advertising to be

legal, decent, honest and truthful, prepared with a sense of social responsibility to society and to respect the rules of fair competition."

<div align="right">(GCIS website, 2002)</div>

To provide flexible, swift, effective and inexpensive means of settling disagreements between consumers and the industry as well as between media organisations themselves, the rules are enforced by independent self-regulatory organisations (SRO's).

"As a body serving the public interest, the ASA embarked on a process of transformation in the early nineties. This process gained momentum in 1999 when a Strategic Review was conducted to ensure that the ASA was structured and directed to fulfill its role in a new society."

<div align="right">(*Ibid)*</div>

The ASA consequently implemented the recommendations taken during their Strategic Review meeting which included,

- "Independence of the ASA
- The Code of Advertising Practice
- Public participation in decision making
- Interpretation of the Code
- Sanctions
- Informing consumers of their rights
- Public reporting
- Accessibility

- Transparency

- Co-operation with Government, Statutory and Consumer bodies

- Industry sensitisation

- Staffing policy"

<p align="center">(Ibid)</p>

One of the ASA's main concerns and mandate going forward is that as long as its members have to join in on ad hoc basis its function and mandate will also be restricted to those organisations that join up its authority voluntarily.

The ASA therefore felt:

> "it desirable to extend the statutory framework within which it operates beyond the IBA Act. An extended statutory framework could give *teeth* to the ASA's sanctions. If statutory self-regulation were to be achieved, the ambit of the ASA's activities would be expanded. This would necessitate an increase in the funds required to finance the ASA's activities. Whilst there is no reason why advertisers themselves should not be called on to fund competitor complaints, the issue of consumer complaints is more complex."

<p align="center">(Ibid)</p>

In its submissions, the ASA proposed that it "engages with Government in a forum where all relevant stakeholders would be represented to extend the statutory underpinning of self-regulation and to explore funding possibilities for the future." (*Ibid*)

The Portfolio Committee on Communications isolated two points that needed to be addressed in order to effectively deal with the regulation of advertising:

- "An assessment of the efficacy of the complex legislative framework and regulatory regime concerning advertising.
- A public awareness campaign to ensure South African citizens are aware of their rights as consumers of advertising and are able to access the means to protect those rights."

(GCIS website, 2003)

The ASA later submitted that these points had bee addressed through:

- **"Legislative Framework: "**Between 2002 and 2005, the ASA had several meetings with the Department of Trade and Industry. The Department assumed responsibility for an assessment of the legislative regime as part of drawing up an overarching consumer policy. This policy resulted in the Draft Green Paper on the Consumer Policy Framework published in the Government Gazette on 9 September 2004."

- **Public Awareness:** To boost public awareness, the ASA took the following initiatives:

  (a) *Research:* In January 2003, the ASA conducted *A Provisional Need and Awareness Study of the Advertising Standards Authority of South Africa.* Notwithstanding the fact that it was a telephone sample, the respondents included a wide range of socio-

economic backgrounds. The telephone interviews were conducted in the home languages of respondents by trained and experienced interviewers at a central location under constant supervision. The main conclusions were:

  (i) 97% of respondents considered a body like the ASA to be either necessary or essential,

  (ii) While not spontaneously in the public mind, the name of the ASA was recognised and recalled by about one-fifth of the telephone-owning people who were sampled.

• **Awareness campaign**: The ASA embarked on a more extensive awareness campaign comprising the following;

  (a) A television commercial (English) flighted as a public announcement by SABC 1, 2 and 3 as well as by M-Net and e-tv (84 flightings in 2004);

  (b) Radio commercials in 11 languages (broadcast 224 times nationally in 2004);

  (c) A user friendly summary of the Code of Advertising Practice in all the 11 official South African languages and distributed to consumers through the network of Consumer Affairs Offices in the various provinces.

  (d) A website containing the full Code as well as all recent decisions made by the ASA.

(e) An educational video about the role and function of the ASA to be made available to organisations, training institutions and other interested parties.

(f) An E-Newsline primarily aimed at the industry to provide information and guidance in the preparation of advertising.

(g) Participation in consumer educational programmes.

- **Code revision: Discrimination and gender:** To adequately address discrimination and gender issues. The terms *discrimination*, *gender stereotyping* and *negative gender portrayal* were defined in the Code of Advertising Practice:

Discrimination

Discrimination means any act or omission, including a policy, law, rule, practice, condition or situation which directly or indirectly:

(a) impose burdens, obligations or disadvantages on; or

(b) withhold benefits, opportunities or advantages from any person on one or more of the following grounds;

 (i) race, gender, sex, pregnancy, marital status, ethnic or social origin, colour, sexual orientation, age, disability, religion, conscience, belief, culture, language and birth, or

 (ii) any other analogous ground; and *discriminate* and *discriminatory* shall have corresponding meanings."

(ASA website, 2005)

In November 2005 the ASA together with eleven other marketing, advertising, and marketing bodies (including ACA, AMF, SAARF & GCIS) signed the *Marketing, Advertising & Communication Transformation Charter and BEE Scorecard*. The ceremonial signing by industry bodies and the then Minister in the President's Office Essop Pahad symbolized the binding commitment to the transformation agenda by industry captains and government.

4.3.4 The South African Advertising Research Foundation (SAARF)

Some analysis drawn, observations and conclusions made forthwith were arrived at as a result of information sourced from SAARF's official website (www.saarf.co.za), the submissions made to the PPCC and documents archived at the GCIS official website (www.gcis.gov.za). Some of the information was also sourced through interviews.

Founded in 1974, SAARF is a not-for-profit organisation that provides comprehensive media audience and product consumption measures. SAARF monitors what media audiences are consuming and feedback that information back to the industry so that they can make informed decision when placing their products. It is an organisation made out of three business units – advertising agencies, marketers and media owners. The SAARF is financed through fixed levies paid by print media owners and through a predetermined fixed fee of 1% of television and radio advertising revenues. Part of the money received through these levies is also used to fund the Advertising Standards Authority (ASA).

In the official GCIS website where SAARF's submissions are publicly available it is stated, "during the Parliamentary hearings at the end of 2001 the

accusation was made that the research conducted by the South African Advertising Research Foundation (SAARF) was racist" (GCIS website).

In their response submitted to the Portfolio Committee, the SAARF Board of Directors said that they were:

> "to investigate these accusations and give everyone the opportunity to make submissions on SAARF's research and anything that they felt should be changed or corrected. For this purpose the Board decided that open hearings would be conducted the following year and that an open invitation would be extended to the public as well as all stakeholders to make their submissions in person or in writing to a panel of experts."
>
> (SAARF website, 2002)

In response to the call by other industry units, the board also took a decision to remove any race reference in their research. They also argued that if anybody felt that race must be re-instated he or she would have to submit a compelling motivation.

Up to the hearings in 2002,

> "the inclusion of race in research had always been explained by saying that it was just another demographic tool and that people did not have to use it at all. It was argued that race was a fact of life and that it was not the researcher's duty to censor information,

and that AMPS reflected the South African society, and therefore race should be available just like any other demographic."

(Ibid)

During the hearings, the SAARF Board contended that:

"it had become clear that the mere fact that race was made available as a demographic identifier in AMPS would lead to discriminatory practices in the utilisation of AMPS data. As race was not essential for media planning or target marketing, its presence in AMPS was therefore not only unnecessary, but indeed harmful to AMPS and the industry it serves."

(Ibid)

However, after the 2002 hearings the SAARF board reversed their earlier decision by retaining the racial profiling on their ratings. In motivating for there round-about-turn, they had argued that:

"the problem did not lie with their research and that the removal of race as a demographic might in fact lead people to believe that all problems had now been resolved and would thus actually inhibit the necessary debate and action that should centre on the attitudes and behaviour of people."

(SAARF website, 2002)

During 2002 SAARF were content with what the hearings had been able to achieve and they finalised a transformation charter in which definitive racial transformational goals and timeframes were tabled out.

- The LSM workshops introduced during 2001 became a regular part of SAARF's training programme.

- All stakeholders, including research providers, were requested to evaluate the communications value chain to ensure that there were no intentional or unintentional discriminatory practices occurring at any stage.

- SAARF members were requested to adopt a Marketing Code of Conduct which was signed by all parties in the value chain. By adopting this charter the communications industry would pledge its commitment to eliminating any residual racial discrimination and racial targeting.

- SAARF pledged to work closely with the Government Communication and Information (GCIS), and also to liaise more closely with other Governmental institutions such as the Media Development and Diversity Agency (MDDA) and Statistics South Africa (Stats SA), where required.

- It was recommended that all stakeholders in the communications industry conduct regular re-evaluations of the situation until they are satisfied those measures are in place to ensure that all discriminatory practices have been permanently removed and that the industry has been transformed to reflect society.

- A working group was appointed by the SAARF Board to make recommendations on how to take the process of transformation, education and changing of perceptions and attitudes in the industry forward.

<p style="text-align:center">(bid)</p>

The SAARF Board of Directors emphasised that they:

"believed that the time had come for this bold step and that it hoped that the industry would take the opportunity to think anew about practices used in target marketing and media selection. In addition, stakeholders were invited, with the help of SAARF, to develop further innovative tools which could be used for these purposes."

<p style="text-align:center">(Ibid)</p>

Again, the issue of whether the inclusion of racial demographics was racist on its own was:

"debated over the length and breadth of the country. Standpoints for and against were raised by users of the data as well as representatives from government and cognisance of this was taken by the SAARF board of directors in their final deliberations over this issue."

