

## Pay-tv cap won't save the SABC, measurement and innovation will



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The SABC should look beyond revenue regulation for its security. Covid-19 is a global socio-economic issue, they should leave the competition alone.

The Covid-19 pandemic, besides the obvious disruption across all sectors, has also brought a great scramble for advertising budgets, in particular the big traditional broadcasters. The proposal from the SABC (South Africa's public broadcaster) to have the <u>distribution of advertising</u> revenue regulated in television advertising is one of the current woes - Business Live By Bekezela Phakathi. What the SABC is not grasping is that their difficulties can easily be solved through better measurement, evaluation, and innovation to unlock more advertising budgets, instead of regulating revenue distribution.

Customer journeys have vastly been disrupted across all industries as consumers across the globe settle in the new normal. As depicted in The <u>SA Social Media Landscape Report 2021</u>, South Africa alone has seen a 1.7 million increase in internet adoption, bringing internet users up to 38.2 million. The demand for internet and over-the-top streaming services at the consumer level, the media level, and the enterprise level will continue to accelerate.

The lockdowns we experienced throughout the pandemic has clearly shown how people turned more towards digital channels to be entertained, stay connected, and shop. This change in consumer trends and behaviour has required a strategic shift in the marketing resource allocation and led CMOs across different industries to evaluate the relative value of their channel investments. Brands want to communicate with the users of their products or services and will prioritise marketing channels that cater to their audience. Creating laws that limit advertising revenue received by pay-television services can lead to a further decrease in above-the-line advertising and force brands to focus on performance marketing channels such as Social and Search advertising.

Arguably, we can never entirely disregard traditional advertising, it plays a significant role in building a good brand presence, but more ingenuity is required from broadcasters to maintain production and buying of quality content suited for their audience. To do this requires going back to the basics. Firstly, researching your audience to keep up to date with their needs and adapting to their changing preferences. Secondly, monitoring and tracking competitor activity to keep abreast of change and maintain competitive advantage. Doing so will help retain your audience and enable you to identify new opportunities to grow them.

Additionally, the broadcasters should apply for a rigorous sales programme. Educate their sales teams and ensure a good understanding of the content and the audience that consumes it to find the right advertising clients. Even more so, remember the brands ultimately decide which broadcaster they believe is most suited for their brand based on the content, target audience and size of the viewership or listenership of the broadcaster.

The promotion of digital transformation that has come with the pandemic has created newfound pressure on the recurring list of traditional advertisers concerns around effective operating models, strategies and resourceful use of technology. The pressure will continue to increase if broadcasters fail to ride the digital wave or innovate to recapture the populations' audience as customer trends suggest.

We have faith in the SABC, they are a great brand but have been decimated through maladministration. Through the years, they have documented and captured the evolution of South Africa through news and well-loved homegrown content. They need to maintain the standard and innovate to recapture the audience. If they serve the needs of their audience and clients, then the money will follow suit. They should just do their thing and allow the competition to do theirs.

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## ABOUT ORESTI PATRICIOS

Oresti Patricios, OEO of the OrnicoGroup (www.ornico.co.za), has long been on the cutting edge of the media, advertising and branding industries. He has an MBA at GIBS and did his thesis on social media when Twitter was barely a twit. He has always driven his vision of dominating African media & brand intelligence. Contact Oresti on tel +27 (0)11 884 5041 or email Oresti@ornicogroup.co.za and follow @orestaki on Twitter.

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