

## 2019: A tipping point for media

By  Danette Breitenbach

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While South Africa's total entertainment and media advertising revenue is expected to grow to R51.1 billion in 2019, from R39.7 billion in 2014 - an increase of 5.6%, the advertising share of this mix will drop to 30% from 35% (2014) over the next four years...



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This is the prediction of the recently released South African PriceWaterhouseCoopers (PwC) Entertainment and media outlook: 2015 - 2019 (South Africa - Nigeria-Kenya). The Outlook says that the drop will come about as consumer spending will take an ever larger part of the pie.

In total the country's entertainment and media industry will grow from R112.7 billion (2014) to R176.3 billion in 2019, a compound annual growth rate of 9.4%.

The overall growth will be driven by digital spend says Vicki Myburgh: Entertainment and Media Leader, PwC Southern Africa. "South Africa's Internet access market, which will move from R32.5 billion (2014) to R76.2 billion in 2019, will be far ahead of any other consumer spend category, and will be the largest contributor to South Africa's total entertainment and media revenues."

The media that has been the hardest hit is newspapers. The challenge in this category is that regardless of what you do, it is a category in long-term decline, says Myburgh. "News is available for free and it is a challenge to get consumers to pay for content traditionally found in newspapers."

She adds that the slow broadband infrastructure rollout in the country has assisted in sustaining newspapers to date. Local and community newspapers still appeal to consumers.

Magazines are different to newspapers as they lend themselves to reading on a tablet. "The content in magazines is still valued and enjoyed by consumers, with the traditional glossy version also still appealing to the consumer. We do not forecast massive growth for magazines, but it is a media that still has legs and a future that stretches across platforms."

By 2019, digital music revenue will overtake traditional music revenue. 2019 will be a tipping point, says Myburgh, with digital spend overtaking traditional media spend. "Social and casual gaming will also overtake traditional gaming and electronic home video will overtake physical home video in this this as well."

Radio's reach, its easy access and the fact that we do not have strong satellite radio make radio an exception to this. "The real challenge for radio is to ensure that its model is attractive for consumers and that its infrastructure is up to date. Over the Outlook forecast period it will remain strong," she says.

The same is true for television. "Despite the predictions that television was doomed, we are not seeing this globally or in South Africa. Television is complementary to the over the top offerings. In South Africa television is growing at 4.8%, which is healthy on the big numbers we are seeing."

One interesting stat Myburgh quotes is that by 2019, globally, internet advertising will overtake television advertising. "This is huge and demonstrates the transformational effect of the internet. In South Africa we are still a long way from that."

While in South Africa we are still a long way from that, the biggest driver and growth in the industry will come from internet access. The Outlook forecasts 18.6% over the forecast period. This growth is mainly mobile says Myburgh. "While tablet numbers will increase it is smart phones where the real numbers sit."

The number of smart phones in the country is set to grow from 22 million to 53 million. "Mobile is becoming the first screen of consumer and it is here where brands need to focus their attention and innovations."

**About the Outlook:** It presents annual historical data for 2010-2014 and provides annual forecasts for 2015-2019 in 11 entertainment and media segments for South Africa, Nigeria and Kenya: the Internet, television, filmed entertainment, video games, business-to-business publishing, recorded music, newspaper publishing, magazine publishing, book publishing, out-of-home advertising and radio.

## ABOUT DANETTE BREITENBACH

Danette Breitenbach is a marketing & media editor at Bizcommunity.com. Previously she freelanced in the marketing and media sector, including for Bizcommunity. She was editor and publisher of AdVantage, the publication that served the marketing, media and advertising industry in southern Africa. She has worked extensively in print media, mainly B2B. She has a Masters in Financial Journalism from Wits.

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