<p style="text-align:center">(Ibid)</p>

The reason the inclusion of racial demographic was such a big issue on the agenda was justified by marketers who felt that the lifestyles of blacks and

whites are vastly different, different in a sense that they have different aspirations and their buying habits and tastes are also different. There are also products that are specifically designed for specific racial groups such as personal grooming products and certain services

On the 7th of March in 2001 the board also sought to establish:

> "whether in the light of all the changes that had taken place, the size and structure of the Board were still adequate for the effective representation of all constituencies and to ensure that the transformation of the SAARF Board was accelerated."
>
> *(Ibid)*

SAARF had been successful for over three decades and they have attributed their success to:

- "Inclusivity, in that through the years SAARF has always adapted to change and welcomed and accommodated new players in its structures and,
- The fact that top people from all sectors of the industry have been committed to SAARF, thus making their intellectual capital
- available, not only to SAARF, but also in the broader interests of joint industry research."

> *(Ibid)*

In acknowledgement of ongoing developments:

"It was accepted, however, that because of the changes of the past decade, factors such as the evolving South African landscape, fragmentation of the media, deregulation, globalisation etc., had brought the industry to a point where they needed to make it possible for even wider representation at all levels."

(Ibid)

Moreover:

"the SAARF Board felt that in order to meet the needs as expressed above, with the smallest amount of disruption to the functioning of the Board, the following changes be implemented as quickly as possible:

- That the number of Board members of each constituency be doubled to give all constituencies the capacity to accommodate the different sectors within their constituencies more effectively, as well as to ensure that the transformation of the SAARF Board was accelerated.
- As the change in the size of the Board did not have an effect on the proportional representation on the board, the balance among the different constituencies remained unchanged.

The last measure above was regarded as an interim measure. Once the transformational objectives had been met, the size and composition of the board would be re-evaluated."

(Ibid)

The proposals mentioned previously:

"gave all member organisations the freedom to elect sufficient members to the SAARF Board to represent their diverse needs adequately, and at the same time, moving the transformation process forward. SAARF and all its stakeholders formally reaffirmed their commitment to a process that was started in 2001 to effect the necessary changes to the composition of the SAARF Board of Directors and all SAARF Councils to ensure fair representation of the heterogeneity of the society at all levels within their organisation."

<div align="right">(Ibid)</div>

4.3.5 The National Association of Broadcasters (NAB)

Some of the analysis drawn, observations and conclusions made were arrived at as a result of information sourced from NAB's official website (www.nab.org.za), the submissions made to the PPCC and documents archived at the GCIS official website (www.gcis.gov.za). Some of the information was also sourced through semi-formal interviews.

The NAB has a membership of close to a hundred broadcasters and many professionals working in broadcast media and related industries associate themselves with their services. It is also home to the Broadcasting Complaints Commission of South Africa (BCCSA) which is a self-regulatory organisation that oversees all public complaints regarding offensive broadcast content on radio and television. They therefore have contact with many skilled professional in the broadcasting industry in South Africa and abroad and as a result are able to help their affiliates on a variety of broadcasting matters.

Furthermore, in order to add value in the South Africa's communications industries they constantly keep in touch with other media organisations such advertisers, advertising agencies, television producers and television actors.

> "Members of the NAB work closely with members of the advertising and marketing industry on various levels. In [their] submission [the NAB] supported Parliament's initiative in undertaking this process and called for the advertising and marketing industry to commit itself to a programme of transformation. The NAB reiterated [their] position during the SAARF hearings into racism where [they] called on SAARF to examine its representation at board, management and staffing levels, its procurement policies and to develop a transformation policy. In its interactions on these matters, the NAB [had] sought a process that would reach beyond defensive excuses for lack of transformation and focus on joint strategies to holistically address any problems which exist."
>
> *(Ibid)*

The NAB also pledged its full commitment and support "in finding viable strategies to advance the project of transformation." (*Ibid*) In its submission, the NAB felt strongly that many of its concerns:

> "…were shown to be well founded in that:

- the advertising and marketing industries [were] not sufficiently representative of the demographics of the South African society;
- that the transformation process of the advertising and marketing industry [had] been slow; and
- the lack of representivity [seemed] to result in 'black' media receiving an inequitable amount of adspend."

(Ibid)

In response to these concerns, the marketing, advertising and communications industry would have "to commit itself to transformation so that it not only reflect(ed) the demographics of South African society but that its values (were) consistent with those national values articulated in the Constitution" (*Ibid*). The NAB committed its full support of such proposals and efforts made by the industry to achieve such goals.

However, everyone noted that:

> "proposals alone would not be sufficient and that the advertising and marketing industry would have to commit itself to a clear set of deliverables which could be monitored in order to ensure that progress was made. These deliverables may relate to the areas of recruitment and staffing, ownership, training and procurement. The advertising, marketing and communications industry could better achieve these objectives by committing itself to an industry body that approaches the issues of transformation and adspend distribution from an umbrella perspective instead of a

sectorial perspective"

<div align="right">(GCIS website, 2004)</div>

The NAB also encouraged all broadcasters affiliated to it to commit themselves to the *Value Statement for the Marketing and Communications Industry*.

4.3.6 The Marketing Federation of Southern Africa (MFSA)

Some of the analysis drawn, observations and conclusions made were arrived at as a result of information sourced from a now defunct MFSA's official website (www.mfsa.co.za), the submissions made to the PPCC and documents archived at the GCIS official website (www.gcis.gov.za). Some of the information was also sourced through semi-formal interviews.

The formation of the MFSA in 2002 was a milestone and an important first step in the transformation process. Their core mandate was in the beginning was to work with these other institutions to address racial transformation challenges. In essence, they felt strongly that they had "to work with the ACA to establish a development foundation to promote entrepreneurship in the marketing and communications industry and to transform of the Loerie Awards." (MFSA website, 2002)

On Sunday, 2 October 2005 the MFSA released a media statement saying that it was to be wound down following a decision by its Board. The decision followed several interventions by the Board to deal with management problems, which had risen at the organisation during 2004. Before their

unforeseen demise the MFSA had acknowledged that the task of transforming the industry was urgent.

The Marketing Federation of Southern Africa made a contribution in transforming the industry and had committed itself to "encourage its members to embrace the process of [racial] transformation and change [in South Africa]" (Respondent 12, 2008*).* According to MFSA's reports to the GCIS they (GCIS) had also developed a transformation charter which was adopted by all its members:

- "To build the marketing and communications industry and to promote entrepreneurship in South Africa.
- To promote excellence and professionalism in the marketing and communications industry.
- To promote self-regulation in the industry.
- To promote good corporate governance and ethical behaviour in line with the ASA Code of Conduct.
- To promote and maintain fair, reasonable, honourable and proper standards and conditions of marketing and to investigate, take action against and discourage any and all improper, misleading, incorrect and fraudulent methods of marketing.
- To promote public confidence in marketing and communications, including advertising and advertised goods and services.

- To promote and encourage the development of skills through training and education through the IMM Graduate School of Marketing (IMM GSM) and other tertiary institutions."

(GCIS website, 2002)

The MFSA had further committed itself to mobilise its:

"collective resources to transform the industry in line with the goals as determined from time to time to ensure that all South Africans irrespective of race, creed, religion, gender and disabilities have an equal opportunity to participate in the industry as entrepreneurs, employees and customers. They also pledged to work tirelessly to transform the industry in line with the constitutional rights of equality and the promotion of transformation and the elimination of unfair discrimination in our society."

(MFSA website, 2002)

The implementation directive for racial transformation called on members of these organizations (ACA, AMF, ASA, SAARF, NAB and MFSA) to familiarise themselves and to comply with the Employment Equity Act and other applicable labour laws. This, they were forced by the act and the constitution to do anyway. "As democratic market societies emerge…long standing tensions about the nature of public life [start to] surface widely…conflict between civic culture and the liberal ethos of competitive individualism [come] to head…" (Tiersten, 2001: 16). While there were also mooted sanctions against members who failed to comply, the extent at which these measures were carried has never been verified.

4.4 INTERPRETATION OF DATA

The nature of the problem dictated the need to employ qualitative research techniques. In general, qualitative research is described as "an attempt to get an in-depth knowledge of the meanings of and 'definitions of the situation' presented by informants, rather than the production of a quantitative 'measurement' of their characteristics or behaviour" (Wainwright, 1997). That urge to disclose individual belief systems of the subject under observation is prevalent to "participant observation and the various other strands of qualitative research" (*Ibid*). After compiling the submissions and conducting interviews theories started to emerge which persuaded the researcher to adopt certain opinions about the state of the industry. However, the researcher maintained his objectivity and neutrality so that these theories could be formed naturally and without the influences like the researcher's own bias.

In relation to Wainwright's theory, Jorgensen (1989) urges:

> "While the researcher may have a theoretical interest in being there, exactly what concepts are important, how they are or are not related, and what, therefore, is problematic should remain open and subject to refinement and definition based on what the researcher is able to uncover and observe."

> (Jorgensen, 1989: 18)

From the interviews and submissions, it is clear that all major stakeholders are unanimous that the industry needs to embrace racial transformation. As suggested by Mingers & Gill (1997) the dynamics of living in a multidimensional world also means there can be a variety of solutions to a

single problem. Embracing that concept and allowing other people's viewpoints and experiences can lead to a wider varietty of possible solutions. As it suggests the multidimensional method seeks to utilise more than one methodology of data analysis, or part thereof, possibly from different paradigms. By their nature real life problems are invariably highly complex. Various paradigm shifts and focus on diverse characteristics of the situation and multimethodology is "therefore necessary to deal effectively with the richness of the real world" (Mingers & Gill, 1997:199).

