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PRESENTATION TO THE PORTFOLIO COMMITTEE ON COMMUNICATIONS

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**YVONNE JOHNSTON
CEO**

THE INTERNATIONAL MARKETING COUNCIL OF SOUTH AFRICA

As this report is being prepared the International Marketing Council (IMC) staff, IMC Board and key stakeholders are meeting to discuss the strategy for the next three crucial years. The nation's mood is being strongly influenced by a number of issues – the succession battle, about which the IMC can do little and the two polarizing forces of the increasing negativity about crime and the positive influence and hope that the FIFA 2010 World Cup is providing. We feel that we can play an important role in these arenas.

The frightening headlines on crime have become the dominant story in international media. A story that is difficult to refute and impossible to spin. The reality is that this is the biggest issue inhibiting tourism and investment to South Africa. There has been a distinctive swing to negative reporting on the country in the past six months. This has been largely driven by crime, the ANC succession debate, 2010 readiness debates and the status of Zimbabwe. Crime is driving international companies to reconsider South Africa posting for their staff, and this is a real threat to the brand. We are seeing headlines talking about conferences being cancelled because of crime.

We cannot allow 2010 to become tainted with this message. We cannot afford to allow negative issues to get in the way of us maximizing this marketing opportunity. We need to mobilize South Africans to reconsider the values that make us a great country, to alienate negative influences, and to create a sense of unity. We need to create a "tipping point" in positive behaviour.

Doing things the same old way is going to get the same old result, which is not good enough. We don't want to get into the habit of taking last year's budget and dividing it up into the same percentage splits without challenging the results or the thinking.

We also believe that a new sense of urgency has to be brought to the process. The perception and reality of the crime situation in our country is creating what we call in marketing terms, a "burning platform" or a crisis.

To this end, all staff have been asked to participate in a zero sum game, to challenge everything that we do, to ensure that we use our National Treasury money as well as we can, and to mobilize South Africans to show the world exactly what we can do in 950 days time.

So at our strategy session we considered the following:

- Are we making enough of a difference?
- Should we be marketing internationally when the domestic task is so pressing?
- What work done in the past six years is the most effective, and the least effective – lets ensure that we invest tax payers money in the best possible manner?
- What do we want the people of the world to say about South Africa in 2010?
- How do we mobilize South Africans – to re-entrench the values of ubuntu and to deliver the best World Cup the world has ever seen?

Since we met last the IMC team has produced another piece of work of which we are extremely proud. The "**We've done it before**" campaign is eliciting exactly the results that we wanted. The ad was brought about as our resistance to the negativity that prevailed in the marketplace around our ability to deliver on 2010 and the overwhelming discourse about crime, restrictive labour laws, and other challenges, we thought it was time to remind South Africa how far we have come, and what barriers have already been overcome.

The campaign is the true story of a nation that is no stranger to overcoming odds that appear to be overwhelming. And as we've shown, time and time again, the greater the odds, the better we seem to do. This campaign demonstrates in a very inspiring, moving and emotional way the idea that South Africans are a powerful and resilient nation. We did, against all odds, achieve victory for democracy and freedom.

The campaign will be comprised of two building blocks. The first phase will set the scene around the theme of 'We've done it before'. The second phase will be a fact – file about our capabilities as a nation and will be presented on TV and radio.

(Play ad)

The Corporate partnerships are proving to be more difficult to tie up than we anticipated but we have had fruitful discussions with Eskom, Nandos, PWC, Microsoft and various other companies. We hope to see more progress on this in the coming months.

For the Communication Resource Centre and Information Resource Centre, the first quarter of the 2007/08 financial year has been marked by strong achievement in ongoing and longstanding activities, and significant forays into new territory.

In terms of new territory, the most significant development has been the conceptual development of a Brand South Africa MediaClub that will provide an up-to-date, comprehensive information service to South African and world media in the lead-up to the Confederation Cup and the 2010 FIFA World Cup, taking advantage of the unprecedented communication and marketing opportunity these global events presents to the country and the Continent.

The MediaClub will focus its attention on the generic positioning of South Africa complementing 2010-specific communication by the LOC, Government, SA Tourism and other key messengers. The Brand SA MediaClub will initially only take the form of a virtual environment/web portal but will be expanded to a full-house media service in the host cities during the event itself.

Written content will be supplemented by graphic – and eventually, audiovisual – content. GCIS has undertaken to share its extensive photo-archive with MediaClub.

The web-based service will be complemented by media tours to South Africa by international media representatives, while MediaClub will also support media tours originated by partners such as GCIS, SA Tourism, the LOC and others, in order to encourage media to develop as broad an understanding as possible of present-day South Africa

A number of significant events and developments that generated or were at least expected to generate international media interest in the country were covered by the CRC.

