

# A world of differences

By  Danette Breitenbach

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The African entertainment and media industry faces profound disruption, but it is exactly within this disruption that companies are finding opportunities. In stark contrast the industry is both stagnating while at the same time showing spectacular growth.

The 7th annual Media and Entertainment Outlook (Outlook) 2016 - 2020 was released last week at a function at Urban Brew Studios in Randburg. The Outlook is produced annually by PwC and focuses on a period of five years in the South African, Kenyan and Nigerian entertainment and media markets.

The Survey shows that the entertainment and media segment will grow at just over four percent next year, this is a slowdown from the five percent of last year, with a number of trends continuing to manifest themselves. However, this in itself is not that interesting. It is only when you start to dig deeper that you find the real story, says Charles Stewart from PwC.



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“The period forecast, 2016 - 2020 shows a slowed growth because of a maturing mobile internet penetration, but also because of macro-economic factors that will influence the down spend in this segment.”

Over the past five years the leaders in growth have been internet advertising, internet access, cinema, and then television and video. In the forecast period the biggest growth leaders will continue to be internet advertising and internet access,

followed by video games, television and video. However, it is the first two that are literally streaking away. Radio will also continue to be a good medium that is effective in reaching a large population.

In this world it is advertisers who are leading the way and by the end of the forecast period, advertising spend will eclipse consumer spend.

The Outlook identified five trends/key shifts that are defining entertainment and media in Africa.

## **DEMOGRAPHY: The youth**

It is the youth that is propelling the growth in entertainment and media through to 2020. This is especially so in markets with a more youthful population, such as South Africa, Kenya and Nigeria. These markets also display a higher media and entertainment growth.

## **COMPETITION: Content is still king**

Despite the industry growing more global, culture and tastes in content remain steadfastly local. The recipe for success is to have global reach, but local content.

## **CONSUMPTION: The joy of bundles**

The bundle is not dead, but it has changed as you can now create what you want to. There is value in a curated package of content. The battle in media will not be over networks and up starts, but one between telecom companies, technology giants and network operators.

## **GEOGRAPHY: Growth markets**

Know where to invest and how to invest as governments become more aware of media and look to become more involved and exercise more control, through tax and regulations.

## **BUSINESS MODELS: Transforming with trust**

Large generalist companies will give way to smaller specialists, with nimble smaller competitors running circles around incumbents. Technology is allowing this. Smaller competitors have the ability to communicate and engage with consumers, something they could not do previously. For large incumbents this is scary and they need to create relationships that are of value to that consumer.

Entertainment and media businesses need to embrace the fact that to evolve they will need to embrace technology and combine it with business assets, customers and knowledge if they are to survive.

## **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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