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I AM

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# Sunday Times TOP BRANDS 2013

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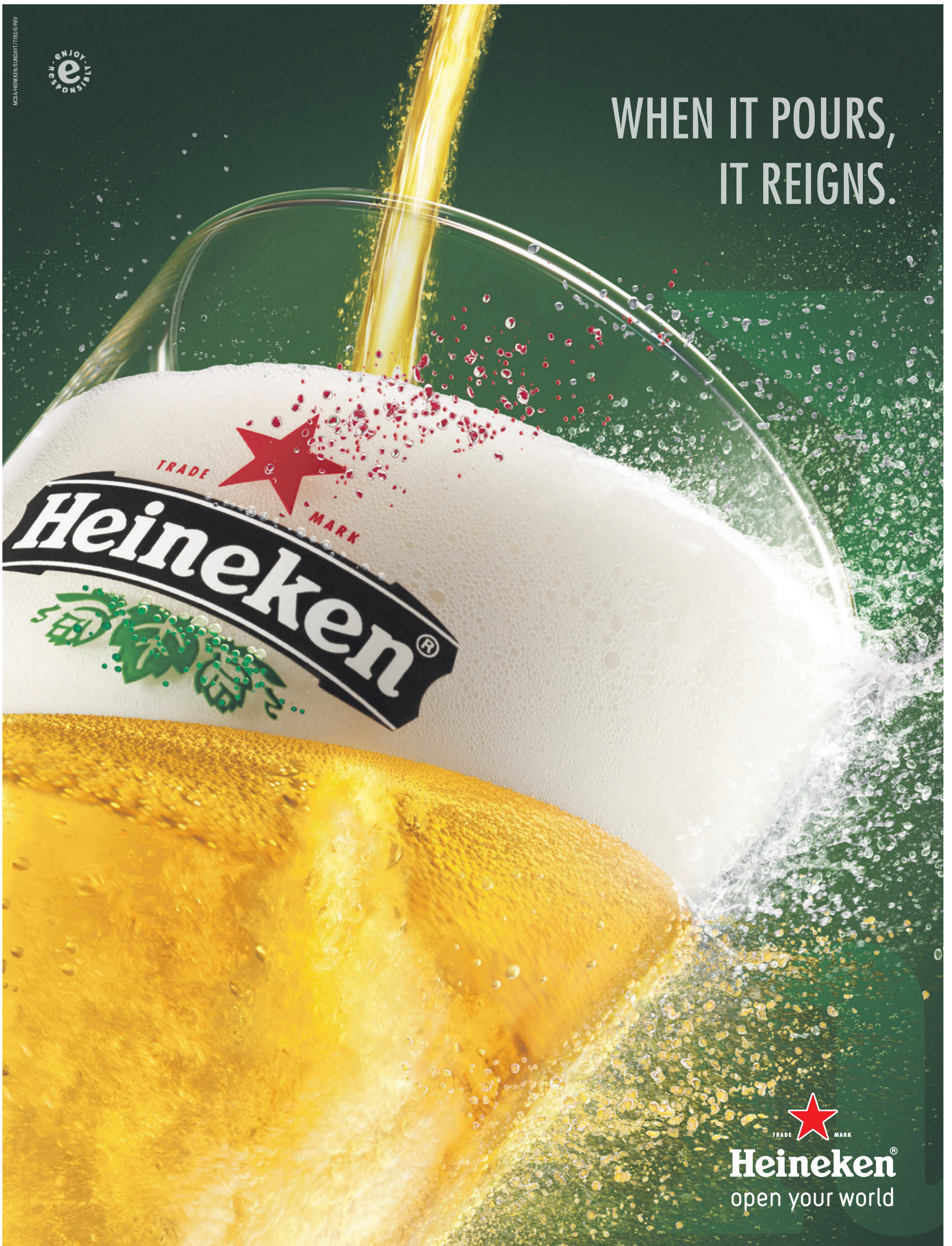
ALL THE  
**WINNERS**

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## INTRODUCTION

WIN OR LOSE,  
THE RESEARCH  
IS INVALUABLE

*Sunday Times advertisers place great credence on the results of the annual Top Brands survey*

**David Jackson**

THE ANNUAL TOP BRANDS survey notches up its 15th appearance this year under the sponsorship of the *Sunday Times* – a landmark event on the South African marketing and advertising calendar whose perennial appeal is as evident today as it was when the survey first made its debut in the late 1990s.

Explains Trevor Ormerod, general manager: advertising and strategic sales for Times Media: “In Top Brands’ early years, the model we used was based only on spontaneous awareness, and resulted in the brands which spent the most winning each of the categories.

“However, over the past five years we have progressed to a model that uses a ‘relative advantage algorithm’ to identify winners in each category. This does not make use of a one-dimensional analysis of usage or spontaneous awareness only, but also takes into account the aspirations and love which even non-users have for a brand.

“Since moving away from the ‘usage only’ method of assessing brand popularity and awareness – and adopting the

new TNS model – the Top Brands survey has incorporated the latest brand theory on relative advantage that one brand has over another. We are able to analyse trends going back to 1999, with some brands continuing to dominate, even though we have changed the branding model.”

Adds Ormerod: “We include user ratings as well as non-user ratings. This means that

**THE MODEL IS VERY WELL UNDERSTOOD AND VALUED BY MOST TOP ADVERTISERS**

we are able to anticipate future purchase intent. For example, not everyone can afford an iPhone, but because there is huge brand love for these among both users and non-users, this is an indication that they may aspire to buying an iPhone at some stage in the future.”

Top Brands is a customised/bespoke survey funded totally by Times Media, which focuses on consumers’

usage and rating of brands across a number of categories. It looks at market sectors such as banks, insurance, telecoms, airlines and motoring, among many others, which, says Ormerod, “is our way of adding value to our biggest advertisers”.

“Many of our advertisers place huge credence on these results and have KPIs (key performance indicators) linked to achieving the top results. Every year we have advertisers asking how they can be included in the survey, and we therefore have a policy of rotation, in which not all categories are included every year. Some categories appear every second year. We are limited to around 40 consumer categories and 10 business categories, to ensure that the questionnaire is not too long.”

Ormerod says that even when a brand fails to win a category, there is still enormous interest by advertisers in understanding what factors contributed to their losing out to another brand. “The model is very well understood and valued by most top advertisers,” he points out.

“Many advertisers publish the *Sunday Times* Top Brands



Pic: Jeremy Glyn

**Trevor Ormerod, general manager: advertising and strategic sales for Times Media**

logo in their advertisements, given that the *Sunday Times* is a trusted and credible title. In this manner, the *Sunday Times* Top Brands Survey is a wonderful endorsement of the winners in the different cate-

gories,” says Ormerod.

“Many smaller brands which cannot afford their own brand research use these results to strategise on how to take their brands to the next level,” he adds.

## METHODOLOGY

## HOW IT WORKS

*Some ‘metro-only’ categories have been extended*



**Neil Higgs and Christine Mostert**

2013 MARKS THE FIFTH YEAR that *Sunday Times* has partnered with TNS South Africa in its Top Brands survey. The study has applied the same methodology since 2009.

To keep in line with consumer trends, the penetration of six previously “metro-only” categories has been extended to non-metro areas too, to obtain a national read of all categories and brands.

The approach looks at a brand’s penetration in the marketplace, while also examining its relative strength among its users and its relative attraction among non-users – the concept of relative advantage. This was accomplished by asking three questions:

1. Brands used within a defined time period (this period differed for each category);
2. Brands with which people were familiar enough to rate them on a 10-point scale; and

3. The actual rating of all those brands on a 10-point scale.

From this, an index score for each brand is generated from three variables: the actual usage of a brand in a specified time period, the rating it receives from its users relative to others in the category, and the rating it receives from those non-users aware of it, also relative to competitors in the category. The non-user rating carries only half the weight of the user rating in the final algorithm.

The final index can be thought of as the brand’s standing in both the marketplace and in people’s minds. This is in line with the current thinking that brand equity is a function of both Power in the Mind and Power in the Market, coupled with the view that one must always take the attraction of competitors into account in any assessment of brand equity.

#### How a brand can win

A winner occurs in one of three situations:

1. If it is big AND rated above average by both its users and its non-users.
2. If it is truly big, but perhaps only rated as average by its users and non-users.
3. If it is smaller, but very well loved by its users and is strongly aspired to by its non-users.

#### Why this approach?

Most brands have a good sense of their relative size – publicising this is good for the ego, but not much else. The approach

adopted by TNS allows more useful marketing insights to be gained: a brand can assess by how much more – or less – its users rate it compared with the average. This will offer a heads-up for some, as well as an indication of the relative commitment people have to a brand.

Similarly, by looking at the non-user ratings, some idea of a brand’s relative “pull” among its non-users is gained. This is a good indication of its relative ability to attract new users. Comparing usership and these two ratings’ data tells marketers much about their relative power in the mind vs their power in the market.

#### Representing all South African adults

This year the sample was enhanced by increasing the size of the non-metro sample. The total sample remains constant at 3 500, with 2 500 interviews in metro SA and 1 000 interviews in non-metro areas of SA.

Researchers talked to adults aged 18 years and over, and the final results have been weighted to represent the population according to StatsSA’s 2011 mid-year population estimates.

The study is representative of all adults across the country and is a relatively large sample in consumer research terms. Interviews were conducted in home, face-to-face.

#### Businesses of all sizes

The sample consisted of 300 C-level business decision-makers (CEOs, CFOs,

COOs) from organisations of all sizes. These interviews were conducted via TNS’s CATI system.

#### Category changes

This year, a spontaneous awareness question was also included for each category, to gauge which brands are most top-of-mind for consumers and business decision-makers.

Three categories were added to the Consumer section:

- Loyalty programmes;
- Social networks; and
- TV service providers.

Four categories were taken out:

- Fat spreads;
- Headache tablets;
- Household cleaning; and
- Savoury biscuits.

Three categories were included in the Business section:

- TV service providers;
- Investment companies; and
- Medical aids.

The following categories were removed:

- Local hotel groups;
- Courier companies;
- Business media – radio; and
- Business media – magazines.

Neil Higgs is senior advisor and head of innovation, and Christine Mostert business unit director, at TNS.



## INTERVIEW

# A CONTRACT WITH THE CUSTOMER

*Pick n Pay CEO Richard Brasher shares his thoughts on retail, brands and biltong, with Jeremy Sampson*



Pick n Pay CEO  
Richard Brasher

IF EVER THERE WERE an example of a local brand losing its way, Pick n Pay is a good one. But as this newspaper trumpeted in a headline last month: "Pick n Pay is on the verge of a new dawn". And not before time.

For the best part of a decade, the company struggled to adapt to increased competition, changing buying patterns and a brilliant founder not getting any younger. That "new dawn" is all about the appointment of Richard Brasher as CEO late last year, a seasoned veteran of Tesco, the world's third-largest retailer.

Brasher certainly understands marketing. Listen to what he has to say: "Marketing's role is to take the company to where the customer wants it to be. The strongest marketing director the company ever had was Raymond Ackerman. He listened to customers and sought to make things better. Marketing is about the deep insight of what customers want, where they are happy, and where they are not happy."

He also recognises that Pick n Pay itself is a strong brand, something some family members were slow to acknowledge.

**Leaving Tesco, given your extensive experience, you must have received many job offers. Why Pick n Pay?**

After 26 great years at Tesco, I felt it was time for a change and I wanted my family to have the opportunity I had of experiencing living in a country other than England. During our travels around the world, we developed a great fondness for Africa. I had always admired what Pick n Pay stood for in South Africa, and felt that Raymond Ackerman and the team punched well above their size on the world retail stage.

Given I was choosing a job because I wanted it, rather than needed it, it was important that the business had determination to never take out more than it put in. I also wanted an opportunity in a company that was big enough to matter, but not so big that you never got to do the fun things in retail, which is getting close to the customers, products, stores and the suppliers.

I am delighted to have joined Pick n Pay. We have a lot to do to fulfil our potential, but I think we can make a big contribution to both the communities that we serve and the industry in which we work.

On top of all of that, my family get to live in the lovely city of Cape Town, my son is going to a great school, and there is more sunshine than rain.

**At Tesco, you were an integral part of the Leahy team. Is there one overriding impression of that era when Tesco could do no wrong?**

It was a privilege to be part of a team that transformed the company over a period of 15 years. At our best we had a great team spirit, all for one and one for all, and egos were kept in check. We listened to the customer, faced into the truth and changed the business to make it better.

Rightly and most importantly, we didn't take out more than we put in; improvements in profitability gained through

economies of scale were invested back in the shopping trip. The customers always benefited from our getting bigger. When businesses break this model, they also break a contract with a customer. The customer then believes that you are more in it for yourself than you are in it for them, and that can have a marked impact on a brand.

**What was the biggest difference you have come across between the respective cultures of Tesco and Pick n Pay?**

The values of Tesco and Pick n Pay are not as dissimilar as some people might suspect. Jack Cohen started Tesco as a consumer champion; he fought against retail price maintenance and he always wanted to give customers a great deal, which Raymond Ackerman did with Pick n Pay in South Africa.

While all companies make some contribution to the com-

munity, it's not on a scale that I have seen at Pick n Pay. I like it, it's important and I am determined we will continue to do this in the future. Because of the underlining values of the business that doing good is good business, PnP is not seen merely as a transactional retailer, and as a consequence there is tremendous benevolence to the brand, which we need to live up to.

**And the biggest difference between the UK consumer and the SA consumer?**

While the populations of both countries are not massively dissimilar, the land mass is, and so is the diversity. 40% of the population earns less than R1 400 per month, and unemployment is over 25%. People's shopping baskets around the country can be quite different, by region, by LSM and by customer group.

To be a brand that welcomes everyone in South Africa is a fantastic challenge, and one

that I am very much looking forward to.

**For many years the founders of Pick n Pay did not see it as a brand. Your thoughts?**

Brands, in my experience, are created by standing for something. I am sure when Raymond and Wendy Ackerman started the business back in 1967, their only focus was on listening to customers and endeavouring to give them what they required. Trying every day to do the right thing for their staff, their customers and to make a contribution to society.

All of this, ultimately, has created a brand called Pick n Pay, which, in many people's minds, stands for these underlying values. We now need to reaffirm our values, and while we can take great pride in the company's achievements over the years, it's the team's responsibility to make sure that it fulfils its potential in the future.

**South Africa still has a limited range of global brands available. Is there one you would really like to introduce locally?**

I love working with brands, be they global or local. I would like to see more choice for consumers here in South Africa, and I would like to help develop some local brands, as well as welcome global operators. Any of the big, global brand owners who want to come and invest in South Africa, create jobs and give customers more choice will be welcome on the shelves of Pick n Pay.

**House brands are usually priced below major brands in the category. This doesn't always happen at Pick n Pay.**

Pick n Pay is a strong and trusted brand, and therefore has an important role to play in its product range, as much as developing its store portfolio. The principle of retailer brands is to create value, either by introducing innovation that is not currently available in the market or by giving people good-quality products at lower prices, and that has been true around the world.

We can do more to clarify the roles of Pick n Pay brands in our stores, and I see great potential to develop our own brand proposition. I have good experience in this area. By structuring carefully our PnP No Name position, our standard PnP brand and our PnP Finest lines, I'm confident we can provide a great solution for our broad customer base.

**In the UK, the latest big scandal involved horsemeat. Could that happen here?**

The meat business around the world is enormous, complicated, often commoditised, but still a protein of aspiration for millions of people. The price is often the crucial parameter in purchase, and can result in accidental and sometimes deliberate contamination of product. This is what we have seen across many developed markets over the last few years.

Even some of the best companies can fall foul of these complications, and all businesses need to be increasingly vigilant in order to protect their customers. The farmers, processors, retailers and government need to work together to ensure customers get what they expect, and brands such as PnP have an important role to play in this.

We make a significant investment in technology and traceability in order to protect our customers' rights, and indeed our brand.

I don't think you can ever be complacent in the meat industry, in my experience, but there are great farmers, processors and suppliers that we can work with to ensure customers get what they want, at a price they can afford.

**Pick n Pay went to Australia and had a bit of a disaster. Likewise, more recently Tesco in the US. Why is it so difficult to expand globally?**

There have been more than a few column inches on this topic. My philosophy on this is simple: if it appears possible to expand your brand across borders, give customers a great offer and make a good enough return to ensure that you don't adversely impact your home market that created the value, then why not expand internationally? It can work, it has worked and I am sure it can work in the future.