These included:

- President Mbeki's appointment as a mediator in the Zimbabwe situation
- The G8 Summit in Germany
- South Africa's role in the United Nations Security Council
- The World Association of Newspapers Congress in Cape Town
- A FIFA inspection visit on the 2010 FIFA World Cup preparations
- The public service strike
- Developments in the HIV & Aids arena
- Safety and Security

CRC Communication Managers continued to concentrate on a number of activities that fall within the area of the respective Government clusters for which they assume responsibility. Our inputs on Crime, the Environment and the Economy are being used regularly by the various Government clusters.

We are increasingly being asked to manage the media around Premier and Ministerial visits overseas and have become an integral part of the IRPS cluster looking at the totality of how Government markets the brand internationally. Rapid response has helped to draft responses to critical commentaries in the *Singapore Straits Times* and the UK's *The Sun*. We are an integral part of the team dealing with responses around the release of the crime statistics.

The IRC continued with the daily monitoring of the international and local media for positive stories and other reported evidence of innovation, foreign direct investment and other aspects of South Africa's social and economic development. The IRC also sourced various positive reports/surveys on South Africa which were used by the marketing department and stakeholder relations department for possible incorporation into IMC communication, including advertisements, media releases and public presentations.

The IRC continued with the maintenance of the Inmagic database, the repository of information which provides material that is used in the development of Brand South Africa communication such as advertisements, the South African Story factbook, newsletters and press releases.

The IRC researched and compiled profiles of the South African provinces of Limpopo and North-West highlighting the economy and business; history and heritage; sights and sounds; government and people. These profiles will be used in preparing marketing strategies for the provinces.

They also developed a full briefing pack for the delegates on the India Investment mission

STAKEHOLDER RELATIONS

IMC took a strategic decision to collaborate with key government departments on future missions to enable alignment, consistency in how the country is marketed and capacity to leverage economies of scale. We have since collaborated on three missions, the USA, the Gulf and last month to India.

The emphasis this year has been placed on forming partnerships and collaborations for IMC to be able to expand its footprint and maximize capacity to leverage on the 2010 event, it is only through economies of scale and synchronization of efforts that South Africa will benefit. We believe IMC is best positioned to facilitate this collaboration between key stakeholders.

To this extent we have been able to steer, with the support from GCIS, the 2010 National Communication Partnership. Under this umbrella a few projects have been successfully supported, the 2010 national communication conference, the two book projects - "Africa The Good News" and "50 Reasons why South Africa will have a successful World Cup" with sponsorship from FIFA/LOC and other FIFA partners as a result of our facilitation.

We have managed to bring on board GCIS, the City of Johannesburg, and FIFA/LOC to support the MediaClub concept, and through this partnership have been able to conduct two successful media tours around our state of readiness.

We have agreed to partner with the Department of Foreign Affairs, SA Tourism and GCIS in developing an information toolkit for all our embassies around the world, an initiative that we all believe must receive urgent attention, all our embassies are going to be the first point of contact for many people as they start making enquiries about our country. We have agreed to pool resources and all departments will be contributing towards the development of this toolkit with IMC providing guidance on messaging as well as "look and feel" aspects. The main benefit from this collaboration will be consistency in how South Africa is marketed, which IMC has been trying hard to achieve in the past 6 years.

MEDIA AND PR:

Thought Leader events

We partnered with the Newspaper association of South Africa early June in hosting the 60th World Association of Newspaper congress and the 14th world editors forum held in Cape Town. This Paris based association represents 18 000 newspapers and its membership include national newspaper associations, companies, individual newspaper executives in 102 countries, 12 news agencies and 10 regional and worldwide press groups. We hosted in our event alone 2000 key opinion makers and influencers, a constituency (with a very broad global footprint) that we saw as critical in helping us to advance the IMC mandate.

Youth Day campaign: "Project Kick - IT"

IMC collaborated with FIFA/2010 OC and the City of Johannesburg in leveraging the visit by the 3 Top German soccer players .A visit facilitated by the German: "Land Of Ideas" company as a gesture of friendship and support to South Africa around the 2010 event. We used this opportunity to showcase our state of readiness to both local and foreign media.

We recently facilitated our second media tour (plan is to have one per quarter), this time the focus was 2010 legacy projects with a view to educating The South African public in general and the media in particular about the intended macro-economic spin offs of the 2010 event. If we can unpack in a tangible way how this project is going to affect lives, the job of mobilizing national support and changing perceptions will be that much easier.

