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International Marketing Council

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STRATEGIC PLAN

2006

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1. OVERVIEW

"When we express a preference for French holidays, German cars, Italian opera, when we instinctively trust the policies of the Swedish government, comment on the ambition of the Japanese, the bluntness of the Americans or the courtesy of the British, when we avoid investing in Russia, admire the heritage of the Chinese, or talk about the warmth of the South Africans, we are responding to brand images in exactly the same way as when we are shopping for clothing or food.

Nation branding is an important concept in today's world. Globalisation means that countries compete with each other for the attention, respect and trust of investors, tourists, consumers, donors, immigrants, the media and the governments of other nations; so a powerful and positive nation brand provides a crucial competitive advantage. It is essential for countries to understand how they are seen by publics around the world; how their achievements and failures their assets and their liabilities their people and their products are reflected in their brand image." Simon Anholt

Four years ago when the International Marketing Council (IMC) started, no country was really actively doing nation branding – there were a few minor initiatives around the world, mostly focusing on tourism branding. Today, that scenario has dramatically changed. Nation branding is the buzzword, books are being written, journals produced and conferences held. There is a growing realization that the global market is a competitive place to be and the war zone is the mind of potential consumers.

It is our belief that this focus has been created by the emergence of China as a force in the global arena, followed closely by India. Relative to these two instances, few nations can compete in terms of efficiencies of scale or size of market, or opportunities or budgets.

In South Africa, therefore, we need to think smart, focus our efforts, design the best possible use and integration of relatively limited resources, and most of all create clear and consistent messaging that emphasises distinction and attractiveness in relation to the obvious appeal of the global giants.

During the fiscal year ahead, the IMC's work will of necessity be guided substantially by the Accelerated and Shared Growth Initiative of South Africa (Asgisa), whose identification of constraints on economic development and associated interventions provide a new point of departure in the country's economic development.

From the IMC's perspective, Asgisa's focus on investment in skills and infrastructure; improved social services; support to small business, and the promotion of key industrial sectors represent powerful opportunities to mobilise South Africans around a competitiveness mindset, and to expand international investor interest in the country.

The planned international procurement of about 40% of goods and services related to Government's R372billion investment in infrastructure implies significant international interest and partnership, as does the Department of Home Affairs' provision for the importation of critical national skills.

Asgisa clearly responds to and corresponds with the International Investment Council's belief that South Africa should be bolder and more confident in setting growth targets and in marketing its economic successes.

Asgisa places the economy at the centre of current awareness about South Africa and will require the IMC to adapt its communication to reflect the pre-eminence of economic growth in the 'master narrative' on the country.

As a product of consensus among Government, business, labour and civil society formations, Asgisa's implementation and communication of its success will depend on integrated, mutually reinforcing communication among the various partners.

This expectation is clearly couched in Government's theme for the year: "Age of Hope: A National Effort for Faster and Shared Growth".

Joint action and communication by social partners will naturally support the IMC's mission to ensure that perceptions about the country are shifted or maintained on the basis of coherent action and communication.

Domestic

We have all felt the mood swing in the country, this is now being supported with research acknowledging the positive messages that the IMC creates, but also being reflected in the changing attitudes here at home. Our marketing will intensify and build on the work of 2005. On radio we will tell the stories of ordinary people doing extraordinary things, but we now feel there is a need for a "call to action" – we have to have 2010 FIFA World Cup firmly on the radar screen – by that time, we must present a unified nation to the world, a nation striving for success, a nation that has overcome its major challenges, a nation with a competitive mindset.

In this context, the enabling environment created by Asgisa for especially small enterprises as well as individuals in the Second Economy should generate case studies of effective partnership or individual endeavour that could in turn inform the IMC's creative communication.

The IMC cannot do this alone – thus the engagement of stakeholders has to be first priority. Stakeholder relations will grow more substantially into its role of engagement with our key stakeholders – that means spending more time with the Department of Foreign Affairs, with Trade and Investment South Africa and South African Tourism, really ensuring synergy, ensuring that the brand values are infiltrated into all communication, making sure that we leverage on each other's events, missions and visitors. We need to further engage the business organisations like Business Unity South Africa, Business Leadership South Africa, South African Chamber of Business, etc. and key corporates who are willing to support the message.

The internal focus will be…

"What do we need to do domestically to support our global objectives?"

What will make South Africans support our efforts? What will turn them into active marketers and promoters of their country? How can we mobilise them, get them to think and act positively?

How do we build that a competitive mindset?