The desirability of this methodology is enhanced by a collective need by everyone involved in the industry that it has to change and that change has to happen fast, otherwise "they will still be grappling with the same issues in the next 20 years" (Respondent 13, 2008). Since there is a desire from the government to see racial transformation happening it puts the transformation debate on top of the agenda for most advertising companies and enables change agents to effect that change swiftly.

> "The hope or wish for such individuals derives from several social
> and psychological reasons: hopelessness, against the inevitability
> of disasters, belief that 'men can make history', an escape from
> personal and political responsibility for shaping or participating in
> society."
>
> (Tudor, 1997: 4)

From a methodological pluralist perspective, this common vision will lead the industry to a common destination. The diagram on page 85 (Emergent Threads Coming from the Reports) illustrates the multi-threads coming from

the industry the reports and interviews. The interviews and documents revealed patterns that were repetitive and showed interconnectedness. This information provides rich qualitative and quantitative information concerning racial transformation in the industry.

Deducing from data which came out of the reports and using constant comparative method some analysis of emergent theories were made and categorized. In formulating the clusters that appear in the diagram (figure 1, pg 85) of the researcher identified themes as well problems the industry is faced with in tackling challenges of racial transformation. This data combined with responses from interviews made certain patterns to emerge.

As the study developed, various perceptions in industry bodies, showing internalised attitudes towards the racial transformation agenda started to emerge (figure 1, page 81).

Emergent Threads Coming from the Reports and Questionnaires

Factors impacting on transformation

Black Economic Empowerment and Employment Equity
- Bias of the industry leadership and consequently overall operations towards narrow commercial interests
- Enforcement of Government legislation and BEE policies
- Low numbers of black employment
- Low numbers of female employment

Media ownership and spend
- An industry that is simply divided along racial lines
- Advertising spend skewed towards white-owned media
- Low numbers of black shareholding
- Prevalence of the Old Boys' Club continues in dominance

Levelling the playing field
- Continuous training and education for newcomers and experienced professionals
- A need for diverse representation on industry boards
- Government intervention and rewarding of transformation initiatives
- Recognition of black talent

Achieving real transformation

Job creation
- Taking a collective responsibility in job creation
- Urgent need for human resources development
- Redressing past imbalances by recruiting black talent
- Eliminating all vestiges of discrimination and racism
- Improving lives for all industry stakeholders

Towards All-inclusive Access
- Equitable representation pursuant to constitutional principles
- Acknowledgement of the past imbalances created by apartheid
- Promotion of cultural and linguistic diversity and the right to equality
- Equal sharing of the country's resources and wealth
- A total overhaul of the industry

The nature of the advertising and media industry after government intervention

A Transformed Industry
- Balanced and justified expenditure in the industry
- A new code of conduct favourable to everyone
- Strategies for sustainable transformation put in place

Practices
- Commercial imperative of the industry recognised
- Collective and fair decision making processes
- Equity goals met and broad racial representation as per South African demographics

Perceptions
- The criteria used and influences operating in the placement of advertising adjusted to suit all stakeholders
- The mere acknowledgement of race not necessarily perceived as a discrimination practice
- Prolonged discrimination and further animosity

Figure 1- The emergent threads coming from the submissions

It is not a simple task to construct a single and comprehensive theory that deals with the challenges to racial transformation in South Africa. The research concludes that through shared experiences and shared efforts an all-inclusive theory of what is needed to transform the advertising, media and communications industry is within reach, but it will take long.

As illustrated in Figure 1 the investigation and reading yielded the following themes and sub-themes:

1. Black Economic Empowerment (BEE/BBBEE and Employment Equity (EE) – companies and the industry as a whole need to embrace the principles of BEE/ BBBEE and adopt Affirmative Action as well as Employment Equity policies to achieve racial transformation in the workplace.

2. Media ownership and spend – there needs to be some concerted effort from both black and white media owners equitably own the media and avoid using media based along racial lines. The MAC Charter an government's involvement though legislation need to emphasise the urgency for a transformed industry.

3. Leveling the playing field – government and the industry need to be involved in setting up curricula and breed new talent. Talent also need to be groomed and well managed.

4. Towards all-inclusive access – people who are endowed with creative skills and understand the advertising and media business or are keen on working in the industry should be allowed access. The industry should not be seen as a strong domain for a certain race group

5. Job Creation - as an industry that has an annual turnover of over 20 billion rands (Koenderman, 2008: 16-17) the industry is duty bound to create meaningful and sustainable jobs for qualified professionals and redress past imbalances. Employments strategies that a biased and racially motivated should be discouraged and done away with.

6. A truly transformed industry – the advertising and media industry should be seen as embracing change and advertising expenditure as well as media buying should be based on the reach of the chosen medium.

7. Practices – business decisions need to be based on practical imperatives of the business. Both black and white industry executives should do what is best for the business.

8. Perceptions –Prospective entrants need to have confidence that they will be judged by merit rather than their skin colour. Perceptions of an industry characterised by racist practices should not be a norm.

4.4.1 Accelerating transformation and empowerment

During the hearings the industry captains committed themselves to specific targets which had not been met by early 2005. One way of accelerating transformation is for government and other parties to exert pressure on the industry through legislation.

> "Government and parastatals need to be more assertive in their commitment to ensure that the industry does meet and comply with equity standards. The process of mergers and acquisitions between black and white/ international companies will not ultimately ensure the employment and upliftment of the majority of emerging companies [owned by blacks]. Thus, where an emerging or small black company applies for a tender but is deemed not to have the requisite infrastructure

etc, the respective government department or parastatals should then contract the respective black company through a twinning programme."

<div align="center">(GCIS website, 2004)</div>

For effective racial transformation and effective sharing of skills in this part of the South African economy,

- "Procurement policy guidelines [for advertising companies] need to be ratified [by all stakeholders] to ensure that racial transformation is achieved.
- Government/Parastatals need to enforce equity requirements as part of good business practice, in their dealings with advertisers and marketers.
- Proactive twinning programmes need to be adopted. The most experienced professionals should mentor advertising executives from previously disadvantaged backgrounds.
- The positive work and outcomes need to be shown off as success stories to the industry."

<div align="center">(*Ibid)*</div>

The impact of racial transformation must be visible to the wider population; especially to those individuals already employed or want to get in the industry. A small percentage of black employees who already occupy senior positions "should have an opportunity to participate and debate vigorously in their industry. Empowerment should not be a boardroom deal with an empowerment company, which affects only a few" (Respondent 13, 2008). There should be real

transformation that transcends beyond just major deals "that benefit only a few well-connected individuals with good government ties." (Respondent 14, 2008)

4.4.2 Measuring Progress

In light of the unsatisfactory pace of racial transformation in the industry, especially in key and influential positions, government and industry leaders should focus on establishing synergies that will facilitate the implementation strategies that would have dealt with reverse forces, redress past imbalances while keeping the industry competitive.

Their views shared by respondents helped to highlight the pace of change as observed from their perspective and made it possible to check if there is any corroborative evidence between what is being said by the change makers in parliament or when they try to secure lucrative government deals:

> "Our main hope for disenthralling ourselves from overemphasis on power lies more in a theoretical, or at least conceptual, effort, than in an empirical one. It lies not only in recognizing that not all human influences are necessarily coercive and exploitative, that not all transactions among persons are mechanical, impersonal, ephemeral. It lies in seeing that the most powerful interactions consist of deeply human relations in which two or more persons *engage* with one another. It lies in a more realistic, a more sophisticated understanding of power, and of the often far more consequential exercise of mutual persuasion, exchange, elevation, and transformation."

> (Burns, 1977:11)

On the whole it must also be acknowledged that the advertising and media industry is not the only sector of business that has not transformed; there are numerous sectors that are facing similar challenges. From industry submissions and survey it appears the industry accepts that it has not transformed enough and that the hearings were not a witch-hunt.

On page 87 is a chart (figure 2) devised to put together mechanisms that would help pave the way to racial transformation and empowerment. It (Figure 2) suggests steps necessary to implement effective racial transformation strategies. It shows that there must be willingness from the senior executives (Step 1). Change starts with organisations that are willing to accept that there are challenges and most importantly acknowledging problems and documenting them.

	Step 2		Step 3

A	Effective transformation progress reporting system	A	Collect data to make informed decisions about racial transformation.
B	Dealing with Immediate Problems	B	Include all involved and directly affected. Make the process worthwhile. Record and celebrate milestones and achievement
C	Selecting the of level progress reporting and troubleshooting	C	Regularly assess other problems and identify those that are not significant, taking into account the potential outcomes
D	Gathering information	D	Consider both the direct and indirect causes and actions to prevent recurrences
E	Recording and analysing the results	E	Identify common features and trends and benchmark against national legislation, charters, Industry reports and scorecards
F	Reviewing the process	F	Update records and scorecards to measure progress against industry charters, legislation and other benchmarks until racial transformation targets are reached.

Step 1

- Legislation/ Charters/ Reports/ Scorecards
- Organisations
- People

Figure 2: *Guidelines for effective racial transformation*

*(Based upon a model prepared for accident investigation and reporting. (*www.mike.everley.freeuk.com/download/ac.pdf)

Figure 2 serves as a guide for racial transformation in the entire advertisings and media industry. The figure also illustrates the need for the executives to take the first steps in identifying their specific challenges. The executive management (**people**) need to look at the **legislation, industry charters** and their own **scorecards** as points of reference.

