

E&M gets personal

By [Danette Breitenbach](#)

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Digital revenue in South Africa will continue to make up more and more of the Entertainment & Media (E&M) industry's income. Digital spend will exceed non-digital spend this year in South Africa, with a total share of spend of 51.6%. Internet advertising has overtaken newspaper and radio advertising and will overtake television to become the largest advertising segment in 2022.



Image source: PwC global entertainment and media outlook.

“People are spending more time in the digital environment and advertisers are following them there,” says Charles Stewart, partner at PwC and part of the team for the Entertainment and Media Outlook: An African perspective, 2019 – 2023 when he presented the main findings of the 10th edition of the African version, recently in Johannesburg.



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By 2023 total E&M revenue in South Africa is expected to reach R170.5bn, up from R128.9bn in 2018. “Some segments are growing more rapidly than others. He says:

“ VR and esports top the list, while books and magazines show a very small growth and newspapers continue to decline. Television is still showing good growth. Most of the movement is from traditional pay subscription to streaming services which will only increase. ”

These shifts have affected the advertising segment, but advertising revenue in the internet segment is still looking good, with a forecast 12.4% growth. “By 2023 globally marketers will allocate more than 50% of their budget to E&M advertising. South Africa is not there yet. It is forecast that digital advertising will make up 25% of advertising spend in E&M in 2023,” he adds. Where the country is ahead of the global curve is on data consumption via smartphone (over other portable spend). Globally smartphone data consumption is forecast to overtake fixed broadband in 2020. South Africa reached this point in 2014 already.”

He adds that the affordability of smartphones and improvements in data costs are driving this. Mobile internet access will grow faster than fixed broadband where consumers can access and afford it. The result is that in 2023 mobile internet advertising will overtake wired.



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Putting me in entertainment and media

With the massive shift to mobile, it is important to understand where advertising is being delivered and how the consumer consumes it. "Personalisation is a global trend and it is moving media consumption from passion to action. Individuals are using media as an enabler for social interaction and this is creating a new type of personal space. It means that brands need to pitch to billions of individuals," says Stewart.

This shift is shaping the entertainment and media industry.

As personalisation increases, so does the value of personal data. "Companies will need to ensure that they can protect the individual's data if they are to trust the company. This means companies need to understand their consumer and evolve their business – be nimble, - build their capabilities (with individuals who can interpret and act on data), delight their consumers and understand the context (staying abreast of new developments)."

The continuous improvements in technology with the rise of smartphones and being connected will only enable more consumption.

Africa's mobile story

The mobile story continues for Africa with internet penetration and overall growth in the market correlate. In South Africa, internet penetration will move from 63% in 2018 to 80% in 2023 and from US\$9.2bn to \$12.1bn respectively. Nigeria will see growth from 21% internet penetration in 2018 double to 40% in 2023, a jump from \$4.5bn to \$108bn.



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Breakneck pace of change

In 1999 the world was concerned with Y2K, and then came Facebook, YouTube, the iPhone, and 4G all changing the world dramatically. Brace yourself, says Stewart, because the breakneck pace of change is set to continue.

“The breakneck pace of change is not going to let up any time soon, and while this may be a concern or challenge for some, it is also a catalyst for growth.”

A successful strategy in the E&M environment will require a tailored, granular approach. “Then the outlook for E&M is exciting. To engage and obtain a share of wallet a company will have to have access to technology, provide excellent content, delivering it in a cost-effective manner than engages the audiences and gets them to trust the brand,” he adds.

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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