

The ridiculous cost of advertising

 By [Chris Mberdyk](#)

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When it comes to media and particularly the value and return on investment of advertising in the mass media, Harry Herber is both extremely knowledgeable and pragmatic. He is also outspoken.

And I have to agree with him completely when he claimed this week that "the marketing world is gatvol of the price it has to pay for promoting a product." (<http://themediainline.co.za/2014/01/its-just-starting-to-cost-too-bloody-much/> It's just starting to cost too bloody much!)

As someone closely involved in the marketing world and an advisor to clients on roughly half a billion rand's worth of annual advertising, I have to say that Herber's use of the word "gatvol" is verging on understatement.

So much so, that most mass media advertising rate structures simply don't make any sense. What is abundantly clear is that particularly in terms of newspapers, marketers are continually expected to pay a lot more for a lot less.

Calculating return on investment on mass media advertising has always been something of a thumb-suck mainly because most often measurement tools have not been built in and far too many marketers have become obsessed with research that just shows whether consumers like their ads or not.

They are also obsessed with focus groups, which have been proved time and again to be the worst possible way of trying to understand what consumers believe or want.

Quite how liking an ad happens to translate into money in the bank is the stuff daydreams are made of.

Taking the 'social route' no surprise

As Herber quite rightly said, it is no wonder that social media is finding so much favour with marketers. And it will continue to do so.

Remarkably, the most fascinating conundrum about mass media advertising today comes from the United States where survey after survey has shown that 80% of TV viewers don't watch commercial breaks anymore.

Among those TV viewers who don't watch TV commercial breaks are clients, ad agencies, ad managers, and media buyers. All of whom happily tell researchers that they don't watch commercial breaks and then continue to pour massive amounts of money into precisely those commercial breaks they don't watch.

There is no logical assumption to make other than for ad agencies, traditional 30 sec TV commercials are still the best source of revenue. And for clients and marketers, TV commercials still provide the best way of bolstering corporate egos and making sure that the boss's wife sees her husband's product on TV.

If indeed the boss's wife watches TV commercial breaks which she clearly doesn't because she is part of that very 80%.

Getting value for their money?

Here in South Africa, the lower LSMs do watch commercial breaks and it makes sense to keep on targeting them through TV. But once again, the ROI calculation based on measurement tools, is still not anything to write home about.

Mass media advertising, in my opinion, has in many cases become a lot like insurance. There are a heck of a lot of people who really don't believe they are getting value but are too scared to turn the tap off.

According to research, right now in South Africa, almost a quarter of all advertising not only doesn't work, but actually has a negative effect on the very brands that are supposed to be promoted.

That is a massive waste of money and when it is added to my estimate of wastage through ill-conceived marketing strategies, the total amount of money that the marketing industry wastes in this country is round about R50bn. A YEAR!

Fortunately for marketers, time and technology will bring some order out of the current chaos. Measurement will become easier and with measurement comes logical conclusions.

For the moment though, there is a massive amount of work to be done by marketers to have a long, hard look at what they and their advertising people are doing. Sometimes it's pretty frightening.

I haven't completed a marketing audit yet that doesn't show significant wastage particularly on ill-conceived advertising.

Advertising is a great tool. It is important. But, it is being abused both by ignorance and myths.

The mass media can deliver powerful advertising as well as brand and product promotion. It just needs to be used correctly.

ABOUT CHRIS MOERDYK

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