



JAWBONE BRAND EXPERIENCES

Jawbone: As Passionate About Your Brand As You Are

PRODUCTION: David Napier

Leading South African activation agency, Jawbone Brand Experiences penned significant growth and achievement in 2016 and is looking to position itself for further success in 2017 and beyond. Building its client base, expanding into Africa and continuing to deliver service of the highest quality are all targets for Jawbone and CEO Sven Reinertsen.

The eventing and exhibitions industries in South Africa, and Africa, are big business. More and more companies are realising the potential that these modern marketing methods hold. Being able to communicate directly with your clients; with decision makers in potential client's organisations; being able to deliver a specific message in an inventive and novel way – marketing is changing and eventing, exhibitions and experiential marketing are key drivers in this revolution.

The stats don't lie; a study by the Association for African Exhibition Organisers (AAXO) undertaken during

2015/16 showed that estimated total income from direct, indirect and induced income over the period totalled an extraordinary R75 billion. Around 153,000 jobs were created during the study period. Salaries paid to employees in the industry were approximately R13.5 billion and approximate contribution to national interest through taxes were around R3.3 billion. Many international companies have recognised the potential of the exhibition space with an estimated 50% of conferences and trade shows in SA now being run by foreign businesses – that figure is even higher on the continent.

But how do you make the most

of this type of marketing? How can you make eventing, exhibitions and experiential marketing work for your company, and contribute to brand and business development? First and foremost, it pays to partner with an expert and one of South Africa's leaders in the creation of brand experiences is Jawbone.

Founded nine years ago by CEO, Sven Reinertsen, Jawbone works with major brands to create concepts and manage them through to completion. From the design and manufacturing of exhibition stands to managing and coordinating brand campaigns or events, Jawbone aims to achieve below-the-line impact that exceeds



JAWBONE CEO,
SVEN REINERTSEN

expectations of both consumers and brand teams.

Jawbone has realised significant growth since its establishment; starting as a one-man operation, the company is now home to more than 30 people and works with some of the country's most recognised brands.

"Jawbone started in 2008 in Durban and we started doing some freelance work for some of the bigger agencies, getting exposure to big brands and managing the regional part of their campaigns," explains Reinertsen. "Within a few months, we realised there was a gap in the market to set up our own company while still working for our existing clients. We would do anything from golf days

to any work in the eventing space. We were more eventing specific and we would outsource some of the larger jobs but we realised that we would lose control of quality. In the 18 months after our establishment, we set up a small operation in Johannesburg, interestingly we were working from my grandmother's garage, so it started from nothing. We grew, we bought more stock, and we expanded, eventually opening an official office and branch in Jo'burg. In 2011, we moved all operations from Durban to Johannesburg and we've been in our current premises ever since. Now, we've outgrown this office and from the start of 2018 we'll be looking to move into new premises

that is double the size."

BUILDING LASTING PARTNERSHIPS

The growth of the company is a result of Jawbone's ability to build lasting relationships. The company says that it is 'as passionate about your brand as you are' and works with a 'culture of delivering service excellence'. This is evidenced by the length of partnerships standing with current clients.

"We've been lucky enough to regularly partner with a couple of big brands over the years, specifically, Tiger Brands and Energade who we've been working with for six years. They sponsor the Comrades Marathon, the Springbok rugby team

and the ABSA Cape Epic – a lot of large international sporting events that we've built exhibition stands for, positioned branding and handled stock distribution," details Reinertsen. "We've also been working with Unilever and the SPAR Group for many years. We handle trade shows around the country and we're in the process of building new stands for them right now.

"We do events, exhibitions and experiential marketing. If we're active with a client with one service, we will try and get involved with more services as that allows us to become more integrated with the business and offer clients more. With Unilever for example, it started with just exhibition stands but now we also handle logistics and stock for nationwide brand campaigns, and through that we do work for many brands under the Unilever umbrella, everything from golf days to year-end functions to branded merchandise. We still remain focussed on eventing, we try not to move too far from our core as we know we must maintain the highest levels of service excellence," he adds.

Offering customers the highest level of quality, alongside experience and expertise developed over the past decade, separates Jawbone from its competitors. In addition, Jawbone operates across different platforms; it's not just an exhibition stand builder, event manager or campaign designer. The company can move across these connected but very different offerings and, if needed, can incorporate all of them into a single package.

"We play in a lot of different spaces so we face a lot of competition," admits Reinertsen. "There's a lot of exhibition stand manufacturers who stick to that, they have lots of stock and not great quality. We will never be as cheap as them but we don't claim to be the cheapest. We are quality

and execution focussed. We push value - we may be slightly more expensive but you're getting more for your money. We're looking for opportunities to collaborate with brands who let us do more than just build exhibition stands but that means we also have to compete with agencies. We want to be involved in strategy and have input. We do have a lot of competitors but we are uniquely positioned as we play across multiple sectors. Client direct is where relationships are built and that is how we will continue to grow."