International

The thrust of the international work will be to intensify current efforts. Our task is to build awareness and receptiveness to the brand to enable stakeholders to deliver their objectives more easily. (To date, we do not believe that we have maximized the synergies with key stakeholders although substantial strides have been made.) We believe that we have made the correct media choices – now we need to increase our exposure there, and to actively look for leveraging opportunities, whether these be PR or events, or mobilising of thought leaders into print, TV and radio.

To really make the international work deliver on our objectives, we have to be clear about WHO makes the decision about business expansion, and also who supports that decision. We need to reach these people. So, the media message needs to be targeted and the one

on one interfaces need to reinforce the work done in mass media. The advertising should make it easier for the country managers to gain access, and to persuade.

Clearly the engagement with the Department of Foreign Affairs is crucial in this delivery.

The country manager formula is bearing fruit. The master narrative, particularly in the UK is changing and focusing on the buoyant state of the economy. The key messages are being articulated clearly and increasingly consistently. However the country managers are finding the need for some support to enable them to work more efficiently. We propose allocating some of the additional funding that we received in this area.

This year we will expand into India, where the focus will be slightly different to the role we play in Washington and London. South Africa is not moving into a hostile environment – we have many friends in India, but the investment potential and particularly the tourism potential has not even begun to be tapped.

One of our key focus areas for 2006 is the FIFA Soccer World Cup which will be held in Germany. As the whistle blows mid July, the worlds sporting media will be looking to South Africa and its state of readiness.

Another major project for 2006 will be to harness the Diaspora, and encourage them to participate in helping us to achieve our objectives. There are a few prongs to this strategy – we will have to identify the key people, and then identify the key task – the overall objectives is to get thought leaders encouraging investment into South Africa, putting South Africa on the radar screen by keeping these carefully selected people informed about current events and current messaging. In essence this is an international thrust of the Brand Champion programme.

2. KEY FOCUS FOR FISCAL YEAR 2006

Our key priorities in 2006 and beyond are as follows: -

A. Build on work done in the previous fiscal, and intensify all exposure in the media chosen to date, with particular attention being paid to how to leverage economically off committed spend.

B. Heighten awareness of South Africa's business features and offerings on the global front in support of Asgisa 6% growth target.

- Leverage the FIFA Soccer World Cup finals in Germany 2006.

- Reinforce advertising reach with public relations
- Expand country manager presence to India

On the domestic front, our priorities are:

C. Mobilize other stakeholders who will help heighten South Africa's business visibility, brand visibility and share of voice.

D. To continue to reinforce patriotism, pride and optimism amongst the general public via mass-media communication, using fewer resources. It is important to maintain a national pride building presence at home. Specifically, the plan is to generate free exposure via co-operative advertising programmes and leverage activities so we can free up resources for the global market. To begin to leverage on the FIFA 2010 Soccer World Cup opportunities

In terms of measurement our priorities are as follows: -

E. Internationally we plan to progress through a global brand equity tracking study. This will track how well South Africa fares relative to our competitive set on each one of the key brand attributes.

F. Domestically, we plan to conduct a national perceptions' audit at least once a year. This will give us an indication regarding levels of pride, optimism and patriotism amongst the general public. In addition, we also plan to continue doing stakeholder perceptions audits to gauge what our stakeholders think about the work we do.

3. DELIVERABLES FOR FISCAL YEAR 2006

3.1 GLOBAL MARKETING AND MOBILIZATION

ACTIVITY	DELIVERABLE	TIMING	COST IMPLICATION
Mass media communication	Focus on thought leaders in key markets, and intensify our reach	Start first quarter of FY 2006 up to the end of the year.	R23million
E-marketing	www.southafrica.info to be amongst the top 5 websites that register South Africa on major search engines globally (Google, Yahoo, MSN and AOL). Increase page impressions to 2.5million per month by end of 2006 To maintain daily updates of marketing oriented news	By end of FY 2006	R4.2 million
Collateral and tools	Update SA Story. Marketing material to be used by our embassies abroad.	By end of first quarter of FY 2006	R2.15million
Branding missions	One outbound mission and two inbound missions	By end of 2006	R2.3million
Country Managers	Mobilize key people. Improve media coverage. Engage expatriates. Manage key issues. Establish office in India.	Ongoing	R3.7million
Research	Brand–tracking study National perceptions audit, FDI insights. Research for stakeholder perception audit.	Once per annum	R2.65million
PR and Promotions	Advertorials on CNBC thought leader interviews/ opinion pieces	By end of 2nd quarter	R1.3 million
Global South Africans	Engage expatriates, keep them informed and use using them to market South Africa	By end of 2006	R1million
Sub Total			**R40.3 million**

