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The impact of an advertising ban on the promotion of alcohol in South Africa

Stefan Ferreira

A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Business Administration.

Johannesburg, February 2012

ABSTRACT

This study seeks to understand the impact of an advertising ban on the promotion and sales of alcohol in South Africa. This was determined through a literature review that covers the marketing, promotion and sales of alcohol and tobacco both prior and post an advertising ban, internationally as well as in South Africa.

The research was conducted with a targeted group of respondents involved in the South African alcohol and advertising industries as well as independent experts in the areas of advertising and marketing. Individuals from the South African tobacco industry were approached but none were willing to participate in the research.

The results of the study indicated that there will need to be a fundamental shift from above the line to below the line promotion of alcohol in South Africa, post an advertising ban. With this in mind there seems to be a move from above the line to below the line marketing strategies, despite the threat of an above the line advertising ban. In terms of alcohol sales post an advertising ban, the study reveals that there will not be a significantly negative impact on the sales of alcohol in South Africa. This corroborates the weak theories of advertising, which state that advertising is used to create brand differentiation and awareness and is not simply utilised to increase sales.

Based on the findings, a set of recommendations on how to promote alcohol post an above the line advertising ban were compiled. These recommendations included: the increased use of point of sales promotions, direct marketing as well as the use of a more integrated marketing approach.

In addition to this, further areas of research were identified, which included: research into the mindset of consumers of alcohol in South Africa as well as further research into the impact of an alcohol advertising ban on the other three components of the marketing mix.

DECLARATION

I, Stefan Ferreira, declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

……..

Stefan Ferreira

Signed at …….

On the …….. day of ……. 2012

DEDICATION

I would like to dedicate this research to my parents, Chris and Linda Ferreira. Without their support, love, guidance and encouragement nothing I have done would have been possible. They have made a number of sacrifices throughout my life to help me get to where I am today, thank you for everything.

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I am sincerely grateful for the guidance and support that was provided throughout the process by lecturers, classmates, friends and family who contributed in a thoughtful and considerate manner. In particular, I acknowledge the contribution made by:

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1 INTRODUCTION

1.1 Purpose of the study

The purpose of this research is to determine the impact of an advertising ban on the promotion and sales of alcohol in South Africa. The ban, proposed to take place in 2012 (Moerdyk, 2011), on alcohol advertising could potentially alter the approach firm's take in the promotion of alcohol in South Africa as well as the sales of alcohol. This study will investigate marketing decisions taken by alcohol firms before the ban and reveal insights as to how alcohol firms marketing decisions may change post the advertising ban.

This study will investigate the role of advertising as well as other promotional elements in the promotion of alcohol in South Africa. This study will also explore the possible impact of the ban on the sales of alcohol in South Africa, according to the strong and weak theories of advertising (Pickton and Broderick, 2005). Based on the findings a set of recommendations will be formulated regarding the promotion of alcohol in South Africa post an advertising ban.

1.2 Context of the study

The South African government has over the past few year's tightened regulation of the alcohol industry in South Africa. Among the issues being discussed is the reduction in hours that alcohol is allowed to be sold and the proposed increase in the legal drinking age from 18 to 21 years of age (Moerdyk, 2011). The latest matter to take the South African alcohol industry by storm is the proposed banning of all forms of alcohol advertising including sponsorships. The alcohol advertising ban will look to ban the advertising of all varieties of alcohol including beer, wine, cider, alcoholic fruit beverages and spirits. The ban is strongly supported by Social Development Minister Bathabile Dlamini as well as the Minister of Health, Aaron Motsoaledi.

According to Motsoaledi the proposed ban on alcohol advertising is inevitable (Moerdyk, 2011).

The reasoning behind the proposed alcohol advertising ban in South Africa is to reduce alcohol consumption and the abuse of alcohol (Moerdyk, 2011). The bulk of the literature examining alcohol advertising and its impact on different groups of consumers is extensive (World Health Organization, 2001). An examination of this literature suggests that there is not enough evidence to prove that there is a relationship between alcohol advertising and the levels of alcohol consumption. An example of this occurrence is evident in the Scandinavian countries, where a ban on alcohol advertising has not resulted in a reduction of alcohol consumption (World Health Organization, 2001). Similarly, in New Zealand a lift on an alcohol advertising ban has not resulted in an increase in the consumption of alcohol (World Health Organization, 2001). The South African government is however adamant the ban on alcohol advertising will go ahead in 2012 (Moerdyk, 2011).

In 2009 the South African alcoholic drinks market was valued at R80 billion. The alcoholic drinks market grew by 1.3% in 2009 to reach a level of 3, 510.8 million litres. The South African alcohol industry is extremely concentrated, with the top three firms, SAB Ltd, Brandhouse Beverages and the Distell Group together controlling around 82% of the total market by volume (DataMonitor, 2010). From this it is clear that the South African alcohol industry plays a significant role in the South African economy.

This study is significant due to the fact that advertising in particular mass media advertising (above the line) plays a major role in the promotion and sales of alcohol. In 2010 roughly 10% (R1,7 billion) of the R17 billion spent on advertising in South Africa was directly attributed to the advertising of alcohol in the mass media (Moerdyk, 2011).

The South African alcohol industry is extremely competitive in nature with firms continuously innovating their marketing strategies to gain a competitive advantage. Marketing of their products plays an integral part of gaining brand equity. Marketing and brand managers continuously make use of the

components of the marketing mix to gain brand awareness, differentiation and customer loyalty. Advertising plays an integral part of the promotional element of the marketing mix and is said to be responsible for communicating brand messages to consumers and persuading consumers to purchase their products (Schuster and Powell, 1987).

Firms producing alcoholic beverage brands use advertising and other promotional elements that are not that dissimilar from any other manufacturers of branded products, in particular fast moving consumer goods (FMCG's). These firms compete to gain a share of the market in an extremely competitive environment (Hastings, Anderson, Cooke and Gordon, 2005). The landscape of alcohol advertising in South Africa could fundamentally be altered by the imminent ban on alcohol advertising. The problem that marketing and brand managers will face post the advertising ban is how to effectively promote and market their brands without the use of above the line advertising.

Information and findings gathered from various experts together with a review of South African and international literature will be used to gain further insight into the issue of promoting alcohol in South Africa without the use of advertising.

1.3 Problem statement

1.3.1 Main problem

This research will identify how the promotional strategies of alcohol firms in South Africa may change in response to an alcohol advertising ban as well as the impact of the ban on the sales of alcohol in South Africa.

1.3.2 Sub-problems

The first sub-problem is to identify and assess the promotional strategies of alcohol firms in response to an advertising ban in South Africa.

The second sub-problem is to explore the impact of an advertising ban on the sales of alcohol in South Africa.

1.4 Significance of the study

This study aims to fill a gap in the South African context of alcohol promotion and sales. Although there exists an array of literature that focuses on the marketing, promotion and sales of tobacco and alcohol, there is a dearth of literature that deals with the promotion of tobacco and alcohol post an advertising ban both internationally as well as in South Africa.

Advertising in the mass media is by far the most significant component of the promotion of alcohol in South Africa, which is evident by it contributing roughly 10% of the entire South African ad spend in 2010 (Moerdyk, 2011). By banning above the line alcohol advertising, marketing and brand managers will no longer have the option of using the mass media to advertise and will be forced to alter their approach when promoting alcohol. Other promotional and marketing elements will need to be used to gain brand awareness and differentiation in order to increase brand equity.

The alcohol industry contributes significantly to the South African economy and alcohol advertising plays a major role in the promotion of alcohol. By banning the advertising of alcohol the role of the alcohol industry in South Africa as well as the dynamics of alcohol marketing may be transformed.

The alcohol advertising ban will impact on the decisions managers make when promoting alcohol. The promotional element of the marketing mix pre and post the alcohol advertising ban will be analysed. The price, product and place elements of the marketing mix will also be analysed where applicable.

This study will provide guidance to South African alcohol firms by researching the issue of an alcohol advertising ban and gaining knowledge that can be used to develop a set of recommendations on how to effectively promote and sell their brands without the use of above the line advertising.

1.5 Delimitations of the study

This study is limited to the analysis of the perceptions and opinions of the marketing, advertising, media and alcohol industry professionals interviewed in the local context.

There was no research undertaken into the views and opinions of alcohol consumers in terms of the promotion of alcohol in South Africa.

This study will mainly focus on the promotional element with respect to the marketing of alcohol in South Africa.

This study excludes any other factors that may impact on the promotion of alcohol in South Africa and only focuses on the impact that the alcohol advertising ban may have on the promotion and sales of alcohol.

The study will not look to investigate or assess the social and economic impact of an alcohol advertising ban in South Africa.

1.6 Definition of terms

Advertising: Is a type of communication used to influence consumers to take action with respect to products or services. Advertising messages are usually paid for by sponsors and viewed via a variety of media; including mass media such as magazines, newspapers, television commercials, outdoor advertising, radio and websites (Clow and Baack, 2007).

Above the line promotion: Is promotion using mass media, in which firms will pay advertising agencies to place an advertisement in order to broadcast to mass audiences (Kurtz, 2010).

Above the line advertising: Is an advertising method used to promote brands through the use mass media. Popular above the line techniques include television, print and radio advertising (Clow and Baack, 2007).

Brand: A brand can be defined as either a: name, sign, term, or symbol, or a combination of them, used to recognise the products or services of sellers and to distinguish them from those of competitors (Kotler and Keller, 2009).

Brand awareness: Is the consumer's ability to identify the brand under different circumstances, as reflected by their brand recognition (Keller, 2003).

Brand differentiation: "is the process of distinguishing a product or offering from others, to make it more attractive to a particular target market. This involves differentiating it from competitors' products" (Sharp, 2001).

Brand equity: Is the added value of a branded product and service compared to unbranded products and services. Branded products and services are able to demand higher prices than that of unbranded products and services (Keller, 2003).

Below the line promotion: Below the line promotion uses media that is predominantly more niche focussed. It gives the marketer the opportunity to tailor their message in a more personal manner to the audience. Below the line promotion refers to forms of non-media advertising, including elements such as: direct marketing, point of sale promotion and sales promotion (Kurtz, 2010).

Direct marketing: Is a form of promotion that allows firms to communicate directly to the customer, with advertising techniques such as mobile messaging, email, interactive consumer websites and promotional letters (Ridner, Myers, Hahn and Ciszewski, 2010).

Fast Moving Consumer Goods (FMCG's)**:** "are products that are sold quickly and at a relatively low cost" (Brierley, 2002: 44).

Integrated Marketing Communications (IMC)**:** Is defined as "customer centric, data driven method of communicating with the customer. IMC is the

coordination and integration of all marketing communication tools, avenues, functions and sources within a company into a seamless program that maximizes the impact on consumers and other end users at a minimal cost" (Clow and Baack, 2007).

Marketing: Is considered to be a functional strategy of the business strategy and is responsible for attracting, informing and satisfying the needs of customers (Slater and Olson, 2001).

Marketing mix: Is the interaction of the elements of a products or services marketing effort, including product features, pricing, packaging, promotion, distribution, and marketing budget. All these elements have an effect on the sales results of products and services (Borden, 1984).

Marketing strategy: can be defined as "a set of integrated decisions and actions by which a business expects to achieve its marketing objectives and meet the value requirement of its customers" (Slater and Olson, 2001: 1060).

Promotion: Concerns all communications that a marketing or brand manager may use to market a product or service. Promotion has five unique elements, namely: sales promotion, sales force, direct marketing, public relations and advertising (Clow and Baack, 2007).

Sales promotion: Is one of the four elements of the promotional mix. Media and non-media marketing communications are employed for a pre determined limited time to increase consumer demand, stimulate market demand. Examples include contests, coupons, freebies, loss leaders, point of sale displays, premiums, prizes and product samples (Bargh, 2002).

Strong theory of advertising: Strong theory views consumers as passive and maintains that advertising can persuade and generate repeat purchase behaviour (Fill, 2005).

Through the line promotion: Is the combination of above the line and a specific type of below the line activity that is direct marketing. The core of through the line promotion is to use mass advertising for forming a customer

database which can then be used for direct marketing activities (Seymour, 2009).

Viral marketing: is a buzzword referring to marketing techniques that use pre-existing social networks to produce increases in brand awareness or to achieve other marketing objectives through self-replicating viral processes (Kaplan and Haenlein, 2011).

Weak theory of advertising: Weak theory of advertising views consumers as active problem solvers, driven by habit to make a purchase (Fill, 2005).

Word-of-mouth advertising: "Is an unpaid form of promotion, oral or written in which satisfied customers tell other people how much they like a business, product, service, or event" (Thomas Jr, 2006).

1.7 Assumptions

The following assumptions have been made concerning the study:

- All respondents will convey marketing and industry information honestly and truthfully. False or incorrect data will have a severely negative impact on the study's findings.

- All the opinions of respondents are a valid source of dependable information on which to construct the produced findings and recommendations.

- All respondents will have extensive experience in marketing or brand management, as well as above and below the line promotional strategies. Respondents will also have an in depth knowledge of the South African alcohol industry as well as the promotion of fast moving consumer goods. Lack of knowledge might negatively affect the study and its validity.

2 LITERATURE REVIEW

2.1 Introduction

This section contains a literature review on the key themes of relevance to the promotion, advertising and sales of fast moving consumer goods, including alcohol and tobacco. Firstly the topic of alcohol marketing and promotion will be defined, followed by a section discussing business strategy, marketing and the marketing mix.

This will give the background required to examine the themes related to the main problem. Firstly literature pertaining to the above the line promotion of alcohol and tobacco will be discussed, followed by literature relating to below the line promotional elements. Literature pertaining to strong and weak advertising will then be reviewed.

Lastly this section will conclude with a brief overview of the learning's that will have been derived from the various literature articles sourced, together with the restating of the research questions.

The purpose of this literature review is to discuss the marketing, promotion and sales of alcohol, both in South Africa as well as internationally. In order to extend the discussion and enrich the review, literature pertaining to the marketing and promotion of tobacco will also be discussed. Alcohol and tobacco industries around the world and in South Africa face the same challenges in the marketing and promotion of their products and both industries are essentially similar in nature.

2.2 The marketing and promotion of alcohol defined

Alcohol advertising is the promotion of alcoholic beverages by alcohol firms through a range of media; including mass media such as magazines, newspapers, television commercials, sponsorships, outdoor advertising, radio and websites (Novak, 2004). Advertising forms one of the elements of

promotion. Other elements include: sales promotion, sales force, direct marketing and public relations. Promotion in turn, makes up one of the components of the marketing mix. Marketing strategies make use of marketing mix decisions, together with other considerations such as competition. Marketing strategies form part of and contribute to the overall strategy of organisations (Webster, 1992).

