

Media

AD HOC

Jetstar makes big media moves

Low-cost carrier Jetstar Group has moved its Asia Pacific media buying to Maxus after a formal review. Maxus spokesman Neil Stewart tells Ad Hoc STW-owned Maxus has no offices in New Zealand, so local agency Ikon – also under STW – will pick up the account. Jetstar's media business is estimated to be worth \$6.2 million in New Zealand according to Nielsen AIS rate card data. The incumbent, Immediate, was involved in the pitch but unsuccessful.

Supermarket poised for data top-up

Countdown relaunched its loyalty card in conjunction with Visa last week. The grocer's card can be used at Countdown and other retailers to collect points, which means plenty of data collection for the grocer which already has 80% of Kiwis signed up to its Onecard scheme. But Countdown head of marketing Bridget Lamont says the card isn't about expanding her database, "although we may get the halo affect." Currently the supermarket operator offers its suppliers special insights from data it collects but Ms Lamont says "we never have and never will sell our data."

Ms Lamont says there is a real opportunity for database marketing to be better used in the industry. "Our friends at Fly Buys do a bit with Loyalty NZ but there's not enough in the grocery sector," she says. Ms Lamont says Countdown still needs a critical mass to get that going. "We're looking forward to the data becoming meaningful but when that happens is hard to tell."

As for the rollout of the card, Ms Lamont says marketing for the new product will mostly be in-store and targeted to the supermarket's existing database, with no confirmed role for the Countdown's TV family – the Colemans. "They may not pass the credit criteria," Countdown managing director Dave Chambers joked at the launch.

Fonterra invests in virtual shopping

Dairy co-op Fonterra is using new virtual research tools to test supermarket product placements before even going to market. The tool simulates an entire New Zealand supermarket to replicate the shopping experience. Fonterra brands NZ head of insights Tim Opie says the system allows Fonterra to test point of sale materials with shoppers to determine where to position them in the supermarket. Mr Opie says using a virtual store allows marketers to test scenarios four to six times faster, and test more variables. While there is an upfront investment in the system, Mr Opie says it is a "strategically important ongoing tool." Colmar Brunton spent 15 months developing the tool with Wellington-based tech company XandAR.

Sugar wins heat pump brand

Heatpump provider Daikin has dumped its agency, The Work Sydney, and picked a local agency to take care of its brand. After a two-agency pitch, said to include Special Group, the company chose Sugar & Partners. The agency will work on the mass media, point of sale, digital and direct ads for the brand. Sugar & Partners creative partner Dave Nash tells Ad Hoc Daikin will use Sugar's creative approach, but could not confirm whether spokes-celebrity Dan Carter had been given the boot.



Victoria Young

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Top ad spenders revealed

Victoria Young

Agencies, the jury is in on which companies you want to be with when they open their wallets.

Latest research shows the best client ad agencies can get on board with is a supermarket.

New figures from Nielsen AIS – which are based on rate card data and not indicative of discounts received – reveal Foodstuffs spends the most on ads.

The supermarket co-operative spent \$85.5 million on its New World and Pak'n'Save brands in New Zealand. This was up almost 25% on the previous year.

Coming a close second is Progressive Enterprises. Its spend for last year is estimated at \$77 million on Countdown and Foodtown brands.

Unsurprisingly, both chains spent nearly half their money on TV ads.

Last year Progressive more than doubled its online advertising spend, leaping from \$362,351 to \$812,761. In contrast Foodstuffs' online ad costs dropped from \$363,947 to \$170,688.

Four big retailers were also in the top 10; The Warehouse had the third highest spend in New Zealand, spending \$62.1 million. Its recently acquired home appliance chain, Noel Lemming, spent \$52 million.

Harvey Norman was the fourth biggest spender, while Mitre 10 was the only home building retailer included in the top 10. Its advertising activities were valued at \$43.6 million.