When racial transformation needs have been identified by the organization and its people (Step 1) a **report has to be compiled** (Step 2A) which will dictate whether more **data** is needed (Step 3 A). The reports (Step 2A) will also lead to identifying **immediate problems** (Step 2B) that need to be dealt with. The steps occur reiteratively until **targets are reached** (Step 3F).

Each company needs to have an **effective transformation progress reporting** system (Step 2A) to ensure there is constant monitoring against set benchmarks. Then it needs to **collect data** (Step 3A) at certain intervals so it can make informed decisions and report on progress. **Immediate problems (**Step 2A**)** and challenges need to be dealt with as honestly and as efficiently as possible. **Steps 2 A-F** relate to data gathering, analysis of results, progress reviews and dealing with challenges as they arise whereas **Steps 3 A-F** deal with milestones to assess if there is any progress being made. The third column also suggests that **milestones should be celebrated** (Step 3B) to keep the interest and momentum going.

Elements in all categories of Step 3 are directly linked to their feeder elements on Step 2, e.g., Step 2A (effective transformation progress reporting) has a direct effect on its corresponding counterpart on Step 3A (Collect data to make racial transformation smooth and effective) and Step 2B (Dealing with immediate

problems), whereas Step 3A is linked to Step 3B and Step 3B to Step 3C progressively.

The industry needs to have a credible equity and transformation barometer which would test the outcome of the implemented policies. The Marketing, Advertising and Communication (MAC) Transformation Charter which was signed by the Minister of Trade and Industry in Parliament on 29 August 2008 is such a barometer (Governemnet Gazette Vol. 518, 2008) . The Gazette clearly indicates targets that need to be reached at certain points (25% in 2006, 30% in 2009 and 45% in 2014). Unless there is a trustworthy and reliable system it would be hard to measure results against set goals and milestone.

Furthermore, "specific management development and new entrant programmes should be established. Synergies should be discussed and established with [all stakeholders]." Similarly, the transformation imperative for the industry and specific sectors "must be shared, understood and accepted by the respective [organisations]." (Respondent 14, 2008)

4.5   CONCLUSION

This section of the dissertation was devoted to analysing and interpreting data from the adverting and media industry representatives. It is evident that most organisations acknowledge the importance of racial transformation within the advertising and media. From various submissions the researcher has been able to deduce that it seems that most people in the industry are concerned about transformation and that they want to see it being efficiently implemented and

managed. This chapter also set the framework for the next stage of the study where the researcher establishes whether or not the findings provide answers to the research question – did government's intervention between 2001 and 2004 have any impact in accelerating racial transformation in the advertising and media industry?.

Chapter Five is dedicated to researcher's findings and conclusion

CHAPTER FIVE

SUMMARY OF RESEARCH, RECOMMENDATIONS AND CONCLUSION

5.1 INTRODUCTION

Chapter One was mainly about the proposal of the research study, it began by introducing the proposed study by describing and identifying the problem of investigation and the relevance of the study within the South African context. The research design and methods were explained.

Chapter Two looked at the available and published literature on the subject of racism and transformation (racial transformation) in the advertising and media sector.

Chapter Three described the methodology and design of the research project.

Chapter Four was dedicated to the analysis of the industry submissions and findings of what has happened since then were given

In this final chapter, a summary on the research project is going to be presented. The findings from both the literature review and the empirical investigation on racial transformation will also be presented. The recommendations that will also assist as guidelines to help the industry to fast-track racial transformation will end this chapter.

5.2 SUMMARY OF FINDINGS

This dissertation sought to evaluate the impact of government intervention in acceleration racial transformation in the advertising and media industry. After receiving formal complaints that the industry was not transformed the Parliamentary Portfolio Committee on Communication chaired by Mr. Nkenke Nathaniel 'Nat' Kekana called for hearings which took place between 2001 and 2004.

Research was carried out during the 4-years of the hearings and progress was checked by conducting the research in 2008 with a sample of 10 advertising agencies that are members of Association of Communication and Advertising (ACA). The intention was to observe the process as well as progress of transformation, taking into account that also in 2004 South Africa was celebrating its 10 years of democracy. The study showed that there were commendable achievements that had been made but there was also more which still needed to be done to address past imbalances, issues of racial transformation and how to manage them.

Usually, change initiatives (racial transformation) are planned and executed to produce certain favourable outcomes and meet certain desirables. But, conditions existing in such endeavours and more often strategies that are implemented to 'speed up' or 'improve' such process of growth can influence the results in many different manners.

Of significance are the black empowerment deals that took place during and after the hearings. The following big agencies transferred some of their shares to PDIs:

        "Lobedu Leo Burnett - 51%;

Lowe Bull - 26%;

DDB South Africa - 40%;

Y&R Gitam - 30%;

FCB SA - 26%;

Grey Global - 25% and,

Jupiter Drawing Room - 26% ''

(ACA website, 2005)

Lobedu Leo Burnett concluded a 51% BEE sale to Brimstone Investment Corporation, a black economic empowerment company listed in the Johannesburg Stock Exchange (JSE) (Publicis Groupe, 2005). Before then Leo Burnett South Africa was 100% owned by Burnett in the United States of America (Publicis Groupe, 2005). Lowe Bull announced a 26% Black Economic Empowerment deal which was split into two categories, 22% given to a black employees' trust and another 4% allocated to its black senior executives (AdFocus website, 2009). Young & Rubican Gitam (Y&R Gitam) and a black owned investment consortium Memeza-QRX also had sealed an empowerement deal. Y&R Rubicam sold 30% of their stake (Bizcommunity, 2003). Before the new BEE deal Y&R Gitam was wholly owned by Y&R Worldwide. FCB South Africa sold 26% of its shares to Bourosque, a black controlled consortium (Marketingweb, 2007). In 2007 FCB SA restructured and transferred an extra 9% thus changing its BEE equity ratio from 26% to 35% (Marketingweb, 2007). Before the BEE deal FCB SA was wholly owned by Draft-FCB/IPG, a New York Stock Exchange listed company.

The targets for black ownership in the industry as set out by Marketing, Advertising and Communication Sector's Broad-based Black Economic Empowerment Charter

and Scorecard are 25% by 2006, 30% by 2009 and 45% by 2014 (Governemnet Gazette Vol. 518, 2008).

It is hoped that by achieving such targets an "action plan [would] be a clear signpost on the road to overcoming perceptions and realities of racism in the industry." (Respondent 14, 2008).

It is also imperative to recognise that there may be some issues which are beyond the current transformation exercise that are fundamentally associated with this research but were not included in this particular study. For instance, women feel marginalised in the workplace, also because of affirmative action and employment equity policies Coloureds and Indians also feel neglected and overlooked when it comes to being appointed to positions of authority because preference is given to Blacks. Commonly, discrimination happens at different levels: sexual orientation, religious beliefs, political affiliation, gender, etc.

This study reveals that with all these policies and the legislation (Affirmative Action, Employment Equity, Broad-Based Black Economic Empowerment, ACA Transformation Charter, Values Statements, Codes of Conduct, BEE Scorecards, MAC Transformation Charter and verification authorities) much still needs to happen to fully transform this industry. It also acknowledges that the industry has been embracing of what the government wanted to achieve when it first called for the hearings on racial transformation.

5. 3 RECOMMENDATIONS

Skills development is very important to both black employees within the industry and those who still need to establish their careers.

> "Transformation of the industry is not an event but a process that begins by making education and on-the-job training inclusive. Hence talented but financially disadvantaged students require generous support and assistance from both Higher Education institutions and the industry."
>
> (Respondent 14, 2008)

The need for Art education and training at lower school levels needs to be recognised. Appropriate skilling of black individuals in a:

> "transformed industry requires a broader-based, in-depth education than has, hitherto, been provided. A curriculum that develops an awareness of ethical and cultural issues in a multi-cultural, multi-lingual, multi-religious and multi-ethnic society such as South Africa needs to be developed by public and private education providers as a matter of urgency. Similarly, it is recommended that the establishment of Foundation courses at tertiary institutions,
>
> Further Education and Training Authorities should be encouraged as important access routes."
>
> (Respondent 15, 2008)

Transformation will only happen if everyone involved takes collective responsibility. Institutions such as the AAA School of Advertising and Vega Brand Communication School must be champions of reformed and all-encompassing advertising and media schools:

> "It needs to be accepted that very little can be achieved at the Higher Education (HE) level of education if a solid foundation is not established at lower levels. This is particularly important in view of the fact that lower level education will prepare young learners for culturally sensitive industries such as advertising (and media) when they want to chose their careers in a long term".
>
> (Respondent 13, 2008)

Notwithstanding the long road that still needs to be travelled to achieve racial transformation, there are signs that something is being done to correct the situation. There has been some black professionals taking more senior and executive positions within large media houses and advertising agencies. There has also been some transfer of ownership to PDIs. Ideally the individuals who have benefited from such deals should also "ensure they constantly seek to remove barriers within the industry and act as mentors to new entrants" (GCIS website, 2005). They should not just sit on their laurels because it is comfortable for them and feel satisfied that they have achieved their individual goals. The true test of their successes will be measured not by how much they made out of those deals but by how many opportunities they created for their successors.

As one industry executive put it; "both industry and education institutions should become more active in recruitment and the promotion of inspirational role models. Successful black role models should be encouraged to participate in the education process [teaching and mentoring]" (Respondent 16, 2008). It is easier for young children to identify with somebody with experiences and circumstances similar to theirs when they have been successful in their respective careers.

Another respondent stated:

> "as a participant in the South African economy the industry is legally obliged to implement employment equity reforms in order to ensure a redress of the effects of discrimination. The South African Constitution guarantees citizens rights to dignity and protects them from unfair discrimination".