The crime, if there is one, is not usually attempting expansion; it is not being prepared to accept when that expansion is adversely affecting your core proposition, and this is where ego and pride can get in the way. If experience is something you gain when things don't go quite right, then there is plenty of experience around the world on this topic.

**Many argue that South Africa is the "Gateway to Africa". Is it?**

As a newcomer to the continent, I'm not sure I am qualified to talk about gateways, but I am struck by the sheer scale of the continent when nearly eight hours of my 11-hour flight from London were spent travelling over Africa.

It's clear, however, that South Africa is a significant proportion of the GDP of the continent. Manufacturing and supply chain are more developed here than they are in some of the other countries. Certainly for PnP, South Africa is the gateway into Africa, and I believe we have a significant opportunity there in the years ahead.

**In retail it can be argued that marketing metrics are as important as financial metrics, yet not all retailers appear very marketing-savvy. What are your thoughts on this?**

I guess it depends what you mean by marketing-savvy. Retailers, by the nature of their business, continually have to adjust

**BECAUSE OF THE UNDERLINING VALUES OF THE BUSINESS THAT DOING GOOD IS GOOD BUSINESS, PNP IS NOT SEEN MERELY AS A TRANSACTIONAL RETAILER, AND SO THERE IS TREMENDOUS BENEVOLENCE TO THE BRAND, WHICH WE NEED TO LIVE UP TO**

their brand proposition to meet the ever-changing needs of consumers, and therefore, to some extent, the financial metrics are a direct reflection of the customer's daily vote.

What I like about FMCG brands is they have to work on creating brand value, developing points of strategic competitive advantage, rather than simply being involved in a race for the bottom on price.

Great retailers work with their supply partners on technology, processing, capability and innovation, so that they can create value, and that is something I am very keen on in PnP. What retailers can bring to a partnership is our closeness to customers on a regular basis; that, coupled with consumer data that we collect, has the potential to create real brand value for both suppliers and retailers.

**If you were to ask government to make just one change to policies that impact Pick n Pay, what would it be?**

Any policy change that can help to provide companies with the confidence to invest in manufacturing and innovation in the

fresh-food area will be welcome by Pick n Pay.

Job creation, innovation and investment are the lifeblood of any innovative and dynamic retail market, and I want PnP to be a champion of that cause.

*On a more personal level ...*

**Your legacy at Pick n Pay: what one big change would you like to have achieved?**

I am less concerned about trying to be the biggest; I simply want PnP to be seen by customers as being on their side and the best place to shop.

**What do you miss from the UK and particularly enjoy in South Africa?**

I must be honest, I have been so busy in the last few months that I haven't had time to miss much from the UK, but I found many things to like about living in South Africa. The countryside scenery, the weather and the diversity of society make this a great country in which to live. Despite the headwinds of the economy and challenges faced in society, I find the country is vibrant and exciting, and in the last

six months I have probably learned more than in the last few years. I am even getting a taste for biltong.

**Outside of retail, what keeps you grounded?**

Young people and people who have a lot less than most keep me grounded. It is difficult to have a big ego with an 11-year-old son, and whenever I need to get back in touch with reality, I go and talk to people for whom the money runs out before the week runs out. I must say, I have been humbled by the level of generosity I have seen within communities, and it's inspiring me to do more than I would have done in the UK.

**A brand you cannot do without?**

I guess I would like to sound a bit more interesting and thoughtful on this question, but the reality is, it's Apple.

**Three brands you would take to a desert island?**

Assuming no technology and charging facilities available, I would take my Hardy's, fly rod and reel, a set of French Sabatier kitchen knives to prepare my catch, and a case of Le Montrachet from France until such time as I discover the South African equivalent.

The world of brands never stands still. To those who don't adapt and stay relevant, the world is littered with examples of brands that have died, espe-

cially in the world of retail today. Reading Interbrand's Best Retail Brands 2013 rankings, it states: "Brand experiences extend far beyond the time spent inside a store or searching a website. They include a brand's messaging, the events it sponsors, the causes it supports, encounters with its touchpoints – the products themselves, how they feel and function, the associations they create, and the subsequent evaluation, recommendation and repeat purchase. It's an ecosystem that responds best to an overarching brand strategy."

But then we have local retailers linking to global giants, the explosion of social media, the threat of online. As if these were not enough challenges, The Economist stated earlier this year: "Shopping is about entertainment as well as acquisition. It allows people to build desires as well as fulfil them – if it did not, no one would ever window-shop."

Not surprisingly, the spectre of the Ackerman family continues to loom large over Pick n Pay, one of the few remaining South African companies that remains close to its founding family.

However difficult, they must let go, leave it to professional managers like Richard Brasher and his team, just as the Cohen family did all those years ago at Tesco.

*Jeremy Sampson is the group executive chairman of Interbrand Sampson De Villiers.*



- 2013 – South Africa's Number 1 Grocery Store, Sunday Times Top Brands
- Best Customer Loyalty Programme, Sunday Times Top Brands
- Most Reputable Retailer in SA, Global RepTrak® Pulse Study
- 2012 – Most Trusted Retailer in SA, Ask Afrika Trust Survey
- Coolest Grocery Store in the Country, Sunday Times Generation Next Survey
- 2011 – Coolest Grocery Store in the Country, Sunday Times Generation Next Survey
- Grand Prix for the Most Green and Environmentally Friendly Company, Sunday Times Top Brands

## Thank you for helping us grow stronger, together.

Thanks to the support of millions of South Africans, Pick n Pay was named as **South Africa's Number 1 Grocery Store**, and **smart shopper** as the **Best Customer Loyalty Programme** in the 2013 Sunday Times Top Brands Survey. We feel honoured to have grown with your family and look forward to offering you outstanding quality and value for years to come.





## BANKS

Andrew Gillingham

STANDARD BANK HAS staged something of a coup in the retail banking world, moving up from third place in Top Brands last year, to take top spot in 2013, knocking Absa down to second and FNB to third.

Debbie Booth, strategic planning and insights at TNS, says the Top Brands bank rankings have been through a bit of a shake-up. "Standard Bank is South Africa's favourite bank this year; the results are all about what Standard Bank has done to appeal to consumers, as well as what Absa has not done. Absa has lost a significant number of users compared to last year, and it appears that Standard Bank has managed to acquire these customers," Booth says.

As a consequence, more people are using Standard Bank for their banking, and liking the experience. In addition, there is a more positive outlook towards Standard Bank from people who do not bank with Standard Bank. "The positive resonance with the Standard Bank brand has definitely grown since last year, and the increase in the bank's users indicates the bank has been able to convert some non-users into users this year," Booth notes.

She adds, however, that this more positive view on the part of non-users is not confined to Standard Bank, but reflects a better perception by consumers of the

## UPWARD AND FORWARD

**Standard Bank draws the crowds, while FNB talks to the corporates**

Standard Bank's  
Jenny Pheiffer



Pic: Jeremy Glyn

entire banking sector. "People are considering retail banks in a more favourable light, and those banks that are best able to leverage off this view are the ones that have tended to do the best."

Moving on to corporate banking, Booth says that while Investec was ranked first last year, its user numbers fell slightly this year so that it was too small to qualify and, therefore, could not be included in the survey.

FNB is this year's top corporate banking brand, followed by Standard Bank, Nedbank and Absa. "Clients in the corporate banking segment appear to be more reluctant to change banks than their retail counterparts," Booth suggests.

South African corporate banks have been focusing in-

**YOU CAN NEVER  
ASSUME YOU HAVE  
THE RIGHT FORMULA  
AND JUST SIT BACK  
AND LET IT FLOW**

creasingly on developing and enhancing their client relationships, and this effort may well be paying off for those that get it right. "In terms of long-term sustainability and as a value strategy, banks have identified that value lies in relationships with large businesses that make full use of the banks' products and services," Booth adds.

Jenny Pheiffer, head of group brand and sponsorships at Standard Bank, says managing a financial-services brand such as

Standard Bank comes with different challenges from those of a traditional fast-moving consumer goods (FMCG) brand.

"In addition, one element that distinguishes us from many of our competitors is that we are a full-service brand, offering personal and business banking, corporate and investment banking, as well as wealth creation," Pheiffer says.

Another important aspect of the Standard Bank brand is that it is very much an African bank. "Therefore, while our roots are sunk deeply into the South African soil from which we originated, the brand has since spread with a footprint that now spans 18 countries across the African continent. As we have expanded, so we have had to ensure relevance of our brand message into our new markets. The key is not to be so arrogant as to assume that our South African brand applies equally in our other markets," Pheiffer says.

Emphasising her point is the fact that while Standard Bank is a market leader in SA, in many of its other markets it is a challenger brand that competes head-on with leading global and local brands in those countries.

"In many of these markets we are not known at all by our tar-

get market and the broader population. In some respects we are starting from the bottom up in many of our markets, and the challenge is to take the golden thread of the corporate brand promise and translate that so that it becomes relevant and real to the different markets.

"At the same time, we want to leverage off the equity of being a multinational brand, making sure our customers and clients know what to expect in terms of consistency of service and experience across a range of different markets. This helps to differentiate us from a local brand.

"We have to define our corporate brand and take that brand into meaningful and relevant products, services and offerings in each market, while maintaining the golden thread and being able to leverage the trust and stability of a 150-year-old brand."

Pheiffer says building a brand across a range of new markets is very much a journey, and one that requires constant measuring, monitoring and adapting.

"You can never assume you have the right formula and just sit back and let it flow. We have to constantly check that our brand message is resonating with the market and that we are taking our brand into a space where we can deliver on our brand promise of moving our customers forward," she says.

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## TRENDS

# LOOSENING THE STRINGS

Andrew Gillingham

**Premium brands reap the benefits of keeping faith during the downturn**

AS A RESULT OF the poor economic climate of the past few years, consumers remain prudent, but they are becoming cautiously more adventurous and prepared to spend some of their hard-earned cash on premium brands.

Debbie Booth, strategic planning and insights at TNS, says a number of the premium categories, as well as premium brands in other categories, are showing an increase in usage that is demonstrated by the growth in many categories this year. "Consumers appear to be feeling a bit more comfortable," Booth says.

She points out that, prior to the economic downturn, premium brands had been gaining ground, but this trend was effectively shot down when the economic climate took a turn for the worse. "Now that consumers are more confident, premium brands are picking up on some of the momentum they created a few years ago."

Some premium-brand manufacturers have kept faith and maintained their marketing efforts, and this has helped premium brands to return to favour as consumers gained confidence. The effectiveness of this counter-cyclical marketing approach has been widely recognised for decades, though few

organisations have the courage to back this awareness with their marketing budgets.

Booth points out that in the 1940s – during World War II – economic conditions were depressed, and Kellogg was the only cereal manufacturer to make the investment to continue promoting itself and its products.

"As a result, the competing brands disappeared and Kellogg went from strength to strength, becoming a dominant player with a portfolio of leading cereal brands. In the same way, during the recession, those premium brands that continued promoting their products have seen their markets recover," she says.

Another trend during the recession was that consumers proved extremely reluctant to try new brands. With the need to extract maximum value from their spending, consumers focused their expenditure on trusted brands.

Booth notes that this trend is still in evidence, and trusted brands continue to win, as a consequence. "However, people are slowly coming out of their shells and are slightly more prepared to try new products, and even different categories.

"For example, consumers that have stuck to beer in the past are likely to be more willing to try spirits. At the same time, it is the tried-and-trusted brands that have moved more towards premium categories that are winning."

She adds that the present climate is one that offers both opportunities and challenges. Therefore, while trusted brands are in the sweet spot at the moment, they cannot afford to be complacent. "Brands need to be paying close attention to their competitors, particularly the trusted mid-brands that are nipping at the heels of their larger peers. Nor is this the time to lose focus on the consumer," Booth says.

The brands that have come out on top have been those that have kept the consumer at the forefront of their marketing strategies. They have remained committed to the consumer and this has paid off, she comments. A lot more brands are investing in understanding people better and at a deeper level, considering the emotional connection to a brand and not just observing behaviour.

"Measuring behaviour is valuable, but there is a lot more to be gained from understand-

ing what is driving that behaviour, the person behind that behaviour," Booth says.

"Moreover, successful brands are not just marketing a brand; they are pushing consumer experiences, as well as communicating a consistent and sincere message.

"There is greater recognition that people are not simply going out to buy, for example, a pair of jeans, but rather to buy the way that pair of jeans makes them feel. It is not just about functionality. Consumers are not buying products functionally; they are consuming products and brands emotionally.

"The brands with which consumers choose to associate express who they are as individuals; they want their brands to know them as people and provide them with reinforcement that they have made the right decision choosing to consume a brand."

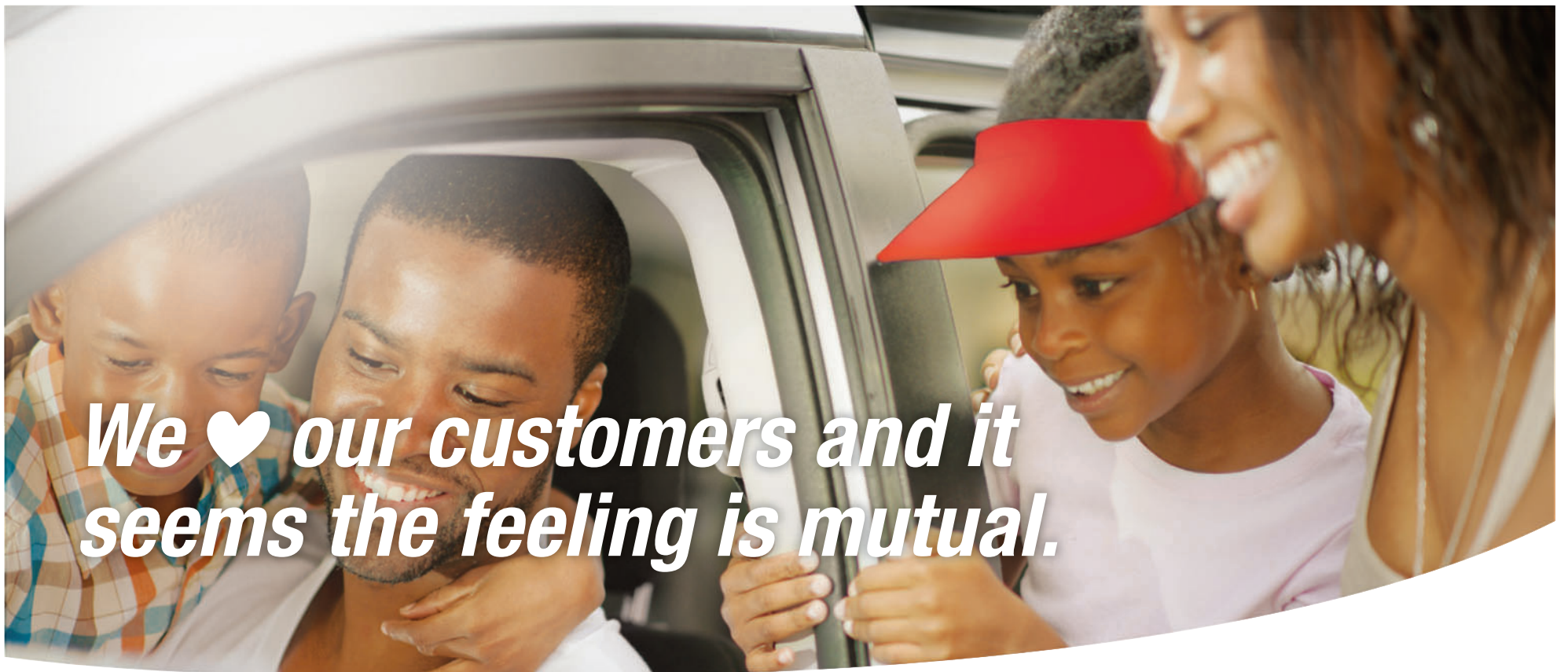
She adds that understanding consumers as people also means that brands and their messages must be relevant to customers and their lifestyles. "In other words, do not just develop a product; develop a brand that fits into people's lives," Booth says.



Pic: Jeremy Glyn

TNS's Debbie Booth

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# CREATING POSSIBILITIES

**Infrastructure development does much for Eskom's brand-building**

Alf James

THE RESULTS for Eskom in this year's *Sunday Times* Top Brands Survey reflect much goodwill value for the public utility's brand. Not only heading the Most Desired Company To Work For category, it also placed second in both Community Upliftment and Companies That Do The Most To Look After SA's Environment And Natural Resources.

