

Case Study

Market Research to Support Inorganic Expansion of an Advertising Production Firm

About the Client

- The client is a well-established advertising production network based in London

Business Objective

- Our client was planning to take over the in-house marketing and production facility of a South African furniture retail chain
- The chain is owned by one of the largest microfinance institutions in South Africa. The client's central aim was to present a proposal to African Bank for the creation of a large production house that could cater to the needs of large creative agencies in South Africa

Results & Value Add

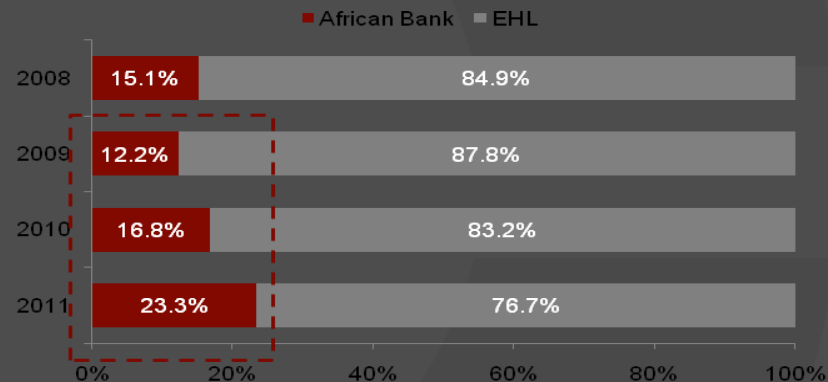
- The findings of the research enabled the client to prepare a meaningful pitch to the retail chain. The detailed coverage of the competitive landscape also enabled the client to successfully reach out to few of the target's competitors

Research Methodology and Approach

- The team provided a broad outlook of the economic environment in the South African market as the client was planning to ramp up its operations significantly in the country through an acquisition
 - We assessed the quantity and quality of the competition that our client was most likely to face in South Africa’s creative production market
 - We also provided an overview of the African Bank, which included the group company’s media and marketing activity
 - We provided insights on the furniture retail chain’s business in South Africa, highlighting areas of strength and weakness, current marketing initiatives and competitive landscape

Screenshots

Marketing Expenses Split by Business Segment



Marketing Expenses & Revenue

	2008	2009	2010	2011
Marketing expenses (R mn)	168	189	161	176
Y-o-Y Growth	-	12.5%	(14.8%)	9.3%
Marketing expenses as % revenue	1.8%	1.6%	1.3%	1.2%
Revenue per unit of marketing expense (R)	56	61	79	87
Y-o-Y Growth	-	9.2%	29.2%	9.9%

African Bank’s share of the marketing spend has almost doubled in the last two years



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