3.2 DOMESTIC MARKETING AND MOBILIZATION DELIVERABLES

ACTIVITY	KEY DELIVERABLE	TIMING	COST IMPLICATION
Mass media communication ▪ Advertising	Radio and TV advertising reaching 63% of the adult population at least 3 times per burst.	Start April 2006	R13.15 million
▪ Promotions	▪ Publicity campaigns ▪ Distribution of SA aligned promotions and collateral tools ▪ Annual report ▪ Soccer 2010 conference ▪ Though leader events	Start April 2006	R4.5 million
▪ Brand Champion Programme	Train targeted frontliners to enable International Marketing Council to deliver its mandate	Start April 2006	R4 million
▪ Brand integration	Brand expressions with at least two provinces and least two economic sectors.	Start April 2006	R 0.5 million
Sub Total			**R22.15 million**

4. SPENDING PLAN

Programme	Activities	Timing	Service Delivery Indicator	Responsible person	Cost implication 2006	Cost implication 2007	Cost implication 2008
Global Marketing and Mobilisation	Mass Media Advertising	Start in 1st quarter of 06	Key media selected for thought leader reach.	Marketing Director	R23 062 500	R27 414 000	R32 477 000
	E - Marketing	Start in 1st quarter of 06	The number of links with other websites. Where (in the pecking order) the web portal appears when one searches for SA on-line. Increase in page impressions and maintenance of quality of information.	Marketing Director	R4 200 000	R5 410 500	R6 630 000
	Collateral Tools	Start in 1st quarter of 06	Quality of collateral produced and the uptake from stakeholders	Marketing Director	R2 150 000	R3 307 500	R3 972 000
	Branding Mission	By end of 1st quarter 06	Quality as measured in terms of who we reached out to, quality of communication and impact on the mission's audience - Outbound and inbound	Stakeholder Relation	R2 300 000	R3 450 000	R4 607 000
	Global Support – Country Managers	Ongoing	Media coverage, number of relations forged with key people and expatriates, reinforce marketing activities.	Country Managers	R3 700 000	R5 200 000	R6 410 000
	Research	Start 1st quarter 06	Quality of research and actions we are able to take resulting from the findings.	Marketing Director	R2 650 000	R3 307 500	R3 872 000
	Promotions		Leverage provided for marketing campaigns	Stakeholder Relation	R1 300 000	R1 525 000	R2 051 000
	Global South Africans	On going	Number of expatriates positively engaged and responding to our campaign	Country Managers	R1 000 000	R1 050 000	R1 102 000
	SUB-TOTAL (A)				**R40 362 500**	**R50 664 500**	**R61 121 000**

Programme	Activities	Timing	Service Delivery Indicator	Responsible person	Cost implication 2006	Cost implication 2007	Cost implication 2008
Domestic Marketing and Mobilisation	Mass Media Advertising	Start first quarter 06	Projected number of people reached at correct frequency.	Marketing Director	R13 150 000	R13 807 500	R14 497 000
	Brand Integration	Start 1st quarter 06	Three or more provinces aligned to the brand position	Marketing Director	R500 000	R525 000	R551 000
	Promotions	Start 2nd quarter 05	Increased levels of optimism, increased exposure of anthem, flags and collateral.	Stakeholder Relations Director/Marketing Director	R4 500 000	R5 365 000	R6 433 000
	Mobilisation	Start 1st quarter 05	The number of brand ambassadors, and institutional stakeholders we convert and the number of brand expressions that result	Stakeholder Relations Director/Marketing Director	R4 000 000	R4 200 000	R4 410 000
	SUB-TOTAL (B)				**R22 150 000**	**R23 897 500**	**R25 891 000**

Programme	Cost Drivers	Timing	Service Delivery Indicator	Responsible person	Cost implication 2006	Cost implication 2007	Cost implication 2008
Support	Personnel	Monthly	Employees activities' aligned to the IMC mandate	CEO	R13 500 000	R14 175 000	R14 884 000
	Administration	Monthly	Adequate administrative support is provided to achieve IMC's goals.	CFO	R6 490 800	R7 390 000	R8 809 000
	Professional Fees	Monthly	Support services are procured to achieve IMC's mandate	CFO	R921 700	R969 000	R1 017 000
	SUB-TOTAL (C)				**R20 912 500**	**R23 534 000**	**R24 710 000**
	GRAND TOTAL: (A) + (B) + (C)				**R83 425 000**	**R97 096 000**	**R111 722 000**