"Eskom has been supplying South Africa with electricity for 90 years, since its establishment on March 1 1923. Having a stable, sufficient supply of electricity has enabled South Africa to grow into the largest and most developed economy in Africa, in which more than 83% of households have access to electricity," says Eskom chief executive Brian Dames.

"The fact that more than 4,3 million homes have been electrified since the beginning of the country's electrification programme in 1991, and 144 558 homes were electrified in the 2012-2013 financial year, has, no doubt, had a major impact on the lives of millions of South Africans, which obviously also does much to build Eskom's brand in the mind of the nation."

Furthermore, according to Dames, the improvement of local infrastructure through strong social impact projects such as schools and clinics is a key corporate social investment priority for Eskom, which again does much for brand-building, especially among the rural and township

communities. "Together with the National Electrification Fund, Eskom finances the electrification of schools and clinics in South Africa. Since 1991, Eskom has brought electricity to more than 11 000 schools and more than 350 clinics throughout the country," he says.

Dames believes strengthening the brand is an investment towards competing with possible future competitors. He says Eskom aims to:

- Get consumers to reconnect with Eskom as the company that has created possibilities for almost a century;
- Get consumers to gain a better understanding of the entire Eskom value-chain; and
- Get Eskom employees to realise that they are more than just employees.

According to Dames, these are the three main areas in positioning Eskom as more than just a company that makes and sells electricity.

"Firstly, the aim is to get the public to gain a better understanding of the entire Eskom value-chain; specifically, we want them to know exactly how much human resources, time and work go into providing the electricity that they might otherwise not necessarily value. This will help them to appreciate Eskom and, thus, build loyalty.

"Secondly, we want the public to reconnect with Eskom as the company that has created possibilities for almost a century. Through the supply of electricity,

Eskom has helped, and continues to help, South Africans to build a country we can all be proud of," says Dames.

The third area is Eskom's internal campaign to encourage employees to understand the promises Eskom is making to the market, and how to deliver them in a way that will connect and engage with customers and other stakeholders.

Dames says Eskom needs to equip each employee with the knowledge they need to align what they do with the brand vision, as well as to inspire them to become brand ambassadors.

He mentions three strategies in the company's integrated report presentation which will be the utility's focus going forward:

- Continuing to keep the lights on while the gap between supply and demand is extremely narrow, and while high levels of planned maintenance are required to ensure the sustainability of ageing power stations;
- Ensuring that the Medupi power station project delivers its first power to the national grid, and that significant progress is made towards the delivery of first power from the Kusile and Ingula projects within the next two years; and
- Re-engineering Eskom's business to adapt to the limits imposed by the 8% average annual tariff increase that the National Electricity Regulator of South Africa (Nersa) granted for the next five years.



THROUGH THE SUPPLY OF ELECTRICITY, ESKOM HAS HELPED, AND CONTINUES TO HELP, SOUTH AFRICANS TO BUILD A COUNTRY WE CAN ALL BE PROUD OF

# TALKING TO YOU

**MTN's Serame Taukobong focuses on building credibility, loyalty, confidence and trust**

Alf James

CREDIBILITY IS KEY to the development of one's personal brand, as well as to a successful career in the business of marketing, says Serame Taukobong, chief marketing officer at MTN, who was voted Marketing Personality of the Year for 2013.

Bernice Samuels of FNB placed second, with KFC's David Timm taking third spot.

According to Taukobong, a personal brand should not necessarily emerge from personal profiling, but from your deeds that speak for you. "The professional responsibilities assigned to me should be continually enhanced by the teams that support me and follow my leadership, which is not an easy task at times," he says.

Taukobong adds that the importance of marketing has become even more apparent during the current difficult global economic conditions, as companies across all industries have been forced to think more creatively in terms of conveying their products and services to consumers, who are under economic pressure to become more selective about where they spend their money.

"One constantly needs to monitor progress, improve marketing alignment, analyse the competition, drive the continuous



**BRAND COMMUNICATION THROUGH SOCIAL MEDIA IS A PART OF THE WHOLE INTEGRATED BRANDING EXERCISE**

need to communicate with the customers, proactively maintain and grow the company's image, and create a customer-centric or-

ganisational culture.

"As a telecommunications organisation, MTN is required to be flexible and agile. The nature of our industry is that things change very quickly, irrespective of economic conditions. How we, as an organisation, measure up to those challenges and changes enables us to drive our growth in the market," he states.

"Finally, many telecommunications services are becoming 'commoditised'. However, at MTN, we need to ensure that our products and services – as well as our people and processes – differentiate us. "The challenges of effective differentiation are significant, and for us in marketing, we have to ensure that we communicate information that creates a positive perception of those products and services all the time."

Three MTN brand-building campaigns have stood out for Taukobong in the last few years. First, there is "MTN 8", the biggest football tournament in South Africa, which he says is best described by its pay-off line: WAFA-WAFA!

"It also happens to be the richest cup competition in South Africa, and it allows MTN consumers an opportunity to take part in several activities around the tournament."

The second campaign is "Mahala Thursdays", used as a

means to incentivise customers to recharge their airtime on Thursdays. "MTN Mahala was made available to both prepaid and top-up customers. MTN believes that this campaign was innovative in that Thursday was chosen due to its less-than-average contribution to overall recharges in a seven-day week."

Third, MTN was Africa's only global sponsor of the 2010 FIFA World Cup in South Africa. This sponsorship was a real differentiator that bolstered the MTN brand, he notes. "During the World Cup, we launched the most popular 'Ayoba' campaign, MTN Zone and other prepaid offerings, which were considerable contributors to MTN's growth and brand affinity."

Taukobong says the biggest challenge in the brand-building and marketing environment is market segmentation. There are multiple segments that are defined by drivers such as lifestyle, the use of technology, and spend. So without an understanding of what makes the customer tick, you are marketing to a void.

"You need to closely follow market trends and technologies, and also understand the environment in which you are operating."

"However, marketing is also integrated into the way a company runs its business. It is that spirit which unites its employees and its stakeholders," he adds.

MARKETING  
PERSONALITY  
OF THE YEAR

MTN acknowledges that its success emanates from support of the broader communities it services, which is the reason why, according to Taukobong, through the MTN SA Foundation, the telecommunications company has initiated a number of partnerships focusing on facilitating education, health and entrepreneurship.

"In the process, we provide communities with tools to shape a brighter and more self-sustaining future, which helps us to succeed in winning the trust, loyalty and confidence of the communities in which we operate."

Taukobong says the development of technology, especially social media and mobile technology, has become very important in brand management, particularly with regard to the speed and succinctness of the way the marketing messages are communicated, as they speak to segments that are very influential.

"Brand communication through social media is a part of the whole integrated branding exercise."

"We have long realised that having a strong brand and equity online is a key to continuously building credibility, loyalty, confidence and trust with our customers. Social media helps in forging real relationships with our customers, and MTN is investing in social-media platforms to harness socially responsible marketing," he says.





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Sunday Times  
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BRAND

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Pic: Jeremy Glyn

## ON AND OFF THE FIELD

*Nike and adidas plug into the sporty aesthetic*

*Linda Doke*

IT HAS LONG BEEN SAID that it's important to walk the talk, but for many, it's more about talking the walk: you don't actually have to take part; you can simply dress the part.

Sports clothing has fast become fashion; wearing the brands worn by sports icons is as trendy for the everyday wearer as it is essential for the sports personalities themselves. So popular has this trend become around the world that with at least two global sports brands – Nike and adidas – the percentage of apparel being sold for fashion is exceeding that sold for practical sporting use.

Buying sportswear for lifestyle use is a global trend, says TNS executive Peter Storrar.

"The casual-yet-sporty look is a growing worldwide trend, and something that brands and retailers have begun actively marketing to drive revenue growth. In 2013, this market continues to grow – a trend which comes as something of a surprise, considering all the talk about retailers being under pressure from the tight global economic climate of the past five years."

Storrar says the sporty aesthetic is being driven by aspiration: non-sporty people want to look the sporty part.

Sports companies have spotted the trend and are scoring from it as much as they can. Marketing budgets and advertising campaigns are now tailored to appeal to a far wider audience, and the sports labels repositioned more as lifestyle brands than pure sports brands.

Head of style at adidas South Africa, Stuart Davies, says the company's heritage (since its birth in 1948) is on the sports field. While on the apparel side, adidas has been fashion-focused for many years, combining sports style with fashion is a fairly new concept for adidas on the footwear side, as the company has for decades been focused on technical sporting footwear. "But with the growth of athlete-inspired designer sportswear, we've incorporated fashion into all our styles using top international designers," says Davies.

Internationally the company has collaborated with the likes of popular Japanese label Bedwin & The Heartbreakers to develop the adidas Originals label of footwear and apparel, with Yohji Yamamoto to create the Y-3 niche blend of fashion and sportswear, and with the Jeremy Scott brand for a collection of unique fashion footwear and apparel.

Davies says a fairly new trend hitting Europe is the "running style" look, with people looking to iconic names in the running world as role models for style,

and wearing their look as unisex lifestyle wear, dressing up shoes that have a performance-inspired look or function with skinny jeans and a blazer.

Topping the sports brands category once again is Nike – no surprise, considering the global popularity of the brand, which has long been promoted as more than just a sports kit label.

Nike SA communications manager Seruska Naidoo says the company's primary aim is to bring sport innovation and inspiration to youth consumers around the world.

"It all starts with the athletes. We listen carefully to their performance needs, we then lead the creation of our top innovation products and, from that, the brand experiences for the broader consumer basin. Our success is the result of a very simple approach: to consistently engage with the youth and consumers through the lens of sports, in the most authentic, inspirational, innovative, yet unconventional way," says Naidoo.

Nike SA sees South Africans as "discerning and sophisticated customers who carefully choose brands that represent their aspirations and ambitions."

"Brands that help the younger generation to achieve or identify themselves with their life values will always be at the front of their minds. We prefer to consider the youth consumer as the one that has dramatically raised the bar in terms of expectations of product quality and the overall brand experience."

According to Naidoo, Nike immerses itself in the lives of young athletes – proposing, rather than imposing, how the brand believes sport can improve their lives.

"Be it through football, where we actively contribute to making young footballers in South Africa better, both on and off the field, or through running, where we've started a revolution focused on getting young people to move, Nike is showing how sport can improve lives. The Nike brand continues to serve the athlete on and off the field of play, and as a result, we see the consumer carrying the look of sport into every part of their day," says Naidoo.

**NIKE SEES SOUTH AFRICANS AS DISCERNING AND SOPHISTICATED CUSTOMERS WHO CAREFULLY CHOOSE BRANDS THAT REPRESENT THEIR ASPIRATIONS AND AMBITIONS**



# THINK RED, THINK HAPPY

David Jackson

COCA-COLA IS BACK in the No 1 spot in the Top Brands popularity stakes, taking this year's honours in the Grand Prix category, pipping last year's winner KOO.

But it was a close call for both these household brand names and perennial consumer favourites.

"This has always been a hotly-contested position," says Karin Du Chenne, CEO of TNS South Africa, "and this year the scores were neck and neck."

"Coke hasn't been complacent ... it has been fighting back. The difference between KOO and Coke this year is that Coke has improved in several aspects. It has managed to increase the number of people who are drinking Coke, as well as its rating among Coke drinkers – at the same time, heightening the favourable image it enjoys among the general public. It has obviously put in a lot of effort to take back the top position it has held for many years."

Du Chenne adds that second-placed KOO has maintained very high levels of usage and awareness, and has scored highly with regular users of KOO products, "while for those who are regular customers, the KOO brand is still aspirational".

Says Sharon Keith, marketing director of Coca-Cola Southern Africa: "We have a point of view on both global and local events around the world, and we are privileged to be able to share our point of view through the lens of brand Coca-Cola."

"We do this through stories that connect people and make them happy. Our recent campaign, 'Crazy For Good', was based on real-life stories of SA citizens who give their time freely to do good to the benefit of individuals and communities."

"These stories are culturally relevant, have a strong social purpose, and are sufficiently compelling that people want to share them. We call this #workthatmatters, and as a result, we were honoured at Cannes this year with the Marketer of the Year Award, the culmination of 125 years of consistent creative effort."

**Coca-Cola is at the forefront of driving neuro-marketing**



Pic: Jeremy Glyn

**IT ALL COMES TOGETHER IN YOUR MIND ... AND THAT MAKES FOR A TOP BRAND**

Du Chenne adds: "As an international brand, Coke is well aware of the need to be in consumers' minds and to reinforce existing habits. Coke spends time building neural networks around people's association with Coke as their first choice."

In the process, she notes, Coke has positioned itself around happiness, which reinforces joy and 'feel good' perceptions, which in turn are subconsciously attributed by consumers to Coca-Cola.

She explains: "Coke has an entire campaign around the happiness factory, and is very adept at integrating this across

its various activities and online messaging. It is at the forefront of driving neuro-marketing and keeping abreast of the latest marketing trends. It makes liberal use of colour and sound to link it all together, so that if you think 'red', you think 'happy', and think Coke. It all comes together in your mind ... and that makes for a top brand."

However, Du Chenne points out: "There is no room for complacency in this market segment, and there has been a lot of growth from smaller, more affordable regional brands. One constantly needs to stay ahead

of the game to keep your position as a top brand – and Coke has succeeded in doing that."

Runner-up KOO has always been perceived as a quality brand at an affordable price, says Du Chenne. "KOO does its marketing in both metropolitan and rural areas, and connects with the quality-focused ambition of many South Africans, which is to be able to give the best they can to their families."

"When you do things well, people notice. And that's what South Africans are looking for: people who listen to them and reward them in the way they expect top brands to do."

KFC is in third position this year. Du Chenne says KFC identifies with the need to con-

nect with people's core emotions and to be relevant in their personal lives.

"People will pay that little bit more if they know it's a brand they can trust – but they need reminding. Constant reinforcement of what the brand stands for helps to keep it salient and top-of-mind among consumers."

Dr Sean McCoy, chairman of the South African Brand Council and CEO of the HKLM group, notes: "Coca-Cola is a 125-year-old brand that continues to dominate the brand-value tables, irrespective of who is doing the measurement, and emerges again in this local study as the No 1 brand in the country."

"In international terms, this brand is purported to be worth in the region of \$78 billion – significant in anyone's terms. Its ability to retain the heritage and history of the brand, while embracing cutting-edge, contemporary relevance, is a real strength."

"Its constant reinvention of brand and communication activation strategies is to be admired, as is its ability to perpetuate its product offering, centred on capturing share of throat across the spectrum of national consumers."

"This is evidenced in its stated intent to drive towards a 50/50 split in its product portfolio between carbonated and still beverages – a strong strategic signal, given its origins as a business."

"It remains at the forefront of brand governance, and has achieved sustainability of brand and business as a highly regarded corporate citizen."

McCoy says KOO, as a key brand within the Tiger stable, remains incredibly consistent. "It is a household name that has stood the test of time in the local market, going back to 1940, and has secured a certain authenticity and connection with the South African fabric, past and present. It seems that the brand is not necessarily high on the innovation score, but secures its steady pace through loyalty, quality and consistency, and a strong partnership positioning between KOO and Mum."