(Respondent 4, 2008)

It seems transformation or the lack thereof manifests itself at four different levels in this industry:

1. *Training and Education*
2. *Recruitment at junior and entry levels*
3. *Progression to senior and executive levels within organisations*
4. *Ownership, Control and Shareholding*

The rate of intake and advancement of black people:

"employed in the industry is still highly contested, but even the most generous claims remain modest. Also, when figures concerning employment equity are delivered they are generally framed in references to the recession in advertising, and the shrinkages in advertising agencies, particularly relating to industry consolidation."

<div align="center">(Respondent 15, 2008)</div>

The available statistics from ACA's website reveal that:

- "Overall employment equity had increased at an average growth rate of 3% p.a. since 2002 to an effective 33% in 2005.
- In 2005 Black representation in top management had remained around 20%.
- Over and above internal training programmes in ACA member agencies, skills development through the AAA School of Advertising (which belongs to the ACA) had made major progress in that an effective 65% of full-time students in Integrated Marketing Communications (the most popular learnership programme). The challenge remains to increase the proportion of enrollment of black students in the creative programme which in 2005 still stood at less than 10%.
- The funding of black students, who otherwise would not afford to study at AAA School, had been secured through ACA members' support of 3 learnership programmes registered through the MAPPP SETA."

<div align="center">(ACA website, 2006)</div>

5. 4 CONCLUSION

The study indicates that to accelerate racial transformation certain interventionist measures need to be put in place. The MAC Transformation Charter has been a welcomed legislation. Decision makers in their respective organisations need to have policies that clearly define and succinctly communicate their transformation and black empowerment strategies. These interventions can be implemented at the four different levels mentioned previously (training, recruitment, workplace and ownership).

From the sample of interviews it emerged that four years after the hearings were conducted 60% of the companies had yet to meet their self-imposed targets of 40% black representation. The majority of them (70%) also put the blame squarely on the shoulders of the same black individuals who are meant to be beneficiaries of the Employment Equity and Black Empowerment initiatives. Most employers complain that "qualified black incumbents come at a high premium and leave as soon as the next best offer lands on their table" (Respondent 13, 2008)

On the other hand the black executives also complain that they are only used as tokens whenever there is an empowerment deal and the companies' black empowerment scorecards are a necessity. They feel that they are not used to their full potential. All these dynamics have put strain and frustration on the new entrants as well as the potential employers. The employers do not see the point spending their resources in training new black talent because as soon as they get qualified the next company snatches them away. Also, when young black individuals who are interested in this hear of the frustration encountered by their predecessors in the

workplace they get disillusioned and explore other fields. It then becomes a vicious cycle.

It has also emerged that in some instances progress has been hindered as a result of lack of action by many predominantly white agencies to transform but more so because of charges that some of those that have 'transformed' have indulged in nothing more than tokenism or enriching the already rich. There is also a strongly held view that if black empowerment is speeded up creativity and efficiency will be lost. That dichotomy should not exist. If blacks are not capable, they should be trained and developed and soon they will get there on their own merit. It is a sad state of affairs to find a black person holding a high position purely because of his/her colour. Empowerment should be geared more towards getting black involvement and people should be judged by their talent and ideas, not by their skin colour.

There is also evidence that there is a proportionate crop of black people coming through ranks. The industry should train such people and let them develop into good advertising and media people - be it in the creative, production or client service fields.

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Appendix 1

Letter to potential participant

<div align="right">

59 Mountain view North

Krediet Avenue

Wilgeheuwel

1736

Date

</div>

Address

……………………………..

…………………………

…………………

………………

Dear Sir or Madam

REQUEST FOR PERMISSION TO INTERVIEW YOU FOR RESEARCH PURPOSES

I'd be grateful if you could allow me about an hour of your precious time. I am currently registered for an M Com degree with the University of KwaZulu Natal.

The title of my thesis is: **An Evaluation of the impact of Government's intervention carried out between 2001 and 2004 accelerate racial transformation in the advertising and media industry.**

You are one of the three executives that will be interviewed in your organisation.

Your name has been selected by means of the purposive sampling method where I supposed you could possess wealth of information to conduct my study.

In line with ethical research methods I hereby undertake
- To keep your name confidential at all times by coding it (your name) and your responses on the thesis

- Not to subject you to any emotional or physical risk
- To allow you to withdraw at any time from the research should you feel like doing so without being penalised or prejudiced as your participation is purely voluntary.
- To use your answers for research purposes only
- To destroy your questionnaire once I have finished with my research
- To arrange to have you interviewed at the time and place most convenient for you
- To make interview result available to you on request.

I have also asked to conduct this research from your Human Resources Department.
I would be grateful if you could grant me that opportunity.

Yours sincerely,
Sibusiso Ndebele

Appendix 2

Letter to HR Department

<div align="right">

59 Mountain view North

Krediet Avenue

Wilgeheuwel

1736

Date

</div>

Address

……………………………..

…………………………

…………………

………………

Dear Sir or Madam

REQUEST FOR PERMISSION TO CONDUCT RESEARCH WITH ONE OF THE EXECUTIVES IN YOUR ORGANISATION

I'd be grateful if you could grant me permission to conduct interviews with three of your stuff members   for about at your premises or any place most convenient for them. I am currently registered for an M Com degree with the University of KwaZulu Natal.

The title of my thesis is: **An Evaluation of the impact of Government's intervention carried out between 2001 and 2004 accelerate racial transformation in the advertising and media industry.**

A sample of five agencies which are members of the Association of Communication and Advertising will be involved in the research. Your company is selected by simple random method (from ACA Members database)

The research procedure, amongst other things, involves:

- Selection of three employees at different senior levels of the organisation by means of purposive sampling technique where I will identify which executives send questionnaires to.
- Obtaining informed consent from the selected executives who will take part in the research process
- Interviewing the three selected employees/executives
- Asking them to fill in a questionnaire
- Interviewing them during working hours but not talking them away from their busy schedules. Should some choose to do so, I will also interview them at the time or place most convenient for them.

I intend sending a questionnaire as soon as I have received confirmation from you.

I would be grateful if you could grant me this permission.

Yours sincerely,

………………………………..
Sibusiso Ndebele

Appendix 3

Letter of Informed Consent

Letter of Informed Consent

To whom it may concern

I hereby agree to take part in the research project undertaken by Mr Sibusiso Derrick Ndebele. My participation is based on the following conditions:

- I have the right to withdraw from the study at any time without any penalties or prejudice
- My participation in purely voluntary and the researcher has given me all the necessary information about the research subject
- I am not to be exposed to any emotional or physical risk
- My name shall not be disclosed and it will appear as "Respondent…" in the final thesis
- My answers shall only be used for research purposes

Yours truly,

_____   _____   _____

Name   Signature   Date

Appendix 4

RESEARCH QUESTIONNAIRE

My name is Sibusiso Derrick Ndebele and I am currently registered with the University of KwaZulu Natal

I am in the process of completing my thesis which is titled:
An Evaluation of the impact of Government's intervention carried out between 2001 and 2004 accelerate racial transformation in the advertising and media industry.

As the title indicates I want to find out if there has been any progress in your organisation and in this sector in general since the government intervention to accelerate racial transformation in the advertising and media industry. As you are at a senior level within your organisation your views and your contribution will be particularly helpful in this research.

I would be very grateful if you could fill in the attached survey and send it back to me via e-mail or fax within a week after receipt.

Thank you in advance for your contribution.

Regards

_____
Sibusiso Derrick Ndebele

Postal Address: 59 Mountain view North

Wilgeheuwel

Krediet Avenue

1736

Tel: 011 686 6575

Fax: 0866 722 728

Cell: 083 607 4177

E-mail: sndebele@mnet.co.za

SECTION 1: CATEGORIES

1.1   Please indicate which categories best describe the nature of your business (there may be more than one):

Main Business/Specialty	Tick
Design	
Public relations	
Digital	
Corporate Communications	
Television Advertising	
Print Advertising	
Media Placements	
Other (Please specify)	

1.2   Please indicate all locations of office of your business:

Province	Tick
Gauteng	
Kwa-Zulu Natal	
Western Cape	
Other (Please specify)	

SECTION 2: FINANCIAL

A. FOR INTERNATIONAL AGENCIES.

2. 1   Annual income during Financial Year 2007- 2008, earned by SA offices from fees and commission for advertising and marketing services, and interest.
Tick the band in which you appear:

Income (2007- 2008)	Tick
1. Above R350m	
2. R275m-R350m	
3. R275m-R225m	
4. R225m-R150m	
5. R150m-R50m	
6 Below R50m	

2. 2   Estimate of your fee/commission income: * Rm   ………………….

2. 3   Percentage income growth between 2007 and 2008…………………..

B. FOR INDEPENDENT SA-OWNED AGENCIES

2.4. Annual income during for past two years, earned by SA offices from fees and commission for advertising and marketing services, and interest.

2008 R………………………   2007 R………………………
(If possible please supply an auditor's letter certifying the accuracy of this information)

C. FOR ALL AGENCIES

2.1 Breakdown of affiliate businesses included within your organisation. (If applicable)

NAME:	STAFF TOTAL	INCOME in 2008
1.		
2.		
3.		
4.		
5.		
6.		

SECTION 3: STAFF COMPLEMENT

3.1   Number of full-time staff employed at year-end

2007	2008

3.2   a)   Main agency/group: Percentage of PDI held   …………………….

      b)   Affiliate: Percentage PDI held   ……………………………….

