

Mando's women do promotional risk management for SA



By Leigh Andrews

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The power woman behind Mando SA lets us in on how their fixed fee or promo risk management model is revolutionising local brands' sales promotions.

At One Show 2017, Michael Farmer of Farmer & Co, author of the bestseller *Madison Avenue Manslaughter*, spoke of the 'biggest problem facing ad agencies': their lack of information, records or data on how much work they do, despite the fact that their fees have gone down every year and they've gone through globalisation, the rise of procurement and many other challenges.



#OneShow2017: Michael Farmer on fixing the problems in ad agencies

Ann Nurock 9 May 2017



Helen Joubert, general manager of Mando South Africa, explains that's where promotional insurance comes in. Farmer's advice to brands was as follows:

“ Number one – do the simple thing. Have a policy of ‘every client that we work on will document its scope of work within the agency, in a uniform format, and we will use that to renegotiate our fees and we will use that to review the performance of our client's heads to carry out that set of responsibilities.’ ”

That's actually the secret to Mando's four decades of success. Client longevity and, as they work alongside the brand and agency, creating a solution that's to everyone's benefit in creating campaigns with purpose and ensuring client objectives are met. They then simplify the promotion by guaranteeing a cost, allowing budgets to be focused elsewhere and increasing the probability of achieving those goals.

Joubert adds that Mando was actually first incepted more than 40 years ago – in 1927 in America, but as a film-processing company, where the name was derived from the joining of the two owner's initials, 'M' and 'O'. Mando UK later began to generate incentives offering to drive customer acquisition and retention in 1978 and by 1981 natural progression led to their offering in-house handling and fulfilment. With plenty of growth and bags of potential, Mando was acquired by WPP in 1986 and is now the longest standing stand-alone company, in the world's largest marketing communications group. It may seem a strange fit as WPP is mainly made up of marketing communications, but Mando's competencies and service underpin so many sales promotion activities that agencies and brands both inside and outside WPP call upon their expertise and assurance to formulate the most powerful promotional solutions. As a result, a few of their clients around the world include category leaders Coca-Cola, Kellogg's, Heineken and McDonalds. That's because at Mando it's all about fixed fee or promo risk management. Learn all about it in less than 80 seconds in the video embedded below:



Helen Joubert, general manager of Mando South Africa

Next up, Mando is set to continue to expand worldwide in both promotional risk management and the promotional incentives market globally and throughout African nations with its new subsidiary Universal Card, which offers a complete branded solution for all payment and reward requirements.

Here, Joubert lets us in on their work in SA as their newest territory, the importance of promotional risk management and current trends in the realm of data-driven promotions.

■ **Elaborate on what exactly Mando SA brings to the local market.**

Following recent accomplishments across Europe and Australia, Mando wanted to explore more markets. Mando's CEO Becky Munday had worked with me for over 10 years when I was brand side in marketing and promotions for a variety of high-profile companies, and also as directors of the Institute of Promotional Marketing.

South Africa's competitive landscape and struggling economy created the need for brands to differentiate and stand out via activations and promotions. With many budgets being cut, brands needed help to stretch their budgets further. The stats are compelling; 70% of brand selections are made at stores, 68% of buying decisions are unplanned and just 5% are loyal to the brand of one product group, according to Ogilvy Action.



How promotions work - source: OgilvyAction

This means that a promotion or activation can make a huge difference to sales.

Albert Einstein himself said, "Creativity is seeing what everyone else has seen, and thinking what no one else has thought". We also live in an age where creativity is rewarded as consumers want something different, something they can talk about. When an economy is uncertain, this sentiment rings truer than ever before.

So we give brands the confidence to run with promotional headlines that engage and sell as you can run with campaigns that use data acquired by thousands of promotions, to then run with ideas which are truly unique and engaging, to bolster

headlines and drive sales while preserving budgets.

■ **Explain the biggest trends and changes still to come to the industry in 2017.**

- **Technology** is the primary driver of change. Through enhanced data, more accurate monitoring and evolving platforms it has shaped consumer perceptions, resulting in brands developing the way in which consumer react to prize promotions.
- Data and new technologies offer brands the opportunity to gain useful insights. Accessing previous behaviours will help predict those of the future. As everything becomes more traceable, it can allow prize promotions to be better suited to each demographic.
- **Mobile and personalisation** will continue to drive more engagement. It will become more than just names and addresses – brands may be able to deliver targeted promotions targeted at certain segments of customers within their brand, giving a real impact to prize promotions.
- With new startups and a forever changing economic climate, brands are going to have to fight harder for their market share, which will inspire more compelling and engaging promotions. Brands will continuously need to arouse shoppers' attention, and with an increasing amount of shopper decisions made in store:
 - **Virtual reality and location-based marketing** will go from strength to strength – just look at Pokemon Go.
 - **Native ads** will evolve further, brands will continue to pay for ad placements and recommendations – this will affect how many people engage with a product and eventually their promotions.
 - Technology and social media sites will further help **crack down on fraud**.
 - Brands are becoming braver with their offerings and communications – this will amplify the way in which **prize promotions are promoted** and how much prizes are allocated.
 - Brands will become much more compliant with regard to “general data protection regulation” and take on their own initiatives to show they care. This will benefit **personal data archived via promotional marketing**.

Brands must be willing to invest while marketers stay abreast of technological advances and take creative risks in order to shine in volatile economies.

Seems the fixed-fee model is definitely a safe bet. Visit the newly updated [Mando South Africa website](#) to sign up for their newsletter and *Promotional Risk Management for Dummies* guide or follow their [Twitter account](#) for the latest updates.

ABOUT LEIGH ANDREWS

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