2.3 Strategy and marketing

2.3.1 Strategy, marketing, marketing mix and IMC

The strategy of a firm consists of the competitive moves and business approaches that a firm takes in order to grow the business, compete successfully, conduct operations, achieve targeted levels of organisational performance, attract customers and satisfy their needs (Thompson, Strickland III and Gamble, 2008). The essence of strategy is in the activities of a firm, choosing to perform activities differently or to perform unique activities in order to gain a competitive advantage (Slater and Olson, 2001).

Marketing is considered to be a functional strategy of the business strategy and is responsible for attracting, informing and satisfying the needs of customers (Slater and Olson, 2001). Marketing strategy can be defined as “a set of integrated decisions and actions by which a business expects to achieve its marketing objectives and meet the value requirement of its customers” (Slater and Olson, 2001: 1060). Marketing is a business activity that supports firms in differentiating themselves from competitors and therefore gaining a competitive advantage. Marketing is an important strategic function of any firm looking to outperform its competitors (Grant, 1996).

Marketing is essentially the communications function of a firm. Marketers use an integrated marketing communications approach to strategically control all messages sent to all stakeholders. This allows the firm to encourage data-driven, purposeful dialogue with them, in order to create profitable, life-long relationships with customers and stakeholders (Dewhirst and Davis, 2005).

There are four key concepts which can be used to explain marketing strategy, they are: the product lifecycle, market share and competition, market positioning and the marketing mix (Robins, 1994). At a corporate level, marketing has a key role to play as promoter for the customer and for a set of values that put the customer first in the firm's decision making processes. At an operating level, marketing mix decisions about products, pricing, promotion, and distribution are used to implement and execute the business strategy (Webster, 1992).

Marketing strategies can be analysed using the four "P's" of marketing: product, promotion, place, and price. The promotional element of the marketing mix includes components such as advertising, direct marketing, sales promotion and public relations (Bowman and McCormick, 1961). Marketers manage the four key elements of the marketing mix to develop a "total marketing" programme to reach target audiences and consumers (Mosher and Johnsson, 2005). The marketing mix framework is used to organise the different activities and responsibilities of marketers and plays an integral part in a firm’s marketing strategy (Robins, 1994).

Marketing mix decisions also play a critical role in determining and building brand equity. Sources of brand equity include: advertising, sales force and marketing research expenditures, age of the brand, advertising share, order of entry, and product portfolio. Other marketing activities such as the use of public relations, slogans, logos, company image, promotional events and brand-naming strategy, are also used (Yoo, Donthu and Lee, 2000). Firms look to use a combination of these sources to grow brand awareness and gain brand equity.

Integrated Marketing Communications (IMC) is defined as customer centric, data driven methods of communicating with the customer. IMC is the coordination and integration of all marketing communication tools, avenues, functions and sources within a company into a seamless program that maximises the impact on consumers and other end users at a minimal cost (Clow and Baack, 2007).This management concept is designed to make all aspects of marketing communication such as advertising, sales promotion,

public relations, and direct marketing work together as a unified force, rather than allowing each to work in isolation (Clow and Baack, 2007).

Marketing was once seen as one way, with firms broadcasting their offerings and value proposition. Now it is seen more and more as a conversation between marketers and customers (Clow and Baack, 2007). Marketing efforts incorporate the "marketing mix". Promotion is one element of marketing mix. Promotional activities include advertising, sales promotion, and personal selling activities. It also includes Internet marketing, sponsorship marketing, direct marketing, database marketing and public relations. Integration of all these promotional tools, along with other components of the marketing mix, is a way to gain an edge over a competitor. The starting point of the IMC process is the marketing mix that includes different types of marketing, advertising, and sales efforts. Without a complete IMC plan there is no integration or harmony between client and customers. The goal of an organisation is to create and maintain communication throughout its own employees and throughout its customers (Clow and Baack, 2007).

2.3.2 The marketing of alcohol and tobacco

Alcohol and tobacco producing firms use elements of the marketing mix that are not that different from any other manufacturer of fast moving consumer goods. Alcohol and tobacco firms use innovative marketing strategies to compete in an extremely competitive environment (Hastings et al., 2005). Marketing of their products plays an integral part in gaining brand equity. Components of the marketing mix are used to gain brand awareness and customer loyalty. Advertising in particular plays a critical part in the promotional element of the marketing mix and is responsible for persuading consumers to purchase their brands (Schuster and Powell, 1987).

The current trend worldwide, in the alcohol market sees a lack of volume growth opportunities, this is leading to a trend of increased marketing and advertising spending as alcohol firms try to differentiate their brands in a highly saturated market (Novak, 2004). Not only is the market saturated, but the marketing media is chaotic. In order to be prominent in a chaotic industry,

alcohol firms continue to develop creative ideas that generate interest around their brands. More and more alcohol firms are experimenting with their marketing strategies in order to compete (Novak, 2004).

In recent years, marketing mix decisions used in the marketing of alcohol has significantly increased in complexity, innovation and diversification over a range of media and new technologies. The goal of an alcohol marketer is to make an alcohol brand itself an experience or lifestyle. Major alcohol producers both in South Africa and around the world, have enormous resources and are able to launch sophisticated marketing campaigns, targeting a wide variety of consumers (Casswell and Maxwell, 2005).

Alcohol and tobacco firms around the world use a mixture of media and marketing approaches now involved in the modern marketing mix, to market and promote their products in order to gain market share and ultimately increase profitability (Casswell and Maxwell, 2005).

2.4 Promotion

Promotion is one of the four elements of the marketing mix and is concerned with all communications that a marketer may use to market a product or service. Promotion has five unique elements, namely: sales promotion, sales force, direct marketing, public relations and advertising. The purpose of promotion is to influence, inform and or persuade potential buyers purchasing decision (Clow and Baack, 2007).

The promotion element of total marketing involves the marketing message and its placement in the media. "Measured media" includes television, radio, print, and outdoor advertising. "Unmeasured media" refers to non-traditional forms of media such as the internet, product placement (e.g., in movies) and sponsorship of sporting events and concerts (Mosher and Johnsson, 2005).

According to Slater and Olson (2001) the two dominant forms of promotion are advertising and direct marketing. Advertising is particularly appropriate for creating awareness and interest and for reaching a broad market. Direct

marketing is particularly appropriate when customers require more in-depth information about a product or service.

Firms invest great amounts of resources on promotion in order to improve a brand's image and awareness, present information to consumers, increase demand and to differentiate their product. Naik, Raman and Winer (2005) believe this situation exists because promotion is necessary to compete successfully in dynamic and highly competitive markets.

Worldwide alcohol and tobacco are two of the most heavily promoted product categories. In the United States for example, annual advertising and promotion costs are estimated at $3.6 billion for the tobacco industry and $2.0 billion for the alcohol industry. Both the tobacco and alcohol industries used to rely heavily on billboard advertising, images in print, television commercials and point of sale campaigns, to promote their products (American Public Health Association Governing Council, 1993).

For the purposes of this research it is extremely important to differentiate between the two forms of promotion. There are three types of promotion, namely: above the line, through the line and below the line promotion. This distinction is essential as an above the line advertising ban will impact on one form of promotion significantly more than the other.

2.5 Above the line promotion

Above the line promotion is promotion using mass media (e.g. television, radio, billboards, newspapers, magazines and the internet) in which firms will pay advertising agencies to place an advertisement in order to broadcast to mass audiences (Kurtz, 2010). The two foremost forms of above the line promotion are advertising and sponsorship.

2.5.1 Advertising

Clow and Baack (2007), define advertising as a type of communication used to influence consumers to take action with respect to products or services.

Advertising messages are usually paid for by sponsors and viewed via a variety of media; including mass media. Advertising is one of the most significant decisions a marketer makes, and media purchasing is the largest element of advertising spending (Iyer, Soberman and Villas-Boas, 2005).

Advertising is one element in the total marketing programme of a firm. But it is, if used correctly together with other marketing elements one of the most powerful tools in persuading consumers to purchase a product or service (Borden, 1984). This is one of the main reasons for its popularity in marketing campaigns. According to Borden (1984), advertising researchers in the United States found advertising to be one of the main contributors in generating brand equity.

Jacobson (1994) also found a positive relationship between advertising and perceived quality. Hence, advertising spending is positively related to perceived quality, which leads to higher brand equity. Advertising plays a vital role in increasing brand awareness as well as creating strong brand associations. Repetitive advertising campaigns increase the probability that a brand will be included in the consideration set, which simplifies the consumer's brand choice, making it a habit to choose the brand. Therefore, a greater amount of advertising is related positively to brand awareness and associations, which leads to greater brand equity. Advertising can also be positively related to brand loyalty because it reinforces brand-related associations and attitudes toward the brand (Yoo et al., 2000).

As consumers are exposed to a brand's advertising more frequently, they develop not only higher brand awareness and associations but also a more positive perception of brand quality, which leads to strong brand equity (Yoo et al., 2000). According to Yoo et al (2000), one of the major reasons for a decrease in consumer loyalty is the decrease in advertising spending, by reinforcing the consumer's brand-related beliefs and attitudes advertising contributes to strong brand loyalty. The image of a brand is complicated, as it is based on multiple experiences and therefore takes a long time to develop. Advertising is a common way to develop and manage that image. Marketers

invest heavily in advertising, as it is the most effective means of building brand equity (Yoo et al., 2000).

2.5.2 Advertising of alcohol and tobacco

Alcohol advertising is the promotion of alcoholic beverages by alcohol producers through a variety of media. The most popular forms of media include, television, radio, sponsorships, magazines and billboards. Along with tobacco advertising, alcohol advertising is one of the most regulated forms of marketing. Alcohol advertising campaigns attempt to increase consumption by growing brand and customer loyalty (O'Brian and Kypri, 2008).

Alcoholic drinks are among the most heavily advertised products both in South Africa as well as the rest of the world. Advertising is an important tool in creating brand differentiation between these homogenous products. Alcohol advertisers use effective advertising techniques to reach their target markets. Over the years the evidence suggesting brands can generate higher market share through advertising has increased (Heimonen and Uusitalo, 2009).

One of the most popular advertising tactics used by alcohol firms is cross-promotion with the sports and entertainment industries. This includes joint promotional campaigns between film studios and alcohol brands or between alcohol firms and music concerts. This technique is another way for alcohol firms to realise synergies in marketing and promotion, as there exists the potential to reach a broader audience than could be reached through a simple television commercial or magazine advertisement (Novak, 2004).

Tobacco and alcohol firms are increasingly using sponsorships to advertise their products. Both industries broadly promote their products through the sponsorship of sporting events and music concerts that have particular appeal to different market segments. Many alcohol and tobacco firms sponsor sporting events and buy billboard space in stadiums, providing television coverage during events for specific brands (American Public Health Association Governing Council, 1993).



Figure 1 – Magazine advertisement, promoting the Jack Daniels Whiskey brand (Jack Daniels, 2012).

2.5.3 Alcohol and tobacco sponsorship

Alcohol firms are increasingly using sponsorship as an important component of their marketing mix. While most of the sponsorships are in the name of the parent company, several are brand name sponsorships which allow firms to promote awareness of specific brands and to enhance the association of the brand with a particular image (Rosenberg and Siegel, 2001).

According to Novak (2004), a current trend in the worldwide alcohol industry is a link between promotion and sponsorship. Alcohol firms are attempting to make the most of the synergy that exists in this area as they move deeper into the global arena to achieve a greater return on their marketing expenditures. The term synergies denotes, “opportunities for collaboration in which the result that can be achieved is greater than the sum of the individual efforts” (Novak, 2004). An example is the positive spill over of media exposure that results when a brand becomes the official sponsor of an international sporting event, especially one with wide television coverage. In effect, this amounts to a cost-effective marketing campaign for the sponsoring company, assuming the outcome is consistent with the overall brand identity. Another factor contributing to the drive for synergies is the seasonality of this industry.

Alcohol firms prepare for the summer beverage-selling season by seeking sponsorship deals, which act as promotional vehicles for new launches and summer products. Sponsorship agreements with internationally recognised sporting events help to enable a brand to stand out from its competitors (Novak, 2004).

Sponsorship of sports events and teams by alcohol producers is particularly evident in South Africa. Alcohol firms invest large amounts of capital in sponsoring South Africa's national cricket, football and rugby teams, as well as sporting events (Moerdyk, 2011). By sponsoring such well known teams and events, alcohol firms increase their brand awareness and consumer loyalty.

According to Casswell and Maxwell (2005), internationally, the sponsoring of key sport and music events by alcohol firms is also common practice. Sponsorship offers the advantages of ready targeting of a particular market and enabling exposure beyond the restrictions sometimes placed on more direct advertising. Sponsor credits on television programmes and televised events repeated through a night's viewing are a powerful means of promotion. Investment in sports sponsorship, including naming rights of events and teams and billboard placement is valuable for the alcohol industry in recruiting future drinkers and retaining current ones (Casswell and Maxwell, 2005).



Figure 2 – The sponsoring of a celebrity golf tournament by the Castle Lite beer brand (Castle Lite, 2012).

2.6 Below the line promotion

Below the line promotion uses media that is predominantly more niche focussed. It gives the marketer the opportunity to tailor their message in a more personal manner to the audience. Below the line promotion refers to forms of non-media advertising, including elements such as: direct marketing, point of sale promotion and sales promotion (Kurtz, 2010).

2.6.1 Direct marketing

Direct marketing is a form of promotion that allows firms to communicate directly to the customer, with advertising techniques such as mobile messaging, email, interactive consumer websites and promotional letters. Direct marketing strategies are represented by strategies that involve high engagement and are addressed straight to the customer. One of the most popular direct marketing channels is personal selling. Personal selling is “the selling of products by face-to-face contact with the customer” (Ridner et al., 2010).

Christoper (1996) suggests that in the United States, with the decline of the mass market and the consequent fragmentation of markets into smaller segments, conventional media-based advertising, particularly television, is costing more and more to deliver the required ratings. This is causing a rethink in many organisations as to how they alter their marketing strategies. It is reported that some firms plan to redirect most of there marketing efforts from television and apply it instead to direct marketing (Christopher, 1996).