TOP 10 AD SPENDERS

		Spend year end 2012 (million)	Spend year end 2011 (million)
1	Foodstuffs NZ Ltd	\$85.5	\$69.1
2	Progressive Enterprises Ltd	\$77.0	\$74.3
3	The Warehouse Ltd	\$62.1	\$60.6
4	Harvey Norman	\$53.9	\$60.7
5	Noel Leeming Group	\$52.0	\$45.1
6	Mitre 10	\$43.6	\$35.2
7	Brand Developers	\$42.3	\$24.8
8	Telecom NZ	\$41.7	\$33.5
9	Unilever Australasia	\$41.1	\$56.0
10	ANZ	\$38.1	\$33.5

While ad land complains of tighter budgets, it is not the case for these big spenders. Eight of the 10 saw increases compared with 2011 and half the list saw double-digit increases.

Of the telcos, only Telecom made the top 10, with spending at \$41.7 million. Vodafone spent \$33.5 million last year while challenger brand 2degrees' advertising cost \$14.4 million.

A surprising addition to the top 10 is Brand Developers, which doubled its 2011 spend to \$42.2 million. The company, which has brands such as Thin Lizzy make-up and fitness equipment such as Ab Circle Pro, has cut advertising online and spends only on TV.

University of Auckland senior lecturer marketing Rick Starr says it is a tough game at present and that's why

the retailers are high spenders.

"Fundamentally with Foodstuffs and Progressive, they are offsetting each other."

Mr Starr says while Progressive has upped its spend in online, it still only makes up to 1% of the supermarkets' total spend.

"While everyone is putting their money into online, there's just a limit on how far you can go with that."

"TV has always had the lowest cost per warm body viewing it. It's very efficient, whether it's effective or not," he says.

The advertising lecturer says not only do the supermarket chains compete against each other but they also now compete against takeaways and restaurants for consumer spending.

The problem with social media 'consultants'

Victoria Young

As more social media "consultants" appear in the market, it's not easy to tell the real deal from a fake.

The problem is Facebook, Twitter, Pinterest and other applications simply didn't exist when many of today's business owners learned how to market.

This means a lack of knowledge, which seems to be age related. According to a recent MYOB Business Monitor report only 12% of business owners over 60 use social media in their business, and while 42% of generation Y (under 30) business owners have adopted social media, only 21% of Generation X (aged 31-45) have.

Netmarketing Services principal Michael Carney says there are no qualifications required for the job, which makes it easy to proclaim someone is a "guru" or

a "consultant".

While Mr Carney runs social media courses through the Marketing Association, he says there is no clear accreditation to estab-

The ones who don't call themselves 'gurus' are the ones who know their sh**

John Lai

lish what someone can or can't do, which causes problems.

"We don't need regulation but some formal qualification would be useful."

The veteran marketer says he is familiar with ad agencies that hire young people to be "social media

experts" just to say they have them.

"This means that as an advertiser you should never abdicate your responsibility for deciding what to do in social media just because you don't understand the technology," he says.

The Marketing Association accredits marketers but not specifically for social media, and Social Media NZ, an organisation dedicated to encourage education around social media has a list of legitimate consultants on its website.

Social Media NZ creative director John Lai says there are problems with consultants in the industry but there are some ways to tell if people are faking it

"The ones who don't call themselves "gurus" are the ones who know their sh**."

Mr Lai says ad agencies continue to push social on companies, and some smaller business owners think

they should be on social media just because their competitors are.

"People are out in the market selling 'likes' [on Facebook] instead of proper campaigns."

"They are riding a trend trying to make money but the good ones look at the business plan before anything."

Mr Lai says some consultants pretend to be good at all areas of social media, when it is quite a diverse field.

Flitter.co.nz digital strategist Justin Flitter says there is no way to regulate social media practitioners because the technologies are so new.

"There are always people out there faking it. There are cowboys in any industry."

"People who are inexperienced in the business world will not do anything significant in the social media world, although they might be able to create some buzz and have some fun."

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