3.3   Percentage of staff that is black (African, Coloured, Asian)………………………

      a)   Percentage of total staff:………………………………………

      b)   Percentage of advertising professionals (art directors, copywriters, account executives

      etc):………………..…………………

3.4   Percentage of senior executives that is black……………

      (Creative directors, media directors, account directors and above)

SECTION 4: BUSINESS DEVELOPMENT

4.1   Five biggest accounts:

NAME:	Size in Rm
1.	
2.	
3.	
4.	
5.	

4.2   New accounts gained during 2007 -2008 Financial Year (list account names):

NAME:	Size in Rm
1.	
2.	
3.	
4.	
5.	

4.3   Annualised billings value of new accounts won during 2007 – 2008 Financial Year: (Total advertising & marketing expenditure your agency handles).

Rm………………..

4.4.   Accounts lost during 2007-2008 Financial Year (list account names and values)

NAME:	Size in Rm
1.	
2.	
3.	
4.	
5.	

4.5.   How many new-business pitches did you make during 2009?

Total number…………………………………………

Wins………………………………………………….

Losses…………………………………………………..

4.1   What percentage of is generated comes from:

Media	%
1. Television	
2. Print Media (Magazines & Newspapers	
4. Radio	
2. Outdoor	
3. Online	

4.7   International affiliations:

NAME:	Equity Held in %
1.	

2.	
3.	
4.	
5.	

4.8   Creative or other awards won during 2007 – 2008 Financial Year (attach list if necessary)

NAME:	Category
1.	
2.	
3.	
4.	
5.	

SECTION 5: BLACK ECONOMIC EMPOWERMENT COMPLIANCE

Please indicate Black Economic Empowerment status of your organisation.

5.1 Ownership

Category	Indicator	Current	2009 Target	2014 Target
Voting Rights	Exercisable Voting Rights in the hands of black people			
Direct Ownership	Economic interest of black people in the Enterprise			
	Economic Interest of the following black natural people in the Enterprise: ▪ Black participants in Employee Ownership Schemes ▪ Black beneficiaries of Broad based Ownership Schemes ▪ Black Participants in Co-operatives			
	Net Equity Value in percentage			

5.2 Management Control

Category	Indicator	Current	2009 Target	2014 Target
Board participation	Exercisable Voting Rights of black Board members			
	Black Independent Non-Executive Board Members			
	Black Executive Directors			
Top management	Black Executive Directors			
	Black Senior Top Management			

5.3 Employment Equity

KEY PRINCIPLES				
■ Aligned with the Employment Equity Act [55 of 1998]				
Category	Indicator	Current	2009 Target	2014 Target
Employment Equity	Black employees in Senior Management as a percentage of all employees			
	Black employees in Middle Management as a percentage of all employees			
	Black employees in Junior Management as a percentage of all employees			
	Black employees in Junior Management as a percentage of all employees			

5.4 Preferential Procurement

Category	Indicator	Current	2009 Target	2014 Target
Preferential procurement	BEE Procurement Spend from all Suppliers based on the BEE Procurement Recognition Levels			
	BEE Procurement Spend from Qualifying Small Enterprises or Exempted Micro Enterprises based on the applicable BEE Procurement Recognition Levels			
	BEE Procurement Spend from any of the following suppliers (regardless of their BEE Procurement Recognition Level): •Suppliers that are more than 50% black owners.			

5.5 Skills Development

Category	Indicator	Current	2009 Target	2014 Target
Skills Development	Skills Development expenditure on training for black employees with disabilities as a percentage of levy-able amount			
Training Programmes	Number of black employees participating in Learning Programmes as a percentage of total employees			

SECTION 6: GENERAL COMMENTS ABOUT THE STATE OF RACIAL TRANSFORMATION IN YOUR ORGANISATION AND THE WHOLE INDUSTRY

6.1 In 300 words please describe the state of racial transformation of the advertising and media industry as you see it currently (after government intervention between 2001 and 2004)

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6.2 Any other comments?

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……

Please sign this declaration. Your name all other particulars will be kept confidential.

I declare the information given in this questionnaire is true and accurate.

Name of agency or group…………………………………………

Signed:…..………………..…… …………Date…………………..

Signatory name, title:……………..…………….…………………

Postal Address:...............…………………………………………………

…………………………………………………… Code: ……………

Tel: …………………..   Fax: ……………………..

Cell: …………………..   E-mail:………………………………….

Appendix 5

Will the black middle class please stand up?

By Sibonelo Radebe

21 October 2005

Where to the black middle class? While this growing segment of the SA population is making its financial influence increasingly felt, its role and responsibility in the SA economy is far less evident.

Even membership of the middle class does not appear to be a desirable commodity, judging from the debates and speeches at this year's convention of the Black Management Forum (BMF), entitled "The role of the black middle class in addressing the challenges of the second economy".

At a superficial level the convention turned into a strong attack on the crass materialism said to be creeping into the emerging black middle class, while the majority of the population remains firmly rooted in poverty.

Speakers took turns in decrying the indifference of affluent black individuals to the fight against poverty. The central message was: "Wake up! The poor will rise to spoil your little party if their situation is not improved ."

The emerging role of the black middle class cannot be separated from the rise of black economic empowerment (BEE), which has brought with it new complexities. A few multimillionaires have been created while the vast majority remain unemployed and poor, creating the perception that empowerment is a game for a few powerful individuals.

"The black elite are getting richer while the majority continue to live in poverty. About 60% of Africans were living in poverty in 2004 compared with 37% in 1996," said businessman and social commentator Moeletsi Mbeki.

As expected, SA Communist Party (SACP) general secretary Blade Nzimande pulled no punches. Nzimande said the SACP had pondered the role of the black middle class since the apartheid days, when the central question was which side of the struggle this class was on.

He now doubts whether the status of the "corporate guerrillas fighting on the side of the oppressed" during the apartheid era is still appropriate .

"The voice of black executives and the black middle class in general has tended to be heard more around a push for deals and share ownership and less on issues of addressing poverty and creating sustainable livelihoods," Nzimande said.

But should there be a direct link between BEE, the black middle class and poverty alleviation? Many BEE proponents argue that reducing poverty belongs in other facets of policy and not entirely in the BEE framework, the purpose of which is to help black people accumulate capital so they can dilute SA's predominantly white capitalist class.

This process, they argue, should aid the development of capitalism with a soul. But Mbeki said this had not been achieved and he was unsympathetic to the "new black elite" created by the prevailing BEE framework.

"It seems that the ambition of the black elite is to maximise the proceeds of reparation that accrue to itself," he said. Mbeki added that the problem with the reparation-based approach was that it perpetuated the victim role of the previously disadvantaged.

If SA is to get rid of endemic poverty and high unemployment, "the elite in this country cannot continue to enjoy standards of living of the middle classes of the West without the equivalent productivity," he added.

Mbeki's views are close to those of Chika Onyeani, the Nigerian author of *Capitalist Nigger* . Onyeani, who was the keynote speaker, dubbed the African middle class as "parasitic and a disgrace to the continent".

Stellenbosch University emeritus professor Sampie Terreblanche gave a stern warning that the rising black middle class could fall to the same sword that brought down firstly the English and then the Afrikaners . "Note how the arrogance and the stupidity of both the English and Afrikaans middle class were punished by the protest movement," Terreblanche said.

Even BEE mogul Saki Macozoma contributed to the middle class-bashing. "Too many in the black middle class are absorbed in the fetish of conspicuous consumption and its attendant pathologies to bother about the direction of the country," said Macozoma. This was, he said, no detraction from his well-known stance that SA needed to develop a significant class of powerful black businessman, which he had become a member of. His point is that consumerism among the black middle class at the moment compromises capital accumulation.

These comments will not go down well with many black professionals who may feel that they are being denied natural middle-class perks. Most will argue that the luxurious perks come with hard work and skills and that picking on them while the white section of the population enjoys rewards without guilt is unfair.

But if any of the BMF delegates, who undoubtedly comprise a large section of the so-called black elite, were feeling personally aggrieved, they didn't let on. Instead, the attacks on the black middle class were applauded by the black professionals, who certainly did not see themselves as members of this elusive segment. When engaged individually to give their impression on the mood of the convention, delegates referred to the middle class in the third person, saying: "They [the middle class] must change their ways."

