Cape Town is where the smart money is

By Simon Wall , issued by Tractor Outdoor

8 Jul 2011

Recently voted the 'World's Best Destination' in TripAdvisor's Travellers' Choice Award and the second best beach city in the world, it's easy to see why this beautiful city overtook even New York, Rome and Paris. Besides playing host to international celebrities and movie studios (the filming of *Judge Dredd* was wrapped up just a few weeks ago) Cape Town has long been a firm favourite with South Africans too.

Recently Cape Town has seen an unprecedented economic migration from the "North" and this is not only from struggling African countries - but from the boardrooms of Sandton as well...

As more and more business leaders and entrepreneurs choose Cape Town as their base, we have seen a marked increase in the per capita wealth value of the city - in fact the city was recently named as the most entrepreneurial city in South Africa, with the percentage of Capetonians pursuing business opportunities almost three times higher than the national average. Those aged between 18-64 were 190% more likely to pursue new businesses, whilst in Johannesburg, the same demographic group was only 60% more likely than the national average to pursue a new business.

One can be forgiven for thinking that beautiful scenery, vast winelands and great weather are only to be enjoyed on holiday, but many are escaping Johannesburg's concrete jungle/rat race for a more satisfying yet productive lifestyle. Blue chip companies such as Sanlam, Old Mutual, Virgin Active, Distell, Investec Asset Management, Brandhouse, Coronation Fund Managers, BAT and Woolworths (to name a few) have either chosen to establish their head office from inception , or eventually migrate to, Cape Town - even Amazon.com are currently in the process of setting up their African headquarters at a new development within the City Bowl - with a staff contingent of over 2000.

According to a survey in 2002 by Wesgro (The Western Cape Investment and Trade Promotion Agency), the Western Cape is one of the most productive of SA's nine provinces. With a 10% population and area share, its contribution to the Gross Domestic Product is about 15%. The province's robust economy can be attributed to its balanced diversity of primary activities - agriculture, fishing and forestry - plus an equally diverse range of manufacturing subsectors, a vibrant tourism sector and an increasingly array of future-oriented service industries.

But even with all this empirical information Cape Town has long played second fiddle to advertisers' spend in South Africa, often getting a very much reduced share of the budget allocation, this is largely due to a misconception that there are in fact no billboards in Cape Town and that as the economic powerhouse JHB should get the lion's share of all the spend. Now I am not disputing JHB's powerhouse status, but I would like to suggest a slightly different angle on the how best to spend your client's advertising budget?

The first issue is quite simple to dispel, as it is simply, untrue - Cape Town is in fact one of the most outdoor advertising friendly cities in South Africa. We have a wide selection of OOH opportunities ranging from transit to billboards to large-format building wraps right through to a plethora of mall and airport opportunities.

But here is the point of differentiation with JHB - we have four major commercial nodes (The CBD, Century City, Bellville/Tygervalley and The Claremont Precinct) - who between them account for a most of Cape Town's 15% contribution to South Africa's GDP. This means advertisers can in fact spend very little to achieve a far greater coverage than if one was to run a similar campaign targeting an equivalent share of GDP in say JHB or Tshwane - in fact, I will go so far as to say that there is probably no other city in the country (apart from perhaps Port Elizabeth) where you can get as much "bang for your buck".

Take the CBD of Cape Town for example - if you run a very basic corridor campaign with five main arterials in and out of the city an advertiser can book five sites and target every person entering and leaving the city.

The same campaign can be replicated with even less sites across the three remaining commercial nodes and, while I don't have the exact GDP coverage figures on hand, you will almost certainly target over 75 percent of Cape Town's residents. Try do that in JHB?

Another great example would be the Claremont Precinct with over 185 financial services companies within a 5km² perimeter; two strategically placed sites can probably target most of these businesses - that's two billboards targeting fund managers who oversee billions in asset management!

I would like to see more media planners thinking out of the box and moving away from the time-honoured method of allocating budget according to regional GDP spends.

Wouldn't it make sense to spend less and get more?

ABOUT THE AUTHOR

Simon Wall is Sales Director of Tractor Outdoor.

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