2.6.2 Direct marketing of alcohol

The alcohol industry both in South Africa as well as other markets around the world, relies heavily on the use of labelling and packaging as a direct marketing tool in the promotion and differentiation of its products. One of the

obstacles facing marketers is that while standout is vital they are all starting with the same structure, a simple bottle or can. Since it is not possible to have a vastly different pack, companies differentiate themselves with creative labels or packaging, marketers in the alcohol industry aim to create synergies among label designs, packaging and advertising, such that the overall brand image more quickly achieves wide recognition (Novak, 2004).

In recent years packaging has developed well beyond its original function as merely a means of product protection and now plays a key marketing role in developing on shelf appeal, providing product information and establishing brand image and awareness. As packaging's role in the marketing mix gains momentum, so research into this arena becomes increasingly important (Ampuero and Vila, 2006).

Some argue that that packaging serves as a promotional tool rather than merely an extension of the product. (Ampuero and Vila, 2006) considers packaging to be an attribute that is not related to the product. For him it is one of the five elements of the brand together with the name, the logo and/or graphic symbol, the personality and the slogans. Packaging is crucial, given that it is the first thing that the public sees before making the final decision to buy. The packaging and labels can be used by marketers to encourage potential buyers to purchase the product (Ampuero and Vila, 2006).

An innovative pack design can help to set a brand apart from its competitors. The marketing world is full of examples of brands that have used packaging to carve a unique position in the marketplace. Pringles potato chips cylinder and Absolut vodka bottle are widely cited examples (Ampuero and Vila, 2006). As the market becomes more competitive and shelf space is at a premium, products need to be able to stand out from the crowd and packaging needs to provide more than just functional benefits and information. Under time pressure and in low involvement purchases, less time is spent looking at the detail and information provided on packaging this is especially true in the fast moving consumer goods category (Ampuero and Vila, 2006).

According to Novak (2004), approximately 60 percent of people in bars and pubs in Canada, have not decided what drink they want until after they get there. This is an enormous opportunity for brands to reach their target markets directly at the retail level with eye-catching labels that resonate with consumers. Product labels are the final point of brand contact between the company and its customers before the purchase is made. Thus, a brand's name and how it is shown on the label can be an effective way of generating sales (Novak, 2004).

Brand awareness is critical for alcohol firms and developing a strong brand is especially vital for new brands. Labelling and packaging is a popular direct marketing tool because of it's flexibility. A label can be changed regularly allowing the brand to adapt its appearance more easily to changing styles and trends. Unique label designs can help encourage selection of one product over another at the retail level. Finally, if a particular brand is experiencing declining sales, an alcohol firm can easily reposition it by altering the image and hence, reinventing a product to reach a new market (Novak, 2004).

Marketing in conventional media remains significant, with increasing expenditure on alcohol advertising in countries not subject to restrictions. The trend, however, is for traditional media to give way to new approaches. Major alcohol firms have spared no expense on their websites, creating an engaging environment to capture audiences. Alcohol firms are increasingly using digital marketing as a medium to attract consumers (Casswell and Maxwell, 2005).



Figure 3 – Absolut Vodka is an example of a brand that has used packaging to carve a unique position in the marketplace (Absolut Vodka, 2012).

2.6.3 Viral marketing

Viral marketing and advertising are buzzwords referring to marketing techniques that use pre-existing social networks to increase brand awareness or to achieve other marketing objectives through self-replicating viral processes. It can be delivered by word of mouth or enhanced by the network effects of the internet. Viral marketing may take the form of video clips, interactive flash games, brandable software, images or text messages (Kaplan and Haenlein, 2011). The internet makes it possible for a marketing campaign to go viral extremely fast. However, the internet and in particular, social media does not make a brand viral, they just enable people to tell each other people faster. The internet can literally make a brand famous overnight (Kaplan and Haenlein, 2011).

Two thirds of the world's internet population now visit a social network or blog site weekly (Schroeber, 2010). 220 million people visit the top twenty five social networks each month (Schroeber, 2010). Facebook now has over 500

million active users (Schroeber, 2010). Time spent visiting social media sites now exceeds time spent emailing (Morrissey, 2011). 52% of people who find news online forward it on through social networks, email, or posts (Morrissey, 2011). 59% of adults polled state that they use their cell phone to remain connected with their social network (Morrissey, 2011), all of this highlighting the potential which viral marketing holds.



Figure 4 – Savanna Dry viral campaign (Savanna Dry, 2012).

2.6.4 Word-of-mouth advertising

According to (Thomas Jr, 2006), “Word-of-mouth advertising is an unpaid form of below the line promotion, oral or written in which satisfied customers tell other people how much they like a business, product, service, or event”. Word-of-mouth is one of the most credible forms of advertising because people who don't stand to gain personally by promoting something put their reputations on the line every time they make a recommendation (Thomas Jr, 2006).

Marketing buzz or simply "buzz" is a term used in word-of-mouth marketing and is the interaction of consumers and users of a product or service which serves to amplify the original marketing message. Buzz can also be described

as a form of hype among consumers, a vague but positive association, excitement, or anticipation about a product or service. Positive "buzz" is often a goal of viral marketing, public relations and of advertising on web media. The term refers both to the execution of the marketing technique, and the resulting goodwill that is created. A classic examples of a product with strong word-of-mouth advertising is the Guinness stout brand (Thomas Jr, 2006).



Figure 5 – When Guinness first launched, the brand made effective use of word-of-mouth advertising (Guinness, 2012).

2.6.5 Sales promotion

Sales promotion is one of the four elements of the promotional mix. Media and non-media marketing communications are employed for a pre determined limited time to increase consumer demand, stimulate market demand. Examples include contests, coupons, freebies, loss leaders, point of sale displays, premiums, prizes and product samples (Bargh, 2002).

Sales promotions can be directed at the customer, sales staff, or distribution channel members (such as retailers). Sales promotions targeted at the consumer are called consumer sales promotions and are an integral part of

the marketing mix. Sales promotions targeted at retailers and wholesale are called trade sales promotions. Sales promotion includes several communications activities that attempt to provide added value or incentives to consumers, wholesalers, retailers, or other organisational customers to stimulate immediate sales and encourage brand switching (Bargh, 2002).

Non-price promotions such as sweepstakes, frequent user clubs and premiums add excitement and value to brands and may encourage brand loyalty. In addition, consumers like promotions. They provide practical benefits such as monetary savings, added value, increased quality, and convenience, as well as other benefits such as entertainment, exploration, and self expression (Bargh, 2002).

However, according to Bargh (2002), frequent temporary price promotions may also lower the brand's expected price and lead consumers to defer purchases of the brand when it is offered at the regular price. Promotions have increased in popularity during the past few decades. The positive short-term impact of price promotions on brand sales is well documented. A price promotion typically reduces the price for a given quantity or increases the quantity available at the same price, thereby enhancing value and creating an economic incentive to purchase. However, if consumers associate promotions with inferior brand quality, then, to the extent that quality is important, a price promotion might not achieve the extent of sales increase the economic incentive otherwise might have produced (Bargh, 2002).

2.6.6 Sales promotion of alcohol and tobacco

Sales promotion in the alcohol and tobacco industries is used to create a temporary stimulus in the sales of a brand by making consumers a special offer. This promotional stimulus is part of the marketing offer made up of factors such as product features and benefits, price, availability, customer service and quality. Consumers are expected to act on this offer, which, in turn, has an immediate effect on the sales rate of a firm (Cummins, 1998).

Point of sale marketing is a common sales promotion technique, which attracts retail shoppers at the point of a sale. Point of sale displays come in many forms and are often eye-catching and engaging. Point of sale displays include specific shelf signage, coupon dispensers and banners. According to Novak (2004), digital signage emerged in the late 2000's and has replaced many traditional print display tactics. Free samples often accompany point of sale displays. Point of sale marketing generates new product awareness, trial and ultimately purchase (Novak, 2004).

Alcohol and tobacco firms across the world are increasingly making more use of point of sale promotion. An example of this is in the United States where point of sale advertising has become increasingly important in the tobacco industry after a ban on billboard advertising was put into place in 1998 (Wakefield, Terry-McElrath, Chaloupka, Barker, Slater, Clark et al., 2002)

In the alcohol industry, developments at point of sale include novel modes of delivery of products such as shooters and shots as well as brand advertising on large plasma screens (Casswell and Maxwell, 2005).

Another increasingly common promotional strategy is the provision of utilitarian objects with sales of cigarettes and alcohol. These include: sunglasses, tshirts, stereo headphones, compact discs, towels, caps, and many other items. These promotions are given away with the purchase of cigarettes and alcohol. These objects are often directly tied to the brand image being promoted (American Public Health Association Governing Council, 1993).



Figure 6 – An example of an eye-catching point of sale promotion Castle Lite display (Castle Lite, 2012).

2.7 Through the line promotion

Through the line promotion is the combination of above the line and a specific type of below the line activity that is direct marketing. The essence of through the line promotion is to use mass advertising for forming a customer database which can then be used for direct marketing activities. The through the line approach allows brands to engage with a customer at multiple points. This enables an integrated communications approach where consistent messaging across multiple media creates a customer perception (Seymour, 2009).

More recently, in the past five or six years, agencies and clients have switched to an "Integrated Communication Approach" or through the line approach. This switch in the through the line approach has shifted its emphasis more towards below the line activities (Seymour, 2009).

2.8 Product life-cycle marketing

Product life-cycle management (or PLCM) is the succession of strategies used by business management as a product goes through its life-cycle. The conditions in which a product is sold (marketed), changes over time and must be managed as it moves through its succession of stages (Day, 1981).

The four main stages of a product's life cycle and the accompanying characteristics are: the market introduction stage, in which customers have to be prompted to try a product, the growth stage, in which brand awareness is increased, the mature stage, in which brand differentiation is emphasised in order to maintain or increase market share and the saturation stage, where business has to find new and innovative ways to keep their product relevant. PLCM plays a critical part in the marketing of fast moving consumer goods, including alcohol (Day, 1981).

2.8.1 Research question 1

Without the use of above the line promotion like advertising and sponsorship, how will the promotional strategies of alcohol firms in South Africa change?

2.9 Strong and weak theories of advertising

2.9.1 Strong theories of advertising

Advertising is an important part of many marketers promotional mixes as it has the ability to affect the degrees of change in the attitudes, knowledge, beliefs and behaviours of the audiences which they target (Fill, 2005). The strong theory of advertising suggests that advertising can persuade someone to buy a product that they have never bought before and it can accomplish repeated long term buying behaviour (Fill, 2005). This theory also suggests that advertising is capable of increasing sales at the brand and class levels and has a direct and positive impact on sales (Fill, 2005), some sophisticated sales analysis prove this idea (Pickton and Broderick, 2005). Similarly

according to Belch and Belch (2001) advertising can be used to create brand images and symbols for a company or brand.

The best example to illustrate the strong theory of advertising is that of Absolut vodka (Belch and Belch, 2001). Since the 1980s Absolut has been using creative advertising to differentiate themselves from other brands. The Absolut brand has been positioned as a fashionable and sophisticated drink by using the distinctive shape of the bottle in advertisements (Belch and Belch, 2001). For advertisements, Absolut prefer to use print media and as a result of this the campaign has become one of the most successful and recognisable campaigns in history. The advertisements have made the Absolut brand synonymous with vodka. Since the 1980s advertisement campaigns began, Absolut sales have increased 10 fold and have gathered 70 percent market share (Belch and Belch, 2001), this is a prime example of advertising creating a brand image and increasing sales. According to Pickton and Broderick (2005) advertising is a strong promotional element which persuades people to buy products, creates and builds brands, differentiates between brands and increases sales.

2.9.2 Weak theories of advertising

Because they believe there is no causal link between advertising and aggregate consumption, opponents of advertising restrictions argue these would have little effect. They claim that advertising changes brand preferences within mature markets and does little to generate primary demand for a product category (Ambler, 1996). Put simply, advertising persuades consumers to buy one brand rather than another, thereby increasing that brand's market share, but does not increase overall consumption of a product category. The advertising industry continues to argue that advertising does not affect overall market size. The view of advertising as a reinforcer rather than as a cause of behaviour aligns strongly with operant conditioning and a more weak theory of advertising (Ambler, 1996)

The most notable writer who argues for the weak theory of advertising is Ehrenberg who believes that a consumer's pattern of brand purchases is driven more by habit than by exposure to promotional messages (Fill, 2005). Ehrenberg suggested a framework called the awareness-trial-reinforcement (ATR) framework. According to Ehrenberg advertising just provides more power to consumer's habits and makes them choose and buy a certain brand over other brands already existing in their minds (Fill, 2005).

The other framework to use the weak theory of advertising is the hierarchy of effects model (Pickton and Broderick, 2005). The most quoted hierarchy of effects model is AIDA. The AIDA model's principal is to move people from levels of unawareness to awareness and by this to develop interest and desire and then make them to start action to buy a product (Pickton and Broderick, 2005). Advertising's role therefore is to make the market aware and provide sufficient messages to make people desire to purchase. But the argument is that people don't initiate their purchase decision through these steps and as a result of this advertising does not work by the hierarchy process. In addition to this there is the view that most advertising is used by already well known brands so there can't be any need for providing awareness for the already famous brands (Pickton and Broderick, 2005).

As a result of this the weak theory of advertising makes two points: generally people don't go and buy products after seeing the advertisement and secondly as competing brands also advertise, if people were to be persuaded, they would have stores of different brands of the same product (Pickton and Broderick, 2005). Another important point according to Ehrenberg after conducting fifty studies on product categories it was found that the purchase behaviour of consumers is mostly habitual and it can change weekly. But if advertising was a strong force this would not be the case (Pickton and Broderick, 2005).

However there are still some queries about advertising effectiveness on target audiences. It is still unknown if advertising persuades the audience to think and feel the same way about the product, service or organisation. In addition to this the effect of advertising on sales can't be effectively measured (Pickton

and Broderick, 2005). Furthermore advertising is not as reliable as other promotional tools such as public relations when it comes to receiving messages (Pickton and Broderick, 2005).

Conversely there are still positive effects from advertising, some popular advertising campaigns attract consumers attention and can help generate sales. Advertising can also help develop brand awareness and a positive image for a product or service (Belch and Belch, 2001).

In conclusion the impact of advertising on sales can be hard to measure. Advertising has the power to create awareness, inform, and persuade. It is a communication tool of enormous complexity, however. Much advertising does not have its intended effect. The reasons for this failure lie in the variety and complexity of the effects of advertising. Like all successful communication, effective advertising is guided by a thorough understanding of its intended audience and how that audience will receive the intended message (Fill, 2005).

