

Is television advertising still as effective as it once was?

With the rapid advancement in technology, advertisers now have a plethora of media types to choose from, including social media, radio, print, outdoor, and more. This shift has led to a debate about whether television advertising is still as effective as it once was.



Source © Kheng Ho Toh [123rf](#) With the rapid advancement in technology, advertisers now have a plethora of media types to choose from including social media, radio, print, outdoor, and more. So is TV advertising is still as effective as it once was?

Television. This once-luxury item has become commonplace in almost every home, akin to a kettle or a stove.

But says the Ornico Group (Ornico) says gone are the days when families would gather around the television at a specific time every day to watch a couple of hours of set programming.

And while televisions have been in South Africa since 1976, the first advert was only aired a year later when Big T Burgers made its debut and infiltrated the minds of consumers in a whole new way.

Magazine and radio advertising became “old news” very quickly, and television has dominated the advertising space ever since.

Despite being the dominant medium for advertising for many years, television advertising has faced stiff competition in recent times from streaming services like Netflix, Amazon Prime, and Disney+.

Advantages to TV advertising

But, says Ornico, there are many advantages to television advertising that should not be overlooked:

1. **Wide reach:** Television is a mass medium that reaches a large audience, making it an effective way to promote products or services to a large number of people.
2. **Visual appeal:** Television advertising can use images, graphics, and videos to create a visually compelling message that can grab the viewer's attention and increase the chances of the ad being remembered.
3. **Targeted advertising:** With the ability to target specific demographics, advertising can be tailored to reach the audience that will most likely be interested in the advertised product or service.
4. **Brand awareness:** Television advertising can help build brand awareness by creating a memorable message that consumers associate with the brand.
5. **Flexibility:** Television advertising can be adjusted to fit different budgets, timeframes, and advertising goals. Advertisers can choose the time slot as well as running time.
6. **Credibility:** Television advertising can add credibility to a product or service by associating it with a trusted media outlet or network.

Challenges to TV advertising

Despite these advantages, traditional television advertising has been facing challenges says Ornico.

In May 2022, the SABC reported its biggest loss in revenue collection to date. The public broadcaster claims to have lost over R 600m due to a significant audience decline on its platforms in the past two years. The revenue loss is attributed to a decline in the viewer base as global trends see viewers migrating to online streaming services.

DStv parent company, MultiChoice, has also seen a steady decline in premium subscriptions as viewers veer toward cheaper packages such as DStv's Compact and Commercial offerings.

MultiChoice disclosed in 2018 that they had experienced a decline of 100,000 DStv Premium subscribers in the previous financial year. This was attributed to the "unregulated" competition they encountered from internet streaming services such as Netflix. The complaint was brought to The Independent Communications Authority of SA (Icasa) by MultiChoice, who was subsequently requested to provide proof to back up its claims.

It appeared that MultiChoice's plan backfired as Icasa doubled-down on its investigation of the broadcaster's market dominance and revealed plans to further regulate the firm.



Total TV Share vs Broadcast TV Share

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Valid concerns for the industry

But, MultiChoice has been supplying paid-for television for over 20 years, and their concerns for the industry are valid.

Streaming services are not subjected to the same rules and regulations such as BEE compliance and taxation, nor do they have to employ South Africans or produce local content.

So, in essence, there are millions of rands leaving the country right in front of our eyes. Icasa continues to drag its feet by extending its probe into the pay-TV market, thereby allowing the streaming industry to carry on unchecked and free to uncover more loopholes to allow new technologies to operate without regulation.

Viewers have finally had enough

South Africa is still grappling with the aftereffects of the pandemic and as such have had to tighten already tight belts. The demand for better quality programming has led to a revolt on TV License payments as well as ditching DSTv premium subscriptions.

Viewers have been complaining for years about the lack of variety and quality entertainment from both the SABC and MultiChoice and they have finally had enough.

Whilst the economic climate can be blamed for the cutback in luxury items such as subscription video-on-demand (SVOD), one also needs to consider the changing attitudes and preferences of viewers.

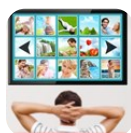
Ad-free options: Problematic for advertisers

In the eyes of the audience, the main advantage of streaming services is that these offer ad-free or limited-advertising options, which allow audiences to watch their favourite content without being interrupted by commercials. This could be problematic for advertisers.

According to Statista, TV ad revenue in South Africa is expected to grow from R7.2bn in 2018 to R7.9bn in 2023, which means that advertisers should find new ways to reach their target audience.

Data from streaming services can be used to create a more targeted and personalised advertising experience. For example, Ornico says ads can be targeted based on users' viewing habits, location, and demographic data.

This can lead to more effective advertising as the ads are more relevant and targeted to the viewer's interests. Furthermore, streaming services can provide advertisers with more data on the effectiveness of their advertising campaigns, allowing them to track how many times an ad was viewed, how long viewers watched the ad, and even how many viewers interacted with the ad.



Broadcast digital migration will erode free-to-air TV market

27 Feb 2023



Traditional TV advertising still relevant in SA

However, Ornico says that traditional TV advertising is still very relevant in South Africa's advertising landscape. While streaming services are becoming more popular, traditional TV still reaches a large audience, particularly in rural areas where internet access is limited.

Additionally, TV remains an effective way to reach older viewers who may not be as tech-savvy or prefer the convenience of watching live TV. As the world moves more online, traditional TV advertising remains relevant and effective in reaching certain demographics and areas.

Advertisers would be wise to adapt to the changing media landscape by using a combination of TV and digital advertising to reach their target audience effectively

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