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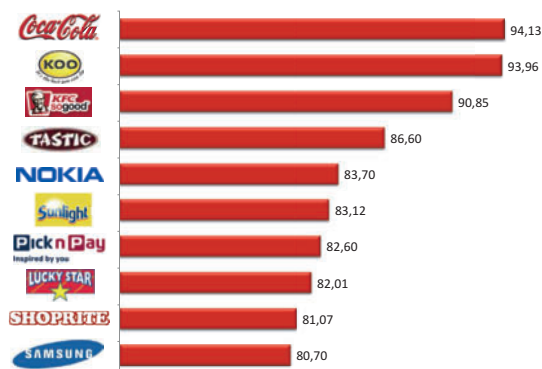


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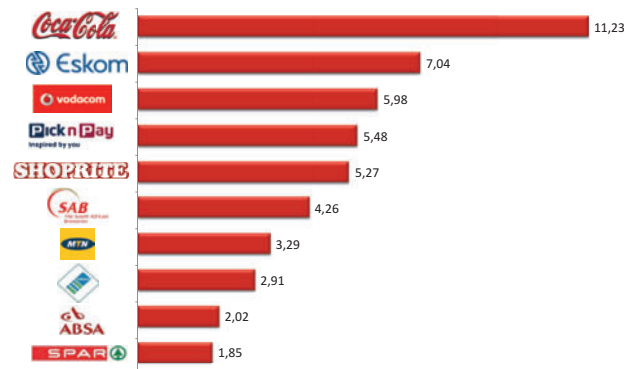
Sunday Times  
**TOP BRANDS**  
2013

# TNS TOP OF THE CROP CONSUMER CATEGORIES

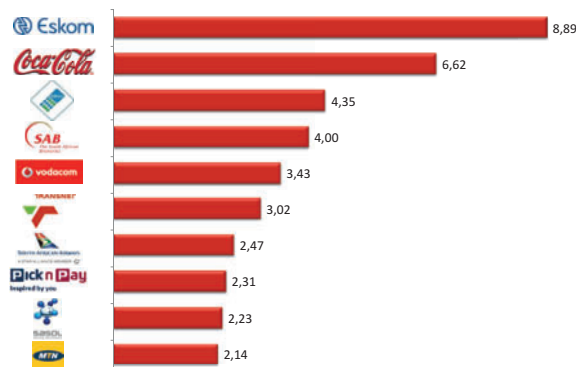
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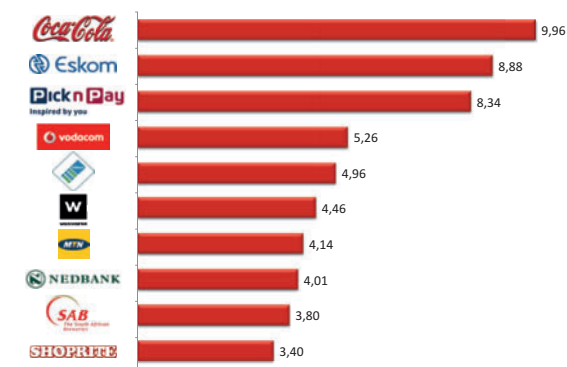
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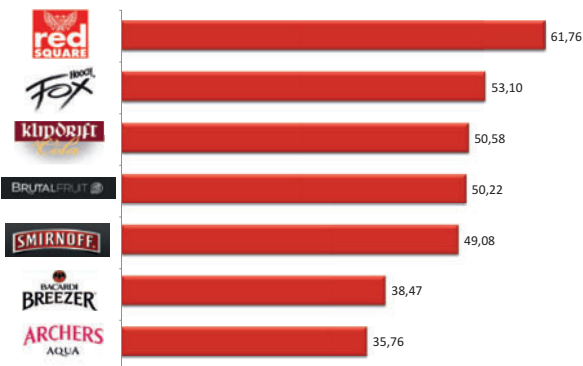
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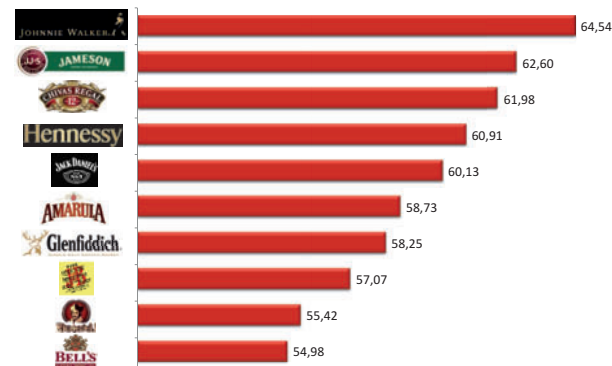
## GRAND PRIX - BRANDS/COMPANIES THAT DO THE MOST TO LOOK AFTER SA'S ENVIRONMENT & NATURAL RESOURCES



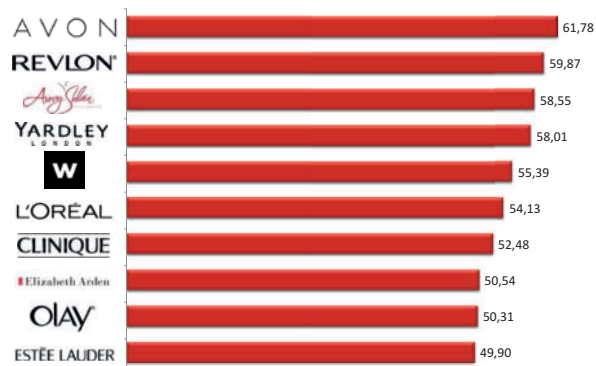
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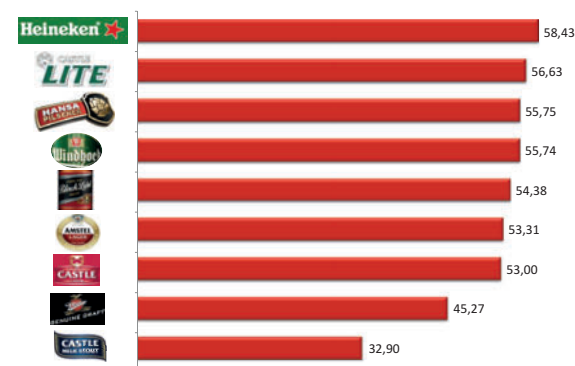
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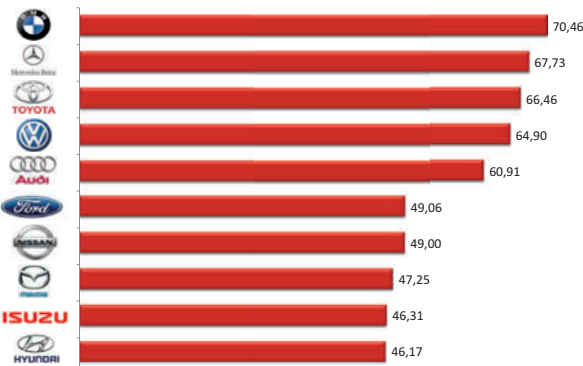
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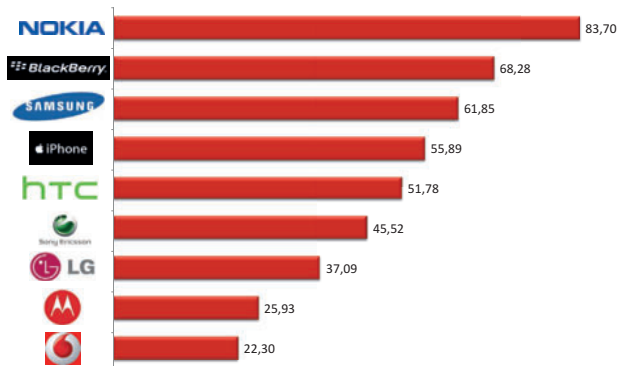
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## CARS

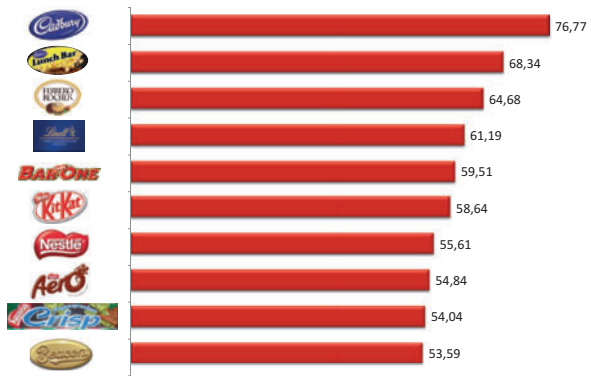


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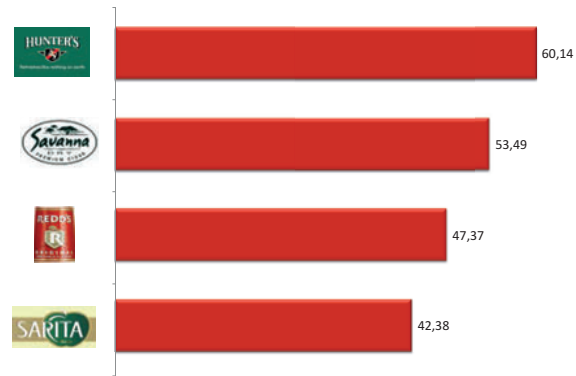




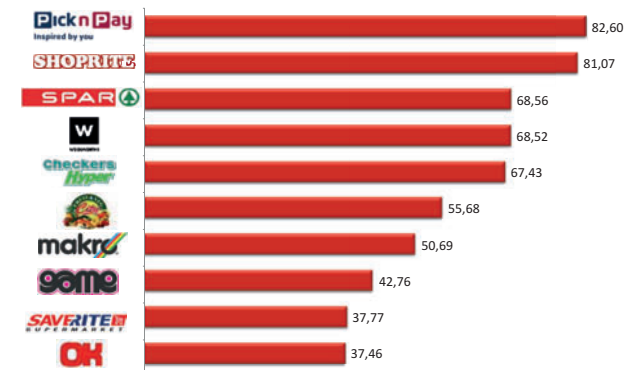
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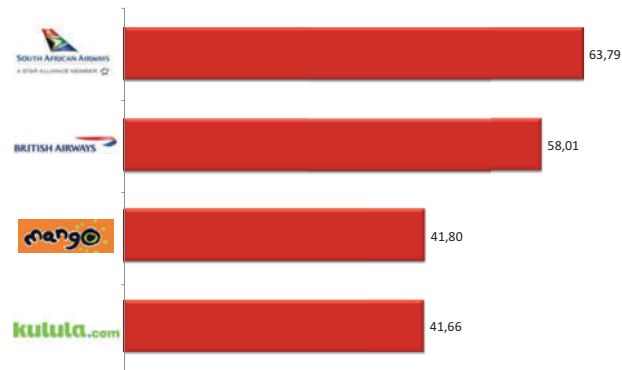
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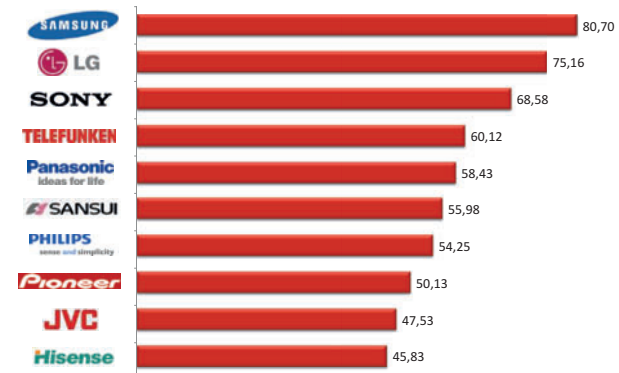
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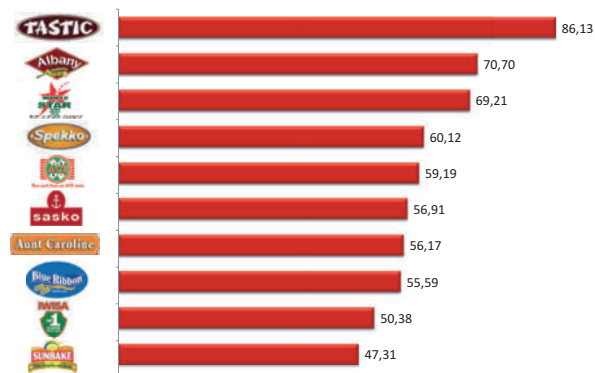
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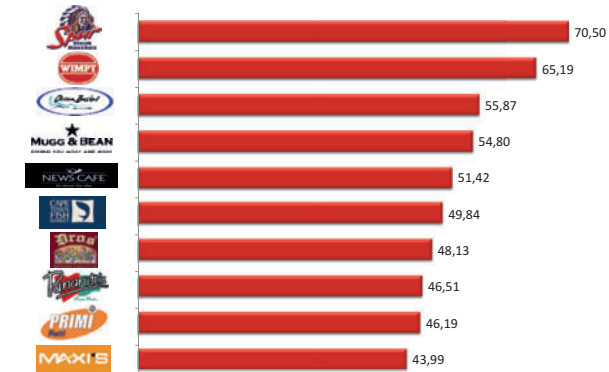
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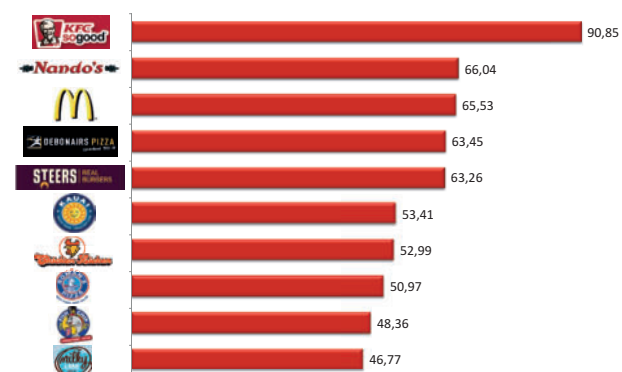
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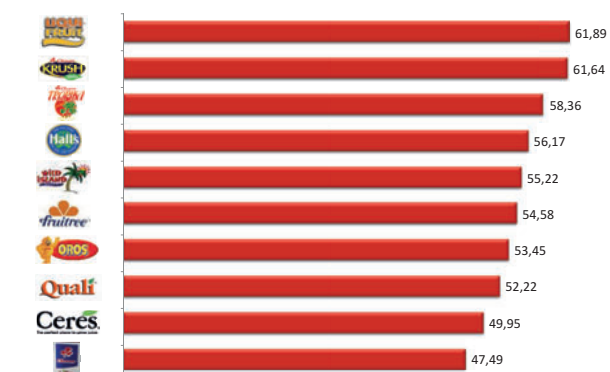
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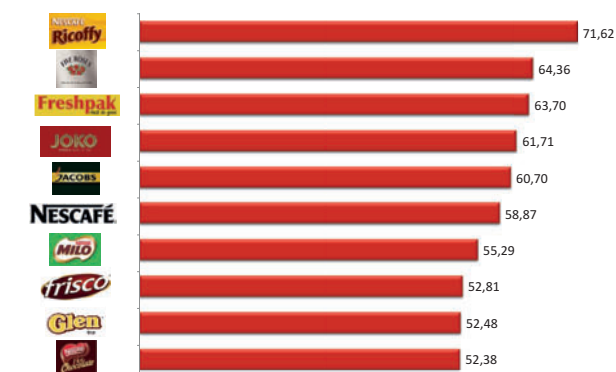
## FAST-FOOD RESTAURANTS



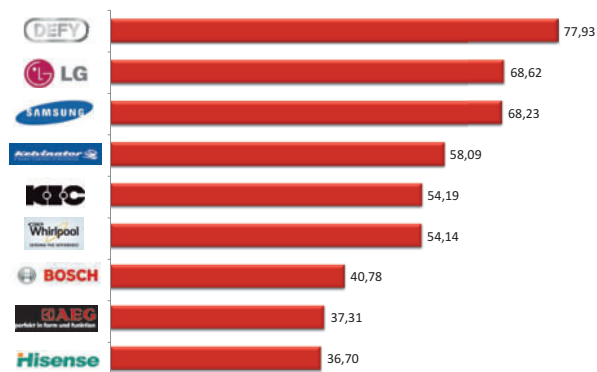
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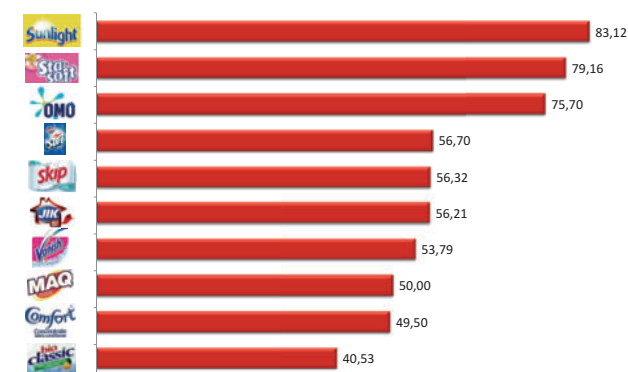
## HOT BEVERAGES