Source: www.fm.co.za

Appendix 6

Ranking 2006	Agency name	Income Rm[1]	% Annual growth	No of staff	Staff to income R'000s	Total no of clients	Equity owner-ship	Rep	5 Biggest accounts in 2005
1	FCB SA (Johannesburg)	101,0[1]	48,8	249	406	31	26,0%	48,2%	Toyota; Vodacom; First National Bank; Uthingo; Telkom Business
2	Ogilvy Johannesburg	100,0[1]	10,5	210	476	57	50,1%	42,9%	KFC; MultiChoice/M-Net/SuperSport; SABMiller; Sun International; Eskom
3	TBWA\Hunt\Lascaris Johannesburg	98,0[1]	27,5	141	695	31	30,0%	43,0%	Standard Bank; MTN; Sasol; Tiger Brands; Jameson Worldwide
4	Ogilvy Cape	93,0[1]	37,0	205	454	26	50,1%	42,0%	Old Mutual; British American Tobacco; VW/Audi; BP/Castrol; Sun International/SABMiller
5	Net#work BBDO	89,0[1]	35,0	110	809	18	40,0%	42,0%	Cell C; GM SA; Nedbank; SABC; Simba
6	JWT Group Johannesburg	88,0[1]	22,0	119	739	22	30,0%	28,6%	Absa; Ford; Unilever; Kellogg's; Reckitt & Benckiser
7	AdMakers	75,4	15,3	25	3 016	29	33,3%	32,0%	Urban Ocean Grp Southern Africa; Kharafi Grp Kuwait; GM SA; EIDC Seychelles
8	Young & Rubicam Brands (Jhb)	65,0[1]	9,0	130	500	37	30,0%	46,1%	Pick 'n Pay; MTN; Caltex; SABC; Ford
9	Young & Rubicam Hedley Byrne	64,0[1]	20,0	163	393	1	0%	35,0%	Pick 'n Pay
10	Saatchi & Saatchi SA	65,0[1]	3,1	146	445	36	52,0%	46,6%	Guinness Afr; Engen; Postbank; Procter & Gamble; Peugeot
11	The Jupiter Drawing Room (Johannesburg)	53,1	17,7	125	425	14	26,0%	35,0%	Edgars; Edcon; Discovery; Peermont; Pharma Natura
12	HerdBuoys McCann-Erickson	51,0[1]	1,8	91	560	41	25,0%	49,0%	Telkom; Coca-Cola; SAA; L'Oreal; Microsoft
13	TBWA\Hunt\Lascaris Durban	50,0[1]	11,0	112	446	13	30,0%	29,0%	Spar; Beiersdorf; Sara Lee; Build It; Illovo Sugar
14	BBDO Cape Town	45,0[1]	16,0	88	511	31	40,0%	35,2%	Checkers; Distell; Ackermans; Masterfoods; Triump and I&J
15	Grey Worldwide SA	44,0[1]	18,0	104	423	19	25,1%	38,5%	Nokia; BAT; Ford Motor Co; Brandhouse/Diageo; P&G
16	The Hardy Boys	39,2	13,6	77	509	40	0%	26,0%	Unilever; Barclays Bank; Miladys; Rainbow Farms; Adcock Ingram
17	FCB SA (Cape Town)	39,0[1]	19,8	96	406	26	26,0%	20,8%	Distell; Santam; Momentum; Elizabeth Arden; Polka
18	Lowe Bull (Gauteng)	35,0[1]	17,0	77	455	40	26,0%	36,0%	Unilever; Unifoods; RMB; Dulux; Coca-Cola
19	Lobedu Leo Burnett	32,0[1]	23,0	49	653	12	51,0%	47,0%	Procter & Gamble; DaimlerChrysler; SA Post Office; Western Union; McDonald's
20	DDB SA	30,0[1]	87,0	35	857	26	40,0%	37,1%	Unilever; Honda; Energiser; Johnson & Johnson; Philips

SA's TOP 20 ADVERTISING AGENCIES

Source: Financial Mail Adfocus 2006

Appendix 7

TOP 15 SPECIALIST AGENCIES RANKED BY INCOME

	Agency name	2004 Ranking	[1]Income Rm	[1]% Growth	Total No of Clients	5 Biggest accounts
1	Enterprise IG	1	[1]60,5	[1]10,0	74	JD Group, DaimlerChrysler SA, Nedbank, Standard Bank, SABMiller
2	WV Productions	3	[1]41,0	[1]7,8	60	Miller Brewing, SAB Ltd, Business Connexion, Grey Worldwide, Pick 'n Pay
3	Added Value	–	[1]35,0	–	30	Cell C, Coca-Cola, Old Mutual, SABMiller, Standard Bank
4	Blue Moon Corporate Communication	4	35,0	38,2	42	Edcon, Volkswagen SA, Audi SA, Harmony, SABC 1
5	Espial Go-To-Market	8	28,0	100,0	30	GM, Barclays Africa Plc, Relyant Group, FleetAfrica, Mettle Group
6	Magna Carta Public Relations	5	27,0	6,7	33	Standard Bank, Sasol, SA Reserve Bank, Woolworths, Vodacom
7	Lesoba Difference	–	26,0	–	26	Liberty Life, JD Group, BMW SA, WCED, Sanlam
8	The Switch Design Group	–	25,4	10,0	94	Coca-Cola, Brandhouse, Clover SA, SABC, Cell C
9	Harwood Kirsten Leigh McCoy	10	[1]25,0	[1]119	56	The Wrigley Co, Investec, AngloGold Ashanti, Globacom, Moneygram
10	Mortimer Harvey & Associates	6	22,0	10,0	14	Absa, Colgate-Palmolive, Coca-Cola, Barloworld Plascon, Tiger Brands
11	Conceptualise	–	20,3	49,8	21	MTN, Coca-Cola, SABMiller, Media 24
12	Fine Healthcare	–	18,9	35,0	24	Eli Lilly, Afrox Healthcare, Pfizer Labs, Boots Healthcare SA, Biovac Inst
13	Frontiers Group Africa	–	17,3	120,6	35	SABC, Comrades Marathon, Discovery Health, Pick 'n Pay, SAB
14	Orrey Rightford & Drysdale Advertising Group	16	10,3	25,6	70	Smirnoff, J&B, Coca-Cola
15	Interbrand Sampson	11	[1]10,0	[1]23,5	15	Sasol, Telkom, University of Jhb, Central University of Tech, AW/NBL

Source: Financial Mail Adfocus 2005

Appendix 8

SA's TOP 5 MEDIA AGENCIES

Ranking 2006	Agency name	Billings Rm[1]	[1]% Annual Growth	No of staff	Total no of clients	Equity owner-ship	Rep	5 Biggest accounts in 2005
1	OMD SA	2 200[1]	37,5[1]	118	246	25,1%	33,1%	MTN; Standard Bank; Tiger Brands; JD Group; DCSA
2	The MediaShop	2 152[1]	17,5[1]	118	204	26,0%	39,8%	SABC; Shoprite-Checkers; Absa; Brandhouse; Ellerines Group
3	MediaCompete	1 272[1]	55,0[1]	68	28	25,1%	55,9%	Coca-Cola; Nokia; FirstRand; Edcon; P&G
4	Nota Bene	1 050[1]	32,4[1]	32	75	30,0%	34,4%	Unilever; Brandhouse; GM; Nedbank; LG
5	Mediaedge:cia	903[1]	74,0[1]	33	81	30,0%	48,5%	National Brands; Nedbank; Danone Clover; Famous Brands; Colgate Palmolive

Source: Financial Mail Adfocus 2006

Appendix 9

WHAT SENIOR AGENCY EXECUTIVES THINK

	2006	2005	2004
1. Has the past year's operating climate been?			
Tougher than the previous year	32%	31%	32%
Easier than the previous year	35%	38%	42%
Much the same	33%	31%	26%
2. What about the forthcoming year?			
Tougher	39%	22%	26%
Easier	24%	29%	32%
Much the same	37%	49%	42%
3. The ad industry is facing a crisis of relevance and needs to aggressively market itself to the public:			
Agree	66%	65%	51%
Disagree	34%	35%	39%
4. The ad industry has finally resolved its transformation difficulties:			
Agree	26%	33%	42%
Disagree	74%	67%	58%
5. Ad agencies have come to grips with the unique challenges of reaching a multicultural SA market:			
Agree	42%	35%	47%
Disagree	58%	65%	53%
6. The state of industry's creativity in the past has been			
Excellent	27%	27%	0%
Consistent	43%	51%	58%
Mediocre	27%	20%	42%
Poor	3%	2%	0%
7. The state of the industry's strategic ability is:			
Excellent	5%	14%	17%
Consistent	48%	37%	28%
Mediocre	42%	45%	44%
Poor	5%	4%	11%
8. Clients have become more demanding in terms of quality and output:			
Agree	74%	90%	89%
Disagree	26%	10%	11%
9. Enough is being done to develop and nurture talent so the next generation of leaders is ready to take over:			
Agree	16%	18%	32%
Disagree	84%	82%	68%
10. Agencies should charge a set fee for pitches:			
Agree	87%	86%	89%
Disagree	13%	14%	11%

	2006	2005	2004
11. Will the notion of pitch-agents take root in SA?			
Yes	73%	49%	61%
No	27%	51%	39%
12. Will we see more consolidation in the industry in the next 12-24 months?			
Yes	61%	48%	79%
No	39%	52%	21%
13. Does the annual Loeries festival still have relevance?			
Yes	76%	55%	68%
No	24%	45%	32%
14. The idea of self regulation via the ASA needs to be revisited:			
Yes	65%	60%	67%
No	35%	40%	33%
15. The relationship with media owners:			
More difficult	19%	12%	17%
Easier	8%	12%	11%
Much the same	73%	76%	72%
16. The relationship with government:			
Good	11%	12%	0%
Bad	11%	10%	6%
Could be better	78%	78%	94%
17. Would you recommend the ad industry as a viable career choice to a young South African?			
Yes	79%	67%	89%
No	21%	33%	11%
18. Does the advertising media understand your business and report it fairly and accurately?			
Yes	43%	50%	47%
No	57%	50%	53%
19. Ad agencies could do more to understand their clients' business. Have margin pressures removed deep and longstanding relationships?			
Yes	75%	78%	79%
No	25%	22%	21%
20. I still love my job:			
Yes	78%	90%	94%
No	0%	2%	0%
Have considered a divorce	22%	8%	6%

Source: Financial Mail Adfocus 2006

Appendix 10

ADSPEND

By medium – excluding self-promotion

| | 2003 | | 2004 | | Rate inflation* |
	Rm	Share %	Rm	Share %	%
Print	4 743,2	40,8	5 741,5	40,0	8,4
TV	4 410,6	38,0	5 555,2	38,7	-1,8
Radio	1 695,4	14,6	1 930,5	13,5	16,3
Outdoor	516,7	4,4	623,6	4,3	8,2
Cinema	87,1	0,7	253,7	1,8	41,7
Direct mail	119,5	1,0	122,5	0,9	n/a
Internet	49,0	0,4	116,0	0,8	n/a
Total	11 621,4	100,0	14 343,0	100,0	5,5