2.9.3 Impact of advertising on alcohol sales

Two divergent views are held regarding the effects of advertising on alcohol sales. Social learning theories contend that advertising creates positive images of alcohol consumption and thus increases the demand for alcohol (Nelson and Young, 2001). Advertising may also increase competition and reduce prices. Thus, advertising bans are predicted to lower alcohol consumption. On the other hand, advertising may primarily affect brand and beverage shares, with little or no effect on total sales. Indeed, advertising may increase product differentiation and/or signal product quality, resulting in higher equilibrium prices and lower sales (Nelson and Young, 2001). If this is the case, advertising bans could increase sales. Finally, existing bans on broadcast advertising may be ineffective simply because it is easy for advertisers to substitute toward other non-banned media such as magazines and newspapers (Nelson and Young, 2001).

(Motta, 1997) developed a general theoretical model of an advertising ban under monopoly and oligopoly conditions, where advertising can be either informative or persuasive. His basic point is that an advertising ban could either increase or decrease total sales because advertising affects both the level of demand for given prices, and the level of prices that sellers find optimal, which in turn affects quantity demanded. Partial advertising bans, such as the broadcast bans examined here, may have little or no effect on total advertising and product demand if producers can easily substitute toward non-banned media or employ other marketing methods. Further, a ban of one media can stimulate innovations within the set of non-banned media. For example, (Harrison and Godfrey, 1989) discuss the difficulty of alcohol advertising controls in Europe given new media such as broadband cable, videotex, and satellite television.

A number of studies for the U.S. and Canada examine state-level partial bans of advertising. (Hoadley, 1984), (Ornstein and Hanssens, 1985) used state panel data to examine the effects of bans of billboard advertising of distilled spirits. In all cases, sales of distilled spirits are higher in those states that ban billboard advertising. Nelson and Young (2001) also test for substitution among beverages, and find that total consumption of alcohol was increased in states with bans prior to 1989, and unaffected thereafter. (Smart and Cutler, 1976) studied the effects of a one-year ban of radio, television, and outdoor advertising of alcoholic beverages in British Columbia. Using annual and monthly Ontario sales as a control, they concluded that the British Columbia ban had no effect on the sales of beer, wine or spirits.

There have also been a number of empirical studies on the effects of tobacco and alcohol advertising. The bulk of these studies indicate that advertising does not increase tobacco and alcohol sales (Saffer and Dave, 2002). The advertising response function explains the relationship between sales and advertising. A brand-level advertising response function shows that the sales of a specific brand increases at a decreasing rate as advertising of that brand increases (Saffer and Dave, 2002). That is, the response function illustrates a

diminishing marginal product of advertising. Ultimately, sales is completely unresponsive to additional advertising (Saffer and Dave, 2002).

The oligopolistic nature of the tobacco and alcohol industries around the world, results in competition for market share with advertising (and other marketing) rather than with price. Indeed, price competition may set off a price war in which all firms will lose revenue. Alternatively, the "share of voice", that is, the percent of industry-level advertising undertaken by one firm, is directly proportional to the share of market. The advertising-to-sales ratios for tobacco and alcohol companies are about 6 to 9 percent while the average American firm has an advertising-to-sales ratio closer to 3 percent (Saffer and Dave, 2002).

The one other common type of research on advertising is the study of advertising bans. The effect of a ban on the use of one or more media is substitution into the remaining non-banned media and into other marketing techniques. This does not necessarily reduce advertising expenditures. Bans can, however, lower the average product of a given advertising budget. Advertising and other marketing expenditures may increase to compensate for the loss of sales attributable to the downward shift of the response function. If the bans are comprehensive enough, they may reduce sales. The empirical work finds some evidence that bans do reduce sales. The results indicate that an increase of one ban could initially reduce alcohol sales by 5 to 8 percent, but the sales seem to recover in the long run (Saffer and Dave, 2002).

2.9.4 Research question 2

How will the sales of alcohol in South Africa be affected by a ban on above the line alcohol promotion?

2.10 Conclusion of literature review

The literature review firstly reveals that marketing is an integral part of business strategy. It also reveals that one of the most important elements of

the marketing mix is the promotional element. Promotion is used by marketers to communicate their messages about their brands to consumers. There are three main types of promotion, namely: above the line, through the line and below the line promotion.

Alcohol and tobacco firms both in South Africa and around the world use a combination of the three forms of promotion to promote and sell their brands. The literature reveals that advertising and sponsorship are by far the most predominant forms of above the line promotion.

Lastly the literature also gives insight into two very different theories pertaining to advertising, namely the strong and weak theories of advertising. There are arguments both for and against each theory and how they affect the sales of products including alcohol.

The proposed alcohol advertising ban in South Africa will look to ban above the line promotion of alcohol, including all forms of mass media advertising as well as all forms of above the line sponsorships by alcohol firms.

Unfortunately, from an academic point of view there does not exist a great deal of literature concerning the promotion and sales of alcohol without the use of advertising and sponsorships in South Africa. This will therefore form a basis of investigation for the study.

2.10.1 Research question 1:

Without the use of above the line promotion like advertising and sponsorship, how will the promotional strategies of alcohol firms in South Africa change?

2.10.2 Research question 2:

How will the sales of alcohol in South Africa be affected by a ban on above the line alcohol promotion?

3 RESEARCH METHODOLOGY

This section outlines the methodology that was used to carry out this research. The literature around qualitative research will be discussed, followed by a review of the research design and the research instrument that was used. Issues of data collection and analysis in relation to the study will be provided, followed by a discussion on the limitations as well as the validity and reliability of this study.

3.1 Research methodology

This study used a qualitative methodology in order to generate the necessary data to answer the research questions and to make the necessary deductions and recommendations. The reason for the use of a qualitative methodology was that the study was mainly exploratory in nature. There were no definite “yes” or “no” answers and it would have been difficult to measure the responses on some sort of scale. Interviewees provided information that was mainly subjective in nature and the use of a quantitative, interpretive study was not practical in this regard (Merriam, 1998).

Exploratory studies can be described as being particularly helpful when researchers are not sure of the problems they will encounter during the study (Cooper and Schindler, 1998). This was particularly relevant to this study. The literature review has looked at some of the different methods adopted by marketers in the promotion of fast moving consumer goods, but this does not necessarily mean that this study would produce the same responses. There was also the possibility that the process of investigating the topic within the South African context would reveal new factors and at the same time, eliminate irrelevant ones. By extrapolation, the qualitative methodology was suitable owing to the subjective nature of the responses from the participants.

Qualitative methodology was the most feasible option in this case as it yields the richest information for interpretation. Respondents were encouraged to discuss their thinking and perspectives freely, without interference. This allowed for the assumption of honesty throughout the entire process.

The method of data collection took the form of in-depth informal interviews, relying on open-ended questions to allow the respondents the opportunity to discuss their views freely, with the interviewer serving as a guide to the process so as to extract the relevant information. The interviewer also ensured that the environment in which the interviews were conducted were as unrestricted as possible (Cooper and Schindler, 1998).

In order to ensure that the framework for the research supports the study and its findings, it was also suggested that an informal pilot study be conducted (Cooper and Schindler, 1998). This would have allowed the interviewer to identify any potential flaws in the study, thus allowing for changes to be made prior to the start of the actual study.

The results of the pilot study were not to be included in the research. The purpose was to merely be a practical one, with the interviewer being afforded the opportunity to test the research instrument, the questions to be asked and the length of time needed to extract the required information. The interviewer would have been able to practice interview techniques on the pilot interviewee, with feedback being provided to the interviewer.

However, the limited number of available and willing respondents for the study, as well as time constraints, meant that the pilot study had to be sacrificed so as to enable the interviewer to use the findings from all the research interviews.

3.2 Research design

The research design was in the form of an exploratory study. This format would yield the most appropriate results owing to the topic.

The benefits of this type of design was that the respondents were allowed more freedom to discuss their thoughts on the topic at hand, without being limited to “yes” or “no” answers. This further encouraged honest discussions, as the respondents did not feel forced to respond in a particular manner.

Weaknesses that can be related with this type of design are the possible influence of the interviewer on the respondents' responses, the subjectivity that can influence the interpretation of the responses and the lack of availability of time. This was addressed by only approaching the key marketing decision-makers in alcohol organisations. However, this proved to be exceptionally difficult as the targeted respondents did not always necessarily have the time available to participate in an interview. The method to alleviate this problem was to interview respondents involved in both the advertising and marketing industry in South Africa, together with respondents involved in the alcohol industry. Respondents who did not have sufficient time to give face-to-face interviews, participated via email response, with the option of further telephonic discussion if necessary.

Another weakness was that owing to the nature of the South African alcohol industry, many alcohol marketing experts and alcohol industry professionals are based in Cape Town. The method to alleviate this problem was the allowance of these respondents to participate via a telephonic interview.

3.3 Population and sample

3.3.1 Population

The population consisted of all senior managers from the South African alcohol industry, as well as other high level personnel involved in the industry. Representatives from advertising and media agencies who work with alcohol firms, together with independent experts, also formed part of the population.

3.3.2 Sample and sampling method

The respondents from the alcohol firms were selected due to their direct involvement in the development of marketing strategies, with respect to the particular brands they manage. The respondents from the advertising and media agencies were selected due to their experience in designing marketing campaigns for the alcohol industry. All the respondents were selected due to

the impact the alcohol advertising ban may directly have on the industries in which they are involved (It should be noted that individuals from the tobacco firms in South Africa were approached to give their views and opinions on the topic, however all the individuals who were approached declined to be interviewed).

After identifying the appropriate respondents for the sample, the candidates were contacted both telephonically and through email communication. Email was used to explain the reasons for the study and the relevance of the recipient's participation. Identified candidates who were unavailable during the interview period, were replaced by suitable candidates. The study yielded a sample size of twenty five respondents. The names, organisation worked for and designation of the respondents can be seen in table 1.

Table1: List of respondents

Respondent	Organisation	Designation
Kelvin Alex	RGBC	Regional Sales Manager
Darren Bartley	DGB	Director
Tony Derry	SabMiller	Sales Manager
Adrian Botha	Association for Responsible Alcohol use	Director
Mornay Coetzee	Libra Productions	Managing Director
Kevin Collins	Saatchi & Saatchi	Head of Strategic Planning
Dominique Cuzen	Saatchi & Saatchi	Copywriter
Jasslyn Foster	eBucks	Marketing Manager
Jonathan Gratch	Blue Avenue Partners	General Manager
Andrew Gunn	Iona Wine Estate	Owner
Penny Haw	Self-employed	Freelance Journalist
Pravina Jagessar	SabMiller	Trade Marketer
Emile Joubert	MediaVision Communications	Managing Director
Francis Krone	South African Sommeliers Association	Board Member
Kaya Mapukata	Pernod-Ricard	Jameson Brand Ambassador
Tsepo Matsepe	Kena Media	Senior Media Manager
Gerian Miller	BankservAfrica	Communications Co-ordinator
Chris Milne	S&BF Wineries	Gauteng Regional Manager
Chris Moerdyk	Bizcommunity	Marketing Analyst & Advisor
Vusi Nhlapo	Top TV	Head of Marketing
Beth Oliver	Brandhouse	National Assets Manager
Palesa Ramodibe	SabMiller	Castle Lager Sponsorships
Norman Reyneker	Brandhouse	Corporate Relations Director
Luke Robertshaw	MediaChannel	Creative Director
Rohan Sukuram	Pernod-Ricard	Regional Sales Manager

3.4 The research instrument

The research instrument used was a semi-structured interview process with open-ended questions. The use of a semi-structured interview allowed for analysis in a number of ways. The problem with using a highly structured interview in qualitative research is that strictly adhering to predetermined questions may not allow the interviewer to access respondents' perspectives and understandings of the topic (Cresswell, 2003). The interviews were conducted in a face-to-face setting which encouraged the development of a trusting relationship between the interviewer and the interviewee, with the likely result being that more honest answers were provided. Both the interviewer and the interviewee were guided by a list of six questions; however the scope of the interview was not limited to these questions.

The respondents were guided to discuss their thoughts and views on the research topic first and foremost, but they were also able to extend their views in other ways as they saw fit.

Respondents who were not based in Johannesburg were included in the study through telephonic interviews, with the same format as the face-to-face interviews being utilised. Respondents who were unable to participate through face-to-face or telephonic interviews, but who were still willing to take part, did so through answering the questions via email and being available for further discussions or clarification via telephone.

Fear of lack of confidentiality did in reality prove to play a role in this process, resulting in the decline by a number of different candidates.

3.5 Procedure for data collection

As per the interviews, the method of data collection was of the communication mode (Cooper and Schindler, 1998). In order to facilitate convenience, interviews were conducted at the office location of the respondents. If this was not possible in some cases, interviews were conducted at a location convenient for the respondent.

The information gathered from the interviews was recorded using a Dictaphone. After the interview had been conducted, the recordings were transcribed in preparation for analysis.

3.6 Data analysis and interpretation

The most appropriate method of analysis for this type of research was content /thematic analysis, due to the qualitative nature of the research and the conversational element of the research instrument (Merriam, 1998). After the interviews had been conducted, the content from the interviews were analysed for themes and recurring patterns of meaning (Leedy and Ormrod, 2010). The responses were broken into codified units that have the same theme, through the use of selected key words (Merriam, 1998). The key words were categories consistent with the research topic and were matched against themes derived through the literature review.

3.7 Limitations of the study

There was the possibility that the interviewees may not feel entirely comfortable during the process and would either be cautious in their responses, or they could feel the need to rush the interviews. The credibility of the study hinged on the honesty and openness of the interviews. Fortunately, in all cases the respondents answered with complete frankness and honesty, thus enabling the interviewer to conduct the interviews with ease.

Another limitation was the fear of a lack of confidentiality. Some of the respondents may have been cautious in the manner in which they responded to the questions. This potential weakness in the study was overcome by guaranteeing full disclosure.

3.8 Validity and reliability

Validity can be defined as the “extent to which the test measures what we actually wish to measure” (Cooper and Schindler, 1998: 166). It was therefore imperative to ensure that the information gathered throughout the duration of the research was indeed a reflection of what the objectives were.

Reliability deals with the “accuracy and precision of a measurement procedure” (Cooper and Schindler, 1998: 166). The importance of maintaining consistency with regards to this study was that should the study be conducted again in another fast moving consumer goods industry, the results would not differ significantly.