## LARGE KITCHEN APPLIANCES

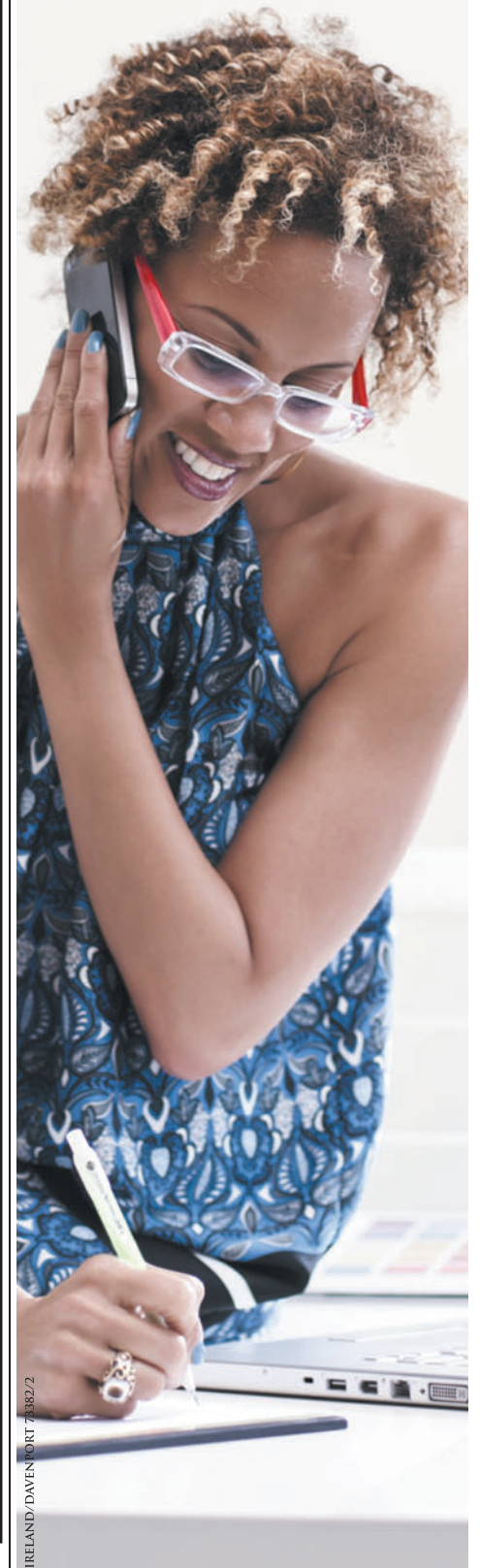


## LAUNDRY CARE



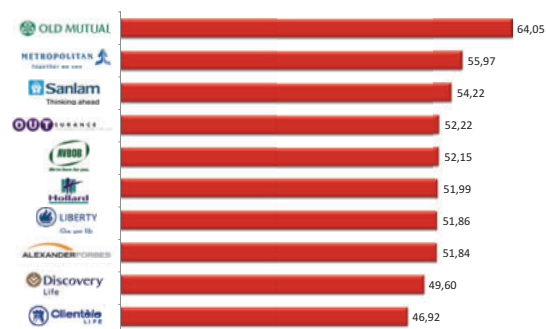
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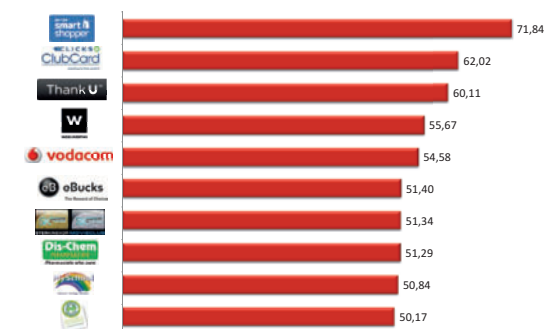




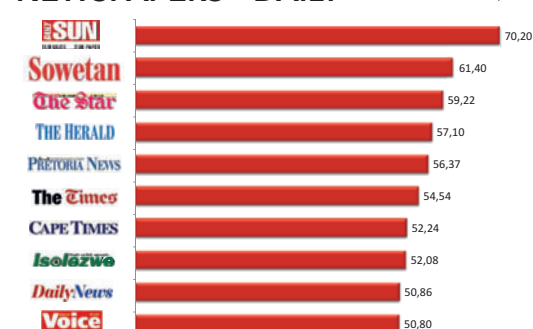
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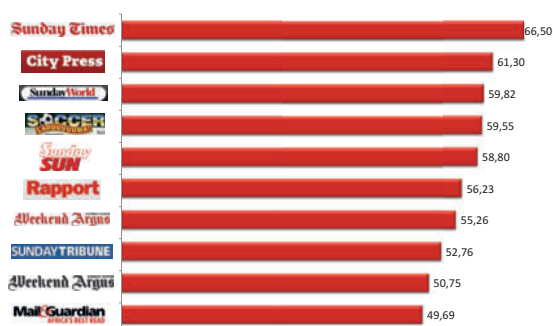
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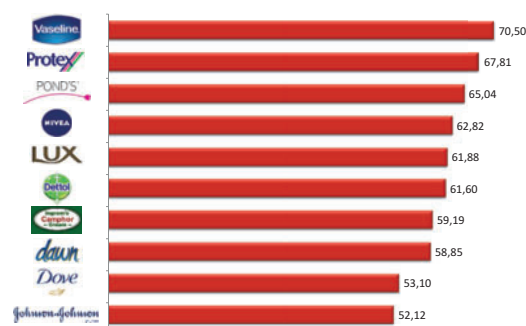
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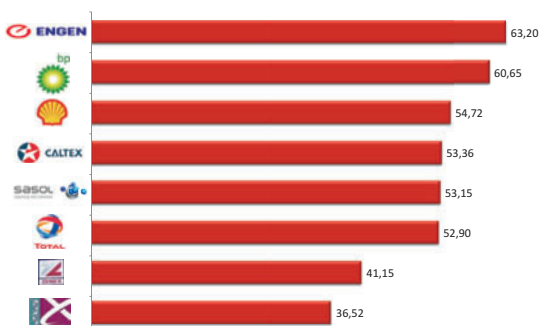
## NEWSPAPERS - WEEKLY



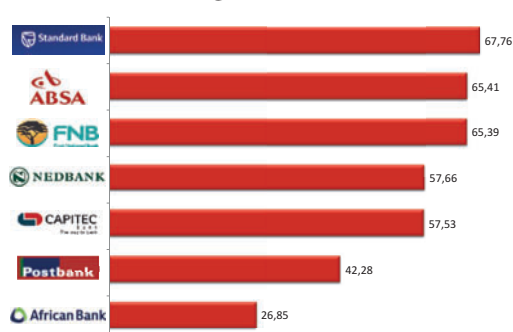
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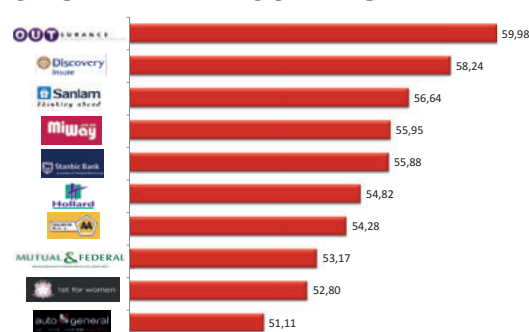
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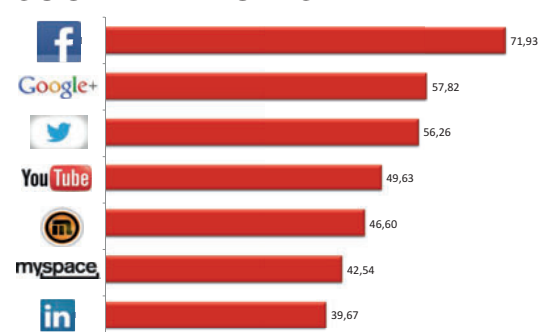
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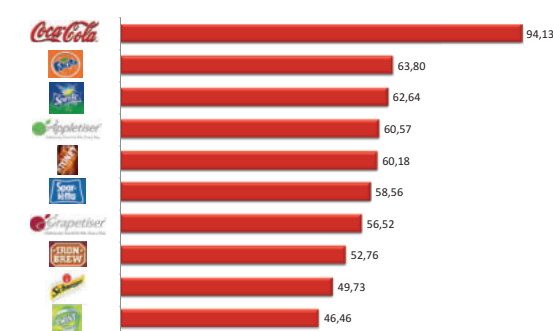
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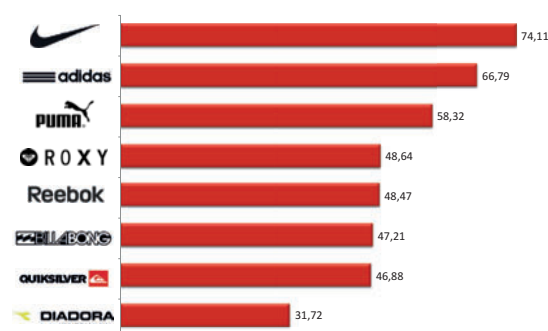
## SOCIAL NETWORKS



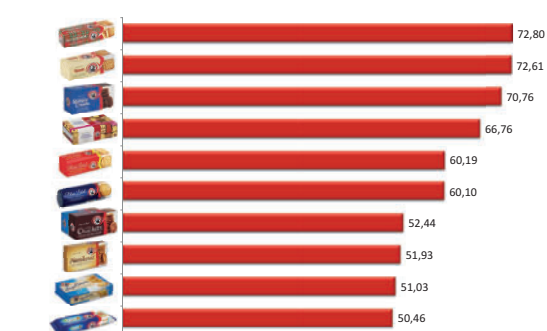
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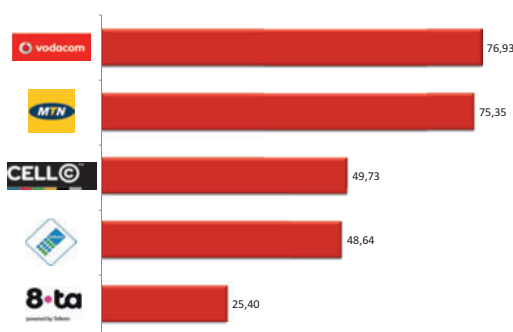
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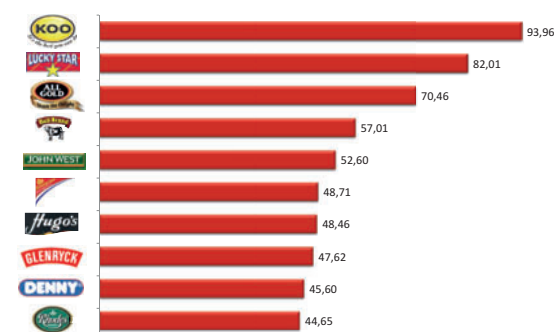
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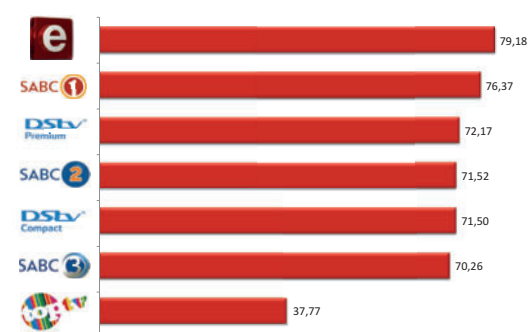
## TELECOMMUNICATIONS PROVIDERS



## TINNED FOODS



## TV SERVICE PROVIDERS



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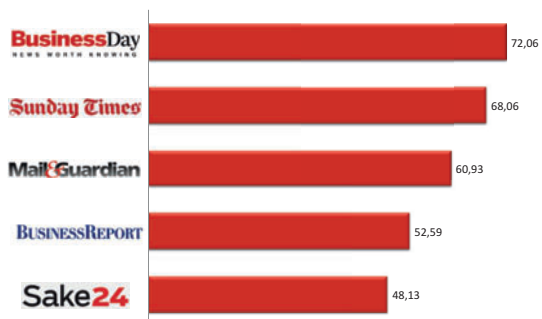
# TOP OF THE CROP

## BUSINESS CATEGORIES

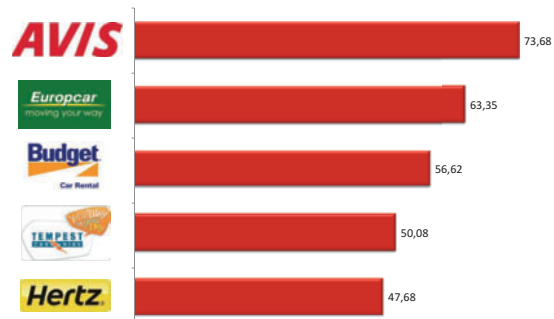
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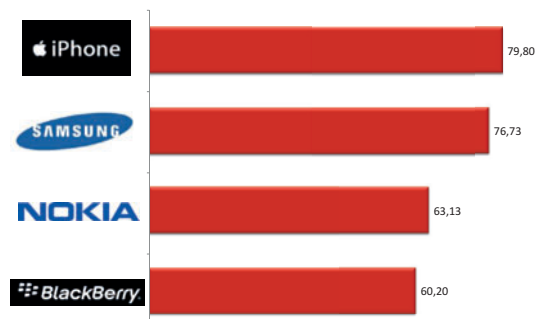
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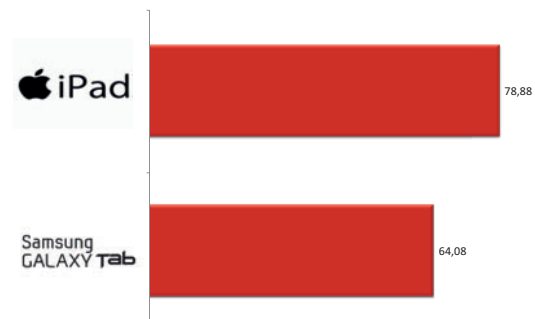
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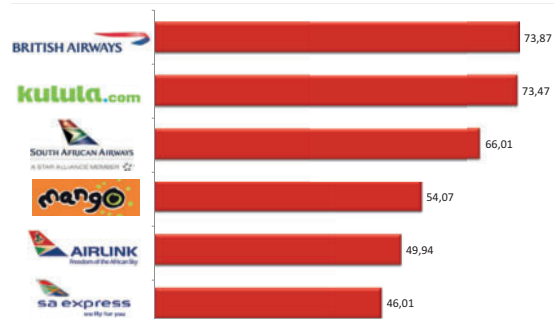
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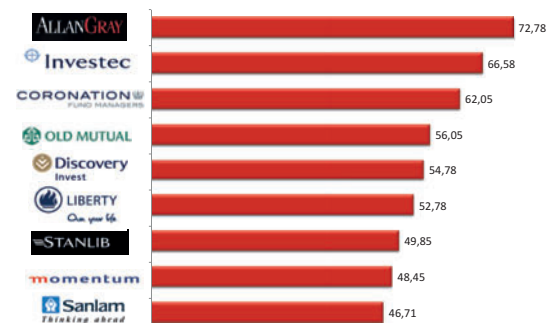
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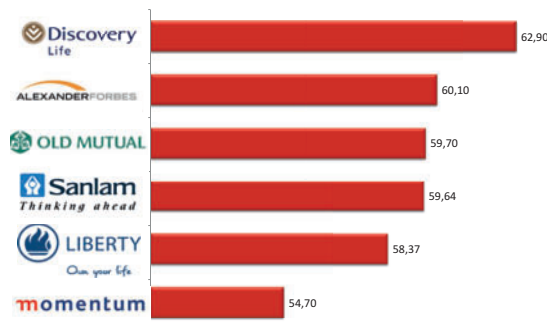
### DOMESTIC AIRLINES



### INVESTMENT COMPANIES



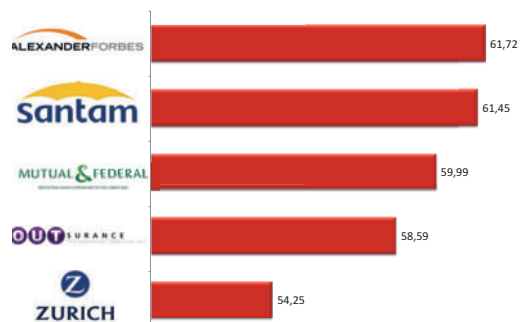
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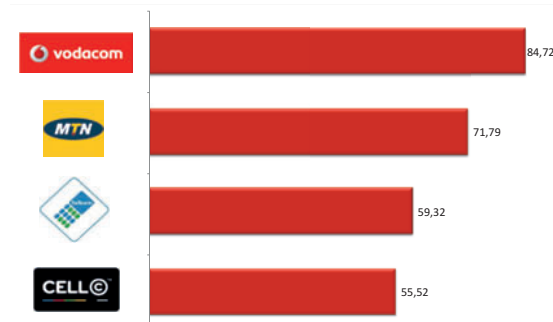
### MEDICAL AIDS



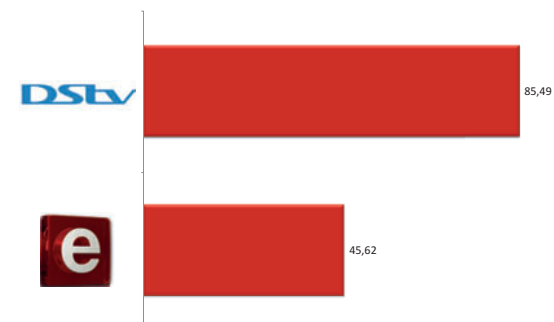
### SHORT-TERM INSURANCE



### TELECOMS SERVICE PROVIDERS



### TV SERVICE PROVIDERS



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Ts & Cs apply





## CHOCOLATES

## PUT SOME EMOTION IN IT

David Jackson

THE USE OF SOCIAL MEDIA and Internet networking has become an integral part of the ever-tasteful appeal of chocolates, which have ramped up their consumer usage by nine percentage points this year.

