

Zim: Advertising industry players say the worst is over

By [Dumisani Ndlela](#)

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Newspaper executives have not yet seen the excitement that characterised yesteryear festive season bumper editions in which publications overflowed with advertisements, but their advertising industry counterparts agree that the market has turned the corner.

"We're now getting back to business," says Major Tikiwa, a director of advertising agency, Multimedia and chairman of the Communications Industry Association (CIA) consisting largely of emerging agencies.

"This time last year you never saw Edgars in the papers. Bata is back; the seed companies - Pannar and Seed Co - are battling on the market and somebody is pushing Dairibord which has introduced a number of rebranded products. There is a big difference," says Tikiwa.

He should know, for the bulk of CIA's members either folded under the weight of a gruelling economic crisis which intensified in 2008, only to subside in 2009 following the formation of an inclusive government and dollarisation of the economy which brought about stability and banished hyperinflation.

Closure, dormancy due to economy

The closure, or dormancy, of most of the advertising agencies was largely a factor of the economy. When companies struggle, the first budget to suffer is that for marketing. This reflected in the state of the advertising industry, says Tikiwa.

Now, a number of manufacturing sector companies have bounced back and capacity utilisation has jumped to 43%, from base levels in 2008.

"It's actually getting much, much better for the advertising industry," Tikiwa maintains. "Some agencies that had closed are back. Some are using the old names but others are using new ones."

Africa Advertising, formed after sibling rivalry at Gary Thompson & Associates, shut down due to declining business, as did Global Brands and Lintas & Associates which is now completely off the radar. Leo Burnet Van Broembsen, whose numbers are now on the Chinese Embassy answering machine, has also disappeared from the scene. Enigma Advertising has just been re-named Cornish & Carter Advertising with a change in the ownership structure.

Situation still not normalised

Pilate Machadu, chairman of the Advertising Media Association (Adma), says the situation has "still not normalised".

"There are still issues of liquidity in the market," says Machadu. "The festive season hasn't brought in excitement as we had thought. We don't have normal festive season newspapers."

He contends, however, that the situation is "not as bad" as past festive seasons, observing that there were indeed fresh campaigns from manufacturers trying to capitalise on increasing disposable incomes.

Nigel Jumbe, CEO of Summer-Hay Advertising and a respected brand expert, says: "Yes, things are picking up." He says, however, that the emergence of a number of new, unregistered players will impact on established agencies in a highly competitive market.

"Most are taking over established clients but you can see that they don't have the thought process of the brands (created by former agencies)," says Jumbe.

Improvement evident from new applications

Adma is currently sitting on over 20 applications for accreditation by advertising agencies. Ten of these have been accepted, but only two have been confirmed, says Machadu, declining to give names. It is a sign that the situation is improving, and a number of players that had been sidelined by the crisis are coming up to claim their stakes.

This festive season, plenty of products and brands that had gone into hibernation have re-emerged, some with makeovers, others as the born-again old outfits that had been obliterated by an economic crisis.

For Machadu, the newspaper pages are still too thin to pop champagne bottles. "The companies have already exhausted their budgets and are looking at next year," he says. But for Tikiwa, the prospects are stimulating.

"As an industry, we are already seeing the need for re-training because demand is being felt. We lost a lot of good skills and these will need to be replaced," says Tikiwa.

ABOUT DUMISANI NDLELA

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