3.8.1 External validity

External validity is “concerned with the extent to which the findings of one study can be applied to other situations” (Merriam, 1998: 207). External validity was achieved by interviewing respondents who are involved in the South African alcohol industry, as well as respondents from advertising and media agencies who work closely with alcohol firms. The inclusion of other experts such as journalist and marketing analysts, also added to the validity of the findings.

3.8.2 Internal validity

Internal validity “deals with the question of how research findings match reality. How congruent are the findings with reality? Do the findings capture what was really there? Internal validity in all research thus hinges on the meaning of reality” (Merriam, 1998: 201). In order to increase internal validity the interview questions were structured in such a way so as to focus on the topic at hand. In addition to this, as far as possible the interviews were held in the respondent’s office itself, so as to allow for comfort and ease.

3.8.3 Reliability

Reliability refers to “the extent to which research findings can be replicated” (Merriam, 1998: 205). Initially, the aim was to ensure reliability through the use of a pilot study. However due to time constraints and the limited pool of respondents this was not possible.

Therefore in order to ensure reliability, prior to the start of the interview process, the research questions were submitted to a qualitative research professional, for the purposes of establishing whether or not they would serve the purpose they were meant for. It was also ensured that for each interview, all the questions were asked in the same order, within approximately the same amount of time given.

4 PRESENTATION OF RESULTS

4.1 Introduction

The following chapter describes the demographic profile of the respondents interviewed as well as presenting, describing and summarising the key factors and themes stemming from the semi-structured interview process within the framework of the pre-determined research questions.

4.2 Demographic profile of respondents

A total of fifty individuals were contacted via email for an interview. Of those fifty, twenty five responded and were willing to give their thoughts and opinions. The initial research plan was to interview respondents involved in the South African alcohol and tobacco industries, together with individuals involved in media and advertising in South Africa, as well as independent experts. This was largely achieved however respondents from the South African tobacco industry were not prepared to be interviewed.

In 2001 the South African tobacco industry was subjected to an above the line advertising ban (Moerdyk, 2011). The advertising ban meant that the marketing of tobacco in South Africa had to fundamentally be altered in order to promote tobacco brands. The thinking behind interviewing respondents from the South African tobacco industry was that they may have had insights into the promotion of alcohol post an advertising ban as they have already experienced a ban. Because of the sensitive and regulated nature of the tobacco industry there were no companies or individuals willing to give their thoughts and opinions on the topic.

A total of eleven respondents were interviewed from South African alcohol firms, these firms included: SabMiller, Brandhouse, Pernod-Ricard, DGB, RGBC, Iona Wine Estate and S&BF Wineries. All the respondents hold senior positions within these companies including: Director, Trade Marketer, Brand Ambassador, Corporate Relations Director, National Assets Manager, Sponsorship Manager, Owner, Regional Manager and Regional Sales

Managers. Two other respondents directly involved in the South African alcohol industry were interviewed they included a Board Member of the South African Wine Sommeliers Association (SASA) and the Director of the Association for Responsible Alcohol use (ARA).

Seven respondents were interviewed from marketing, media and advertising agencies, these agencies included: MediaChannel, Kena Media, Saatchi & Saatchi, Libra Productions, MediaVision Communications and Blue Avenue Partners. The media and advertising agencies are all actively involved in the marketing and promotion of alcohol and other FMCG products in the South African market. The Respondents interviewed from these companies all hold senior positions within the organisations, including: Copywriter, Head of Strategic Planning, General Manager, Senior Media Manager, Creative Director and Managing Directors.

The remaining five respondents interviewed were independent experts and are or were actively involved in marketing and the South African alcohol industry. These respondents hold positions which include: Freelance Journalist, Communications Co-ordinator, Marketing Manager, Head of Marketing and a Marketing Analyst and Advisor.

The interviews were conducted in a face-to-face setting. Respondents who were not based in Johannesburg were included in the study through a telephonic interview, with the same format as the face-to-face interviews being utilised. Respondents who were unable to participate through face-to-face or telephonic interviews, but who were still willing to take part, did so through answering the questions via email and being available for further discussions or clarification via telephone.

4.3 Results pertaining to the impact of an advertising ban on the promotion of alcohol in South Africa

Please note that the numerical figures above the bars in the bar charts are the number of respondents who mentioned that specific point.

4.3.1 The role of advertising and sponsorship in the promotion of alcohol in South Africa

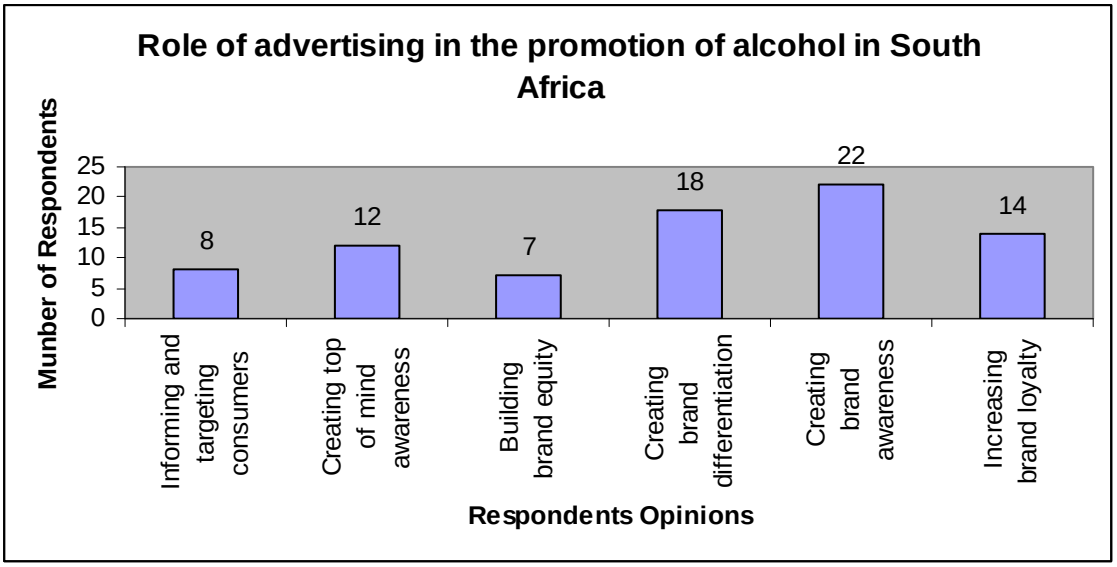


Figure 7: Respondents opinions on the role of advertising in the promotion of alcohol in South Africa.

The first question posed to the respondents in the interview was created with the intention of discovering how significant they feel the role of advertising and sponsorship is in the promotion of alcohol in South Africa.

One of the prevailing themes that emerged in this particular section is that advertising and sponsorship is extremely important and significant in the promotion of alcohol South Africa. This is emphasised and demonstrated by the massive budgets which alcohol firms direct towards the promotion of their brands.

As can be seen in figure 7, respondents felt that alcohol promotion is significant in terms of targeting consumers and informing them of certain alcoholic brands and products which are available. Advertising is also critical in the promotion of alcohol brands, particular in areas of parity and in creating top of mind awareness.

A number of respondents felt that advertising plays a crucial role in building brand equity and is important in creating brand differentiation and brand

awareness. Advertising is used to increase brand loyalty and increase or sustain market share. Different forms and combinations of advertising mediums are used to communicate both the extrinsic and intrinsic qualities of alcohol brands.

Another common theme which emerged from this section is that advertising is critical in launching and introducing new brands of alcohol in South Africa. Mass media advertising creates brand awareness and is used to inform consumers of new brands and products. Sponsorship of sport and music events by alcohol firms is also common practice, specifically in a sport mad country such as South Africa. Sponsorship offers the advantages of ready targeting of specific target markets. Sponsor credits on television programmes and televised events repeated through a night's viewing are a powerful means of promotion and contribute to brand awareness and building brand equity.

4.3.2 Above and below the line promotion of alcohol in South Africa

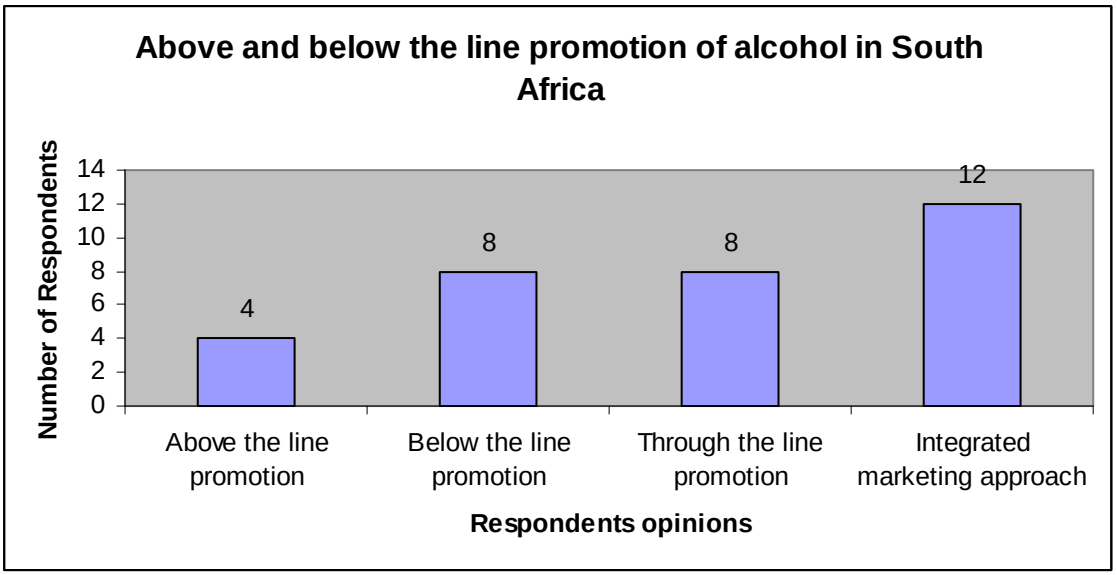


Figure 8: Respondents opinions on above and below the line promotion.

The second question put to the respondents in the interview was created with the purpose of determining the role of above and below the line promotion of alcohol in South Africa.

As can be seen from figure 8, one of the strongest themes that emerged in this section is that the respondents felt that both above and below the line advertising are important and are both used by alcohol firms to promote their brands. Above the line promotional activities in many cases feeds below the line promotion. In many cases mass advertising is used to create a customer database which can then be used for direct marketing activities. It emerged that the preferred form is in many cases dependent on the industry, product and target market.

Above the line advertising such as billboard, television and print advertisements are used to entice consumers and create brand awareness. Above the line advertising is considered to be easier and though more expensive, it is key in driving a mass message and extending a brands message to a large audience. It emerged that beer and whiskey brands rely heavily on above the line advertising and sponsorships to cast a wide net and reach an extensive consumer base.

Below the line advertising is considered to be a more focused form of promotion. Point of sale promotion and word of mouth promotion in the form of brand ambassadors emerged as the most popular form of below the line advertising as it encouraged consumers to try new and different brands. Below the line advertising is regarded as a cheaper but more complex form of promotion and is used more by smaller brands to target niche markets. It was of the opinion that the wine industry in particular makes use of below the line promotional strategies to market their products. In many cases below the line advertising is considered to be a stronger more effective, long term form of promotion, but once again is dependent on the market, industry and product.

A significant theme to emerge from this section was that many of the respondents were of the opinion that despite the threat of an above the line advertising ban there is a shift away from above to below the line promotion of FMCG products, including alcohol anyway. Lastly many of the respondents felt that a through the line promotional and an integrated marketing communications approach, is the future of FMCG marketing both locally and internationally.

4.3.3 The impact of an advertising ban on the promotion of alcohol in South Africa

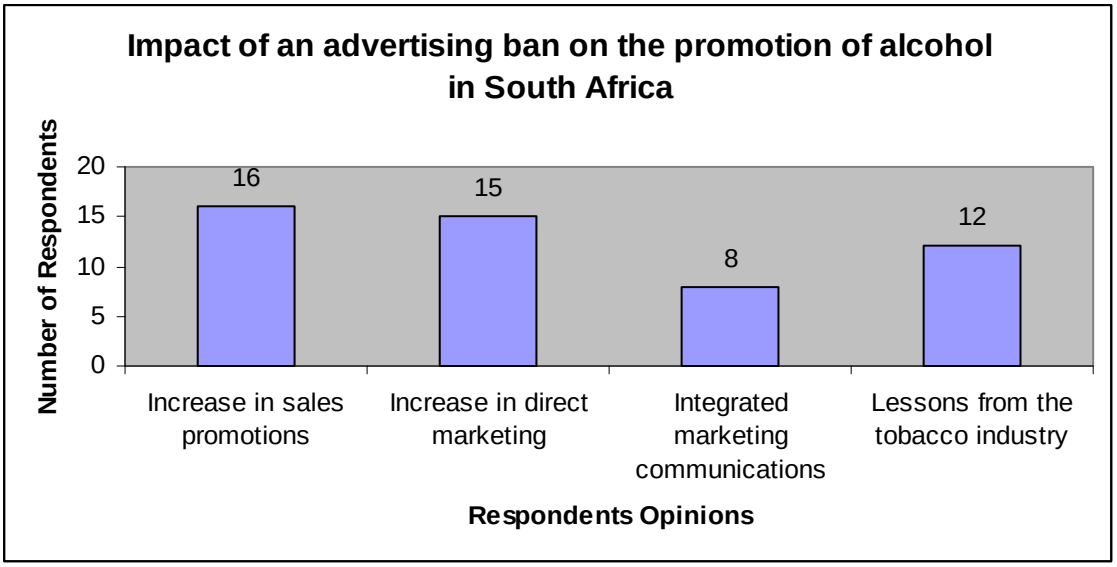


Figure 9: Respondents opinions on the impact of an advertising ban on the promotion of alcohol in South Africa.

The third question in the interview was created with the intention of discovering how the promotion of alcohol brands may alter if above the line advertising and sponsorship is to be banned in South Africa.

A major theme to materialise from this section is that alcohol firms will have no choice but to focus their marketing efforts on below the line promotional strategies in order to reach their target audience. As can be seen in figure 9, the majority of the respondents felt that alcohol firms will have to revert to the same kind of promotional activities which tobacco companies had to use when above the line tobacco advertising was banned in 2001.