Cadbury chocolate slabs take top spot in the Chocolates category this year, followed by Lunch Bar – another Cadbury product – with Ferrero Rocher in third place and several Nestlé products in the Top 10.

“Cadbury is the premier brand in terms of being accessible to everybody, and while there are niche brands that are very well liked, our research indicates that Cadbury is a brand that is loved by everyone,” says Shirley Jeffreys, an associate director with TNS South Africa.

The surge in popularity of the Cadbury “Bubbly” line is indicative of the innovation in new chocolate products. And when times are tough, chocolate is seen generally as a pick-me-up that is easily accessible, and is driving usage in the category, she adds.

But it is through the newer mediums such as Facebook and YouTube that the intimacy and appeal of chocolate products are being given full rein.

Explains Jeffreys: “Chocolate is a very engaging category. The Cadbury South Africa Facebook page has 6.8-million followers (which could include some international followers), with some 44 000 people talking about Cadbury... about how it makes them feel, and about the emotional connection they experience through eating chocolate.” It also features videos on YouTube, showing the experience of consuming chocolate. All this has helped to increase Cadbury’s user ratings.

“As a marketing team they really seem to understand that you need to talk to people on an emotional level to get them to engage,” she adds.

Lindt, which is considered a niche product, also has an im-

*While some brands are very well liked, Cadbury is loved by most*



Pic: Jeremy Glyn

THEY REALLY SEEM TO UNDERSTAND THAT YOU NEED TO TALK TO PEOPLE ON AN EMOTIONAL LEVEL TO GET THEM TO ENGAGE

pressive 26 000 Facebook followers.

Jeffreys says Lindt has scored through great product delivery over the past year. “It has introduced some unique products – for example, a chilli-flavoured chocolate, a salted chocolate and a new caramel-flavour entrant – innovations that are generating interest and excitement. We have seen a slight increase in rat-

ings from non-users – in addition to which, their traditional user ratings are up. This perception of Lindt as a great brand is growing among both users and non-users,” she says.

Adds Brand Council of South Africa chairman Dr Sean McCoy: “The Chocolate category remains the ultimate measure of stability – and little wonder; comfort in good times and in tough times, it seems to

steadily trade through the economic cycles.

“The surprise comes in the form of the strong showing by Lindt. Clearly a more premium-priced offering in the category, it is showing a big leap in the rankings, indicative of the inelastic nature of consumer treats and the need to spoil or reward oneself.

“It is arguably also indicative of an increased effort by

the Swiss chocolatier in penetrating the South African and sub-Saharan markets, in search of global emerging market growth to offset some of the challenges it may be facing in markets such as Europe. South and southern Africa potentially represent interesting new markets for this international brand, and its rapid rise in the category is testimony to this fact,” McCoy says.



Pic: Jeremy Glyn

## SWEET FEAT

## SWEET BISCUITS

*No question: Bakers is South Africa's cup of tea*

Alf James

BAKERS ACHIEVED A remarkable accomplishment in the Sweet Biscuits category this year, scoring a full house of the top 10 brands – although this is not as surprising as it first appears, when one takes into account that the Bakers range of biscuits can be found in all households, from LSM 1 to 10, and throughout all age groups in South Africa.

The brand love is unsurpassed in this market, with an awareness score of 92% for any Bakers product (source: Millward Brown Brand Health Tracker 2012).

Thembi Sehloho, marketing manager of biscuits at Bakers, says the success of the brand is due to the Bakers heritage and the fact that all of its biscuits are baked with both quality ingredients and care, coupled with strong brand-building projects that the company has embarked on over the years.

She says Bakers continues to grow year after year, and has dominated volume and value market shares. She believes it is the taste, quality of the biscuits and Bakers’ loyal consumers, generation after generation, that provide the ingredi-

ents for a successful brand recipe over 160 years.

“We continue to strive to keep this consistency and bring consumers only the very best. Bakers is a trusted brand and consumers know what to expect. Amid all the copying formulations on the market, Bakers is still the original and best.”

Sehloho says market conditions are tough as consumers come under pressure from high energy costs and a weakened rand. “Consumers continue to face the challenges of high unemployment, poverty and inequality, amid a slow and volatile domestic and global economic environment.

“This is when trusted brands become more important than ever, as consumers don’t have disposable income to make an incorrect purchase decision.”

Nevertheless, innovation is still important to the success of the brand as it delivers growth and interest among both new and established Bakers consumers.

She says some of Bakers’ sub-brands have become so strong that they overshadow the Bakers brand. “Our focus area at the moment lies with building the Bakers umbrella,” says Sehloho.





Thank you for making us your favourite





NOKIA

# CONNECTING THE WORLD

## FROM MAPS TO APPS TO MUSIC

Nokia was established over 150 years ago, and has evolved from a riverside paper mill in south-western Finland to a global leader in mobile communications whose products, technology and designs have made its brand one of the most recognised in the world. Every day, more than 1.3 billion people use their Nokia to capture and share experiences, access information, find their way or simply to speak to one another.

The strength of the Nokia brand in South Africa is apparent in the fact that it has won the Consumer Cellphones category of the Sunday Times Top Brands awards for the last five years consecutively.

"Nokia's aptitude for innovation, its longevity and its ability to reinvent itself are responsible for the success of the Nokia brand," says Gerard Brandjes, vice-president of Nokia South & East Africa. "Nokia is a pioneer in the industry, bringing many 'firsts' to market. Nokia's Mobira Senator was the first carphone back in 1982. Nokia was also the first to bring camera technology to mobile phones, an innovation that we continue to drive today by constantly pushing the boundaries of what is possible in the imaging space.



Every day, more than 1.3 billion people use their Nokia to capture and share experiences, access information, find their way or simply speak to one another

"In 2002, Nokia launched the first-ever 3G phone, the Nokia 6650. Nokia also developed short message service (SMS), which fast became the standard for mobile text services. By 2006, the majority of the world's digital cameras and music players were, in fact, found in Nokia mobile phones," Brandjes adds.

This pioneering spirit, backed by

great engineering, has seen Nokia register more patents than any other industry player. It also meant that many people's first mobile phone was a Nokia.

Nokia's mission is simple: connecting people. Its goal is to build great mobile products that enable billions of people worldwide to enjoy more of what life has to offer. The challenge is to achieve this in an increasingly dynamic and competitive environment.

"I have incredible optimism," says Stephen Elop, Nokia's global president and CEO, "because I can see fresh opportunity for us to innovate, to differentiate, to build great mobile products, like never before, and at a speed that will surpass what we have accomplished in the past."

The value of Nokia's smartphones and mobile phones is not merely in the handsets, but in Nokia's added services such as HERE Maps, HERE Drive and Nokia Music, which demonstrate how Nokia's industry-leading portfolio of products and services is created to meet the range of its customers' lifestyle needs. These Nokia services are complemented by the more than 165 000 applications available in the device app stores.

"Our focus is on bringing consumer value at every price point through quality products and locally relevant content and services," says Justin Maier, head of marketing for Nokia South & East Africa. "At the forefront of Nokia's service offering are mapping and location-based services, which are integral to Nokia's future and a key way that we stand out from the crowd."

Nokia recently introduced HERE, the first location cloud to deliver the world's best maps and location experiences across multiple screens and operating systems. With the HERE brand, Nokia aims to inspire a new generation of location services and devices that make the mobile experience more personally significant for people everywhere.

"We believe mapping and loca-

tion will be increasingly important to developing next-generation devices and services across a wide array of segments," says Crawford Del Prete, executive vice-president and head of worldwide research at IDC.

Just as digital cameras created possibilities that were unthinkable with analogue photography, today's digital mapping has amazing potential to grow into what Nokia calls computational cartography, the ability to produce maps on demand, and tailored to their actual use instead of being generic, irrespective of the content they visualise.

Nokia also believes this evolution in mapmaking should be available to more businesses and more people around the world – it should expand beyond cars and beyond Nokia devices.

Nokia's commitment to building the industry's leading service offering is also demonstrated by its innovation in digital music.

"We were the first to bring a comprehensive digital music store to the South African market, and have since innovated further by bringing Nokia Mix Radio, free music streaming for our Lumia range of smartphones and, recently, Nokia Music + subscription-based music services," says Maier.

Today's digital mapping has amazing potential to grow into the ability to produce maps on demand







NOKIA LUMIA720 SMARTPHONE

NOKIA LUMIA920 SMARTPHONE

NOKIA LUMIA520 SMARTPHONE

## REASONS TO LOVE LUMIA

-  **Nokia Music** lets you discover a world of music and local gigs.
-  **Smart Shoot** shoots five frames for each picture, so you can then pick the best faces from each frame.
-  **HERE Drive** is your perfect car-navigation app, with turn-by-turn voice guidance and true offline support.
-  **The Office Hub** on your phone is the interface to go to work on your Microsoft Office documents.

FOR MANY MORE REASONS VISIT [NOKIA.CO.ZA/LUMIA](http://NOKIA.CO.ZA/LUMIA)

 Windows Phone

NOKIA

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Nokia, which was ranked ninth in Interbrand's Best Global Green Brands survey in 2013, ahead of all its peers in the mobile industry, is also one of the world's top 10 companies when it comes to climate-change disclosure and performance, according to a report from the Carbon Disclosure Project (CDP).

Furthermore, Nokia holds prominent positions among several international sustainability rankings, including the Dow Jones Sustainability Indexes and the Greenpeace Guide to Greener Electronics. In 2009 and 2010, the Dow Jones Indexes ranked Nokia as the world's most sustainable technology company.

"We take our responsibility as a global corporate citizen very seriously. Our approach to ethics and sustainability also make good business sense," says Gerard Brandjes, vice-president of Nokia South & East Africa. "We see clear business benefits in minimising the environmental impact and enhancing the social impact of our operations – from cutting our energy costs to enhancing our brand."

"At Nokia, we're determined to integrate sustainability into everything we do. We improve our offices, factories, logistical operations and use of technologies in ways that save energy and reduce emissions. And we aim to ensure that sound environmental, health and safety, labour and ethical practices are embedded within all of our operations."

"We continuously improve the environmental credentials of all our products, both in high-end smartphones and the more affordable phone range. We've long been a pioneer in phasing out substances of concern from our products," says Brandjes.

Nokia is also looking at improv-

# A LONG HISTORY OF SUSTAINABILITY PRACTICES



**Gerard Brandjes, vice-president of Nokia South & East Africa**

ing energy efficiency, using renewable materials and smart packaging, and creating environmental services that encourage people to adopt more sustainable lifestyles.

Brandjes says effective end-of-life practices close the lifecycle loop, putting energy and valuable materials back into circulation.

"We've set a target to reduce waste sent to landfill from our factories by half annually, with a view to reaching close to 100% waste

utilisation. And we're doing pretty well so far. Five out of seven Nokia factories have already reached 100% waste utilisation or are within 1% of that target."

"Additionally, we regularly introduce new, more sustainable materials, such as bio plastics, bio paints, recycled metals and recycled plastics, in our devices. We have reduced content inside the packaging, which has allowed us to pack our products in a minimised package. The pack-

ages are also made of renewable, 100% recyclable material."

Nokia's responsibilities include conducting business in a way that satisfies customers, consumers, investors and employees. Brandjes says that at Nokia's factory sites, company requirements are often stricter than local law, and follow the recognised international standards.

Nokia also recognises that, around the world, billions of people live in remote or underresourced

communities without access to adequate education, healthcare or even up-to-date news – let alone banking or financial services. "The proliferation of the Internet and ICT has brought tremendous benefits to huge numbers of people. Yet those who are unable to access these technologies, for financial or geographical reasons, are at risk of being left behind," says Brandjes.

"Only by bridging this digital divide can we prevent people in remote or poor areas from being marginalised, rather than empowered, by technology. And affordable mobile products and services offer the solution, helping us to bring new business and employment opportunities to people all over the world."

"To this end, we have rolled out numerous programmes, especially in the areas of mobile learning and enabling the local innovation ecosystem. Notable projects include the Mobile Maths programme in South Africa, which started as a pilot for around 600 Grade 10 learners to study modules, do revision and practice mathematics problems on a mobile phone. The project was so successful, showing a significant increase in the grades of learners participating in the pilot, that it is now being rolled out to all Grade 10, 11 and 12 mathematics students across South Africa, closely aligned to the local curriculum."

Nokia is also working with many stakeholders, including government departments, developers, content owners and investors, in providing opportunities for local entrepreneurs to thrive in the mobile space.

To this end, it is involved in many initiatives, such as hosting the Open Innovation Africa Summit, sponsoring the Global Innovation and Entrepreneurship Forum and being a key contributor to DEMO Africa.

## LIGHTING UP THE NIGHT SKY WITH LUMIA

In February 2011, Nokia and Microsoft came to a landmark agreement whereby Nokia adopted Windows Phone as its primary smartphone platform. Working with Microsoft, Nokia is helping to drive and define the future of the operating system, by using its expertise in phone hardware, software and apps, and services such as music and mapping.

In January 2012, Nokia's first device using Windows Phone launched in South Africa. Heralded for their sleek design, ease of use, and unmatched integration with social networks such as Facebook and Twitter, Nokia Lumia started the road to building a new image for Nokia at the top end of the market.

Fast-forward to 2013, and Nokia has a full portfolio based on the next great version of the operating system, Windows Phone 8. Smartphones currently in stores across South Africa include the Nokia Lumia 920, Lumia 720 and the very affordable Nokia Lumia 520.

The top-of-the-range Nokia Lumia 920, with its PureView imaging capability, offers the best low-light photos possible on a smartphone. Using advanced floating lens technology, the camera in the Nokia Lumia 920 is able to take in five times more light than competing smartphones



**Nokia Lumia 720 with inbox wireless charging plate**

By pointing the camera at a city street, HERE Maps overlays information about restaurants, shops, hotels and more on the surfaces of buildings

without using a flash, making it possible to capture clear, bright pictures and video indoors and at night.

The Nokia Lumia 920 also comes with HERE Maps, which has a new feature called LiveSight. By pointing the camera at a city street, HERE Maps overlays information about restaurants, shops,

hotels and more on the surfaces of buildings, for the most intuitive way to explore surroundings.

The Nokia Lumia 720 delivers a high-end camera performance at a mid-range price point, while the Nokia Lumia 520 offers a cost effective entry into the Windows Phone experience. The device delivers experiences normally found only in high-end smartphones, such as the same digital camera lenses found on the flagship Lumia phones, Nokia Music for free music out of the box and even offline, and the HERE location suite.

There is also a trio of devices keenly anticipated on South African shores: the Lumia 925, Lumia 1020 and Lumia 625.

## GOAL: TO BRING THE NEXT BILLION ONLINE

Nokia's strategy is to leverage its innovation and strength in growth markets to connect even more people to their first Internet and application experience. From affordable smartphones such as the Asha 306, which retails for less than R1 000, to the Nokia 105 at less than R200, the role Nokia plays in not only connecting the next billion consumers through voice, but through the Internet and data, is central to overcoming the digital divide.

Nokia has extended the success of the original Asha range, including the popular Asha 201 with QWERTY keypad, by adding full-touch devices to the Asha family. These phones have been designed to provide a rich, smartphone-like experience to consumers who want to be set free from excessive data consumption costs and short battery life.

