

You are losing money on ads that don't appear

 By [Chris Mberdyk](#)

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South Africa wastes R50bn a year on inefficient marketing strategy, misguided advertising and sponsorship but also through advertisers not really checking to see whether the ads they have paid for have actually been flighted on radio and TV, published in print or appeared online.

This portion of wastage amounts to hundreds of millions of rands and the bulk of it is lost as a result of poor administration by the media and technology glitches.

My own experience has shown that in all the companies for whom I have conducted a marketing audit, between 20-35% of their marketing budgets have been completely wasted. Of this a significant portion can be attributed to advertising and sponsorship that hasn't materialised.

But, I am not the only one who has positive proof that there is an awful lot of wastage going on. Andrew McFarlane, founder and MD of Afstereo, has data clearly showing advertisers being charged and having paid for radio and TV commercials that actually haven't been broadcast.

Afstereo, by the way, has been around for 12 years and is one of the leading African suppliers of real-time radio and television advertising and music data to the media, marketing, research, auditing, regulatory and music industries.

McFarlane says his company uses USA-patented radio monitoring technology that, for example, "listens" to top-rated radio stations in major markets across the country, round the clock, 365 days a year.

He added, "Corruption and non-delivery unfortunately run deep and wide in our industry where CEOs and financial directors are mostly unaware 'by how much'. Consequential loss translates into many lost millions of value downstream."

McFarlane made available to me some real-time audit and intelligence reports that simultaneously dealt with all pre-recorded and non-pre-recorded radio and television advertising, music and editorial broadcast material uninterrupted. The results were horrific in terms of wastage, to the point where I have recommended that my clients make darnn sure that what was on broadcast schedules actually ended up being broadcast.

I have to say, I do not believe for a minute that any of the broadcast companies in South Africa are willingly trying to defraud their clients. I know most of them and they're not crooks by any means.

But the tempo and speed at which things happen in the media world today thanks to technology, makes it almost impossible

for media companies to be absolutely 100% sure that everything goes according to schedule. Technological glitches and the human factor ensure that nothing is perfect.

Someone else who has probed beyond a doubt that there is an enormous amount of wastage in the media industry, is Tonya Khoury, MD of ROI Africa, which is a smart technology-based media monitoring and intelligence provider offering live and global analytics of 206 million social platforms, 60,000 online newspapers, 2,000 SA print publications and 70 SA radio and TV stations.

She agrees that the complex world of media and advertising gives rise to a considerable amount of wastage and like McFarlane she has a wealth of positive proof.

But, broadcasters and print media aside, in a report on the global online advertising market, a monitoring company in the USA called White Ops claims that infected software generates millions of fake clicks and that “dubious” online publishers end up with inflated audience figures.

White Ops gave 49 US advertisers detection tags that measured whether someone clicking on their ads were humans or machines. It found the average cost to each of those big advertisers - which included McDonalds, Ford and MasterCard, was a staggering \$10m.

White Ops estimates that the global online advertising market would fall victim to \$7,2bn of ad fraud during the course of this year.

My message to CEOs and FDs is simple. If you are not checking, you are losing. Audit your marketing efficiency and monitor your advertising and sponsorship spend. The cost of a marketing audit or monitoring service is minimal compared to the losses you are very likely incurring right now.

ABOUT CHRIS MOERDYK

Apart from being a corporate marketing analyst, advisor and media commentator, Chris Moerdyk is a former chairman of Bizcommunity. He was head of strategic planning and public affairs for BMW South Africa and spent 16 years in the creative and client service departments of ad agencies, ending up as resident director of Lindsay Smithers-FCB in KwaZulu-Natal. Email Chris on moerdykc@gmail.com and follow him on Twitter at [@chrismoerdyk](https://twitter.com/chrismoerdyk).

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