



Holdings Limited

7 June 2021

INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA

350 Witch-Hazel Avenue

Eco Park Estate

Centurion

0169

For attention: Mamedupe Kgatshe

By email: mkgatshe@icasa.org.za

By email: rarc@icasa.org.za

Dear Ms. Kgatshe

RE: COMMENTS ADVERTISING, INFOMERCIALS AND PROGRAMME SPONSORSHIP REGULATIONS

OUTsurance Holdings Limited ("OUTsurance") welcomes the opportunity to provide written representations pertaining to the Discussion Document on the Review of the Advertising, Infomercials and Programme Sponsorship Regulations ("the Regulations"), as published via notice 264 of Government Gazette 44333.

Ad question 1:

OUTsurance is of the view that the Regulations, viewed in conjunction with the Code of Advertising Practice, issued by the Advertising Regulatory Board ("ARB"), provides an effective framework to regulate marketing efforts.

Ad question 2:

We are of the view that advertising, infomercials and programme sponsorship is sufficiently defined within the Regulations.

Ad question 3:



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Advertising during news and current affairs programming typically provides advertisers exposure to high viewership and listenership numbers. As such, advertisement bookings around such programming is an effective way for advertisers to create brand awareness.

Ad question 4:

The current Regulations provides a framework for generating revenue in the form of advertising sales, which is essential in enabling the creation of new content and job opportunities.

Ad question 5:

We are of opinion that the current Regulations provide sufficient safeguards to ensure editorial independence of broadcasters.

Ad question 6:

The increasing sophistication of the audience results in viewers and listeners who are well adept to differentiate advertisements from normal programming. As such, we are of the opinion that no further regulations regarding the labelling of advertising is necessary.

Ad question 7:

We are of opinion that broadcasters should be allowed to formulate its own guidelines in terms of advertisements superseding programming, taking into account the needs of their respective audience, rather than formulating detailed regulations on the subject.

Ad question 8:

OUTsurance is in favour of the relaxation of regulations relating to the timing of infomercials. Infomercials often do not only serve to create brand awareness for the advertiser, but also have the potential to fulfil a need for consumer education in terms of a particular type of product, due to the longer nature of the material. As such, allowing access to infomercials to a broader audience may prove to be beneficial to such audience.

Ad question 9:



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We are of opinion that broadcasters should be allowed to formulate its own guidelines in terms of the duration of infomercials, taking into account the needs of their respective audience, rather than formulating detailed regulations on the subject.

Ad question 10:

As indicated above, we are in favour of allowing broadcasters to formulate their own guidelines in terms of the frequency of infomercials, taking into account the needs of their respective audience.

Ad question 11:

No comments to add.

Ad question 12:

As indicated above under question 8 above, we are in favour of the relaxation of regulations relating to the timing of infomercials.

Ad question 13:

Squeezebacks provide a quick and unique way of grabbing the consumer's attention, without taking time away from normal programming. It would be preferable for broadcasters to formulate their own guidelines around the use of squeezebacks, based on the appetite of the particular broadcaster's audience for such marketing.

Ad question 14:

OUTsurance is in favour of regulations promoting and strengthening editorial independence of programming. Promotional placement should be strategic and should not detract from the content of the programme. The suitability of product placement and promotional material inside programming may differ vastly between different types of programme material and as such we are of opinion that broadcasters would be positioned best to formulate their own detailed guidelines around the use product placement.

Ad question 15:



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The current Regulations provide the basis to ensure that programme sponsorship does not influence programmes. This could be enhanced by the guidelines as established by individual broadcasters.

Ad question 16:

No comments to add.

Ad question 17:

The Authority should not request signalling of product placement. This could rather be stipulated in the agreement between the advertiser and the creator of the specific programme, taking into account the nature of the programming, the nature of the placement and the needs of the particular audience.

Ad question 18:

We would caution against a blanket prohibition of product placement and sponsorship during children's programming. We are however in favour of regulation of products, placements and sponsorships that might be harmful or offence to children. A principles based approach would be favoured in this regard, taking into account the average age of the target audience of the programming.

Ad question 19:

No comment to add.

Ad question 20:

A principles based approach would be favoured in this regard, due to the wide range of types of programmes and the different approaches to advertisements linked to each of these.

Ad question 21:

Although international trends in advertising might provide valuable insights into aspects to consider, the primary focus should remain on South African consumers, who have specific and



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unique needs in terms of advertising, infomercials, programme sponsorship and product placement.

Ad question 22:

As mentioned under question 20, a principles based approach would be best to ensure a balance between revenue generation and consumer protection. We are also of opinion that market forces will negatively impact broadcasters who fail to maintain such balance sufficiently.

Ad question 23:

Broadcasters themselves would be best positioned to formulate guidelines in this regard, taking into account the nature of programming and the needs of the particular target audience.

Ad question 24:

Market forces are the main determinants of advertising revenue. If broadcasters fail to maintain a balance between advertising and programming, audiences will react accordingly and thereby influencing the value of advertising slots available.

Ad question 25:

We are of opinion that online media does not necessarily have a negative impact on radio and television advertising revenue. It is often found that online advertising success is boosted by television advertising.

Ad question 26:

No comment to add.

Ad question 27:

The ARB would in our opinion be best positioned to regulate advertising in the digital environment via the Code of Advertising Practice.

Ad question 28:



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While we are mindful of the need to balance the need for revenue generation and consumer protection, we would caution against any approach which would decrease opportunities for advertising and sponsorships, as such an approach could have a detrimental effect on advertisers and ultimately consumers alike.

We thank you for the opportunity to provide comments on the Discussion Document on the Review of the Regulations.

Kind regards,

A handwritten signature in black ink, appearing to be "Jaco Meyer", written on a light-colored background.

Mr. Jaco Meyer

Compliance Department