"By introducing the Asha touch phones to the market, we're accelerating our commitment to connect

the next billion consumers," says Gerard Brandjes, Nokia's vice-president for South & East Africa.

"These phones deliver on what young, urban people value most: a great-looking device, and an intuitive and affordable experience for connecting to the Internet, to their friends, and to a world of entertainment, web apps and content."

Says Neil Mawston, executive director of devices research at Strategy Analytics: "Nokia is taking another interesting step forward in connecting consumers to the Internet, seeking to improve their experience through a new touch user interface that is allowing the company to compete in new mass-market price bands. The mass market is a competitive segment, but we believe Nokia's upgraded Asha portfolio has included an attractive package that can enable consumers to have lower running costs, taking advantage of things like its compressed browser and a long-life battery," he adds.



**Nokia Asha 210**



FAST-FOOD  
RESTAURANTS

# PART OF POPULAR CULTURE

**KFC sets about building emotional bridges**

Alf James

FOR THE PAST 14 YEARS, KFC has consistently been voted the country's top fast-food restaurant chain in the *Sunday Times* Top Brands Survey. This year the company leads Nando's and McDonald's with an index score of 90.85, a considerable 24.81 and 25.32 more than the second and third-placed brands respectively.

However, a big move in the category this year is the placing of Kauai, which improved from 17th spot last year to 6th, with an index score of 53.14, which brings it within range of the more established brands.

Kauai's impressive rise in popularity may herald a new trend towards healthy convenience foods, with its "we believe that what you eat determines your quality of life" branding, and the philosophy of John Berry, the original founding partner, that "the world would be a better place if we took a healthier, more balanced approach to life".

Nevertheless, KFC's continued and consistent success is definitely the highlight of the category, which Dave Timm, chief marketing officer, attributes to the recognition, over a decade ago, that in order to connect with its customers at a deeper level, KFC South Africa needed to restructure the business around its consumers, and transform what was a traditionally retail-led business into a marketing-led organisation.

The result was a segmentation strategy that allowed the brand to target specific sectors of the market individually, using age, income and gender.

"We've worked really hard at upping the ante by creating deeper relationships with all of our identified consumer segments," Timm says.

"The aim has been to organise our business according to our consumers,

their needs and desires. Not only have we resonated with consumers on an emotional level, by positioning KFC as a solution to their specific lifestyle, but we have also developed strategies to become part of daily conversations and popular culture.

"By understanding the psyche of each individual segment, and building communication campaigns that demonstrate this understanding, KFC believes that it will build an emotional bridge to its customers.

"KFC works hard at creating enduring long-term relationship with our customers that will secure the brand's place in South African hearts for years to come."

The success of this tactic is reflected by KFC's consistently delivering double-digit sales growth over the past decade.

"We have opened over 130 stores in the past four years and celebrated the opening of our 700th store in South Africa in May this year," says Timm.

In what is perhaps a differentiating factor between KFC and its competitors, Timm says the company's CSI efforts represent the heart of the brand.

"In 2009, we changed our CSI strategy with the launch of 'Add Hope', a purpose-driven marketing approach that has since become institutionalised in the KFC business.

"Add Hope leverages our brand's most prolific asset, our store network, to raise funds for hunger relief by creating an 'Add Hope' menu item across the country.

"Instead of asking customers to donate money, KFC staff members encourage consumers to 'Add Hope' by buying a side item that cost a mere R2 and is, in effect, a donation towards feeding a hungry child.

"Using the inspiring proposition of 'hope', combined with a successful in-

KFC's  
Dave Timm



Pic: Jeremy Glyn

## THE 'ADD HOPE' CAMPAIGN HAS BECOME PART OF KFC'S BRAND DNA

store communications solution and a series of stirring campaigns, the 'Add Hope' campaign has become part of KFC's brand DNA, so much so that 74% of all consumers now view KFC as a brand that gives back to the community, a key driver in deepening relationships with committed customers.

"Since 2009 we have raised R175-million from our customer base and our annual franchisee contribution," Timm says.

KFC also encourages children to get active. Sponsorship of the KFC Mini-Cricket programme provides children between the ages of six and 12 with an opportunity to get active. Timm reports there are currently over 100 000 children participating in the programme, while learning the disciplines of cricket.

However, it is primarily KFC's food that keeps customers coming back for more, and in order to make sure that KFC retains its position at the top of the fast-food chain, the company has to walk a fine line between providing customers with the traditional "finger-lickin' good flavour" and presenting

them with new offerings that keep up-to-date with their changing tastes.

In 2011, the brand recognised a gap in the market, with South African consumers becoming increasingly hungry for on-the-go breakfasts.

"In response, KFC launched a breakfast menu that brought in new customers and encouraged existing customers to try our new offering, through the introduction of products that combined the traditional KFC menu with a breakfast twist," says Timm.

The brand has also recognised that modern families have very little quality time together, and, as such, has set its sights on becoming the proponent of "family time" with its new campaign "There's no time like family time".

Timm says the KFC brand's greatest challenge is to remain relevant and to keep up with consumers' ever-changing lifestyles.

"Most importantly, it will be to ensure that our total brand experience is systematically managed to make sure that our consumers describe us as 'So Good'," he says.

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2013

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24

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BRAND



## COMMUNICATING BIG IDEAS

*Ogilvy & Mather, Johannesburg, builds its own brand on creativity and effectiveness*

Alf James

THE AGENCY of the Year is Ogilvy & Mather, Johannesburg, whose success in brand creation, building and management, according to Abey Mokgwatsane, chief executive officer at Ogilvy & Mather South Africa, is due to the agency having a foundational human insight on which to base its brand strategies, having big ideas that tap in to that human insight, and being able to effectively communicate the big ideas.

He says Ogilvy & Mather's own brand is built on being successful on two platforms: being creatively superior, and being able to create work that is effective and builds clients' businesses.

"We call this 'Twin Peaks', which is our commitment to a level of performance across creativity and effectiveness that ensures we help brands to be more successful," says Mokgwatsane.

Asked to choose a campaign that stands out for Ogilvy & Mather, Johannesburg, during the last couple of years, he says the agency's work on Carling Black Label has been exemplary, in that it delivered creative success, and successfully delivered on effectiveness too, as it helped to halt the decline of the brand.

"The work we did on the Carling Black Label 'Be the Coach' campaign has been heralded the world over."

Mokgwatsane says the greatest macro trend in the current brand-building environment is technology.

He contends that the development of technology, especially social media and mobile technology, makes companies and brands more transparent in the face of a much more connected, informed and powerful consumer.

"It also means that brands have to be constantly engaged with their consumers. Mobile technology and connectivity amplifies those factors because consumers can constantly access and dialogue with the brands of their choice 24/7."

Mokgwatsane argues that with social media and technology having made brands much more transparent, and therefore more accountable in the face of more powerful and connected consumers, the expression of a brand's big idea needs to stretch into programmes that are sustainable – be it business sustainability or corporate social investment – as a part of a brand's core way of expressing to its consumers who it is and what it stands for.

He says the brand must be able to live up to its big idea and strategy across multiple channels, distribution points and any other brand expression platform – from pricing to how you engage its staff and customers.

"You can no longer separate corporate social responsibility from what a brand's mission is," says Mokgwatsane.

"Also, in the much more socially connected world we live in today, brands that do not abide by regulatory frameworks (that have often been put in place to protect consumers and communities) are at much more risk than they were in a world that wasn't as socially connected."

However, he also believes that in order to be successful, it is fundamental for a brand to be able to motivate employees as well as clients and customers.

Mokgwatsane says innovation is also a vital element of creating and



*Ogilvy & Mather South Africa's  
Abey Mokgwatsane*

WE LIVE IN A HIGHLY FLUID WORLD, SO THE BRAND'S ABILITY TO CONSTANTLY REFRESH THE WAY IT ENGAGES ITS CONSUMERS IS FUNDAMENTAL, AND THAT PLAYS ACROSS COMMUNICATION, TECHNOLOGY AND ADDITIONAL BRAND SERVICES THAT ARE OFFERED. IT'S MULTI-FACETED

growing a brand, so that the way in which the brand expresses itself to its consumer base is constantly refreshed, is continuously relevant, and continues to excite and engage those consumers.

"We live in a highly fluid world and people's attention spans are limited, so the brand's ability to constantly refresh the way it engages its consumers is fundamental, and that plays across communication, technology and additional brand services that are offered. It's multi-faceted."

Mokgwatsane adds that consumers around the world are under increasing pressure – there is less revenue, less income and costs are escalating.

"The impact on service providers – like us – means it's more important than ever to make sure we deliver and that what we deliver generates value for our customers."

Mokgwatsane believes Ogilvy & Mather's two biggest challenges are ensuring its product offering remains at the cutting edge of the industry, and making sure the agency attracts, develops and retains the very best talent in the country.



## CARS

Andrew Gillingham

STATUS AND LUXURY are winning out among ambitious South Africans, who want cars that reflect their aspirations and act as an acknowledgement of their achievements as they move up the ladder of success.

As a consequence, BMW tops the Consumer Cars rankings in this year's *Sunday Times* Top Brands Survey, followed closely by Mercedes-Benz. Past winner Toyota is third and VW takes fourth place.

Ivan Motlogeloa, director of new business development and public sector at TNS, notes: "The BMW brand is loved by its current users. For any brand to be successful, its immediate user profile must endorse the brand, and BMW has achieved that among its user base."

"Moreover, for the brand to be able to sustain its popularity in the future, it also needs to appeal to people who are not using the brand at the moment. In other words, a sustainable brand needs to become one to which people aspire to own. BMW has done extremely well in terms of getting very good, and in some cases excellent, non-user ratings."

He says the research neither delves into people's reasons for their views nor looks at their longer-term behaviour. However, anecdotal evidence suggests that once people have bought their first BMW, they become very loy-

# THE SWEET FEELING OF SUCCESS

al to the brand. "While few state it outright, many people hint that BMW comes with a feeling of success when you drive a BMW."

With South Africa going through a social and economic revolution, for many people success has been achievable only relatively recently. "Those who have 'new money' appear to think that BMW is a brand that is able to showcase their recently acquired wealth, success and status. They have worked very hard for their success and they want to reward themselves for their efforts," Motlogeloa says.

"Buying their BMW or Mercedes is their way of thanking themselves and acknowledging that they deserve success and the trappings that go with it."

Supporting the view that aspirations are playing an increasing role in the popularity of motor brands is the fact that Mercedes has taken second place, also with

## THE NON-USER RATINGS ARE TIPPING THE BALANCE IN FAVOUR OF THE TOP TWO LUXURY BRANDS THIS YEAR

very good user and non-user ratings. This indicates a similar pattern: that users are very happy with their choice and non-users aspire to own the Mercedes brand.

While Toyota has slipped to third in the rankings, the brand's user ratings remain very strong. However, ratings amongst non-users are declining, indicating that it is a brand that is slightly less desirable to South Africans than the premium BMW and Mercedes brands.

"It is the non-user ratings that

**BMW and Mercedes-Benz are the vehicles users aspire to own**



TNS's Ivan Motlogeloa

cessible to a wider consumer base.

"The brand's entry level is now more affordable. It is great marketing and product development, as the danger when embarking on such a strategy is that you may erode your brand equity and be seen as less of a premium, and more of a mass-market, brand," Motlogeloa suggests.

"BMW has been able to achieve this market segmentation very successfully, without damaging the brand's premium status."

An interesting finding from the survey is that Isuzu and Hyundai have entered the top 10 in ninth and 10th place respectively. "Over the past couple of years, Hyundai, for example, has been marketing its models on the basis of more value for people's money, offering as standard many of the features that are optional extras in other brands. This approach appears to be resonating with consumers," Motlogeloa notes.

He adds that both Isuzu and Hyundai do not do well among non-users, indicating that people do not tend to aspire to own the brands. However, once people buy the cars, they appear to be very happy with their decision, as users give both brands good scores.



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# OWNED BY SOUTH AFRICANS

*Consumers show a deep trust and love for the KOO brand*

**Alf James**

THE TINNED FOODS category remains stable, with the top four brands – KOO, Lucky Star, All Gold and Bull Brand – retaining their positions from last year, at similar index scores. John West improves

two places from 2012, at No 5. “Consistent product quality, great taste and relevant communication over the years are the KOO brand’s success factors,” says Sonja Botha, culinary executive at KOO.

“KOO started an interactive radio show called *The Mama KOO Show* over 10 years ago. We’ve listened to women telling us that you never have to worry if you have KOO in your cupboard, because you know your family will not go hungry. That’s a powerful endorsement from consumers who often have to make sacrifices to feed their families.”

The company recently extended this to a TV cooking show, flighted during *Khumula la’Ekhaya* on SABC1, and has recently been involved on the Facebook and MXit platforms to interact with consumers and find out more about their lives.

“However, the sustainability of KOO’s success is based on consistent quality and innovation. Consumers have a deep trust and love for the KOO brand,” says Botha.

Evidence of the strength and consistency of the brand is that it was voted SA’s Favourite Brand two years in a row. This year KOO is second to Coca-Cola by the slimmest of margins.

According to Botha, KOO has been able to hold a significant No 1 status in all of the categories in which it competes. It was the first brand to can fruit, chakalaka, vegetables, stews, and samp and beans, and consumers look to KOO for cues.

“If KOO does it, goes the saying, then it must be good,” she says.

“KOO recently launched the first 3-in-1 Liquid Stock (KOO Concentrated Wet Stock), as well as flavoured beans.

“The brand is continuously looking for new

ways to add value to its consumers’ lives and bring them affordable, wholesome meal solutions that are easy to prepare.”

Botha contends that canned food is a bit of an unsung hero, and the category could probably do more to remind consumers that it makes sense to have canned food in their cupboards.

“With the prospect of electricity supply under pressure and consumers facing challenges in keeping food chilled or cooking it, canned food offers a safe, convenient solution.”

Another important ingredient in Koo’s canned foods success, adding strength to its brand, is its community upliftment programmes.

“Firstly, the vegetables that end up in Koo’s cans are grown by emerging farmers, who use the income to feed their own families.

“Another recent community upliftment initiative was at the Phutaditjaba Early Childhood Development Centre in Alexandra, which is supported by Tiger Brands.

“KOO established a reading corner and gave the children a filling meal of samp and beans. The leftover cans were used to create musical instruments, and we hosted a performance by Lynn Joffe of Creatrix, who created the popular *Mama KOO* radio show.”

Botha claims that what differentiates KOO from its competitors is its authenticity and the fact that the brand is truly South African.

“The brand is grown in South Africa and manufactured here, and therefore owned by South Africans. The brand will continue to create new meals and meal solutions into the future, and package value for the South African consumer in a uniquely South African way.

“In the short term, the brand plans to make the most of Heritage Month, as this is a chance to celebrate the role of food in our culture.

“Food brings people together in ways that nothing else does, and we want to celebrate that with all South Africans,” she says.



KOO's  
Sonja Botha

**THE SUSTAINABILITY OF KOO'S  
SUCCESS IS BASED ON CONSISTENT  
QUALITY AND INNOVATION**

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BEAUTY &amp; COSMETICS

# THE POWER OF PERSONAL RELATIONSHIPS

*Avon Justine and Avroy Shlain demonstrate the advantage of direct selling*

Linda Doke

THE RISE OF direct-selling brands in the Beauty and Cosmetics category of the Sunday Times Top Brands Survey has been significant in the past two years.

The impact of one-on-one, or person-to-person, selling that is the essence of direct marketing has seen brands such as Avon Justine and Avroy Shlain climbing the ranks ahead of their conventional retail competitors.

TNS South Africa CEO Karin Du Chenne says the trend of people buying their products from members of their community, rather than off the shelf in retail stores, is fast gaining traction.

"There is so much emotion involved in choosing beauty products. In retail stores, there is often quite a selection of products from which to choose, and it can be daunting for consumers. Direct selling offers a means of receiving first-hand recommendation from a person the customer either already knows personally or knows of through a friend. That direct-selling agent is often a member of the same community, is contactable, accessible and, most importantly, is personable – someone to whom the customer can relate and with whom they can communicate comfortably," says Du Chenne.

Not carrying the costs of retail store and shop space rental, products available through direct marketers are often more affordable than their shop-stored counterparts.

"People love high-end brands, but value and affordability do come into play. If you can get a product you believe in, that has a good price point and is brought to your door, it's a perfect foundation to develop brand loyalty," says Du Chenne.