It was felt that the greatest impact the alcohol advertising ban will have is that alcohol firms will have to focus their promotional efforts on below the line advertising. Below the line promotional activities that were suggested by the respondents included point of sale promotions such as in-store promotions, price discounts, tastings, sampling and giveaways. Point of sale promotions will give alcohol brands a means to reach their target market in a direct way. It

was recommended that point of sale promotions take place in bottle stores, restaurants, bars, nightclubs and retail outlets.

Another common theme to emerge is the increase in importance of direct marketing via packaging. Packaging of alcohol products may play a bigger role, by using interesting eye catching packaging; brands can attract consumers in store to purchase their product.

A reoccurring topic to surface from the respondents was the use of direct marketing as a below the line promotional activity. Direct marketing such as social media, mobile, viral marketing, blogs and brand ambassadors could be used to create brand and top of mind awareness. It was also felt that word-of-mouth advertising may play a greater impact in the promotion of alcohol brands in South Africa post an above the line alcohol advertising ban.

Many of the respondents felt that the South African alcohol industry could take a page out of the tobacco industry book, alcohol firms can use experiential and interactive events as well as guerrilla marketing to promote their brands. An example of this is the Camel and Peter Stuyvesant events which were used to great effect by tobacco firms to create brand awareness. Another lesson to be learnt from the tobacco industry is to remove all points of reference for alcohol brands. This was done effectively by Marlboro when they sponsored the Ferrari Formula 1 team.

The alcohol advertising ban may have an impact on the way alcohol firms build relationships with their customers (both individuals as well as retailers). Through the line marketing initiatives can be used to increase customer lifetime value by taking loyal existing customers and ensuring their complete immersion in a brand and a more intimate experience of the brand touch points, in the long run, a more measurable and controllable way for consumers to interact with a brand.

Lastly respondents were of the opinion that the alcohol advertising ban may restrict alcohol companies from reaching a mass audience. Although there are alcohol brands that are currently not using above the line promotion and are doing extremely well. Alcohol firms marketing strategies are to a large degree

pretty much similar, the differentiation and competitive advantage comes down to how well those firms execute their strategies. Consumers are influenced by friends and family in their choice to drink as much as they are influenced by promotional elements. It was felt that the impact on bigger more well known brands might be minimal as they are already established in the market place. However the advertising ban could have a greater impact on smaller or new brands trying to get into the market place and gain market share.

4.4 Results pertaining to the impact of an advertising ban on the sales of alcohol in South Africa

4.4.1 *The strong and weak theories of advertising*

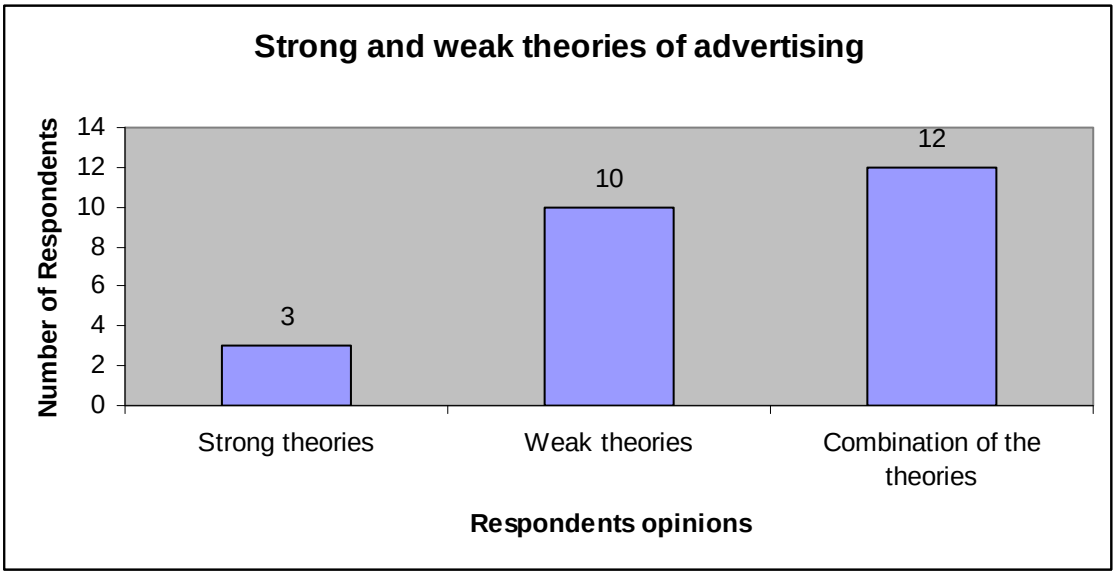


Figure 10: Respondents opinions on the Strong and weak theories of advertising.

The fourth question put to the respondents in the interview was created with the intention of discovering the respondents' opinions on the weak and strong theories of advertising.

As can be seen in figure 10, the first theme to emerge from this section was that many of the respondents felt that the weak theories of advertising was more predominant in the South African alcohol industry context than the

strong theories; they felt that advertising was a promotional tool used to increase brand awareness and differentiation as well as to position brands within a market. Respondents believed that there is no proven statistical correlation between advertising spend and sales. Logic dictates that advertising alone cannot increase and is not proportional to sales. Consumers only take note of advertising when they are in the market for a product, so those consumers will consume anyway it just depends what brand they consume. It was felt that advertising is a tool used to communicate a brand message to a certain market that already consumes alcohol and is aware of certain brands.

There were however respondents that felt the strong theories of advertising are more prevalent in the South African alcohol market and that advertising drives alcohol sales. They stated that the reason for this was from personal experience as well as referring to the Absolut vodka case. One of the respondents gave insight to a situation were sales of a certain beer brand were declining and an increase in mass advertising helped increase sales. Respondents felt that there is a reason for significant advertising budgets and that is to ultimately increase the sales of alcohol brands.

The strongest theme however to emerge from this particular section, as can be seen in figure 10, was that most of the respondents felt that alcohol advertising in South Africa is a combination of the two theories. Many of the respondents argued the fact that advertising can play a role in both increasing brand awareness and differentiation which in turn leads to an increase in sales. A lot also depends on the life stage of a brand, for well established brands sales may reach a plateau no matter how much that product is advertised, whereas newer brands can exponentially increase initial sales through innovative creative advertising campaigns. It may also depend on the actual product itself, if the product isn't the right product for the right target market then no amount of advertising can increase sales.

4.4.2 The impact of an advertising ban on the sales of alcohol in South Africa

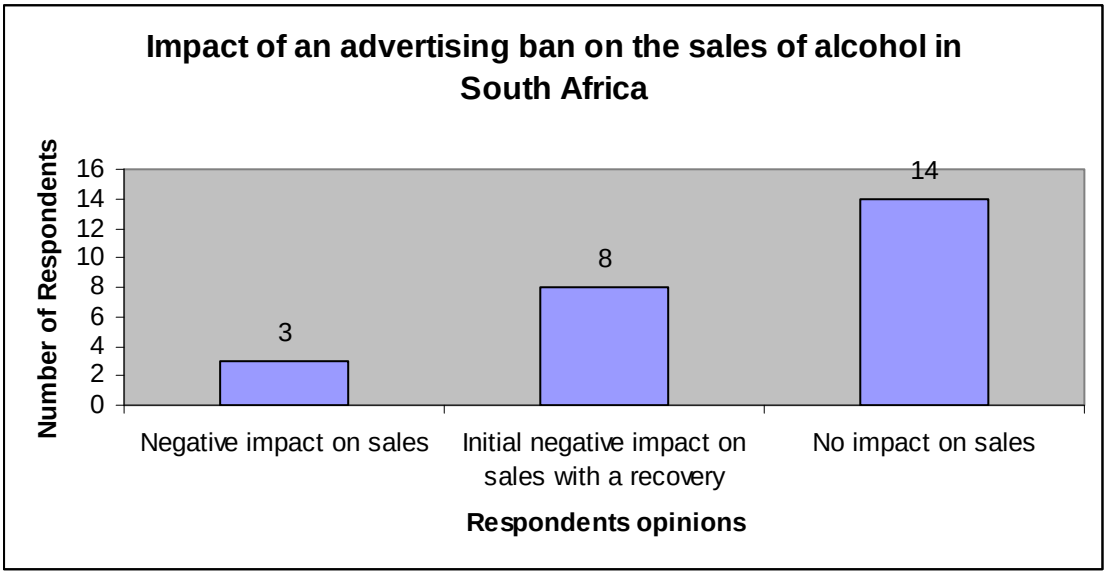


Figure 11: Respondents opinions on the impact of an advertising ban on the sales of alcohol in South Africa.

The last question in the interview was created with the intention of determining the respondent's opinion on what impact the advertising ban may have on the sales of alcohol in South Africa.

As can be seen from figure 11, one of the strongest themes that emerged in this section was the opinion that sales of alcohol in general will not be negatively affected by an advertising ban. It was felt that the patterns of alcohol sales may change but not the total amount of alcohol sold. Some of the respondents did however feel that sales may initially decrease slightly but will recover in the long run, the reason being that mass media advertising plays the role of reminding consumers to purchase. It was also believed that if there was to be an initial drop in sales this would be compensated for by alcohol firms saving on their large advertising budgets. There was also a feeling that it would be brand specific, the popular, well established, mainstream beer and whiskey brands sales for instance may not be affected at all due to brand loyalty, whereas smaller lesser known brands sales may be negatively impacted.

A number of respondents backed up their opinion that alcohol sales would not be negatively affected by referring to similar international cases where alcohol advertising was banned and sales remained the same. Examples of these cases include Canada, New Zealand and some Scandinavian countries.

Another theme to emerge from this section was that respondents felt that an advertising ban would freeze the market share of alcohol brands in South Africa as well as increase the barriers to entry for new alcohol firms or brands trying to enter the market. The banning of above the line alcohol advertisements will no doubt leave a tangible void but only for a short time, as the creative forces behind this billion rand industry will scramble to find new and innovative ways communicate with their target audiences and sell their products.

4.5 Summary of the results

This section includes a summary of the main themes that emerged from the research interviews.

- Advertising and sponsorship is extremely important and critical in the promotion of alcohol brands and is significant in terms of being used to target consumers, create top of mind awareness, build brand equity, create brand differentiation and awareness, position brands, increase brand loyalty and market share as well as to introduce and launch new alcohol products.

- Both above and below the line advertising is used in the promotion of alcohol in South Africa. Certain brands use a combination of the two methods and other brands tend to prefer one over the other, in a lot of the cases, the method which is used is dependent on the specific industry, product and target market. There is a move toward below the line advertising irrespective of the proposed above the line alcohol advertising ban. Two important themes emerged from this section which transcend the use of above and below the line advertising,

namely: through the line promotion and integrated marketing communications.

- Alcohol firms will have no choice but to focus their efforts on below the line promotional strategies in order to reach their target consumers. The majority of the respondents felt that alcohol firms will have to revert to the same kind of promotional activities which tobacco companies used when tobacco advertising was banned in 2001. Some of these below the line activities include: point of sale promotions, direct marketing, special events, the use of brand ambassadors and through the line marketing strategies. Packaging and word-of-mouth advertising may also play a bigger role in the promotion of alcohol as it has the ability to attract consumers to certain products and create brand awareness. The impact of an advertising ban on bigger more well known brands may be minimal as they are already established in the market place. However the advertising ban could have a greater impact on lesser known or new brands trying to get into the South African market place and gain market share.

- Many of the respondents backed the weak theory of advertising in the South African alcohol advertising context; they felt that advertising was a promotional tool used to increase brand awareness and differentiation as well as to position brands within a market. On the contrary there were respondents that felt the strong theory of advertising was more pertinent in the South African environment and that advertising contextually drives alcohol sales in the market. Many of the respondents argued the fact that advertising can play a role in increasing brand awareness and differentiation which in turn contributes to increased sales.

- It was felt that alcohol sales in general would not be negatively affected by an advertising ban. Some of the respondents did however feel that sales may initially decrease slightly but would recover in the long term.

There was also a feeling that it would be brand specific. The popular, well established, mainstream beer and whiskey brands sales for instance may not be affected at all due to brand loyalty, whereas smaller lesser known brands sales may be negatively impacted. A number of respondents backed up their opinion that alcohol sales will not be negatively affected by referring to similar international cases where alcohol advertising was banned and sales remained the same. Another theme to emerge from this section is that respondents felt that an advertising ban would freeze the market share of alcohol brands in South Africa as well as increase the barriers to entry for new alcohol firms or brands trying to enter the market.

5 DISCUSSION OF THE RESULTS

5.1 Introduction

The following section attempts to interpret the above findings within the framework of the pre-determined research questions. Each research question will be re-stated and an analysis of the findings presented.

5.2 Research question 1

Without the use of above the line promotion like advertising and sponsorship, how will the promotional strategies of alcohol firms in South Africa change?

The overwhelming response from the respondents was that alcohol firms will have no option but to focus their marketing efforts on below the line promotional activities, these promotional activities include:

5.2.1 Sales promotions

A large majority of the respondents suggested that sale promotions would become increasingly critical for alcohol firms in promoting their brands. Sales promotion activities that were recommended include point of sales promotions such as in-store promotions, discounts, product samples, tastings and giveaways. Point of sale promotions will give alcohol brands a means to reach their target market in a direct way. It was recommended that point of sale promotions take place in bottle stores, restaurants, bars, nightclubs, retailers and wholesalers.

According to the literature sales promotions is one of the four elements of the promotional mix and is used to stimulate and increase market demand. Examples include contests, coupons, freebies, loss leaders, point of sale displays, premiums, prizes and product samples (Bargh, 2002).

The literature also suggests that sales promotions can be directed at the customer, sales staff, or distribution channel members (such as retailers and wholesalers). Sales promotion includes several communications activities that attempt to provide added value or incentives to consumers, wholesalers, retailers, or other organisational customers to stimulate immediate sales and

encourage brand switching (Bargh, 2002). South African alcohol industry dynamics suggest that sales promotions directed at distribution channel members may become increasingly important for alcohol firms. Alcohol firms will need to incentivise distribution channel members to purchase and distribute their brands. This is critical as distribution channel members, such as retailers and wholesalers have day to day communications with the South African consumer base.

None of the respondents mentioned any possible negative affects of having sales promotions. According to Bargh (2002), frequent temporary price promotions may however lower a brand's expected price and lead consumers to postpone purchases of a brand when it is offered at the regular price. However sales promotions have increased in popularity during the past few decades. The positive short-term impact of price promotions on brand sales is well documented. A price promotion typically reduces the price for a given quantity or increases the quantity available at the same price, thereby enhancing value and creating an economic incentive to purchase. However, if consumers associate promotions with inferior brand quality, then, to the extent that quality is important, a price promotion might not achieve the extent of sales increase the economic incentive otherwise might have produced (Bargh, 2002). South African alcohol firms will have to find a fine balance in using price promotions so as not to decrease the perceived value of their brands.