Source: AIS/ADEX NIELSEN MEDIA RESEARCH/"Media Inflation Watch

Source: Financial Mail Adfocus 2005

Appendix 11

SOUTH AFRICA

Rank	Brand	Company	Sector	Value Rm	Value US$m
1	Standard Bank	Standard Bank	Financial services	10 165	1 765
2	MTN	MTN	Telecommunications	8 895	1 540
3	Vodacom	Vodacom	Telecommunications	6 501	1 125
4	Absa	Absa	Financial services	4 924	852
5	First National Bank	FirstRand	Financial services	2 915	504
6	Telkom	Telkom	Telecommunications	2 704	468
7	Castle Lager	SABMiller	Alcoholic beverages	2 576	446
8	De Beers	De Beers SA	Mining	2 443	423
9	Old Mutual	Old Mutual	Financial services	2 366	410
10	Pick 'n Pay	Pick 'n Pay	Retail	2 318	401

Source: INTERBRAND/INTERBRAND SAMPSON, 2005

10 Most Valuable South African Brands

Source: Financial Mail Adfocus 2005

Appendix 12

WORLD'S MOST VALUABLE BRANDS

Rank	Brand	Company	Sector	Value US$bn
1	Coca-Cola	Coca-Cola	Beverages	67,394
2	Microsoft	Microsoft	Computer software	61,372
3	IBM	IBM	Computer hardware	53,791
4	General Electric	General Electric	Electronics	44,111
5	Intel	Intel	Computer hardware	33,499
6	Disney	Disney	Entertainment	27,113
7	McDonald's	McDonald's	Food & beverages	25,001
8	Nokia	Nokia	Telecommunications	24,041
9	Toyota	Toyota	Automotive	22,673
10	Marlboro	Marlboro	Tobacco	22,128

Source: INTERBRAND, 2004

Source: Financial Mail Adfocus 2005

Appendix 13

TOP 100 ADVERTISERS

TOTAL ALL MEDIA

Value: SA rand | **For the period Jan 2005 - Dec 2005**

Rank	Advertisers	All Media (Rm)	Print (Rm)	TV (Rm)	Radio (Rm)	Rank	Advertisers	All Media (Rm)	Print (Rm)	TV (Rm)	Radio (Rm)
1	Mobile Telephone Network	353,1	146,1	137,4	69,6	51	Samsung Products	62,2	8,7	46,9	6,6
2	Shoprite Checkers	304,2	215,0	55,2	34,0	52	Beiersdorf Consumer Prod	61,9	8,2	53,3	0,5
3	Lever Ponds	277,5	15,2	233,6	28,7	53	Sanlam	58,6	20,9	28,9	8,9
4	Pick 'n Pay	264,5	207,7	48,1	8,7	54	National Brands	58,6	5,5	41,4	11,7
5	Vodacom Communication	253,8	102,9	100,9	50,0	55	Media24	58,0	19,5	20,7	17,8
6	FirstRand Bank	229,0	72,6	68,6	87,8	56	Volkswagen	57,6	24,1	30,2	3,3
7	SABMiller	223,1	15,6	153,1	54,4	57	Homemark Mail Order	57,4	0,7	56,7	—
8	Absa	196,2	79,2	57,6	59,4	58	e.tv	55,3	47,6	0,4	7,3
9	Standard Bank	192,8	92,5	56,0	44,3	59	Altech Technology	54,4	28,4	20,0	6,0
10	JD Group	188,5	52,1	115,8	20,6	60	Love Life	54,3	0,4	30,0	23,9
11	Government national	178,4	65,8	30,5	82,1	61	SABC	53,9	39,2	11,8	2,8
12	Cell C	157,5	69,8	60,7	27,0	62	Sapo	51,0	11,4	22,3	17,3
13	Coca-Cola SA	157,1	5,8	127,0	24,4	63	Nashua	50,0	25,2	13,2	11,6
14	Ford Motor Co	147,2	41,5	85,4	20,4	64	Nissan SA	49,6	13,6	21,3	14,8
15	Edcon	144,7	43,8	72,9	28,0	65	Shell SA	48,6	7,9	23,4	17,3
16	Kentucky Fried Chicken	143,1	5,2	107,8	30,1	66	LG Electronics	47,5	7,0	39,5	0,9
17	Procter & Gamble	134,6	6,4	128,2	—	67	Hyundai Car Dealer NW US	46,1	30,2	12,8	3,1
18	Distell	132,9	22,0	89,9	21,0	68	Colgate Palmolive	46,0	4,6	36,7	4,7
19	UBR	130,0	8,3	104,9	16,8	69	Government Gauteng	45,6	22,4	6,3	16,9
20	Spar SA	125,3	87,4	25,9	12,0	70	Simba	45,1	0,0	41,5	3,6
21	New Clicks SA	122,2	40,3	71,4	10,6	71	Revlon SA	44,9	10,5	33,7	0,7
22	Reckitt & Benckiser	119,0	2,0	113,1	3,9	72	Sun International	44,5	20,7	11,5	12,3
23	Mass Stores	118,9	75,3	41,1	2,5	73	Nestlé	43,4	5,5	30,0	7,9
24	Clover SA	114,0	4,6	103,8	5,7	74	Hyundai SA	43,2	1,2	40,0	2,0
25	Telkom SA	107,6	52,0	45,3	10,3	75	Ackermans	42,9	17,2	23,2	2,5
26	Tiger Brands	98,2	12,9	62,0	23,3	76	iTouch Cellular	42,5	14,8	27,3	0,4
27	Relyant Retail	97,1	39,4	41,8	15,9	77	SAA	42,0	27,1	11,5	3,4
28	MultiChoice Africa	95,3	63,0	7,7	24,5	78	Reliable Hawker	41,8	0,7	23,1	18,1
29	Nokia Communications	93,3	25,9	59,0	8,3	79	Motorola SA	41,7	8,5	32,1	1,1
30	Brandhouse	92,8	5,6	70,1	17,0	80	Engen	40,1	5,0	20,1	15,0
31	Nedbank	90,6	33,4	34,3	22,8	81	Gillette SA	39,9	3,6	34,0	2,3
32	Old Mutual	86,8	35,6	31,2	20,0	82	McCarthy Dealers	39,7	31,2	6,5	2,0
33	Glomail Order	85,6	0,2	84,9	0,5	83	Woolworths	39,3	31,1	3,7	4,5
34	Ster-Kinekor Films	85,6	51,8	27,2	6,5	84	BMW SA	38,3	18,5	17,5	2,4
35	General Motors	80,8	29,8	42,7	8,3	85	Santam	37,1	13,6	17,3	6,2
36	Foschini Group	79,5	31,3	45,3	3,0	86	Imperial Motors	36,9	18,6	4,0	14,3
37	Verimark	79,2	2,7	76,5	0,0	87	Renault Afr	36,7	8,6	19,2	8,9
38	Adcock Ingram (Tiger SA)	78,5	16,8	52,3	9,5	88	IEC Voter Educ Directory	36,0	4,4	10,0	21,7
39	L'Oréal	77,8	25,2	52,5	0,1	89	Sasol SA	35,8	10,5	22,5	2,9
40	Government KZN	77,6	32,9	2,9	41,8	90	Pioneer Foods	35,4	4,8	17,3	13,3
41	Toyota SA	74,3	31,8	31,0	11,4	91	Momentum Life Assurance	35,4	2,8	25,5	7,1
42	Outsurance Insurance	73,0	24,9	28,4	19,6	92	Budget Insurance	34,7	23,0	7,9	3,7
43	DaimlerChrysler SA	72,1	35,3	28,9	7,9	93	SC Johnson	34,6	0,4	32,8	1,4
44	Music for Pleasure	71,8	—	65,7	6,1	94	Eskom	33,7	10,2	12,5	11,0
45	Pepkor	69,4	5,7	44,1	19,6	95	Ellerines Furnishers	33,2	7,9	25,3	0,1
46	Uthingo Management	68,0	8,0	32,5	27,4	96	Mr Price Group	33,0	21,8	8,9	2,3
47	Liberty Life	67,6	45,7	14,9	6,9	97	McDonald's Fast Foods	33,0	1,0	30,5	1,5
48	Nu Metro Film Distribution	66,5	37,8	22,7	6,0	98	Government W Cape	32,9	17,6	4,6	10,7
49	SmithKline Beecham	64,0	1,6	62,1	0,3	99	BP SA	32,6	4,9	21,5	6,2
50	Kelloggs Co SA	63,3	2,4	60,2	0,7	100	Peugeot SA	32,2	10,2	14,9	7,1

Source: Financial Mail Adfocus 2006

P. O Box 327

Wilgehewuel

1736

24 March 2010

Dear Sir /Madam,

The UKZN Research Ethics Committee,

This is to confirm that, I Sibusiso Derrick Ndebele (Student Number 201505313) am in the process of completing my Masters Dissertation entitled **An Evaluation of the impact of government's intervention carried out between 2001 & 2004 to accelerate racial transformation in the media and advertising industry** with The Faculty of Management Studies.

As part of protocol I would like to hereby confirm that I have made correction to my dissertation as suggested by Examiners who marked my dissertation.

I hope you find this in order.

Yours truly,

_____
Student Signature