Vicky Saunders-Flaherty, Avon Justine's PR and internal communications and corporate affairs manager, says the biggest advantage that direct selling has over retail is the positive power of personal relationships. Buying directly from a person you can relate to gives a personal touch to the purchase decision and a wealth of credibility to the product.

"People involved in direct selling establish relationships with their customers. In turn, the customers feel good about being directly involved in helping the success of that person's business. Direct selling is about buying a good, well-recommended product, and in so doing, helping someone achieve a little more financial independence in a very practical and direct way,"

Saunders-Flaherty says.

The results of this year's survey in the Beauty and Cosmetics category showed a narrowing of the gaps between the various brands from 2012, with Revlon moving into second position, and a newcomer to the top 10, Woolworths, in fifth spot.

"Woolworths is definitely marketing its products well. You only have to step into one of the company's flagship stores to see how much focus Woolworths is putting on beauty and cosmetics, projecting a very glamorous department-store look and feel. Shoppers are responding positively, and perceiving Woolworths to be a viable destination to get quality beauty products," says Du Chenne.

By offering well-known brand names in addition to its own range of product under the Woolworths label, the company has also achieved one of the highest non-user ratings, reflecting a halo effect of the quality perception of Woolworths as a brand.

Du Chenne says the same applies to Yardley and Revlon – both achieved good non-user ratings, proving them to be household names that people know and trust.

Technology is another critical factor that is playing a considerable role in the success of direct-selling brands. Being reliant on word-of-mouth and recommendations, direct marketers leverage their sales techniques using every method they can to reach individual consumers directly.

With the rapid growth in users of social media, particularly those accessing via smartphones, community selling is booming.

"Direct sellers are not only using face-to-face marketing, but are now reinforcing their efforts using Twitter and Facebook to build social networks for the brands they're selling. Through technology and a good combination of offline-online message, using person-to-person communication to market and sell product is growing ever more powerful," adds Du Chenne.

**BUYING DIRECTLY FROM A PERSON YOU CAN RELATE TO GIVES A PERSONAL TOUCH TO THE PURCHASE DECISION AND A WEALTH OF CREDIBILITY TO THE PRODUCT**



Pic: Jeremy Glyn

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# SCORING POINTS

Pick n Pay customers understand the value of their loyalty

David Jackson

AFTER A YEAR OF regrouping and sprucing up its image, Pick n Pay has emerged as winner of the Convenience Stores category (which includes grocery stores and supermarkets) in the *Sunday Times* Top Brands survey.

The company also featured in the top 10 brands overall, and was a new entrant in the Loyalty Programme category, in which it swept the boards.

More than four million people are already participants in the PnP Smart Shopper loyalty programme, which is believed to be the fastest-growing loyalty programme ever launched in South Africa.

Shirley Jeffreys, an associate director at TNS South Africa, points out that South African shopping habits are changing, as is the way supermarkets are promoting their wares. And the ability to promote special deals is something that Pick n Pay is doing very well through its Smart Shopper card. "Smart Shopper is gaining traction now, as more people are understanding how to use it."

She believes Smart Shopper is prov-

ing to be a big factor in people's perceptions about the growth of Pick n Pay. "The ratings show an improvement, especially among consumers that are not normally Pick n Pay shoppers. So the brand is coming across as quite aspirational to these people."

Another notable factor in this year's research findings is that Shoprite has experienced a decline in usership, at the expense of Pick n Pay, "which seems to indicate that in metro areas, we are seeing a bigger growth for Pick n Pay and some other supermarket brands than for Shoprite".

On the other hand, Shoprite's sister brand, Checkers, has improved its user ratings this year.

Adds Jeffreys: "Given the way that people's lives are changing, convenience has become very important – such as the availability of extended shopping hours, for example, an area in which Pick n Pay scores well."

In dominating the Loyalty Programme category this year, she says a large part of the PnP Smart Shopper card's appeal is that the kind of loyalty points that shoppers are receiving relate to items

that are relevant in their everyday lives – "so customers feel they are getting real value".

"It is interesting to note that Pick n Pay's new CEO, Richard Brasher – who was formerly with UK supermarket giant Tesco – was part of the Tesco team that took the supermarket chain to No 1 retailer of choice in the UK, with a strong focus on making that company's supermarkets more convenient for shoppers. That is now apparently rubbing off in South Africa."

Spar's performance has remained consistent, and Woolworths maintains its ranking, but with an increase in users (up from 8% to 12%) this year.

Says Dr Sean McCoy, chairman of the Brand Council of South Africa: "Pick n Pay is an interesting surprise in the retail space and in the overall brand performance this year."

"The anecdotal perception is that it has been losing ground, and it has inserted a new CEO with international credentials to resurrect the business. This while Shoprite dominates the Pan African growth, Woolworths trades aggressively upward in the premium end of

the market, and Spar continues through the middle, offering an extensive, value-for-money proposition."

So what then contributes to Pick n Pay's success? Suggests McCoy: "Perhaps it continues its position as the consumer champion in the category, and the success of the Smart Shopper initiative has strengthened and highlighted this. Aggressive growth of the card over 2011/2 to some five million registered users is significant, and offers consumers real value back in return for their loyalty – simple, but effective, in an environment where the consumer and her basket remain under pressure. The brand no longer appears to have the Raymond Ackerman touch, but this may be the return of a strong and focused consumer promise."

In McCoy's view, branding in South Africa is in touch with what takes place in other markets across the globe. "There is always the debate between apparent first-world or developed market standards and the realities of emerging markets, but the quality of ideas and spirit of execution in this market are on par with the rest of the world," he says.

Keeping a finger on the pulse of brands

# BRANDS



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CELLPHONES &amp; TABLETS

# PACE OF CHANGE

**Nokia and iPhone keep up with ever-shifting user needs**

**Alf James**

THE FIRST THREE PLACES in the Consumer Cellphones and Tablets category remain constant from last year, with Nokia top, followed by BlackBerry and Samsung. The big mover is iPhone, which improves from eighth to fourth.

In the business category, iPhone holds on to first place, with Samsung improving dramatically from fourth to second, Nokia constant at third, and BlackBerry down from second to fourth. This indicates that the business sector sets the trend, which translates into the accepted pattern in the consumer segment of the market.

"The mobile industry is fast-paced, driven by ever-changing consumer needs, and the industry's ability to constantly innovate and shift the goalposts," says Gerard Brandjes, vice-president for South & East Africa at Nokia.

He says innovation is required to stay ahead of the game in the mobile communications market, and adds that the pace of the sector differentiates it from many other sectors in terms of marketing, branding and product development.

Brandjes says that, at the same time as bringing out great products today, the company already needs to be thinking about the next big thing and how to

shift the status quo.

"Innovation is not only necessary in terms of product development, but also in terms of the supply chain, business models and marketing approach.

"Innovation is at the heart of everything we do at Nokia. This industry demands it. We are constantly focused on product innovation and are a pioneer in the industry, bringing many 'firsts' to market."

One of the drivers of the mobile market is the Internet, which according to Arthur Goldstuck, managing director of World Wide Worx, has finally awoken, fully, in South Africa.

"Penetration is now approaching 20%, and for the first time we can see the mass market embracing digital tools on their phones."

Goldstuck says the headline findings of the *Internet Access in South Africa 2012* study revealed that a total of 7.9 million South Africans access the Internet on their cellphones. Of these, 2.48 million access it only on their cellphones, and do not have access on computers.

The remaining 6.02 million users access the Internet on computers, laptops and tablet computers. However, 90% of these – 5.42 million – also access it on their cellphones. This means that almost 8 million South Africans sometimes or regularly access the Internet on their phones, which has huge implications, as

## CONSUMERS HAVE A VERY PERSONAL RELATIONSHIP WITH THEIR MOBILE PHONES

services that are offered online will also have to be offered on cellphones.

While smartphones are the main driver of Internet growth, the cost of data use is being driven down by the proliferation of undersea cables connecting sub-Saharan Africa.

The study shows that undersea cable capacity to South Africa at the end of 2011 was 2.69 Terabits per second (Tbps), and due to rise to 11.9Tbps by the end of 2012.

"That capacity will double again in 2013," says Goldstuck. "While the industry position is that it won't affect prices, such an excess of supply must result in falling prices, which in turn will further drive up demand."

Brandjes contends the market is a highly competitive environment, with new entrants coming in at all levels, whether it be in the feature phone space, driven by cost, or the high-end smartphone arena, driven by features and applications.

"South Africa is largely an operator-led market, which influences the business environment significantly for mobile manufacturers. However, retail is also starting to play an increasingly important role, which requires a new approach and focus."

He says that in developed markets, mobile phones have almost become commoditised, but in Africa a mobile phone purchase is still a significant investment for many. It is not enough to compete on price; bringing consumer value at every price point through quality products and locally relevant content and services is vital, he adds.

"Consumers have a very personal relationship with their mobile phones. It is the one item that goes everywhere with them, it stores their most valuable information, it captures moments, it keeps them connected, it helps them to achieve success."

"Consumer demand and behaviour is therefore shifting this industry at a pace like no other," says Brandjes.



**Johnnie Walker and Jameson lead the charge for whisky**

**Andrew Gillingham**

SOUTH AFRICA IS GOING through something of a cultural evolution. In the past, when it came to spirits, brandy tended to be the drink of choice, but today, more South Africans are opting for whisky.

Topping the Alcoholic Spirits rankings in Top Brands this year is Johnnie Walker, with Jameson in second place and Chivas Regal in third.

The category as a whole has grown. Last year 70% of people participating in the survey did not consume spirits, and this year, non-users dropped to 65%, showing significant growth. Illustrating whisky's increasing dominance of the Spirits category is the fact that out of the top 10 spirits brands, seven are whiskies.

Melanie Campbell, marketing manager for Johnnie Walker Trademark at brandhouse, says: "brandhouse owns just over 50% of all the total whisky sales in South Africa, and in 2013, our sales statistics reflected an increase of 17% in comparison to 2012, which was 5%, indicating a steady growth for the category."

"Whisky has become a popu-

lar choice and is the fastest-growing spirit in South Africa, outpacing cider and beer. Johnnie Walker's individual label performances also showcased incredible growth in 2013, with Red Label sales exceeding 50% growth, Black Label around 15%, and 25% among our deluxe variants, Gold Label Reserve, Platinum and Blue Label."

Campbell continues: "One of the factors contributing to this growth is the global association that the Johnnie Walker brand has as a symbol of status, and in South Africa this trend is being fuelled by an expanding middle class who have a desire to express their status. Our longstanding strategy in SA is to recruit users via Johnnie Walker Red Label, and then as they develop their taste and appreciation for whisky, to move them up the range to Black Label and eventually to Blue."

"Johnnie Walker is the world's leading blended Scotch whisky, and throughout almost 200 years of trading, John Walker's original values of quality and consistency have been rigorously applied to the blending process of each whisky in the range. From this position of strength, the

brand proactively updates its range as we respond to our consumer tastes, and ensure that we continue to lead the whisky category."

Johnnie Walker was nominated as South Africa's leading alcohol brand in the *Sunday Times* Top 100 in 2012, as well as the world's No 1 alcohol brand in the international Power 100 survey in 2013.

Sibusiso Shangase, brand manager for Jameson Irish Whiskey and Mumm Champagne at Pernod Ricard South Africa, says the Jameson brand is all

about "the alternative whiskey experience".

"We are the serious whiskey that does not take itself too seriously, not necessarily about the stiff upper lip of our Scottish counterparts and not about the overtly laid-back mentality of bourbon-drinkers."

"We believe that premium experiences do not have to be pretentious."

Shangase says Jameson is all about being true to self, whenever and wherever, and doing this without fear of judgment or criticism. "This is seen in the Jameson family motto Sine Metu, or 'Without Fear'."

He adds that the overall premium liquor category is seeing new growth. "This is driven in large part by the emergence of the new black middle class, who – due to better opportunities in the country – have been able to travel the world, see premium global brands and have a better understanding of the intricacies of what it is they consume than previous generations."

As with any brand in any sector, it is a key success factor to have a unique selling point that, first and foremost, meets a required consumer need. "Jameson



ALCOHOLIC SPIRITS

has always prided itself on its triple distillation process, which gives its whiskey the unique smooth and balanced taste that our consumers have come to love over the years," Shangase says.

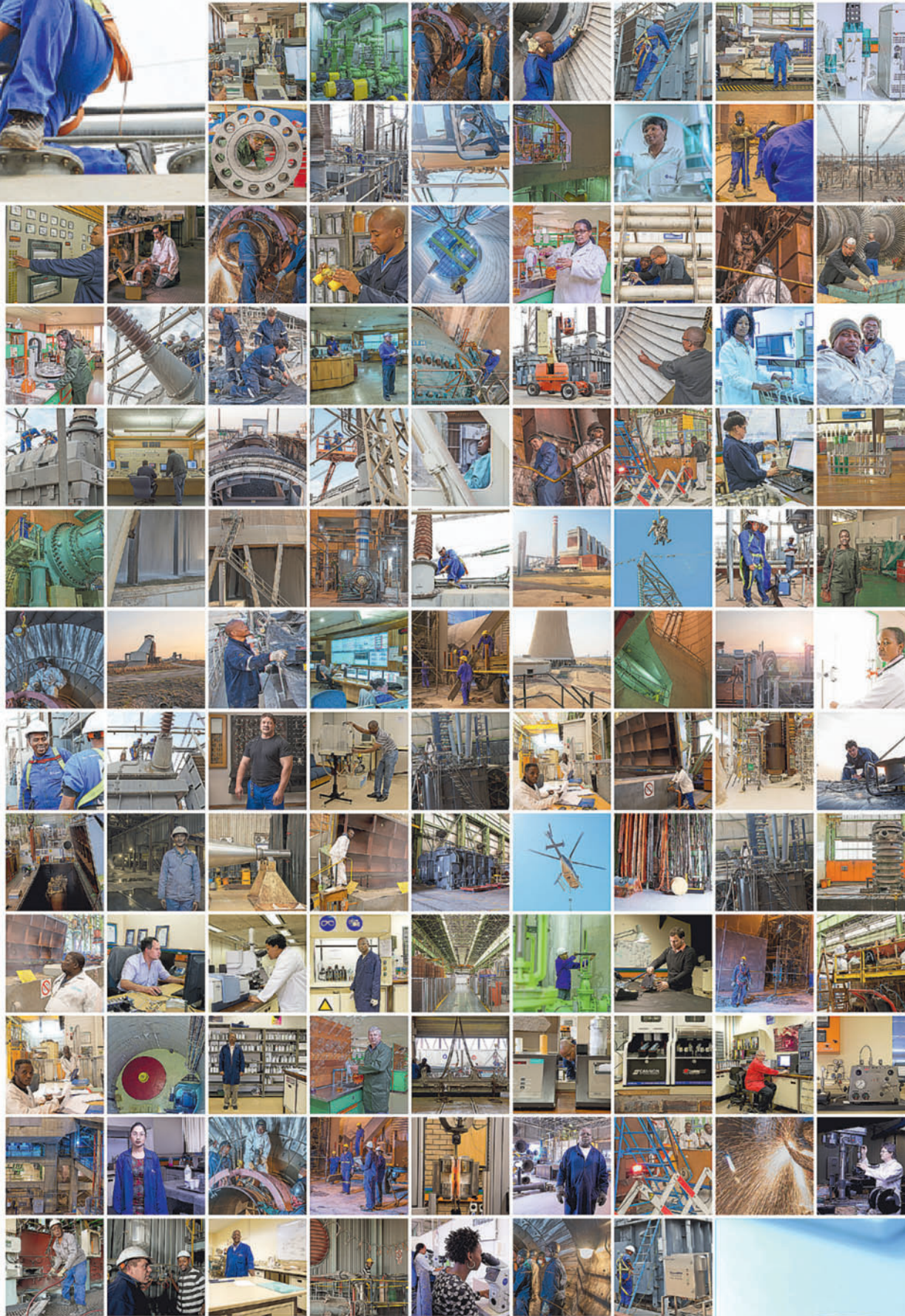
"When John Jameson created Jameson Irish Whiskey in 1780, he also created a culture of whiskey-lovers who savour every moment. Today, we continue to build our communication and activity around this thinking."

"Consumers are a lot more attuned to what advertisers and brands are throwing their way, and are looking for that one brand that truly speaks to who they really are."

"At Jameson we have always done things differently – never for the sake of it, but because it is who we are, and it is also what our consumers want," Shangase says.

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