

Media trends 2016

By Brendan Seery, issued by Independent Media

28 Jan 2016

In the late 1990s, Bill Gates wrote a book predicting where technology would take humankind in the following decade. Just under 20 years later, few of his predictions have come true.



Really? Ok - how many "smart", web-connected fridges do you see checking milk and eggs supply levels and automatically re-ordering online? And how many of you have digital photo frames which change their photographs automatically as your moods change?

Predicting media trends is always going to be difficult - but doubly so in a sector where digital has so much influence. One has to be very wary of making predictions based on what you want to see happen as opposed to what consumers are actually going to do.

By far, the biggest - and most ominous development for the digital sector - is the exponential growth of "ad blocking" software. It sneaked in to South Africa almost un-noticed last year while all the experts were predicting that "programmatic" digital ad buying was the unstoppable wave of the future.

In Europe, towards the end of last year, the use of ad blockers among digital users was rising at a rate of 40 to 45 percent annually, whereas the US was increasing at just 15%. Even 15% growth is scary and a working group from the WAN-IFRA newspaper association effectively issued a disaster warning, saying ad blocking is "severely jeopardising the digital advertising ecosystem."

In South Africa, there has been clear evidence about increased use of ad blockers. In the year ahead, digital agencies and advertisers who use the medium are going to have to re-think the way they have been doing business. Ad blockers are on the rise, but particularly in mobile settings, because ads have become intrusive and they gobble up the precious bandwidth of consumers. Those are issues which will have to be addressed.

Advertisers themselves are going to be drawing back on expenditure in all media and brand managers are going to be asking for more accountability and the ROI (Return on Investment) question is going to be asked a lot more harshly this year.

Traditional media will continue to be under siege, not only from digital but also from fundamentally changing consumer habits, as well as advertising budgets which will probably be tighter than at any other time in South African business history. TV now faces serious competition from streaming platforms like Netflix and ShowMax. The early adopters for those offerings are the sort of people who are a dream demographic for advertisers.

Radio will continue to be a highly effective advertising medium and might well draw revenue away from other media.

Newspapers will continue to deal with downward pressure on sales and will have to respond to advertisers by offering eyeballs in both the print and digital spaces and to get both the old and the new working together. Newspapers, though, will still continue to be the medium which will be the one to follow by all others in terms of breaking news stories. Similarly, print still offers a platform which is appealing to consumers because it is "opt in" and, therefore, not intrusive.

I believe that South Africa will follow the trend abroad which has seen the mega-platforms - Google, Facebook and Twitter (along with Apple to a lesser extent) - gobbling up even more revenue as advertisers look for comfort in those big numbers.

Media content companies will have to decide whether they play ball with the big guys - and run the risk of surrendering their own targets to the very different aims of the gorillas, in return for the promise of bigger numbers - or whether they develop their own platforms.

ABOUT BRENDAN SEERY

Brendan Seery has been in the news business for most of his life, covering coups, wars, famines - and some funny stories - across Africa. Brendan Seery's Orchids and Onions column ran each week in the Saturday Star in Johannesburg and the Weekend Argus in Cape Town.

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