COUNTRY MANAGERS

John Battersby in the United Kingdom has played a key role in managing the media around the regular visits by key Ministers and government officials to the UK (Ministers Nqakula and Erwin and Themba Maseko of GCIS) – which have all included encounters with groups of South Africans in London. These are paying handsome dividends. We are managing to build a strong team of Global South Africans via these invited events.

The IMC / Sunday Times / Old Mutual two-day briefing tour following the WAN conference was another example of how the perceptions of editors and senior editorial executives can be challenged and changed by carefully composed information tours.

A major coup of the last six months was the visit of the Minister of Safety and Security who engaged brilliantly with the business leaders from London and engaged in robust discussion which left the audience satisfied that the crime problem was being dealt with. Unfortunately much of this work has been undermined by recent headlines.

In India, progress has been slow. The media interest in South Africa is low and it appears that to change the paradigm, relationships with unavailable editors have to be slowly built. We are working on a series of articles on the SA economy that will be submitted and hopefully printed.

In the United States, we supported the IMC/TISA trade mission by facilitating top level interviews for Minister Mpahlwa. Unless we have a hard news story, it is difficult to secure media coverage. Just the notion of a trade and investment mission is in itself not newsworthy.

In November the IMC will be supporting the Corporate Council of Africa convention taking place in Cape Town – it is anticipated that at least 400 US business leaders and 1000 African business leaders will converge to maximize investment opportunities on the continent. This will be an important interface with people who are already committed to doing business on the continent.

The Global South Africans initiative is slowly becoming a reality. We have now engaged around 150 top South Africans in the UK and US, willing to be brand ambassadors, willing to promote SA on our behalf.

In terms of brand alignment initiatives we have done the following:

DTI and SAT ALIGNMENT

At national level, the business brand positioning encompassing both and investment and export pillars is almost complete. The export draft sub brand positioning was shared with the Director: export promotion at the DTI and further input solicited from export council's representing various economic sectors. SAT and IMC are work shopping collapsing our two brand keys into one so that collectively we are marketing the Brand South Africa.

IRPS CLUSTER

The IRPS cluster has set up a technical team to provide a framework for a coordinated approach to market South Africa and IMC has representation on the committee to provide

direction from a messaging as well as brand architecture point of view. So far, workshops have been conducted by the committee to consult with key stakeholders who will impact or are directly involved with the delivery of the framework and IMC delivered a presentation of architecture principles as well as the national message and the relationship it has with the tourism and the business brand.

PROVINCIAL ALIGNMENT

The Gauteng sub – brand has been completed and is now at the buy–in stage with relevant structures within Gauteng. The Eastern Cape draft is also complete and creative work is being developed. Limpopo has had an engagement with officials in the Office of the Premier and is awaiting a date with the director general. We have presented to the provincial executive committee of the Northern Cape and have almost completed the positioning statement. The Mpumalanga Provincial Government has outsourced the development of their brand to an outside supplier with whom we are engaging to ensure alignment. A presentation has taken place to the key stakeholders in the North West. Key themes identified at the workshop will feed into the final brand proposition for the province. And, we have been invited to KZN and the Western Cape to begin those engagements.

INTERNATIONAL

Our quest to create work that is bold, challenging, mind – opening and sophisticated will also be expanded into the work we do in the International arena. We are currently producing a new TV commercial promoting SA as an investment destination – in collaboration, both financial and in terms of messaging with Thedti.

SA STORY BOOKLETS

SA Story distribution has commenced to key stakeholders. French and English translations have been distributed at the Rugby World Cup in France through our partners at SA Tourism giving us another fantastic platform to provide information on South Africa to the rest of the world.

ANNUAL REPORT

The latest report has been completed and is ready for distribution. Copies for tabling in Parliament were dispatched on schedule.

A risk management workshop involving all levels of staff was held on 31 July to identify potential risks faced by the organisation. During the next quarter the identified risks will be assessed in terms of their importance and priority, and appropriate controls developed to manage these risks.

An audit steering committee was established to prepare for audit committee meetings, develop policies, etc. This committee is chaired by the COO, and will meet before each audit committee meeting, as well as at other times as needed.

We have our third clean audit report. That is a simple statement but the work involved in being able to make that declaration cannot be underestimated. The Auditor General is a tough task master and getting to that point involves many hours and a great deal of hard work, particularly from the Finance team.

Sadly the Marketing Director has resigned after six years of excellent service to the IMC. His contribution has been enormous and his role in any successes we have achieved has been substantial. We miss him and are struggling to find a replacement.

We welcome our new COO, Paul Mackenzie who is already bringing additional discipline and order to the organisation.

The CEO's contract has been renewed until December 2010.

END



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