Most of the respondents mentioned giveaways as a sales promotion activity. According to the literature an increasingly common promotional strategy is the provision of utilitarian objects with sales of cigarettes and alcohol. These include: sunglasses, tshirts, key rings, towels, caps, and many other items. These promotions are given away with the purchase of cigarettes and alcohol. These objects are often directly tied to the brand image being promoted and are used to create brand awareness (American Public Health Association Governing Council, 1993).

Increasing sales promotion activities may be one way alcohol firms can directly reach their target audiences, however alcohol companies need to

guard against cluttering the market with promotional activities effectively diluting their brands.

5.2.2 Direct marketing

The popular reply from many respondents was that they felt the advertising ban would mean that alcohol firms will have to focus a lot of their marketing efforts on the use of direct marketing as a below the line promotional activity. Direct marketing such as social media, mobile, viral marketing, blogs, brand ambassadors and packaging could be used to create brand awareness and differentiation. Respondents felt that more direct engagement with consumers would be needed in order to create value for the consumer and increase customer loyalty.

According to the literature, marketing in conventional media remains significant, with increasing expenditure on alcohol advertising in countries not subject to restrictions. The trend, however, is for traditional media to give way to new approaches. Major alcohol firms have spared no expense on their websites, creating an engaging environment to captures audiences. Alcohol firms are increasingly using digital marketing as a medium to attract consumers (Casswell and Maxwell, 2005). This type of marketing allows alcohol firms to engage directly with consumers and get into their mindset as to what they require in order to satisfy their needs.

Many of the respondents felt that Viral marketing would become the next major trend in alcohol promotion. The Internet makes it possible for a marketing campaign to go viral extremely quickly. With two thirds of the world's Internet population now visiting a social network or blog site weekly (Schroeber, 2010), 220 million people visiting the top 25 social networks each month (Schroeber, 2010). With Facebook now having over 500 million active users (Schroeber, 2010), 52% of people who find news online forward it on through social networks (Morrissey, 2011), email, or posts and 59% of adults polled stating that they use their cell phone to remain connected with their social network (Morrissey, 2011), viral marketing could very well become the dominant form of direct marketing used by alcohol firms in South Africa.

It was felt that South African alcohol firms have not made full use of viral marketing and have stuck to the more traditional forms of promoting their brands. International alcohol firms seem to be more creative and open to the use of social media when it comes to the marketing of their brands. The advertising ban will mean that South African alcohol firms will have to look towards viral marketing to gain brand awareness and increase their competitiveness in the market place. An example of effective use of direct marketing is blogs. Blogs help create brand awareness and are responsible for creating a discussion around certain types of alcohol and certain brands of alcohol. The South African wine industry uses blogs to great effect and other categories of alcohol may be able to learn from this.

Another frequent theme to emerge from the interviews was the increased use of packaging as a direct marketing tool. According to the literature, in recent years packaging has developed well beyond its original function as merely a means of product protection and now plays a key marketing role in developing on shelf appeal, providing product information and establishing brand image and awareness (Ampuero and Vila, 2006).

An innovative pack design can help to set a brand apart from its competitors. The best example of a brand that has used packaging to carve a unique position in the marketplace, is the Absolut vodka bottle, which has helped differentiate the brands through an innovative package design (Ampuero and Vila, 2006). With a ban on above the line promotion, packaging will become increasingly important in the point of sale marketing of alcohol brands (Ampuero and Vila, 2006).

Innovative package design does however have its negatives. There are many brand loyal consumers that would not want the packaging and design of their brands to change, consumers can be fickle and are used to the familiar. In terms of specific product categories, the beer category in South Africa has less room to be innovative with their package design, whereas alcoholic fruit beverages and many shooter brands have more room to be creative.

Lastly respondents felt that word-of-mouth advertising would have a greater role to play in the promotion of alcohol brands. Many of the alcohol brands in South Africa will have to rely more heavily on word-of-mouth advertising. The literature reveals that word of mouth advertising is more influential than any other form of advertising. People believe what their friends and neighbours say about a brand, and they remember it for a long, long time. (Thomas Jr, 2006).

Because word-of-mouth advertising is such a powerful form of promotion it can work both ways, word-of-mouth advertising can increase a brands popularity as quickly as it can destroy it. Therefore alcohol firms need to focus on brand image and customer satisfaction in order to be seen favourably in the consumer's eyes.

5.2.3 The use of similar promotional strategies as tobacco firms

A significant theme to emerge from the respondents in this section was that the majority of them felt that alcohol firms would have to take a page out of the tobacco industry's book in terms of promoting a product without the use of above the line advertising. Alcohol firms can use experiential and interactive events as well as guerrilla marketing to promote their brands. An example of this from tobacco firms was the Camel and Peter Stuyvesant events which were used to great effect by tobacco firms to create brand awareness. Another lesson to be learnt from the tobacco industry is to remove all points of reference from alcohol brands. This was done effectively by Marlboro when they sponsored the Ferrari Formula 1 team. The respondents felt that because the tobacco industry is similar in nature to the alcohol industry and has gone through a ban, South African alcohol firms could learn a lot from tobacco firms in terms of increasing brand awareness and creating brand differentiation.

According to the literature, alcohol firms, like tobacco firms, can use sales promotions to create a temporary stimulus on the sales of a brand by making consumers a special offer. This promotional stimulus is part of the marketing offer made up of factors such as product features and benefits, price,

availability, customer service and quality. Consumers are expected to act on this offer, which, in turn, has an immediate effect on the sales rate of a firm (Cummins, 1998).

The literature points to the fact that alcohol and tobacco firms across the world are increasingly making more use of point of sale promotions both in countries where there are bans as well as countries where there aren't bans. An example of this is in the United States where point of sale and direct marketing has become increasingly important in the tobacco industry after a ban on billboard advertising was put into place in 1998 (Wakefield et al., 2002).

5.2.4 Through the line marketing

According to many of the respondents the alcohol advertising ban may have an impact on the way alcohol firms build relationships with their customers (both individuals as well as retailers). It was suggested the use of through the line marketing initiatives may be used to increase customer lifetime value. This could be done by taking loyal existing customers and ensuring their complete immersion in a brand and a more intimate experience of the brand touch points, in the long run, a more measurable and controllable way for consumers to interact with a brand.

According to the literature, through the line promotion is the combination of above the line and a specific type of below the line activity that is direct marketing (Seymour, 2009). The above the line advertising ban will limit the use of the majority of above the line activities. However the essence of through the line promotion is to use mass advertising for forming a customer database which can then be used for direct marketing activities (Seymour, 2009). Therefore alcohol firms can use their database pre the advertising ban to feed their direct marketing activities post the advertising ban.The through the line approach allows brands to engage with a customer at multiple points. This enables an integrated communications approach where consistent messaging across multiple media creates a customer perception (Seymour, 2009).

There was a familiar trend which emerged from this section, in which both the respondents as well as the literature suggests that in the past five or six years, agencies and clients have switched to an "Integrated Communication Approach", or "through the line" approach despite a possible advertising ban. This switch in the through the line approach has shifted its emphasis more towards below the line activities (Clow and Baack, 2007).

This is a significant theme to emerge from this section where there seems to be a fundamental shift in the way alcohol firms both internationally and in South Africa are looking to market their brands. There is a shift from less intimate mass advertising strategies to more intimate direct promotional activities. This was a major surprise as many of the respondents felt that mass advertising has its place but will become the less preferred means of promotion despite the ban. This is significant as it means the above the line alcohol advertising ban may have less of an impact than the South African regulation authorities want or expect it to have.

5.3 Research question 2

How will the sales of alcohol in South Africa be affected by a ban on above the line alcohol promotion?

The advertising ban has the potential to impact on the sales of alcohol in South Africa. Respondents were asked their opinions based on the strong and weak theories of advertising, the different views included:

5.3.1 Strong theory of advertising

There were a number of respondents that felt that the strong theory of advertising was more prevalent in the South African context and that advertising drives alcohol sales. The respondent's who believed this to be true, did so from personal experience. One of the respondents gave insight

into a situation were sales of a certain beer brand where declining and an increase in mass advertising helped increase sales. These respondents felt that the significant advertising budgets backed up their views that advertising is used to increase the sales of alcohol brands. This was a surprise as the majority of the literature and respondents did not feel this way.

According to the literature, advertising is an important part of many marketers promotional mixes as it has the ability to affect the degrees of change in the attitudes, knowledge, beliefs and behaviours of the audiences which they target (Fill, 2005). The strong theory of advertising suggests that advertising can persuade someone to buy a product that they have never bought before and it can accomplish repeated long term buying behaviour (Fill, 2005). This theory also suggests that advertising is capable of increasing sales at the brand and class levels and has a direct and positive impact on sales (Fill, 2005), some sophisticated sales analysis prove this idea (Pickton and Broderick, 2005). Similarly according to Belch and Belch (2001) advertising can be used to create brand images and symbols for a company or brand.

Some of the respondents mentioned the best example to illustrate the strong theory of advertising is that of Absolut vodka. According to the literature, since the 1980s Absolut has been using creative advertising to differentiate themselves from other brands. The Absolut brand has been positioned as a fashionable and sophisticated drink by using the distinctive shape of the bottle in advertisements (Belch and Belch, 2001). Since the 1980s advertising campaigns began, Absolut sales have increased 10 fold and have gathered 70 percent market share (Belch and Belch, 2001), this is a prime example of advertising creating a brand image and increasing sales. According to Pickton and Broderick (2005) advertising is a strong promotional element which: persuades people to buy products, creates and builds brands, differentiates between brands and increases sales.

There was a belief that the Castle Lite beer brand has come the closest in the South African context to prove the strong theories of advertising. Castle Lite has been able to increase sales and its market share through a creative advertising and sponsorship campaign.

5.3.2 Weak theory of advertising

A number of the respondents felt that the weak theory of advertising was more applicable in the South African context; they were of the opinion that advertising was a promotional tool used to increase brand awareness and differentiation as well as to position brands within a market. These respondents believe that there is no proven statistical correlation between advertising and sales. Many of them stated that logic dictates that advertising alone cannot increase and is not proportional to sales. Consumers only take note of advertising when they are in the market, so those consumers will consume anyway it just depends what brand they consume. These respondents were of the opinion that advertising is a tool used to communicate a brand message to a certain market in order to increase brand awareness and loyalty.

According to the literature on the weak theory of advertising, advertising persuades consumers to buy one brand rather than another, thereby increasing that brand's market share, but does not increase overall sales of a product category. The advertising industry continues to argue that advertising does not affect overall market size. The view of advertising as a reinforcer rather than as a cause of behaviour aligns strongly with operant conditioning and a more weak theory of advertising (Ambler, 1996)

The weak theory of advertising makes two points: generally people don't go and buy products after seeing the advertisement and secondly as competing brands also advertise, if people were to be persuaded, they would have stores of different brands of the same product (Pickton and Broderick, 2005).

5.3.3 Combination of the two theories of advertising

Probably the strongest theme however to emerge from this particular section is a combination of the two theories of advertising. It was unexpected that many of the respondents argued the fact that advertising can play a role in both increasing brand awareness and differentiation which in turn could lead to an increase in sales. This link between the two theories was not covered in any of the literature but was a common response from the respondents.

Many of the respondents suggested that it also depends on the life stage of a brand, for well established brands sales may reach a plateau no matter how much that product is advertised, whereas newer brands can exponentially increase initial sales through innovative creative advertising campaigns. There was an opinion that it's also dependent on the actual product itself, if the product isn't right for the right target market then no amount of advertising can increase sales.

There was no literature that spoke of a combination of the two theories. Some of the literature alluded to it, but there was no concrete literature to suggest that the two theories of advertising could work together. The literature does however suggest that the impact of advertising on sales can be hard to measure. Advertising has the power to create awareness, inform, persuade and is a communication tool of enormous complexity. Much advertising does not however have its intended effect. Like all successful communication, effective advertising is guided by a thorough understanding of its intended audience and how that audience will receive the intended message (Fill, 2005).

5.3.4 Impact of an advertising ban on alcohol sales

According to many of the respondents an advertising ban will freeze the market share of alcohol brands in South Africa as well as increase the barriers to entry for new alcohol firms or brands trying to enter the market. The majority of the respondents were of the opinion that sales of alcohol in general will not be negatively affected by an advertising ban, the patterns of alcohol sales may change but not the total quantity of alcohol sold. Some of the respondents did however feel that sales may initially decrease slightly but will recover in the long term, the reason being that mass media advertising plays the role of reminding consumers to purchase.

According to (Smart and Cutler, 1976), who studied the effects of a one-year ban of radio, television, and outdoor advertising of alcoholic beverages in British Columbia. Using annual and monthly Ontario sales as a control, they concluded that the British Columbia ban had no effect on sales of beer, wine,

or spirits. Other examples of this occurrence is evident in the Scandinavian countries, where a ban on alcohol advertising has not resulted in a reduction of alcohol sales (World Health Organization, 2001). Similarly, in New Zealand a lift on an alcohol advertising ban has not resulted in an increase in the consumption of alcohol (World Health Organization, 2001). Evidence suggests that South Africa could follow with similar trends.

The banning of above the line alcohol advertisements will no doubt leave a tangible void but only for a short time, as the creative forces behind this billion rand industry will scramble to find new and innovative ways communicate with their target audiences and sell their products.

5.4 Conclusion

5.4.1 Research question 1

Without the use of above the line promotion such as advertising and sponsorships, the promotional strategies of alcohol firms in South Africa will rely heavily on the use of below the line activities that include: sales promotions, such as point of sales promotions, giveaways and sampling as well as the use of direct marketing, such as viral marketing, word-of-mouth advertising and interactive websites. Packaging will also no doubt also play an increasingly important role in the promotion and brand differentiation of alcohol products.

There will also be a move to through the line promotion and a more personal in depth, customer orientated approach post the advertising ban. The advertising ban will mean alcohol firms will have to take a page out of the tobacco industry's book in terms of creating brand awareness through the use of experimental and interactive events.

The revelation however to emerge from this section is that there is a worldwide trend, in which FMCG organisations including alcohol firms are moving toward a more customer-centric direct marketing approach, despite proposed mass media bans.

