

I'm not sure where it will end, but I know where it starts

 By [Harry Herber](#)

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It seems like just yesterday that the most overused word in the media planner's vocabulary suddenly appeared: convergence. I remember thinking how cool it was, and wondering how come the penny took so long to drop. Convergence was inevitable. Technology was flying and a single gadget that truly ran your life was surely on the cards somewhere in the not too distant future. Well, it has arrived.

The one reality that one couldn't, or didn't, foresee is what such a device would be called. All the seers imagined it too would have a name - such as a tape recorder, VCR, or radiogram. Why? Because that's how it has always happened. What they did not take into account was that this was a hybrid mechanism, borrowing features and attributes from various devices around it, and merging into a convergence product. Its name? Well, don't forget we live in the age of brands. So the name is the iPad 3, or iPhone 5, or Samsung Galaxy or Harry7. They are all the phones/computers/cameras/TVs/hi-fis of the '80s rolled into a single device.

Changing media habits

The result? They are changing media habits in so many ways. American consumers with broadband internet and free broadcast television are a perfect example. They stream video twice as much as the general population, and watch half as much TV.

But this is the tip of the iceberg. Worldwide media habits, that were pretty stagnant for many decades, are evolving and showing huge shifts as technology bites.

The internet may now seem like old news, but the love of the medium in marketers' hearts is just starting to manifest. Since 1997, internet revenue has grown by almost 3,000%. It's a figure that one can scarcely comprehend. Its market share went from less than 1% in 1997 to a 2010 reading that was sitting at almost 17%. Of course, with our poor infrastructure, we're lagging in good old South Africa. But mark my words: a tsunami is soon to break here too as access improves, even if it is going to be mobile-led.

But technology hasn't only benefited the internet revenues. Internationally, the growth of digital billboards and other forms of out of home media has rejuvenated a rather staid medium. Also, they have attracted revenues outside of their static board alternatives. So, overall the technology has been added to the existing static board revenues.

Ominous

Technology has also affected the television industry on a massive scale. The free-to-air stations will be battling uphill as satellite options continue to gain households. Logically this causes audience splintering and has resulted in a shifting of revenues (both of course are under threat in the long term from digital broadband alternatives).

But that's probably the end of the good news if you are a media owner. For other media types, things are looking more ominous.

Both radio and magazines are certainly piggy-banks that will be raided by media planners to fund online activity. In the US, ad pages in magazines dipped by 40% between 2000 and 2010. Sure there has been a recession, but clearly other forces are afoot. And think about it: pages sold is real advertising currency, no matter what is happening with circulations.

But newspapers, and here I think I will restrict my comment to sold newspapers, are in deep, deep hot water. In the US, they lost almost half their revenue between 2005 and 2010. And never mind what that says about media planners, and marketers.

Reduced spend

The real affect is on the business. How many South African businesses could survive, much less invest/change/re-invent themselves, if their revenue halved in five years? And it's not all due to the revenue shifting to newer, sexier options. It's the disappearing of their bread and butter business. For example, estate agencies have cut back dramatically since house prices have plateaued, financial notices are no longer mandatory (cutting a huge revenue source), and with the recession, the recruitment sector has also reduced spend dramatically. Not only will it take a brave visionary to turn it around, it will take one with deep pockets. I have no doubt that such people exist; what I wonder is if they believe the sold newspaper sector truly poses a long-term return, one that is better than could be achieved elsewhere.

I know one size doesn't fit all, and that there are certain market realities locally that change the true dynamic by which this country marches compared to the rest of the universe... But one day...

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