CREATING GROWTH

Now with an established client base and geographical reach around South Africa, Jawbone is looking to expand organically. Growing out of its current home in Strijdompark, the company will soon move into bigger premises

while also expanding its operations to reach into sub-Saharan Africa.

"We have done some work in Botswana. At the Electra Mining exhibition, we have three clients that we've worked for there. We've just done a rebrand and roll-out for Bryte Insurance in Botswana. We're also busy doing work for Chicken Express in Johannesburg and hoping to help them launch in Africa, in Zambia, Kenya and Uganda," says Reinertsen.

"The African market is a different beast, we've done extensive research into African expansion and we've found that unless we have a large-scale contract or a big brand partner that could help us establish a satellite office, managing from South Africa is a bit of a challenge. Also, regulations change and we need people on the ground, so it's not a simple undertaking."



In South Africa, traditional media companies are becoming increasingly keen to enter the events and exhibition industry to build new revenue streams. Each year, income from declining print circulation and monetisation challenges across digital platforms means that media companies are looking for the next trend that can bolster turnover. Eventing has proved successful for international media companies such as the New York Times and the Financial Times in London, both boasting significantly improved revenues from event related activity over the past two years. Cape Town's Garreth Bloor, mayoral committee member for Tourism, Events and Economic Development said last year: "We have developed a track record as an events destination and the economic spin-offs from these events

hold enormous benefits for the city and its residents. The direct economic impact through visitor and organiser spend is estimated at over hundreds of millions of Rand an event and this year should be no different." Jawbone has recognised this potential and is planning Western Cape expansion in the mid-term future. "We are no longer a start-up company, we're well-established but we're under no illusion that without continued hard work and quality delivery we will not be able to continue on our growth path. "We'll be moving to a bigger factory in Johannesburg in February/ March 2018 and a new Durban office will follow in the next 12 months as well. We partner with a company in Cape Town and that works very well but in the next two or three years we hope to set up an office there too,"

enthuses Reinertsen.

ECONOMIC SENSITIVITY

Following last month's international credit agency downgrade, South Africa's economy is in a fragile state. Feeling the effect of global economic uncertainty and battling hard to revive confidence and investment, businesses have started to feel challenges filtering through the system and Jawbone is no exception. Fortunately, the company is coming off the back of an extremely productive 2016 and is well-positioned for the future. "We definitely see that people have smaller budgets and a lot more price sensitive. People have been blunt and told us 'we're not looking to save money, we want to spend less,'" says Reinertsen. "However, many brands understand that in a

weak economy, you need to continue spending and deal with experts so that is where we position ourselves. We had a few big contracts last year but there's no guarantee they'll come back this year. We have big plans but it all depends what the spending is like. In the next six to 12 months, we expect the market to tighten but as yet, we haven't been effected too much. "Even some of the larger events have been slightly smaller than normal recently. It's a booming industry but the economy does limit the amount of money available. After we get through the difficult years to come, it will continue to boom in a great way."

POSITIVE EXPECTATIONS

The CEO says that exciting and large-scale plans are already being discussed with existing and new clients and, should these ideas become reality, Jawbone could end 2017 with extremely impressive results. "We're quoting on a few big jobs now. The Comrades Marathon with Energade is a big focus for us and our management and manufacturing team all go and spend time in Durban for this job. We're also quoting on a country-wide rollout for an international coffee brand.

"We doubled our numbers last year and increased our profit by 700% so we are coming off a strong base. We aren't in the mindset of just surviving; we are thriving. While others are trying to undercut us to pay their overheads, we have ambitious plans to grow. We're confident in the ability of our team and there's still enough money being put into the industry," he adds.

Phumulani Hlatshwayo, General Manager at the Exhibition and Event Association of Southern Africa (EXSA) said recently: "We have long realised that exhibitions and events are a serious engine to drive job creation

and economic impact." He added that to remain relevant and advance the industry "exhibition industry professionals need to present a clear, comprehensive business case to key stakeholders about how to achieve strategic value." Jawbone has done this and will continue to do this. Now a business of significant size and reputation, the tough times surrounding the birth of Jawbone are distant memories and Reinertsen and his talented team are looking forward.

"In the beginning, it was just myself and my wife. She was a talented salesperson and a brand manager and we took a gamble as I said to her I could only guarantee to pay her a salary for three months if she came and worked with me, but it paid off. We started small but we've been able to handle the scale and significantly increased workload.

"We've had a few close calls where cash flow has been tough but I believe we've come through that and the level of projects we are now able to quote on without dropping quality sets us apart. We're an established business with a strong cash position and we are very positive about the future," he concludes. EA

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+27 11 792 2522
 pr@jawbone.co.za
 www.jawbone.co.za



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