5.4.2 Research question 2

The impact of an advertising ban on the sales of alcohol in South Africa will be minimal. There is a feeling that initial sales of alcohol may drop but will recover in the long term. Although in some cases there is proof of advertising and sales being proportionally linked, both the majority of respondents as well as the literature suggests that the purpose of advertising is to create brand awareness and differentiation, backing up the view that the advertising ban will not have a significantly negative impact on the sales of alcohol in South Africa.

However this conclusion is for alcohol sales in general, looking more specifically at individual sales of brands, bigger more well known brands may not suffer at all whereas smaller, lesser known or newer brands may see a more significant decrease in sales.

In terms of the strong and weak theories of advertising and anomaly which appeared in the research is that the two theories can tie into one another. It was felt by many of the respondents that the weak theory of advertising drives the strong theory of advertising. Meaning that an increase in advertising has the ability to increase brand differentiation and brand awareness, which in turn has the ability to increase sales. There was however no literature to suggest that this may be the case.

6 CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

The following section attempts to achieve three objectives: firstly, to summarise and conclude the links between the literature and the findings; secondly, to construct recommendations for the target respondents and finally, to indicate possible areas for future research.

6.2 Conclusions of the study

The South African government has over the past few year's tightened regulation of the alcohol industry in South Africa. The latest proposed measure is the banning of all forms of above the line alcohol advertising including mass media advertising in magazines, on television, radio and billboards as well as sponsorships (Moerdyk, 2011). This study proposed to discover the impact an advertising ban could have on the promotion and sales of alcohol in South Africa. There were a number of different views and opinions that were discussed and brought to light.

6.2.1 A move to below the line promotion

In 2009 the South African alcoholic drinks market was valued at R80 billion. The alcoholic drinks market grew by 1.3% in 2009 to reach a level of 3, 510.8 million litres. The South African alcohol industry is extremely concentrated, with the top three firms, SAB Ltd, Brandhouse Beverages and the Distell Group together controlling around 82% of the total market by volume (DataMonitor, 2010). From this it is clear that the South African alcohol industry plays a significant role in the South African economy. The study revealed that a ban on advertising could potentially freeze the market share of alcohol firms by increasing barriers to entry for new firms and alcohol brands.

Advertising plays a significant role in the promotion and sales of alcohol in South Africa. In 2010 about 10% (R1,7 billion) of the R17 billion spent on advertising in South Africa was directly attributed to the advertising of alcohol in the mass media (Moerdyk, 2011). The South African alcohol industry is extremely competitive in nature with firms continuously innovating their marketing strategies to gain a competitive advantage. Marketing of their products plays an integral part of gaining brand equity. An advertising ban will fundamentally change the way in which alcohol firms promote their brands.

This fundamental change will require alcohol firms to move away from above the line promotional strategies to through the line and eventually to a below the line approach. Below the line activities include the use of: sales

promotions such as point of sale promotions, direct marketing including viral marketing, word-of-mouth advertising and the use of packaging as a promotional tool. Other below the line marketing options include the use of a more integrated marketing communications approach in the form of through the line marketing and customer relationship management initiatives and lastly the use of similar strategies to that of tobacco firms including the use of experimental events. There is no doubt that above the line advertising plays a significant role in the promotion of alcohol in South Africa, but both the literature as well as the respondents revealed that more and more alcohol firms and other FMCG industries both in South Africa and internationally are moving toward a below the line approach anyway.

It was felt that below the line strategies are more effective in creating brand awareness and differentiation as well as creating brand loyalty and customer satisfaction. The current trend in the marketing space is all about being customer centric and customer focussed and below the line promotion lends itself more to this approach than above the line promotion. In spite of an advertising ban alcohol firms are using a more direct approach to target and communicate with their customers.

6.2.2 No significant impact on the sales of alcohol

As well as the impact on the promotion of alcohol in South Africa post an advertising ban, this study also proposed to examine the impact of the advertising ban on the sales of alcohol in South Africa, using the framework of the theories of strong and weak advertising. The majority of the literature reviewed as well as the bulk of the respondents felt that there is not enough evidence to prove that there is a relationship between alcohol advertising and the levels of alcohol sales. There is some literature arguing the fact that advertising increases sales and some of the respondents felt this is true from their personal experiences, however the international evidence strongly indicate that in countries where an alcohol advertising ban has been implemented there has been no negative impact on the sales of alcohol, leading to the conclusion that a ban on alcohol advertising in South Africa will

not decrease the sales of alcohol. It should however be noted that this view is on the sales of alcohol in general in South Africa and is not product or brand specific, different brands and products may experience differing levels of sales post an advertising ban.

6.3 Recommendations

The proposed banning of above the line alcohol advertising in South Africa is a topic that cannot be ignored and is most likely going to be imposed in the near future. This is significant for many stakeholders who have a vested interest in the South African alcohol industry. Advertising is by far the most significant component of the promotion of alcohol in South Africa. The alcohol industry contributes significantly to the South African economy and alcohol advertising plays a major role in the promotion of alcohol. By banning the advertising of alcohol the role of the alcohol industry in South Africa as well as the dynamics of alcohol marketing may be transformed.

The alcohol advertising ban will impact on the decisions managers make when promoting alcohol. Alcohol firms will have to fundamentally alter the way in which they market their brands and communicate with their consumers. In light of this, recommendations can be drawn from the most prominent findings that emerged from this research on how to promote alcohol brands post an above the line advertising ban, other promotional and marketing elements will need to be used to gain brand awareness and differentiation in order to increase brand equity, these include the use of:

6.3.1 Sales promotions

Sales promotion can be used by alcohol firms to create a temporary stimulus on the sales of a brand by making consumers a special offer. Alcohol firms can make use of point of sale promotion techniques, to attract retail shoppers at the point of a sale. Point of sale will include: sale of alcohol in restaurants, pubs, clubs, bars and bottle stores. Free samples and tastings can be used to increase product awareness, trial and ultimately purchase. Another sales promotion strategy that can be used is the provision of functional objects with

sales of alcohol. These include: sunglasses, tshirts, towels, caps, and many other items.

6.3.2 Direct marketing

South African alcohol firms can make use of direct marketing promotion in order to communicate directly with customers, using advertising techniques such as mobile messaging, email, interactive consumer websites and promotional letters.

Alcohol firms can make use of packaging as an effective marketing tool. Packaging is crucial, given that it is the first thing that the public sees before making the final decision to buy. The packaging and labels can be used by marketers to encourage potential buyers to purchase the product. An innovative pack design can help to set a brand apart from its competitors (Ampuero and Vila, 2006).

Brand awareness is critical for alcohol firms and developing a strong brand is especially vital for new brands. Labelling and packaging is a popular direct marketing tool because of its flexibility. A label can be changed regularly allowing the brand to adapt its appearance more easily to changing styles and trends. Unique label designs can help encourage selection of one product over another at the retail level. Finally, if a particular brand is experiencing declining sales, an alcohol firm can easily reposition it by altering the image and hence, reinventing a product to reach a new market (Novak, 2004).

Word-of-mouth advertising is more influential than any other form of advertising and will become even more important post an advertising ban. People believe what their friends and neighbours say about a brand, and they remember it for a long, long time. Unlike other forms of marketing and advertising, it is difficult to give design tips, or targeting strategies, or copy points for word of mouth advertising. However the key to success in generating positive word-of-mouth advertising for a firm or a specific brand is customer satisfaction. If the alcohol firm is able to satisfy the needs of the customer by fulfilling their promise to customer, positive word-of-mouth will be

generated. Negative word-of-mouth advertising can be avoided by listening to customer complaints and dealing with them from the perspective that the customer is always right.

6.3.3 Viral marketing

Two thirds of the world's Internet population now visit a social network or blog site weekly (Schroeber, 2010). 220 million people visit the top 25 social networks each month (Schroeber, 2010). Facebook now has over 500 million active users (Schroeber, 2010). Time spent visiting social media sites now exceeds time spent emailing (Morrissey, 2011). 52% of people who find news online forward it on through social networks, email, or posts (Morrissey, 2011). 59% of adults polled state that they use their cell phone to remain connected with their social network (Morrissey, 2011).

The above statistics highlight the potential which viral marketing holds. South African alcohol firms have not made use of the full potential of viral marketing. Alcohol firms looking to increase their competitive advantage post an alcohol advertising ban will have to make use of innovative, creative viral campaigns in order to promote their brands. The Internet makes it possible for a marketing campaign to go viral extremely fast and can literally make a brand famous overnight (Kaplan and Haenlein, 2011). Viral marketing campaigns can be delivered by word of mouth or enhanced by the network effects of the Internet. Viral marketing may take the form of video clips, interactive flash games, advertgames, ebooks, brandable software, images, or text messages (Kaplan and Haenlein, 2011).

6.3.4 Similar promotional strategies as tobacco firms

The South African tobacco industry has gone through an above the line advertising ban and had to adapt the way in which they promote their products and reach audiences. The South African alcohol industry can take lessons from how the tobacco industry did this. One of the most successful and creative promotional strategies used by tobacco firms was the use of promotional and experimental events to create brand awareness. These events need to have a feel of exclusivity about them and can help alcohol

firms increase both customer loyalty and brand awareness. Alcohol brands need to look at throwing exclusive events in order to increase brand awareness. Brand awareness from these promotional events will gain further momentum through word-of-mouth advertising.

6.3.5 Through the line promotion

Through the line promotion is the combination of above the line and a specific type of below the line activity that is direct marketing. The essence of through the line promotion is to use mass advertising for forming a customer database which can then be used for direct marketing activities. South African alcohol firms need to make use of through the line promotion in order to engage with customers at multiple points. This enables an integrated communications approach where consistent messaging across multiple media creates a customer perception.

6.3.6 Integrated marketing communications

Integrated Marketing Communications can be used by alcohol firms to coordinate and integrate all of their marketing communication tools, avenues, functions and sources within the company into a seamless programme that maximises the impact on consumers and other end users at a minimal cost (Clow and Baack, 2007).This management concept is designed to make all aspects of marketing communication such as advertising, sales promotion, public relations, and direct marketing work together as a unified force, rather than allowing each to work in isolation (Clow and Baack, 2007).

6.3.7 Consolidation

An advertising ban will no doubt have an impact on both the promotion and sales of alcohol in South Africa and may well fundamentally change the way in which alcohol firms operate. It is recommended that post an advertising ban alcohol firms consolidate their positions within the market place and focus on their core brands. It is also recommended that alcohol firms do not try and launch new brands directly after the ban, but wait and see the impact of the

ban and to what extent it will prevent alcohol firms from promoting their brands.

The oligopolistic nature of the South African alcohol industry means that alcohol firms have significant knowledge of their competitors marketing and promotional strategies, resulting in alcohol firms using similar strategies in the promotion of their brands. However, to quote one of the respondents, the competitive advantage won't come from the strategies themselves but how those strategies are executed.

6.4 Suggestions for further research

Although there are authentic recommendations that can be derived from the research findings, there are also gaps that exist, wherein there exists a number of opportunities for further research. These are as follows:

- The study focuses on the promotion of alcohol brands, without taking into account the consumers themselves. Therefore there exists the opportunity for research into the mindset of consumers of alcohol in South Africa.

- This study mainly deals with one element of the marketing mix, namely promotion; there is an opportunity for further research in South Africa into the impact of an alcohol advertising ban on the other three components of the marketing mix.

- This study only touches on the concept of product life cycle marketing; there is an opportunity for further research into the marketing of products through their different life stages, with specific reference to alcohol and other FMCG products in South Africa.

- This study looked to investigate the impact of an advertising ban on the promotion and sales of alcohol in general in South Africa. This study did not look at specific alcohol categories or brands. There exists an

opportunity for further study into the impact of an advertising ban on the promotion and sales of specific alcohol categories including beer, wine, cider, spirits, shooters and alcoholic fruit beverages.

- Lastly there is an opportunity for further, more in-depth research into the argument of strong and weak theories of advertising, with specific reference to the South African FMCG market.

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APPENDIX

Letter to Respondents

Dear Sir/Madam

I am completing an MBA at The University of the Witwatersrand, Johannesburg (Wits). My MBA research topic is on the impact of an advertising ban on the promotion and sales of alcohol in South Africa. I would be grateful if I could arrange a thirty minute interview with you in order to gather information on the subject. I understand that you are extremely busy but your contribution will be much appreciated.

The interview will involve questions related to the promotion and sales of alcohol in South Africa. Confidentiality will be observed throughout the entire process including the final report which will be for academic purposes only. I will be available to meet with you at a location and time of your convenience. Participants will receive a copy of the research results at their request.

Thank you for your kind assistance.

Yours sincerely,

Stefan Ferreira

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Actual Research Instrument

Interview Questions

- How significant is the role of advertising and sponsorship in the promotion of alcohol?
- Do you feel above the line promotion, such as advertising and sponsorship, plays a bigger role in the promotion of alcohol than below the line promotion and why?
- How would you launch a new brand of alcohol without the use of advertising and sponsorship?
- How will the promotion of alcohol brands alter if above the line advertising is to be banned?
- Do you believe alcohol advertising and sales are proportional (ie an increase in alcohol advertising equals an increase in sales) or do you believe the main purpose of advertising is to create brand differentiation and brand awareness?
- What impact to you think the advertising ban will have on the sales of alcohol?

Time-table

Table 2: Time-plan for completion of research report by 29/02/12

	Sept	Oct	Nov	Dec	Jan	Feb
Finalise proposal						
Gain approval						
Gather data						
Do data analysis						
Write report						
Finalise report						

Consistency Matrix

Table 3: Consistency Matrix

Research Problem: Investigate and analyse the change in promotional strategies of South African alcohol firms in response to an alcohol advertising ban as well as the impact of the ban on alcohol sales					
Sub-problem	**Literature Review**	**Research Questions**	**Source of Data**	**Type of Data**	**Analysis**
Identify and assess the promotional strategies of alcohol firms in response to an alcohol ban in South Africa.	Christopher, 1996 Novak, 2004 Bargh, 2002 Casswell, 2005	Without the use of above the line promotion how will the promotional strategies of alcohol firms in South Africa change?	Respondents from semi-structured interviews	Qualitative Data	Content/ Thematic Analysis
Explore the impact of an advertising ban on the sales of alcohol in South Africa.	Fill, 2005 Pickton & Broderick, 2005 Belch & Belch, 2001	How will the sales of alcohol in South Africa be affected by a ban on above the line alcohol promotion?	Respondents from semi-structured interviews	Qualitative Data	Content/ Thematic Analysis